

Corporate Social Responsibility Report of China Merchants Bank Co., Ltd. for 2015

Report Formulation Description

This report is the tenth corporate social responsibility (CSR) report released by the China Merchants Bank (hereinafter referred to as CMB, the Bank, or We) since 2007. It features the CMB's efforts in facilitating balanced development of the economy, society and environment while conducting financial services.

Scope of the Report

Organizational scope of the report: The report is primarily about CMB, covering the head office, branches throughout China, CMB International and Wing Lung Bank.

Reporting period: From January 1 to December 31, 2015

Report release cycle: This is an annual report. The last report was released in March, 2015.

Report Formulation Basis

This report refers to the new edition of the *Sustainability Reporting Guidelines (G4)* and the *Financial Services Sector Supplement (FSSS)*, both issued by Global Reporting Initiative, and is in compliance with the Core Plan. For details about indicators described in this report, see the G4 Content Index Table on Page 74 to 90. In addition, to be based on the industrial background, highlight CMB's characteristics, and respond to investors' requirement for information, we refer to the following standards or guidelines:

- *Suggestions for Strengthening the Social Responsibility of Banking Institutions*, China Banking Regulatory Commission;
- *Corporate Social Responsibility Guidelines for China Banking Institutions*, China Banking Association;
- *Environmental Information Disclosure Guidelines for Listed Company in Shanghai Stock Exchange*, Shanghai Stock Exchange;
- *Environment, Society and Control Report Guidelines*, Stock Exchange of Hong Kong.

Data and Information Description

Data and information disclosed in this report are obtained by the following approaches:

- CMB internal data collection systems and related statistical statements
- Excellent social responsibility practices sorted out and summarized in daily work
- Qualitative and quantitative information collection tables based on the report frame.

The financial data disclosed in this report is from the *CMB 2015 Annual Report*. In addition, some historical data is added for data and information comparison. The currency in this report is RMB unless it is especially noted.

Report Assurance Approach

To assure the authenticity and reliability of the content of the Report, it has been submitted to Bureau Veritas, which will audit the Report following IASE3000 and issue an independent audit report and statement.

Report Access Approach

This report is released in both print and electronic versions. You can read and download the report on our website (URL: <http://www.cmbchina.com/>).

Chairman's Address

In 2015, the development of Chinese banking faced many challenges. Continuous slow economic growth, interest rate liberalization, and non-performing risk release generated a more complex and capricious business environment. Customer requirement diversification and prosperous development of Internet finance increased the impact on the traditional business model and profit model of commercial banks. In this context, we are deeply thinking about a question: How can a commercial bank be rooted in the present, the society and the future when facing various challenges?

Reviewing the twenty-eight-year development of CMB, we believe in the business idea of Change with Trends and Change for You, closely follow the market trend and customer requirements, and become one of the most influential commercial banks in virtue of continuous financial innovations, excellent customer services and the reliable operation style. Nowadays, we are accelerating strategic transformation and business structure adjustment while continuing to focus on creating long-term and sustainable value for enterprises and stakeholders. Additionally, based on the idea of responsibility, we integrate the social responsibility into the business model to realize sustainable development and value sharing with stakeholders.

Be devoted to sustainable finance. We fully utilize the guidance of credit supply, enhance credit support to the society and livelihoods, environmental protection and technological innovation, facilitate economic structure adjustment, industrial transformation and upgrade, and expand the positive impact of financial services on the society, economy and environment. In addition, we pay much attention on financial requirements of different groups, tailor product service innovation and development, proactively expand the organizational network and deployment in central and western China, as well as overseas regions, and elevate the inclusiveness of financial services.

Increase sustainable value. Through practices and explorations of many years, we establish the strategic direction of "asset-light bank" and strategic positioning of "one body with two wings", effectively mobilize and allocate finance resources and raise financial service efficiency with less capital consumption, a more intensive operation mode and more flexible adaptability. While the Internet finance is overturning the traditional financial industry, we are accelerating the deployment and innovation of Internet finance, and providing more cost-effective, more convenient and more user-friendly service functions and experience for customers by initiatives such as free online transfer and withdrawal by face recognition.

Contribute to sustainable development. We believe that sustainable and healthy development of enterprises is in line with their stakeholders. To that end, we closely follow stakeholders' anticipation and appeals. Through embedding the social responsibility to daily business activities, we have realized the harmony and unity of our and stakeholders' interests. We build up the CMB online public service platform, employee shareholding plan and more. Through a closer connection with stakeholders, both sides look forward to the bright future.

In the future, we will continue to deepen our transformation development and service upgrade, firmly promote social responsibility management, fulfillment and practices, and highlight our responsibilities and obligations in economic, social and environmental development through the win-win collaboration with stakeholders.

China Merchants Bank

Chairman Li Jianhong

President's Address

In 2015, conforming to the light development trend of Chinese economic structure and financial industry, and based on the strategic direction of "asset-light bank" and the strategic positioning of "one body with two wings", we persisted in customer orientation, continued to innovate in products and services, focused on developing retail finance, business finance and interbank finance, and kept creating shared value for customers, shareholders, employees and other stakeholders.

Finance creates a better life to share with customers. Based on customer requirements, we continue to expand the Internet financial service channel, iterate and update service content such as mobile banking, corporate banking and VTMs, use various innovative ways to improve customer experience and bring different warm service and care to customers. We were the first to utilize face recognition technology in banking services and opened the era of free online transfer.

Finance helps create a more harmonious society. As China's economy enters a new normal, we continue to innovate in our products and services to promote the development of corporate finance, small and micro enterprises finance, and inclusive finance, facilitate sustainable development of large, medium-sized and small enterprises and their supply chain, people's livelihoods, agriculture, and strategic emerging industries, and proactively assume the responsibility for driving the real economy development. The ten product systems entitled Offshore Finance to Serve Globally effectively assisted Chinese enterprises in going global. Products and services such as Intelligent Supply Chain Finance 2.0 widely won the recognition of customers and the market, as well as the APAC Best Supply Chain Finance Management Award in the Asian Banker Summit 2015.

Finance creates a brighter future. In the context of a deteriorating environment, we continue to actively develop green finance, strictly control lending to pollution intensive industries, heavy energy-consumption industries, and industries that suffer from overcapacity, and firmly insist in green procurement, paperless operation and green offices. To fulfill the commitment of Originate from the Society and Return to the Society, we built public-interest platforms easy for participation such as Monthly Donation and Happy Donation to eliminate poverty and carry out community services. To realize the values of Let Employees Be the Master of Their Own Life, we strictly ensure employees' legal rights and interests, proactively build training and career growth platforms, share our development achievements with employees, and enable employees to enjoy happy work and life. A better life, a more harmonious society and a brighter future are the sincere vision that we are creating for stakeholders. In the future, with both challenges and opportunities, we will persist in the idea of responsibility, embrace opportunities and challenges and create a more beautiful and sustainable tomorrow together with different stakeholders.

China Merchants Bank

President Tian Huiyu

Contents

Report Formulation Description	2
Chairman's Address	3
President's Address.....	4
Contents.....	5
About CMB	7
Company Profile.....	7
Organizational Structure	8
Honor and Recognition.....	9
What had we done in 2015?	10
Strategy and Management	12
CSR Strategy	12
Performance Method	12
Accountability System.....	12
CSR Management.....	13
Materiality Analysis.....	13
Communication with Stakeholders.....	14
1 Lead the Financial Innovation to better serve the life	16
1.1 Experience the Future Banking with the Internet Finance.....	18
1.1.1 Smart Banking for Convenience	18
1.1.2 Mobile APP for Finger Play	20
1.1.3 WeChat Bank at Your Fingertips.....	23
1.2 Enrich the Financial Life with Product Innovation	24
1.2.1 Insight into Customer Demands	24
1.2.2 Wealth Management and Value-adding in Parallel.....	24
1.2.3 Innovative Application for a Brand-new Experience	25
1.3 Upgrade Services to Deliver Sincerity and Warmth	26
1.3.1 Individualized Experience through Custom Services.....	26
1.3.2 Show Considerate Care and Benefit People with Sincerity	27
1.3.3 Carefully Listen to Customers' Requirements.....	27
1.3.4 Rights and Interests Protection Makes Customers Relieved	29
2 Devote to Financial Sharing and Create a Good Society Together	31
2.1 Support "Two Small" and Assist Stable Growth.....	33
2.1.1 New Upgrade for Value Elevation.....	33
2.1.2 Innovative Enterprise Growth for Development Acceleration	33
2.1.3 Financing Innovation for More Assistance	34
2.2 Promote Inclusive Finance to Elevate Social Benefits	36

2.2.1	Focus on People's Livelihood and Serve People's Life	36
2.2.2	Focus on "San Nong" to Achieve Prosperity	37
2.2.3	Assist Innovation and Drive Transformation	38
2.3	Develop Corporate Finance for Mutual Development	39
2.3.1	Industrial Chains for Smart Win-Win Cooperation	39
2.3.2	Service Optimization for Innovation Upgrade	39
2.4	Promote Interbank Finance to Create the Future Together	41
2.4.1	New Platform for Resource Sharing	41
2.4.2	Business Support for Cooperative Development	42
2.5	Promote Cross-border Finance to Serve Global Economy	43
2.5.1	Overseas Deployment and Interactive Development	43
2.5.2	Offshore Finance and Product Innovation	43
	Topic: One Belt and One Road Initiative Brings Win-Win Cooperation	45
3	Share the Fruits of Development for a Better Future	46
3.1	Care for Employees for Mutual Growth	48
3.1.1	Live Dreams and Move Forward	48
3.1.2	Inspire Success through Training	49
3.1.3	Promote a Healthy and Happy Life among Employees	50
3.2	Take Root in Communities and Contribute to Social Welfare	52
3.2.1	Engage Everyone in Public Welfare Activities for Love	52
3.2.2	Sunflower Garden of Love and Hope	54
3.2.3	Precise Poverty Alleviation to Support Development	56
3.2.4	Financial Literacy for Better Wisdom	57
	Feature: "Growth one can't learn from books"	59
3.3	Care for the Environment for a Green Home	60
3.3.1	Green Finance Powering Future Development	60
3.3.2	Full Engagement in Green Operation	62
3.3.3	Increase Green Awareness	63
	GRI Report	65
	Corporate Governance	65
	Economy	66
	Environment	68
	Society	68
	Outlook for 2016	72
	Third-party Inspection and Verification	73
	GRI G4 Content Index	76
	Reader's Feedback	88

About CMB

Company Profile

Founded on April 8, 1987, CMB was the first joint-stock commercial bank in China established and wholly-owned by business entities, and also the first pilot bank (other than state-owned banks) for financial reforms in the Chinese banking sector promoted by the Chinese government. CMB was listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange in 2002 and 2006, respectively.

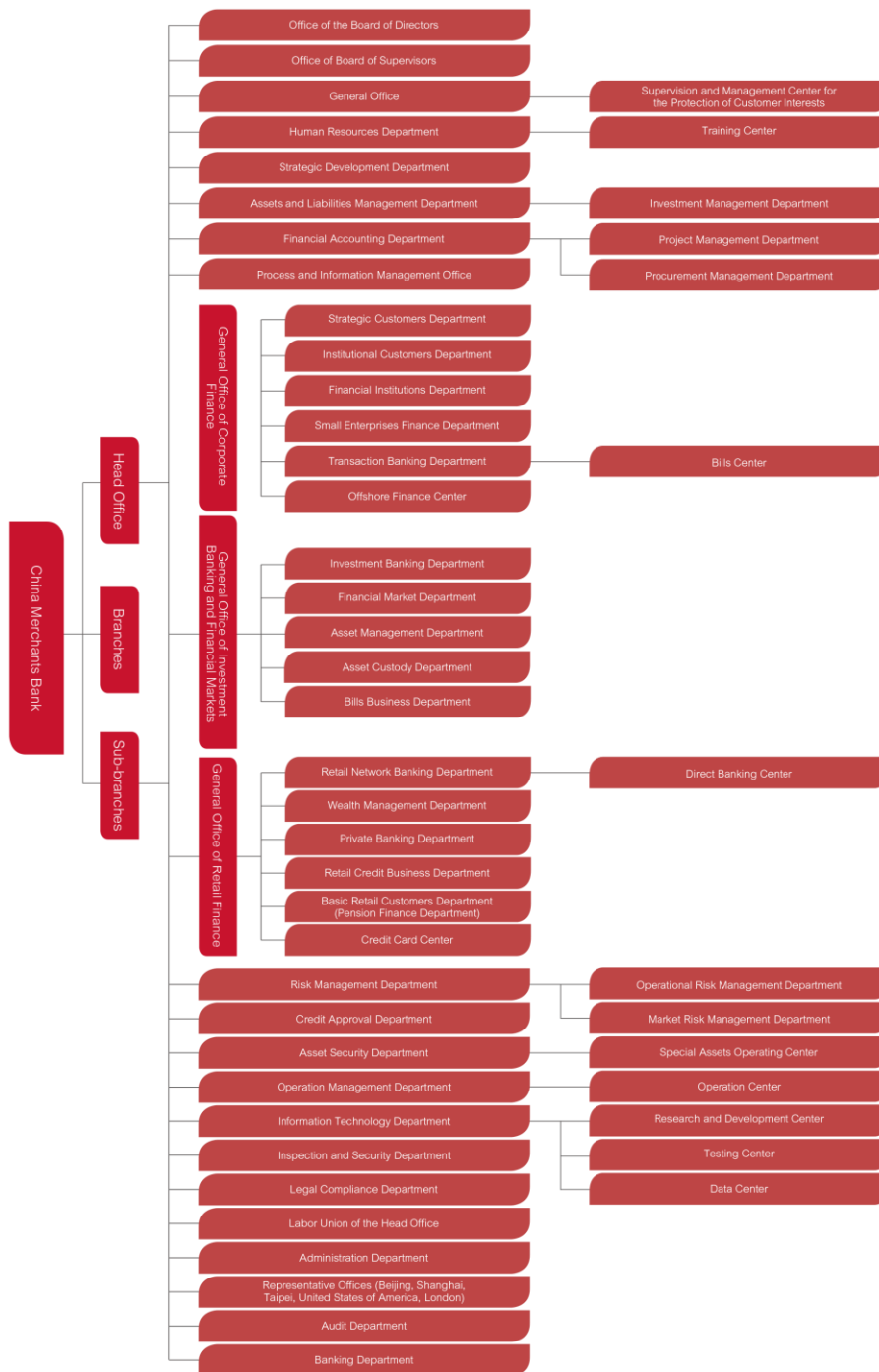
Since our establishment 28 years ago, with changes in the internal and external business environments, and by adhering to the principle of "We are here just for you", we have been adjusting our business development strategies, transforming our business management model, and constantly accelerating product and service innovation, to provide customers with updated and better financial services. With continuous financial innovation, quality customer service, prudent management, strong business performance and commitment to live up to social responsibilities, we have become one of the most influential commercial bank brands in China.

In 2015, we continued to deepen the strategic transition aiming to build an "asset-light bank", further defined the business system of "one body with two wings (retail finance as one body and corporate finance and interbank finance as two wings, mutually unified, coordinated and promoted)", and relied on continuous innovation and upgraded financial services to deliver better service experience to customers and create greater value for stakeholders while accomplishing our own steady development and value growth.

In the Competitiveness Evaluation Report on Chinese Commercial Banks for 2015, CMB topped both the list of financial evaluation and the list of core competence among national commercial banks.

<p>1st</p> <p>In the Competitiveness Evaluation Report on Chinese Commercial Banks for 2015, CMB topped both the list of core competence and the list of financial evaluation among national commercial banks.</p>	<p>25th</p> <p>CMB ranked the 25th among the "Top 500 Global Bank Brands for 2015" by <i>The Banker</i>, up from the 44th.</p>	<p>235th</p> <p>CMB once again ranked among Fortune Global 500, with ranking up from the 350th to the 235th.</p>
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Organizational Structure



Honor and Recognition

The 7th China Corporate Social Responsibility Summit -- 2014 China Outstanding CSR Enterprise
Entrepreneur -- "Outstanding CSR Award"
Asia Money -- "Best Credit/Fixed Income in China", "Best Credit Derivative in China", "Best Research on Credit/Fixed Income in China", "Best Credit Sales in China" and "Best Credit Service in China"
The Asian Banker -- "Best Retail Bank in China", "Best Joint-stock Retail Bank in China"
The Asian Banker -- "Best Cash Management Bank in China"
The Asian Banker -- "Best Mobile Banking Technology Achievement"
The Asian Banker -- "Best Supply Chain Finance in Asia Pacific"
The Asian Banker -- "Best Wealth Management Business in China"
The Asian Banker -- "Best Intelligent Network Project in China"
Shanghai Securities News -- "Best Credit Card" (CMB Credit Card), "Most Innovative Mobile Internet Financial Product" (CMB Life APP), "Best Trade Finance Bank"
The Asset -- "Best Emerging Trading Bank"
China Banking Association -- "Financial Institution with the Strongest Sense of Social Responsibility in China of the Year", "Best Green Finance Award for Social Responsibility of the Year", "Outstanding Public Welfare Project of the Year" ("Love-filled Sunflower Garden" bank-wide volunteer activity)
Appraisal Committee of China's 500 Most Valuable Brands -- CMB's brand value reached RMB 68.813 billion, ranked among China's 500 most valuable brands at the 9th session
Fortune China 500 -- Ranked the 29th with operating revenue of RMB 165.863 billion, up four places from the previous year
Fortune Global 500 -- Ranked the 235th with operating revenue of USD 45.61 billion, up 115 places from the previous year
Asia Money -- "Best Cash Management Bank in China"
21st Century Business Herald -- Best Retail Bank of the Year 2015
Special Committee on Social Responsibility of the Chinese Institute of Business Administration, Beijing Rongzhi CSR Research Institute -- "Best Social Communication Innovation" Award
XINHUANET.com -- "2015 Outstanding CSR Enterprise"

What had we done in 2015?

Value Creation

- Operating revenue: RMB 201.471 billion
- Net profit: RMB 58.018 billion
- Total profit: RMB 75.079 billion
- Total tax: RMB 28.990 billion

Customer Service

- Total number of retail customers: 66.94 million; total number of Golden Sunflower and higher-level customers¹: 1.6476 million
- Cumulative number of credit cards issued: 69.17 million; number of private banking customers: 49,032
- In China, CMB extended outlet coverage to 132 cities, with 132 branches, 1,575 sub-branches, 265 community/small and micro sub-branches, and 3,202 self-service banks; outside China, CMB had 9 tier-1 branches and subsidiaries
- Proportion of online intelligence service: 43.21%; manual call connection rate: 97.30%; manual call response rate within 20s: 91.46%; customer service satisfaction: 99.27%
- Number of devices the mobile banking client is downloaded to: 63.1548 million; cumulative number of downloads and installations of the CMB Life APP: 62.72 million; number of bound users: 20.54 million
- Number of followers of CMB's WeChat official account: 10.32 million; number of followers of CMB Credit Card's WeChat account: 22.96 million
- Number of small and micro customers: 1.7108 million (0.9301 million in 2013, 1.4253 million in 2014); number of registered customers under the "Wings for 1,000 Eagles" program: 26,442, with a credit line of up to RMB 411.629 billion

Green Development

- Balance of green credit loans: RMB 156.503 billion (RMB 116.372 billion in 2013 and RMB 150.947 billion in 2014)
- Green loan projects reduced CO2 emissions by 9.403 million tons, SO2 emissions by 45,400 tons, and water consumption by 6.8389 million tons
- Credit card customers using e-bills accounted for over 90% of all the active customers, reducing paper consumption by 692 million pieces

Employee Growth

- Total number of employees: 76,192 (including contract workers); proportion of female employees: 57%
- Offered training to 467,000 person/times, with the per capita learning time of 61 hours
- 361 employee clubs
- Rendered support to 565 employees in difficulty

¹Golden Sunflower and higher-level customers refer to retail customers whose daily average total assets in a month total RMB 500,000 or above.

