







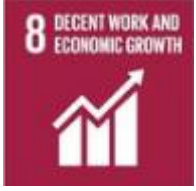




**2017 Corporate Social Responsibility
Report of China Everbright Bank
Company Limited**




March 2018

CEB and SDGs

In September 2015, the United Nations passed 17 Sustainable Development Goals (SDGs), specified global visions and priorities of sustainable development by 2030 and appealed to enterprises to cope with challenges brought by sustainable development with creativity and innovation. China Everbright Bank (“CEB” or “the Bank” hereinafter) has linked up 14 of the SDGs with its annual performance with an aim of exploring and leading a sustainable development pattern with CEB features.

Icon	Development goal	Details	Indicator and data
	No poverty	Eliminating poverty in all its forms around the world	<ul style="list-style-type: none"> Accumulated donations to the anti-poverty counties of China Everbright Group in the one-to-one alleviation program: RMB33 million
	Zero hunger	Eliminating hunger, ensuring food security, improving nutrition and promoting sustainable agriculture	<ul style="list-style-type: none"> Total public welfare donations of the Head Office: RMB7,642,900 Accumulated volunteer working hours of staff: 3,142
	Good health and well-being	Ensuring healthy lifestyle and promoting well-being for people of all ages	<ul style="list-style-type: none"> Number of staff casualties: 0 Number of safety training programs held: 1,112
	Quality education	Ensuring inclusive and equitable quality education and offering lifelong learning opportunities for all	<ul style="list-style-type: none"> Number of staff training courses: 5,996 Number of trained employees: 342,379 (person/time) Number of financial knowledge lectures delivered: 5,577
	Gender equality	Achieving gender equality and empowering all women and girls	<ul style="list-style-type: none"> Number of female employees: 24,374

	Clean water and sanitation	Ensuring availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> Continuous sponsorship for the “Water Cellar for Mothers” program for 13 years Accumulated donations to the “Water Cellar for Mothers” program: RMB34.33 million
	Decent work and economic growth	Promoting lasting, inclusive and sustainable economic growth, full productive employment and decent work for all	<ul style="list-style-type: none"> Social security coverage ratio: 100% Total staff: 44,066
	Industry innovation and infrastructure	Building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation	<ul style="list-style-type: none"> Number of innovative projects incubated in the technology innovation labs: 36
	Reduced inequalities	Reducing inequality within and among countries	<ul style="list-style-type: none"> Balance of on-and-off-balance-sheet credit facilities extended to the central and western regions of China: about RMB208.2 billion Balance of agro-loans: RMB297,155 million
	Sustainable cities and communities	Making cities and human residence inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> Balance of loans for urbanization construction: RMB148.3 billion
	Responsible consumption and production	Ensuring sustainable consumption and production patterns	<ul style="list-style-type: none"> Number of residential transactions completed via Cloud Payment per minute: 989

	Climate action	Taking urgent actions to tackle climate change and its impacts	<ul style="list-style-type: none"> • Balance of green credit: RMB74.9 billion
	Peace, justice and strong institutions	Building a peaceful and tolerant society for sustainable development, providing access to justice for all, and establishing effective, accountable and tolerant institutions at all levels	<ul style="list-style-type: none"> • Number of staff conferences held of the Head Office: 2
	Partnerships for the goals	Strengthening the implementation and revitalizing the global partnership for sustainable development	<ul style="list-style-type: none"> • Number of overseas institutions: 5

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Chairman's message

On an ocean with unbounded horizons, let's sail forward with the wind at our backs. In 2017, CEB stood at the forefront of our times, aspiring to bring financial rewards to the country and committed to helping make the Chinese Dream a reality. We served the real economy, improved our customers' experience, put in place targeted poverty alleviation, promoted coordinated economic and social development, and, in doing this, drafted a new chapter of our work in fulfilling social responsibilities.

In the past year, we were dedicated to promoting the development of the real economy. We took proactive steps to serve the real economy, prevent financial risks, and deepen reform. We made it our own ambition and mission to achieve the Chinese Dream of the great rejuvenation of the Chinese nation. We took an active role in implementing the nation's three major strategies: we strongly supported the development of medium, small and micro enterprises; we continuously increased credit and loans to agriculture, rural areas and rural people and emerging industries; and we bolstered the process of industrial upgrading and structural adjustment. In addition, we earnestly implemented national policies on green finance, kept strict control of credit facilities, and restricted loans to industries featuring "high pollution, high energy consumption and excess capacity," all in order to promote ecological protection and construction and make progress in the development of green industries. We continued to raise the level of cross-border financial services, provided comprehensive and integrated services for enterprises to "go global," and assisted in Belt and Road construction.

In the past year, we made great efforts to meet customers' financial demands. We followed new trends in the IT revolution and increased the pace of our innovation in financial technology. We worked to provide customers with innovative products in line with market trends and their needs through the careful use of scenario innovation and the application of AI. To combat recurrent fraud and guarantee the financial security of our customers, we introduced a facial identification system and took new measures to prevent operational risks. We further enhanced our ability to serve customers as we accelerated the establishment of intelligent outlets, upgraded our intelligent customer service system, and made self-service more efficient. We strengthened customer service management and perfected service procedures so that customers could experience convenient, efficient and user-friendly services delivered through financial technology.

In the past year, we earnestly implemented targeted poverty alleviation. We actively shared our achievements with society and went all-out on "targeted poverty alleviation and elimination." We have provided financial support for Xinhua, Xintian and Guzhang Counties in Hunan Province for many consecutive years. We have also set up sub-branches in Xintian and Xinhua Counties to broaden the financing channels available to enterprises in poor areas. We have consistently donated to the "Water Cellar for Mothers" program under the China Women's Development Foundation and the campaign of "Aiding Families of Sacrificed, Injured and Disabled Police" organized by the China Police Martyrs and Heroes Foundation. Through this, we have worked to help underdeveloped regions and those in poor financial circumstances. We

have also given back to society by carrying out public welfare activities in areas such as student sponsorship, poverty alleviation and disaster relief. We have achieved a high societal profile by calling on more people to take part in these efforts.

In the past year, we were committed to achieving common growth with employees. We reformed our employee position ranking system and created more channels for employee development by establishing managerial, professional and operational-based ranking sequences. We made great efforts toward creating a working environment conducive to retaining talents, with an emphasis on career development, remuneration and fostering emotional bonds. We ensured each employee is in the right position to fully utilize their talents. We continuously improved incentive mechanisms to effectively mobilize employees' enthusiasm. We respected the talents and individuality of each of our workers, took steps to ensure their dedication properly valued, and actively built a CEB family where employees can achieve growth, success and love.

2018 is the first year of implementing the guidelines of the 19th CPC National Congress, the 40th anniversary of China's reform and opening up, and a critical year toward securing a decisive victory in building a moderately prosperous society in all respects. In this year, we will continue to intensify Party-building and clean governance, carry out comprehensive risk management, practice the development concepts of "innovation, coordination, green, openness and sharing", and proactively fulfill our social responsibilities as a state-owned enterprise. We will work with all stakeholders and perseveringly forge ahead to build CEB into a leading joint-stock commercial bank in China defined by its reputation, aspirations, quality, innovation, vigor, unique characteristics, dedication to the bottom line and sense of responsibility.

President's message

2017 was a critical year in CEB's transformation toward a "comprehensive, distinctive, capital-efficient and intelligent" bank, in which we made progress while maintaining stability and achieved safe and orderly operations. CEB created value for our shareholders and society even as we gave full support to the real economy, actively served national strategies, rewarded society, and resolutely fulfilled our responsibilities as a state-owned enterprise toward sustainable economic, environmental and social development.

Returning to basic business and serving the real economy. We actively participated in Belt and Road construction, as well as integrated development of the Beijing-Tianjin-Hebei and Yangtze River Economic Belt regions. We granted RMB570 billion of loans for nearly 1,400 key projects in key regions and bolstered the development of small and micro enterprises. As at the end of 2017, our standard small and micro loan balance stood at RMB400,278 million, an increase of 17.39% from the beginning of the year, achieving the regulatory requirement of "three 'no-less' indicators" to ensure that "the growth of loans to small and micro enterprises is not slower than the average loan growth, the number of small and micro enterprises that are granted loans is not less than that in the same period of last year, and the approval rate of their loan applications is not lower than that in the same period of last year." We consistently prioritized "agriculture, rural areas and rural people" in the allocation of financial resources, and our bank-wide loan balance in that area stood at RMB297,155 million, an increase of RMB36,443 million from the beginning of the year. We also stepped up the establishment of an inclusive finance system and the innovation of cross-border financial services, enhancing our efficiency and capacity to serve the real economy in all respects.

Improving service and customer experience. We set up CEB Lhasa Branch, achieving full coverage of all provincial administrative regions in China. We paid close attention to customer complaints and opinions and actively responded to concerns about our services. We carried out activities for consumer protection and upgraded our IT to protect customer privacy and information security, while also safeguarding consumer rights and interests. We launched "outlet transformation," perfected bank procedures, and improved service efficiency. We established an inclusive financing platform in addition to a cloud payment platform that handled 989 transactions per minute, using financial technology to offer tangible convenience for our customers.

Strictly controlling risks to ensure sound operation. We continuously improved our comprehensive risk management system, while maintaining our focus on three lines of defense: business management, risk compliance and internal audit and supervision. We enhanced the CPC's leadership, Party-building and clean governance while adhering to both the bottom line for risk and the regulatory red line. We contributed to the nation's financial stability and strictly controlled risks in compliance and liquidity.

Assisting in building a beautiful China with green finance. We improved our green credit policies to guide credit resources toward green economic sectors and supported energy-saving and environment-friendly industries. We gave backing to the green

economy, the low-carbon economy and the circular economy. We advocated “green offices” and carried out environmentally-conscious public welfare activities, in a bid to assist in the building of a beautiful China. As at the end of 2017, our balance of green credit with general risk stood at RMB74.9 billion.

Making united efforts to implement targeted poverty alleviation. We actively worked to implement the national policy of targeted poverty alleviation and poverty alleviation through finance. We continuously improved our organization, leadership and institutions for this task, and combined our advantages in “industry-finance integration” with our local resource advantages based on e-commerce platforms. We have provided financial support for 16 straight years to the Group’s designated counties in need of assistance in poverty alleviation, donating a total of more than RMB33 million. We have also donated over RMB34.33 million over 13 years for the “Water Cellar for Mothers” program, delivering access to drinking water for nearly 130,000 people. We assigned cadres to several poor regions to help them reduce poverty and conduct infrastructure construction, determined to win the critical battle against poverty.

Creating and enjoying a beautiful life by fulfilling responsibilities. We took care of our employees, guaranteed their basic rights and interests, and established a multi-channel, systematic and comprehensive training system. We fostered “family culture and ‘Sunshine’ culture,” and pursued mutual and coordinated development of the company and our 44,066 employees alike. We organized a number of voluntary activities. In 2017, our employees provided volunteering service on 1,006 occasions for a total of 3,142 hours.

The new era belongs to those willing to make efforts. In 2018, CEB will actively implement national strategies and make steady progress toward becoming a bank defined by its reputation, aspirations, quality, innovation, vigor, unique characteristics, dedication to the bottom line and sense of responsibility. We will work with all of our stakeholders to continuously improve our economic, environmental and corporate social responsibility performance, even as we do our part in building a moderately prosperous society in all respects.

About us

i. CEB today

1. Company profile

China Everbright Bank (hereinafter referred to as “CEB” or “the Bank”), which was established in August 1992 and headquartered in Beijing, is a national joint-stock commercial bank approved by the State Council of China and the People’s Bank of China (PBOC). The Bank was listed on the Shanghai Stock Exchange (SSE) in August 2010 (stock code 601818) and Hong Kong Exchanges and Clearing Limited (HKEX) in December 2013 (stock code 6818).

With continuous reform and innovation in optimizing its products design, channel development and service models, the Bank forged a strong competitive edge in its major product and business lines such as asset management, investment banking business, e-banking and credit card. Therefore, it has achieved a balanced growth of all business lines, with improved risk management and enhanced innovation capabilities.

As at the end of the reporting period, the Bank established 1,196 branches and outlets nationwide, which managed to cover all provincial administrative regions and extended their business reach to 129 economic center cities across the country. Closely following up with the Belt and Road Initiative and expanding its international presence at a faster pace, the Bank put Hong Kong Branch, Seoul Branch, CEB International Investment Corporation Limited, CEB (Europe) S.A., and Luxembourg Branch into operation successively. Besides, Sydney Branch came under application and preparation. At the same time, its long-term sponsorship for “Water Cellar for Mothers,” a public welfare program, demonstrated CEB’s ever-growing commitment to its social responsibilities, which was well recognized by the Chinese society. The Bank was ranked No.49 in the “Top 1,000 World Banks” by *The Banker*, a U.K. magazine, in 2017.

Over the years, along with the evolution of Chinese economy and the growth of Chinese finance sector, the Bank managed to improve its brand image and market value continuously. While rendering its customers and the public with quality financial services, it also secured a good business performance and is now an influential listed bank with sound compliance.

2. Corporate governance

(1) Refining the governance structure

The Bank has continuously improved its modern corporate governance structure consisting of the Shareholders’ General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management, refined the scientific and efficient mechanism of decision-making, supervision and execution, and strengthened incentives, constraints and standardized operation. All the governance bodies are operating independently with mutual check and effective coordination, which steadily enhanced governance capability.

