



国家开发银行
CHINA DEVELOPMENT BANK



CHINA DEVELOPMENT BANK
SUSTAINABILITY REPORT **2015**



国家开发银行
CHINA DEVELOPMENT BANK

SUSTAINABILITY REPORT

2015

Contents

| | | | |
|---|----------|----|-------------------------------------|
| 5 | About Us | 20 | Sustainable Development Strategy |
|---|----------|----|-------------------------------------|

| | | | |
|----|---|----|-------------|
| 6 | Message from the Board Chairman | 22 | Our Goal |
| 8 | Message from the President | 23 | Our Methods |
| 10 | Message from the Chief Supervisor | | |
| 12 | Specials: The Premier Inspecting CDB | | |
| 14 | Specials: New Positioning • New Responsibility | | |
| 16 | Specials: Prosperity, Beauty, Happiness —— Development Finance in Aid of “12th Five-Year Development Plan” | | |



| | | | | | |
|----|--|----|--|----|-------------------------------------|
| 24 | Sustainable Corporate Governance | 28 | Sustainable Development in Action | 90 | Sustainable Development Performance |
| 26 | Corporate Governance | 30 | Zero in on Innovative Development | 93 | Looking into the Future |
| 26 | Anti-corruption and Encouraging Clean and Honest Operation | 42 | Optimize Distribution and Realize Harmonious Development | 94 | Appendixes |
| 26 | Risk Management and Control | 52 | Tighten Management in Green Development | | |
| 26 | Participation of Stakeholders | 60 | “One Belt, One Road”, Open Development | | |
| | | 64 | Inclusive Finance Helps Sharing Development | | |
| | | 80 | All Aboard for Harmonious Development | | |



COURAGEOUS IN TAKING UP RESPONSIBILITIES
INNOVATIVE IN DEVELOPMENT



◎ About Us

The China Development Bank (Hereinafter referred to as “we” or CDB), as a development financial institution under the central government, undertakes the mission of “enhancing the national power and improving the livelihood of the people” and, by displaying the functions and roles of development financing in major areas, weak links and crucial periods, enables the national economy and society to develop sustainably and healthily.

Closely following and serving the country’s major medium- and long-term development strategies, we undertake to raise idle social funds and channel them into key development areas and major state projects such as infrastructure, basic industries, pillar industries and strategic emerging industries, and into economic restructuring, supporting the new type of urbanization, regional synergetic development and industrial transition and upgrading. We are committed to inclusive finance and to supporting the transformation of shanty towns, poverty relief by development and other areas concerning the livelihood of the people; we undertake to expand international cooperation and serve the strategies of “One Belt, One Road” and “outward development”.

We are committed to giving full scope to our advantages and functions in medium- and long-term investment and financing to innovate and improve the operational mode of development finance, enhance our own vitality, influence and risk-resisting capacity, making it an internationally top-notch development financial institution.



◎ Message from the Board Chairman

2015 was a year crucial in the global sustainable development moving from “understanding to practice”. It was also an important year in which the CDB integrated its own values with the sustainable development of the economic and social environment. In the year, the United Nations called a Sustainable Development Summit and Chinese President Xi Jinping and other state leaders adopted the “Transforming Our World: 2030 Agenda for Sustainable Development”, which called on all countries to take actions to change the outlook of poverty, infrastructure, education, employment and other key areas. In the year, the Chinese government came out with “innovative, synergetic, green, opening and sharing” development concepts, charting the course for the development with higher quality, greater efficiency, more equity and more sustainability. In the year, the CDB, as China’s development financial institution, energetically displayed its functions and roles in participating in global governance and cooperation, striving to build and improve the financial ecology and realize its unique values in the global sustainable development.

Act upon the concept of innovative development and realize more sustainable development. Acting according to the country’s macro-economic control, regulation and innovation, we well targeted the areas for support and adjusted accurately the loan structure. We innovated our mode of investment and financing, applying step by step such new modes as PPP and the purchasing of services by the government, establishing a new type of bank-government cooperation and multi-element sustainable investment and financing mechanism. We explored into new operational mode to adapt to the new positioning in the

new situation and conform to the characteristics of development financial institution. We firmly seized the new opportunities brought about by the state development strategy, restructuring and industrial upgrading to open up new markets, develop new products, offer new services to improve our abilities of serving the economic and social development.

Act upon the concept of synergetic development to promote equilibrium economic growth and regional development. We gave active support to such major infrastructure projects as railways, water conservancy and roads, pushed the development of “Made in China 2025” and “Internet +” and other major innovative areas and strategic emerging industries. We provided the impetus to the extensive development of Western China, the new round of invigorating the northeast China old industrial bases, and provided the powerful backing to the implementation of the state regional development strategy of giving priority to development in east China, promoting the rise of the middle part of the country, assisting in the synergetic development of Beijing, Tianjin and Hebei Province and the building of the Yangtze River Economic Belt.

Act upon the opening development concept to support the building of “One Belt, One Road”. By displaying the unique advantage of planning ahead and the important role of the financial engine, we gave great support to the interconnection of infrastructure. We encouraged Chinese enterprises to operate abroad and carry out international cooperation in building production capacity and get involved in global economic cooperation and competition. We put up



a multi-party financial cooperation platform and carried out international exchange and training in a bid to promote global inclusive economic growth by multipartite cooperation.

Act upon the concept of sharing development to promote inclusiveness of finance. We strengthened sustainably the financial financing for shanty town transformation to meet the needs in fulfilling ahead of time the annual target of building 5.80 million apartments to replace shanty houses and the follow-up projects. We made great support to the resettlement of people of impoverished areas, infrastructure projects and specialty industry development in the resettlement areas. With excellent action, we contributed our shares in eradicating extreme poverty. By displaying our advantage of medium- and long-term credit, we strengthened the support to agricultural infrastructure projects to enable agriculture to develop sustainably. We encouraged micro and medium-sized and small enterprises to grow and increase equitable employment by obtaining financial services. We went on to expand the coverage of students from poor families in getting loans in a bid to achieve fair and quality education for all.

Act upon the concept of green development to promote ecological civilization. We have paid high attention to improving the institutional system for providing green loans and intensified management of environmental risks. By market operations, we have raised social funds and channeled them into the ecological and environment areas. We strengthened the support to clean energy, energy conservation and remission reduction and ecological and environmental protection. We

deepened the consensus with stakeholders on environment protection actions and in coping with challenges of climate warming. By optimizing allocation of funds and innovating investment and financing modes, we provided an impetus to reduction of carbon discharge to safeguard the ecological security.

Standing on the new starting point of history, the CDB will persist in the positioning as a development financial institution, implement into depth the five major development concepts, the reform of the service supply side structure, further improve the operational mode as a development finance, strengthen the support to major areas and weak links, strive to make CDB an internationally top-notch development financial institution and make greater contributions to sustainable economic, social and developmental development and to the realization at an early date the goal of the UN 2030 sustainable development.

◎ Message from the President



In 2015, when the situation was stern and complicated at home and abroad, the CDB conscientiously implemented the macro-economic policies of the state, took a solid step in deepening reform, strengthened operational management and risk control, thus solidifying the foundation for sustainable development and making development finance better serve the country's economic and social development. By the end of 2015, the total amount of assets had reached 12.6 trillion yuan, with the bad loan rate kept at 0.81 percent, within 1 percent for 43 quarters.

Serve the national strategies. The CDB displayed its advantages in development finance to support the synergetic development of Beijing, Tianjin and Hebei Province, the building of the Yangtze River Economic Belt, the implementation of the "One Belt, One Road" strategy, actively explored into the possibilities of PPP investment and financing mode and government purchase of services and other innovative investment and financing modes, raised social funds and channeled them into major areas. The bank provided 750.9 billion yuan loans to shanty town transformation projects. It provided 121.6 billion yuan and 79.7 billion yuan loans to railway and water conservancy projects. It provided 253 billion yuan loans to support transition and upgrading of industrial structure and strategic emerging industries.

Commit to green development. We have further improved our green credit management and green credit policy system. The bank actively supported new energy sources and renewable energy sources, industrial transition, energy conservation and environment protection, and other green, low-carbon and circular economy to facilitate energy conservation and emission reduction and the law enforcement campaign in environmental protection. We persisted in green operations, implementing the procurement responsibility system. By the end of 2015, the amount of green loan balance had reached 1.57 trillion yuan.

Assist the implementation of the "On Belt, One Road" strategy. CDB has made substantial progress in encouraging high-speed railway and nuclear power enterprises to contract for projects in other countries and in promoting interconnection of infrastructure along the "One Belt, One Road". CDB has deepened multilateral and bilateral financial cooperation and carried out a diversity of foreign exchanges, especially with countries and regions along the "One Belt, One Road". It has pushed the reform of international operation management system and improve the distribution of agencies in foreign countries and raised international operation and credit management level.

Improve people's livelihood and wellbeing. We have innovated investment and financing mechanisms and service



modes to serve the work of tackling the most difficult poverty problems. We provided 212.2 billion yuan loans for this purpose to 727 concentrated impoverished areas, counties and state-designated poor counties. We provided more medium- and long-term loans for agriculture and rural areas to stimulate the development of agriculture, rural areas and farmers. We continued accepting applications for student loans and issued 18.7 billion yuan student loans.

Contribute to building harmonious homeland. We have established harmonious relationship with stakeholders to create a good work atmosphere and conditions and constantly raised the customer service abilities and levels. In 2015, the customer and employee satisfaction stood at 96 percent and 98 percent, respectively. We are keen on supporting public welfare cause. We donated 38.60 million yuan to charity programs and organized a variety of events to spread financial knowledge, benefiting 73,000 consumers.

Achieve organizational sustainability. We have brought to perfection the fundraising system and produced a “benchmark bonds+bonds with floating interest rate +super long-term bonds” full-line of products and the “interbank+over the counter+stock exchanges” bond issue mechanism, thus broadening the channels for raising funds and enhancing the abilities of funds to ensure development. We have deepened

comprehensive operations, pushed the market-oriented reform of subsidiaries and raised their synergetic development capacity. We have intensified all-round risk management, especially the risk management and control in major areas. We have put great efforts into reducing and disposing bad loans so as to ensure sustainable and healthy development.

2016 is the first year of the 13th Five-Year Development Plan period. It is a year for tackling the most difficult reform of the supply side structure. It is also a year crucial for CDB to continue deepening reform and steady development. We shall continue advancing amid difficulties with the pioneering and innovative spirit and make new and greater contributions to the country’s sustainable economic, social and environment development and better serve the great undertaking of building a complete well-off society.

A handwritten signature in blue ink, consisting of stylized Chinese characters. The signature is written in a cursive style and is located in the bottom right corner of the page.

◎ Message from the Chief Supervisor



In 2015, the CDB continued to explore into depth the legal construction characteristic of a development finance and strictly governed the bank in every aspect according to law. We sought development from the perspective of law; intensified management along the path of law, managed and controlled risks by means of law, and enforced strict discipline by drawing the red line of law to further elevate the bank's capability to serve state strategies and pursue sustainable development.

Optimize internal governance mechanism. We explored ceaselessly into an internal governance mechanism that is compatible with a development finance, adaptable to serving the national strategies, a mechanism that is scientific in policy decision making, effective in execution and efficient in supervision. We improved the group level corporate governance structure and took further steps in improving the governance framework of "three meetings, one level" (the shareholders' meeting, the board of directors meeting, the board of supervisors meeting and senior management level), with each performing its own duties in a synergic operation.



Enforce compliance operation. We persisted in creating a compliance culture, making it engraved in the hearts of the employees and reflected in action. We improved the system of strictly implementing our rules and regulations and supervision. We optimized the flow of operation and management to ensure all operations develop in a standardized and steady manner.

Improve the methods of internal control and supervision.

We deepened the reform of the internal audit system, addressing all the problems discovered during auditing and supervision. We improved the internal and external joint supervision, establishing a sound mechanism of joint meeting, joint checking and joint review.

Promote clean and honest operation and fight corruption.

We tightened discipline, placing discipline and rules compliance in a more important place and constantly improved the institutional system against corruption and for clean and honest performance. We strengthened precautionary education in clean and honest performance and intensified the accountability system and adopted a “zero tolerance” attitude toward corruption.

As a governmental development financial institution, we are deeply aware of the key role and strategic significance of the rule of law. In the new year, we shall continue enhance the rule of law in order to raise the comprehensive strength and core competitive power and better display our role in serving the national strategies.

刘梅生

SPECIALS

The Premier Inspecting CDB

On April 17, 2015, Li Keqiang, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China and Premier of the State Council came to inspect the CDB. At the bank's Fund Department, he heard reports on the financing for railway construction and water conservancy projects in the middle and western parts of China.

At the Housing Finance Department, the Premier has inquired in detail about loan facilities for the transformation of shanty-towns.

“Have you all been to a shanty town? You must go to more shanty towns to have a look when planning projects. Only by doing so, is it possible to put yourselves in their shoes and really get to know their plight.”

— Premier Li Keqiang



“Development finance should make greater efforts to sustain the national strategy and major projects, speed up the issuance of loans and display the important role of development finance in steady growth and restructuring.”

“It is an urgent task that concerns the general situation to increase the supply of public goods and services. A development and policy financial institution should show its mettle, giving a powerful impetus to major engineering projects.”

— Premier Li Keqiang

SPECIALS

New Positioning • New Responsibilities

On March 20, 2015, the State Council approved the CDB's reform plan. The objectives of the reform are: to launch market operations and restrictive mechanism to meet the needs of the state development and the requirements of the economic and financial reform, striving to make the CDB a developmental financial institution with adequate capital, standardized governance, strict internal control, operational safety, quality service and excellent assets so as to better display the functions of development finance in major areas, weak links and crucial periods and stimulate a sustainable and healthy development of the national economy.

This round of deepened reform is of great significance in improving the sustainability and better serve the sustainable and healthy development of the national economy. At present, the CDB has made much progress in implementing the reform plan, getting clearer about the long-term bonds and credits. The 48 billion U.S. dollars injected by the State Foreign Exchange Reserve have been put in place. Work is proceeding well with regard to the amendment to the Articles of Association, the division of operations and differentiated regulation and assessment.



“Operating under the new normal and the new positioning, CDB will concentrate its efforts on such key areas and weak links as shanty town transformation, railways, major water conservancy project, the new-type of urbanization, poverty-relief by development and strategically emerging industries. It will innovate mechanisms to deepen cooperation between CDB and the government in supporting major projects in key areas. CDB will continue exploration into new investment and financial modes, study new types of businesses, open up new modes, carry out R&D of new products, and strengthen exploration into the “blue sea” businesses. By resolving the problems of difficulty and expensiveness in financing, the CDB will do a down-to-earth work in reducing financing cost and go all out to support the development of the real economy.”

— Chairman of the Board of CDB Hu Huaibang

“Transformation of shanty towns is an inevitable demand in securing and improving the people’s wellbeing and promoting social harmony and stability. It is also an effective way to maintain a sustainable and healthy development of the national economy and change the economic development mode.”

“We hope that other financial institutions and all quarters of the society to work together with us and plunge into the transformation of shanty towns so that more people would make their dream of secure living come true.”

— Chairman of the Board of CDB Hu Huaibang



SPECIALS

Prosperity, Beauty, Happiness

—— Development Finance in Aid of “12th Five-Year
Development Plan”



The 12th Five-Year Development period is extraordinary five years in the CDB's 20 plus years of development and also the five years in which the CDB achieved major progress in its reform and development.

- Five Years on

The CDB persisted in development finance, eyeing the goal of becoming an internationally top-notch development financial institution, and steadily deepened reform, smoothed out its internal work flow and improved its group management framework, laying a solid foundation for achieving its long-term goal.
- Five Years on

The CDB devoted itself to serving the national strategies, striving for steady growth, adjusting the structure and benefiting the people, thus becoming an irreplaceable financial force in the national economic and social development.
- Five Years on

The CDB displayed its leading roles as a financial engine in encouraging enterprises to operate abroad and in serving the "One Belt, One Road" strategy, playing a daily growing important role in the international financial market.
- Five Years on

The CDB consolidated its advantages as a bond issuing bank, innovated bond products and methods of issue. The balance of bond exceeded 7.3 trillion yuan, becoming a financial institution that is the largest in the scale of bond issue, the most in products and the strongest in innovation on China's bond market.
- Five Years on

The CDB persisted in developing scientifically, taking into account the strategic necessity of projects, the balanceable accounting and sustainability of organizational development. Its total assets shot up from 5 trillion yuan to 12 trillion, averaging more than one billion yuan per person in terms of management. The rate of bad loans was kept within 1 percent, thus realizing a steady and sustainable development.

As the 12th Five-Year development plan period ended in 2015, we will face a new situation, new tasks and new requirements, we will uphold the philosophy of seeking progress in steady development and implement the new concepts, line of thought and measures for innovative development so as to better display its important role as a development finance during the 13th Five-Year Plan period.