Social Harmony

- Social contribution value per share: RMB 8.57
- Total annual spending on public welfare donations amounted to RMB 36.4658 million
- Provided poverty relief funds of RMB 11.37 million to two counties in Yunnan, Wuding and Yongren
- Seven new "Monthly Donation" and "Happy Donation" programs; 16 public welfare programs available on CMB's online public welfare platform; more than 160,000 cardholders making donations on a cumulative basis
- Donated more than 250 million bonus points to public welfare programs including coaching for autistic children and free lunch; over 220,000 class hours of professional training on autism and over 1.3 million free lunch servings were actually redeemed

Brand Operation

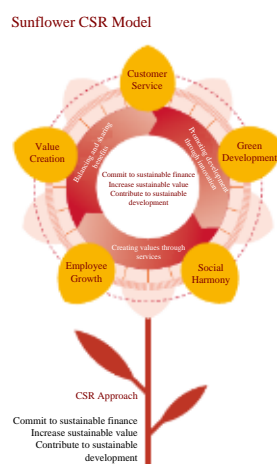
- Took the approach of business-based customer acquisition and fully expanded communication channels. Brought 310,000 downloads of mobile banking through Baidu SEM, Sina Fuyi and other channels; directly acquired 68,887 customers for Small Business E Home through channels including Tencent Guandongtong.
- Used social media channels in innovative ways to strengthen word-of-mouth communication. CMB's campaign of "winning cash or gift coupons through WeChat during the Spring Festive Gala" brought 760 million times of brand exposure and 3.80 million new WeChat followers. The "Young Generation - I am CMB's Spokesperson" initiative celebrating the 28th anniversary was widely shared via WeChat Moments, enabling secondary transmission of user-generated content. During the initiative, there were over 400,000 visits and up to 150,000 unique visitors
- Upgraded the brand image based on the business needs. Based on mobile financial services, launched the "Future Bank" brand concept, launched extensive publicity activities through Shenzhen Metro, high-end residential buildings in tier 1/2 cities, *Caixin* and many other channels, and realized 50 million person/times of brand exposure

Strategy and Management

As a financial services institution, CMB has always attached great importance to its own and customers' long-term value. Faced with the challenges and opportunities brought by the new normal of economic and social development, we combined sustainable development with the CSR approach of "From and For the Society", built the Sunflower CSR model that's unique to CMB, and constantly created greater value for stakeholders by continuously deepening our CSR practices.

CSR Strategy

Sunflower represents optimism, loyalty and high spirits, which are also CMB's unchangeable traits. Facing the new era, we re-interpreted our CSR approach through the exploration of the Sunflower CSR model, and deepened and finalized our responsibility performance method and accountability system.



Performance Method

- **Promoting development through innovation:** Through continuous innovation, promote CMB's growth, adapt to changes in the demands of stakeholders, improve the capability of sustainable development, and realize the goal of sustainable development;
- **Creating values through services:** Consistently provide the best financial services for the public with the latest approaches, and support stable economic growth, promote social harmony and stability, protect ecological balance and create the maximum values through financial services.
- **Balancing and sharing benefits:** Keep updated about the requirements and expectations of stakeholders and share benefits with them to jointly promote the sustainable development of the Bank, society and economy.

Accountability System

- **Customer service:** We are committed to delivering good service experience. Taking a customer-centered approach, we explore service upgrade, innovate service models, and offer tailor-made products and services.
- **Value creation:** CMB's sustainable development is mutually complementary to economic and social sustainable development. We continuously improve the capability of value creation and actively optimize the credit structure.
- **Green development:** Faced with increasingly severe environmental problems, the coordination of the economy and resource environment for sustainable development is an inevitable choice for today's society. We are always committed to green operation and continuously innovate in green financial services.
- **Employee growth:** The Bank's sustainable development will not be achieved without happy employees. We always take employees first, protect their legitimate rights and interests, and smooth their career path.

- **Social harmony:** The society is the source of a company's sustainable operation. We do business in good faith and in compliance with laws and regulations, and continuously engage in public welfare activities such as targeted poverty relief, disaster relief and care for children.

CSR Management

We integrate the Sunflower CSR model with our own development strategies and business activities, communicate to various departments, branches and subsidiaries by continuously optimizing the CSR management system, and convert our CSR approach and commitment to stakeholders into concrete actions. We establish the CSR management structure, set up special working groups at the department level under the leadership of the company's management, and effectively promote and manage CSR efforts by setting and tracking annual key performance indicators. Also, we set up the bank-wide CSR performance indicator system, conduct data collection and analysis on a yearly basis, effectively promote and manage CSR efforts, and improve CSR performance practices, to achieve value creation and sharing.

CSR Management Structure

- **Decision-making level:** Members of the Board of Directors and Board of Supervisors participate in the review and decision making of major CSR issues, including the formulation of relevant strategies and policies, and special consideration on annual CSR reports.
- **Organization level:** Set up the CSR management team in the General Office of CMB Head Office, to coordinate daily CSR management, including launching CSR activities, creating CSR reports, organizing and implementing training and publicity programs, collecting CSR performance indicators, gathering proven CSR cases, etc.
- **Implementation level:** The functions and business units of the Head Office, branches and subsidiaries are responsible for the centralized management of CSR issues, regularly submit relevant management measures, performance indicators and proven cases, and organize and launch various CSR activities in the areas where they are based.

Materiality Analysis

In 2015, we established the CSR substantive analysis model, finalized material issues that are important to us and stakeholders through the identification, evaluation and screening of CSR issues, and provided targeted disclosure and response in the report.

Identification

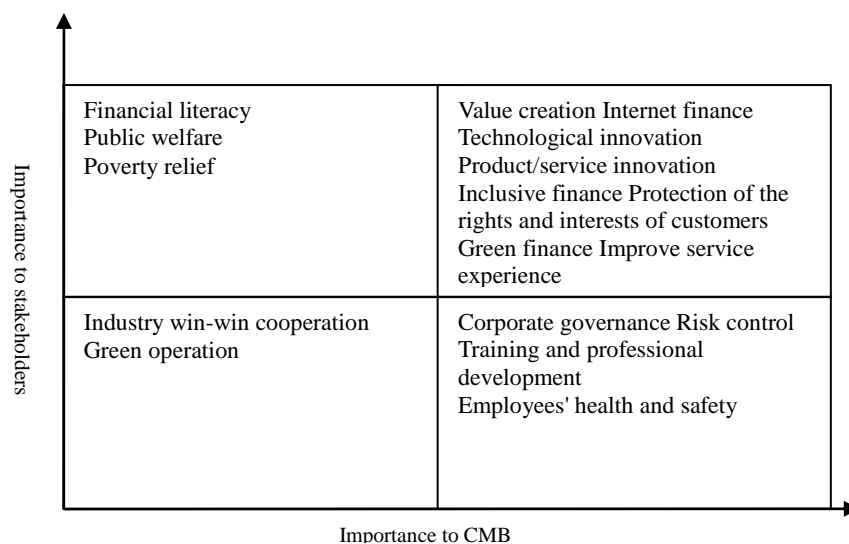
- **Analysis of policy and industry highlights:** deeply interpreted key macro and industry policies, to identify the policy orientation and development opportunities for CSR performance of the banking sector;
- **Interbank benchmarking:** carried out benchmarking with seven local and international renowned peers from a number of dimensions including the background of sustainable development, CSR topics and performance indicator disclosure, to understand the highlights and trends in the field of CSR;
- **CSR strategy:** conducted comprehensive analysis of relevant research results and the Sunflower CSR model, and identified 17 topics that are important to us and stakeholders.

Assessment

Invited representatives of stakeholders to assess the importance of the topics to stakeholders, also invited representatives of internal employees to assess the importance of the topics to CMB, and on the basis obtained the two-dimensional assessment of the importance of the topics.

Screening

Built the two-dimensional substantive analysis matrix based on the evaluation results of the topics, obtained the ranking of the topics based on their importance, and gave priority to disclosure of highly substantive topics.



Communication with Stakeholders

We actively expanded channels of communication with stakeholders in all processes of daily operation, fully valued stakeholders' opinions and feedback, and continuously improved the effectiveness of communication with stakeholders through the establishment of normalized communication mechanism and the use of digital communication technology.

Stakeholders	Expectations and Aspirations	Communication Channels
Government	<ul style="list-style-type: none"> • Support national strategies • Boost real economy • Develop inclusive finance 	<ul style="list-style-type: none"> • Study and implement relevant financial policies • Support the development of industry policies • Participate in relevant research and discussion • Submit statistical reports
Regulatory authorities	<ul style="list-style-type: none"> • Operate in compliance with laws and regulations • Prevent financial risks • Promote industry development 	<ul style="list-style-type: none"> • Implement regulatory policies • Participate in surveys and visits • Conduct daily approval and supervision • Submit statistical reports

Stakeholders	Expectations and Aspirations	Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> • Improved return on investment • Continuous and stable operation • Full disclosure of information 	<ul style="list-style-type: none"> • Regular reporting and information announcement • Roadshow and reverse roadshow • Investor research and communication meetings • General meetings of shareholders
Customers	<ul style="list-style-type: none"> • Meet customer needs • Innovate financial services • Improve customer experience • Protect the rights and interests of customers 	<ul style="list-style-type: none"> • Survey on customer needs • Survey on customer satisfaction • 95555 customer service platform • Customer care activities • WeChat, Weibo and other digital platforms
Employees	<ul style="list-style-type: none"> • Employee communication and engagement • Personal career development • Physical and mental health and safety • Work-life balance 	<ul style="list-style-type: none"> • Meetings of employee representatives • Survey on employee satisfaction • Recreation, sports and health activities for employees • Complaint and reporting mechanisms
Partners	<ul style="list-style-type: none"> • Industry communication and exchange • Mutual benefit and win-win cooperation 	<ul style="list-style-type: none"> • Daily communication • Interbank exchange and cooperation • Bidding activities • Supplier surveys and visits
Environment	<ul style="list-style-type: none"> • Develop green finance • Adhere to green operation 	<ul style="list-style-type: none"> • Implementation of energy conservation and emissions reduction policies • Forums and meetings on green finance • Collection and disclosure of environmental performance • Green public welfare activities
Community	<ul style="list-style-type: none"> • Support community development • Social public welfare undertakings 	<ul style="list-style-type: none"> • Conclude community building agreements • Engage in community projects • Establish Internet public welfare platforms • Employee volunteer service • Community service activities

1 Lead the Financial Innovation to better serve the life

Background of Sustainable Development

The development of the information technology provides people with access to the Internet via various devices such as mobile phones and tablets, bringing an experience of smartness and convenience any time anywhere. With a brand-new Internet experience offered, the information technology has also brought significant changes to people's work and lifestyle. The information-based and mobile trend has become the mainstream in the innovative development of the financial service sector, and the deriving new technologies and business forms have brought new financial experience to customers. However, the network characterized by fragmentation, diversification and virtualization has blended in people's life and raised higher requirements on the innovative development of the sector. Therefore, the finance industry requires deeper penetration into all aspects of people's life through diversified channel development and innovation in products and services to better serve the public.

Management Strategies and Methods

As a joint-stock commercial bank with distinct innovativeness in its gene, we pay close attention to customer demands and preferences on financial products, services and experiences, stick to the service concept of "We are here just for you", commit ourselves to building an asset-light bank, and fulfill the development strategy of customer orientation, quick response to market changes and value creation for customers. We go both online and offline in all channels like the Internet, the mobile Internet, telephones and outlets, vigorously promote innovation in products and services in major fields like the mobile Internet and try our best to provide an ultimate and convenient financial service to customers.

What important measures had we taken in 2015?

- Expanded the application of the Internet financial products
- Continued to promote innovation in products and services
- Identified demands on customer services and experiences
- Launched the free online transfer service
- Launched the "ATM face recognition money withdrawal" service
- Accelerated the development of private banking
- Strictly guaranteed the fund and information security

What had we achieved in 2015?

- 66.94 million retail customers, increasing by 19.00% as compared with early this year
- Retail finance net income RMB 89.04 billion with a year-on-year growth of 29.98%
- Total retail loan RMB 1.209524 trillion, increasing by 26.62% as compared with early this year
- 2.169 billion visits on electronic channel with a year-on-year growth of 63.26%
- 2.525 billion accumulated transactions on mobile channel with a year-on-year growth of 182.10%
- 62.72 million app download and 20.54 million app users

My Fashion Old Father Goes Online Shopping

The customer service representative thought I was calling to complain when I was got through. But actually, I was calling for thanks.

My family name is Zheng and I have been working in Shenzhen for over 10 years. I have always been thinking that I should take my father to Shenzhen as I am concerned about his living alone in the hometown. But my busy work just keeps me from showing more care for him. My father is getting old and he always thought that it was too far to go to the supermarket and he might not be able to carry heavy stuff back home. Then he thought of shopping online when this was brought to his attention. Though he told me about this several times, I never really had the chance to teach him how.

Then two months later, to my surprise, he bought toys and snacks for my son online. It turned out that he got some help form a Lobby Assistant for some tips on online shipping when he withdrew some money at a CMB outlet nearby the community. He even had his e-banking account opened. I hadn't really thought of teaching him before as I was concerned that he might be cheated online. But quite reassuringly, the customer service staff of the CMB showed him some tips on network security and helped him set the daily transaction limit.

Since then my father will spend some time on Taobao every day to see if anything would be needed or if anything could be bought as he finds it cheaper and more convenient to shop online. We are so delighted to see that. Nowadays he is a huge fan of the CMB and keeps saying that "It doesn't matter that I forgot taking my glasses as I can always borrow one from the CMB. They have soft drinks in their Golden Sunflower Room and they always remind me not to have cola or coffee as I might have trouble in sleeping at night. They are more considerate than you!"

Every time when my father says something like that, I know that he is joking, but I do feel ashamed that I couldn't have spent more time with him. But I didn't expect such great changes brought to my father's life by the CMB. Thank you so much!

1.1 Experience the Future Banking with the Internet Finance

What does a bank look like to you in the time of mobile Internet? Just as how you have experienced in all mobile Internet services, it should be smarter, faster, safer, greener... We are just here for you, so we launch multiple innovative technologies and applications such as face recognition, mobile bank and WeChat bank based on new technologies and demands to provide you with a future banking experience

1.1.1 Smart Banking for Convenience

Virtual Teller Machine: Smarter, Faster and Warmer

For most customers, counter services in a bank are nothing more than account opening, card application, loss reporting, money transfer and payment, but even simple services as such would sometimes use out your patience as there is always a long queue in rush hours. Try with the self-service terminal? It would be ok if you just want to deposit and withdraw money or check information as that's all it have. But now, with the popularization of the new CMB Virtual Teller Machine (VTM), everything changes. With the network video technology, you can communicate with our remote tellers "face to face", to transact the traditional business 24/7 which had to be handled at our branches in the past.

As a new mode to build an "asset-light bank", VTM fills the gap of unavailability of high-risk, non-cash and special services on self-service channels, and facilitates the smooth transition from the traditional self-service banking to the future-oriented professional retail service of asset-light banking.

- **What is VTM?**

VTM is a new service mode that uses video interaction to provide remote and online services for complicated businesses that used to be done face to face over the counter.

- **What services can it provide?**

It provides you with non-cash services like account opening, risk evaluation, data update, transfer and remittance, entrusted wealth management and fund sales.

- **Where can you find it?**

By the end of 2015, we have deployed VTM in 44 branches nation-wide to serve most of the outlets.

All About the Face!

To withdraw money from the bank, you can either go to the face-to-face counter service with your ID card, or just help yourself at an ATM with your bank card. However, we have a new way now as we are in a time of "all about the face". In October 2015, we officially launched the "ATM face recognition money withdrawal" service as the first in China to adopt the face recognition technology in ATMs. Customers can just withdraw their money without a bank card by scanning his or her face and entering the password at the ATM.

What advantages can we get from the service?

- **Simplified process:** Compared with the "money withdraw without a card", the "face recognition money withdrawal" significantly simplifies the appointment process by capturing the real-time facial image of a customer through a camera on a counter or a VTM to identify the identity and account information.
- **High accuracy:** An all-round test performed in a real-life context proves that the face recognition technology can reach an accuracy rate of 90%, with the false accept rate being controlled under 0.1‰.
- **Security assurance:** Lines of security protection such as the face recognition have been adopted to ensure your account and fund security.

The face recognition technology shows a relatively high user-friendliness in its application in the banking industry and supports the future Internet banking system as a fundamental application. As a benchmarking bank in technology development and innovation business in the banking industry, we are the first to launch services like "face recognition money withdrawal" to facilitate the integration of artificial intelligence and scenario-based financial service into people's life.

Face recognition is a killer technology to be treated with prudence for the sake of security. Through repetitive verifications of the technology on counters and VTMs, we eventually apply it to ATM to further simplify the process on top of the withdrawal without a card and reduce the risk through lines of verifications such as face recognition."

Zhou Tianhong, General Manager of the CMB Information Technology Department

Paperless counter services for easy experience

"Forms, signatures, receipts and counters that have not been changed ever" are always things that come to your mind when being asked about the impression on traditional banks. However, with the simplified and high-quality experience brought by the application of new technologies in building a business hall with paperless retail counter services, you will find yourself free from a lot of trouble.

Nowadays, we deploy a fashionable hand-written LCD on every retail counter. With this device, the customer can fill in the information on the LCD or tell us the information required, and sign the name on the LCD after checking information shown, which saves a lot of workload for printing and receipt keeping. No paper will be generated unless as requested by the customer. And the error rate that used to be high during counter services is significantly reduced as well.



What advantages can we get from the service?

- **Intuitiveness:** The LCD shows real-time service processes and main business information provided by the customer or entered in the system.
- **Security:** It effectively protects personal information and prevent from potential disclosure of personal identity and property information caused by loss or discard of receipts.
- **High efficiency:** It significantly improves the business processing efficiency of bank clerks, reduces the service hours for a single customer and shortens the waiting time of other customers.
- **Environmental protection:** It dramatically reduces the use of paper and the consumption of forest resources.

Statistics of Paperless Counter Services

<p>68.28 million</p> <p>Paperless retail transactions</p>	<p>90</p> <p>Paperless retail services</p>
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<p>80%</p> <p>Percentage of paperless business volume in total retail business volume</p>	<p>22%</p> <p>Improvement rate of transaction efficiency caused by paperless services</p>	<p>30%</p> <p>Improvement rate of daily settlement efficiency caused by paperless services Improvement rate of transaction efficiency caused by paperless services</p>
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1.1.2 Mobile APP for Finger Play

Innovative retail finance for mobile platforms

As the mobile Internet goes deeper and the era of 4G unveils itself, smart phones have gradually become something that connects people online 24/7. The "mobile phone+" business mode has brought not only unprecedented impacts on traditional banking industry, but also new business scenes and development opportunities.

We actively adapt ourselves to new changes in an era of the mobile Internet and start with the customer demands and experiences of the mobile finance to establish a mobile retail development mode based on two APP platforms. Through exploration in mobile operating systems, we also try to build a mobile platform for retail finance.

Mobile platform for retail finance

- **Open platform:** It supports online operations of different business departments through mobile bank, monitors relevant activity data, fulfills functions like acquisition, query and cancellation after verification related to user rights, and provides individualized recommendations for online contents, products and services through real-time identification of different customer groups.
- **Full-process flow funnel:** It analyzes flow loss points one by one, constantly optimizes the product process, and effectively boosts the service flow. With different user funnels embedded in different business scenes, it screens out the target user groups and guides them into the business process corresponding to their demands.

Artificial intelligence system: It expands the service and application scenarios of the mobile APP and the WAP online customer service to provide more portals for online service, and accelerates the transition from call service to online customer service to build a light and smart supporting system.

Mobile Bank 4.0 for a more convenient and considerate service

We constantly adopt advanced concepts and experiences in the Internet business, and enrich and consummate multiple business scenes such as deposit, loan, remittance, outlet and life service through continuous innovation. The purpose is to transform our mobile app from a transaction tool to a self-service platform of customers.



In 2015, we officially launched the CMB Mobile Bank 4.0. The new version introduces a new but simple interface, strengthens three main functions of wealth management, transfer and All-in-one Net and supports the face recognition transfer function as the first in the industry, providing a more convenient and considerate service experience to the public.