As at the end of 2017, the Board of Directors consisted of 14 directors, including 3 executive directors, 5 non-executive directors and 6 independent directors; the Board

of Supervisors consisted of 9 supervisors, including 3 shareholder supervisors, 3 external supervisors and 3 employee supervisors, which realized a diversified and specialized structure of the Boards.

- Shareholders' General Meeting

The Bank convened three Shareholders' General Meetings, reviewing and approving 26 proposals on work reports of the Board of Directors and the Board of Supervisors, profit distribution plan, non-public issuance of preference shares, non-public issuance of H-shares, amendments to the *Articles of Association*, etc.

- Board of Directors

During the year, the Board of Directors convened 11 meetings, reviewing 57 proposals and hearing 17 reports; the special committees under the Board of Directors held 24 meetings, reviewing 43 proposals and hearing 19 reports.

- Board of Supervisors

The Board of Supervisors convened 5 meetings, reviewing 18 proposals and hearing 3 reports; the special committees under the Board of Supervisors held 6 meetings, reviewing 11 proposals and hearing 1 report.

(2) Refining the corporate governance mechanism

Based on its practice, the Bank made further amendments to the *Articles of Association* in line with the overall requirement of CPC Central Committee for stepping up Party-building and the meanings of documents put forward by relevant government bodies.

In the active implementation of the requirements of China Banking Regulatory Commission (CBRC) and other regulatory bodies, the Bank established the Committee of Inclusive Finance Development and Consumer Protection under the Board of Directors with procedural rules developed for the committee; meanwhile, adjustments were made to the responsibilities of the Strategy Committee under the Board of Directors.

The Board of Directors continued to strengthen the capital management, revised the capital management policy, reviewed and approved capital replenishment proposals such as issuance of A-share convertible corporate bonds and non-public issuance of H-shares to further consolidate the capital basis. Close attention was paid to changes in regulatory policies so as to adapt the business structure to the changes. It also strengthened reviews on major related-party transactions and enhanced the precise routine management of related-party transactions. Besides, the Board of Directors urged the management to set up comprehensive and effective internal control mechanism and exert effective internal control to ensure compliant and steady operation of the Bank.

The Board of Supervisors kept improving the modes of supervision to intensify its supervision on duty performance of the Board of Directors, the Board of Supervisors, the Senior Management and their members, exerted rigorous financial supervision, strengthened supervision on the Bank's internal control, risk, strategy and remuneration, conducted well-targeted surveys, offered opinions and suggestions on the Bank's major operation and management issues to the Board of Directors and the Senior Management as references to decision-making, thereby improving the

effectiveness of its supervision.

(3) Regulating information disclosure

According to the requirements of the regulators, the Bank prepared regular reports in an earnest manner, improved the format and contents of regular reports, completed the disclosure to the public of 2016 Annual Report, the 2017 Interim Report, the 2017 Q1 Report and the 2017 Q3 Report (A+H Shares) on time. In light of requirements of both domestic and overseas regulators, the Bank improved the compliance and timeliness of its information disclosure, timely publicized major information, and made compliance disclosures regarding the public issuance of A-share convertible corporate bonds, the non-public issuance of H-shares and other financing programs. During the year, 102 provisional announcements on A-share and 151 on H-share were released, effectively increasing the transparency of operation management.

(4) Protecting the rights and interests of minority shareholders

The Bank effectively protected the rights and interests of its shareholders, especially minority shareholders through institutional arrangements and procedural guarantees.

Independent directors delivered objective, impartial and independent opinions on issues related to the interest of minority shareholders such as the profit distribution plan, non-public issuance of preference shares and H-shares, remuneration of the Senior Management and major related-party transactions.

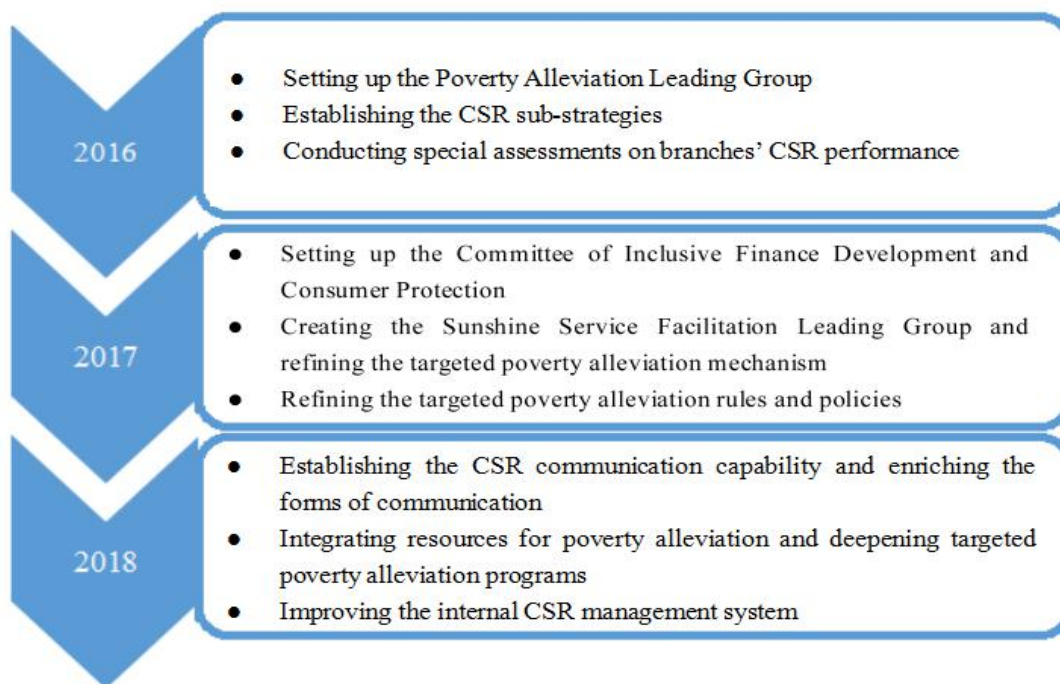
As required by the regulators, the Shareholders' General Meetings were convened in the form of on-site meeting combined with online voting on major issues concerning the interest of minority shareholders. Votes cast by minority shareholders were separately counted and the voting result was disclosed.

Issues concerning non-public issuance of preference shares and H-shares as well as some major related-party transactions were submitted to classified Shareholders' General Meetings for deliberation, where related shareholders withdrew from voting on relevant proposals. Before the convene of Shareholders' General Meeting, independent financial advisors were engaged to issue independent opinions on capital replenishment, on whether a related-party transaction is reasonable or in the interest of the listed company and its shareholders, etc.

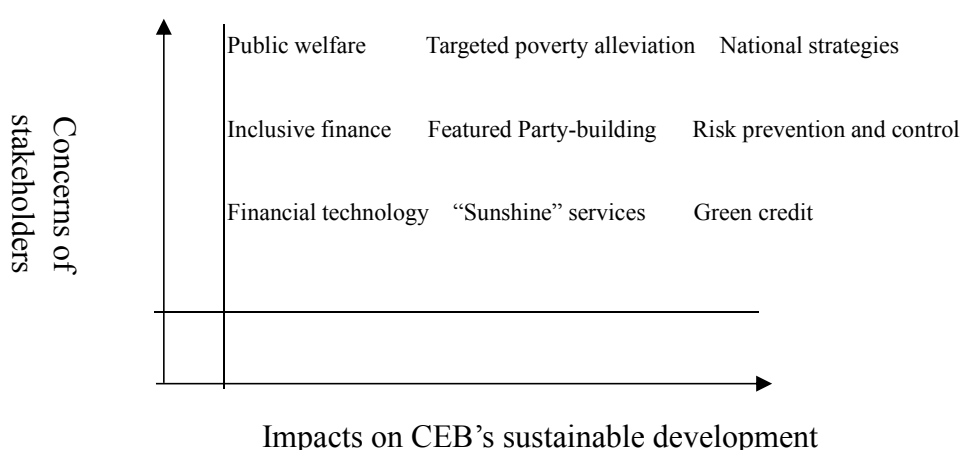
ii. CSR management

1. CSR strategy

To implement the CBRC's requirements laid down in the *Opinions on Strengthening Social Responsibility of Banking Financial Institutions* and the *Guidelines on Corporate Social Responsibility of China Banking Financial Institutions* issued by the China Banking Association, the Bank, guided by its 2016-2020 CSR Development Plan, continuously enhanced its CSR management, tried to incorporate CSR into all sections of operation and development, and pressed for sustainable and steady development.



In light of the Bank's development strategies and plans and by bench-marking against practices of leading CSR performers in the industry, we sorted out a list of general topics about CSR performance through analyzing international and domestic mainstream CSR standards, governments' policy requirements and CSR indicators of the banking sector. The Bank also discussed with the stakeholders to collect their opinions and suggestions on the topics and built a two-dimensional matrix of "concerns of stakeholders" and "impacts on CEB's sustainable development" before finalizing the core CSR topics for 2017.



2. CSR governance

Responsible for daily management of CSR, the Office of Consumer Protection and CSR Leading Group worked out the *Working Rules for Consumer Protection and CSR*

Leading Group, further refining the CSR operation mechanism. The Poverty Alleviation Leading Group was set up to enhance the organization and coordination of poverty alleviation. The Committee of Inclusive Finance Management was established for coordinating and advancing the management and development of the Bank's inclusive finance business. The Sunshine Service Facilitation Leading Group was created to press for improvement of service and customer experience. All the efforts contributed to the continuity and deepening of implementation of the CSR work.

3. CSR communication

The Bank attached great importance to internal and external communication on CSR issues, continuously broadened communication channels, increased the frequency of communication, and enriched communication contents so as to keep the stakeholders informed of its CSR practices and results in a timely and overall manner..

- The *Work Bulletin*, the *CEB Home* magazine, CEB intranet website, CEB WeChat official account and other channels served as internal platforms for communication on CSR issues;
- The Bank has released annual CSR reports in Chinese for seven consecutive years since 2010 and publicized an English version of the report for the first time in 2017;
- Mainstream media were invited to conduct a field study on the Bank's CSR performance;
- The Bank participated in regular news releases for the banking sector hosted by the CBRC;
- The Bank participated in the "China Social Responsibility 100 Forum—the 9th Public Welfare Training Program for CSR Officers" held by the Chinese Academy of Social Sciences;
- The Bank participated in CSR sharing and appraisal activities hosted by mainstream media such as People.cn, Xinhuanet, *Southern Weekly* and *jiemian.com*.

Stakeholder	Response to expectations and requirements
Government	The Bank implemented the national macroeconomic control policy, supported economic restructuring, transformation and upgrading, and served the development of the real economy.
Regulators	The Bank conducted operation in a legal, compliant and prudent manner, maintained sound internal control, upheld moral ethics, and ensured security of financial assets through risk prevention.
Shareholders	The Bank improved the corporate governance structure, timely and accurately disclosed information, and operated business with integrity so as to create long-term values.

Creditors	The Bank realized preservation and appreciation of assets, timely and accurately disclosed information, and improved corporate governance.
Clients	The Bank stepped up technology innovation and offered a wide range of “online + offline” financial services that are safe, convenient and efficient.
Staff	The Bank created a comfortable and harmonious working atmosphere, provided a diversified career development platform with complete occupational training, and continuously improved the staff’s sense of happiness.
Suppliers and partners	The Bank cooperated with suppliers and partners on fair terms, performed contracts with integrity, achieved mutual benefits, and established long-term partnerships.
The public	The Bank performed responsibilities and made contributions to the society to build a beautiful community.
Environment	The Bank developed green finance, practiced green operation, and carried out green welfare programs.

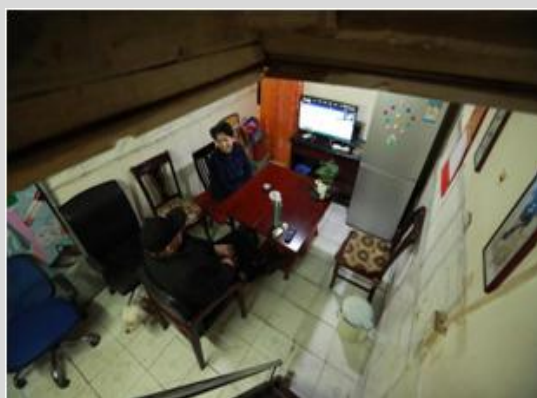
4. CSR performance capability

Experts and scholars were invited to give lectures on CSR for CSR officers of different departments and branches so as to enhance the sense of responsibility and performance capability of the CSR staff and thereby improve the Bank’s CSR management.

I. Sharing Prosperity, Leading a New Era

CSR Story: The rebirth of a shabby block

“Houses here can grow like wild weeds.” Sun Hongxuan mocked, “How can such a small plot of land accommodate more people? Building floors one upon another is the only way. My father lived on the first floor, later the second floor was added for me, and later I built the third for my kids.” The houses that can “grow” were located in Hongzhen Street, a shabby block in Hongkou District, Shanghai. Before the demolition, this 500-meter-long land was densely populated by about 100,000 people in 18,000 households. It was the biggest “shanty block” in Shanghai downtown. Here it was common to see three generations of a family live under one roof.