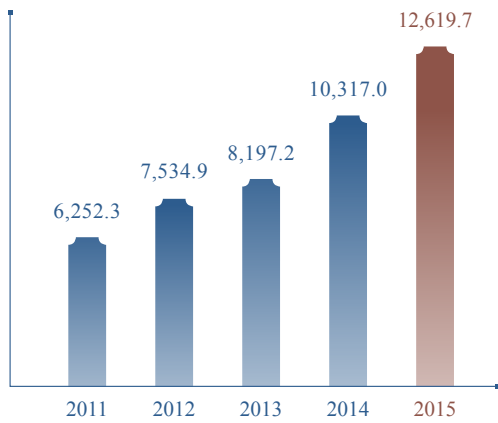
SPECIALS

Prosperity, Beauty, Happiness

— Development Finance in Aid of “12th Five-Year Development Plan”

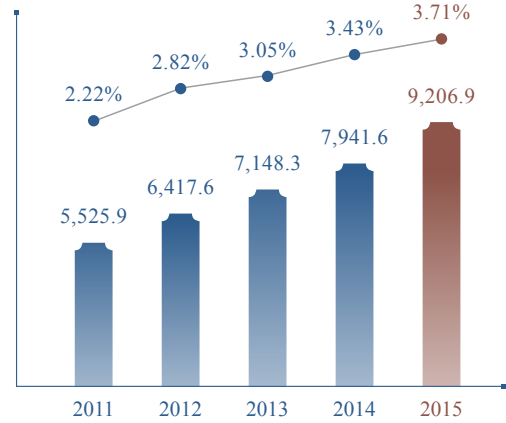
Unit: 10 billion yuan or %

Total Assets

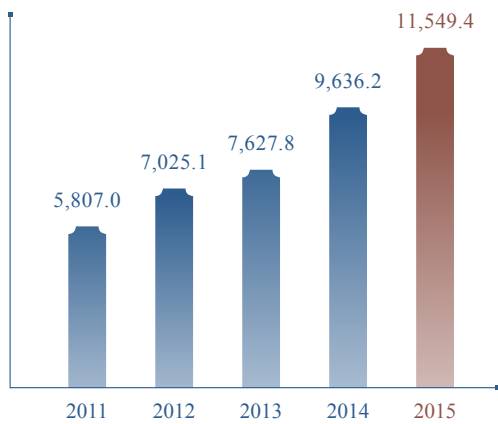


Position coverage

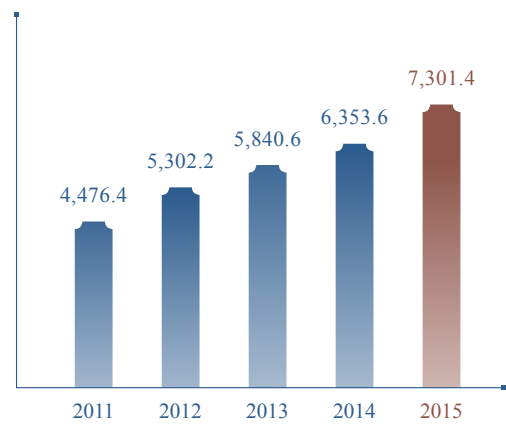
Balance of Loans



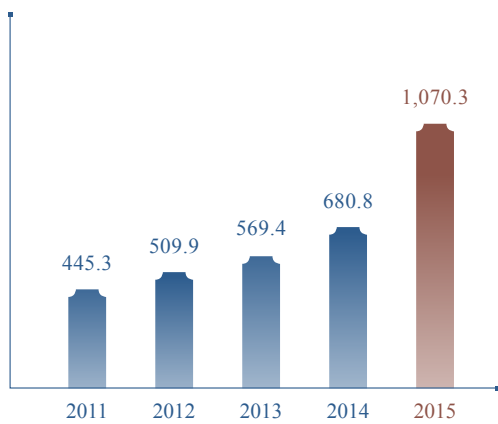
Total liability



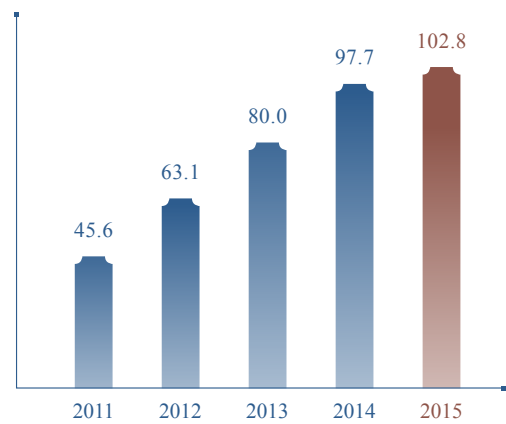
Balance of bonds

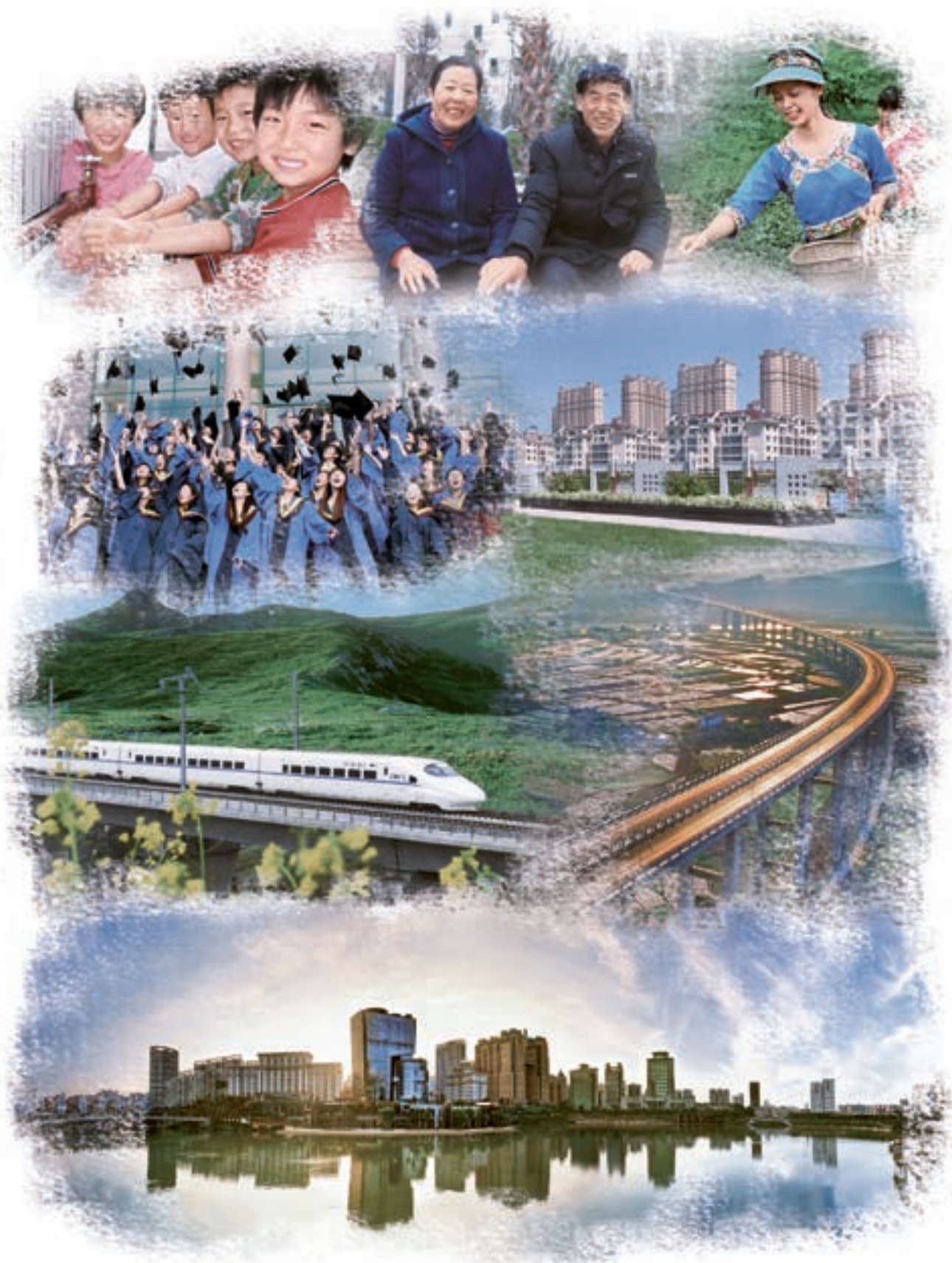


Shareholders' equity



Net profit







SUSTAINABILITY STRATEGY



◎ Our Goal

General Goal

Our purpose is to serve national strategies; our mission is to enhance national power and improve the livelihood of the people; the general goal is to make CDB an internationally top-notch development financial institution, with adequate capital, standardized governance, strict internal control, safe operation, quality service and excellent assets.

Objectives of Major Areas

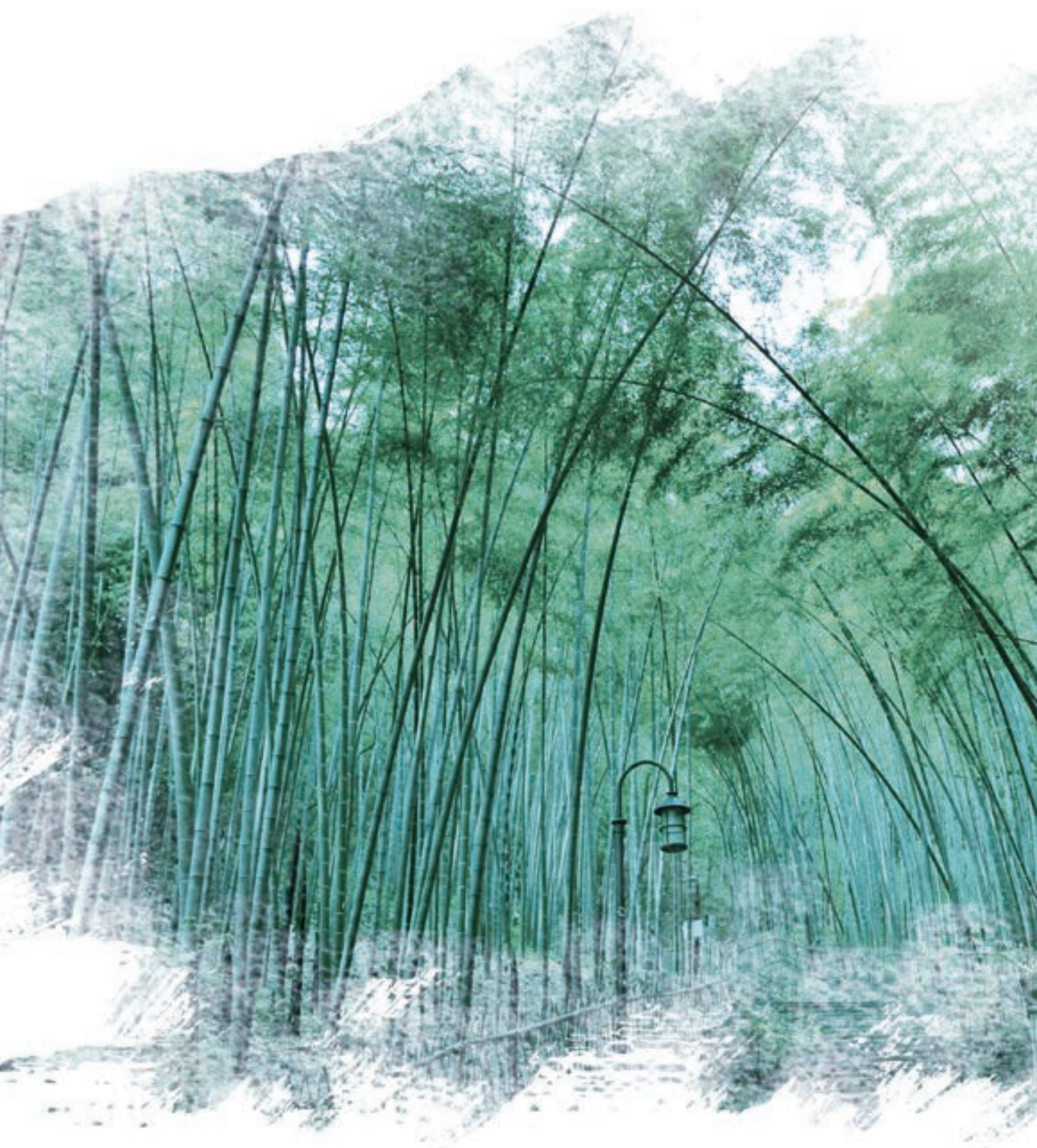


Sustainable Development Model of CDB



© Our Methods

We will carry our businesses with serving the national development strategies as the purpose, state credit as the backing, market as basic operational mode, striking even with thin profit as the operational principles, the medium- and long-term investment and financing as the main business, according to the strategic necessity of projects and the requirements of general accounting balance and organizational sustainability. We will employ the cooperation between our bank and the government, plan ahead and the market, creditability and institutional building and other development methods to create an operational mechanism featuring “population policy-development finance incubation-market outlet” and display our unique role in realizing the development objectives of the government, making up for the market failure, providing public goods, increasing the efficiency of the allocation of social resources, and stabilizing the economic cyclic fluctuations.



SUSTAINABLE CORPORATE GOVERNANCE



◎ Corporate Governance

In 2015, according to the goal of becoming an internally top-notch development financial institution and the requirements for building a modern financial corporate system, we strengthened the building of the corporate governance capacity, standardized high-efficiency operation, thus giving shape to an effective policy decision taking, execution and supervision system. The “three meetings and one level” (meetings of shareholders, board of directors and board of supervision and one senior management level) each performs its own duties in a coordinated operation, with the board of directors taking prudent scientific policy decisions, the board of supervisors strictly performing its supervisory duties and the senior management leading the employees in making progress in all work, especially the reform and development of CDB.

- Realizing high-efficient scientific policy decisions. In 2015, the CDB called 7 shareholders meetings, which reviewed and adopted 24 bills. It called 10 Board of Directors meetings, which reviewed and adopted 43 bills. All these gave a great impetus to the bank’s reform and development.
- Optimizing corporate governance mechanism. We improved the corporate governance system and studied and introduced the internal control and management rules, the risk management responsibility system, the internal control and assessment and other basic rules and regulations, making the scientific decision taking mechanism very efficient.
- Strengthening the governance capabilities of the Board of Directors. The Board of Directors optimized its setup structure according to their specializations so as to better display the expert role of the specialized committee. The board actively carried out investigations and study on such subjects as poverty relief through development and group customers risk control and management, thus raising their abilities of diligently performing their duties.

◎ Anti-corruption and Encouraging Clean and Honest Operation

In 2015, we went deeper into the campaign of fighting corruption and encouraging clean and honest operations. We carried out education in “learning the law, abiding by discipline and complying with the rules”, performed the commitment by employees to clean and honest operation and persisted in providing “a lesson, a quarter” to heighten the employees’ sense of discipline and rule compliance. We strengthened the institutional building in the fight against corruption and governing the bank according to law. We monitored all the risk-prone posts, with emphasis on discovering, identifying and monitoring the posts at high risks of abusing their powers to seek rents. We went on steadily with the joint supervision

to create sunshine projects to prevent corruption and business risks. We carried out checks of the behaviors of employees, with emphasis on work performance, social intercourse and family conditions. We collected the data and made quality analysis and handled different cases to prevent them from worsening. We persisted in carrying out checks upon receiving tips and fighting corruption cases whenever they occurred and handled every case properly. We conscientiously handled complaints and strictly handled discipline violation cases.

◎ Risk Management and Control

In 2015, we constantly improved the risk management system, implemented risk management strategy, policies and systems and adopted a number of measures to guard the bottom line. By the end of 2015, the CDB had controlled the bad loans at 0.81 percent, within the 1 percent range for 43 consecutive quarters.

- Creating and improving the risk management system. We strengthened the assessment capabilities, optimized approval procedures and guarded against any possible risks. We strengthened the line of thought and innovated the measures to reduce the rate of bad loans. We set up bad loan reduction mechanisms at all levels and employed multiple flexible measures to reduce bad loans.
- Strengthening risk control in key areas. We stressed risk precaution and warning system and watched closely for the risks to major industries, major areas, major customers and major projects. We standardized and improved the risk management of group customers and helped customers that had short-term difficulty but the long-term ability of coping with risks to tide over their difficulties and realize sustainable development, thus achieving all wins.
- Tightening the internal control and compliance management. We improved the internal control mechanism and related rules and regulations. We strengthened the building of compliance culture and established and improved the risk management responsibility confirmation system to heighten the sense of compliance on the part of employees. We completed the adjustment of the internal audit mechanism to strengthen audit supervision and executed the major strategic policy decisions, raising the senses of risk control and compliance in the whole bank and stimulated the bank governance by law and standardization of the use of power, thus making the corporate governance sound.

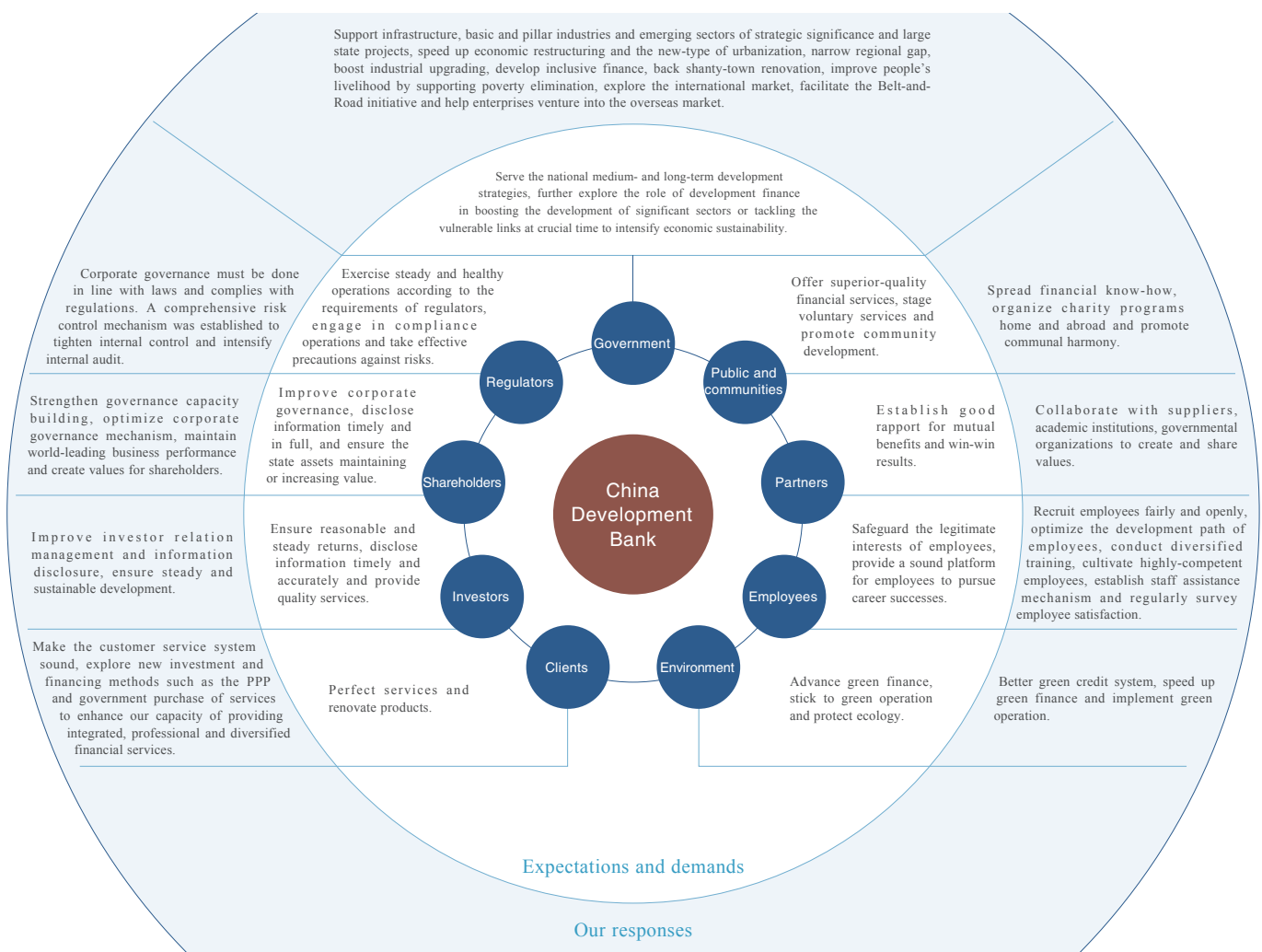
◎ Participation of Stakeholders

We highly valued the important roles of stakeholders in participating in realizing the strategic goal and in striving for a sustainable development. We set up and improved the system for the participation of stakeholders to bring about a harmonious and common development with stakeholders.