Three highlights:

- **Professional but easy wealth management:** The new wealth management channel makes wealth management easier with customized wealth management products in combination with hot topics; provides the latest product news and the unique analysis views to make wealth management more focused; and offers professional wealth check in a few steps
- **Simple transfer with face recognition:** Money transfer could be just as simple and cool as scanning your face
- **One user account for all cards:** A user account of All-in-one Net for multiple bank cards enchants you with an easier account management with free real-time account change reminder and gesture password login

Five characteristics:

- **Platform:** It offers a platform for query of news & products, transactions and interaction with the bank
- **Openness:** The user, whether a CMB card holder or not, can enjoy an easier and faster payment through the All-in-one Net service without remembering every card number and password
- **Scene:** It establishes a full-process wealth management service from News, Expert Viewpoint, Individualized Understanding, Featured Products, Online Wealth Management Consultant, and Product Purchase to After-sales Service
- **Ecology:** It provides an online and offline all-in-one mobile financial service unlimited by time and location
- **Technology:** It features automatic customer recognition to enable one-click WiFi login in all outlets and adopts face and video recognition to achieve money transfer with face recognition

63.1548 million Accumulated mobile phones on which the mobile bank has been downloaded	27.5888 million Customers signed	1.203 trillion RMB Accumulated transaction amount via mobile payment
7.9994 trillion RMB Transaction amount on mobile bank		

CMB Life 5.0 for boundless life

Since its launch in 2010, as a key strategic deployment of CMB's credit card business in the time of the mobile Internet, the CMB Life app has gone through 5 major iterations for 5 years, completed the seamless upgrading from "a credit card management tool" to "a combination of financial tool and life service e-commerce platform", and built an intelligent financial service platform that integrates closely to the mobile Internet.

In August 2015, the CMB Life was officially upgraded to Version 5.0 which enabled users to enjoy a open and convenient financial life anytime anywhere by building a new financial ecology with an open mechanism and connecting life service and consumption with financial services of every user.

- **Open registration and access:** To register and use the app, all you need is a mobile phone number, whether you are a CMB card holder or not.
- **Open payment:** It fully supports account linking to debit cards and credit cards from over 30 banks, interbank transfer free of charge, and life expense payments for mobile phone packages, water, electricity & gas fees, and traffic fines.
- **Open credit points upon card linking:** As long as your bank card is linked, you can accumulate and play CMB's permanent credit points;
- **Open wealth management for more professional service:** It fully opens the purchase eligibility of wealth management products to both CMB customers and non-CMB customers with its professional services.
- **Open discount with featured services:** We elaborately select a bunch of high quality merchants from food & beverage to movies and to travel, and try to provide more options to suit the taste of more app users while ensuring high quality.

62.72 million CMB Life downloads	20.54 million Users bound	45.61 million Accumulated coupon downloads per year	63% Monthly active rate of bound users
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The future banking development will see less and less fixed outlets while more and more customers might expect some transactions to be done on the mobile app. Besides that, such expect from customers might be extended from transactions of a certain financial product to the integration of life scenes into financial scenes.

- Zhang Dong, General Manager of the CMB Credit Card Center

1.1.3 WeChat Bank at Your Fingertips

With a smart phone coverage of 90% and the number of active users reaching about 600 million in China, WeChat has become the most popular app nowadays and one of the most important platform of online life in the time of the mobile Internet. Considering the changes in customer lifestyle and behavioral habits, we actively extend our financial service to WeChat platform and provide customers with a convenient and accessible mobile service experience by launching the "WeChat Bank" and the WeChat Credit Card Customer Service.

WeChat Bank with more convenience

Open the WeChat and search "CMB Bank" under "Add friend" to find the our WeChat bank. You will then experience functions and services that you may never imagine.

Accounting opening: Select your all-in-one M+ card or CMB credit card, fill in the information required to complete the application and then activate!

Loan: Need some capital turnover? Well, just submit your loan application on WeChat if you have a house property, a car or a business.

Wealth management: Click the "Zhaozhao Ying" in the "Your Products" menu to enter the purchase page to purchase the Treasury Series wealth management products with a minimum purchase quota of 1 cent. Just make profits out of your spare cash through this easily accessible service.

Moreover, we also integrate relevant functions of two mobile platforms - WeChat Bank and Mobile Bank - to expand our channels, improve transaction efficiency and provide you with a more comprehensive mobile financial experience of higher quality.

Intelligent WeChat credit card customer service

Based on the official WeChat account of MB Credit Card, we constantly innovate and develop functions and services to launch a new intelligent "WeChat Customer Service" for CMB credit cards, providing a brand-new credit card service to customer on the WeChat platform.

The purpose is to connect us closely to customers on WeChat so that customers can apply for a credit card, check their accounts, edit their personal profile via the WeChat customer service representative while receiving transaction messages related to their credit cards.

From the WeChat bank, you will receive

- **WeChat billing:** Apply for bill installment with just one click.
- **WeChat consumption reminder:** You will receive a reminder for every transaction regardless of transaction amount.
- **WeChat repayment reminder:** Free interbank repayment is supported.

You can also use the WeChat bank for

- **3-second bill query:** Check your credit limit, credit points and smart dialogue.
- **Credit limit upgrading:** Your credit limit can be upgraded temporarily upon application.
- **Quick credit card activation:** Activate your new credit card.
- **Quick WeChat repayment:** Restore your credit limit immediately without any service charge.
- **Nearby discount query:** Just send your "position".
- **Intelligent voice chat:** Chat with "Xiao Zhao" to get your answers.

16.75 million	260 million +	740,000	85%
Bound users	Accumulated interactions	Daily interactions	Service coverage

1.2 Enrich the Financial Life with Product Innovation

As the consumption pattern changes and the family wealth increases, the public is showing higher and higher demands in financial products and requirements on aspects like operational convenience, transaction efficiency and service expertise. We try to focus on customer demand changes and innovation trends in finance sector to continue innovation in financial products and services and provide customers with a smart, convenient and brilliant financial experience.

1.2.1 Insight into Customer Demands

Which group do you belong to? What financial products are you using? Which parts of our Mobile Bank are you most concerned... Think of these questions carefully then we will be able to understand individualized demands based on customers' characteristics, behaviors and habits, and develop products and services accordingly to get closer to our customers.

Identify the target customer and complete the customer profile

While ensuring the authenticity and safety of the customer information, we introduces more than 700 customer identity and behavior tags through external cooperation to build an analytical tag system for retail customers that includes big data tag, e-payment tag and wealth customer tag. The system enables us to analyze precisely and quickly the consumption and behavior habits of customers, identify actual demands of different customer groups and provide customized products and services based on user differences.

Analyze mobile data and understand customer behaviors

For mobile bank, we have established a user behavior feedback mechanism, identify user behavior characteristics based on the mobile data analysis platform, understanding user preferences and consumption demands, and provide data supports in innovation and improvement of product design, customer services and so on.

1.2.2 Wealth Management and Value-adding in Parallel

We start out with the market and customer demands to tailor wealth management schemes for different types of customers and help them better manage their wealth and create more values.

Gold Account, a new option of gold investment

Want to invest in gold with low entry and risk? The "Gold Account" might be a good one. In May 2015, we officially launched an one-stop investment tool "Gold Account" to integrate purchase & sales, fixed investment, and gold conversion all in one so as to tailor gold schemes based on customer demands. Gold Account can be opened in the business outlets, or on the Internet banking or the mobile bank without opening fee. It has a low entry of purchase starting from RMB 1.

Riri Ying, graded wealth management for more reassurance

In September 2015, we launched the open graded wealth management product – Riri Ying Graded Wealth Management Scheme - as the first among Chinese banks. Raised funds are invested as a whole and two shares – respectively Share A and Share B – are set up to cater for indifferent investment preference: Share A features relatively low risks and steady prospective earnings. To the contrary, Share B is expected to have high prospective earnings as well as high risks. With dynamic leverage provided by Share B to Share A, the residual earnings of the whole capital pool after deduction of the agreed earnings of Share A are owned by Share B.

Consumption Loan, credit without mortgage or guarantee

To further support people's demands on the consumption credit and extend the service coverage to every family, we launched the "Consumption Loan" for people with a stable income so as to meet customer demands on car purchasing, interior design, tourism, overseas study and bulk consumption. Meanwhile, we also provide a monthly installment payment to respond to the modern consumption pattern and provide customers with a "happy consumption but easy repayment" experience.

1.2.3 Innovative Application for a Brand-new Experience

Establish a "light" settlement and payment system

We take full consideration of payment demands in different life scenarios and actively develop network-based, mobile-based and scene-based settlement and payment businesses to establish a new "light settlement and payment business system".

- **"All-in-one Net" Internet account system:** All cards, whether CMB card or not, can be linked to the All-in-one Net account for interbank payment experience.
- **"All-in-one Mobile" offline payment products:** The arrival of payment products such as HCE Cloud-based Payment, Samsung Pay and Apple Pay has brought a revolution to the bank card payment business.

Apple Pay arrives as a new mobile payment experience

In December 2015, we promoted Apple Pay to our customers as the first in the industry. With this service, users of CMB All-in-one cards and credit cards can just link their UnionPay cards to mobile devices such as iPhone, iPad and Apple Watch. With the NFC technology, you no longer need to unlock your mobile phone, open the APP, and click "Scan the barcode" or "pay". All you need is to get your iPhone near the POS terminal and press your finger on the TouchID. Then you can get your payment settled in one second even without WiFi or any other network connection.

Blitz Loan, all-day mobile loan

In 2015, we announced a new mobile Internet loan product "Blitz Loan" based on big data and cloud-computing technologies. With this product, all eligible customers can login on the Mobile Bank or the Internet Banking for self-service loan application, approval, contract signing and loan lending. It is a 24/7 full-process automatic process without human interference that offers easy access to loan application.

Loan experience as quick as a blitz

Grab your mobile phone with a few touches on the screen. You don't need to submit any material, but just with three steps and you will have the loan fund remitted to your personal account. Have you ever imagined that? Now, everything becomes possible.

"I normally get my loan in the service outlet with a pile of documents to be prepared and submitted as part of the tedious process. When receiving the message about Blitz Loan from CMB, I did not buy it in the first place. But I still called 95555 to ask for more details." Capital turnover and bank loan used to be the most annoying thing for Mr. Li, owner of a trading company in Guangzhou. "Recently I need some money for a batch of goods, so I got a loan on the Mobile Bank with just a few clicks to select the amount and the term and then the money was remitted to my account. Now I got the money back, so I used the Mobile Bank to repay my loan. It was just so simple and convenient."

1.3 Upgrade Services to Deliver Sincerity and Warmth

Service has always been essential to the quality policy that CMB has been sticking to. With the service concept of "We are just here for you", we have always been customer-oriented to constantly promote customer service upgrading, ensure service quality and try to provide our customers with a competitive, convenient and considerate service experience.

1.3.1 Individualized Experience through Custom Services

Full devotion to special community

The financial innovation in the Internet era brings us diversified service channels and high quality customer experience. However, for some special communities, there are reasons that might get in their way of accessing financial services. Therefore, we actively pay attention to the financial service demands of special communities and provide them with convenient services and humanistic care through service extension and development.

- **Appointed door-to-door service:** We stipulated the CMB Retail Counter Business Extension Service Guidelines to provide extended services to special customer groups and appointed door-to-door service to customers who are seriously ill.
- **Gesture language service:** We offer a gesture language service in some business outlets which invites professional gesture language trainer to train lobby assistants and improve service level targeting the disabled.
- **Accessible free service facilities:** We have deployed some "priority seats" in some business outlets, posted signs like "Guide dog allowed", and added service facilities such as service guide in Braille, Braille card, Braille keyboard, specialized card for the deaf and dumb, and no-speak notes.

Shenzhen Branch: No more communication barrier with this small hearing-aid

The hearing aid is a key helper of some people with hearing disability for smooth communicating with others. In Shenzhen Longgang Sub-branch, we started with actual demands of people with hearing disability and deployed hearing aids in the business hall as a communication bridge to overcome service barriers and show our sincerity in service providing.

Chongqing Branch: Ring beeper for more considerate service

To solve the problem of VIP queuing disorder in business outlets, we adopted a killing device – ring beeper – to assist in Golden Sunflower customer queuing management. When the transaction of the previous customer is completed, the teller can press the button to cue the next customer via vibration. With this facility, customers can be more reassured to experience more high quality services whiling waiting in the VIP hall.

Professional service with private banking

With the steady development of the economic society, people especially customer groups represented by High Net Worth Individuals (HNWIs) are showing higher demands on wealth accumulation and management, and are expecting tailor-made wealth management scheme to achieve value keeping and appreciation.

Since the launch of private banking in August 2007, we have gradually built a full-range open product platform, provided professional and tailor-made wealth schemes for high-end customers through integration application of financial products, constantly improved service quality and optimized the customer service experience through service upgrading and innovation.

In 2015, we continued to improve the service channels of the private banking:

Conventional service channels:

- Consummated the super-passage service appointment process and improved the service quality in aspects like process improvement, system development and service criteria.
- Provided top-level services in guiding, tracking, service area and customer privacy and further improve the convenience in customer services and the confidentiality of customer information.

Dedicated physical outlets:

- Set up seven new diamond VIP centers in China and one abroad;
- Decorated or expand multiple diamond VIP centers and improved service environment and hardware facilities.

Dedicated remote channels:

- Upgraded the globally linked service and optimized the globally linked system;
- Added the mobile banking and the Account Management iOS order placing functions on mobile terminal and improved the service convenience;
- Improve the usage amount and the success rate of the remote banking diamond VIP WeChat assistant and the diamond VIP dedicated line.

By the end of 2015, we have already set up 45 private banking centers and 62 wealth management center in China. With the CMB International Private Wealth Management Center established and opened in September 2015, the number of our private banking customers has reached to 49,032 and the total amount of customer assets managed exceeded RMB 1.2 trillion.

1.3.2 Show Considerate Care and Benefit People with Sincerity

Online transfer has already become the most common thing in our daily life. People used to fuss about every bit of service charges. However, starting from September 2015, the days when online transfer was charged have been long gone for all CMB individual customers. To reduce the cost of financial services and serve the customers with sincerity, we waived the service charges for online, mobile, intra-city, intercity, intra-bank and interbank transfer as the first among commercial banks to benefit the customers.

What has been waived in "free online transfer"?

- CMB individual customers can make intra-bank and inter-bank, intra-city and intercity transfer via the mobile banking (including iPad banking) or the Internet banking free of charge.

Does it target all customers?

- All debit card holders, i-wealth management account users and wealth management customers of the CMB are eligible for such discount.

Is the foreign currency transfer made via Internet or mobile banking included in the service?

- Inter-city foreign currency transfers by an individual customer between accounts under the same account name via mobile and Internet banking are included;
- Fees related to cross-border remittance cannot be waived.

Free online transfer for real benefits!

Ms. Su has been working in Suzhou since graduation from university and has now become a middle management personnel through years of hard working. As a filial girl, she sends money to her parents every month which has resulted in a huge loss of service charges for years. She can barely have much left for herself besides daily expenses. After learning about CMB's free online transfer, Ms. Su applied for a "M+" card and enabled the mobile banking function.

"There is no more fuss now and all transfers and withdrawals are free." "There is no more fuss now and all transfers and withdrawals are free." "The new year is coming and she even thinks of buying her mother a good set of skin care products using the service charges saved."

1.3.3 Carefully Listen to Customers' Requirements

Mobile Internet development is also changing the way of communication and interaction between customers and us. We proactively follow customers' behavior changes, expand the communication service channel, and help customers obtain our services in a more effective way.

- **Staff support service:** Improve professional capabilities and affinity of staff support services, conduct a series of surprising service creation activities, and optimize customers' communication and interaction experience.
- **Virtual teller machine:** Deploy VTM, increase the allocation of remote visible tellers, and raise the responding speed of customer services.
- **Mobile platform:** Using the Zhaohu platform in CMB mobile bank application, CMB's WeChat account, the online bank customer service and other channels, enable customers to contact customer service representatives anytime anywhere and immediately obtain help.
- **Channel response:** Fully take advantage of platforms such as the corporate QQ account, online mobile corporate customer service and corporate bank demonstration center to realize rapid 24/7 corporate services and improve financial service experience of small and medium-sized enterprises.
- **Online Q&A:** Cooperate with Baidu Zhidao to build expert teams and provide specialized answers for online users who have a large number of business requirements.
- **Intelligent service:** Strengthen service capabilities of intelligent robots, realize robots' swift, accurate and amiable services through deepening and heightening robot training, and setting up intelligent robot service and examination standards.

E-commerce "Big V" liked a customer service representative of CMB

In June, 2015, an article over 600 characters about bank service experience hit the moments of a "Big V" (celebrity users with verified Weibo accounts) in the e-commerce area. It also spotlighted customer service ladies of CMB.

Here is the story. Ms. Chen, a customer service representative of the 95555 hotline, received a lady's phone call, consulting the way of applying for a deposit statement. Ms. Chen concisely and accurately responded to the customer's question, introduced materials for the statement application and proactively reminded the customer handling fees. After responding to the question, Ms. Chen did not hang up the call, but further reminded the customer that when her deposit is released in advance, she needs to bring the original deposit statement back without paying any additional fees. The customer ended this call with satisfaction. The entire call lasted one minute and 50 seconds.

This is a very common consulting call, but it means a lot to the customer. In fact, the customer is the general manager of the customer service center of a renowned e-commerce platform. After contacting customer service representatives of some banks, she wrote this article about the experience and published on her Weibo. In this article, she reviewed Ms. Chen's service and care from a professional perspective and sincerely "liked" Ms. Chen.

Customer Complaint Handling

To handle problems and suggestions proposed by customers, we establish a rigorous management system and strive to provide fast and transparent responses for problems and questions proposed by customers.

- Improve the complaint management indicator system, refine the timeliness indicator and add quantitative and qualitative indicators.
- Change complaint management ideas and working methods, and strengthen interference and handling prior to customers' complaints.
- Strengthen communication and interaction with the supervision authority, timely handle complaints for the supervision authority, and form effective information communication and feedback channels.
- Standardize customer complaint handling processes and guide branches to raise the timeliness for difficult customer complaint handling.
- For problems frequently complained by customers, deeply analyze root causes with business units and timely propose rectification measures.

Customer Satisfaction Evaluation

We have built the normalized customer satisfaction evaluation mechanism to dynamically analyze our products and service level, detect disadvantages and weaknesses from customers' suggestions and advices, and continuously elevate customer satisfaction by combining corresponding improvement measures.

- Entrust the independent third-party organization to deliver customer satisfaction surveys and research so as to improve the "customer satisfaction indicator system".
- Set up the multi-level satisfaction evaluation mechanism from the head office to branches and related lines.
- Timely get to know customers' anticipation and effect factors of customer satisfaction through customer service feedback, the telephone outbound system and questionnaires and more.

Tianjin Branch: Build a concentric circles-shaped customer response mechanism

Based on customer business handling processes and service experience, CMB Tianjin Branch established the customer-oriented and concentric circles-shaped customer service response mechanism by combining end-to-end service process requirements to greatly elevate customer communication and service experience.

Marketing response circle: Proactively get to know customers' requirements, immediately provide various services such as basic account business consulting, account opening and settlement.

Service response circle: Immediately report customers' complaints caused by any reason to the business unit marketing support center, timely respond to the complaints with the "T+0" model, and listen to and understand customers' requirements or problems. Furthermore, effectively identify and classify complaints, solve them and make appropriate arrangements.

Process optimization circle: Through building and operating a daily problem diagnosis mechanism for CMB service outlets and finance business units, optimize the process of a single problem or problems that are collectively complained. The purpose is to transform complaints into chances for customer experience enhancement, and fully take advantage of remote customer complaint feedback of the 95555 hotline service to achieve that.

1.3.4 Rights and Interests Protection Makes Customers Relieved

Ensure Customers' Right to Know

We place system-related documents at notable positions in all service outlets to clearly display service and business content, deposit and loan interest rates, and related charging standards. We also publicize the *Notice on CMB 34 Free Service Items* and place the *Service Charges Content* on the counter to ensure that customer can obtain information about our charging and interest rates conveniently and accurately.

In addition, we actively guide service personnel to build standard operation awareness. While providing product consultancy, service introduction and financial management consultancy for customers, they need to comprehensively explain account security, account management fees, risk notification for financial management products, charging and other information to fully fulfill the obligation of ensuring customers' right to know.

One click to check the service price content

If you have any question about our service price and free service items, welcome to log in to CMB official website. Alternatively, you can click the following link to access the "Service Price Content" page. We ensure that all service items and charges are transparent and publicized.

<http://www.cmbchina.com/CustomerService/CustomerServiceInfo.aspx?pageid=zfbz>

Ensure Capital Security

To cope with Internet and telephone frauds frequently occurred in recent years, we make efforts to build systems that prevent cheating, help customers filter fraud risks, and improve our capabilities to cope and handle fraud events. Through carrying out educational and promotional activities, we raise customers' fund security awareness to avoid property losses.