Hongzhen Street, once the biggest “shanty block” in Shanghai downtown

Many people would feel uncomfortable for the first time they walked into the block. Shanties of woodworm-eaten lumbers and plastic boards formed a maze of densely-intersected small lanes. People could easily get lost if not paying enough attention, thus the neighborhood committee even put up exit signposts for this block. With no sunshine exposure throughout the year, the lanes were so dark and humid that streetlights had to be turned on at daytime. There were no separate kitchen or bathroom inside the shanties, and the rooms gave off a musty smell. Crowdedness, disorder, chaos and upset. The residents eagerly hoped that the block would be renovated one day. CEB started to take part in the Hongzhen Shanty Renovation Program led by China Development Bank in 2013. CEB Shanghai Branch extended loans of RMB1.5 billion to the program in 2013 and loans of RMB500 million in 2015. In 2017, another package of RMB530 million loans were extended. An area of 61,494 square meters was demolished. The program was expected to help about 5,000 residents move into spacious and bright new apartments for a new life.

Sun Hongxuan felt so lucky that his dream of leaving this shanty block has finally come true. For decades, the low shanties densely lining up in the block had grown barbarously and hopelessly like wild weeds. But today, when you walk out of the subway station of Line 4, a brand new block of “Ruihong New Town” is right before your eyes. Inhabited by about 5,500 households, the community is also home for foreigners from 32 countries. Ruihong New Town has now become an international and comprehensive community in the inner ring area of Shanghai.

Hongzhen Street, once a shanty block, is reborn over time. As at the end of 2017, CEB had a balance of urbanization loans of RMB148.3 billion and newly extended loans of RMB40.9 billion during the year, actively responding to the national strategy of new-type urbanization by facilitating its construction with full strength, so as to improve social welfare and people's livelihood.

Since the 19th CPC National Congress, China's socialism with Chinese characteristics has ushered in a new era, and the country's economy has shifted from the rapid development stage to the quality development stage. To seize new trends and new development concepts in the new environment, the Bank actively implemented the country's macroeconomic financial policies, supported the national strategies, served the real economy, advanced its international layout program, and tried to give full play to the function of finance in resources allocation.

i. Creating value by supporting national initiatives

1. Serving the country's three national initiatives

The Bank actively supported the Belt and Road Initiative, the Beijing-Tianjin-Hebei Integrated Development and the construction of the Yangtze River Economic Belt with nearly 1,400 credit projects worth RMB570 billion. Besides, the Bank also supported major engineering constructions in key fields recommended by the National Development and Reform Commission with over 510 credit projects worth over RMB200 billion.

Table of CEB Credit Projects Supporting China's Three National Initiatives in 2017

Unit: RMB100 million

Initiative	Credit amount extended	Increase compared to the beginning of the year	Rate of increase
The Belt and Road Initiative	2,894	1,352	88%
Beijing-Tianjin-Hebei Integrated Development	661	126	24%
Yangtze River Economic Belt	2,005	538	32%
Total	5,760	2,016	—

Case: The first MTNs issued in support of the Belt and Road Initiative in China

In April, medium-term notes (MTN) of Xiamen Haicang Investment Group Co., Ltd. with a worth of RMB1 billion underwritten by the Bank were successfully issued, marking one of the first MTNs in support of the Belt and Road Initiative in China. Funds raised by the MTNs will be used for the construction of Southeast International Shipping Center in an effort to turn Xiamen into an important hub of the Maritime Silk Road.



Xiamen Center Tower

Case: The facilitation of transportation integration of Beijing, Tianjin and Hebei Province

Beijing-Tianjin-Hebei Integrated Development is one of the most important national initiatives of China, and transportation integration must be the key framework and forefront field of the integrated development. Beijing-Tianjin-Hebei Intercity Railway Investment Co., Ltd., together with 11 financial institutions, launched the Beijing-Tianjin-Hebei Intercity Railway Development Fund. On April 18, a signing ceremony was held in Beijing for the fund where the Bank attended the ceremony as an investor and would make further contributions to the integrated development.

Case: Financial cooperation deepened in the Yangtze River Economic Belt

CEB Wuhan Branch took an active part in setting up the Yangtze River Economic Belt Industry Fund of RMB200 billion led by Hubei Provincial Government, which would lay a solid ground for the development of the economic belt. As at the end of 2017, CEB Wuhan Branch extended credit worth RMB46,681 million in total to 57 infrastructure construction projects along the Yangtze River Economic Belt, supporting urbanization and transportation construction.



CEB Wuhan Branch supported infrastructure construction projects in the Yangtze River Economic Belt.

2. Promoting balanced development of regions

To implement the strategic guideline of balanced development of regions, the Bank supported the development of west China, the reinvigoration of the industrial base in northeast China, and the rise of the middle region through improving its local financial institutions and optimizing regional financial functions. As at the end of 2017, the Bank had a balance of on-and-off balance sheet credit facilities of about RMB208.2 billion extended to Jiangxi, Yunnan, Guizhou, Shanxi, Shaanxi, Gansu Provinces and Xinjiang Uygur Autonomous Region, marking a proportion of 12.34% of the Bank's total credit facilities.

Case: Financial flagship bank on the Tibetan plateau offering “Sunshine” services

On December 18, CEB Lhasa Branch was officially opened for business. The founding of Lhasa Branch would expand financing channels in the Tibet Autonomous Region, making contributions to financial prosperity and stability in the region.



CEB Lhasa Branch opened for business.

3. Facilitating new-type urbanization construction

In active response to China’s new-type urbanization initiative, the Bank exerted full-dimension, all-process management of urbanization business and gave priority to the support for urban reconstruction projects, housing placement projects, comprehensive land governance projects, urban infrastructure construction projects, etc. It also developed relevant credit extension policies and business management measures to improve the credit approval efficiency. As at the end of 2017, the Bank had a balance of urbanization loans of RMB148.3 billion with newly extended loans of RMB40.9 billion during the year.

Case: Supporting rural urbanization construction in Changde New District, Changchun

In January, the Bank extended a project financing loan of RMB1.6 billion to Changchun High-Tech Urban Construction Investment (Group) Co., Ltd. used for the urbanization of the rural area in Changde New District, Changchun. The project involved a demolition area of 200,000 square meters and 2,100 agricultural households. Financial services offered by the Bank effectively addressed the financing problem of the project, improved living conditions of farmers, and laid down a solid foundation for Changde's future development.



Changde New District, Changchun

Case: Facilitation to the renovation of the Jinyang Lake area of Shanxi Province with accessible financial channels

Jinyang Lake, the largest man-made lake in north China known as the “China North Lake,” had suffered a deteriorating environment in recent years and affected the life of people living around. The Bank participated in the Jinyang Lake area renovation project in the mode of “government purchasing service,” totally extending loans of RMB6 billion to the project from 2016 to 2017. The Jinyang Lake area is now an epitome of the rise of the city and the development center of Taiyuan's southward and westward expansion movement.

ii. Building up harmony and serving the real economy

The financial industry should take serving the real economy as the starting point and the ultimate goal, enhance service efficiency and quality, allocate more financial resources to key fields and weak links of economic and social development, and better satisfy diversified financial demands of the masses and the real economy.

--Xi Jinping at the 2017 National Financial Work Conference

1. Supporting small and micro enterprises

The Bank stepped up efforts in building an inclusive finance system, explored ways of refining the “credit factory” business mode, strengthened management of marketing channels of small and micro finance business, accelerated innovation in products and

services, and launched featured business in a bid to facilitate sustainable and sound development of small and micro enterprises. As at the end of 2017, the balance of small and micro loans under the national criteria recorded RMB400,278 million, representing an increase of RMB59,308 million or 17.39% over the beginning of the year while the number of small and micro loan customers reached 261,144. Both the number of small and micro loan customers and the loan approval rate were higher than those of last year. The small and micro loan business met the regulatory requirements of “three ‘no-less’ indicators,” and the business increment placed the Bank among the top of joint-stock banks.

Indicator	Unit	2017	2016	2015
Balance of small and micro enterprise loans	RMB100 million	4,002.78	3,409.70	2,884.35
Proportion of small and micro enterprise loans to total loans ¹	%	20.23	19.45	19.33
Number of customers of small and micro enterprise loan		261,144	249,894	172,669

(1) Strengthening the building of inclusive finance system

The Bank established the Committee of Inclusive Finance Development and Consumer Protection was set up under the Board of Directors, the Committee of Inclusive Finance Management under the Senior Management, and Inclusive Finance Department at the level of Head Office, which provided double institutional guarantee for implementing and realizing all-round development of the inclusive finance business.

Organizational structure of the Committee of Inclusive Finance Management

The Bank set up the Committee of Inclusive Finance Management, headed by the President of the Bank and composed of the following departments: Small and Micro Finance Department, Finance and Accounting Department, Asset and Liability Management Department, Human Resources Department, Information and Technology Department, Risk Management Department, Credit Approval Department, Corporate Banking Department, Retail Banking Department and E-banking Department. The Committee of Inclusive Finance Management was responsible for studying and making decisions concerning major inclusive finance issues, as well as for coordinating and pushing forward the management and development of the Bank’s inclusive finance business.

(2) Accelerating innovation in products and services

The Bank developed the *Measures of Management of Credit Factory Business Mode for Inclusive Finance of China Everbright Bank*, implemented credit approvers assigning mechanism, strengthened re-authorization and review on loans extended in credit factory, pressed for standardized and systematic operations of credit factory

¹ “Proportion of small and micro enterprise loans to total loans” adopts data under the regulatory criteria of CBRC.

with an aim to improve professional management of inclusive finance. Moreover, greater efforts were put into innovation in small and micro finance products to provide products and services meeting needs of small and micro customers, thereby boosting development of small and micro enterprises.

Case: Financing difficulties solved by IPR pledge

In cooperation with the local government, institutional investors, insurers and intellectual property right (IPR) companies, the Bank launched financing products for sci-tech finance in Zhongshan City, offering credit support to quality enterprises that were incorporated within the administrative region of Zhongshan and complied with the city's industrial policy and development direction. Financing support provided by the Bank effectively helped the enterprises put into use patented inventions, patented utility models and patented appearance designs, creating a new-type financing mode. As at the end of 2017, a total of 32 credit facilities of RMB82.5 million had been extended under the project. According to the latest data released by *IPR Daily*, a globally influential media in the IPR industry, jointly with Inco Pat Innovation Index Research Center, CEB Zhongshan Branch, by virtue of 322 patent pledges, was ranked first among Chinese patent pledgees on the 2017 enterprise patent pledge list.



The Bank organized enterprise patent pledged financing training session.

(3) Promoting development of featured business

The Bank accelerated the implementation of key projects and actively pushed forward development of featured business. Besides, it promoted online financing targeted at small and micro enterprises, optimized the credit process, made innovation in small and micro credit business and services, improved customers' financing experience, developed and launched the "Small and Micro Enterprise Online Financing System" to partly realize electronic processing of the small and micro credit business, enhance the operating efficiency, and promote the development of small and micro enterprises.

Case: “Policy Grain” online financing business successfully launched

In May 2017, the Bank, in cooperation with the National Grain Trade Center, launched the “Policy Grain” online financing business, mainly targeting at the 28,000 small and micro agricultural enterprise members of the center. Through working together with insurance companies, the Bank realized batch filing of intercity credit approval and electronic processing of the credit business under the “Policy Grain” project, resulting in an optimized credit extension process and improved customer experience. As at the end of 2017, the Bank had cumulatively extended loans of RMB1,357 million to 129 customers and opened 275 corporate settlement accounts.

Case: Pushing forward the online financing transaction with China Mengniu Dairy Co., Ltd.

To better serve China Mengniu Dairy Co., Ltd., the Bank actively optimized the business process and innovated the financing mode for Mengniu dealers, greatly pushing forward the supply chain financing transactions with the company. By far, the cooperation between the Bank and China Mengniu Dairy Co., Ltd. in online supply chain financing business has scored initial effects. As at the end of 2017, the Bank had cumulatively extended loans of RMB61.93 million to 21 clients.



Online financing platform for Mengniu dealers

2. Bonds with agriculture, rural areas and rural people

The 19th CPC National Congress Report points out that issues of agriculture, rural areas and rural people are fundamental issues to China as they directly concern our country’s stability and people’s well-being. The Party will always prioritize the addressing of these issues. The Bank enhanced its political responsibility of offering pro-agriculture service, deepened financial reform and innovation in rural areas, improved the pro-agriculture working mechanism, strengthened its capability of providing agriculture-supporting financial services, and continued allocating more financial resources to the field. As at the end of 2017, the balance of agro-loans was RMB297,155 million, up by RMB36,443 million over the beginning of the year, meeting regulatory requirements for agro-loan business.

Case: Building up an “agricultural guarantee” model for small and micro enterprise credit business

The Bank introduced a third-party state-owned agriculture guarantor and made use of the guarantor’s professionalism and risk control capability in the agricultural field to build a new agricultural guarantee model for small and micro enterprise credit business with a streamlined process, which fundamentally addressed customers’ needs. Chongqing Rongchang Bean Grain and Oil Purchase and Sale Co., Ltd. was one of the enterprises that received assistance from the Bank under the “agricultural guarantee” model. With our financial support, the enterprise became a county-level leading enterprise in Rongchang District in Chongqing and a key guarantor of emergency supplies.