Communications and Exchange in Taking Up Responsibilities

- We opened a column on social responsibilities in the official website of CDB, which regularly issues and renews information about social responsibility to strengthen the interaction with the general public by means of WeChat, MicroBlog and other new media.
- We published an annual sustainability report every year to acquaint the stakeholders with how the CDB performs its social responsibility and how it works for sustainability.
- We conducted dialogues with the UN Global Compact, UNEP, the Global Reporting Initiative (GRI) and other international organizations. We exchanged views with Mr. Mogens Lykketoft, Chairman of the 70th UN General Assembly, on how development financial institutions help realize the “Transforming our World: The 2030 Agenda for Sustainable Development”. We sent people to participate in a workshop on the 2015 UN Global Compact Leadership, where we discussed with parties concerned the “road map for a comprehensive sustainable development” in a bid to set up a global mechanism for economic sustainability and social values innovation.

Stakeholders Participation





SUSTAINABLE DEVELOPMENT IN ACTION



◎ Zero in on Innovative Development

Railways

“The CDB should support railway construction in an all-round manner through offering loans, underwriting bonds and other investment and financing methods.”

— Ma Kai, Vice-Premier of the State Council

“The CDB has persistently displayed its advantages to provide big sums, long-term and low-cost capital for railway construction, demonstrating its firmness and execution power in serving the national strategies.”

— Xu Shaoshi, minister in charge of the State Development and Reform Commission

Challenges

As the major arteries of the national economy and the major state infrastructure and popular means of travel, railways play a vital role in the national economic and social development. The “12th Five-Year Plan for the development of national railways put forward the objective of building a green railway network that is convenient, safe, economical and highly-efficient and meeting the needs of economic and social development.

— Basically completed a high-speed railway network, covering all the provincial capital cities and cities each with a population of more than 500,000, shortening greatly the time and space between regions, making it easy, convenient, efficient and comfortable for travel.

— Further optimized and improved the big-power international trunk railways and coal hauling lines, with the carrying capacity for major materials and inter-regional cargo services greatly raised and the capabilities of supporting national economic development much improved.

— Accelerated the building of comprehensive transport hubs and logistics centers that are closely linked with other means of communication, raised the service efficiency and stimulated the building of the overall communication and transportation system.

Action

The new investment and financing modes we designed and innovated displayed their advantages and roles in medium- and long-term investment and financing. We employed the “investment, loans, bonds, leasing and stocks” to aid the construction of major railway projects and served the healthy development of the economic and social development. During the 12th Five-Year Plan period, CDB supported the construction of 25,600 kilometers of railway, accounting for 84.29 percent of the operating mileage. This included 14,300 kilometers of high-speed railways, accounting for 75.29 percent of the total high-speed railways.

On June 30, 2011, the Beijing-Shanghai high-speed railway we financed started operation. It linked the Bohai-rim region and the Yangtze River Delta, covering an area with a quarter of the country’s population. By the end of June 2015, the railway had

carried over 330 million passengers, winning the national scientific and technological award for 2015.

On December 1, 2012, the country’s first high-speed highway on the high cold area – the Harbin-Dalian High-speed Railway – we financed started service. The 921-km railway linked up all the major cities in Northeast China.

On December 25, 2014, China’s longest high-speed railway – Lanzhou-Xinjiang railway-started service. The 1,776 km railway is the main artery linking Xinjiang with the inland.

On June 28, 2015, the Hefei-Fuzhou high-speed railway we financed started service. It linked the most famous scenic areas of Caohu, Huangshan and Wuyuan, known as the most beautiful railway in China.



High-speed train passing through the bridge over the Bohai Bay

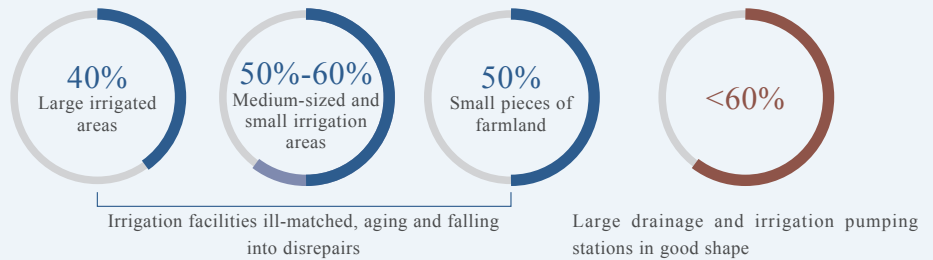
Water Conservancy

“Thank the CDB for its high attention and all-out support to the water conservancy work.”

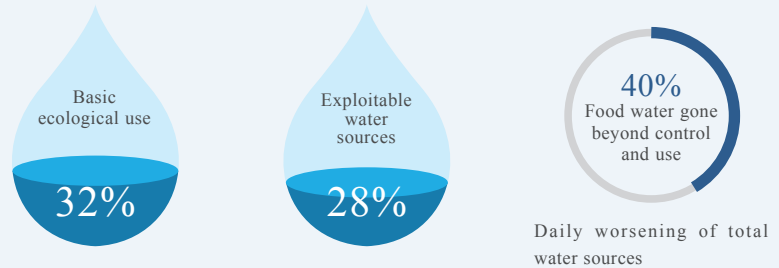
— *Chen Lei, Minister of Water Resources*

Challenges

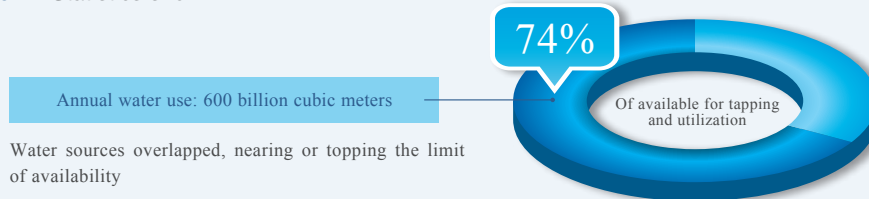
Challenge I: Nearly half of China’s cultivated land lacks the basic irrigation conditions



Challenge II: In the amount of ground water sources



Challenge III: Statistics show



Action

We have dedicated to cooperation with the government in optimizing water conservancy credit policy to ensure the cross-regional water diversions and backbone projects for taming rivers and lakes and projects for supplying water to the people so as to increase the bearing capacity of water sources in national development.

During the 12th Five-Year Plan period:

Major water conservancy projects CDB supported

- Major water-efficient projects in farming
- Major water diversion projects
- Major water source projects
- Projects for taming rivers and lakes
- Newly built large irrigation projects

During the 13th Five-Year Plan period:

To strengthen cooperation with the government and do well in top-layer design; strengthen cooperation of the State Development and Reform Commission and the Ministry of Water Resources to track and cultivate major projects and study the investment and financing for water conservancy projects and remove barriers in the financial bottleneck. To establish communication mechanism with the Ministry of Water Resources to plan and study major water projects and innovate investment and financing modes and resolve major problems.

To implement the spirit of the instructions by the Central authorities and study poverty relief through water projects and strengthen financing for such projects with emphasis put on rural safe drinking water projects.

To provide more loans to meet the financial needs of major water projects; to bias credit resources toward major water projects and provide preferential policies.

To display the leading role of finance and provide more facilities to the weak links; to spread the financing mode of the government consolidating resources and the CDB providing loan facilities and enterprises executing projects; to support the rural safe drinking water projects, with focus put on building a number of small, dispersed and widespread water projects to ease the difficulty in building small water conservancy projects.

To create new financing modes to broaden financing channels. To fully display the leading role of the CDB to create new investment and financing mechanisms; to study and spread the PPP financing mode and the government purchasing services and other financial modes; to create new financial products, channeling social capital into infrastructure projects to broaden financing channels for water projects.



Innovation is the No. motive power for sustainable development. We will establish diversified investment and financing systems, create more investment and financing modes and explore into the possibilities of a new type of cooperative relations with the government, spread PPP mode, government purchasing services and other new modes to serve major areas and major projects such as railways, water conservancy projects, power projects, roads, petrochemicals and public infrastructure; by optimizing the credit structure, CDB will give priority to directional support and accurately targeted projects and strengthen the service to strategic emerging industries, science and technology innovation projects, cultural industry as well as national independent innovation demonstrative zones and free trade zones; CDB will actively cultivate new economic growth points and employ new methods and modes to bring about sustainable economic, social and environment development.

Move Toward Grand Development of the Railways

In 2015, we supported the railways in the reform of investment and financial system and displayed the functions and roles of medium- and long-term loans provided by CDB in laying a solid financial foundation for the Hefei-Fuzhou high-speed railway and the Lanzhou-Chongqing passenger railway, ensuring the smooth-going of the projects and bringing about the economic and social development along the routes.

Case Study

10 Billion Consortium Loan to Buttress the Most Beautiful Railway Project

After 5 years of construction, the Hefei-Fuzhou high-speed railway started service in 2015, shortening the running time from the original 8 hours to four and enabling more common people to take the most beautiful high-speed train to see sights.



Hefei-Fuzhou Railway Yangtze River Bridge at Tingling, Anhui Province

“Thank CDB for its long-term support and assistance to the Hefei-Fuzhou High-speed railway project, which started service, enabling passengers to enjoy the high quality service while feasting their eyes with the beautiful landscape along the route. I hope CDB would continue supporting railway construction, enhance communications and bring the cooperation into depth.”

— Zhang Jiye

“As high-speed railway is fast, convenient and as easy public transit, plus the many tourist sights along the Hefei-Fuzhou railway, many passengers have opted for this line. The railway dispatches a pair of trains in 26 minutes on average, Anhui, Jiangxi and Fujian have realized links by high-speed railway and it takes less than 30 minutes between such famous scenic spots as Huangshan, Wuyuan, the Sanqing Mountain and the Wuyi Mountain. Such speed has brought an extraordinary enjoyment.”

— All-China Railway Net

“Of late, the Hefei-Fuzhou railway, known as the ‘most beautiful line’, has been running hot in the buddy circles. Many people are looking forward to having a ride.”

— Anhui News Net



Major Water Conservancy Projects

In 2015, we signed with the Ministry of Water Resources a memo on strategic cooperation in undertaking major water conservancy projects, promising to support major water sources and other projects. Of the 28 projects that started up in 2015, 17 got the financing from CDB. We fully displayed an important role in protecting and utilizing water sources, supporting agriculture development and increased income for farmers. These projects also took along a number of other industries.

Case Study **Altas Water Control Project**

The Altas water control project is the most important project for controlling the Ye'erqiang River, known as "Three Gorges" in Xinjiang. CDB Xinjiang planned cooperative loans and organized a consortium loan and other financial services to satisfy the needs of the project at different stages of construction.

After completion, the project will raise its anti-flood standards from resisting a flood rare in 2.5 years to 20 for farmland along the river. At the same time, it can supply 2.06 billion kwh of clean energy to the southern Xinjiang grid to satisfy the urgent needs of Kashi and other areas. It supplies 330 million cubic meters of water downstream to ensure the needs of the Tarim River ecology. It will effectively ease the water source bottlenecks for the sustainable economic and social development of Xinjiang.

Major Road Construction Projects

In 2015, we strengthened support to express highway network projects, roads in the middle and western parts of the country and high-class border roads and other major road construction projects.



Jingdezhen-Wuyuan-Huangshan express highway project financed by CDB Jiangxi with a consortium loan of 3.89 billion yuan.



The interchange project in northern Dezhou financed by CDB Shandong. By the end of 2015, CDB Shandong had financed 20 national and provincial highways in Shandong Province, accounting for 37 percent of local expressways in service.





The Xishi road built with the loan provided by CDB Yunnan

“The Xishi Road is an important communication hub and economic trunk road in Yunnan Province. The completion of the project will further improve the provincial express highway network. It will accelerate the building of provincial highways and economic sphere of the cities in central Yunnan, the efficiency of logistic movement and stimulate the economic development along the route and link up the tourism resources.

— Ding Shaoxiang, vice governor of Yunnan Province

“The Xishi express highway passes through Luliang and Shilin counties, linking up the tourism spots along the route, such as the colorful sand forests in Luliang and the national geological park in Shilin. It will stimulate both the economic development and the tourism industry along the route.”

— Yunnan Information Daily

Public Utilities

In 2015, we innovated the investment and financing modes to broaden the fund sources for the building of public infrastructural facilities and public service facilities, with the priority given to underground utility tunnels and the transformation of public utilities in sponge cities to increase the supply of urban public goods and inject renewed power for economic development.

Case Study

Financing the Urban Underground Tunnel Construction of Jilin Province

In July, 2015, we signed with the Jilin provincial government and the department of housing and urban and rural construction a framework agreement on making Jilin a province for piloting the construction of city underground utility tunnels. Jilin planned to complete about 1,000 kilometers of city underground utility tunnels from 2015 to 2020. The three parties to the agreement closely communicated with one another and actively explored into the investment and financial modes, the operational modes and assessment and management modes, thus accumulating experience that can be duplicated nationwide.



Ceremony on signing a framework agreement on making Jilin a province for piloting the construction of city underground utility tunnels.



CDB Suzhou provided loan facility for the No. 1 tram car line in the Suzhou High and New Technology Zone. The project is of great significance in effectively utilizing the urban land resources and in improving the urban public transit system.

Assisting Strategically Important Emerging Industries



CDB Guangdong and CDB Shenzhen supported the Shenzhen Huaxing optic electric in development into the global No. 5 supplier of TV liquid crystal plates.

In 2015, we strengthened the study and financed the purchase of integrated circuit industry to help the BOE and other new generation display technology production lines in the service of the “Made in China 2025” strategy. We supported the aviation equipment, marine engineering equipment and high-tech shipbuilding projects, high molecule materials project. We actively opened “Internet +” smart manufacturing area to bring them onto a medium- and high-end manufacturing.



Board Chairman Hu Huaibang on a study of the Donghu National Independent Innovation Demonstrative Zone in Wuhan.

Case Study Support R&D of Domestic Feeder Line Aircraft

CDB Shanghai and the China Commercial Aircraft jointly compiled a report on CDB supporting China Commercial Aircraft Co. Ltd. in developing systematic financing plan, by which CDB will provide loans and issue bonds and other financial services for the R&D of C919 trunk line passenger planes and ARJ21 feeder line aircraft. In 2015, the first C919 came off the line and ARJ21 was officially delivered. This marked a major results in the R&D of both trunk and feeder line planes with China's own intellectual property right.



C919 aircraft assembly off the line



ARJ21 delivered



Wanhua Chemicals boasts the world's largest polyurethane production base and the internationally first-rate technology and its own MDI production technology. Starting from 2008, CDB Shandong and CDB Ningbo provided it with project financing, letter of credit and other financial services, which enabled it to raise its annual MDI production capacity from 560,000 tons to the current 2 million tons. CDB has played an impetus role in enabling the national high-tech industry to survive, develop and march toward the world in fierce competition.

◎ Optimize Distribution and Realize Harmonious Development

CHALLENGES AND ACTION

Challenges

“Based on the general regional development strategy and led by the building of “One Belt, One Road”, the synergetic development of Beijing, Tianjin and Hebei Province and the building of the Yangtze River Economic Belt, we shall build a horizontal economic belt centering round the economic belt along the coasts and the river.”

— China’s 13th Five-Year Outline Program for National Economic and Social Development

“Development finance serves the national strategies by way of market and display a role as a bridge and a bond between the government and the market. It has a big room for displaying its role in the synergetic development of Beijing, Tianjin and Hebei Province.”

— Zhang Yong, vice-minister of the State Development and Reform Commission

“The synergetic development of Beijing, Tianjin and Hebei Province, the ‘One Belt, One Road’ and the Yangtze River Economic Belt are the three major national strategies under the new historical conditions. The synergetic development of Beijing, Tianjin and Hebei Province will not do without the support from the development finance. The development finance is needed in all the restructuring regional space, optimizing city and town systems, promoting industrial transition and upgrading, building a livable environment, enhance inter-city connection and improve the city public transit system.”

— Li Wei, Director of the Development Research center of the State Council and deputy head of the expert advisory committee for the synergetic development of Beijing, Tianjin and Hebei Province

Action

In 2015, we signed with Beijing, Tianjin and Hebei a memo on the cooperation of the synergetic development of the three places and the CDB branches in the three places jointly set up a leading group in charge of the project. We plan to arrange 2.1 trillion yuan in 2015-2017 for financing the transport integration project, ecology and environment protection and industrial upgrading and transfer and unified financing for projects of innovation, resources and energy support, poverty relief by development and opening up domestically and internationally.