Shijiazhuang Branch: Work together to resist illegal bank card buying and selling

On April 24, 2015, in Jianqiao Chunyu Community, Shijiazhuang City, our staff explained hazards of buying and selling bank cards and introduced precautions during card use to residents. We also gave away leaflets printed with information about major domestic issuing banks and the hotline of China UnionPay Customer Service Center to stress that once people find criminal acts such as bank card or ID card buying and selling, they need to report to the Public Security Bureau and resist illegal fraud together.

Guiyang Branch: Warm service and dutiful dedication help a customer retrieve losses

On November 24, 2015, Ms. Zhang from Guiyang City brought a pennant entitled, "Warm Service, Dutiful Dedication" to Xiaohe Sub-branch under CMB Guiyang Branch. She said, "Thanks to your help and timely handling so that I can find the 460 thousand yuan back. Otherwise, I can do nothing but cry."

Half a month ago, Ms. Zhang came to Xiaohe Sub-branch at around 6 pm. She looked quite nervous and said that she paid 500 thousand yuan to a cheater. The cheater hooked Ms. Zhang by faking to provide a high-value credit card and online transferred the money from her current account. After realizing the fraud, Ms. Zhang rushed to the sub-branch and asked us to help her retrieve the money. Time is very limited. After checking the customer's capital state, through close communication between the staff of the sub-branch and Guiyang Branch, we successfully helped the customer retrieve 460 thousand yuan.

2 Devote to Financial Sharing and Create a Good Society Together

Background of Sustainable Development

From small and micro enterprise development to industry upgrade and transition, from supporting modern agriculture to facilitating urban and rural construction, and from helping Chinese enterprises go global to planning overseas business deployment, the banking is one of hubs that drive national economy, and plays a critical role in promoting sustainable and healthy development of economy and the society. Facing the all-around adjustment in economic growth, industrial structures and regional deployment under the context of China's New Normal, the central government set the goal to maintain the annual economic growth by over 6.5% on average and enable people to actually share the achievements of building an all-round well-off society during the 13th Five-Year Plan. This brings more opportunities and challenges to the banking in innovating finance supporting services, exploring financing models, serving the Silk Road Economic Belt and the 21st-Century Maritime Silk Road (the One Belt and One Road strategy) initiative, and meeting special financial requirements of the policy of Encouraging People to Start Their Own Businesses and to Make Innovations".

Management Strategies and Methods

The CMB closely follows financial service requirements of people and industries. Through equal sharing of finance resources, the CMB serves reform and development of economic society, drives sustainable livelihood value creation, and builds an equal, harmonious, and prosperous society. To that end, we have taken the following actions:

Constantly improve small and micro enterprise finance product and service systems, provide good services for innovative growing enterprise customers (Wings for 1,000 Eagles program), and help small enterprises to develop stably and soundly.

Proactively devote to inclusive finance, provide appropriate and effective financial services for different groups, enable more people to benefit from financial services, and increase public interests.

Constantly expand corporate finance business, provide comprehensive financial service solutions for enterprises in different sectors and areas, and realize mutual collaboration and development.

Provide interbank services for financial institutions and develop together with the banking industry.

Positively respond to the Belt and Road Initiative, profoundly promote the prosperity and development of cross-border finance, and help Chinese enterprises stand on the world stage in a better and faster way.

What important measures had we taken in 2015?

- Innovated in small enterprise supply chain finance products and services
- Built "Intelligent Supply Chain Finance 2.0"
- Served innovative growing enterprise customers (Wings for 1,000 Eagles program)
- Innovated in products and services to meet people's livelihood requirements such as urban development, transportation, housing, healthcare and retirement
- Innovated in products and services related to agriculture, rural areas and farmers ("San Nong")

What had we achieved in 2015?

- The industrial standard loan balance for small amount and small enterprises totaled RMB 507.172 billion, among which the loan balance for small enterprises reached RMB 198.199 billion and that for small amount reached RMB 308.973 billion.
- The number of customers registered on the Small Business E-Home exceeded 10 million, and the number of customers who use mobile check business exceeded 240,000.
- The total number of customers recorded for the "Wings for 1,000 Eagles" program reached 26,442.
- The total internal and external financing balance for supply chain small enterprise

<ul style="list-style-type: none"> • Supported the development of strategic emerging industries with capital • Continued to deepen interbank finance business and built the Zhaoying Pass, an interbank Internet finance platform • Launched the "Offshore Finance to Serve Global" brand 	<p>customers reached RMB 20.257 billion, and the number of customers was 6,968.</p> <ul style="list-style-type: none"> • Interbank deposit balance reached RMB 700.638 billion. • In the trend of importing and exporting decline, cross-border RMB settlement amount reached RMB 830.807 billion, which increased by 19.08% year on year.
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Capital Shortage? Just Make a Phone Call!

My family started to sell fruits from 2012. The business was stable in past years and the annual sales stabilized around RMB 2 million. However, at the beginning of this year, the market condition changed and we were under huge stock pressure. After discussions, we decided to apply for loans.

At that time, we consulted a number of banks. After a careful comparison, we found that the Business Loan provided by CMB has a lower interest rate and higher amount, which was the most appropriate choice for us. So, we contacted the service hotline. A customer service representative asked some questions about our situation. Several days later, a customer manager contacted us and investigated our business operation and capital requirements. Soon later, the mortgage loan that amounts to RMB 800,000 with a five-year credit period was approved. Besides, I applied for Business All-in-one Card and am using the Easy Turnover function to directly withdraw and return money by mobile phone. It's very convenient.

In hindsight, my capital difficulty was solved by a simple phone call and I also received so many supporting services. Recently, the customer manager recommended me to participate in Small Business E-Home activities and regularly attend financial service trainings. These activities give me a chance to make friends with other businessmen and help me a lot. At the end of 2015, our sales had doubled, and the business successfully went out of Chongqing Province to march into other southwestern areas.

- Mr. Wang, a SME customer of CMB Chongqing Branch

2.1 Support "Two Small" and Assist Stable Growth

The healthy and long-term development of "Two Small" enterprises (small enterprises and micro enterprises) have an important impact on the continuous stable growth of Chinese economy. We keep focusing on financing service requirements of Two Small enterprises, tailored convenient and effective financial services for small and micro enterprise customers in wholesaling and retailing, and adopt multiple measures to mitigate their financing difficulties.

2.1.1 New Upgrade for Value Elevation

We launched products such as Creditable Tax Loan and Medium-term Mortgage Loan to meet traditional credit loan requirements of small enterprises. In addition, we launched the self-service enlending function on the mobile phone terminal to solve fund chain breaks of micro enterprises that use interbank lending to repay a loan when the loan falls due, and help sustainable operation and growth of micro enterprise customers.

We comprehensively promoted Fortune Cat public POS products to standardize the POS trade operation process of small enterprises, and used C+ Settlement Package cash management services to provide more convenient and speedy POS settlement for small enterprise customers. By the end of 2015, the number of "Fortune Cat" customers increased 14,479 year on year.

Moreover, we proactively expanded service channels for small enterprises and changed our role from a financing provider to a financing organizer, as described in the following:

- Established a cooperative channel with the Ministry of Science and Technology (MOST, PRC), united the MOST Torch High Tech Industrial Development Center to promote cooperation with high-tech zones, and provided NEEQ (National Equities Exchange and Quotations) listing services for small enterprises in the MOST backup enterprise repository, as well as professional financial services for local innovative startups.
- Established a cooperative channel with key securities traders, built a small enterprise service platform in the multi-level capital market, united Wing Lung Bank and CMB International to provide all-around investing and financing services, such as equity pledge, for enterprises to be listed.

2.1.2 Innovative Enterprise Growth for Development Acceleration

We continued to promote the innovative enterprise growth cultivation program (Wings for 1,000 Eagles). Through the cooperation with MOST Torch High Tech Industrial Development Center, MOST Talent Center, and Shenzhen Stock Exchange, we supported the China Innovation and Entrepreneurship Competition, supported the development of technology enterprises in high-tech parks, proactively explored the investing and lending linkage business model for investment and commercial banks integration, and boosted innovative enterprise growth and development.

- The number of customers listed in the Wings for 1,000 Eagles program reached 26,442, which increased 5,390 year on year.
- The number of customers granted credits was 12,573, and the credit balance was RMB 411.6 billion.
- The number of customers granted loans was 10,488, and the loan balance was RMB 158.3 billion which increased RMB 28.6 billion year on year.

By the end of 2015, 25 CMB branches were available for the innovative enterprise growth cultivation program to provide related services. 47 listed companies from the customer base had opened special IPO accounts, and the total amount of fundraising in trust exceeded RMB 8.5 billion. The account number of customers listed in NEEQ reached 2,154, which was 42% of customers listed in NEEQ.

Assist enterprises engaged in the China Innovation and Entrepreneurship Competition in introducing high-class strategic investors

A Nanjing-based company is a small technology enterprise that provides control system assembly for electric vehicles and has unique and advanced technical patents in this area. In October, 2014, the company signed a long-term contract with a large Nanjing-based passenger automobile enterprise. Therefore, it was urgent to obtain more circulating funds to support the expansion of the company's capacity. After investigating this company, we tailored credit granting products for it and granted the account receivable factoring credit line valued at millions of RMB. Later in February, 2015, due to plant purchasing and capacity expansion, we investigated the company again and increased the credit line to ten millions of RMB.

In virtue of our financing support and credit line increase, the company successfully expanded its scale and attracted a local high-class strategic investor. Currently, with the support of bank financing and venture capital, the downstream customer of the company has included a number of new energy vehicle manufacturers.

2.1.3 Financing Innovation for More Assistance

We proactively innovated in the way of credit guarantee of small enterprises, and developed supply chain loans under the pre-approved supply chain model. Based on the 1+N supply chain, we provided standardized and networked small amount of pre-approved credit loans for small enterprises to solve their financing difficulties.

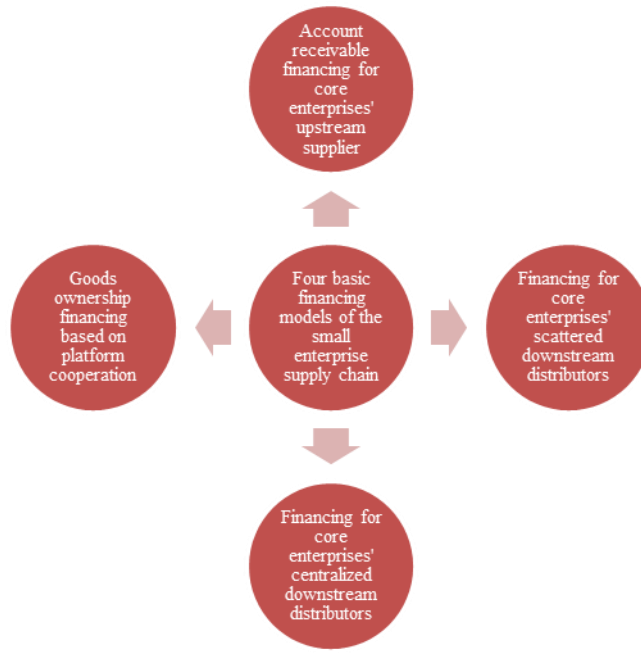
Beijing Branch: Support 1+N supply chain business of the Chia Tai Group in agriculture and animal husbandry

By considering agricultural core enterprises as a platform and bridge, we provided financing services for their upstream and downstream farmers. Through targeted design and development of 1+N supply chain business in agriculture and animal husbandry, we provided pre-approved credit financing support for downstream pig and cattle breeders, poultry farmers, and distributors of fodder companies under the Chia Tai Group to help them purchase fodder and stud stock. Based on the withdrawal amount each time required by farmers, we adopted online self-service loan granting to allow farmers to repay loans in advance and calculate the interest by day, which was much lower than the financing price that farmers can obtain from the town. Additionally, no hidden fees were required. By the end of 2015, CMB Beijing Branch had granted the credit line at RMB 122 million to 87 farmer accounts.



Representatives of CMB Beijing Branch are handling onsite loan business for farmers.

We continued to promote the transition from small enterprise assets business to supply chain financing, formed a small enterprise supply chain operation plan that focused on four basic models and realized one-account-one-solution design, end-to-end marketing processes, online remote withdrawal and transaction data risk control.



<p>257 million RMB</p> <p>Total balance of small enterprise customer supply chain financing</p>	<p>6,968</p> <p>Total number of small enterprise supply chain customers</p>
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2.2 Promote Inclusive Finance to Elevate Social Benefits

We are devoted to provide effective and all-around inclusive financial services for different social classes and groups to enable all market players to benefit from these services. In 2015, we paid attention to people's livelihood services, San Nong (three rural issues of agriculture, rural areas and farmers), and strategic emerging industries made efforts to make everyone share financial achievements, and boosted harmonious and healthy development of economic society.

2.2.1 Focus on People's Livelihood and Serve People's Life

Convenient transportation, comfortable accommodation, handy healthcare, and guaranteed retirement are people's basic requirements for life. In 2015, we fully took advantages of our resources to innovate in products and services, support infrastructure construction, combine financial services cohesively with people's livelihood, and meet people's requirements for transportation, housing, healthcare and retirement by the strength of finance.

Serve urban development

Wuxi Branch: Assist urban construction development

In July, 2015, CMB Wuxi Branch and Jiangyin Urban Construction Investment Co., Ltd. jointly launched Jiangyin Urban Development Fund to support pro-listed enterprises and urban investment enterprises registered in Jiangyin City, help them accelerate transformation, system reform, financing and listing, and assist the People's Government of Jiangyin Municipality in delivering public-interest projects such as urban and rural construction, shantytown transformation, hydraulic engineering, and PPP infrastructure construction.

By the end of 2015, we had established two urban development funds with partners. It is expected to invest RMB 13 billion to accelerate urban infrastructure construction related to people's livelihood.

Serve transportation demands

Nanjing Branch: Support rail transit construction in Nanjing

Metro is the main line of urban public transportation, the main artery of passenger transport, and the world-recognized green transportation with low energy consumption and less pollution. In 2015, CMB Nanjing Branch provided six-year financial leasing business valued at RMB 800 million for Nanjing Metro, and provided six-year M&A lending valued at RMB 1.8 billion for Nanjing North Rail Transit Co., Ltd., a subsidiary of Nanjing Metro. So far, the total credit balance that we have granted to Nanjing Metro adds up to RMB 4 billion. Through participating public transportation construction in Nanjing, we helped elevate local transportation operational capacity and facilitate citizens' daily travels.

Serve housing demands

Harbin Branch: Innovatively launched the Garage Loan

With the improvement of people's life, the number of private cars is increasing as well. In the ice city Harbin, due to the long winter, cold weather and limited parking space, many car owners have to suffer from parking difficulties in cold weather because they must buy parking space. However, the high price of parking space stops some car owners. To fulfill car owners' requirement for purchasing parking space, we innovatively launched the **Garage Loan** valued at RMB 300,000 with a 10-year loan term at most. The product effectively filled a market gap and was popular among real estate developer and car owners. By the end of 2015, there were 20 car owners purchased the Garage Loan.

Xining Branch: Meet housing requirements of ethnic minorities

Qinghai is one of provinces that have the most number of autonomous areas of ethnic minorities in China. Over 46% of population in the province is ethnic minorities. In multi-ethnicity habitation and underdeveloped areas, ethnic groups have strong requirements for improving accommodation conditions. To solve the problem, CMB Xining Branch arranged special capital to prioritize ethnic groups' requirement for housing. The mortgage loan for new houses granted between 2013 and 2015 added up to RMB 728 million, which fulfilled housing requirements of 2,300 families from Tibetan,

Hui, Mongolian, Salar and other ethnic groups, and consolidated ethnic unity.

Serve medical demands

Shanghai Branch: Smart medical program to facilitate medical care seeking

On November 18, 2015, CMB Shanghai Branch, Shanghai Xuhui Central Hospital, and Shanghai Minhang Wujing Hospital held the Smart Medical Program Signing Ceremony in Lujiazui to jointly build online diagnosis process services that integrate the functions of appointment, guidance, diagnosis, examination, payment and interaction. By 2016, when seeing a doctor in Wujing Hospital, citizens can register and pay online without waiting in a long line. This service will greatly facilitate citizens' life. In addition, we launched the new Xuhui Cloud Hospital, which enabled patients to see a doctor by video on PC and realized online diagnosis. By the end of 2015, we had built partnership with over 50 tier-2 and higher hospitals, as well as provincial and municipal medical service platforms in China.



CMB Shanghai Branch in the Smart Medical Program Signing Ceremony

Serve retirement demands

As a financial institution with the longest pension business history and the most complete qualification in China, we continue innovating products and upgrading service channels to build professional, streamlined and standard services and provide personalized value-added services for customers.

After over ten-year development, we gradually form a pension product system that covers enterprises' all requirements for compensation and benefits management, based on enterprise annuity and with the support of Jinfu Plan and Hengkang Plan. This system can provide more choices and better services for enterprise managers in terms of employee compensation and benefits management.

By the end of 2015, our pension customers had been all over the world, covering more than 20 industries such as petroleum, coal mining, electric power and IT. More than a million of customers around the world are using our high-quality pension service in different ways.

2.2.2 Focus on "San Nong" to Achieve Prosperity

We are in line with the central government's policy to support the development of San Nong, improve and raise the financial service level of San Nong, accelerate modern agriculture development and help rural residents improve production and life through financial services.

To meet agricultural enterprises' requirements for Internet, mobile and remote settlement products, we are the industry's first to launch the mobile check, an electronic payment settlement tool based on mobile internet. Users can use the tool to add a pre-input payee, handle settlement in a batch, optimize the filtering rule of authorized users, self-service apply and more. By the end of 2015, more than 4,000 agricultural enterprises opened the mobile check account, the number of payments that amount to over RMB 100 was 14,000, and the aggregate payment amount was RMB 200 million. It indicates that the service effectively promoted payment settlement efficiency of agricultural enterprises that prefer check trading.

Xining Branch: Support agriculture and animal husbandry development in Tibetan areas

In Qinghai province, through credit capital, we supported programs in Northern Qinghai Tibetan Autonomous Prefecture and Western Qinghai Mongolian Autonomous Prefecture, such as Tibetan medicine, cattle and sheep breeding, seedling nursery, rapeseed oil processing, Qaidam wolfberry planting specialized cooperative, semi-wild deer breeding specialized cooperative, helped develop agriculture and animal husbandry in Tibetan areas and increased farmers and herdsmen's income. By the end of 2015, the credit balance of special agriculture and animal husbandry companies added up to RMB 42 million CMB Xining Branch.

Lanzhou Branch: Constantly support the beef raising industry in Zhangye City

To support the development of special agriculture in Gansu Province, we reviewed and approved the batch credit granting plan for beef raising in Zhangye City in 2013. It was planned to offer beef raisers loans valued at RMB 500 million to accelerate scaled and industrialized development of local agriculture and help local farmers alleviate poverty. The credit granting period was two years, including four guarantee types to enable farmers to choose an appropriate type. The loan that exceeds over 12 months can be repaid by installments, which effectively mitigated farmers' repayment pressure and matched the raising cycle. By the end of December, 2015, the aggregate financing for beef raisers in Zhangye provided by CMB Lanzhou Branch reached RMB 384.47 million that supported the production development of 21 enterprises and led 3,840 farmers to achieve prosperity.

2.2.3 Assist Innovation and Drive Transformation

On the basis of major technological breakthroughs and important development requirements, strategic emerging industries play a critical role in leading the all-around and long-term development of economic society. The 13th Five-Year plan is in favor of the development of emerging industries such as energy conservation and environmental-friendly technology, biotechnology, information technology, intelligent manufacturing, high-end equipment, and new energy. As a financial institution, we proactively support the development of strategic emerging industries and assist the economic structure transformation of China. By the end of 2015, we had issued loan balance valued at RMB 55.913 billion to strategic emerging industries, which was 4.31% of total loans of CMB.

Hohhot Branch: Support clean energy project construction

- In 2015, issued loans valued at RMB 230 million to Gangneng New Energy Siziwang Banner Wind Power Co., Ltd. to support the second phase of its wind power project.
- In 2015, issued total loans valued at RMB 429 million to Inner Mongolia Energy Generation Xing'an Thermoelectricity Co., Ltd. to support its 2x300 MW thermoelectricity project.