Case: Facilitating the modern development of rural enterprises

Upholding the biological farming concept, Jiangsu Tianniang Agricultural Technology Co., Ltd. was committed to offering farmers with farming supplies, technical standards of farming and technical guidance to help farmers with scientific and modernized farming through contracting quality farmlands. In 2014, in order to meet the need of production scale expansion of the enterprise, the Bank granted it an unsecured loan of RMB3 million. As at the end of 2017, the Bank provided RMB15 million in total to support modern agriculture development of the enterprise and its effort to help farmers out of poverty.



“Tianniang” farmland

3. Pushing forward the development of emerging industries

Based on an increased understanding of finance supporting emerging industries and full knowledge of development rules and features of emerging industries, the Bank tailored credit products and financial services to the emerging industries in a bid to promote rapid development of the industries.

Case: “All-process Pension Benefits” aiding China’s pension service industry

At present, the Bank formed a comprehensive financial service system called “All-process Pension Benefits,” composed of various products and services such as enterprise annuity, benefits management and pension finance. The pension business featured a wide variety of service types, service means, advanced technology and system, rich industry experience and continuous product innovation. As at the end of 2017, the Bank had over 5,000 enterprise annuity customers, 867,000 personal accounts in management and enterprise annuity fund in custody of RMB48.9 billion.



The Bank received the “Award of Excellent Bank for Enterprise Annuity Management” and “Best Pension Service.”

Case: Supporting the development of modern logistic service

In recent years, the Bank, in response to the government’s appeals, continuously increased credit resources input into modern logistic service industry, pushed forward efficiency enhancement and cost reduction of logistics, and promoted the development of cold chain logistics. As at the end of 2017, the balance of on-and off-balance-sheet credit facilities to the logistics and transportation industry stood at RMB39.9 billion, up by RMB200 million over the beginning of the year; the balance of on-and-off-balance-sheet credit facilities to small and medium-sized logistics enterprises went up by RMB1 billion over the beginning of the year or by 6% year on year to RMB17.6 billion, rendering effective support for the sound development of small and medium-sized logistics enterprises.

iii. Seeking mutual development and advancing the international business layout

We should pursue the Belt and Road Initiative as a priority, give equal emphasis to “bringing in” and “going global,” follow the principle of achieving shared growth through discussion and collaboration, and increase openness and cooperation in building innovation capacity. With these efforts, we hope to make new ground in opening China further through links running eastward and westward, across land and over the sea.

---19th CPC National Congress Report

1. Expanding overseas institutions

Holding onto the principle of proactive but prudent operation, the Bank continuously sharpened its international competitiveness and steadily advanced the building of overseas institutions. CEB Hong Kong Branch, CEB International Investment Corporation Limited and CEB Seoul Branch were in sound operation while CEB (Europe) S.A. & Luxembourg Branch successfully opened for business. The application for the establishment of CEB Sydney Branch was formally submitted. All these efforts marked that the overseas layout of the Bank had initially taken shape.

Case: CEB (Europe) S.A. & Luxembourg Branch opened for business

On September 8, CEB (Europe) S.A. & Luxembourg Branch held an unveiling ceremony. As the Bank’s first subsidiary and branch in Europe, it would be dedicated to facilitating the Belt and Road Initiative and offering quality financial services to “going global” enterprises.



CEB (Europe) S.A. & Luxembourg Branch

Case: CEB Seoul Branch celebrating its one-year anniversary

In May, CEB Seoul Branch celebrated its one-year anniversary. By then the branch had total assets of KRW1.78 trillion, equivalent to over RMB10.7 billion, which signified that the branch's business development ushered in a new stage and the Bank made a solid step toward the implementation of its overseas development strategy.



One-year anniversary ceremony of CEB Seoul Branch



CEB International Investment Corporation Limited was honored as the “Vigorous Bond Issuance Investment Bank of the Year” at 2017 Asia Industry & Capital Summit.

2. Innovating cross-border financial services

To satisfy the multi-dimension requirements of “going global” enterprises for cross-time-zone, cross-currency and cross-market financial services, the Bank continuously enhanced its overseas institutions' capability of rendering localized services, offered high-quality services such as syndicated loans, project financing, trade financing and international settlement, steadily rolled out emerging businesses such as cross-border RMB business, fund business and custody, and offered all-dimensional and integrated financial services.

Case: The cross-border e-commerce payment system successfully launched

In 2017, the Bank officially launched the cross-border e-commerce payment system, which integrated foreign exchange trading, payment and collection and value-added foreign exchange service. Combined with its advantages in offline international settlement and trade financing service, the Bank put forward integrated cross-border e-commerce service schemes, offering full-process cross-border financial services to cross-border e-commerce businesses and third-party payment agencies.

Case: An innovative service launched — e-document presentation under L/C

The Bank signed a cooperative agreement with e-document platform service supplier and released the *Measures and Instructions for E-Document Presentation under L/C of China Everbright Bank*, becoming one of the few banks that offer L/C e-document presentation service in mainland China. This business lowered transaction costs, improved enterprises' management level, and reduced trade fraud risk, which would further promote the overall development of the Bank's international settlement business.

3. Focusing on domestic-overseas collaboration for development

CEB International Investment Corporation Limited, overseas branches and domestic branches, oriented to satisfying customers' demands, worked in close cooperation, made full use of respective resources and channels, and seized favorable opportunities between domestic and overseas markets in order to render a full range of financial services to enterprises home and abroad.

Case: CEB Hong Kong Branch supporting cross-border collaborative business

Domestic-overseas collaboration, which means “relying on the market of mainland China, taking root in Hong Kong and targeting at the global market,” is a long-term strategy of CEB Hong Kong Branch. In 2017, Hong Kong Branch developed the guideline for collaborative business of expanding business in three economic zones centering on Beijing, Shanghai, Guangzhou and Shenzhen: Circum-Bohai-Sea Economic Zone, Yangtze River Belt and Pearl River Delta. Actively cooperating with domestic branches and other enterprises under the Group, CEB Hong Kong Branch assisted domestic enterprises with “going global” through the Bank’s cross-border financial services, such as the combination of bonds and loans, M&A financing and prior-IPO short-term financing facilities, in order to satisfy their diverse requirements for overseas funding.



CEB Hong Kong Branch held a seminar on the development of foreign-funded and Chinese-funded institutions — “New Era, New Mentality, New Finance”.

Case: Assisting CIC with completing China's fourth largest overseas M&A

On November 27, the EUR6.8 billion M&A syndicated loan, in which the Bank participated, was successfully extended to China Investment Corporation (CIC). The transaction was sponsored by China Investment Corporation, a Chinese sovereign wealth fund. Valuated at EUR12.25 billion, the transaction was intended to purchase all the equities of Logicor, a European logistics and real estate enterprise, from Blackstone. It was the fourth largest transaction in China's overseas M&A history. In this syndicated loan, the Bank underwrote a portion denominated in euro, British pound and Swedish krona with an amount equal to EUR150 million. Collaborations among CEB Head Office, Shanghai Branch, Hong Kong Branch and Luxembourg Branch substantially guaranteed the smooth execution of the project.



Logicor, a European logistics and real estate enterprise

II. “Sunshine” Services Starting a New Journey

CSR Story: Finance helping rural enterprises “going global”

My name is Luo Zhijun, a local of Guizhou Province. I am now working as the general manager of Guiyang Beilong Bio-Tech Co., Ltd. In 2000, I saw that a special kind of plants, Wubeizi, grew widely in Guiyang due to Guiyang’s unique climate and geographic conditions. Wubeizi is the sole raw material in manufacturing propyl gallate. As developed countries have a rigorous food certification system, propyl gallate is widely used to produce food additives. In foreign countries, there is a rather huge demand for propyl gallate, almost all of which are imported from China. So I wanted to build a factory in Guiyang to manufacture propyl gallate to satisfy the huge demand of foreign markets.



Luo Zhijun



Mr. Luo introduced the production and operation of the company to the bank staff.

To build the factory, I traveled and researched a lot. When I first came to Xinghong Village, I could barely believe my own eyes. The village was surrounded by thick woods and desolate mountains. Walking on the muddy paths in the village, I could hardly see young people but the elderly and kids who were in need of care. After learning my aspiration, the village government gave me a lot of support. Finally I built a propyl gallate processing base in the village. Many villagers who had worked as migrant workers returned to their hometown growing Wubeizi, and some worked in my factory. The company received more and more orders from customers in Southeast Asia at first and later Europe, North America, Australia and other places in the world.

In 2017, as I observed a climbing price of Wubeizi, I decided to purchase a large amount of Wubeizi as raw material reserves to ensure successful delivery of customer orders. The company, however, was busy expanding the production scale,

and a large sum of money had been put into production expansion. We had difficulties in funding. If we couldn't replenish the raw material timely to ensure the successful delivery of orders, we might have lost a lot of customers who had been in a business relationship with the company for years. To address this problem, when I went to CEB for handling my export guarantee business, I consulted CEB about loans at the same time. But I did not expect that employees of the Risk Department of CEB Guizhou Branch came to visit my factory the very next day to do a survey on our production and operation. Two weeks later, they completed the review and approval processes and released funds, rapidly filling up my funding gap and ensuring the timely purchase of raw materials for processing. In order to make the company's operation system more refined and the import and export processes smoother, I decided to open a corporate account in CEB, because I believed their dedicated staff can handle my complicated domestic and foreign fund transactions with proper care and higher efficiency.

At present, Guiyang Beilong Bio-Tech Co., Ltd., which I founded, has become a leading forestry enterprise in Guizhou Province and is pushing forward the renovation of Xinghong Village, helping the village to build roads and put villagers into new houses. I really appreciate CEB for the helping hand during my hard time and for its meticulous service to bring my company to a better stage. With the development of the Belt and Road Initiative and with aids from CEB, I am more confident in leading Xinghong Village out of poverty and taking it out of the mountainous region, out of China, and even to a broader international arena.

In 2017, sticking to the customer-oriented mentality, the Bank continuously refined its customer service system, improved the "Sunshine" services, disseminated the ideas that "the Head Office serves branches, branches serve sub-branches, middle and back offices serve front offices, all staff serve customers," and enhanced its staff's sense of service and service efficiency to improve customers' experience in an all-round manner.

i. Creating integrated value by delivering quality service

1. Innovative service strategy

Service delivery is the natural attribute of banks. In 2017, the Bank, with a new service concept that "service creates value," formed an integrated service pattern covering all channels, full processes, all products and all staff, and included "Sunshine" services and consumer protection work into the balanced scorecard appraisal to substantially improve service and customer experience.

- The Head Office set up the Sunshine Service Facilitation Leading Group headed by President Zhang Jinliang, as well as an office to take charge of the group and to coordinate work. Branches also followed suit and set up such teams led by respective branch heads, and convened regular meetings on service improvement.
- The "institution head in charge of service improvement" mechanism was established to step up procedural optimization, coordination and integration in business departments of the Head Office.

- The Bank reinforced the construction of service channels, sped up the transformation and upgrading of banking outlets, increased input into mobile finance and online technology and integrated online and offline services.
- Resources were integrated, and integrated system solutions were launched to suit customers' needs with integrated products and functions.
- The business processes were optimized, and differential products were offered to satisfy customers' demands with high-quality and efficient financial services and to improve customers' experience.
- Customers were put under tiered and classified management for delivering better-targeted service and expanding a steady, loyal, extensive and quality customer base.

2. Improving service management

The Bank strengthened management of “Sunshine” services, established a service management framework structure oriented to customers' needs, aiming at value creation and relying on efficient and standardized service. “Sunshine” services were continuously enhanced to improve customer experience through inspection and supervisory guidance, mystery inspection, self-inspection on the service and circulation of “Sunshine” services information.

As residents' income level further improved, customer demands for financial services became increasingly diverse. In 2017, CEB launched the “banking outlet transformation” initiative with an aim of improving customers' experience and enhancing outlets' productivity.

ii. Innovating service, experiencing intelligent banking

1. Building a big inclusive finance pattern

In 2017 under the strategic context that China is vigorously promoting inclusive finance and “Internet +,” the Bank, upholding the development concept of “openness, cooperation and win-win,” exercised the development strategy of “prioritized mobile banking, intelligent service and open finance,” installed 6,281 self-service cash machines, realized 97% replacement rate of integrated counter service by e-channels such as online banking, mobile banking, WeChat banking and various e-channels, and continuously contributed to the outlet extending service.

Case: Ten years of relentless efforts in building a beautiful life

Since the founding in 2008, the Cloud Payment platform has been developed into the largest open payment platform in China, offering over 2000 payment items and 260-odd payment channels and covering 300-odd major cities and close to 800 million people. In 2017, the platform had an annual settlement of over RMB88 billion, a daily average settlement of RMB240 million and 989 resident transactions per minute. In 2017, the platform received important awards such as the “First Prize in Excellent Results of China Banking Industry Development Research,” “Excellent Financial Innovation Case in China,” “Financial Technology Innovation Award of the Year” and “Best Internet Finance Practitioner”.