Regional harmonious development is the inevitable demand by the program of completing the building of a well-off society. We dedicate ourselves to more harmony between man and nature and between social and economic development, regional development toward common prosperity and unified and coordinated urban and rural development. We have actively supported the western China development drive, the rise of the middle part and the new round of invigorating the old industrial bases in Northeast China. We have made great efforts to create a growth pole for regional coordinated development lead by the synergetic development of Beijing, Tianjin and Hebei and the Yangtze River Economic Belt. We strengthened aid to Xinjiang and Tibet and create new models for stimulating the development of minority inhabited regions and border regions. We have improved the financing and service systems for urban-rural integration to advance the new type of urbanization with people at the core.

Serve the Synergetic Development of Beijing, Tianjin and Hebei Province

It is a historical mission on the shoulder of CDB to serve the synergetic development of Beijing, Tianjin and Hebei. It is also a major opportunity for deepening reform and better serving the national strategies. Proceeding from the orderly movement of non-capital functions to resolve Beijing's "megacity illness", we have displayed the advantage of a development finance to support the construction of major projects in the three places and stimulated the integration of the reform of investment and financial systems with the reform of state-owned enterprises in the service of the the synergetic development of Beijing, Tianjin and Hebei.



Forum on development finance supporting the synergetic development of Beijing, Tianjin and Hebei Province.

Beijing: Smart Financing to Protect the No. 1 Project

CDB Beijing carried out project study of the systematic financing plan (Beijing) and capital development strategy and optimization of city functions and 20 other subjects with the Beijing Municipal Development and Reform Commission and the municipal government and governments of districts and counties. In 2015, CDB Beijing gave an all-out support to the building of one core areas and five districts in the Tongzhou New City and issued 12.93 billion yuan loans to transform the shanty towns in Tongzhou. In close cooperation with the CDB Tianjin and CDB Hebei, we supported the building a new railway from Beijing to Shijiazhuang and the building of the refuse incinerator in Dingzhou of Hebei Province.



The Beijing-Chengde express highway project financed by CDB Beijing with a loan of 1.358 billion yuan (phase 1 project), thus ensure the reliable financial support to the building of a speed, convenient, efficient and safe interconnected communication network.



Land development project for shanty town transformation in Tongzhou financed by CDB Beijing. After completion, the project will move 400,000 people away from the capital. It is of great significance in realizing regional plan and accelerating the movement of non-capital functions of Beijing's downtown.

Tianjin: Multiple Measures to Bring about Synergetic Development

CDB Tianjin has provided basic support to the synergetic development of the three places. It signed with the Tianjin Municipal Development and Reform Commission an agreement on exchanging personnel and policy information. It has got clear about the orientation of support and sorted out projects, giving priority support to projects associated with infrastructure, interconnection, environment protection and ecology improvement.



The Haihe River comprehensive control project financed by CDB Tianjin. This includes water body control in the central areas of the upper stream of the Haihe River, roads and bridges, holistic replacement, public buildings, totaling 10 major projects. The projects have basically been completed. The environment on the banks of the river has been markedly improved, becoming a tourism and sightseeing spot. CDB Tianjin issued 15.7 billion yuan loans for the projects.

Hebei: “Two Precision Measures” to Speed Up Synergetic Development

Precision wisdom financing

In line with the outline program for synergetic development of Beijing, Tianjin and Hebei, CDB compiled a systematic financing plan, giving priority to three areas and studied how to support transformation of shanty towns, poverty reduction, communications and tourism and worked out investment and financing policies, project arrangements and fundraising.

Precision monetary financing

In line with the positioning of “three districts and one base” for Hebei, CDB gave priority to the building of an integrated communication system, stimulated the international cooperation in advantage production capacities of traditional energy enterprises, stimulated the shanty town transformation, city underground utility tunnels and rail transit system, mainly helped resettlement of poor people, promote environmental protection by encouraging the use of clean energy, support the south-north water diversion projects and urban water supply and access of tap water to every village.



The Huanyang Hill section of the Beijing-Urumqi express highway financed by CDB Hebei.

Assisting the Building of the Yangtze River Economic Belt

We were involved in the compilation of the Outlined Program for the Development of the Yangtze River Economic Belt and its 2015-2017 three year program of action sponsored by the State Development and Reform Commission. We studied and formulated CDB's plan on supporting the development of the economic belt. We introduced the differentiated credit policy according to different major projects that are most influential in the development of the belt to strengthen financial support and coordinated progress of major projects by both the headquarters and branches of the bank. We played a leading role in assisting in the building of an integrated 3D communications corridor and stimulating the transition and upgrading of industrial structure and building investment and financial players.

In creating a new institutional system, we have implemented the national policies and through combining investment with loans and issuing bonds with loans, supported enterprises under the administration of the central and local governments and non-governmental enterprises and created enterprises with mixed ownerships. We introduced and spread the PPP mode in infrastructure construction and in public services, government purchase of services and explored into way for realizing BOT and other PPP modes.

Case Study

Assist in the Building of an Integrated 3D Communication Corridor in the Yangtze River Economic Belt

Hunan Province is on the transitional area between the southeastern coasts and the middle and western parts of the country and the conjunction between the Yangtze River Open Economic Belt and the coastal open economic belt. It is, therefore, of vital importance to remove the bottleneck in communications in Hunan Province. In 2015, CDB Hunan organized a consortium, underwriting medium-term bills, short-term financing and corporate bonds to support the express highway projects at Longyong and Daoyao, the double-track of the Shijiazhuang-Changsha railway and the capacity expansion project of the Lou-Shao railway, thus much improving the communications network and removing the bottlenecks to the building of an integrated 3D communications corridor.

Aid Xinjiang and Tibet in Steady Development

We have given great support to Xinjiang in improving its livelihood of the people and in building the silk road economic belt. We opened an outlet in kashi to better serve Xinjiang in its social stability and economic development. At the same time, we have given a big support to major infrastructure projects in Tibet, the Tibetan inhabited areas in four provinces, helping them develop advantageous and specialty industries. In 2015, we provided additional loans of 22.8 billion yuan to Xinjiang and 16 billion to Tibet and Tibetan areas of four provinces.



Tibet Airlines supported by CDB's Tibet Branch

Aid Xinjiang

We made greater efforts to innovate finance and support the Horgos and Kashi economic open districts; In 2015, we provided 15.9 billion yuan loans to the shanty town transformation, 13.7 billion yuan for water conservancy projects and 13.9 billion for railway construction.

Projects in Xinjiang:

- Three bases, one passage, five major centers
- Water control projects of three major rivers, water source area protection
- Railways, roads and airports
- Backbone power source points and power grid
- Secure livable housing projects
- Hundreds of small, medium-sized and micro enterprises
- Loans to 1,000 students from poor families

Aid Tibet

We strengthened cooperation with all the prefectures and cities in Tibet and signed cooperation agreements with Lhasa, Changdu and Shannan and Ali, injecting renewed vigor into the development of the autonomous region.

Projects in Tibet:

- Energy followup area construction
- High class road linking Lhasa with other cities
- Tibet aviation tower
- Devoted to education in the region as the first financial institution offering student loans



Assist Tibet in Developing Specialty Industry

CDB Qinghai listed the *Lycium barbarum* production as a major project for adjusting the agricultural structure in the Haixi Prefecture, increasing the income of farmers and herdsmen and developing ecological farming. It stimulated the localities to engage in the planting and deep processing of such medicinal plant, thus realizing the effective utilization of land and helping local farmers to increase income.



A Tibetan farmer picking up medlars.

Invigorate Old Industrial Bases in Northeast China

“Since 2003, when the drive to invigorate the old industrial bases was unveiled, northeast China has been steered onto the fast lane in its transition. CDB displayed its advantages in medium- and long-term investment and financing to ease the financial shortage in economic and social development, buttressing the projects in key areas, provided more funding for transforming shanty towns, the new type of urbanization, industrial transition and upgrading, communications network, modern agriculture, culture and tourism. CDB has become an important financial force behind the economic transition and the strategy of invigorating northeast China.”

— “Financial Time”

In 2015, we implemented the proposal by the State Council on major policies and measures for invigorating northeast China, energetically made innovation to implement the policies and measures. It provided the area with a financing amounting to 236.5 billion yuan.

Case Study

Realize “Three Matchings” by Three Steps

We have, through high-level consultation, signing agreements and on-the-spot investigations and other practicable and effective measures to match projects, policies and funds.

High-level consultation

We conducted 14 consultations with local government to discuss hot spots and difficult issues.

On-spot investigation

Completed thematic investigation and study of equipment manufacturing and distributed CDB’s proposals on developing equipment manufacturing industry.

Signing agreements

Signed memos and agreements with the three provinces in northeast China on investment and financing cooperation in the transformation of shanty towns, the building of urban underground utility tunnels.

New Type of Urbanization

“To realize the new type of urbanization requires financial support. We should come out with a diversified financial modes, with the fiscal funds as guidance, policy finance as the backing and broad participation of social idle capital and provide sustainable capital backing in moving forward with the new type of urbanization under the new normal.”

— Zheng Zhijie, president of the China Development Bank

Case Study

Provide Impetus to Jiaxing’s Urban-rural Integration Project

We helped the city of Jiaxing in Zhejiang Province with the concentrated land turnover and farmers raising funds to enter into cities according to the general principle of separating the land for building houses from the contracted land, separating land for resettlement from turnover land, replacing land for building houses with urban houses, and replacing the right of operating contracted land with social security program. The implementation of the project helped improve the living conditions of the people and stimulated the local economic and social development.



The new houses built in the urban-rural integration project financed by CDB Zhejiang

Case Study

Plan for New Type of Urbanization

Jiangsu is one of the provinces designated to experiment in implementing the new type of urbanization program. The CDB Jiangsu took the initiative to meet the requirements of the local government and helped compile a financing scheme, with priority given to the building of inter-city communications network, raising the speed of urban rail transit system, upgrading the city matching infrastructure facilities, stimulating the transformation of shanty towns, supporting Jiangning, Yangzhong and other areas' ecological fisheries and agricultural eco-tourism. It served the purpose of south-north water diversion project and major water control projects. It gave a big impetus to the progress in Jiangsu's new type of urbanization program. By the end of 2015, CDB Jiangsu had provided more than 59.3 billion yuan loans for the projects and the urbanizing rate in the province reached more than 66.5 percent.

Case Study

Breakthrough in Urbanization Program in Southern Sichuan Province

CDB Sichuan signed with Luzhou, the only city piloting the national urbanization program, a cooperation memo and by introducing the financial service that integrated investment, loans, bonds, leasing and letter of credit to support the transformation of shanty towns, water control projects and rural road construction, thus accelerating the pace of the new type of urbanization in Luzhou.

“The good policies of the government and CDB have enabled us to move into new homes and let us feel the real changes in Luzhou. Honestly, having lived by the river for years, without water and electricity, with houses being often inundated, I had never expected to have what we have today.”

— Zhang Jun, resident who used to live in a shanty town in Luzhou City, Sichuan



Breakthrough in the “Bright Pearl” urbanization program in southern Sichuan



Local new type of urbanization program financed by CDB Jiangsu



◎ Tighten Management in Green Development

Green Credit

“Build a green financial system; spread green credit and study fiscal interest discount and other methods to strengthen support and encourage all kinds of financial institutions to provide more green loans.”

— “General Plan for the reform of the ecological civilization system”

Challenges

The global warming is exerting profound impact on human survival

- The poverty-stricken people will increase by 100 million by 2030
- 600 million people in the world will become “climate refugees” by 2050
- The temperature of the north pole will rise by 7 degrees Celsius by the end of the century
- The fascinating Maldives will be erased from the earth

In 2015, the Paris Climate Conference adopted the Paris Climate agreement, which will control the global mean temperature within 2 degrees Celsius from the pre-industrialization level and strive to control the temperature rise within 1.5 degrees Celsius. The world will achieve as soon as possible the peak in greenhouse gas discharge so as to realize zero discharge of greenhouse gas by the latter half of the century.

Actions

We shall take up the climate challenges, map out a green credit strategy, build a green credit management system, develop green finance and, by displaying the advantages of development finance, support the development and utilization of clean energy, cultivate and expand the energy conservation and environment protection industries, encourage the alternative technology, volume reduction technology and other technologies to reduce carbon discharge and safeguard the ecological security of the world.

In 2015, we provided loans that could save 71.88 million tons of standard coal, reduce 181.05 million tons of carbon dioxide discharge, reduce 2.04 million tons of SO₂, 1.17 million tons of NO_x, save 502.07 million tons of water, reduce 1.13 million tons of COD, 130,000 tons of ammonia nitrogen. By the end of 2015, the balance of green loans was 1.57 trillion yuan.

New and Renewable Energy

Challenges

New energy sources are the main energy to be used in the future and it is also a strategically important emerging industry that is internationally competitive. They are of vital importance for China to achieve sustainable energy and economy. The 12th Five-Year Development Program on renewable energy says:

—The proportion of renewable energy in the energy consumption structure to increase markedly. By 2015, the annual utilization of renewable energy will reach an amount equivalent to 478 million tons of standard coal and its proportion in the energy consumption will reach over 9.5 percent.

—The power generation by renewable energy will become a major power source. During the 12th Five-Year Plan period, the generating capacity by renewable energy will increase by 160 million kw and the total power generated will reach over 20 percent by 2015.

—The distributable renewable energy will be applied in scale. It is necessary to display the advantage of distributable energy sources to enable people uncovered by the power grid to access to electricity.

Actions

We have actively and flexibly employed loans, investment, leasing and other means to meet the needs of the national development program. We have created a diversified investment and financing modes to finance the frontier areas and new types of projects in the service of the leapfrog development of the new energy industry. During the 12th Five-Year Plan period, CDB provided 300 billion yuan loans to 1,000 new energy source and renewable energy source projects. It has become the main financing bank in China's new energy industry, thus contributing to channeling the social funds into the new energy industry.

Green development is a way for economic growth and social development with the purpose of efficiency, harmony and sustainability. It is the core of the ecological civilization. We have paid close attention to improving the green credit system and strengthened support to energy conservation and emission discharge and ecological and environmental protection. We have tightened the audit and management of green credit and boosted the market operation of green credit projects, raised and channeled social funds into the areas of ecological and environmental protection. By upholding the green development philosophy, CDB has made its contributions to the building of ecological civilization and guarding the common homeland of humanity.

Tighten Green Management

We have formulated green credit policies, systems and improved the green credit procedures, tightened the restrictions of green credit over enterprises, projects and the bank itself. We have built a long-acting green development mechanism. We have instituted all-round environment and social risk management and effectively identified and controlled the environment and social risks in the credit business. We have developed a green credit information system and spread inside the financial institutions the green credit energy conservation and environmental efficiency assessment system, contributing to deepening the development of green credit in the entire industry.

Green Credit Management System



Tighten Environment and Social Risks Management

We took the initiative to incorporate environment and social risk management into all links of our business and carry out prudent investigations and evaluation of the latent negative impact on the environment and the possible social problems that might be induced, controlling such risks from the source.

In credit line management, we carried out diligence investigations, project development assessment and reviewed risk precautions in all links, making the risk precaution, safety standards as important bases for assessing the performance of credit approving people.

In the industry as a whole, we have implemented the national policies and the requirements for regulation and worked out rules and regulations concerning technology, sites and safety of plan on the part of power, new energy source power generation, water control and chemical and other projects.

In credit management, we have set up a mechanism for tracking and forecasting risks and timely identify risks and take precautionary measures and enforce advanced dynamic precautionary risk control.

Develop Green Finance

In 2015, we created a multiple green financial products and services, strengthened law and policy study and built an integrated financial service system. We continued to strengthen support to air pollution prevention and control, projects of clean and renewable energy sources, circular economy, river catchment area control and other major areas.

We have improved the financial service abilities and carried out training in green financial knowledge. By organizing on-spot lectures and video training courses in 2015, we carried out training in green credit, new energy industrial policies

and developed highlights for assessment, shipbuilding industry policies and other hot spot issues in aid of development of green credit business.

Clean Energy

In 2015, we actively served the national energy structure adjustment to support the clean energy development and financed wind power, solar power and other new energy sources and renewable energy projects.



Longyang Gorge PV power project financed by CDB Qinghai. It is the globally largest project and also China's first. It is of great significance in water-optic supplementary operational mode, optimizing energy structure and promoting the economic and social development in the western part of the country. The installation capacity of the first phase project was 320,000 kw and the second phase, 530,000 kw, with a total investment of 8.96 billion yuan. It is estimated that the project may save 410,000 tons of standard coal a year and reduce 1.23 million tons of CO₂ emission and 5,000 tons of soot discharge.



Rudong 150mw Wind Power Project on the Sea

Situated on the sea off the coast of Rugong County, Jiangsu Province, the project has an installation capacity of 150mw. It is one of the first marine wind power projects. The project has stimulated the wind mill manufacturing technology, wind power engineering on the sea and marine engineering equipment manufacturing. The project is expected to save 130,000 tons of standard coal, reduce 270,000 tons of CO₂, 50,000 tons of cinder and 10,000 tons of soot discharge.

Case Study

Integrated 100mw PV Power Project

In 2015, CDB invested 900 million yuan in a 100mw power project that also integrated with livestock breeding and meat processing in Yanchi, Ningxia Hui Autonomous Region. The project is expected to save 40,000 tons of standard coal and reduce the discharge of 100,000 tons of CO₂.

Case Study

Blue Sky Project

By the end of 2015, CDB Tianjin provided 4.5 billion yuan loan to the coal-to-gas project at the Chentangzhuang thermal power plant. The project will be the largest gas-fired power plant in Tianjin, capable of saving 4.2 million tons of coal a year and reducing the discharge of SO₂ by 3,500 tons and NO_x by 4,688 tons, dust by 1,100 tons and save 2,000 tons of water. It will fundamentally resolve the communications, noise and air pollution problems and improve the ecology and environment in the city proper.