2.3 Develop Corporate Finance for Mutual Development

Enterprises are important carriers of the real economy. The healthy and sound development of enterprises is closely related to the health and stability of macro economy. In 2015, we deeply focused on industries including electric power, telecommunications, transportation, petroleum, automobile, new energy, real estate, the Internet, shipping, and construction, proactively explored industrial specialized business models, and provided diversified industrial comprehensive financial service plans. We created value for enterprises and achieved win-win cooperation through helping them develop soundly and stably.

2.3.1 Industrial Chains for Smart Win-Win Cooperation

With the development of commercial society, the enterprise competition mode will not be limited to the competition between single enterprises. The supply chain system will play a more important role in future commercial economy. In addition, online supply chain finance can effectively raise overall supply chain running efficiency, elevate enterprise supply chain competitiveness, and help enterprises obtain competitive advantages.

Since intelligent supply chain finance was launched in 2013, we continue to innovate in product, risk management and platform interconnection, build Intelligent Supply Chain Finance 2.0, combine cash management and Internet finance with supply chain finance, and establish the pan-supply chain finance system in the Internet trend to realize customer-oriented, end-to-end and closed-loop supply chain finance services. In 2015, we launched new products such as the "dynamic bill pool" and "supply chain asset authentication", won the APAC Best Supply Chain Finance Management Award granted by *The Asian Banker*, and became Chinese first bank that won this award.

Innovatively launch the "Internet + Bill Pool" solution

Dingshun Chemicals is a leading enterprise specialized in high-tech chemical product production and sales. The settlement for its upstream and downstream supply chain is in the way of bank's acceptance bill. However, the amount and term of accounts receivable held by the enterprise fail to realize direct payment, and the credit line fails to meet the enterprise's requirement for capital turnover. After analyzing its accounts receivable composition information, we recommended the solution of "Smart Bill Pool" + "Internet Notes Witness" to help the enterprise liquidize various bill assets, and solve problems about bill settlement, financing and custody in one stop.

2.3.2 Service Optimization for Innovation Upgrade

In 2015, we were the industry's first to launch the "Mobile Cheque", an O2O closed-loop payment product for corporate finance. The paperless "Mobile Cheque" provided by CMB Online Corporate Bank functions by using electronic instructions. Because the mobile check fully covers the functions of paper checks, customers can use it to delay payment or transfer the check. The Mobile Cheque does not require written signature and can be handled by customers themselves. It has several advantages, such as easy operation, convenient usage, and no limit to areas of use (universal in China), which significantly reduce customers' costs of using.

In addition, based on the idea of "Creating Value for Customers", we launched some core products such as the CBS Investing and Financing Pass, intelligent deposit, domestic and foreign trading credit transmission to provide capital with low costs for customers and assist them in development.

Jinan Branch: Tailor a service solution for the film and television production industry in Shandong Province

Shandong Film and TV Group is one of the most influential and reputable enterprises in the film and TV production industry of China. It has highly specialized production teams, stable broadcasting channels and customer base. However, the industry is characterized by urgent capital demand, large investment, long periods and high profits. Based on the Group's actual requirements, we designed a dedicated service solution to grant the credit line at RMB 30 million with a period of two years. To simplify reconciliation work, we provided a special service solution by combining Business All-in-one Card with Accounting Helper. Using these solutions, the Group can associate every film or TV work with a collection card, and directly provide the collection card number in contracts signed with downstream TV stations. After the function of Accounting Helper is activated, each collection card can be associated with a virtual account under current settlement accounts. On the online bank, financial personnel can check incomes and deductions for each film or TV work. This function refines their financial management.

In 2015, Shandong Film and TV Group released hit TV series, such as *Nirvana in Fire* and *Disguiser*, the animated film *Monkey King: Hero Is Back* and other high-quality characteristic film and TV work, which aroused tremendous social responses.

2.4 Promote Interbank Finance to Create the Future Together

With the prosperous development of domestic and foreign financial markets, as well as the rapid growth of financial institutions, we establish the "boutique bank" strategy in the interbank finance area. Through building new interbank financial product lines and specialized service systems, we provide innovative financial service solutions for financial institutions, and make more value contributions to interbank customers. While realizing interbank win-win cooperation, we strive to make financial institutions' products and services serve the public and society to a wider extent.

2.4.1 New Platform for Resource Sharing

Through long-term efforts and exploration in interbank financial business, we have expanded the interbank financial customer base to foreign banks, Chinese banks, securities companies, finance companies, trust companies, fund companies, and insurance companies, as well as financial leasing companies, auto financing companies and other non-bank financial institutions. Additionally, we gradually diversify single interbank liability business and transform it into interbank liability business, assets business and intermediary business.

In 2015, we further opened our channel resources, technological resources and product resources, built the new interbank Internet financial platform named Zhaoying Pass, and realized interbank business transformation from traditional offline business to online business through innovation and exploration in Internet technology. The platform can provide integrated solutions and realize in-depth inter-institutional cooperation and resource sharing based on interbank customers' core requirements.



Three features assist interbank transaction

Flagship Store	<ul style="list-style-type: none"> • Provide private brand financial mall • Provide platform construction, custody and O&M services • Provide and sell products for you • Open CMB's resources to build an interbank financial ecosphere
Online Agreement Signing	<ul style="list-style-type: none"> • "Head-to-head" agreement • Authorized network agreement signing authentication • Not require face-to-face signing • safer and cheaper

Speedy Transaction	<ul style="list-style-type: none"> • Internet and mobile internet experience • Automatic business recommendation and real-time information acquisition • No account opening required for business handling • More efficient and convenient business
<p style="text-align: center;">7,028.62 trillion RMB</p> <p style="text-align: center;">Interbank deposit balance</p>	<p style="text-align: center;">731</p> <p style="text-align: center;">Number of interbank customers on the Zhaoying Pass platform</p>

2.4.2 Business Support for Cooperative Development

Based on interbank customers' different requirements and preferences on business, we closely follow excellent practices in domestic and foreign financial service industries, fully take advantage of our experience and strengths, and constantly create high-quality financial service solutions. The purpose is to help interbank customers grasp business opportunities, raise business efficiency, reduce business costs, and improve customer service experience.

Interbank financial products

Provide financial products demanded by financial institutions to assist the development of retail financial business and meet business requirements of financial institution customers.

Entrusted assets management

Operate raised funds or self-operated funds for financial products that are entrusted by interbank customers, and pay investment income to the customers as an entrusted manager.

Assets management express

Invest interbank customers' raised funds for CMB's financial products in corresponding assets designated by the customers, and provide channel services for the customers as an assets and funds organizer.

Online interbank deposits

Sign the "head-to-head" agreement with interbank customers: Using the HPVS of the People's Bank of China or the dedicated network of SWIFT, the head offices of both sides mutually receive and send standard bank messages to complete online agreement signing and transaction confirmation. After the depositor places capital in CMB, business handling is completed.

2.5 Promote Cross-border Finance to Serve Global Economy

As important development strategies of China, the "go global" and "bring in" strategies play a vital role in strengthening the motivation to economic development and transforming the economic structure. We keep the pace with national strategic requirements, support going global and bringing-in of enterprises, constantly boost the development of three cross-border product systems named Trade Pass, Capital Pass and Fortune Pass, facilitate overseas organization deployment, and promote the development of offshore financial business.

2.5.1 Overseas Deployment and Interactive Development

We continue to promote overseas organization deployment, build a "three-in-one" cross-border financial platform composed by overseas organizations, offshore finance centers and domestic branches, and meet multi-level comprehensive financial requirements of enterprises that go global. In 2015, we established a new overseas organization, Luxembourg Branch. The number of tier-1 overseas organizations reached nine, including two subsidiaries, Wing Lung Bank, CMB International, four branches, Hong Kong Branch, Singapore Branch, Luxembourg Branch and New York Branch, and three representative offices, New York Representative Office, London Representative Office and Taipei Representative Office.



2.5.2 Offshore Finance and Product Innovation

To meet offshore customers' requirements for a full life cycle, we combined overseas market characteristics and offshore financial specialized elements to launch the brand of Offshore Finance to Serve Globally and corresponding ten product systems, as well as featured products such as offshore Lease Pass series, on behalf of the guarantee letter, and interbank paying agent.

By the end of 2015, the number of offshore customers reached 39,700, which increased by 26.43% compared to the beginning of the year. The offshore international settlement amount reached USD 283.178 billion, which increased by 48.00%. The offshore customer deposit amount reached USD 16.336 billion, which increased by 35.18% compared to the beginning of the year.

Ten Product Systems of Offshore Finance

Basic services

- Offshore account service: Carefree Offshoring
- Offshore fortune finance: Gathering Wealth World
- Offshore electronic finance: EDGE Access
- Offshore trade finance: Global Trade Financing
- Offshore transaction finance: Wealth Creation Helper

Specialized area services

- Offshore capital finance: Smart Funds Bridge
- Offshore interbank finance: Win-win Coordination
- Offshore engineering finance: Five-Continent Construction
- Offshore shipping finance: Voyage Motivation
- Offshore free trade finance: Boundless Free Trade

Topic: One Belt and One Road Initiative Brings Win-Win Cooperation

Currently, the One Belt and One Road strategy is the highest national strategy in China. In this strategy, key regions including Xinjiang Uygur Autonomous Region, Fujian Province, Yangtze River Delta, Pearl River Delta, Guangdong Province, Hong Kong and Macau will take their unique geographic advantages to build the Silk Road Economic Belt and the 21st-Century Maritime Silk Road, deepen cooperation and exchanges with countries in Central Asia, South Asia, and West Asia, and establish important transportation hubs, commercial, logistic, cultural and educational centers on the Silk Road.

In 2015, based on the One Belt and One Road national development strategy and in virtue of CMB's complete platform formed by onshore and offshore services, overseas branches and subsidiaries, we focused on two key fields, four key industries, four key regions, customers and projects, carried out product innovation, form and promote a complete product system that covers customers' four requirements for trade settlement, capital management, project financing and capital operation. The purpose is to fully support going global of Chinese enterprises.

Innovate in the Global Capital Management (GCM) service

We respond to the new direction of reform and openness brought by the One Belt and One Road strategy, grasp strategic opportunities in the global transaction market brought by RMB internationalization, and innovatively launched the GCM service. Through constructing the "three-in-one" capital management service model based on customer orientation, channel support and product assurance, we provide all-around, one-stop and comprehensive capital management services, including domestic and foreign currency, onshore and offshore services, domestic and foreign capital settlement and centralized operational management, to assist continuous advancement of the One Belt and One Road strategy and other development strategies.

Jinan Branch: Serve the project of AVIC Forestry in Russian for the One Belt and One Road Strategy

As one of enterprises that have the most amount of forest resources outside of China, AVIC Forestry is equipped with business operation capabilities in the full industrial chain that covers forestry resources development, forest harvesting, processing, transport, sales, park construction and investment promotion. To respond to national energy development strategies, the company was contracted to invest in and construct the China-Russia Tomsk wood industry and trade cooperation zone. However, because the lessee was a company outside of China, the company failed to obtain project loans from banks in China. Its main construction capital was from shareholders' lending and short-term bank financing, which brought huge capital turnover pressure.

To fulfill the company's actual requirements for extending the financing term and liquidizing fixed assets, CMB Jinan Branch customized a cooperative model based on financial leasing. Using CMB's linkage platform, we provided a comprehensive credit line valued at RMB 100 to 200 million for the company to supplement domestic working capital. CMB Financial Leasing provided financial leasing payments receivable equal to or more than USD 50 million for the company to swap short-term debts of overseas projects. Controlling shareholders of AVIC Forestry undertook joint liability for guarantee. The financial leasing solution brought great comprehensive economic interests to the company. Additionally, through optimizing the debt structure, we largely mitigated the company's pressure from short-term loan refunding, ensured successful delivery of overseas project construction and rapid sustainable development of the company, and strongly supported the the One Belt and One Road strategy.

By the end of November, 2015, we traced 155 one-belt-one-road projects in total, among which 48 had been implemented. The amount of international settlement handled for relevant countries reached USD 39.3732761 billion. The amount of factoring services for goods, equipment export and overseas engineering in relevant countries was USD 2.9754878 billion, and the amount of issued guarantee letters was at USD 1.0092202 billion. The amount of loans issued by CMB's international organizations for projects and customers in relevant countries exceeded USD 1 billion, covering Singapore, Cambodia, Kazakhstan, Malaysia, Indonesia, Vietnam, Venezuela and other countries.

3 Share the Fruits of Development for a Better Future

Background of Sustainable Development

In the context of globalization, a company is no longer an independent entity, but has more connections with employees, local community, the environment and other stakeholders. More and more experience has shown that, a company that actively fulfills its employer responsibility will gain higher employee loyalty, leading to win-win results for both the company and its employees. The community and environment, as the basis for a company's survival and development, have a profound impact on the company's long-term value creation while sharing the company's fruits of development.

Management Strategies and Methods

In line with the CSR philosophy of "From and For the Society", CMB has been sharing the fruits of development with its employees as well as the community and environment where it has operations, and working with them to protect the environment and create a better future. We regard employees as the company's most valuable asset, rely on competitive remuneration packages, attractive career opportunities and excellent culture to retain employees, and create a comfortable, open and caring environment for employees' career development; continuously innovate the forms of public welfare activities, and extend the spirit of corporate citizenship to the public welfare fields of care for children, disaster relief, poverty relief, environmental protection, etc.; and actively develop green finance, guide capital flow to environmentally friendly industries, and promote green operations, to contribute to "green banking".

What important measures had we taken in 2015?

- Explored the long-term employee incentive mechanism, and approved the draft of the "employee stock ownership plan" at the meeting of employee representatives;
- Continuously launched public welfare programs through public welfare platforms such as "Monthly Donation" and "Happy Donation";
- Carried out targeted poverty relief, to make real difference for residents in poverty-stricken counties;
- Strengthened financial literacy through a variety of forms;
- Increased efforts to promote green finance, to boost the development of green economy.

What had we achieved in 2015?

- Offered teaching and training of all levels to 467,000 person/times and online learning programs to 3.90 million person/times, with the per capita learning time of 61 hours;
- A total of 16 donation programs were available on CMB's online public welfare platforms, and more than 160,000 cardholders made donations on a cumulative basis;
- Donated poverty relief funds totaled RMB 84.15 million over the 17 years of targeted poverty relief;
- Balance of green credit loans hit RMB 156.503 billion.

Care for the Elderly for a Happy Life

Respecting the elderly is a traditional virtue of the Chinese nation. As a member of CMB, I'm very glad to be a part of the "Care for the Elderly" initiative.

On the afternoon of November 21, 2015, the temperature drop sharply. We, 12 volunteers, along with our families and kids, came to the Meifu Apartment for the Elderly in Tianjin. We first sang a song titled "Back Home" for the elderly who were about the same age as our own parents. We rehearsed this many times.

Then a variety of performances were presented, including folk dance, break dance, eight-sectioned exercise (a traditional Chinese exercise), etc. A seminar was also held to provide tips on prevention of

financial fraud. The kids did a good job as well. They told funny jokes and shared riddles, making the elderly laugh a lot. Given the poor eyesight and hearing of the elderly, we talked with them patiently and slowly on a wide range of topics, such as their daily routine, calligraphy, writing and youth stories. Despite the severe cold outside, it's warm like in the spring inside.

An employee volunteer of Tianjin Branch



Employee volunteer presenting performance to the elderly



Volunteer teaching the elderly how to identify counterfeit money

3.1 Care for Employees for Mutual Growth

Employees are our most valuable asset and also the engine powering our sustainable and healthy development. Adhering to the people-centered approach, we are committed to meeting employees' living and growth needs, creating an optimistic, positive and harmonious working atmosphere for them, and growing along with them to create a better future.

3.1.1 Live Dreams and Move Forward

We continuously improve the performance appraisal system, create a fair and just environment for employees' growth, and provide smooth career paths, to allow employees to live up to their potential.

Encourage Employees to Dream

We organize diversified recruitment activities throughout China, to attract a large number of employees every year. We launch the long-term campus recruitment program of "Letting Dreams Come True" and summer internship program of "DreamWorks" for college students, to provide ample opportunities for young students' access to the career world. In 2015, we enrolled 5,400 graduate employees, 4,293 experienced employees and 4,200 interns, on a cumulative basis.



Foshan Branch's school recruitment presentation

New York Branch: Provide internship opportunities to Chinese students studying in the North America

In 2015, New York Branch launched an internship program. Over 50 internship positions were offered to Chinese students studying in North America. During the internship, we provided regular evaluation, feedback and guidance to interns, to help them identify their career goals and develop personal career planning while allowing them to be personally engaged in banking operations.

Smooth Employees' Career Path

We have introduced CMB's Regulation on Dual-Path Career Development, according to which employees can choose the path of specialized/management positions at their own discretion based on their own strengths. In 2015, CMB branches have actively promoted the development of backup talent pools, and expanded the coverage of positions based on their reality, to offer more career options to employees.

Wuhan Branch: Organized a presentation tour on HR policies

Wuhan Branch has organized the "My HR" tour to all managed outlets, to ensure all employees' understanding of their career development and related resources by providing explanation on key topics such as "employees' role positioning in CMB", "CMB employees' compensation and benefits", "training mechanism and career development of CMB employees", and "HR systems and tools available to employees".

Zhengzhou Branch: Maximize employees' career development

Zhengzhou Branch selects outstanding managers through nomination, competitive selection and other forms, boldly promote young employees to managerial positions, and actively improve the specialized sequence assessment system. In 2015, the branch conducted assessment of 739 employees against the "performance appraisal - expertise" dual-dimension standard. A total of 522 employees were promoted, accounting for 70.64% of the total being assessed.



Foshan Branch organized the "CMB Pioneer Camp" for newly recruited and transferred employees

3.1.2 Inspire Success through Training

We always care about employees' growth, and strive to create a professional, diversified training system for them. We create the training brand of "CMB University", to effectively meet the training needs of employees at different levels, including new recruits, talents on various business lines and management, and enable diversified development of talents.

CMB University

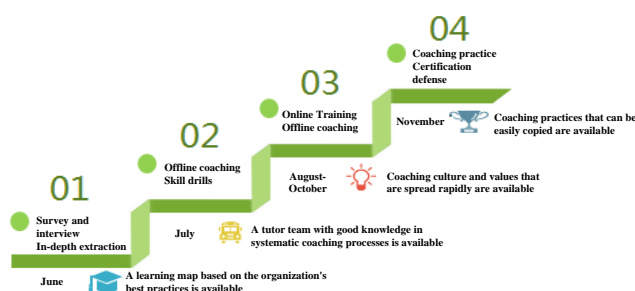
- Organized 40 leadership programs and offered training to 1,572 person/times at all managerial levels;
- Made 5 tailor-made training plans;
- Organized 532 training sessions for new recruits and offered new employee training to 27,006 person/times.

We also provide diversified forms of training to employees, including not only offline normalized training but also mobile learning models such as online micro video course and WeChat learning platform, to allow employees to learn anytime, anywhere.

- Offered teaching and training of all levels to 467,000 person/times and online learning programs to 3.90 million person/times, with the per capita learning time of 61 hours;
- Developed 356 electronic training courses and added 1,458 knowledge cases.

Dongguan Branch: innovative mentor certification

Dongguan Branch launched the "mentor certification program", initially formed the knowledge system of business positions by combining the knowledge and experience of senior employees and managers in the industry, and outlined 26 learning and growth maps for the three positions of corporate banking, wealth management and personal loans, which cover over 40 key tasks at the low, medium and high levels, to allow new employees to master professional skills rapidly and be better prepared for their jobs under the guidance of mentors.



Foshan Branch: focusing on the training of employees' management capabilities

Based on a number of surveys on needs, Foshan Branch launched training programs including "training on in-service managers' management capability", "key employees - Venus plan", "training on recruiters' interview skills" and "training on employees born in the 1990s for improved management capability", to help first-line managers make breakthroughs in management through progressive improvement in three phases, namely, basic management, enhanced management and management practices.

Shijiazhuang Branch: launched the training program on leadership for middle management

Shijiazhuang Branch launched the leadership training program of "helping managers improve EQ to become excellent mentors". Lecturers from renowned consulting firms were invited to interact with participants through sharing and interpretation of classic cases, scenario simulation and other forms, to allow participants to master management competencies and skills in a relaxing and pleasant learning atmosphere.