Case: The launch of the first “cloud settlement” platform within the CEB system

In July 2017, the ZDLP Intelligent Logistics Cloud Platform, a key “Internet +” project of Shanxi Province, in which CEB Taiyuan Branch participated, was successfully launched. This was the first “cloud settlement” platform launched within the CEB system, and it was supported by China’s leading technology. After the launch of the platform, self-operated railway transport, cargo transport and shipping of all institutions under Taiyuan Railway Administration would be transacted on the platform, which was expected to have an annual settlement amount of nearly RMB100 billion. Taiyuan Branch’s next step is to offer a wide selection of financial services, such as small and micro finance, credit facilities, investment banking and international finance, to both suppliers and buyers, thereby promoting the transformation and development of Shanxi Province’s logistics industry.



“Cloud settlement” platform

2. Trouble-saving and labor-saving intelligent banking services

With the rapid development of the new-generation information technology such as artificial intelligence, big data and mobile connectivity, the financial industry has ushered in an era that highlights financial technology. The Bank continuously deepened its innovation mechanism, actively explored and researched new technology, brought about in-depth integration of finance and technology, and actualized innovative application of financial technologies so as to offer customers with more intelligent financial services.

Case: “Intelligent counters” facilitating the transformation of banking outlets

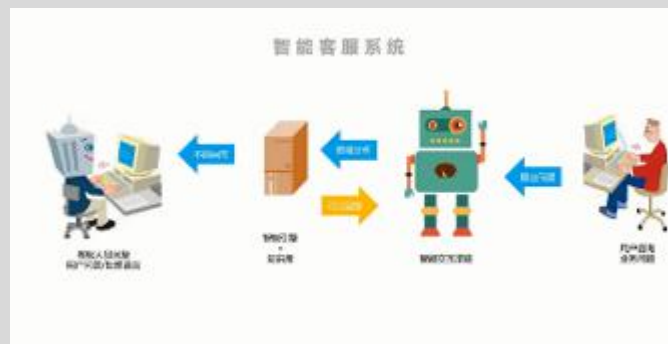
On December 29, the Bank officially put “intelligent counters” into service, which enables 53 business varieties in seven categories, including card change under the same card number, card number selection and card issuance, signing-up for e-banking channels, sales of wealth management products, setting of channel quota, activation of credit cards and change of customer information. It covers over 90% of non-cash, non-bankbook personal transactions that are normally conducted over the counter.



“Intelligent counters”

Case: Upgrading the intelligent customer service system

The customer service system was upgraded through applying artificial intelligence technology. The upgraded system is now in a three-tier service mode of “self-service + AI + manual service,” where voice navigation, voice interaction and voice consultation are now implemented by robots. As at the end of 2017, it had cumulatively offered 32.58 million times of service, effectively enhancing the self-service efficiency and further expanding the service capability of the channel.



Intelligent customer service system

iii. Rigorous safety management to protect customers' rights and interests

1. Making innovation in safety management

Using information technology, the Bank strengthened automatic control over the process system and realized streamlined seal verification for payroll service, effective authentication of 2nd-generation ID cards, screening of expired customer certificates, etc. New dynamic coded locks were mounted on over 2,000 self-service machines to address the safety problems embodied in the password safekeeping by people. Self-service receipt cabinets, which enable printing of receipts and automatic stamping, were widely popularized throughout the Bank, thereby effectively lowering risks associated with the use of stamps in the process of manual release of receipts and protecting the safety of customers' funds.

Case: Facial recognition technology improving customers' experience

In recent years, cases of unauthorized use of customers' identity certificates for business handling have occurred from time to time. In 2017, the Bank successfully intercepted 756 attempted cases of the kind. To further prevent operational risk in the counter business, the Bank introduced the innovative facial recognition technology. At present, the technology is being used on a trial basis in CEB Beijing Branch, Chongqing Branch and Hefei Branch. The technology is functioning steadily, with a customer identification pass rate of over 90%. The operational risk has been effectively controlled.



Facial recognition technology

2. Dissemination of financial knowledge

A regulation mechanism and a guarantee mechanism were established and refined for financial consumer protection to regulate behaviors of financial institutions, nurture a market environment highlighting fair competition and integrity, effectively protect legal rights and interests of financial consumers, prevent and mitigate financial risks, and promote sustainable and sound development of the financial industry.

The Bank organized a series of campaigns to popularize financial knowledge, such as “Ten-thousand Miles Journey of Financial Knowledge Popularization” and “Bringing Financial Knowledge into A Thousand Households,” where 15,402 employees from 1,068 banking outlets participated. The Bank delivered 5,577 lectures where 56 institutions of higher learning took a part, attended by over 44,000 college freshmen, covered 9.57 million people, distributed over 2,955,000 copies of brochures, and were reported over 1,170 times by media of all sorts.

Case: Increasing efforts in consumer protection campaigns



CEB Beijing Branch launched the financial knowledge popularization campaign named “Protecting Money Pockets.”



CEB Nanning Branch carried out financial knowledge popularization campaigns.

iv. Spreading “Sunshine” through quality service

1. Delivery of standardized service

The Bank took an active part in the model unit selection of civilized service in Chinese banking sector, developed an annual work plan, arranged CEB branches to set up civilized service rules building teams and further standardized service of banking outlets. In 2017, Weilai Road Sub-branch in Zhengzhou was awarded as one of the “Top 100 Civilized Service Model Units in Chinese Banking Sector in 2017” by the China Banking Association; 101 banking outlets were granted star rating, 12 more than that of last year, including 39 five-star outlets, 37 four-star outlets and 25 three-star outlets. Meanwhile, Lin Jing and other 28 employees of Hualin Sub-branch in Fuzhou were honored as “Star Lobby Managers” in the 2017 civilized service model unit selection in Chinese banking sector, representing a year-on-year increase

of 8 and also the highest total number of winners in history.



Weilai Road Sub-branch of CEB Zhengzhou Branch was awarded as one of the “Top 100 Civilized Service Model Units in Chinese Banking Sector in 2017.”

Service training was offered to employees working in the operation line so as to improve their service skills. In 2017, we organized over 8,000 training sessions for tellers, which were attended by 210,000 persons in total, as well as over 3,500 exams attended by a total of 120,000 persons.

Case: Cultivating expert tellers

The Bank continuously carried out activities to cultivate expert tellers. In 2017, the number of employees who were granted the honorary title of “First-rate Expert Teller” increased to 90, up by 70% over 2016; the number of “Second-rate Expert Teller” increased to 358, up by 24% over last year. Six branches made zero breakthroughs in getting “First-rate Expert Teller.” New records were set in terms of the tellers’ banknote hand-counting performance, attaining an industry-leading level.



“Annual First-rate Expert Teller Competition”

Case: “Muhua Model Worker Innovation Studio” carried on the spirit of craftsmanship

In 2017, CEB Guangzhou Branch founded “Muhua Model Worker Innovation Studio,” named after Zhang Muhua, the winner of “2016 National Labor Medal in Financial Industry” and the first prize winner of 2016 all-round individual business skill and knowledge competition organized by the Head Office. To bring Zhang into full play as a role model, Guangzhou Branch founded the studio as a training base and a platform for learning and experience exchanges with an aim of further enhancing service quality and promoting business development.



“Muhua Model Worker Innovation Studio”

2. Providing heartwarming “Sunshine” services

Taking a customer-oriented approach, the Bank continuously expanded the contents and coverage of “Sunshine” services and products—an embodiment of CEB’s feature and inborn nature of “Sunshine,” in an effort to improve customers’ satisfaction. As at the end of 2017, the Bank had 1,068 operating outlets. The opening of Lhasa Branch marked CEB’s realization of a full coverage of service network in all provincial administrative regions.

Case: Innovative wealth management business bringing “Sunshine” experience

As the first to launch banking wealth management products in the banking sector, CEB has always been dedicated to offering various wealth management products and services to clients. At the beginning of 2017, the Bank launched the mode of “online targeted marketing and comprehensive service innovation for ‘E Xiang Jin Kai’ of Sunshine wealth management products.” The program provided exclusive wealth management products, displayed webpages for purchases of exclusive wealth management products to different customer groups, and achieved online and offline multi-channel purchasing, effectively improving the convenience of buying wealth management products. In 2017, the Bank’s wealth management products realized an income of RMB66,249 million for customers.

Case: Uncle Zhao's "son" in CEB

Uncle Zhao, a customer of Xiyuan Road Sub-branch of Kunming Branch, had a wealth management product that was about to fall due at the beginning of the year. Account Manager Tan Xiao made an appointment with him for buying a new wealth management product at the sub-branch, but Uncle Zhao did not show up at the appointed time. Tan Xiao felt worried about him and immediately went to Uncle Zhao's home, only to find him lying in bed for days with colds and fevers. He was taken care of by nobody because his only daughter was on a business trip. Tan Xiao immediately took him to the hospital, and looked after him in the hospital every day. When other patients in the same ward learned that this caring young man was not his family or relative, they were all moved by Tan Xiao's sincerity and warm-heartedness.



Uncle Zhao and Tan Xiao

3. Taking an earnest attitude in complaint handling

According to the *Measures of China Everbright Bank for Management of External Customer Complaints*, the Bank set up a special department to handle customer complaints, assigned special personnel to deal with relevant problems, standardized criteria for classification of customer complaints, developed a detailed process of complaint handling, put in place a major complaint emergency handling mechanism and a quick small-amount compensation handling mechanism, and took active measures to cope with emergency events. As at the end of 2017, the Bank had handled 639 effective complaints from customers, representing a reduction of 129 from 2016, with a 100% completion rate of complaint handling and a 100% satisfaction rate of effective complaint handling.

Case: Continuously improving the complaint management

CEB Beijing Branch set up a complaint management team to manage customer complaints. Complaint channels and time limits for complaint handling were put up on conspicuous spots in banking outlets for timely collection of customer opinions and suggestions. Importance was attached to post-assessment on complained issues so as to avoid recurrence of similar problems. The bank introduced complaint rate into internal performance appraisal of banking outlets, as well as complaint handling results and time limits, in an effort to improve customers' satisfaction.

III. Innovative Development Opening up a New Chapter

CSR Story: “Party-building + business” facilitated the economic development of Shaoshan area

I am Su Dan, a customer manager of Shaoshan Everbright Village Bank. On September 28, 2009, CEB opened a village bank in Shaoshan City, the first village bank founded by CEB in China and the first joint-stock bank established in the old revolutionary base. I came here soon after the village bank was opened. 2017 was the 9th year I work here.

We had few customers and businesses in the beginning. On one hand, most villagers thought that banks were beyond their reach and they did not dare to walk into a bank; on the other hand, CEB started business in cities where we had sub-branches only in Changsha and Zhuzhou. Many people did not know much about us and the financial services we offer. In order to get rooted in Shaoshan and develop business as soon as possible, led by the general manager, we studied the central government’s policies on the development of rural and county economy. Through intensive studies and surveys, we worked out the mode of “Party-building + business” and the market positioning of “serving agriculture, rural areas and rural people, serving SMEs, and serving county economy.” My colleagues and I formed a “communist squad,” paying visits to 61 villages in 7 towns in Shaoshan. I still remember during the busy farming season when many households were short of labor force, we helped farmers with lots of work, such as drying grains under the sun, picking peanuts, ploughing and uprooting weeds. While doing these, we chatted freely with them. Gradually many farmers got to know us and our business. Then opportunities came.



Su Dan worked together with a farmer.

To establish a closer connection with the villages, we sent a group of employees to exchange ideas with village Party bodies every week so as to enhance our own Party-building and better know about farmers’ needs. Pang Tao, born in the 1980s, was a customer introduced by the director of the village. In 2014, when he was working in the city, he acquired the loach breeding skills. Later he came back home and rented a piece of land of 30 *mu*. He turned to the village director for help due to funding difficulties at the initial stage of starting his business. After we learned about his case, we immediately paid a visit to his aquaculture base for a survey and granted him a poverty alleviation loan of RMB100,000 with “guarantee provided

by village cadres,” solving his urgent funding needs. We also helped solve his difficulties in raw materials, production and sales, and advised him to build a loach aquaculture base, purchase loaches from others and use his sales channels to help other farmers. In this way, Pang’s loach aquaculture base grew bigger and bigger. His current productivity was as high as 3,000 kilograms per *mu*, leading over 20 farming households out of poverty.



Pang’s Loach Aquaculture Base

We had many other farming household customers like Pang there. Through the one-to-one supporting program in cooperation with 10 village Party branches, we made villagers feel at home when they visited our bank and regarded us as families. For nine years, in the form of “Party-building + business,” Shaoshan Everbright Village Bank had cumulatively extended loans of RMB1,814 million to small and micro enterprises in Shaoshan in supporting their technical upgrading and production expansion of 360 small and micro enterprises, and fully assisting the development of small and micro enterprises in the rural area.

As a Shaoshan local, it was lucky for me to see my hometown getting better and better. As a CEB employee, I was so proud to work with my colleagues to address people’s financing difficulties, serve small and micro enterprises, and serve agriculture, rural areas and farmers.

—Written by Su Dan, a Customer Manager of Shaoshan Everbright Village Bank, which was honored as the “National Advanced Grassroot Party Organization”

In 2017, in active response to the requirements of “implementing new development philosophy and building a modern economic system” put forward at the 19th CPC National Congress while upholding the “innovation first” business philosophy, the Bank continued deepening its reform and development with innovation, insisted on featured Party-building, stepped up technology innovation and increased efforts in building and reinforcing the brand image as an “innovative bank.”

i. Focusing on featured Party-building in a comprehensive manner

To deal with financial work in the new situation, it is imperative to insist on the centralized and unified leadership of the Party to ensure the correct direction of the financial reform and development and the country's financial security. We should make substantive efforts in the Party-building of enterprises, enhance education of ideals and faiths, strengthen education of the Party nature, intensify education of discipline and improve the Party work style and clean governance building.