Energy Conservation and Emission Reduction

We have conscientiously implemented the measures for controlling air pollution and supported the development of the circular economy, thus providing a guarantee for the rapid development of clean energy sources, construction of large energy bases and power outgoing passages and energy-efficient and emission reduction of coal-fired power plants. We have provided financial support to projects of eliminating outdated production capacities, created deduction technologies and alternative technologies for the highly efficient utilization of energy, thus giving a big impetus to maximization of the economic and social environment.



Helanshan wind power project financed by CDB Ningxia



Chentangzhuang thermal power plant project financed by CDB Tianjin

Case Study

R&D of New Coal Chemical Technology and Demonstrative Project

We actively promoted the shift from traditional fuels to clean fuel, refined chemical raw materials and supported coal liquefaction and coal gas projects. In 2015, we committed 12.2 billion yuan loans to a million-ton coal liquefaction project, which is of great significance in charting the way toward refining oil from coal and realizing strategic reserve of major energy security and stimulated the utilization of clean energy. The project will create 1,200 jobs directly and 5,000 jobs indirectly.

Comprehensive Environment Control Projects

In 2015, we gave priority to pollution control, regeneration of resources and ecological repairs in a bid to push the building of low-carbon cities. We strengthened support to the control of river catchment areas and regional ecology, disposal of urban sewage. We strengthened support to projects of ecology and environment protection to boost the environment bearing capacity.



Yundang Lake after environmental treatment backed by CDB's Xiamen Branch. The sewage disposal system of Yundang Lake in Xiamen has been overloaded by the city's rapid development. What worsens the situation was the city's run-down water pipes that often clog. In rainy days, a great deal of sewage would pour into the lake, damaging its water quality and environment. In 2015, Xiamen Branch lent 360 million yuan to help improve the lake's ecology.



Tuanjie Serservoir control project in Xi'an financed by CDB Shaanxi. The project removed all the solid refuse hills around it and improved the surrounding environment, protected the ruins of the ancient city and raised its capacity of resisting floods.



The Xin'an River control project financed by cooperation between CDB Security and the Huangshan city government by issuing bonds. The project helped improve the ecology and environment and living and production conditions and helped Huangshan build a modern international tourism city.



Xinlong Lake ecology and environment pollution control project in the Tianfu New Area financed by CDB Sichuan by way of government purchasing of services.

Green Operation

We have persisted in the philosophy of green, low-carbon and environmental protection and implemented it in the whole process and operation and management. We took to ourselves to lower the negative impact of our operation on resources and environment. We have intensified training in energy conservation and emission reduction, helping our employees heighten their sense of energy conservation and environment protection; we have persisted in green office work, saving energy, water and paper.

- We disposed the outdated fixed assets regularly, strictly controlled office supplies, standards and budget, encouraged low-carbon office.
- We have created measures to save water, electricity and gas, grain and oil; regularly checked carbon discharge and set up a long-acting mechanism for green operation and intensive management to lower cost and increase efficiency.
- We have formulated related standards, guides, requiring the inclusion of green idea into building designs and set strict limit on the standards of green building.

Green Logistics Service

| Power management | Water management | Oil management |
|---|--|--|
| Operate on conservation mode according weather, make full use of natural light, save electricity for lighting, tighten management of power equipment to save electricity. | Install waste water recycling device to raise water utilization rate, control and improve green patch irrigation system and introduce real name in water use at conferences. | Strictly control the use of corporate vehicles in and outside the city, refuel at fixed stations, one card one vehicle, strengthen training of drivers in oil saving skills and reduce unloaded running. |



Number of video conference

906

Number of participants

207,196

Amount of carbon reduced

22,530 tonnes



Erhai Lake control project supported by CDB Yunnan, beautiful landscape with blue water reappeared

- We have made clearer the scope of the application of green procurement and incorporated the authentic information about environment protection and energy conservation into the supply data bank. We have set up procurement procedures and assessment standards and the requirements and assessment standards for related products and access to green service. At the same time, we have added articles on environment protection and energy conservation to procurement contracts, making green procurement legally binding.
- We have strengthened office automation and the building of enterprise portal; we have raised office efficiency, reduced energy consumption, simplified document standards and reduced the number of meetings and duplicated documents and encouraged teleconferences and video conferences.
- We have strengthened education of employees in diligence and fugal operation to heighten their sense of energy conservation and environment protection.



Called
872
 Video conferences with
34,779
 people participating,
 reducing carbon discharge by
3,756 tons



Reducing printing equipment from 542 to
423
 with the monthly prints in the latter half of
 2015 reduced by
30,000 prints
 over that in the first half



Holding
45
 paperless conferences saving
1,000 pieces of paper

◎ “One Belt, One Road”, Open Development

Challenges

“At the global level, due to lack of long-term financing, developing countries need to exert themselves to raise billions of U.S. dollars needed in infrastructure construction in order to stimulate national and regional economic growth.”

— (Global Finance Development Report 2015-2016: Long-term Financing)

Actions

As China’s largest bank investing and financing overseas, we have persisted in opening up and sharing, cooperation and win-win and provided market-oriented service to the implementation of the “One Belt, One Road” strategy, displaying its advantages to provide medium- and long-term investment and financing to support infrastructure projects, inter-connection, production capacity and equipment manufacturing cooperation. We have established good cooperation with countries and regions along the route, thus making a useful exploration into how to implement the strategy.

We supported major projects relating to the “Belt and Road” initiative

- Central Asia natural gas pipeline
- Turkey’s Turkcell expansion project
- Bosnian Stanari thermal power plant
- Russian Megafon network expansion
- Sri Lanka road
- Credit line to Egyptian central bank and national bank

Persisting in open development, building an open economy and realizing joint commerce, joint construction and sharing – these are not only China’s development philosophy but also the requirements of the global sustainable development put forward by the “Transforming our World – 2030 Sustainable Development Agenda”. With the Belt and Road strategy as the bond, we have carried out cooperation in mutually beneficial finance, strictly observed the laws and regulations of residing countries and persisted in the green development standards in a bid to bring about inclusive, sustainable economic growth in the world and enhance the benefit for the people of China and the world as a whole.

Push Infrastructure Inter-connection

In 2015, we actively supported the inter-connection projects in the “One Belt, One Road” region and accelerated the construction of communications, ports, energy and information and other international trunk outlets along the routes and created new growth points for these countries so that they will share the dividends of inter-connection. On this basis, we made great efforts to support industries, people’s livelihood and other weak links of cooperative countries to enhance their independent development capacity.

Interconnectivity in Five Aspects Boosts the Implementation of the “One Belt, One Road” Initiative



Policy Communication

- Study the implementation measure and support policy
- Deepen bank-government cooperation and set up multilateral and bilateral government cooperation mechanisms



Facility Inter-connection

- Support Chinese capital enterprises in participating in infrastructure projects of neighboring countries by equipment export, project contracting and investment
- Six large international economic corridor construction
- Support a number of major cooperation projects in nuclear power, high-speed railway and equipment manufacturing



Unblocked Trade

- Fully display the advantage of investment, loan, bonds, leasing and letter of credit services to create more new financial products and models and probe into more investment and financing cooperation modes
- Strengthen cooperation of regional, sub-regional banks, carry out international settlement, trade financing, offshore assets securitization to provide one-stop service to “one belt, one road” projects



Currency circulation

- Move toward internationalization of Renminbi. In 2015, CDB issued 27.7 billion Renminbi yuan trans-border loans and 28 billion yuan Renminbi yuan bonds abroad



People’s hearts Inter-linked

- Support domestic industrial projects and industrial parks and agriculture, forestry and medium-sized and small enterprises and other weak links in a bid to improve people’s wellbeing
- Introduce green credit, paying attention to social benefits of projects and set the environment bearing capacity as the limit for sustainable development
- Value the capacity building of cooperation partners, carried out multilateral and bilateral exchanges, cultivated personnel urgently needed. CDB trained nearly 2,000 people for SCO and ASEAN. It also provided a scholarship to 100 young people studying in China. It offered training to 800 people in 37 projects

Case Study

Open the Communication Artery of “One Belt, One Road” Initiative

Guangxi: Important door to the initiative

CDB made great efforts to open the outlet artery in road, railway and waterway routes, which can link up southwest China, central south China and Guangdong, Hong Kong and Macao and even southeast Asia to make the regional international communications hub.

Serve the construction of the core areas of the 21st century marine silk road

CDB helped Fujian in its rapid development. This is of great significance to realize inter-connection of ASEAN countries.



Xiamen University (Malaysia) project with 170 million U.S dollars committed by CDB Fujian, Xiamen University and Malaysian government. The project is of great significance in serving the belt and road strategy and the cooperation and exchanges between China and Malaysia.

Construction of core areas of marine silk road

CDB financed the central Asia oil-gas pipeline and the natural gas field of Turkmenistan; we strengthened cooperation with SCO members and supported their agricultural projects, medium-sized and small enterprises and supported a number of enterprises in their import and export trade.



Uzbek bank used credit line granted by CDB Xinjiang to support Uzbek enterprises to procure engineering equipment from Xinjiang Wild Horse Company.

Case Study

Development Finance Helps Sino-African Friendship Grow

Our Actions

- Launch “Sino-African development fund and special-purpose loans for African medium-sized and small enterprises.
- In December 2015, President Xi Jinping announced to increase 5 billion US dollar loans to the special-purpose loans.
- Help Africa improve people’s wellbeing and social development.

Our Performance

- Issued 1.5 billion US dollar loans, covering 32 African countries, creating 77,000 jobs and benefiting 500,000 farmer’s families.
- The fund invested 3.2 billion US dollars in 84 projects in 36 African countries, bringing China’s investment in Africa up to over 16 billion US dollars.
- When all the projects are completed, China may provide the African market with 11,000 heavy-duty trucks a year, 30,000 air conditioners, 450,000 refrigerators, 560,000 television sets and 1.6 million tons of cement. It may also help increase local export by 2 billion US dollars and revenue by one billion US dollars, directly benefiting one million people.

Thank to our efforts, we have established business relations with 42 African countries and made active efforts to support their agriculture, power, manufacturing, telecom, communications, urban utilities and other livelihood projects.



Bottled water plant of Kenya

Help Chinese Enterprises to Operate Abroad

In 2015, we continued to help Chinese enterprises to operate abroad and provide them with integrated financial services, direct them in carrying out international cooperation projects, thus laying a smooth path for them to operate abroad.

Erect International Cooperation Platform

Global sustainable development requires effective cooperation among partners and using each other’s advantage to erect sharing platforms to promote financing. We have constantly deepened cooperation with the banking union of the Shanghai Cooperation Organization, China-ASEAN banking union and BRICS banks cooperation and launched the China-UAE common investment fund, Sino-French innovation fund and participated in the setting up of the silk road fund, building open and multilateral investment and financing platforms to expand cooperation with the banks of all countries, sovereign funds, industrial investment funds, insurance companies and risk capital.

Case Study

Set Up Sino-French Innovation Fund

In June 2015, we signed with BPI France and Cathay Capital a memo on establishing the Sino-French Innovation Fund, with the purpose of stimulating the development of innovative industries. It is a milestone in the private equity cooperation and innovative enterprise development.

Case Study

Sponsor First Africa Investment Forum

On June 30, 2015, CDB and the World Bank, UNIDO and the Ethiopian government jointly sponsored the first Africa Investment Forum, with the purpose of building an open platform for governments, enterprises and scholars to promote investment in Africa. On July 1, we and the World Bank proposed the setting up of an Africa investment think tank union.

◎ Inclusive Finance Helps Sharing Development

Shanty Town Transformation

Challenges

“To ensure the government-secured housing and facilities for urban disadvantaged groups and this will become even more crucial with the deepening of urbanization.”

— (Report on China’s implementation of millennium development goals 2000-2015)

“Basically complete the tasks of urban shanty town transformation and dilapidated houses. Combine shanty town transformation with urban renewal and industrial transition and upgrading to accelerate the transformation of shanty houses and ‘villages in city’. Push in an orderly manner the law enforcement campaign in old residential estates, dilapidated houses and non-compartment buildings. The shanty town transformation policy applies to all major towns in the country, improve their infrastructure facilities and strengthen project quality supervision and control.”

— (13th Outlined Five-Year Program for the National Economic and Social Development)

Actions

Serving the people’s livelihood is an important mission of a development finance. We have provided cost effective and long-term stable financing for the transformation of shanty towns in the country and helped low-income people to improve their housing conditions so that the common people may share the fruits of social development.

“We and the branches formed a joint work group and for two consecutive weeks stayed in project sites to verify the essential elements of projects for outside approval. Now, I am even dreaming at night as if I were still busy with the shanty town transformation projects in Heilongjiang Province.”

— Worker from the Housing Finance Department of CDB

Voices From All Quarters: Let People in the Coal Mine Sunken Area in Northeast China to Move into New Houses at An Early Date



Board Chairman Hu Huaibang chatting with an old man during his investigation tour of the coal mine sunken area in northeast China and came out with specific measures on how development finance supports the project.

“In a certain sense, we are both disadvantaged people and lucky ones. Moving into new houses is something many citizens had never imagined. With the support from the government and CDB, we have quickly moved into new homes. We owe all this to the good policy of the state and the all-out support from CDB.”

— Local shanty town resident

End Poverty

Challenges

Goal 1: End poverty in all its forms everywhere.
Goal 1.1: by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

—— “Transforming our World: the 2030 Agenda for Sustainable Development”

By the end of 2015, there were still 55.75 million people in the rural areas living in poverty.

—— “Statistical Bulletin on China’s national economic and social development 2015”

The central and provincial finance should invest more in poverty relief and policy finance, development finance and commercial finance as well as cooperative finance should display their complimentary roles, consolidate all kinds of poverty relief resources and broaden channels of fund sources.

—— 13th Five-Year Program for National Economic and Social Development

Achievements

Up to the present (end of 2015) China had contributed to 76 percent to the global poverty eradication.

—— UN Development Program

By the end of 2015, CDB provided 1.56 trillion yuan loans to 727 state-designated poverty counties and districts and counties having concentrated areas in poverty, mainly financing their infrastructure facilities, developing special industries, household ending poverty and education and health projects. At the same time, CDB helped the poor areas in market, institutional building and improving ecology and development.

Actions

Planning Guide. Displayed plan guidance, the role of experts and industry advantages and cooperation with related state departments and local governments in planning, compiling regional, industrial, social and market development plans, systematically designing corresponding financing schemes, thus improving the precision, scientific and systematic nature of poverty relief.

Providing greater support to infrastructure facilities in poor areas. CDB gave financial support to communications, power and water control projects as well as the building of country roads, safe drinking water projects and other projects associated with production and living to improve the development conditions in the poor areas.

Probing modes of poverty relief by industries. Executed policies according to actual conditions and supported local specialty industries, spread the mode featuring “financing platform, guarantee platform, management platform and public announcement platform and the credit association” and supported poor households in developing production by employing the lever role of the fiscal funds and the wholesale financing advantage of CDB. The experience proved successful in Guizhou, Gansu and other places.

Relocating poor people. Relocated people in areas with harsh natural living and development conditions and helped them build houses in other areas and infrastructure and public service and restore the ecology of the original areas and ensure that 10 million people move out, stay on and end poverty.

Financial commissioners going to the grassroots. Set up a work mechanism for financial service Commissioners and selected 183 people with good qualities, high sense of responsibility and competent in operations to 174 state-designated poor counties, 174 prefectures and autonomous Zhous where there were concentration of extreme poverty to carry out poverty relief by development. They served as disseminators, planners and liaison officers to provide wisdom financing service and help the poor areas improve the financial and ecological conditions.

Strengthening education and training. CDB is the main bank for providing student loans, occupying 90 percent of the market shares. It has supported 15 million students from poor families to go on to universities. It gave training to leading officials of the poor counties to help them employ financial means to develop the local economy.

Stories: Poor Homeland Turns Wealthy

In Gansu Province, the Huachi county is dry and rains are few and far between. The agricultural conditions are poor. The place was exactly where we tried our poverty relief by development. In the recent three years, we sent 120 employees to villages, living and eating together with the villagers for 3 consecutive months. They recorded in detail why the people lived in poverty and worked out practicable measures to improve their production capacity and helped them implement them.

There were half of the villagers who had not ended poverty in the Shanchenghao village. The per capita annual income was less than 3,000 yuan. To end poverty, the villagers selected 33 representatives and 136 poor households to carry out 8 infrastructure projects and 2 industries best suited to the village development. In line with the principle of providing loans to where the people make investment, we used the poverty relief loans to the projects the villagers want to develop.

“The beautification of the farmland concerns the interests of 200 people and it has won most of the votes. Then the rebuilding of the terraced land – the common people had the right choice.”

— Party Secretary of Shangchenghao Village

In the Liuping village, Huachi county, one-third of the villagers lived in cave dwellings. What they feared most is the landslide when raining. A village Wang lived in the cave dwelling for 20 years. His neighbors lived in similar conditions. At the beginning of the year, the cave dwellings were listed as target for poverty relief, with each household having a subsidy of 20,000 yuan. Then there were the 50,000 yuan loans from the county credit cooperative. But the money was far from being enough to build new houses. We then provided 100,000 to 200,000 loans to them.

“Now that I can have a good sleep even if it rains in the future and good days are in sight.”

— Mr. Wang, a villager

At the same time, we provided adequate funds to help villagers raise production capacity according to the actual conditions of the terraced fields of every household. Besides, We issued loans for building the village roads, thus laying a solid foundation for ending poverty.

“The roads have lower the transport cost. The cost of a brick last year was 0.6 yuan, but now it is only less than 0.4 yuan.”

— Party Secretary of Liuping village

Shared development is an important avenue for enhancing the benefits of the people. We displayed our advantage to give an all-out efforts to stimulate the development of inclusive finance, create new investment and financing mechanisms and service modes to support the transformation of shanty towns, help ending poverty and bring about development of agriculture, rural areas and farmers, encourage mass participation in starting up businesses and in innovation, increase student loans to enable more students from poor families to go on further study, cope with the new problem of aging society and create a development model with everyone taking part and everyone sharing the fruits.