3.1.3 Promote a Healthy and Happy Life among Employees

Following our people-centered culture of "respect, caring and sharing", we encourage employees to "work happy and live healthy" and "regard themselves as a part of the company", so that they can grow along with the company in a healthy manner.

Care for employees' health	<ul style="list-style-type: none"> • Organize physical check-ups for employees on a regular basis; • Strengthen health management by engaging experts to provide medical consultation and design targeted physical check-up scheme for employees; • Organize health seminars.
Care for employees' life	<ul style="list-style-type: none"> • Launch a series of activities for female employees, such as outdoor activities and seminars on women's health and flower art; • Organize celebration and condolence activities, such as celebration on the occasion of holidays, birthday and child birth, visits to injured, sick and retired employees, and support to employees in difficulty; • Launch the "Open Day for Family Members", to allow employees' family members to have a better understanding of employees' job and working environment.
Diversified employee activities	<ul style="list-style-type: none"> • Organize recreational and sports activities, such as happy running, employees' sports day, lake relay race, ball games, etc.; • Strengthen the establishment of clubs: In 2015, the Head Office Headquarters set up the organic life club and Internet club, making the total number of clubs 20.

Suzhou Branch: "My Canteen, My Way"

To build satisfactory canteens, improve the quality of food for employees, and promote a healthy life, Suzhou Branch launched the "My Canteen, My Way" initiative. Online evaluation, on-site inspection and ranking of canteens throughout the branch were conducted, and on-site contest and exchange on dishes between chefs of all sub-branches were organized.

Wuhan Branch: Care for health for a happy life

Addressing the hot topics including frequently-occurring diseases, prevention of occupational diseases, nursing of cardiovascular and cerebrovascular diseases, diet and health, and prevention of childhood diseases, Wuhan Branch, in partnership with the Wuhan Municipal Health Bureau, invited a number of outstanding medical professors and lecturers to give lectures, which triggered the industry-wide enthusiasm towards "care for oneself to make a happy family" and was widely recognized by employees.

Shijiazhuang Branch: Launched the "Open Day for Family Members"

On March 29, 2015, Shijiazhuang Branch launched the "Open Day for Family Members". Family members made a guided tour to the workplace and business hall, and had first-hand experience with facilities such as high-speed photographing scanners, paperless tablets, mobile terminals and VTM terminals. They were deeply impressed by the application of sophisticated technology in the bank. Through the initiative, visitors also had a deeper understanding of employees' job. They said they would render sheer support to employees' work in the future.



Tianjin Branch: "Baking with you" (training)



Tianjin Branch: "Make Color Clay Sculpture with You" (parent-child activity)



Female employees of the Head Office attended the flower arranging seminar



Shenzhen Branch employees participated in the Cooking Club activity



Dongguan Branch staged employee care activities on children's day



Guangzhou Branch's employee yoga club activity



Hohhot Branch held a meeting with employees' family members



Taiyuan Branch launched sports activities for employees

3.2 Take Root in Communities and Contribute to Social Welfare

The community is where we set foot in, powering our growth and development. While continuously promoting company development, we live up to our responsibility and commitment, play an active role in community building, provide care and support to vulnerable groups, seek development for poor remote areas, and realize community harmony through company value feedback.

3.2.1 Engage Everyone in Public Welfare Activities for Love

We establish CMB online charity platforms, and launch a number of sustainable charity programs through in-depth cooperation with many charity organizations such as One Foundation and China Youth Development Foundation, to allow the engagement of employees, cardholders and the public and promote the philosophy of "everyone can be a part of charity" through concrete actions.

Monthly Donation

We work with a number of charity organizations to launch the "Monthly Donation" plan, which allows customers to choose a charity program or monthly donation amount at their own discretion. After a customer signs the monthly donation agreement, CMB will transfer the donation amount from the customer-designated account to the official foundation account on a monthly basis.

In 2015, we launched three new monthly donation programs – 220 km Green Great Wall, Education Aid, and One Tamarisk Tree. So far, there are nine monthly donation programs in operation. We believe that every single effort can make a real difference to the community.

CMB's Monthly Donation programs

<p>One Family Monthly Donation</p> <p>Donations will be used to support One Foundation's actions in three fields: child care and development, disaster relief, and charity support and innovation.</p> <ul style="list-style-type: none"> Available donation options: RMB 1/11/111 or daily donation of RMB 1 (monthly donation of RMB 30) 	<p>Hope Project Library</p> <p>Donations will be used by the China Youth Development Foundation to set up libraries for rural primary schools in poor areas.</p> <ul style="list-style-type: none"> Each cumulative donation of RMB 10,000 will be used to set up a library for a rural school. 	<p>Happy Children's Home</p> <p>Donations will be used by the China Youth Development Foundation to renovate or build "Happy Children's Home" for left-behind children based on existing unoccupied spaces to provide child care, family education guidance, psychological counseling, etc.</p> <ul style="list-style-type: none"> Each cumulative donation of RMB 100,000 will be used to renovate or build a "Happy Children's Home" for left-behind children.
<p>Caring for Veterans – Tribute Fund</p> <p>Donations will be transferred on a quarterly basis by the China Foundation for Poverty Alleviation to the bank accounts registered under the name of veterans, to help them cover basic living needs.</p> <ul style="list-style-type: none"> Each donation of RMB 10 will be used to provide a living subsidy for one day to a veteran. 	<p>220 km Green Wall</p> <p>Donations will be used by the China Green Foundation to plant the sand control and fixation forest at the edge of the Tengger Desert of the Alashan League.</p> <ul style="list-style-type: none"> Each donation of RMB 10 will be used to plant a tree, to help control the desert's eastward expansion. 	<p>Education Aid</p> <p>Donations will be used by the Chinese Red Cross Foundation to launch the "pre-school education support" program covering kindergarten establishment, kindergarten teacher training and multidisciplinary curriculum in poor areas, including curriculum development, courseware creation, instructor allowance, etc.</p> <ul style="list-style-type: none"> Already built 346 charity schools and trained 700 rural teachers.

<p>Hope Kitchen</p> <p>Donations will be used by the China Youth Development Foundation to build hope kitchens equipped with modern kitchen fittings meeting national hygiene standards for rural schools in poor areas.</p> <ul style="list-style-type: none"> Each cumulative donation of RMB 40,000 will be used to set up a hope kitchen for a rural school. 	<p>Golden Sunflower Children's Growth Fund</p> <p>Jointly founded by CMB and China Youth Development Foundation. The "1,000-Town Children Education and Inspiration" program was also launched to improve school education in poor areas and help left-behind children grow up happy.</p> <ul style="list-style-type: none"> Fund the Tongren Golden Sunflower School in Guizhou, stage summer camp and children's painting competition, organize and set up the children's choirs of the Yi and Qiang nationality, and help with reconstruction and inheritance of ethnic minorities' cultures in poor areas. 	<p>One Tamarix Tree</p> <p>Donations will be used by the China Environmental Protection Foundation to plant tamarisk trees in desert land, which can help conserve groundwater sources and promote biodiversity.</p> <ul style="list-style-type: none"> Each donation of RMB 10 will be used to plant a tamarisk tree, to stabilize sand dunes and thus provide better security for residents under the threat of desert.
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Happy Donation

"Happy Donation" is a donation platform for charity organizations launched by CMB. Cardholders can select programs of their interest for targeted donation based on information available on the platform. Since the launch of credit card bonus point donation programs in 2012, we constantly innovated the forms of bonus point based charity programs and introduced four happy donation programs in 2015, namely Mother River Protection, Xiaoping Science Box, Veteran Companionship and Enlightenment Fund.

CMB's "Happy Donation" -- Micro Charity with Bonus Points

<p>Coaching of Autistic Children</p> <p>In 2012, we launched the "Light It Up Blue" initiative in partnership with the One Foundation. Credit cardholders can redeem 500 bonus points for an hour of professional coaching for autistic children, which covers several aspects including language training, social inclusion and capability training.</p> <ul style="list-style-type: none"> By the end of 2015, around 110 million bonus points were redeemed via the "Micro Charity with Bonus Points" platform into over 220,000 hours of professional coaching on autism. 	<p>Free Lunch</p> <p>The cooperation with the "Free Lunch Fund" public offering plan is another bonus point donation project we launched in 2013. Every 99 credit card bonus points can be redeemed into one healthy lunch serving for a child in poor areas.</p> <ul style="list-style-type: none"> By the end of 2015, nearly 130 million bonus points were donated by customers via our platform, based on which over 1.30 million lunch servings were provided for free.
<p>Set Sail - Book Donation</p> <p>"Set Sail - Book Donation" is a charity project newly launched by CMB in September 2015. Every 199 bonus points donated by cardholders can be redeemed into one book for a child in poor areas.</p> <ul style="list-style-type: none"> By the end of 2015, nearly 600,000 bonus points were donated by customers via the "Micro Charity with Bonus Points" platform, based on which nearly 3,000 books were provided to children in poor areas. 	

The "Micro Charity with Bonus Points" platform launched bonus point charity crowdfunding

In April 2015, on the occasion of the eighth World Autism Day, to call for social attention to autistic children, we launched bonus point charity crowdfunding via the "Micro Charity with Bonus Points" platform for the first time. Credit card holders could donate any number of bonus points from 1 to 5,000. For every cumulative donation of 500 bonus points, we donated a social inclusion course for autistic children on behalf of cardholders. The initiative lasted one month. More than 15 million bonus points were donated on a cumulative basis and redeemed into over 30,000 hours of professional coaching.

CMB's Happy Donation programs

<p>Mother River Protection Initiative (China Youth Development Foundation)</p> <p>A tree will be planted on a donation of RMB 10 and an acre of forest will be planted on a donation of RMB 500, to help improve the ecological environment of the Yellow River.</p>	<p>Xiaoping Science Box (China Youth Development Foundation)</p> <p>Each box, priced at RMB 99 and containing a set of scientific educational school supplies, can help power the youth's dream of science and technology.</p>
<p>Veteran Companionship (China Foundation for Poverty Alleviation)</p> <p>The standard of RMB 120 per veteran per quarter will apply, to support the volunteer team's companionship service to veterans.</p>	<p>Enlightenment Fund (China Youth Development Foundation)</p> <p>For each donation of RMB 50, one rehabilitation course will be provided to a child with cerebral palsy to help him/her walk.</p>

3.2.2 Sunflower Garden of Love and Hope

CMB branches organized and carried out various forms of charity activities to convey responsibility, warmth and hope to the society with concrete actions. **Tianjin Branch: offered prompt rescue to the 8.12 massive explosion**

On August 12, 2015, a massive explosion took place in a dangerous goods warehouse in the Tianjin Binhai New Area. Right after the accident, we checked the safety of our employees, outlets and customers, and opened up a disaster relief emergency green route at each outlet. Addressing affected people's financial needs, we provided priority service, and assisted customers who had ever purchased property insurance, accident insurance and critical illness insurance in policy analysis and settlement of claims. To support disaster relief efforts, all our outlets provided free seating areas, drinking water and masks, and rendered help to affected people, firefighters, armed police and people engaged in disaster relief.

In just a few days after the accident, we also donated RMB 300,000 to medical personnel in the three hospitals engaged in rescue efforts via the Red Cross Society of Tianjin Branch.

Qingdao Branch: brought love and warmth to sanitation workers

Qingdao Branch launched the "CMB Brings Warmth to Sanitation Workers" initiative, to show respect and gratitude for sanitation workers. Each of the more than 5,700 sanitation workers in urban Qingdao was offered a warmth package containing a bag, a radio and a vacuum cup. Also, Qingdao Branch's all outlets were open to sanitation workers and provided free seating areas and drinking water to them.



Qingdao Branch showed care for sanitation workers

Wuxi Branch: organized a charity hiking tour

In May 2015, Wuxi Branch organized a charity hiking tour, to raise arts education funds for the "Sunflower Education Aid Organization" in Wuxi. A cumulative donation of nearly RMB 20,000 was raised through online donation (via the WeChat official accounts of the branch and broadcasting stations) and on-site donation, which could be used to provide one-year financial support to the Sunflower Art Troupe for "migrant workers' children and left-behind children".



Wuxi Branch organized a charity hiking tour

Changsha Branch: staged education aid crowdfunding

Class 382 of the No.1 Middle School of Yueyang County, Hunan was the "most amazing" graduate class. Of the 46 students, 45 were recruited by key universities, including 20 from very poor families. To enable their smooth access to university, Changsha Branch launched the charity crowdfunding program themed on "For Love, For Dream". A cumulative donation of over RMB 100,000 was raised in just a few days. The branch also engaged its customers in the program.



Changsha Branch employees participated in the education aid program.

Beijing Branch: organized customers' children to launch overseas charity activities

In July 2015, Beijing Branch and CCTV's Big Warehouse Programme jointly organized the cultural exchange program themed on "Love Tour". The branch engaged 50 children of its customers in the program. Children brought their own handmade artwork to northern Europe and Austria, and held a charity sale in the streets for Chinese children affected by sickness. The sale proceeds will, together with the charity fund of RMB 10,000 donated by the branch, be donated to hearing-impaired children of the "i-dB" program.



Children held a charity sale in the streets of Europe

3.2.3 Precise Poverty Alleviation to Support Development

In September 1998, under the guidance of the State Council Poverty Alleviation Leading Group, we established targeted poverty relief relations with Yongren and Wuding counties of the Chuxiong Yi Autonomous Prefecture, Yunnan. Over the past 17 years, with the care and help from our employees, thousands of children returned to school, of which many received higher education and embarked on a new road. Meanwhile, more and more local farmers were provided access to clean drinking water, irrigation canals and spacious asphalt roads, living an improved life.

By adhering to the guidelines of "CMB will stay committed to financial assistance to Wuding and Yongren till the two counties are lifted out of poverty", we devoted maximum efforts to make real difference for local residents.

In 2015, we selected and dispatched 5 poverty-relief cadres on temporary transfer, and donated RMB 11.37 million in total to the two counties. Since the establishment of the targeted poverty relief relations in 1998, we have donated a cumulative poverty relief amount of RMB 84.15 million, and dispatched 17 batches of poverty relief cadres.



CMB ushers in the 17th year in targeted poverty relief

CMB's measures and performance in targeted poverty relief, 2015

Education-oriented poverty relief	<ul style="list-style-type: none"> • Built 1 library; • Built 1 school canteen; • Completed 1 school solar street lamp project; • Built 3 basketball and volleyball courts; • Purchased transformers and audio-visual classroom furniture worth RMB 200,000; • Completed 5 canteen renovation and facility deployment projects; • Completed 1 playground renovation project; • Completed 1 (primary school) road construction project; • Set up 1 "Employees' Home"; • Organized 2 rounds of training on excellent classroom; • Granted awards totaled RMB 50,000 to outstanding teachers and students; • Earmarked RMB 200,000 for the "With Love" program; • Provided subsidies totaled RMB 350,000 to personnel particularly in difficulties; • Provided financial support to over 2,566 primary and middle school students by 1+1 pairing with bank employees, 490 of which were admitted by technical secondary schools and junior colleges; • Donated RMB 130,000 to the "New Great Wall" education aid program of China Foundation for Poverty Alleviation, and financed 65 poor college students from Yongren and Wuding.
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Industry-oriented poverty relief	<ul style="list-style-type: none"> • Completed 2 drinking water projects for people and livestock; • Completed 5 drinking water pipeline renovation and dam/pond restoration projects; • Completed 3 road hardening projects; • Completed 1 solar lighting installation project; • Completed 1 large-scale mango planting project; • Built 1 livestock and poultry market; • Built 1 mango production base for old folks' home; • Built 1 vegetable planting base; • Built 1 Yi embroidery exhibition hall; • Provided the fund of RMB 300,000 for the integrated village development program; • Invested RMB 3 million of micro poverty relief revolving funds to support economic development of the two counties.
Culture-oriented poverty relief	<ul style="list-style-type: none"> • Built the Wuding Country Library; • Built the ethnic culture square and culture center of Wande Town; • Purchased books for the Shishan Town Library; • Built the Yi culture education center; • Built a stadium for Zhina Village; • Built a clinic and activity room for Chahe Village; • Supported the speech contest on "Three Stricts and Three Steadies"; • Supported the youth talent contest; • Supported the Yi embroidery contest, Yi embroidery training and other cultural heritage activities.

3.2.4 Financial Literacy for Better Wisdom

We regard consumer protection and public education as the duty and obligation of a financial institution. Through a series of brand based financial education programs and nationwide financial literacy activities, we are committed to nurturing a good financial culture for the society and promote the healthy development of the industry.

"Golden Sunflower" Future Elite FQ Growth Program

The "Golden Sunflower" FQ Growth Program has entered its fifth year. The program aims to not only train children's investment insights, but also help them establish the correct attitude towards money and value. In 2015, in addition to setting up FQ courses for children aged 6-16, the program highlighted the "studying abroad" part and introduced a new course on "preparatory class for studying abroad", to help children improve their FQ and self-care capability when studying abroad. A total of 1,287 activities were staged nationwide, covering over 27,000 households of premium customers.

"Golden Sunflower" Future Elite Internship Program

In 2015, we launched the pilot "Golden Sunflower" Future Elite Internship Program" in Nanjing Branch and Chongqing Branch, to provide an opportunity for teenagers to obtain first-hand experience in the finance career world. During the program, teenagers could not only receive professional financial education, but also work as interns in CMB outlets.



Dongguan Branch launched the "Mini Bankers" campaign

Beijing Branch: Bring financial knowledge to thousands of households

In 2015, based on the themes including "financial literacy month", "e-banking diversified service month" and "personal credit month", Beijing Branch launched a wide range of financial literacy activities, to help the public eliminate blind spots in financial knowledge and improve the awareness of financial security. The branch also had active communication with the community, launched over 100 activities of "financial literacy in community" and "public lectures", and organized a number of salons on wealth management.

Nanjing Branch: Set up the "Financial Knowledge WeChat Forum"

Nanjing Branch carefully developed the "Financial Knowledge WeChat Forum", included financial knowledge animation in WeChat articles, and designed vivid and interesting storylines. Since its launch, the Forum has delivered a number of easy-to-understand articles, such as "A new wave of financial fraud is coming; don't be the next victim!" and "Get free top-up by taking the financial knowledge quiz!", covering practical financial knowledge in financial security, credit reporting, rights protection, new financial forms, etc.

Shijiazhuang Branch: Launched the "Mini Bankers" program

In June 2015, eight children and their parents participated in the "Mini Bankers" program launched by Shijiazhuang Branch. The lobby manager first briefed on daily work, automatic investment plan and planning of children's education savings, and then taught children to practice the standing posture and service gestures. In the interaction process, children played the role of a lobby manager to introduce bank products to their parents acting as customers and were guided to complete a series of business processes including card activation, which would lay the first "building block" for their future wealth life.

Harbin Branch: Launched multi-dimensional financial literacy activities

Harbin Branch set up the "financial knowledge" corner in the "public education zone" of the hall and placed relevant books there; and also launched the "10-minute financial literacy class" to improve individual and corporate customers' financial literacy and strengthen their awareness of risks and responsibilities through seminars, business meetings, workshops and other forms. The branch also held lectures on "financial literacy on campus", "inheritance of family property (for female customers on the women's day)", "law of protection of the elderly customers' rights and interest", etc., which attracted participation from over 2,000 customers and received wide recognition.

Shenyang Branch: Launched a large-scale financial literacy campaign

Shenyang Branch launched a large-scale financial literacy campaign themed on "financial literacy for wealth security". The campaign, focusing on banking knowledge closely related to everyday life, combined a variety of forms such as song and dance, question and answer, interactive games, sand painting show and sitcom performance, to present a special financial literacy feast and increase the public's awareness of the importance of financial knowledge.



Taiyuan Branch launched the "financial literacy tour"

Feature: "Growth one can't learn from books"

In terms of education, what's the most valuable that parents can bring to their children? Good life, various kinds of interest classes, or lavish birthday presents? No, these are not the answer. In fact, the most exciting part about being parents is to watch their children grow up bit by bit, develop a good character and strong will, and remain optimistic and determined even without parents around them. But now, with the increasing academic pressure, many parents tend to invest in examination-oriented education excessively, reducing children's opportunities to do physical labor, walk into the nature and feel the life. Can these "flowers in greenhouse" withstand unexpected storms?