-- Xi Jinping at the 2017 National Financial Work Conference

1. Earnestly studying and disseminating the guidelines set at the CPC 19th National Congress

The Party committee of the Bank always prioritized the Party political building by firmly entrenching the four consciousnesses of “the ideology, the whole, the core and the line,” namely enhancing political integrity, keeping in mind the bigger picture, following the CPC Central Committee as the core of Chinese leadership and acting consistently with CPC Central Committee policy, resolutely implementing the CPC Central Committee's guidelines and policies, executing the guidelines and requirements put forward at the National SOE Party-building Work Conference and the Sixth Plenary Session of the 18th CPC National Congress, carried out in-depth studies of the guidelines set at the 19th CPC National Congress, organized theory studies within the central team of the Party committee, organized the whole Bank to have intensive studies, held training in all forms and created an atmosphere full of passion for studying and implementing the guidelines of the 19th CPC National Congress.

Li Xiaopeng, Party Committee Secretary and Chairman of China Everbright Group, giving a Party lecture



On December 20th, Li Xiaopeng, Party Committee Secretary and Chairman of China Everbright Group, gave a Party lecture to the general managers of all departments of the Head Office of China Everbright Group, members of the subsidiaries' leadership and all participants in the Party school.

The theory study central team of the Party Committee studying the guidelines of the 19th CPC National Congress



On November 10, the theory study central team of the Party Committee studied the guidelines of the 19th CPC National Congress.

I listened to the General Secretary's report, and felt very excited, warmhearted. I benefited a lot from the report. It is a great report giving definite directions, devising a layout, and intending to lead to great rejuvenation, as well as a political declaration and an action plan for socialism with Chinese characteristics in the new era.

—Luo Fangke, 19th CPC National Congress Representative, Party Committee Secretary and General Manager of CEB Changsha Branch, commented on the General Secretary's report.



Luo Fangke, 19th CPC National Congress Representative, Party Committee Secretary and General Manager of CEB Changsha Branch

2. Regularization and institutionalization of the education of Party theories

The Bank took the regularization and institutionalization of the education of Party theories as an effective means of ideological fostering, emphasized on studying the core contents including the Party rules, Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era, the guidelines of the 19th CPC National Congress and the National State-owned Enterprises Party-building Work Conference, combined education of Party theories with work priorities such as prevention and control of financial risks and containment of irregularities on the financial market, guided communist cadres to equip themselves with Xi Jinping Thought on Socialism

with Chinese Characteristics for the New Era, to use it as directions of practices and work, and further strengthened our confidence in the path, theory, system and culture of socialism with Chinese characteristics.

3. Implementing the “two liabilities” system for strict Party governance

With continuous efforts to improve Party work style and clean governance, the Bank assigned the Party committee the subject responsibility and the discipline inspection commission the supervisory responsibility, with an emphasis on strengthening Party political life and strictly performing the supervisory responsibility within the Party. Besides, two responsible levels had been added. One of them was formed by secretaries of discipline inspection commissions of branches and tier-2 branches. The other was formed by branches’ leadership and department directors in jurisdiction. The responsibility contents were further specified and more responsibilities were assigned to grassroot institutions. Patrol inspection was taken as an important means to ensure the responsibility is properly fulfilled. In the implementation of the CPC Central Committee’s patrol inspection guidelines and the *Regulations of Communist Party of China for Patrol Inspection*, the Bank tried to improve the quality of patrol inspections, and increased the use of patrol inspection results so as to urge grassroot Party institutions to perform their political liabilities for Party governance.

Case: Signing the Liability Statement for Improving Party Work Style and Clean Governance

In 2017, all managerial employees of the Bank signed 5,662 Liability Statements for Improving Party Work Style and Clean Governance, including 258 by the Head Office and 5,404 by branches. A relatively complete liability system had taken shape.

Case: Zhang Jinliang attended a meeting convened by the Executive Office Party Branch

On July 7, CEB Executive Office Party Branch convened a meeting, where Zhang Jinliang, President of CEB and Deputy Secretary of CEB Party Committee, attended the meeting and exchanged his views. The meeting centered on discussing the implementation of the “Eight-point Austerity Rules” imposed by the CPC central leadership, the enhancement of the consciousness of clean governance, the solutions of problems and weaknesses of work and the improvement of work efficiency.

4. Promoting combination of Party-building and business

The Bank unified the Party leadership with the refinement of corporate governance, synchronized Party-building with its reform, Party institution setting with corporate institution, Party body directors with Party affairs officers and Party-building with business, realizing connectivity in system, mechanism, institution and work. The Bank included the Party-building work requirement into its *Articles of Association* and specified the Party body’s legal status, role and main functions in its corporate

governance structure, further refined the assessment criteria, contents and scoring rules for the Party-building section in the scorecard by increasing the weight of Party-building in the scorecard from 2 points to 4 points, further strengthened equal requirements for planning, deployment and assessment for Party-building and business operation, and required Party bodies at all levels to strengthen their sense of responsibility for strict governance.

Case: Party-building in overseas institutions

The Bank assisted the Group with its surveys on Party-building of overseas institutions, including Party members and Party bodies of CEB Hong Kong Branch, CEB International Investment Corporation Limited, China Everbright Bank (Europe) S.A. and CEB Luxembourg Branch, and formed a *Self-Inspection Report on Party-building of CEB Overseas Institutions*, summarizing and analyzing the current Party-building situations and existing problems, and proposing their opinions and suggestions.

Case: IT means for Party-building

Through coordinating and facilitating the building of the national Party member management information system, the Bank completed the collection and entry of basic information of 15,028 Party members and over 1700 Party bodies (branches and headquarters). Authoritative materials can be timely offered through online Party courses and special columns on the company intranet to facilitate Party members' further learning.

ii. Driving development with technology innovation

1. IT management for enhancing operation safety

(1) Building cornerstones for operation safety

The Bank completed the special project of “consolidating the foundation to ensure safety operation,” promoted the implementation of 62 tasks of the Head Office and 508 tasks of branches in various aspects, such as infrastructure construction, refinement of the safety mechanism, optimization of policies and procedures and improvement in tools and platforms, and further refined the IT management system to enhance the capability of safety operation.

(2) Enhancing protection of customer information

The Head Office set up a leading group of network security and informationization, defined and released the *Measures for Protection of Personal Finance Information of China Everbright Bank*, compiled and implemented an information security position setting plan and built up an information safety management mechanism that completely met the ISO27001 international standards. A bank-wide information safety inspection was rolled out to detect and timely rectify potential hazards. A bank-wide information security training system was developed, and pertinent training was offered to enhance the staff's consciousness of security compliance and technical capabilities to further protect the security of customer information.

Case: Stepping up information safety monitoring

In 2017, the Bank conducted a series of security technology and defensive measures including safety monitoring on over 40 systems, such as online banking, making over 60 reinforcements of mobile banking, Yaoyao Payment and other applications, and stepped up the detection and effective handling of network attacks, website fishing, virus infection, etc.



Strengthening information security monitoring

2. Technology platform ensuring efficient service

The Bank built up an information system platform, optimized the banking business process, increased the integration of information technology applications, pressed forward building various systems such as the new-generation corporate customer management system, and strengthened the construction of key products such as the independent development of mobile platform. All these efforts effectively supported the development and transformation of corporate banking, retail banking, financial market business, etc.

Case: Building the “Full-process Integrated Intelligent Asset Management System”

The “Full-process Integrated Intelligent Asset Management System” centering on asset configuration and risk control provided support for intelligent decision-making for investment, and fully realized electronic circulation in the transaction process, thereby effectively enhancing the Bank’s risk control capability. After put into operation, the system effectively increased the investment returns and pushed forward the strategic transformation of asset management. The system won the second prize of “2016 Banking Technology Development Award” granted by the People’s Bank of China.



The “Full-process Integrated Intelligent Asset Management System” won the second prize of “2016 Banking Technology Development Award” granted by the People’s Bank of China.

3. Technology innovation turning CEB into an intelligent bank

The Bank stepped up the application of new technology, set up a technology innovation lab, created an innovation mechanism featuring “creativity straight-direction, close-loop operation and outcome incubation,” and incubated 36 innovative projects in retail banking, corporate banking, asset management and risk control. The application of new technology, such as big data, cloud computing, block chain, bio-identification, artificial intelligence and mobile Internet, was closely integrated with banking business with an aim of pushing forward the intelligent bank building with technology innovation.

Case: The launch of the “Big Asset Management ‘Sunshine’ Chain,” an innovative use of block chain for business

In 2017, the Bank, in cooperation with a number of business partners, jointly built the first block chain-based system in China named “Big Asset Management ‘Sunshine’ Chain,” which constituted a big ecological network of asset management and custodian business, realized information sharing between managers and custodians, and enabled real-time audit, supervision and management.



“Big Asset Management ‘Sunshine’ Chain”

iii. Reinvigorating the Bank while sticking to the risk bottom line

Prevention of systematic financial risk is an eternal theme of financial work. We should put proactive prevention of systematic financial risk in a more prominent place, adopt scientific preventive measures to identify, warn against, detect and handle risks as early as possible, focus on preventing and resolving risks in key fields, and work hard to refine the financial security defense line and the risk emergency handling mechanism.

--Xi Jinping at the 2017 National Financial Work Conference

1. Strengthening risk prevention and control

(1) Refining the risk management system

The Bank continued to refine its comprehensive risk management system with an emphasis on building three lines of defense in business management, risk management and internal audit, reexamined and revised the *Comprehensive Risk Management Policy of China Everbright Bank* and other major risk management policies, actively promoted optimization and adjustment of the business structure, focused on reinforcing risk control in key fields, made efforts to consolidate the foundation of risk management, kept strict control over asset quality and strictly stuck to the bottom line for risk control.

As at the end of 2017, the Bank’s non-performing loans (NPL) amounted to RMB32,392 million; the NPL ratio was 1.59%, down by 0.01 percentage point

compared with the beginning of the year; the provision coverage ratio was 158.18%, up by 6.16 percentage points compared with the beginning of the year. The Bank managed to maintain overall asset quality risk controllable.

(2) Consolidating internal control

The Bank has formulated and released the *Opinions on Preventing Financial Activities of Violating Law and Regulation* with an aim of further strengthening internal control and compliance management, effectively preventing the risk of legal case occurrence, reinforcing supervision of staff behaviors and realizing compliant, sustainable and healthy development. The Bank also issued the *Notice on Further Strengthening the Construction of Internal Risk Control System for Tier-2 Branches* to promote sustainable and healthy business development of tier-2 branches.

We also carried out in-depth self-inspections on key fields such as non-performing assets risk and liquidity risk, carried out a series of “Three Three Four Ten” special inspections and the “Looking Back Inspection” of “Two Acts of both Reinforcement and Containment” launched by the CBRC. The Bank strictly supervised and timely rectified problems found, further improved the long-term mechanism of internal control and compliance and effectively improved the management of internal control and compliance.

(3) Intensifying management of the supply chain

The Bank integrated the concept of controlling social and environmental risks into its supplier access thresholds, exerted strict control over supplier access review and due diligence on suppliers in line with the *Measures of China Everbright Bank for Procurement Management* and set social and environmental requirements and assessment criteria for relevant products and services for procurement and bidding.

2. Sticking to legality and compliance

(1) Conducting compliance education activities

The Bank carried out a series of activities regarding legality and compliance education among the employees to advocate and cultivate a favorable compliance culture.

Case: Organizing the “Party Discipline, State Law and CEB Policy Knowledge Contest”

The Bank organized the “Party Discipline, State Law and CEB Policy Knowledge Contest,” in which a question database was built and training sessions and tests were given so as to urge employees to study by themselves and create a sound atmosphere that highlights “conformity with Party discipline and laws, compliance, risk control and legal case prevention,” thereby securing the sustainable and steady business development.



“Party Discipline, State Law and CEB Policy Knowledge Contest”

(2) Implementing anti-money laundering (AML)

The Bank developed the *Plan on Transformation into a Centralized AML Handling Model of China Everbright Bank*, promoted intensive adjustment of AML work and resources, and improved the efficiency and quality of AML through various measures such as integrating work items, training employees and reinforcing system support, in compliance with regulatory requirements.

Case: “AML in Community” campaign undertaken by CEB Wuhan Branch

On September 22, CEB Wuhan Branch and all the Wuhan-based enterprises under the Group jointly launched a large-scale outdoor AML promotion campaign named “AML in Community,” which was designed to keep the public on alert concerning money-laundering traps and educate them to protect their own properties.



CEB Wuhan Branch undertook the AML promotion campaign.

(3) Facilitating anti-corruption management

In strict accordance with relevant laws and regulations, the Bank refined the checking mechanism of legal cases and deepened discipline construction. The Bank investigated and dealt with a variety of cases of rules and discipline violation. Especially, it strictly investigated into cases related to corruption, bribery and bribe-taking, cases that violate six major laws, typical cases that violate the spirit of “Eight-point Austerity Rules” and other major financial legal cases. The Bank strengthened the checking of public complaints filed through letters and visits, implemented the leading cadres accountability system of public complaints and visits, reinforced guidance on the branches concerning the handling of compliant letters and visits, ensured that the problems that occurred at the grassroots level are resolved at the same level, and put forth efforts to maintain the overall harmonious and stable development of the Bank.