Transform Shanty Towns to Realize Secure Housing Dream

With planning leading the way, CDB established a coordination mechanism with the Ministry of Housing and Urban and Rural Construction, took an active part in compiling secure housing projects, with focus put on social structure optimization and the integration of industry and cities so as to achieve the effect of helping other areas improve.



Aershan shanty town transformation project



Resettlement housing project of the new city in the eastern part of Ningbo

Intensify fund support. CDB established diversified support mechanisms and, by displaying the integrated financial advantages and leading role, designed a comprehensive financial service scheme, expanded the coverage of bond-loan portfolio and probed into fund raising channels for securitizing assets.

Bias toward key areas. In 2015 CDB biased its loans toward the shanty town transformation. Of the total loans, 57 percent went to the middle and western areas. It committed 15 billion yuan loans for such projects in Heilongjiang Province and issued 300 million yuan emergency loans to Jilin and Liaoning for emergency resettlement of residents in coal mine sunken areas.

Effectively prevent risks. Shanty town transformation is a complete systems engineering. In designing, it is necessary to persist in the principle of considering the actual conditions of different places, give full consideration to the will of the people and correctly handle the relationship between physical resettlement and monetary compensation, effectively warding off risks of all descriptions. It is also necessary to hear the views from experts and make the plans open, democratic, socialized and scientific.



Shanty town transformation project in the Wangjiang area of the Shangcheng district of Hangzhou



Shanty town transformation project in Beiliang of Baotou City



Jilin shanty town transformation project – Grandpa Yu (5th from left) who lived in old city area

Grandpa Yu (first from left) who is living in the new city area

Case Study Loans for Shanty Town Transformation Inspires New Hope

The road was muddy. The house sank to a height of a man. Surrounding matching facilities were extremely lackingThere had never been anything that could be called road, making it difficult for people to travel.

On April 17, 2015, Premier Li Keqiang inspected the CDB and instructed CDB to strengthen financial support to the transformation of the former coal mine areas where land was sinking, saying that “don’t let people sleep on the volcano crater.”

CDB and its branches swung into action and, by mapping out financing schemes for four coal cities, took the initiative to formulate the engineering scheme to accelerate the execution of the projects.

CDB Liaoning created the new financing mode of government purchasing emergency services. On May 14, 2015, an emergency loan of 200 million yuan were put in place. On June 30, CDB issued earmarked loans to Shuangyashan and Jixi cities, thus inspiring new hopes for the approximately 94,000 households residing on the sunken land.



Harbin shanty town transformation project, Heilongjiang Province

Tackle Knotty Problems in Poverty Relief

Having summed up the effective methods over the years, we have provided more financial support to relocation poverty relief, infrastructure projects in poor areas, specialty industries, health and education and other major areas and weak links. We have made great efforts to create new institutional mechanism and helped poverty relief by taking a diverse of measures and market-oriented operations. We have integrated the government advantage with our specialized advantages in building a socialized poverty relief cooperation mechanism. We strengthened the building of main financing players and mode innovation and helped build provincial open investment and financing players to display their roles as coordinators. We have probed into a new path featuring the government domination, fiscal support, financial services and market operation.

Case Study

Help accelerate poverty relief by development in Wuling Mountain area

Upholding the precision poverty relief, we have started out with planning, improving poverty relief mechanism, consolidate poverty relief resources and applied new mechanisms and modes in such areas as public service facilities, vocational education, agricultural cooperatives, family farms and small and micro enterprises to accelerate the work of poverty relief in the Wuling Mountain area, thus creating a model for the country to follow.



President Zheng Zhijie in the Hunan Xiangxi Autonomous Zhou studying the poverty relief work in the Wuling Mountain area. He proposed to do a precise work in poverty relief according to actual local conditions and do well in some points and spread the experience to other areas. He promised to make greater efforts to innovate the investment and financing modes and build a sound diversified and sustainable poverty relief and development mechanism so as to win the battle of tackling the most difficult problems.

Case Study

Help Accelerate Poverty Relief by Development in Wuling Mountain Area

Gave an impetus to the development of special industries in the Wuling Mountain area and execute precision poverty relief.

Through the four platforms and an association loan model and company plus farmhands, CDB provided 8.5 billion yuan loans to the area, helped planting alpine vegetables, tea and engaging in breeding to let the people stay in their hometowns and realize employment and increase income.

Compiled plan on developing eco-tourism together with local government and formulate financing plans for creating a tourism area and stimulate associated industries to develop.

Set up a work mechanism covering organization, project decision, operator and directing funds and provided public service loans, small sum loans and tourism loans. In 2015, CDB provided 10.1 billion yuan loans to these projects.

Paid attention to wisdom financing and ran two workshops on the subject and by lectures and on-spot investigations and project specific training, CDB helped local official better employ financial means to end poverty.



Zhingjian River Bridge project of the Enshi-Laifeng expressway is a kingpin project in the poverty relief program. CDB Hubei formed two consortia, one with 5.6 billion yuan and the other, 4.6 billion yuan to finance the project. When completed, the project will remove the bottleneck in between the Wuling area and Shanghai and Guangdong.

Case
Study

Benefiting-the-People Financial Project

The project was initiated by the China Financial Education Development Fund. It is a public welfare activity of spreading financial knowledge and training in the rural areas in the middle and western parts of the country. It aims at promoting financial innovation, improving the rural credit and financial environment, raising the obtainability of financial services in the poor rural areas, thus benefiting the poverty relief work.

In 2015, we donated 1 million yuan to the project for used in the poverty relief of 73 counties in the Wuling Mountain area.

Major progress:

- Compiled and printed 30,000 copies of the “Financial Knowledge Reader for Rural Households” for use in the training of volunteers and township and village officials and farmers. We added the knowledge about CDB’s operations, student loans, small and micro enterprise loans and old-age care loans to acquaint farmers with related financial knowledge and how to employ financial tools to end poverty and embark on the road to wealth.
- Held four training classes for local grassroots financial service volunteers. More than 300 people received such training.

“The benefiting-the-people financial project in the Wuling Mountain area will help improve greatly the rural financial ecology and the obtainability of rural financial services. This shows the high sense of social responsibility and historical mission of CDB, setting an example for other financial institutions.”

— Chu Bende, President of the China Financial Education Development Fund

Case
Study

CDB Gansu Helped Remove Bottleneck to Development of Poor Areas



Villagers have safe water to drink

“After the road project was completed, CDB Gansu went on to take up the rural safe drinking water project. Now every household has tap water to use and villagers no longer need to carry water from a stream in clear days and collect rain water in the rainy days,” said 70-year-old Shuai Zhongyuan, with a broad smile.

In 2015, CDB Gansu issued 160 million yuan loans for 86 rural safe drinking water projects in the old revolutionary base areas and poor and dry mountainous areas, easing the difficulties in obtaining safe drinking water in 6 cities and Zhou, 11 counties and districts, benefiting 226,000 people. It also issued 2 billion yuan loans for rural road projects in 86 counties (districts). 13,000 kilometers of hard surfaced roads were open to traffic the very year.

In the past, villagers had to travel 25 kilometers to a town to buy cereals and vegetables, oil and salt, setting off at 04:00 in the morning and returning at 10:00 in the evening,” said 70-year-old Shuai Zhongyuan. Thanks to the support of CDB loans, the road has been finally widened and hardened.



Rejoice at the newly hardened road

Case Study

Development Finance Helps People Embark on the Road to Wealth



Tourists on way to Zaisha, Guizhou Province

In the past, Zhaisha was a tranquil place. Although there are green mountains and blue water, local people could find no path to wealth. In 2011, the poverty occurrence rate was 49.3 percent.

In 2012, CDB small sum loans spread in the whole of Guizhou Province. We consolidated the advantages of the government to support country tourism development. By the end of 2015, we provided 5.26 million yuan loans to 26 households and built 74 specialty country tourism facilities. 62 households began to run family hotels, employing 272 people, accounting for 88.32 percent.

Commenting on changes, the Dong people all agreed: Without CDB loans, how was it possible for us to get rich without going out.

Case Study

Poverty Relief Through Education

In 2015, we took further steps to strengthen training of local officials. The CDB headquarters provided 369 local officials with training in five items. The CDB branches carried out all kinds of training and propaganda activities on 111 items. 17,989 people received training.



CDB Shanxi undertaking student loan project, providing 6.17 billion yuan student loans, benefiting 1.14 million students. Photo shows teachers and students volunteers of the Taigu County patronage center visiting CDB Shanxi.

Serving Agriculture, Rural Area and Farmers

Pushing the development of agriculture, rural area and farmers still faces the restrictions by resources and the environment. We have taken further steps to provide more medium- and long-term loans and played an important role in ensuring food safety, accelerating agricultural modernization and helping farmers to increase income and embark on the road to wealth.

In 2015, we concentrated our efforts on efficient and intensive farming. We served the reform of the rural land system and promoted experiments in using land contract right as collateral for loans. We supported major agricultural projects and new investors in the national modern agricultural demonstrative zone. We helped green and ecological farming. We inked a cooperation agreement with the State Forestry Bureau and the Guangxi Zhuang Autonomous Region on building a forest reserve base. We also provided financing support to the industrial group of Huangfan District in Henan to help it extend agricultural industrial chain in Tajikistan and bankrolled a 300-ton corn deep-processing project of the Anhui Fengyuan Company in Brazil. These projects have increased the competitive power of China's agriculture.

Case Study Multiple Measures to Promote Modern Agriculture

We have provided financing services and support to farm produce production, processing and marketing for agricultural companies and farming households. We have strengthened the building, spread and duplicate the wholesale and standardized loan financing modes to support specialized households, family farms, farmers cooperatives and flagship agricultural enterprises.



Smart greenhouse soilless cultivation financed by CDB Qingdao



Fengning Ecological Dairy Farm financed by CDB Hebei

Case Study

High-efficiency Farming Project of the Jiangning Taiwan Farmers Pioneering Park in Nanjing

Jiangning Taiwan Farmers' Pioneering Park in Nanjing is a high-quality crops production base. It facilitates the cross-Strait cooperation in agriculture and speeds up the introduction of quality crop varieties from Taiwan and world advanced countries. CDB Jiangsu provided 200 million yuan loans to support its smart greenhouses, thus creating a good environment for cultivating high-end flowers and saplings.



Flower bed in the Taiwan Farmers' Pioneering Park financed by CDB Jiangsu

Mass Participation in Starting Up Businesses and in Innovation

Encouraging mass participation in starting up businesses and in innovation is favorable for increasing both employment and income and for promoting fairness and justice. In 2015, as a member of the Leading Group of the State Council for Promoting the Development of Small and Medium-sized Enterprises (SMEs), we participated in amending the law on stimulating the development of SMEs. In cooperation with the Communist Youth League Central Committee (CYLCC) and the Ministry of Human Resources and Social Security (MHRSS) in providing small sum start-up loans to help young people and students and other social groups to start their own businesses.



Small sum loan beneficiary backed by CDB Shaanxi



Benefiting-the-people small sum loan beneficiaries In Yanchi, Ningxia Hui Autonomous Region

Exploiting advantages from all quarters to assist entrepreneurship

- Launch a micro-finance project with the CYLCC and Lend 13.03 billion yuan to approximately 20,000 young Chinese trying to start up their own business.
- Launch mass entrepreneurship loans in collaboration with the MHRSS, extending small guaranteed-loans of 10.74 billion yuan accumulatively to 160,000 migrant workers and laid-off workers and help them get employed.
- Issue 15.37 billion yuan in loans to support technological enterprises to make innovations together with the Ministry of Science and Technology.
- CDB Henan teamed up with the Henan Committee of the Communist Youth League to launch a special loan for young entrepreneurs and provided them with technical support at the same time. CDB granted a direct loan of no more than 5 million yuan for each client in this solidarity lending. Since 2010, we have lent 10.302 billion yuan to 3,117 small and medium-sized clients of the Henan Young Entrepreneurs Association.

Drive the Development of Student Loans

Ensuring inclusive and fair quality education and letting all people enjoy the opportunity for study is the foundation for the sustainable development of every individual and also for the economic and social development. In 2015, we improved the management and services with regard to student loans and continued to expand the student loan coverage so that more students from poor families would get the opportunity of pursuing higher education. In 2015, we granted 18.7 billion yuan student loans to 2.85 million students from poor families. By the end of 2015, the student coverage had reached 100 percent and 90 percent of the students from poor families had access to schools.

Case Study

A Child from Poor Families in the Past Has Become A Leader in Pursuing Wealth

After graduating from the university by using CDB loan, Liang Ling began to plant medicinal herbs and in a short span of about a month Liang expanded the medicinal herb plantation to more than 66 hectares, providing many jobs for the local people. The local people called him a “leader in pursuing wealth” .



Students lining up to get CDB loans

“It was CDB that stretched out its hand when I was in the most difficult days. I must pass on this loving heart and help more local people end poverty and make their dream come true.”

—Liang Ling, a beneficiary of CDB student loans

Coping with the Problem of the Aging Population

In face of the old-aging trend of the society, we have sped up innovation and R&D in relevant products and services. In 2015, we released a proposal on supporting the aged-care system through development finance and supported home- and community-based aged-care facilities, government-run homes for the aged that integrates old age care with medicine and the micro aged care service enterprises in the models of PPP and government purchase of services and the four platforms and one association cooperation.



CDB Jiangxi extended a long- and medium-term loan of 130 million yuan through PPP to the aged care centers in 72 communities and villages in downtown Zhanggong District of Ganzhou City. In the future, all 110,000 old people of this district will benefit from the project.

◎ All Aboard for Harmonious Development



New recruits receiving training visiting the Exhibition of the History of CDB

It is the fundamental interests and common aspirations of all social sectors to realize harmonious economic and social development. It is an important part of a well-off society and also a crucial condition for CDB's sustainable development. We have made great efforts to build a good relationship with all stakeholders and created favorable conditions for employees' career development. We have worked flat out to improve our customer service abilities, devoted ourselves to public welfare undertakings, spread financial knowledge and, together with all parties, contributed to social harmony.

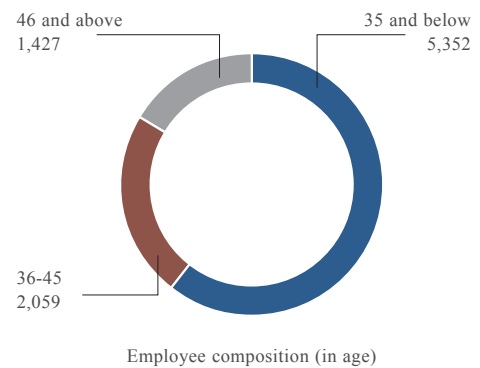
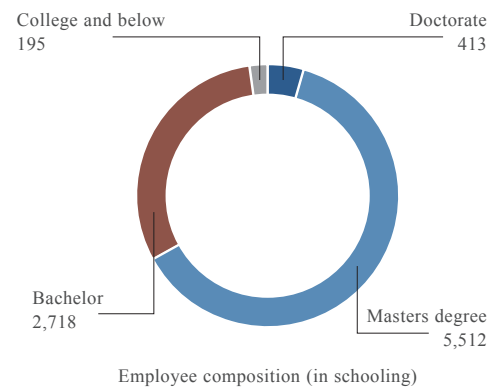
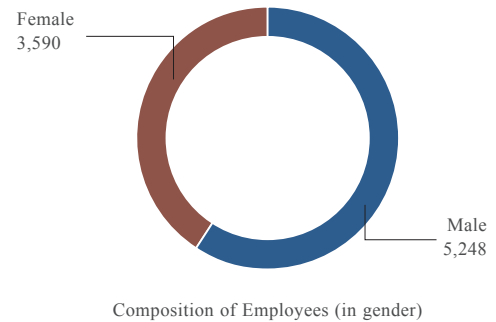
Care for Career Development of Employees

We have dedicated to the capacity building of our employees to make them grow with the bank. We have made our recruitment open and fair so as to take in outstanding personnel with a diversified background. We have provided our employees with opportunities to study and receive training to expand the space for their career development. We have created a harmonious and healthy corporate culture to make the employees live healthily and work happily. In 2015, our employee satisfaction rate reached 98 percent.

Employee Recruitment

We hired 465 college graduates in 2015, selected 30 excellent graduates from our first managers' workshop for further training at a higher level, started a new round of intern recruitment, sending out internship notices to 92 students including those who studied in Harvard and Oxford. We have strengthened the building of the post-doctoral stations. We recruited 3 more post-doctorates, providing the backing for sustainable development.

Unit: person





Training in European business

Employee Training

In 2015, we developed pragmatic and applicable problem-oriented training subjects and courses according to the different needs of the employees and their posts and based on their abilities to solidify the foundation for sustainable development.

| Serving the group Strategy | Focusing on key businesses | Upgrading management and control levels | Personnel training |
|---|---|---|---|
| Carried out Training in 13th five-year plan; organized training to learn the Financial Group Management of the Frankfurt University | Organized trainings in doing business in neighboring, European and Latin American countries and in such key areas as energy, transport and electronic information | Gave training in assessment management, risk management, auditing and other subjects; in the development trend of financial management and accounting; in information security, business system development, operation and servicing. | Gave training to new recruits and sent outstanding young employees as interns at Barkley and South Africa Standard Bank; For four consecutive years sending out young employees to take up posts at village and town banks |



Number of training held by CDB head office at home and abroad

91 items

Number of participants

20,008



Online training

10 items

Participants

6,534 hours



Employees at Manchester University to receive training in integrated management system



Training given by branches

618 items

participants

29,709

Employee Care

We encouraged the employees to live a healthy life and work happily by organizing various sports and entertainment activities, protecting the special rights and interests of women employees and caring for the retired so as to create a comfortable working environment for our employees.



Diversified actions serving the Growth of young employees

Sent 140 young employees to take up posts at 14 village and town banks and for 5 consecutive years organized young employees to provide financial services in rural areas. Participating in the activities were 4,104 young employees in 2015.



Rich cultural activities for employees

Organized a chorus competition to mark the commemoration of the 70th anniversary of the War of Resistance to Japan Aggression; a full-attendance reading activity.