In August 2015, we invited 19 children (aged 7-14) of our customers from Beijing, Shanghai, Shenzhen and Kunming to visit Zhiqie Village of Yongren County, Yunnan (CMB established a targeted poverty relief relation with the county). They lived and worked together with local children, to experience the "growth that one can't learn from books" in the rural life (completely different from urban life).

Scene 1:

"I fell heavily, hurting my butt badly. This will continue. Maybe I will die here." Xiaoyu had a fall on the mountain road to the village. When seeing the bare walls in the room, Xiaoyu couldn't help bursting into tears. Accustomed to the nice life at home, he found it hard to live the country life. But on the next day, as Xiaoyu went with local kids to get greenfeed for pigs and feed poultry, the simple life helped lift his spirits, "The grass here is awesome!" Despite the rugged mountain road and the heavy packbasket on his shoulders, Xiaoyu grew up and became strong-minded in the new environment.

Scene 2:

"Xiaohua! Xiaohua!" The cries of children were heard everywhere in the quiet village. Due to his slow move, Xiaohua, aged 8, was blamed by his teammates and instructor. He left the team without telling anyone. Xiaohua was finally found in a field corner by his fellows after a lengthy search. Under the encouragement and guidance from his teammates, Xiaohua bowed deeply to the team and won applause for his sincere apology. Through the small accident, Xiaohua learned how to face mistakes and criticism properly, and other kids also felt the warmth of tolerance and understanding.

"I don't know how she managed in the past days. It's really tough, even to myself."

-- Ms. Liu

"Mom and Dad, I love you! I miss you! I'll cook a meal for you after I come home."

-- Xiaowen

Getting greenfeed for pigs, pasturing, making fire and cooking, watching outdoor movies, field survival training, going through wind and rain hand in hand, cooking for parents... Through living together for five days, the urban children not only experienced the hard life in mountain areas, but also learned to cherish, respect and never give up. In addition to becoming strong-minded and courageous, they are expected to benefit from the program for a lifetime.

3.3 Care for the Environment for a Green Home

As a large financial service provider, CMB is not engaged in large-scale production, but plays an important role in ecological environment governance and improvement through upstream and downstream business impact. In the context of increasing global natural resource consumption and carbon emissions, we take the sustainable development approach, vigorously develop green finance, fully support low-carbon economic development, fully manage the environmental impact of our operation and office work, and help improve the public's awareness of green civilization, to protect our green home together.

3.3.1 Green Finance Powering Future Development

Green finance is supported by policies

- In January 2015, the China Banking Regulatory Commission (CBRC) and the National Development and Reform Commission (NDRC) jointly issued the Guidelines of Energy Efficiency Credit, to encourage and guide financial institutions in the banking sector to launch energy efficiency credit business, support industrial restructuring and technological upgrading, and promote energy conservation and emissions reduction.
- In September 2015, the State Council issued the Integrated Reform Plan for Promoting Ecological Progress, in which the proposal on the establishment of a green finance system was made and all types of financial institutions were encouraged to increase the issuance of green loans.

We always take green finance as a top priority, and make continuous exploration in promoting green development through finance by innovating business models.

By the end of 2015, the balance of green credit loans was RMB 156.503 billion, up RMB 5.556 billion over the previous year, accounting for 12.07% of the total corporate loans of the Company.

Strictly control loans to high pollution, energy intensive and overcapacity industries	<ul style="list-style-type: none"> • Strictly control loans to high pollution, energy intensive and overcapacity industries, and speed up the exit of enterprises with backward capacity.
Develop green finance products	<ul style="list-style-type: none"> • Clean energy, such as wind, hydro, solar and nuclear energy; • Energy conservation services, such as industrial and building energy conservation; • Environmental protection, such as environmental pollution control, ecological environment improvement, and conservation of natural resources
Establish international cooperation	<ul style="list-style-type: none"> • Work with the French Development Agency to provide long-term low-interest sub-loans to large-scale fixed assets of energy conservation and environmental protection, to reduce customers' financial costs; • As a member of the UNEP FI, continuously increase communication and cooperation with international institutions, to obtain precious experience in developing green financial services and innovating related products.

Jinan Branch: Firmly exit businesses not in conformity with green loan policies

A large-scale petrochemical company in Shandong, with a history of 40 years, caused serious pollution to local areas while achieving high-speed growth in the past decade. The company turned a blind eye to the problem of pollution though and even claimed that "there isn't any water pollution" and "air pollution is anywhere around the world". The company used to have a credit balance of RMB 70 million in Jinan Branch. In September 2015 when the credit was to be renewed, the branch convened a specialized loan review meeting, at which the renewal was denied after the customer's overall situation was discussed and analyzed.

Nanjing Branch: Support the development of the solar energy industry

Nanjing Branch and China Cinda Asset Management Co., Ltd. jointly established the NARI Solar Energy Industry Fund totaled RMB 2 billion, of which RMB 1.5 billion was contributed by the branch. The fund is used for EPC of photovoltaic power plants of Nanjing NARI Solar Power Technology Co. Ltd., meeting the financing need of power plant developers. After full use of the fund, photovoltaic power plants with installed capacity totaled 250MW will be built to serve areas suffering energy shortage. The annual output will be around 350 million KWH, equivalent to annual consumption of 360,000 households.

Shanghai Branch: Support energy performance contracting (EPC) projects

Shanghai Branch, in partnership with the General Office of the Shanghai Energy Performance Contracting Steering Committee, actively attended the expert meeting for EPC project evaluation, and addressing EPC companies' need for unsecured and long-term loans, provided loans support to EPC SMEs by engaging Shanghai Re-guarantee Co., Ltd.

Xining Branch: Protect the Water Tower of China

The Sanjiangyuan Nature Reserve in Qinghai Province is the home of the Yellow River, Yangtze River and Lancang River, dubbed the Water Tower of China. To protect the ecological environment in Sanjiangyuan, Xining Branch exerts a strict ban on customers that fail to meet environmental standards. By the end of 2015, Xining Branch's balance of loans to environmentally friendly companies accounted for 100% of the balance of corporate loans. The branch rendered most support to energy efficient and environmental projects including hydropower, photovoltaic power, farming and animal husbandry on plateaus, and the national Qaidam circular economy pilot zone.

Energy Conservation and Emission Reduction Results of CMB's Green Credit Projects in 2015

Indicator	Unit	Data
Water	10,000 tons	683.89
Standard coal	10,000 tons	389.55
Carbon dioxide	10,000 tons	940.30
Chemical oxygen demand	10,000 tons	19.89
Ammonia nitrogen	10,000 tons	4.61
Sulfur dioxide	10,000 tons	4.54
Oxynitride	10,000 tons	2.19

Loans to High Pollution, Energy Intensive Industries

Unit: RMB 100 million	2013		2014		2015	
	Balance	Percentage in domestic corporate loans	Balance	Percentage in domestic corporate loans	Balance	Percentage in domestic corporate loans
High pollution, energy intensive industries						
Petroleum processing, coking and nuclear fuel processing	97.94	0.88%	90.51	0.76%	111.23	0.90%

Unit: RMB 100 million	2013		2014		2015	
High pollution, energy intensive industries	Balance	Percentage in domestic corporate loans	Balance	Percentage in domestic corporate loans	Balance	Percentage in domestic corporate loans
Chemical raw materials and products manufacturing	283.22	2.55%	236.51	1.98%	185.18	1.49%
Non-metallic mineral products manufacturing	224.67	2.02%	159.72	1.34%	156.23	1.26%
Ferrous metal smelting and processing	223.97	2.02%	135.44	1.13%	134.50	1.09%
Non-ferrous metal smelting and processing	203.74	1.83%	128.34	1.07%	128.67	1.04%
Coal-fired power generation	179.88	1.62%	198.52	1.66%	213.21	1.72%
Subtotal	1,213.42	10.92%	949.04	7.94%	929.03	7.50%

3.3.2 Full Engagement in Green Operation

The Bank has long been actively promoting green operation, to reduce resource consumption and thus the environmental footprint of its own and supply chain by adopting measures such as paperless development and green procurement.

Energy Saving and Consumption Reduction

- In 2015, by taking energy-saving measures including additional provisioning of inverters on equipment, energy-saving renovation of lamps, and use of energy-efficient inductive faucets, the Head Office facilities including the Head Office complex, R&D center and remote banking reduced water and electricity bills by over RMB 3.80 million.
- In 2015, by taking a number of measures including deployment of spray sprinkler system for outdoor units of air conditions in computer room and installation of oriented ventilation panels with impressive energy efficiency, the data center improved the PUE (Power Usage Effectiveness) to 1.85 from 1.91 in 2014, reducing power consumption by 1.40 million KWH.

Paperless Operation

- The Bank is among the first in China's banking sector to launch paperless retail counter operations and enable the features of electronic documents and electronic handwritten signature by deploying handwritten LCDs at retail banking counters. By the end of 2015, the Bank has completed 68.28 million paperless retail operations on a cumulative basis.
- Introduce the e-bill service. By the end of 2015, the Bank's credit card customers using e-bills accounted for over 90% of all the active customers, reducing paper consumption by 692 million pieces.

Green Procurement

- Set technical standards and contract terms, and encourage and guide suppliers to take measures to improve processes and optimize their supply chain;
- Request manufacturers of products that easily lead to air, electromagnetic or noise pollution in the process of manufacturing or use to meet or exceed national or industry environmental standards;
- Set bonus items in procurement assessment standards to encourage suppliers to provide green products;

- Conclude agreement with suppliers during product procurement on the recycling of obsolete electronic equipment such as computers, POS terminals and self-service machine.

3.3.3 Increase Green Awareness

Environmental protection is a shared responsibility and requires engagement of everyone. Over the years, our employee volunteers practiced what they preach and launched public welfare activities such as "Evergreen CMB Forest" throughout the country, to deliver the green concept to more people while contributing to local environmental improvement.

Online tree planting program - "Light Planting of Evergreen CMB Forest"

In 2015, we launched the online tree planting program - "Light Planting of Evergreen CMB Forest" via our WeChat official account, committing to donate a sapling for engagement of every 10 new members. By the end of 2015, we made a total donation of RMB 230,000 to the China Youth Development Foundation for the "Special Fund of Mother River Protection", to finance afforestation in main river basins including the Yellow River and Yangtze River.



The "Evergreen CMB Forest" program was launched for the first time in Qinghai, the home of the Yellow River, which is expected to add 80 acres of woodland in local areas.

Suzhou Branch: Cycling for a green world

Hundreds of employees from Suzhou Branch, dressed in white T-shirt, participated in the cycling tour themed on "Green Cycling Go Go Go", to call on local residents to adopt green ways of living.



Suzhou Branch employees participated in the green cycling tour



Hohhot Branch organized tree planting

RMB 1.0519 million	6,849 person/times
Investment in environmental public welfare	Number of participants in environmental public welfare activities

GRI Report

Corporate Governance

We always adhere to the "profit, quality and scale" balanced development approach, actively build the corporate culture of "compliant operation, scientific management and steady development", and ensure the company's "rational, effective, healthy and steady" development by continuously optimizing the corporate governance structure and improving the scientific decision-making mechanism.

As of December 31, 2015, CMB's Board of Directors has a total of 16 directors, including 8 non-executive directors, 2 executive directors and 6 independent non-executive directors. Under the Board of Directors, there are six special committees including Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, Risk and Capital management Committee, Audit Committee and Connected Transaction Control Committee. CMB's Board of Supervisors consists of 9 supervisors, including 3 shareholder supervisors, 3 employee supervisors and 3 external supervisors. The Board of Supervisors supervises the compliance of the convening, deliberation and voting procedures of the meetings of the Board of Directors, special committees and shareholders as well as the duty performance of directors.

In 2015, the Bank held a total of 65 important meetings of all kinds, deliberating 268 proposals and hearing or reviewing 51 reports. By giving play to the role of the Board of Directors, Board of Supervisors and special committees in scientific decision-making, strategic management and compliance supervision, the Bank has effectively guaranteed its compliant operation and steady development.

Risk Management

With the aim to "build a first-class risk management bank", we continuously build and improve the risk management system centering on risk-adjusted value creation, to actively respond to and prevent various risks. In 2015, the Bank revised risk appetite indicators in multiple fields and improved CMB's Measures for Identification, Evaluation and Management of Major Risks, to strengthen risk management responsibilities in various businesses.

Addressing credit risks in key business areas, we establish and improve the credit risk management framework, strictly implement bank-wide credit risk identification, measurement, monitoring, management policies and procedures. In the face of market risks caused by volatility in the capital market, we continuously strengthen prediction of major trends in financial markets and optimize risk management in self-managed and wealth management businesses, to ensure the Bank's balance of risk, capital and revenue and good development in market operations.

Indicator	Unit	2013	2014	2015
NPL ratio	%	0.83	1.11	1.68
Capital adequacy ratio	%	11.14	11.74	11.91
Provision coverage ratio of NPLs	%	266.00	233.42	178.95

Internal Control and Compliance

In 2015, we developed and released the guidance on bank-wide internal control and compliance, put the objectives and requirements of compliance management in place throughout the Bank while carrying out in-depth interpretation and implementation of regulatory policies and new industry regulations, and continuously improved the management level of internal control and compliance by promoting reforms in internal control and compliance management, improving institutional frameworks, implementing comprehensive evaluation of internal control and compliance, and optimizing internal control and compliance appraisal systems. Also, we further strengthened overall management of supervision, inspection and problem rectification with respect to internal control and compliance, and improved the accountability system, to ensure effective, sustainable and institutionalized internal control and compliance management. Furthermore, in 2015, we launched diversified forms of compliance education activities such as the compliance quiz themed on "keeping bans in mind and bottom line unchallenged", and urged the heads of branches and subsidiaries to receive compliance training, to advocate the compliant, law-abiding, honest and trustworthy approaches.

Anti-money laundering (AML): In 2015, we fully revised the systems and measures including CMB's

Anti-Money Laundering Policies, CMB's Guidelines for Evaluation of Money Laundering Risk, and CMB's Measures for Anti-Money Laundering, enabled full interoperability between the AML namelist filtering system and relevant business systems, and integrated AML namelist screening of bank-wide cross-border business and suspicious transaction monitoring and analysis of 33 branches in the Head Office, to effectively improve the quality and efficiency of monitoring, analysis and namelist screening. Relying on innovative technology such as face recognition, we also strengthened the integrity and identification of customers' identify information, to enhance prevention of related cases from the source. In 2015:

- We assisted law enforcement authorities to query nearly 40,000 customers/accounts and freeze 28,000 CMB customer accounts;
- We identified or prevented 3,404 cases of false and fake accounts, and discouraged and intercepted 763 transfers by cheated customers;
- For AML activities involving fraud and illegal fund-raising, we closed 2,725 online banking accounts and cancelled 1,862 accounts after examination;
- We reported 202 key suspicious transactions, to provide clues on AML cases to the public authority authorities.

Anti-fraud: With the aim to "build a bank trusted by customers", we actively strengthened bank channel management and customer due diligence, enhanced anti-fraud efforts and results, and handled a number of fraud complaints and disputes to help customers block fraud and recover cheated money within the year.

In 2015, we created CMB's Employee Behavior Compliance Manual. From five aspects including relation with CMB, relation with customers and suppliers, relation with team members, relation with the government and industry peers, and performance of CSR, the Manual defines the code of conduct that employees should follow in performing duties, dealing with different subjects and stakeholders, and acting as a corporate citizen, and provides positive guidance for employees' behaviors.

For more details about corporate governance, see the 2015 Annual Report of the China Merchants Bank Co., Ltd. or log on CMB's website <http://www.cmbchina.com>.

Economy

Economic Performance

Facing the complex economic and financial situation, we actively seized market opportunities, adhered to the strategic direction and positioning of "asset-light bank" and "one body with two wings", thoroughly promoted transition efforts, and improved our own value creation capability. At the same time, we kept a close eye on stakeholders' demands and expectations, and realized value sharing with stakeholders through value creation of products and services in the economic, social and environmental fields as well as launch of social contribution activities.

Indicator	Unit	2013	2014	2015
Total assets	RMB 100 million	40,163.99	47,318.29	54,749.78
Operating revenue	RMB 100 million	1,326.04	1,658.63	2,014.71
Total profit	RMB 100 million	684.25	734.31	750.79
Net profit	RMB 100 million	517.42	560.49	580.18
Total tax	RMB 100 million	252.62	278.07	289.90
Risk-adjusted return on capital before tax (RAROC)	%	26.38	23.56	21.15
Return on average assets (after tax) attributable to the Bank's shareholders (ROAA)	%	1.39	1.28	1.13
Return on average equity (after tax) attributable to the Bank's shareholders (ROAE)	%	22.22	19.28	17.09

Indicator	Unit	2013	2014	2015
Total contributions to public welfare funds	RMB 10,000	4,334.52	4,175.30	3646.58
Social contribution value per share	RMB	7.33	8.88	8.57

Market Presence

We set the aim to improve and perfect the incentive constraint mechanism, implement corporate strategy, improve organizational performance and restrain management risks, follow the remuneration management principle of "strategic orientation, performance basis, risk control, internal equity and market adaptation", and adhere to the remuneration payment approach of "payment by position and performance". We always offer remuneration packages higher than local minimum wage standards and independent of gender.

Indirect Economic Impacts

We steadily promote the deployment of outlets and work hard to offer quality financial services to residents and companies in more locations. In 2015, we had five domestic tier-2 branches approved to start operation: Tianjin Pilot FTZ Branch, Jingdezhen Branch, Shihezi Branch, Fujian Pilot FTZ Fuzhou Branch, and Liu'an Branch.

Outside mainland China, we had subsidiaries such as CMB International and Wing Lung Bank and Hong Kong Branch in Hong Kong; New York Branch and Representative Office in the U.S.; Singapore Branch in Singapore; Representative Office in London and Taipei; and Luxembourg Branch in Luxembourg. In the future, we will further accelerate the preparation and establishment of overseas institutions such as Sydney Branch and London Branch.

Indicator	Unit	2013	2014	2015
Number of domestic and overseas branches and subsidiaries	Unit	1,056	1,431	1,717
Number of self-service banks	Unit	2,330	2,791	3,202
Number of self-service facilities	Set	9,492	10,604	12,495

Procurement Practices

We accelerate the normalization and standardization of procurement management, and continuously strengthen the performance management of suppliers.

In terms of centralized procurement, in addition to the Head Office, our 43 domestic tier-1 branches all set up their own centralized procurement office, which centrally implements the General Centralized Procurement Catalog for Branches issued by the Head Office. Moreover, the procurement process management system is further improved through the introduction of the satisfaction evaluation mechanism for procurement projects.

Addressing possible situations and problems in suppliers' contract performance, we rely on a variety of forms including daily communication, regular meetings, information systems, special groups and post evaluation to get to know the actual needs, procurement, use and supply of the Head Office and branches, fully obtain details of contract-based suppliers, identify potential risks through analysis, and make procurement strategy proposals, to significantly improve the quality of contract-based supply.

Indicator	Unit	2013	2014	2015
Total number of centralized procurement projects	Set	-	-	197
Budget of centralized procurement	RMB 100 million	-	-	15.67
Average project cycle of centralized procurement	Day	-	-	32
Performance management coverage of listed centralized procurement projects	%	-	-	98.36

In 2015, we received and handled 2 supplier complaints, down 9 from the previous year.

Environment

Materials

As a financial services institution, CMB's material consumption mainly comes from paper consumption of various bills and documents during operations and office work. In this regard, we offer electronic information services such as bank-company balance reconciliation, which allow customers to check and verify electronic information by logging in online banking or via mobile APP or WeChat service account. In terms of office work, we rely on the use of the "all-in-one" office management system to greatly improve the level of information management and electronic process management, reduce manual operations, promote paperless office, and realize the environmental friendly green transition.

Energy

We always adhere to the "green operation and office" approach in the process of office building design and construction, give full consideration to environmental sustainability, and actively carry out energy-saving renovation of self-owned property such as the Head Office complex, R&D center and remote banking, to reduce unnecessary energy consumption.

Indicator	Unit	2013	2014	2015
Total power saving of the Head Office	KWH	390,668	197,424	145,725

Water

The Bank's water consumption mainly comes from daily office work. In this regard, we launch extensive internal education on water conservation to improve employees' awareness, and rely on regular and timely inspection and maintenance of water consuming equipment to eliminate evaporating, emitting, dripping or leaking.