(4) Safeguarding intellectual property right (IPR)

In strict accordance with laws, regulations and regulatory requirements, the Bank actively refined its IPR management system, upgraded its IPR internal management regime, attached importance to IPR risk prevention, enhanced the employees’ awareness of IPR, promoted IPR innovative activities, and safeguarded its own legal IPRs and innovation outcomes while fully respecting others’ IPRs. The Bank has become an active practitioner in IPR innovation, protection and application.

IV. Creating a Better Life by Shouldering Responsibilities

CSR Story: Water for life

“Getting up at midnight, climbing mountains after mountains, seeking water until the crow started at dawn, and coming back home at sunset.” This is a folk song widely sung in northwest China. It is ridden with people’s helplessness and grief for lack of water. Zhangwan Village, located in the middle part of Gansu Province, has an annual evaporation of more than 1,500mm and an annual precipitation of 380mm only, close to that of a desert. Facing vast hilly loessial land, crossing gullies and droughts almost all year round, rain-dependent farmers could do nothing but turn hills into terraced fields to preserve precious rainwater to the maximum degree, and grow drought-resistant corn plants. Even though, to feed their families, men had to leave home and work as migrant workers.

There were several water pools outside the villages, but they were remote and dispersed. Without protective devices, villagers blocked the entrance of pools with sticks and withered leaves, and the pools, called water-logging dams by local people, were basically the only source of water for daily use. Granny Zhang, in her 60s, used to carry water with a carrying pole twice or three times a day, just enough for one-day use for her grandson and herself. Similarly, the 41-year-old Li Kuaiping, mother of three lovely children, carried water herself four or five times a day, each time taking an hour back and forth, as her husband and father-in-law were sick all year round. “I could do nothing because all of my time was spent in carrying water,” she forced a smile and said. Even though she tried so hard, water was still not enough for the family. A basin of water, after being used to wash face, would be reused for feeding the livestock or washing clothes, and laundry water, after foams were filtered, would be reused for other purposes.



Children in Zhangwan Village

In 2012, the “Water Cellar for Mothers” program sponsored by CEB was introduced to the village, which excited the villagers a great deal. With the aid of the Women’s Federation of the county and the local government, Li Kuaiping soon had a concrete cellar with an anti-seepage structure. The cellar can collect, filter and purify rainfalls, satisfying the family’s needs for drinking water and other purposes. Now it is much more convenient to fetch water for drinking and showering, and homes are cleaner. Families are talking about feeding some more livestock, and

green vegetables are grown in courtyards.

Since 2005, CEB has been cooperating with All-China Women's Federation and China Women's Development Foundation in a joint effort to address the difficulties in accessing water for drinking and domestic use of residents in arid areas in west China. The Bank has cumulatively donated RMB34.33 million to build 8,593 cellars, 76 small-scale water conservancy projects and 6 campus safe drinking water projects for 13 consecutive years in 12 provinces (autonomous regions), namely, Gansu, Ningxia, Inner Mongolia, Shaanxi, Guangxi, Sichuan, Qinghai, Tibet, Guizhou, Xinjiang, Jilin and Shanxi, addressing the difficult access to drinking water of 130,000 residents in poverty-stricken areas.

Every well on the barren land not only addresses the difficult access to drinking water of residential households in the western region, but also refreshes their living environment and reinvigorates their mental state. They are empowered to beautify their living environment and work hard to get rid of poverty, and in passionate pursuit of a happy life. We believe that the CEB's cellar of life will incessantly nourish the village that is still not developed and bring happiness and health to people there in the near future.

In 2017, the Bank, in response to the country's policy, explored new approaches of "finance + targeted poverty alleviation," and aided the poverty alleviation. It also actively pushed forward the development of green economy, low-carbon economy and recycling economy, insisted on green operation, and devoted itself to environmental protection. Besides, it made efforts to safeguard the legal rights and interests of its employees, helped with their career development, and improved the well-being index. The Bank was heavily engaged in philanthropic fields such as education, aids to disadvantaged groups and voluntary work to repay the society.

i. CEB's devotion in targeted poverty alleviation

It is our solemn commitment to lift all rural residents living below the current poverty line out of poverty by 2020. Once made, a promise is as weighty as a thousand ounces of gold. Only three years are left to 2020. Every one of us must be called to action, do our best, take targeted measures to secure victories one after another.

-- Xi Jinping, 2018 New Year Speech

The 13th Five-Year Plan period is the decisive stage in winning the war against poverty. In 2017, the Bank, in the implementation of relevant requirements for poverty-alleviation finance set by the Party Central Committee, the State Council, the People's Bank of China and the China Banking Regulatory Commission, continuously refined its organizational leadership and regime for poverty alleviation work, combined the advantages in "industry-finance" with the advantages in local resources in light of its own industry features, actively explored approaches to lift people out of poverty, making contributions to this anti-poverty battle.

1. Strengthening leadership and advocating all staff participation

In 2016, the Bank set up the CEB Poverty Alleviation Leading Group, headed by President Zhang Jinliang, composed of the general managers of the General Office, Risk Management Department and Small and Micro Finance Business Department of the Head Office, responsible for conducting research and making decisions on material matters related to targeted poverty alleviation.

While refining the existing rules and policies regarding poverty alleviation, the Bank also developed the *Rules of Procedure of the CEB Poverty Alleviation Leading Group* to make the work more standardized and institutionalized.

The Bank set up sub-branches in Xinhua and Xintian Counties of Hunan Province in succession, expanding financing channels for enterprises in impoverished areas.

Branches were effectively mobilized to take on poverty alleviation tasks assigned by local governments and industry regulators and take part in local targeted poverty alleviation programs.

The Bank selected high-caliber cadres to work in villages to ensure that poverty alleviation plans were effectively implemented. In 2017, 12 branches sent out 23 cadres, held 12 training sessions, and trained 147 cadres and professionals.

Case: Secretary Tang's Journey of Poverty Alleviation

My name is Tang Daocai. I was delegated by CEB Changsha Branch to work as the First Secretary of Shanlian Village, Xinhua County, Hunan Province—the targeted village helped by the branch in the one-to-one assistance program. Before the delegation, I was Deputy General Manager of the Operation Management Department and had been working in the operation line for many years. In July 2015, when I arrived at the village, I was shocked by the shabby homes of the poor villagers and worn-out desks and chairs in the elementary school. I could not believe that after nearly 40 years of China's reform and opening-up, my hometown, Hunan province, still had places as poor as this. At that moment I decided to go all out to help lift local people out of poverty.



Tang Daocai visited a poor household in Shanlian Village.

But how to do it was the main problem I was facing. I figured out the village's poor living condition and the cause of poverty within the shortest time. After gaining knowledge of the village, I started doing field studies and spent all day long in the village, visiting old Party members and talking with them, going to farmlands, and getting to know practical problems of farmers. At first I knew nothing about the local dialect and all of our communication relied on hand gestures and facial expressions. Through the field studies, I realized that most villagers had outdated ideas, that some did not see the problems with being so poor, and that some put all hopes on an external aid to lift them out of poverty. All my efforts to communicate the national policies and ideas to them turned out to be less satisfactory. So I decided to turn to the community-level Party-building to solve the villagers' ideological problems.

Shanlian Village had few leading industries. Simply giving them money and supplies is not a lasting solution. Teaching them how to fish is better than giving them fish. Every household should have something to work on so that they can get out of poverty on their own. After relentless explorations and studies, in 2017, the Bank invested RMB1.2 million in productive projects for poor households, guiding them to adopt scientific approaches in farming and husbandry. To be specific, RMB100,000 was for supporting the breeding of Tibetan pigs, free-range chickens, ducks and other livestock. As the output outnumbered the local consumption, I helped villagers sell chicken to Changsha at a price of RMB60/kg, higher than the previous price of RMB20/kg, which greatly increased the income of poor households. Another RMB1.1 million was used to support the growing of traditional Chinese medicinal herbs and fruit. We adopted the mode of "company + cooperative + farming household," where farmers can choose to participate in the project through contributing land, labor or equities. In this way poor villagers are working steadily out of poverty on their own.

As time goes by, poverty alleviation has indeed become part of my life. It costs my toils and tears, but also brings me joy. In 2018, I will continue my journey, contributing my efforts to help Shanlian Village get out of poverty.

Case: A veteran and his “third battlefield”

Lao Yan, whose full name is Yan Shikun, was Deputy General Manager of Party Affairs Supervision (Security) Department, and Vice Chairman of Labor Union of CEB Kunming Branch as well. He was so easygoing and kind that many people called him “Lao Yan” (Old Yan). He joined the army in 1978 and participated in the Sino-Vietnamese War in 1979 and 1984. In 2017, He was 56 years old.

Masan Village, located in Mengka Town, Ximeng County, Pu'er City, Yunnan Province, was connected to CEB Kunming Branch in the one-to-one assistance program. When Lao Yan learned that Kunming Branch intended to delegate someone to the village for the poverty alleviation program, he signed up for it without hesitation. After signing up, it took him less than one week to set off to the village. Lao Yan was injured on his waist and shoulders when serving in the army, and the wounds were officially rated as Grade B, Glass III. He had been plagued by high blood pressure and coronary diseases in recent years. In April 2016, he went through a complete surgical excision of a thyroid malignant tumor, and had to receive post-surgery prescriptions and periodical checks. However, none of these problems stopped him from going to Masan Village. Lao Yan said his experience of war and serious diseases gave him a different life philosophy: “within the limited time of life, the person should seek to maximize his value instead of pursuing wealth and fame.”

Approaching his 60s, Yan was still devoting himself to serving the society. At his “third battlefield” in Masan Village, Lao Yan fulfilled his solemn commitment to the *Wa* minority people with his loyalty and firm faith as a member of Chinese Communist Party.



Lao Yan paid a visit to a poor household in Masan Village.

2. Finance is playing a bigger role in poverty alleviation

In accordance with the deployments of the State Council Leading Group Office of Poverty Alleviation and Development and the People's Bank of China as well as the requirements regarding “advancing targeted poverty alleviation programs in the

financial industry” put forward at the 2017 National Financial Work Conference, the Bank has optimized allocation of financial resources, sped up the financial reform and innovation, and improved the quality of financial services delivered to poverty-stricken regions and impoverished people.

Case: An e-commerce targeted poverty alleviation mode

Following the launch of “Yunnan-Wonderful Shopping” e-commerce platform, the Bank copied the e-commerce poverty alleviation mode in a number of provinces throughout China. As at the end of 2017, the poverty alleviation-themed columns of the CEB “Wonderful Shopping” e-commerce platform had cumulatively sold over 20,000 commodities with sales revenues close to RMB6 million. A new successful path of e-commerce poverty alleviation has been created.



Yunnan Nujiang Rice sold on the “Yunnan-Wonderful Shopping” platform

The yam market has been gloomy in recent years, with the supply in excess of demand. CEB helped me sell yams on its e-commerce platform and devised promotional activities on the platform. With the support from all over the country, I am now confident in making the brand stronger. I am also confident in helping more fellow villagers to become rich.

—“Yam Girl” Pan Chunting



Pan Chunting, also known as the “Yam Girl”

3. One-to-one assistance program for poverty alleviation

In 2017, the Bank donated RMB2.4 million for poverty alleviation to Xinhua County, Guzhang County and Xintian County in Hunan Province, which are connected to the Group in the one-to-one assistance program. The Bank has cumulatively donated over RMB33 million in the past 16 years.

In addition, we also actively took on assistance tasks assigned by superior departments and industry regulators and some other tasks of our own. The Bank has fully mobilized strengths to support the sustainable social and economic development in poverty-stricken regions and lift poor people out of poverty as soon as possible.

(1) Funding infrastructure construction

Improving infrastructure in impoverished regions and helping develop collective economy in villages is one of the most important basic tasks of poverty alleviation. In 2017, many CEB branches participated in infrastructure construction in impoverished regions, helped improve people's living environment, and provided basic guarantees for the development of local industries and economic advancement.

Case: “The fire burns higher when everybody adds wood to it.”

In 2017, the Bank took an active part in the one-to-one assistance program. CEB Nanjing Branch completed the “One Plaza for One Village” program. CEB Nanning Branch brought drinking water of Lengshui Village up to safety standard, and realized the goal that every household has access to running water and electricity power. CEB Urumqi Branch built new office premises for the village committee of Yingmaili Village, Nurbag, Shayar County, Aksu Prefecture in the south of Xinjiang, refined the rural cooperative construction, rebuilt seepage-control canals of the main arteries and leveled the land in the village. These actual efforts have spurred rapid development of the area.



Staff of CEB Urumqi Branch visited farmers on farmlands.

(2) Promoting regional industry development

General Secretary Xi Jinping stressed: “developing industries is a fundamental policy to lift people out of poverty.” In line with the requirement of “offering farmers with working capacity opportunities and platforms to get out of poverty themselves by funding some agricultural industry projects,” the Bank, based on field studies and taking local industry features into account, developed an industry assistance program. This approach of “teaching people how to fish instead of giving them fish” can actually lift people out of poverty.