Sports and entertainment activities

Organized bankwide basketball competition, fitness and skill competitions at different outlets of the bank; encouraged employees to participate in the tennis, dance and law knowledge competition sponsored by the national financial system. About 8,600 people participated in the activities.



Green Office starts with me



Employees sports games



A Basketball Match



Green Environment Protection Tour, CDB Dalian



Dance competition



Issuing weekly publication for the retired



Home of Employees: Rich cultural activities in spare time

Set up "Home of Employees" in CDB Gansu, Tibet and Ningxia, where there are fitness rooms, reading rooms. At CDB head officer, there is a digital library with E-reading equipment.



Protecting the lawful rights and interests of women employees

Called women employees work conference, revised the "Rules on the Work of the Women's Work Committee of CDB Trade Union to protect the rights and interests of women employees and their health.



Colorful activities for the retired

Organized the retired to learn calligraphy and paintings and other cultural activities, bringing our care and warmth closer to the retired employees.



Competition in winning honors for CDB



Birthday party for employees



Education in patriotism at a revolutionary memorial museum



Flower arrangement class for women employees



Young employees of CDB Anhui reviewing Party history and carrying out sending-warmth tour



Table Tennis competition

Sincere Customer Service

We are committed to providing better services to our customers across the world. In 2015, we formulated a program for customer relations development for the 13th Five-Year Plan period. We have improved the outlet services, strengthened the training of VIP customers and conducted customer satisfaction survey, striving for win-win in values with customers.

Improve Customer Service Management System

A scientific and systematic customer service management system provides a vital base for developing good customer relationship. In 2015, we analyzed the opportunities and challenges in customer relationship in the new situations and constructed a customer relation framework. We went on to strengthen customer management system. In the year, we put on line 7 new CRM functions and further improved customer complaints management system. We gave training to employees receiving complaints on the 9559 call platform. The satisfaction rate of customer complaints handling reached 100 percent.

Case Study

Improve 95593 Call Center Service



95593 Call Center

95593 Call Center offers consulting services to more than 7 million beneficiaries of 2,700 institutions of higher education in more than 2,000 counties. In the 2015 peak period, the center optimized measures to ensure service quality, effectively easing the pressure and ensuring an over 90 percent through rate. It accepted and made 700,000 calls. The one-time solution rate reached 96.5 percent.

Customer Satisfaction Survey

In 2015, we strengthened the institutionalization and standardization of customer satisfaction and loyalty surveys and further implemented the “survey-analysis-improve-assessment” mechanism. We entrusted a third party to conduct questionnaire surveys on customer satisfaction through phone calls and Internet. We also organized a workshop to analyze problems discovered by the surveys. We visited our VIP customers every quarter to solicit opinions so as to improve our services. The 2015 customer satisfaction rate rose by one percentage point from the previous year.

Upgrade Customer Experience

In 2015 we further optimized our outlet services, fostered a service culture and improved our heart-to-heart services with a smile. We continued the customer manager training program so as to enable a specialized team to provide better financial service. We improved the call center service functions to better meet the needs of students aspiring for loans.



CDB Hunan winning the honored title “Vanguard of Workers” given by the All-China Trades Union



Customer service team of CDB Chongqing

Social Welfare

We have been warm-hearted in promoting public welfare undertakings, actively supported and spread public welfare education and worked flat out to aid the poor and those in need. We took good care of the vulnerable groups and joined struggle against natural disasters. At the same time, we strengthened cooperation overseas and carried out international public welfare cooperation projects.



Meisheng attended an inaugural ceremony of a happy music classroom of “Project Hope” in Mati Junior High School of Mati Township in Gulin County of Sichuan. CDB volunteers and students of the school enjoyed music.

Case Study

Colorful Candle Project

In 2011, we launched the “Colorful Candle Project” in cooperation the Western China Human Resources Development Fund and donated 13 million yuan for training school headmasters and taking care of the children left at home by migrant workers and helped poor areas where the basic education is weak. The care for left-at-home children project was incorporated into the 2015 China Yearbook.

Training of primary school headmasters. We organize the 14th headmasters training class at the Beijing Normal University and invited renowned education experts to give training to 659 headmasters from Sichuan, Guizhou, Chongqing, Jiangxi and Gansu.



Trainees visiting Foreign Languages School
Affiliated to the Beijing Normal University

“I have not attended such learning for a long time. It has allowed my thought to fly again and made me more confident in my work and firmer in my faith in life.”

—Gou Xingzheng, headmaster of
the Pingmo town Central primary school

Care for left-at-home children project. Together with the Western China Human Resources Development Fund in Gulin County of Sichuan Province, CDB launched the “Colorful Candle Project – Care for Left-at-Home Children”. We helped the schools of the county design and organize their own activities of taking care of children, whose parents work away from home, and provided them with financial assistance, training and supplies. Besides, we allocated 400 copies of books for each school for them to set up libraries. We organized the students to write up their gains from reading and other articles and compiled them into books that run up to more than 100,000 Chinese characters.



The gains from reading written by children collected into a book



Case Study

Legal Aid Volunteers in Action

As a council member of the China Legal Aid Fund, CDB had donated 3.65 million yuan by the end of 2015 for the “1+1” (one lawyer and one law graduate) volunteers in more than 400 counties that have no lawyers or seriously lack lawyers. The money was mainly used to assist in legal cases in the western areas, give lectures on law and disseminate legal knowledge and answer legal questions.

Case Study

Eyesight Restoration Project

Starting from 2007, we started to cooperate with the China Foundation for Disabled Persons in launching an “Eyesight Restoration Project” to provide free surgery to people with cataract in poor areas. By the end of 2015, CDB donated 10.65 million yuan, helping more than 10,000 people restore their eye-sights, significantly easing the disease-caused poverty. For this, CDB won the Outstanding Charity Project Award from the China Banking Association.



Cataract operation theater



Old woman recuperating from cataract surgery



In 2015, we established a grassroots education base for the CDB young employees at the Yuexin Primary school of You'er Village, the Town of Hongfenghu, Qingzhen City, Guizhou Province. CDB young employees took care of left-at-home children, participated in the routine teaching activities at poor schools and carried out investigations into poverty relief. By the end of 2015, we had organized more than 40 young employees in 7 groups to carry out education and poverty relief activities in the base. They taught the students for more than 1,200 hours and compiled over 100 interview records, diaries and investigation reports and donated more than 10,000 pieces of poverty relief materials, including desks, school clothes and daily necessities.



In September 2015, CDB volunteers attended a 100-km charity hiking, raising nearly 100,000 yuan for children in mountainous areas. The money was used to purchase 500 pieces of winter clothes, scarfs and gloves for children in Weining County of Guizhou.



China-Africa Development Fund teamed up with Hisense to help a local welfare house and organized a series of charity activities, aimed at taking African students studying in China to institutions of higher learning and enterprises. The fund also teamed up with Chinese capital enterprises in Africa to carry out such activities of donating and aiding schools in Africa.

Volunteers from CDB's Hong Kong and local social workers taking 25 children from poor families to visit the Trick Eye 3D Art Museum on the Victoria Peak on Oct. 11, 2015.



CDB Guangxi taking students of the Xiujiang Primary School of Nanning to the Guangxi Science and Technology Museum on March 22, 2015. The Youth League Committee of CDB Guangxi was designated to aid the school in taking care of left-at-home children.

Spread Financial Knowledge

In 2015 we carried out the publicity and service month activities to disseminate financial knowledge to every home, benefiting about 73,000 people in poverty-stricken rural areas. The activities included the “Financial Knowledge Tour” and “Bring Financial Knowledge to Every Home”, with emphasis put on poor areas in the middle and western parts of the country.

Strengthening publicity of legal knowledge. We opened 133 libraries in the old revolutionary base areas, minority people inhabited areas, border areas and poor areas in Hainan, Sichuan, Ningxia and Guangxi and donated nearly 100,000 copies of law books. We designated 9 “Law Homes of Farmers” in the poor township inhabited by the Yao people in Lingyun County, Guangxi, to demonstrate the learning of law.

New ways for spreading law knowledge. We supported the Houyi Youqi of Chahar, Inner Mongolia and helped it build public galleries and bases for spreading law knowledge. We established closer relationship with the local government and people in carrying out law publicity activities and distributed to grassroots the “Guide to Law concerning CDB Renminbi Credit Business”. We carried out outdoor law dissemination activities at the cultural square of the city of Mudanjiang. By taking advantage of providing students loans, we carried out “integrity and law compliance” activities in the campuses of colleges, thus laying a solid foundation for building an integrity and law compliance society.



CDB Shanxi taking advantage of joining the Taiyuan International Marathon to spread financial knowledge



CDB Xiqing village banks spreading financial knowledge

Financial Knowledge Tour

Number of activities organized

244

Number of employees participating

3,965

Number of customer recipients

58,000

Financial knowledge publicity month

Number of activities organized

177 events

Number of employees participating

1,744

Number of promos released

11

Number of media reports

39

Number of SMS WeChat sent

8,416

Number of inquiries received

15,476

Number of handout

27,805



SUSTAINABLE DEVELOPMENT PERFORMANCE



Key Data

| Key Performance Indicators | 2015 | 2014 | 2013 |
|--|----------|----------|---------|
| Economic Indicators | | | |
| Total assets | 12,619.7 | 10,317.0 | 8,188.0 |
| Outstanding loans | 9,206.9 | 7,941.6 | 7,148.3 |
| Non-performing loan ratio (%) | 0.81 | 0.65 | 0.48 |
| Loan loss reserve (%) | 3.71 | 3.43 | 3.05 |
| Bond balance | 7,301.4 | 6,353.6 | 5,840.6 |
| Capital adequacy (%) | 10.81 | 11.88 | 11.28 |
| Net profit | 102.8 | 97.7 | 79.9 |
| Shareholders' equity | 1,070.3 | 680.8 | 562.0 |
| ROA (%) | 0.90 | 1.06 | 1.02 |
| ROE (%) | 11.74 | 15.36 | 15.07 |
| Social Indicators | | | |
| Outstanding loans to the railway industry | 720.90 | 575.52 | 499.76 |
| Outstanding loans to the power industry | 783.12 | 773.59 | 751.49 |
| RMB loans to the central and western regions ¹ | 1,023.2 | 850.2 | 714.9 |
| Outstanding foreign currency loans (Unit 100 million US dollars) | 2,760 | 2,670 | 2,505 |
| Loans to the transformation of shanty-town and city villages | 750.9 | 408.6 | 106.0 |
| Accumulated beneficiaries of shanty-town transformation loans (Unit 10,000 people) | 4,374 | 2,857 | 1,550 |
| Student loans | 18.7 | 14.7 | 12.5 |
| Accumulated beneficiaries of student loans (Unit 10,000 person-time) | 1,523.5 | 1,238.9 | 995.0 |
| Emergency loans ² | 9.40 | 2.08 | 8.00 |
| Urban infrastructure facilities loans | 167.90 | 179.00 | 189.40 |
| Total employees (Unit: Person) ³ | 8,838 | 8,723 | 8,468 |
| Proportion of female employees (%) ³ | 40.62 | 40.17 | 39.80 |
| Donations (Unit: 10,000 yuan) ⁴ | 3,860 | 4,063 | 4,180 |
| Employee satisfaction (%) | 98 | 94 | – |
| Customer satisfaction (%) | 96 | 95 | 96 |
| Environmental Indicators | | | |
| Percentage of projects completing environmental impact assessment (%) | 100 | 100 | 100 |
| Loans to environmental protection, energy conservation and emissions reduction projects | 191.8 | 167.2 | 196.2 |
| Of which: loans to comprehensive control of river valleys and urban environment pollution control ⁵ | 76.9 | 70.3 | 66.4 |
| Loans to industrial pollution control and comprehensive resources utilization projects ⁶ | 31.2 | 22.4 | 28.8 |
| Loan to clean energy and ten major energy-efficient projects ⁷ | 83.7 | 74.5 | 101.0 |
| Per capita electricity consumption at head office (kwh/person) ⁸ | 13,876 | 14,525 | 18,312 |
| Per capita paper consumption at head office (kg/person) ⁸ | 18.49 | 10.91 | 30.00 |
| Per capita water consumption at head office (cubic meter/person) ⁸ | 45.67 | 43.29 | 60.22 |

Unit in 1 billion yuan, unless otherwise specified.

- Refers to the loans issued by CDB branches in central and western China. The central and western China includes the provinces of Shanxi, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei, Hunan, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu and Qinghai, the autonomous regions of Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang as well as Chongqing Municipality.
- Refers to the bond with a term of no longer than one year, falling in the business scope of the CDB and with a purpose to help local governments and significant enterprises cope with emergency and disasters before the input of fiscal funds or until the victim enterprises have restored production and operation.
- Excluding village banks and holding subsidiaries.
- Refers to cash donations at the head office and branches.
- Including the prevention and treatment of water pollution in cities and river valleys, air pollution control, recycling and hazard-free treatment of domestic waste, disposal of dangerous and medical wastes, gardening, comprehensive environmental treatment, forestation, desertification control, returning farmland to forests, nature reserve, prevention and treatment of rural pollution.
- Including desulfurization project of power plants, disposal of industrial waste, utilization of renewable resources, industrial relocation and technical upgrading, energy conservation project of thermal power plants, research and development of energy-efficient technology, pioneer projects, manufacturing of energy-conserving equipment, energy-efficient services and working capital projects of energy-conserving enterprises.
- Including clean and renewable energy projects and energy-conserving industrial projects.
- Per capita consumption of electricity, paper and water is tallied for formal employees at the head office, and paper consumption is confined to the head office building at Fuxingmenni Street.

LOOKING INTO THE FUTURE

2016 is the first year of China's 13th Five-Year Plan Period. It is also a year for tackling the most difficult part of supply side structural reform. CDB will take steps to adapt to the new normal of economic development. Based itself on the strategic positioning of development finance, CDB will translate into action the philosophy of innovation, coordination, green and open development and sharing development. It will better display the functions and roles of development finance and make sustained and precision-targeted efforts to help China to be off to a good start in economic and social development for the next five years.

Support technical innovation and industrial transition and upgrading through innovative development. We will put into action the major strategies of "Made in China 2025" and mass participation in starting up businesses and engaging in innovation and grant more loans to information technology, smart manufacturing and innovative industries. We will provide an impetus to the development of the national independent innovation demonstrative zones, and the national modern agriculture demonstrative zones so as to shape up a number of emerging industrial clusters with distinct characters.

Facilitate coordinated regional development and urban-rural integration. We will make unified arrangements for advancing the coordinated development in the western hinterland, the northeast China old industrial bases, the eastern coastal regions and the middle region and the major strategies for developing the Yangtze River Economic Belt, the Belt-and-Road, and the Beijing-Tianjin-Hebei synergetic development. We will create new financing modes to support the revolutionary base areas, minority people inhabited regions, border areas and impoverished areas. We will prioritize the support to the development of city clusters in the Beijing-Tianjin-Hebei area, the Yangtze River Delta and the Zhujiang (Pearl) River Delta. We will work flat out to support the building of the functional

areas of the state-class new areas and industrial demonstrative zones so as to cultivate new growth poles. We will promote urban-rural integration, actively support the development of urban underground utility tunnels, sponge cities, urban-rural interconnection in infrastructure and the equalization of basic public services in the urban and rural areas.

Promote green development to accelerate the building of ecological civilization. We will put the emphasis of our support on such areas as air, water and soil pollution prevention and control, encourage the development of green, low-carbon and circular economy such as the use of new energy and renewable energy, energy conservation, environment protection and modern agriculture in a bid to raise the environment bearing capacity. We will take further steps to improve CDB's green credit system and green financial services.

Support the implementation of the "One Belt, One Road" strategy and facilitate open development. With good planning, we will support such major strategic cooperation as infrastructure interconnection with neighboring countries, found an international production capacity cooperation fund as a platform for deepening cooperation with foreign governments according to the mutually beneficial and win-win principle.

Promote inclusive finance through sharing development. We will provide more loans to ensure the annual financing targets in the transformation of shanty towns be well met. We will make an in-depth study of the financing schemes and precision financial support in tackling the most difficult part of the program for ending poverty so as to achieve the objectives of implementing poverty relief program by relocation at the provincial level, the infrastructure construction program at the county level, stimulating industrial development at the village (household) level and education aid down to household (person) so as to raise the efficiency in relieving poverty through financial services.



APPENDIXES

© Independent Practitioner's Assurance Report

To the Board of Directors of China Development Bank Corporation

We have been engaged to perform a limited assurance engagement on the selected 2015 key data as defined below in the 2015 Sustainability Report ("the Sustainability Report") of China Development Bank Corporation (the "Bank").

Selected Key Data

We carried out limited assurance on the environmental indicators and social indicators in the table of key data in the Bank's 2015 Sustainability Report.

Our assurance was with respect to the selected key data in the 2015 Sustainability Report only and we have not performed any procedures with respect to any other elements included in the 2015 Sustainability Report or information in 2014 and earlier periods.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2015 Sustainability Report is set out in the footnotes to the table of key data (the "basis of reporting").

The Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of the selected key data in the 2015 Sustainability Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2015 Sustainability Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2015 Sustainability Report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank's 2015 selected key data in the 2015 Sustainability Report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2015 Sustainability Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk.

Within the scope of our work, our work was performed at the Head Office and the following branches:

- Beijing Branch
- Tianjin Branch
- Jiangsu Branch
- Chongqing Branch

We performed the following procedures:

- 1) Interviews with relevant departments of the involved in providing information for the selected key data within the Sustainability Report;
- 2) Analytical procedure;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary.

Inherent Limitation

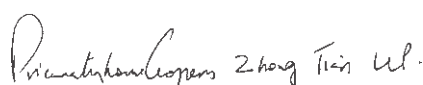
The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2015 selected key data in the 2015 Sustainability Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.



PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China
26 September 2016

◎ Honors and Awards

| Presenter | Titles of Honors and Awards |
|---|--|
| people.com.cn | People and Social Responsibility Award (for 10 Consecutive Years) |
| China Banking Association | The Most Socially Responsible Financial Institution Award |
| “Financial Time”, Finance Institute of the China Academy of Social Sciences | Annual Best Bank in Services and Stable Growth |
| “Bimonthly Chart”, Xinhua News Agency | Most Trust-worthy Banking Institution |
| China Banking Association | Best Consortium Loan Performance |
| | Best Consortium Loan Management |
| | Best Consortium Loans Trading |
| | Most Socially Responsible Financial Institution and Annual Best Livelihood Finance Award |
| | Outstanding Charity Project Award of China’s Banking Industry |
| China Poverty Relief Fund | Excellent Organization Award for Good News Reports in China’s Banking Industry |
| | Poverty Relief Ambassador |
| China Foreign Exchange Transaction System | Excellent Forward and Swap Market Maker Award |
| | Best Forward and Swap Award |
| | Most Popular Market-making Institution Award for Forward and Swap Transactions |
| | Award for the Most Influential Inter-bank RMB Market |
| | Best Derivative Trading Award on the Inter-bank RMB Market |
| | Top 100 in Inter-bank RMB Market Trading (No. 1) |
| | Top 200 in Inter-bank RMB Market Trading (No. 1) |
| | Best Back-office Support Market-making Institution in Inter-bank Foreign Currency Market |
| | Excellent Member of the China’s Bond Market Award |
| | Excellent Proprietary Trader in China’s Bond Market |
| China Government Securities Depository Trust & Clearing Co. | Excellent Proprietary Institution in China’s Bond Market |
| | Foreign Exchange Compliance Management Assessment A |
| State Administration of Foreign Exchange | Foreign Exchange Compliance Management Assessment A |
| CSF-China Securitization Forum | Annual Excellent Trading Award |
| | Best Clearance Member Award |
| Interbank Market Clearing House | Best Settlement Member Award |
| | Best Off-pitch Interest Financial Derivative Product Award |
| Ministry of Justice and National Office for Law Popularization | Best Organization Award for Constitution Knowledge Contest of China’s 100 Websites and China Law Publicity Microblog |
| Asian Legal Business | China Law Grand Prix – “Grand Prix for Law Publicity Teams of Banks and Financial Service |

© Global Compact's Ten Principles and CDB's Implementation

| Global Compact's Ten Principles | CDB's Actions and Performance in 2015 |
|--|---|
| Human Rights | |
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights | Observed the laws and regulations of China and the regions in which it operates; signed labor contracts with all employees (100%); instituted democratic management and democratic supervision; protected the lawful rights and interests of employees; provided basic old-age insurance and basic medical insurance, unemployment insurance, work injury insurance and maternity insurance; met the minimum wage requirements by the regions it operates. |
| Principle 2: Businesses should make sure they are not complicit in human rights abuses | Honored all the international conventions to which China is a signatory party or recognized by the Chinese government, the common international practice; respected the Universal Declaration of Human Rights, the UN International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and other conventions and declarations. |
| Labor | |
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | Improved the Workers Representative Congress system and set up trade unions in all operating units (100%) |
| Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor | Banned all forms of forced labor |
| Principle 5: Businesses should uphold the effective abolition of child labor | Banned the use of child labor |
| Principle 6: Businesses should uphold the elimination of discrimination in respect to employment and occupation | Implemented the principle of equal pay for equal work done; established a system of using and selecting personnel according to the principle of openness, equality and competition and on merits; banned discrimination of all descriptions in race, gender, marital status, country of citizenship, age, disability, religion, cultural background or language. |
| Environment | |
| Principle 7: Businesses should support a precautionary approach to environmental challenges | Took steps to cope with the challenges by climate change; formulated green credit strategy; established a green credit management system and developed green finance. |
| Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility | Supported the development and utilization of clean energy; cultivated energy-efficient industries; encouraged innovation in alternative technologies and emission reduction technologies; extended loans of 191.8 billion yuan to environment protection and energy conservation, and encouraged green procurement and green office work. |
| Principle 9: Businesses should encourage the development and diffusion of environment-friendly technologies | Extended 83.7 billion yuan loans to clean energy projects and ten major energy-efficient projects; supported the spread and use of environment-friendly technologies. |
| Anti-corruption | |
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery | Strengthened the building of a system for fighting corruption and encouraging honest and clean operation; governed the bank according to law; monitored and controlled corruption-prone work posts, with emphasis on discovering, identifying and monitoring work posts at a high risk of abusing power to seek rents; steadily advanced joint supervision and created sunshine projects to guard against corruption and business risks. |

© GRI4.0 Index

GENERAL STANDARD DISCLOSURES

| Indicators classification | Ranking | Content | Adoption | |
|---------------------------|--|--|--|-------------|
| Strategy and analysis | G4-1 | Provide a statement from the most senior decision-maker of the organization. | Adopted | |
| | G4-2 | Provide a description of key impacts, risks, and opportunities. | Adopted | |
| | G4-3 | Report the name of the organization. | Adopted | |
| | G4-4 | Report the primary brands, products, and services. | Adopted | |
| | G4-5 | Report the location of the organization's headquarters. | Adopted | |
| | G4-6 | Report the 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. | Adopted | |
| | G4-7 | Report the nature of ownership and legal form. | Adopted | |
| | G4-8 | Report the markets served (including geographic break down, sectors served, and types of customers and beneficiaries). | Adopted | |
| | G4-9 | Report the scale of the organization, including total number of employees, total number of operations, net sales (for private sector organizations) or net revenues (for public sector organizations), total capitalization broken down in terms of debt and equity (for private sector organizations), quantity of products or services provided. | Partly Adopted | |
| Organizational profile | G4-10 | Report the total number of employees by employment contract and gender. | Partly Adopted | |
| | | Report the total number of permanent employees by employment type and gender. | Not Adopted | |
| | | Report the total workforce by employees and supervised workers and by gender. | Not Adopted | |
| | | Report the total workforce by region and gender. | Not Adopted | |
| | G4-11 | Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. | Not Adopted | |
| | | Report any significant variations in employment numbers. | N/A | |
| | G4-12 | Report the percentage of total employees covered by collective bargaining agreements. | Not Adopted | |
| | G4-13 | Describe the organization's supply chain. | Not Adopted | |
| | G4-14 | Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain. | Adopted | |
| | G4-15 | Report whether and how the precautionary approach or principle is addressed by the organization. | Not Adopted | |
| | G4-16 | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses. | Adopted | |
| | G4-17 | List memberships of associations (such as industry associations) and national or international advocacy. | Adopted | |
| | G4-18 | List all entities included in the organization's consolidated financial statements or equivalent documents. | Not Adopted | |
| | | Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. | Not Adopted | |
| | Identified material aspects and boundaries | G4-19 | Explain the process for defining the report content and the Aspect Boundaries. | Not Adopted |
| | | | Explain how the organization has implemented the Reporting Principles for Defining Report Content. | Not Adopted |
| | | G4-20 | List all the material Aspects identified in the process for defining report content. | Adopted |
| G4-21 | | For each material Aspect, report the Aspect Boundary within the organization | Not Adopted | |
| G4-22 | | For each material Aspect, report the Aspect Boundary outside the organization. | Not Adopted | |
| G4-23 | | Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements. | N/A | |
| G4-24 | Report significant changes from previous reporting periods in the Scope and Aspect Boundaries. | Not Adopted | | |

GENERAL STANDARD DISCLOSURES

| Indicators classification | Ranking | Content | Adoption |
|---------------------------|---------|---|-------------|
| Stakeholder engagement | G4-24 | Provide a list of stakeholder groups engaged by the organization. | Adopted |
| | G4-25 | Report the basis for identification and selection of stakeholders with whom to engage. | Not Adopted |
| | G4-26 | 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. | Adopted |
| | G4-27 | 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. | Adopted |
| Report profile | G4-28 | Reporting period (such as fiscal or calendar year) for information provided. | Adopted |
| | G4-29 | Date of most recent previous report (if any). | Adopted |
| | G4-30 | Reporting cycle (such as annual, biennial). | Adopted |
| | G4-31 | Provide the contact point for questions regarding the report or its contents. | Adopted |
| | G4-32 | Report the 'in accordance' option the organization has chosen. | Adopted |
| | | Report the GRI Content Index for the chosen option. | Adopted |
| | G4-32 | 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. | Adopted |
| | | Report the organization's policy and current practice with regard to seeking external assurance for the report. | Adopted |
| | G4-33 | If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. | N/A |
| | | Report the relationship between the organization and the assurance providers. | Adopted |
| Governance | G4-34 | Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report. | Adopted |
| | | Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts. | Not Adopted |
| | G4-35 | Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees. | Not Adopted |
| | G4-36 | Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body. | Not Adopted |
| | G4-37 | Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body. | Not Adopted |
| | G4-38 | Report the composition of the highest governance body and its committees. | Not Adopted |
| | G4-39 | Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement). | Adopted |
| | G4-40 | Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members. | Not Adopted |
| | G4-41 | Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders. | Not Adopted |
| | G4-42 | Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts. | Adopted |
| | G4-43 | Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics. | Adopted |
| | G4-44 | Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. | Not Adopted |
| | | Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice. | Not Adopted |

GENERAL STANDARD DISCLOSURES

| Indicators classification | Ranking | Content | Adoption |
|---------------------------|----------------------|---|---|
| Governance | G4-45 | Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. | Adopted |
| | | Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities. | Adopted |
| | G4-46 | Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics. | Adopted |
| | G4-47 | Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities. | Not Adopted |
| | G4-48 | Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered. | Adopted |
| | G4-49 | Report the process for communicating critical concerns to the highest governance body. | Not Adopted |
| | G4-50 | Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them. | Not Adopted |
| | G4-51 | Report the remuneration policies for the highest governance body and senior executives. | Not Adopted |
| | | Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives. | Not Adopted |
| | G4-52 | Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization. | Not Adopted |
| | G4-53 | Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable. | Not Adopted |
| | G4-54 | Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. | Not Adopted |
| | G4-55 | Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country. | Not Adopted |
| | Ethics and integrity | G4-56 | Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics. |
| G4-57 | | Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines. | Adopted |
| G4-58 | | Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines. | Adopted |

SPECIFIC STANDARD DISCLOSURES

| Indicators classification | Ranking | Content | Adoption |
|---------------------------|---------|---|-------------|
| Economic | G4-EC1 | Direct economic value generated and distributed. | Adopted |
| | G4-EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | Adopted |
| | G4-EC3 | Coverage of the organization's defined benefit plan obligations. | Not Adopted |
| | G4-EC4 | Financial assistance received from government. | Not Adopted |
| | G4-EC5 | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. | Not Adopted |
| | G4-EC6 | Proportion of senior management hired from the local community at significant locations of operation. | Not Adopted |
| | G4-EC7 | Development and impact of infrastructure investments and services supported. | Adopted |
| | G4-EC8 | Significant indirect economic impacts, including the extent of impacts. | Adopted |
| | G4-EC9 | Proportion of spending on local suppliers at significant locations of operation. | Not Adopted |

SPECIFIC STANDARD DISCLOSURES

| Indicators classification | Ranking | Content | Adoption |
|---------------------------|---------|--|-------------|
| Environmental | G4-EN1 | Materials used by weight or volume. | N/A |
| | G4-EN2 | Percentage of materials used that are recycled input materials. | N/A |
| | G4-EN3 | Energy consumption within the organization. | Adopted |
| | G4-EN4 | Energy consumption outside of the organization. | Not Adopted |
| | G4-EN5 | Energy intensity. | Not Adopted |
| | G4-EN6 | Reduction of energy consumption. | Adopted |
| | G4-EN7 | Reductions in energy requirements of products and services. | Adopted |
| | G4-EN8 | Total water withdrawal by source. | Adopted |
| | G4-EN9 | Water sources significantly affected by withdrawal of water. | N/A |
| | G4-EN10 | Percentage and total volume of water recycled and reused. | Not Adopted |
| | G4-EN11 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Not Adopted |
| | G4-EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | Adopted |
| | G4-EN13 | Habitats protected or restored. | Adopted |
| | G4-EN14 | Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | Not Adopted |
| | G4-EN15 | Direct greenhouse gas (ghg) emissions (scope 1). | Adopted |
| | G4-EN16 | Energy indirect greenhouse gas (ghg) emissions (scope 2). | Adopted |
| | G4-EN17 | Other indirect greenhouse gas (ghg) emissions (scope 3). | Not Adopted |
| | G4-EN18 | Greenhouse gas (ghg) emissions intensity. | Not Adopted |
| | G4-EN19 | Reduction of greenhouse gas (ghg) emissions. | Adopted |
| | G4-EN20 | Emissions of ozone-depleting substances (ods). | N/A |
| | G4-EN21 | NO _x , SO _x , and other significant air emissions. | N/A |
| | G4-EN22 | Total water discharge by quality and destination. | N/A |
| | G4-EN23 | Total weight of waste by type and disposal method. | N/A |
| | G4-EN24 | Total number and volume of significant spills. | N/A |
| | G4-EN25 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the <i>Basel Convention</i> annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | N/A |
| | G4-EN26 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff. | N/A |
| | G4-EN27 | Extent of impact mitigation of environmental impacts of products and services. | Adopted |
| | G4-EN28 | percentage of products sold and their packaging materials that are reclaimed by category. | N/A |
| | G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | N/A |
| | G4-EN30 | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce. | Adopted |
| | G4-EN31 | Total environmental protection expenditures and investments by type. | Adopted |
| | G4-EN32 | Percentage of new suppliers that were screened using environmental criteria. | Not Adopted |
| | G4-EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken. | Not Adopted |
| | G4-EN34 | Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms. | Not Adopted |
| Employment | G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region. | Not Adopted |
| | G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or parttime, employees, by significant locations of operation. | Not Adopted |
| | G4-LA3 | Return to work and retention rates after parental leave, by gender. | Not Adopted |
| | G4-LA4 | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements. | Not Adopted |
| | G4-LA5 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | Not Adopted |
| | G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. | N/A |
| | G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation. | N/A |

SPECIFIC STANDARD DISCLOSURES

| Indicators classification | Ranking | Content | Adoption |
|---------------------------|---------|---|----------------|
| Employment | G4-LA8 | Health and safety topics covered in formal agreements with trade unions. | Not Adopted |
| | G4-LA9 | Average hours of training per year per employee by gender, and by employee category. | Partly Adopted |
| | G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Adopted |
| | G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category. | Not Adopted |
| | G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. | Adopted |
| | G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. | Not Adopted |
| | G4-LA14 | Percentage of new suppliers that were screened using labor practices criteria. | Not Adopted |
| | G4-LA15 | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken. | Not Adopted |
| | G4-LA16 | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms. | Not Adopted |
| Human rights | G4-HR1 | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. | Not Adopted |
| | G4-HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | Partly Adopted |
| | G4-HR3 | Total number of incidents of discrimination and corrective actions taken. | N/A |
| | G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights. | N/A |
| | G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. | N/A |
| | G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor. | N/A |
| | G4-HR7 | Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations. | Not Adopted |
| | G4-HR8 | Total number of incidents of violations involving rights of indigenous peoples and actions taken. | Not Adopted |
| | G4-HR9 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments. | Not Adopted |
| | G4-HR10 | Percentage of new suppliers that were screened using human rights criteria. | Not Adopted |
| | G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken. | Not Adopted |
| | G4-HR12 | Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms. | Not Adopted |
| Society | G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | Not Adopted |
| | G4-SO2 | Operations with significant actual and potential negative impacts on local communities. | Not Adopted |
| | G4-SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified. | Not Adopted |
| | G4-SO4 | Communication and training on anti-corruption policies and procedures. | Adopted |
| | G4-SO5 | Confirmed incidents of corruption and actions taken. | Not Adopted |
| | G4-SO6 | Total value of political contributions by country and recipient/beneficiary. | Not Adopted |
| | G4-SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. | Not Adopted |
| | G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | Not Adopted |
| | G4-SO9 | Percentage of new suppliers that were screened using criteria for impacts on society. | Not Adopted |
| | G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken. | Not Adopted |
| | G4-SO11 | Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms. | Not Adopted |

SPECIFIC STANDARD DISCLOSURES

| Indicators classification | Ranking | Content | Adoption |
|---------------------------|---------|--|-------------|
| Product responsibility | G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement. | N/A |
| | G4-PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes. | N/A |
| | G4-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 requirements. | Not Adopted |
| | G4-PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | Not Adopted |
| | G4-PR5 | Results of surveys measuring customer satisfaction. | Adopted |
| | G4-PR6 | Sale of banned or disputed products. | N/A |
| | G4-PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes. | Not Adopted |
| | G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | Not Adopted |
| | G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | Not Adopted |

© Notes on This Report

This report presents the true picture of the China Development Bank Co. Ltd. in delivering sustainable development.

Reporting Period:

From Jan. 1 to Dec. 31, 2015, with some content gone beyond the period.

Publishing Cycle:

This report is an annual publication. The previous report was released on Aug. 24, 2015.

Operating Units Covered by the Report:

The headquarters of the China Development Bank Co. Ltd., branches and subsidiaries. They are represented in the report by “CDB” or “We”.

Reporting Guidelines:

Guidance on Social Responsibility ISO26000 (<http://www.iso.org>); Sustainability Reporting Guidelines (GRI4.0) and the supplementary guidelines for the financial services sector (<http://www.globalreporting.org>); Guidance on Social Responsibility (GB/T36000) and the proposals and Guidelines of the China Banking Regulatory Commission (CBRC) and the China Banking Association.

Reporting Assurance:

A third party, Pricewaterhouse Coppers Zhong Tian LLP (special general partnership), provided assurance to the report to secure its authenticity and credibility, and expressed a conclusion of independent assurance.

Availability:

Visit the website: <http://www.cdb.com.cn> for the electronic version of this report.

Report Contact Person:

Li Jiajun

Telephone: 86-10-88303263

Fax: 86-10-88309169

Email: csr@cdb.cn

Special thanks to CDB employees who took the photos featuring CDB commitment to sustainable development.



国家开发银行
China Development Bank

No.18 Fuxingmennei Street, Xicheng District, Beijing, P.R. China 100031

TEL: 86-10-6830 6789

FAX: 86-10-6830 6699

E-MAIL: csr@cdb.cn

www.cdb.com.cn