Indicator	Unit	2013	2014	2015
Total water saving of the Head Office	Ton	924	10,012	14,292

Waste and Sewage

Sewage generated in the process of our daily work and service all enters municipal sewage networks in full compliance with applicable standards. For waste generated in the process of equipment update and phase-out, we take the "recycling" and "harmless" approaches, to minimize adverse effects on the environment.

Products and Services

Seizing the opportunities in the Internet finance era, we fully rely on IT technology to develop service channels including online, remote and mobile banking, to greatly reduce customers' travel costs between outlets and queuing time at outlets while delivering ultimate service experience to them.

Indicator	Unit	2013	2014	2015
Percentage of business handled via electronic channels	%	95.38%	92.50%	97.26%

Environmental Compliance

In 2015, we neither suffered penalties for environmental violations nor received any environmental complaints.

Green Procurement

We attached great importance to related products' negative environmental impacts and suppliers' environmental performance in the process of procurement, evaluated the life cycle, energy consumption and performance in other aspects of products and facilities by calculating the total cost of ownership and other indicators, and actively communicated our support for and commitment to green procurement to suppliers.

Society

Employment

Indicator	Unit	2013	2014	2015
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Total number of employees (including contract workers)	Person	68,098	75,109	76,192
Number of new employees	Person	6,586	9,339	9,693
Staff turnover	%	6.34%	6.91%	6.73%

Labor/Management Relations

We fully respect and protect the rights and interests of employees, and promote the Bank's democratic governance by urging the establishment of the collective contract system and convening employee representative meetings. In 2015, we set up the bank-wide meeting of employee representatives, deliberated on major issues including the "employee stock ownership plan", and carried out the selection of employee supervisors, to ensure that employees were represented in the Bank's major decisions.

Occupational Health and Safety

We advocate the philosophy of "work happy and live healthy" among employees, provide annual physical check-up for free, and organize health seminars and various cultural and sports activities to advocate a healthy lifestyle and help employees build an optimistic attitude.

Training and Education

We establish a training system covering all employees, to provide tailor-made training programs on business and product knowledge, ethics and safety, management skills, leadership, etc. for employees at different positions and levels. In 2015, we held 7,546 rounds of employee training on a cumulative basis. The training program completion rate was 100%.

Indicator	Unit	2013	2014	2015
Number of rounds of personnel training	Person	6,716	6,992	7,546
Number of trained employees	Person	51,642	75,109	76,192
Number of employees participating in organizational learning	10,000 person/times	29.9	47.5	46.7
Number of employees participating in online learning	10,000 person/times	44	109	390
Per capita learning time	Class hour	50	55	61

Diversity and Equal Opportunity

With a focus on the governance structure and the diversity of employees, we have formulated related policies, according to which the Nomination Committee of the Board of Directors will review the structure, size and composition of the Board of Directors on an annual basis. By the end of 2015, the Bank's Board of Directors had four female directors, who together with other directors provided professional inputs in different fields for the Bank.

Also, we strictly follow the principle of "equal employment" in the process of recruitment, regardless of ethnicity, gender, marriage status, religion, etc.

Indicator	Unit	Male	Female
Proportion by gender, employees	%	43	57
Proportion by gender, middle/high-level management	%	61	39

Indicator	Unit	2013	2014	2015
Number of employees of ethnic minorities	Person	2,199	2,460	2,649

Equal Remuneration for Men and Women

We adhere to the "remuneration by position and performance" approach, regardless of gender.

Labor Practices Grievance Mechanisms

We formulate CMB's Measures for Communication, and engage communication channels such as labor

dispute mediation committee and employee mailbox in the Head Office and some branches to collect and provide feedback on issues raised by employees.

Local Communities

In 2015, the Bank's five tier-2 branches, Tianjin Pilot FTZ Branch, Jingdezhen Branch, Shihezi Branch, Fujian Pilot FTZ Fuzhou Branch and Liu'an Branch, started operation, which further expanded the Bank's service coverage in the middle and western regions and FTZs. At the same time, we took the initiative to adapt to customers' new life state and needs, and accelerated the deployment of different forms of outlets of retail branches, to make easier the access of the general public and SMEs to financial services.

Anti-corruption

We strive to create an anti-corruption atmosphere, increase employees' self-discipline, and avoid employees' law and discipline violations, to promote the sustainable development of both the Bank and the Society. In 2015, we further strengthened the implementation of the anti-corruption accountability system, held anti-corruption talks with new managers, fully organized anti-corruption training in diversified forms such as anti-corruption class by secretary of discipline inspection committee, seminar on traditional Chinese culture and awareness education, and created awareness education materials and case reports, to increase employees' anti-corruption awareness. A total of over 70,000 copies of the Commitment to Comply with CMB's Ten Rules on Anti-Corruption were signed by employees in 2015.

Indicator	Unit	2013	2014	2015
Number of anti-corruption talks with cadres before their taking office	Person/time	1,546	1,977	2,609
Number of duty, anti-corruption presentation by cadres at all levels	Person/time	2,455	2,670	3,066
Number of copies of CMB's Anti-Corruption, Security and Case Prevention Commitment signed in 2015	Copy	–	136	198

Anti-competitive Behavior

As a law-abiding and compliant business entity and a member of the China Banking Association, we strictly abide by the Anti-Unfair Competition Law and the China Banking Convention against Unfair Competition, manage and constrain our own behaviors by law, prevent all kinds of acts of unfair competition, and take the initiative to maintain financial consumers' rights and interests.

Customer Health and Safety

As the wealth manager of vast customers, we firmly believe that health is the most valuable asset. In 2015, we introduced the health management part to CMB's mobile APP 3.3, which could help customers know about their physical condition through assessment in both traditional Chinese and western ways, develop exclusive health tasks such as daily walk, and master their health status in a real-time manner.

Product and Service Labeling

For our all financial products, we provide detailed, standardized statements at our official website and via various service channels, which explain the investment type, sales channels, expected rate of return, risk rating, etc. of products in a systematic manner and disclose and notify potential risks to customers.

Indicator	Unit	2013	2014	2015
Overall customer satisfaction of 95555	%	98.30	98.34	99.27
Personnel service satisfaction of 95555	%	--	--	99.46
Number of CSR services, remote banking	10,000 person/times	7763	8,572	8,687
Number of online IVR services	10,000 person/times	306.00	464.95	824.65
Average response time of services	Second	--	2.37	4.25
Recognition from customers	Time	11,871	17,443	19,848

Marketing Communications

We strictly comply with industry laws and regulations, urge employees at all levels to make marketing efforts in a compliant manner, prevent behaviors including use of personal financial services in disguise to attract depositors with high interest rates and intentional confusion of wealth management products, bonus point feedback and saving, regulate market competition, and maintain the financial order.

Customer Privacy

We highly value customers' privacy and strengthen inspection of high-risk businesses by innovating inspection modes and risk elimination methods. Addressing the Bank's internal potential risks of customer information disclosure, we study and establish an abnormal query screening model to collect bank-wide abnormal query data, and make bank-wide efforts to eliminate abnormal query of customer information at counters, to prevent disclosure of customer information.

Outlook for 2016

The year of 2016 is the first year of China's 13th Five-Year Plan. Facing the complex economic situation in and outside China, CMB will continue to follow the government's guidance on the financial sector, thoroughly implement the transition strategy of "asset-light bank" and "one body with two wings", remain customer-centered, and continuously improve its core competitiveness, to make greater contributions to economic development, social harmony and environmental improvement.

For a sustainable economy. In 2016, we will continue to promote the strategic transition of "asset-light bank" and "one body with two wings", continue to implement the Internet banking development strategy of "internal platform building, external access to traffic, and traffic-based operation", improve the centralized risk management mechanism, provide multi-dimensional comprehensive prevention and control asset quality, and deliver better financial service experience to the public and customers by adapting to changes in customer and market needs, innovating products and improving services.

For a more harmonious society. In 2016, we will continue to live up to our responsibility and commitment, play an active part in community building, provide care and support to vulnerable groups, and contribute to a better community by sharing corporate values. We will continue to focus on employees' development and growth, create an optimistic, positive and harmonious working atmosphere for employees, and grow with them to create a better future through a variety of measures including providing career platforms, vocational training and development, and work-life balance.

For a better environment. In 2016, we will continue to take the sustainable development approach, vigorously develop green finance, fully support low-carbon economic development, fully manage the environmental impact of our operation and office work, and help improve the public's awareness of green civilization, to protect our green home together.

Looking forward to the future, CMB will adhere to the CSR approach of "From and For the Society", closely combine the Sunflower CSR model with its own development strategy and business activities, and join hands with stakeholders, to make greater contributions to sustainable economic and social development in China.

Third-party Inspection and Verification

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INDEPENDENT VERIFICATION STATEMENT

To: The Stakeholders of CHINA MERCHANTS BANK COMPANY LIMITED

Introduction and objectives of work

Bureau Veritas (hereafter referred to as "BV") has been engaged by CHINA MERCHANTS BANK COMPANY LIMITED (hereafter referred to as "CMB") to conduct an independent verification of its 2015 SOCIAL RESPONSIBILITY REPORT (hereafter referred to as "the Report"). This Verification Statement applies to the related information included within the scope of work described below.

This information and its presentation in the Report are the sole responsibility of the management of CMB. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent verification on the accuracy of information included.

Scope of work

CMB requested Bureau Veritas to verify the accuracy of the following:

- Data and information included in the Report of CMB for the period 2015;
- The assessment team visited CMB head-office (Located in 7088, Shennan Boulevard, Shenzhen City, China). BV did not visit other sites and external stakeholders.

Methodology

As part of its independent verification, Bureau Veritas undertook the following activities:

1. Review of documentary evidence produced by CMB;
2. Interviews with relevant data and information owners of relevant personnel of CMB as well as the editor of the Report;
3. Compare data and information with public available sources;
4. Audit selected ample of performance data.

Much of the operating financial data in this Report is taken from the Annual Report of CMB, which is separately audited by an external auditor and therefore excluded from the scope of the Bureau Veritas verification.

Our work was conducted against Bureau Veritas' Standard Procedures and Guidelines for external Verification of Sustainability Reports, based on current best practice in independent assurance. The work was planned and carried out to provide limited, rather than absolute assurance and we believe it provides an appropriate basis for our conclusions.

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Our findings

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not truly stated;
- It is our opinion that **CMB** has established appropriate methods for the collection, aggregation and analysis of quantitative data.

Key areas for ongoing development

Based on the verification work conducted, the following opportunities for improvement have been identified for **CMB**:

- In order to improve the quality and accuracy of the **Report**, it is better for **CMB** to strengthen the Construction of social responsibility management system . In particular the data and information collection process and procedures should be reviewed and audited to ensure the data and information is correct and accurate.
- In order to improve the completeness and balance of the **Report**, it is better for **CMB** to follow the International Standard of ISO 26000 (Guidance on social responsibility) to enhance the content of CSR report is aligned with the Global Reporting Initiative (GRI) G4.0 Sustainability Reporting Guidelines.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Activities for overseas branches and subsidiaries;
- Positional statements (expressions of opinion, belief, aim or future intention by **CMB**) and statements of future commitment;
- Inconsistency between the original Chinese meaning and its English translation.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.



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Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health and Safety, Social accountability and Environmental management with more than 180 years history in providing independent assurance services. No member of the assurance team has a business relationship with **CHINA MERCHANTS BANK COMPANY LIMITED**. We have conducted this verification independently, and there has been no conflict of interest.

Hubert De-Bonafos
Director for Greater China Region
BUREAU VERITAS
Industry & Facilities Division
11 Mar 2016

Sean Pan
Leader Auditor
BUREAU VERITAS
Industry & Facilities Division Certification
11 Mar 2016

GRI G4 Content Index

General Standard Disclosures		
No.	Content	Page and brief description
Strategy and Analysis		
G4-1	Statement from the most senior decision maker of the organization (such as CEO, Chairman or an equivalent senior position) on the relevance of sustainability to the organization and the organization's sustainable development strategy	3,4
G4-2	Description of key impacts, risks, and opportunities	3,4
Organizational Profile		
G4-3	Name of the organization	7
G4-4	Primary brands, products and services	7
G4-5	Location of the organization's headquarters	back cover
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	44
G4-7	Nature of ownership and legal form	-
G4-8	Markets served (by region, sector served, customer/beneficiary type)	10,20,31
G4-9	Scale of the organization	
G4-10	<ul style="list-style-type: none"> a. Total number of employees by employment contract and gender b. Total number of regular employees by employment type and gender c. Total workforce by employees and supervised workers and by gender d. Total workforce by region and gender e. 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 f. Significant changes in employment (such as seasonal changes in tourism or agricultural employment) 	10,69
G4-11	Percentage of employees covered by collective bargaining agreements	69
G4-12	Description about the supply chain of the organization	67-68
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or supply chain	8,44

General Standard Disclosures		
No.	Content	Page and brief description
Commitment to External Initiatives		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	63
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	2,70
G4-16	Description about the associations (including industry associations) and national or international initiatives joined by the organization	70
Defined Substantial Aspects and Boundaries		
G4-17	<ul style="list-style-type: none"> a. List all the entities included in the organization's consolidated financial statements or equivalent documents b. State whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered in the sustainability report 	8
G4-18	<ul style="list-style-type: none"> a. Explain the process for defining the report content and aspect boundaries b. Explain how the organization applies the reporting principles for defining report content 	14-15
G4-19	List all the substantial aspects identified in the process of defining the report content	15
G4-20	For each substantial aspect, describe its boundary within the organization	-
G4-21	For each substantial aspect, describe its boundary outside the organization	-
G4-22	Describe the effect of any restatement of information provided in previous reports, and the reasons for such restatement	-
G4-23	State the significant changes in scope and aspect boundaries and during previous reporting periods	-
Stakeholder Engagement		
G4-24	List the stakeholders engaged by the organization	15
G4-25	Describe the basis for the identification and selection of stakeholders with whom to engage	15
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	14-15
G4-27	Report the key topics and concerns that have been raised through stakeholder engagement, and how the organization	15

General Standard Disclosures		
No.	Content	Page and brief description
	has responded to those key topics and concerns in the form of report. Report the stakeholder groups that raise each of the key topics and concerns.	
Report Profile		
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided	2
G4-29	Date of the most recent previous report (if any)	2
G4-30	Reporting cycle (such as annual, biennial)	2
G4-31	Contact person for questions regarding the report or its contents	91
G4-32	<ul style="list-style-type: none"> a. Report the 'conformity' options (core or comprehensive) the organization has chosen b. Provide the GRI Content Index for the chosen option (see the table below) c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to "conform" to the Guidelines 	2
G4-33	<ul style="list-style-type: none"> a. Report the organization's policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Describe the relationship between the organization and the assurance providers d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report 	2
Governance		
G4-34	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	14,65
Business 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	65,70-71

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
Economy				
Economic Performance	G4-DMA			
	G4-EC1	Direct economic value generated and distributed by the organization		10-11,16,66-67
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		19-20,61-62
	G4-EC3	Coverage of the organization's defined benefit plan obligations		-
	G4-EC4	Financial assistance received from government		-
Market Presence	G4-DMA			
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		70
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		-
Indirect Economic Impacts	G4-DMA			
	G4-EC7	Development and impact of infrastructure investments and services supported		36-37,67,70
	G4-EC8	Significant indirect economic impacts, including the extent of impacts		31-40,44-46,66-67,70
Procurement Practices	G4-DMA			
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation		66-67
Environment				
Materials	G4-DMA			-
	G4-EN1	Materials used by weight or volume		62-63

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
	G4-EN2	Percentage of materials used that are recycled input materials		-
Energy	G4-DMA			-
	G4-EN3	Energy consumption within the organization		-
	G4-EN4	Energy consumption outside the organization		-
	G4-EN5	Energy intensity		62-63
	G4-EN6	Reduction of energy consumption		62-63,68
	G4-EN7	Reductions in energy requirements of products and services		62-63
Water	G4-DMA			
	G4-EN8	Total water withdrawal by source		68
	G4-EN9	Water sources significantly affected by withdrawal of water		-
	G4-EN10	Percentage and total volume of water recycled and reused		-
Effluents and Waste	G4-DMA			
	G4-EN22	Total water discharge by quality and destination		-
	G4-EN23	Total weight of waste by type and disposal method		-
	G4-EN24	Total number and volume of significant spills		-
	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		-
Products and Services	G4-DMA			
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services		20,61-63

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		-
Compliance	G4-DMA			
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		68
Transport	G4-DMA			
	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce		-
Overall	G4-DMA			
	G4-EN31	Total environmental protection expenditures and investments by type		63-64
Supplier Environmental Assessment	G4DMA			
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria		-
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken		-
Environmental Grievance Mechanisms	G4-DMA			
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		68
Environment				
Employment	G4-DMA			
	G4-LA1	Total number and rates of new employee hires and employee turnover by age		69

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
		group, gender and region		
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		-
	G4-LA3	Return to work and retention rates after parental leave, by gender		-
Labor/Management Relations	G4-DMA			
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements		-
Occupational Health and Safety	G4-DMA			
	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		-
	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		-
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		-
	G4-LA8	Health and safety topics covered in formal agreements with trade unions		-
Training and Education	G4-DMA			
	G4-LA9	Average hours of training per year per employee by gender, and by employee category		8,47,50,69

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		49-50
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		49
Diversity and Equal Opportunity	G4-DMA			
	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		8,69
Equal Remuneration for Men and Women	G4-DMA			
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		69
Labor Practices Grievance Mechanisms	G4-DMA			
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms		-
Human Rights				
Investment	G4-DMA			
	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		-
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human		-

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
		rights that are relevant to operations, including the percentage of employees trained		
Non-discrimination	G4-DMA			
	G4-HR3	Total number of incidents of discrimination and corrective actions taken		-
Society				
Local Communities	G4-DMA			
	FS13	Access point in low-populated or economically disadvantaged areas by type		69
	FS14	Initiatives to improve access to financial services for disadvantaged people		58,59
Anti-corruption	G4-DMA			
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		-
	G4-SO4	Communication and training on anti-corruption policies and procedures		70
	G4-SO5	Confirmed incidents of corruption and actions taken		-
Anti-competitive Behavior	G4-DMA			
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		-
Compliance	G4-DMA			
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		-
Grievance Mechanisms for Impacts on Society	G4-DMA			
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved		-

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
		through formal grievance mechanisms		
Product Responsibility				
Customer Health and Safety	G4-DMA			
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		-
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service health and safety impacts (where relevant products and services are in their life cycles), by type of outcomes		-
Product and Service Labeling	G4-DMA			
	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		-
	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		-
	G4-PR5	Results of surveys measuring customer satisfaction		8,70-71
Marketing Communications	G4-DMA			
	G4-PR6	Sale of banned or disputed products		-

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
	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		-
Customer Privacy	G4-DMA			
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		-
Compliance	G4-DMA			
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		-
Industry Specific Aspects				
Product Portfolio	G4-DMA			
	FS6	Percentage of the portfolio for business lines by specific region, size and by sector		8,16,31,34,41,44,46
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose		31-41
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose		9,61-63
	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues		61-63

Specific Standard Disclosures				
Aspect	Indicator and DMA	Content	Substantiality	Page and brief description
	FS11	Percentage of assets subject to positive and negative environmental or social screening		61-63

Reader's Feedback

Dear reader,

Thank you for reading this report. To improve our work related to CSR, promote our ability to fulfill CSR, and optimize the quality of CSR reports, we sincerely hope that you can evaluate this report. We would appreciate your valuable opinions and suggestions for further improvement of this report.

Please provide your feedback below:

1. Have you obtained information you need from the Report?	Yes _____ Average _____ No _____
2. Do you think the Report fully reflects CMB's economic, social and environmental performance?	Yes _____ Average _____ No _____
3. Do you think the Report fully responds to CMB stakeholders' expectations and demands?	Yes _____ Average _____ No _____
4. Do you think the quantitative data disclosed in this Report are objective, true and effective?	Yes _____ Average _____ No _____
5. Do you think the expression in this Report is clear and easy to understand?	Yes _____ Average _____ No _____
6. Do you think the layout of the Report helps comprehension of the Report?	Yes _____ Average _____ No _____
7. Please specify here any opinions and recommendations for the Report: _____	

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