Case: Supporting specialized rural cooperatives to develop industries for poverty alleviation

In 2017, CEB Guangzhou Branch granted RMB100,000 to support the Wu'ai Village committee to set up a specialized cooperative, dedicated to promoting farming, husbandry and sales of agricultural and sideline products. Throughout the year, it realized a sales revenue of over RMB1.5 million and added about RMB230,000 to the poverty alleviation development fund. The cooperative funded the construction of a demonstration breeding base, which produces 5,000-odd Lanyang Mountain chickens annually. It has become an engine of sustainable development for the impoverished population of the village.



A demonstration base of targeted poverty alleviation sponsored by CEB Guangzhou Branch

Case: Photo-voltaic power generation promoting actual poverty alleviation

In 2016, CEB Hefei Branch invested RMB250,000 in the development of Shiligou Village's real economy, building a photo-voltaic power generation station for the village. As at the end of 2017, this 60KW centralized photo-voltaic power station had been connected to the power grid and started to generate power. Shiligou Village received the proceeds of RMB44,000 from power generation, benefited 40 poor families, and brought an additional income of RMB1,460 to each household. It was expected that each household would receive a dividend ranging from RMB4,000 to RMB6,000 annually. The project is truly helpful to lift people out of poverty.



The photo-voltaic power generation station project funded by CEB Hefei Branch

(3) Devoting efforts in education and training

The Report at the 19th CPC National Congress points out that “we will pay particular attention to helping people increase confidence in their own ability to lift themselves out of poverty and access the education they need.” In the implementation of this requirement, the Bank continued increasing input to the education field in 2017. 200-odd employees participated in the China Everbright Group's student aids and poverty alleviation actions, with a total donation of RMB215,600, helping 251 children in impoverished regions enter schools.

Case: Changing students' life by supporting the renovation of schoolhouses

Tianba Elementary School in Tekoujiagu Village, Tekoujiagu Town, Zhaojue County, Sichuan Province, located deep inside the Daliang Mountain, was a school combining primary school education and kindergarten education. Without renovation for years, the schoolhouses had water leakage problems and extremely poor dietary and hygienic conditions. In 2017, CEB Chengdu Branch offered financial aids worth RMB530,400 to the school's expansion project, creating a better learning environment for school-age children and changing their life with knowledge.



Original school gate of Tianba Elementary School



School gate of Tianba Elementary School after renovation

4. Remaining true to the original aspiration through philanthropic poverty alleviation

The Bank has been committed to philanthropic poverty alleviation for years through carrying on programs such as “Water Cellar for Mothers” and “Aiding Families of Sacrificed, Injured and Disabled Police.” Remaining true to its original aspiration, the Bank will actively fulfill its social responsibilities.

Case: Continuously aiding families of sacrificed, injured and disabled police

Since 2016 the Bank has sponsored the campaign of “Aiding Families of Sacrificed, Injured and Disabled Police,” organized by the China Police Martyrs and Heroes Foundation. As at the end of 2017, it had cumulatively donated RMB4 million to alleviate the difficulty in preferential treatment for the police’s families. In the May and June of 2017, the Bank, together with Chinese Police Martyrs and Heroes Foundation, paid visits to families of some police martyrs who sacrificed their lives on duty in Tibet and Guangdong, extending condolences to them.



Certificate of Donation to Chinese Police Martyrs and Heroes Foundation

ii. Protecting environment and creating green ecology

Building an ecological civilization is vital to sustain the development of Chinese nation. We must realize that lucid waters and lush mountains are invaluable assets, act on this understanding, and implement our fundamental national policy of conserving resources and protecting the environment.

—Report at 19th CPC National Congress

1. Developing green finance

(1) Strengthening guidance on green finance policy

The Bank established and implemented the Five Development Concepts of innovation, coordination, green, openness and sharing, improved its green credit policy and clarified the overall requirements and basic standards with regard to prevention of environmental and social risks. Green credit standards and requirements for management of environmental and social risks of all industries are specified in our industry credit policy. Favorable policies are designed for such fields as ecological protection and clean energy to channel credit resources to green economy fields. Credit project review is subject to one-vote veto concerning environmental protection, where projects that fail to live up to environmental requirements and that may bring material adverse impact on the environment will be definitely vetoed. As at the end of 2017, the balance of our green credit facilities with general risk stood at RMB74.9

billion, equivalent to environmental benefits of saving standard coals of 1.74 million tons, carbon dioxide emissions of 1.54 million tons and water of 193.51 million tons.

(2) Supporting the development of energy-saving and environmentally-friendly industries

In active response to the country's appeal for "mass entrepreneurship and innovation, green and low-carbon," the Bank increased input to green finance and adopted differential policies in terms of funds use, performance management and risk control. It stepped up innovation in business modes, held green finance promotion fairs and built up a mechanism of multi-party sharing of risks and benefits so as to boost the development of energy-saving and environmentally-friendly industries.

Case: "Low-carbon, energy-saving" loan product facilitated energy-saving renovation

At the beginning of its inception, Suzhou KLE Environmental Technology Co., Ltd. cooperated with a Yinchuan-based company in an energy-saving renovation project. However, as the company had negative net profits and lacked qualified assets to be pledged, the project encountered financing difficulties. After learning about the situation, CEB Suzhou Branch recommended our "low-carbon, energy-saving" loan product. As a three-year loan of RMB1.75 million was swiftly extended with future proceeds of the renovation project as the source of repayment, based on a reasonable repayment plan designed according to the business' cash flow cycle, the loan product had effectively solved the financing difficulties of the project.



KLE's Baolvte Kitchen Waste and Water Treatment Project in Yinchuan

Case: Supporting development of a leading environmentally-friendly enterprise

CEB Shenzhen Branch started business cooperation with BYD, the first lithium battery supplier for Nokia in China, as early as 2002. By December 2017, the branch had provided financing support worth RMB8.6 billion for BYD Group, making contributions to the development and transformation of the environmentally-friendly enterprise, as well as the development of the real economy.



CEB Shenzhen Branch provided financing support for BYD.

(3) Supporting the elimination and governance of backward production capacity

Conscientiously implementing the country's policies and measures concerning cutting excess capacity and pushing forward green credit, the Bank refined the arrangement for differentiated credit policies, strengthened and improved its credit management, implemented differentiated policies and requirements, and improved credit management in line with the Policy of Partially Protected and Partially Restricted, with reasonable allocation of credit resources, supported enterprises energy saving and emission reduction, reined in high-pollution and energy-extensive industries. Moreover, the Bank fully implemented environmental regulations and industrial policies, withdrew further credit support for new projects in industries that would be restricted and eliminated according to China's industrial policies such as *Catalogue for Guiding Industrial Restructuring*; as for projects falling into the elimination category, all forms of new credit support must be terminated in principle, and in order to effectively support the elimination and governance of backward production capacity, measures must be taken to recover credit facilities that are already extended.

2. Persisting on green operation

(1) Discharges and emissions

CEB is a financial institution serving as a credit intermediary by means of deposit, loan, exchange, saving, etc. During its operation, the Bank never generated any emissions to water or soil. Hazardous wastes produced from our operation weighed about 105.50 tons, mostly in the form of used lead-acid batteries, which were handed over to qualified professional companies for treatment. Non-hazardous wastes were

about 1,631.81 tons, mostly office wastes and discarded hard disks, which were also conveyed to recyclers for treatment.

Our greenhouse gas emissions stemmed from daily office activities, such as business vehicles, business trips and use of high-power equipment and devices. In 2017, the Bank's total greenhouse gas emissions reached 63,825.72 tons. In the meantime, the Bank made major efforts to organize green public welfare activities such as planting trees to absorb carbon dioxide.

(2) Use of resources

In daily operation, the Bank actively advocated the idea of “green offices,” strengthened management of green operation, strictly carried out the *Measure on Implementation of China Everbright Bank for Exercising Frugality and Combating Extravagancy*, used energy-saving products, eliminated high-power-consumption equipment and devices, and utilized new energy and renewable energy; it advocated the use of water-saving apparatuses and tried to cultivate a water-saving atmosphere; waste water reservoirs were built to store waste water filtered from the direct drinking water system, which could be pressurized for re-utilization; waste paper containing no confidential information, discarded electric appliances and electronic products and other used materials were recovered and processed in a centralized manner for recycling; paper-less office was encouraged to reduce consumption of one-off office supplies; video conferences were advocated as well and the number of on-site meetings was curbed; employees were called on to save water and electricity, and reduce wastes in a bid to turn the Bank into a “green bank.”

3. Launching environmental protection activities

While actively advocating the building of an ecological civilization, the Bank organized its staff to carry out a series of green public welfare activities to disseminate the ecological and environmental protection concepts to the public and promote sustainable development of society.

Case: “Planting Trees Is Planting the Future”

On April 12, CEB Guiyang Branch carried out a tree planting campaign named “Planting Trees Is Planting the Future” in Taurus Lake Park, Gui'an New Area, Guiyang.



CEB Guiyang Branch carried out the campaign of “Planting Trees Is Planting the Future.”

Case: “Protecting the Environment, Starting from Me”

On May 28, Bianjia Village Sub-branch under CEB Xi'an Branch conducted a voluntary campaign named “Protecting the Environment, Starting from Me” in Wangshun Mountain National Forest Park.



Bianjia Village Sub-branch of Xi'an Branch held a voluntary campaign.

Case: “Sharing Sunshine, Traveling Low-carbon”

On October 14, CEB Yinchuan Branch held a philanthropic cycling activity named “CEB Cup—Sharing Sunshine, Traveling Low-carbon,” where about 300 biking enthusiasts participated in the advocacy of healthy lifestyle.



CEB Yinchuan Branch launched the philanthropic cycling activity named “Sharing Sunshine, Traveling Low-carbon.”

iii. Caring for staff and building a stage for career development

1. Protecting employee's basic rights and interests

(1) Protecting basic rights and interests of staff

The Bank has established a unified remuneration system with the principle of “giving priority to efficiency with due consideration to fairness.” The system is composed of four parts: basic salary, position salary, performance-related salary and fringe benefits. The Bank continuously refined its remuneration system, developed the *Measures for Management of Employee's Performance of China Everbright Bank*(Edition 2017), and strictly implemented China's laws and regulations on social security insurance and housing provident fund.

The Bank strived to push forward sound development of business, continuously provided more job opportunities for society and stuck to reasonable standards for selecting and placing professionals. It offered fair opportunities to females, ethnic minorities and physically challenged people, and fully protected their legal rights. In 2017, the percentage of female employees of the Bank reached 55.31%.

In strict compliance with the *Labor Law*, the *Labor Contract Law*, the standard working hour rule and vacation policy, the Head Office and branch institutions at different levels banned employment of underage labors and forced labors.

Headcounts by Gender

Indicator	Unit	2017
Number of male employees	Person	19,692
Number of female employee	Person	24,374
Total number of employees	Person	44,066

Headcounts by Age

Age (year)	Unit	2017
≤29	Person	20,230
30~39	Person	16,817
≥40	Person	7,019
Total	Person	44,066

Turnover Rate of Contracted Employees by Age

Age (year)	Unit	Turnover rate of contracted employees in 2017
≤29	%	6.25
30~39	%	5.77
≥40	%	2.81
Total	%	5.43

(2) Advancing democratic management

To strengthen democratic management, the Bank fully implemented and refined the staff congress regime, convened themed staff congresses, and broadened channels of democratic decision making by employees and democratic management.

Case: Themed Staff Conferences

In 2017, the CEB Head Office convened two themed staff conferences, where five sets of management measures for the position ranking system were voted and passed.



Employee representatives cast votes on a proposal.

(3) Strengthening safety management

With importance attached to the staff's health and safety, the Bank, in accordance with the *Labor Law of People's Republic of China*, the *Work Injury Insurance Regulations* and other state laws and regulations, provided a wide range of guarantees for its employees as well as reasonable measures for attendance and leaves. In 2017, the Bank's social insurance coverage ratio was 100% and there was zero death due to job duties.

In addition to combing through the security rules, infrastructure standards and security manuals, the Bank held 1,112 security training sessions, fire drills, lectures on traffic laws and regulations, educational talks on stability maintenance and training sessions on operational safety for 31,875 persons throughout the year, which effectively enhanced the staff's and the security teams' alertness and sharpened their emergency response skills.

2. Empowering staff for career development

(1) Releasing talent vigor

Through reforming the position ranking system and launching a series of management measures for the system, the Bank further optimized the position ranking system, established three position ranking sequences: management ranking sequence, professional ranking sequence and skill ranking sequence, refined the position ranking system and broadened career development paths for employees.

(2) Improving staff quality

Centering on the development strategy and the annual work priorities, the Bank built a new training mode that has wide coverage, clear hierarchy and high relevance, established a multi-channel, systematic and all-dimensional training system, and

delivered demand-oriented training, thereby improving the employees' overall quality and professionalism. In 2017, the Bank organized 5,996 training sessions, where 342,379 persons were trained.

Case: Launching a branded new staff orientation program

In 2017, the Bank launched a four-phase orientation program for newly recruited graduates, including experiencing at the Long-distance Banking Center, training on general skills, rotational internships at branches and fixed-position internships in the Head Office, to cultivate them from students to professionals. This orientation program was branded with distinctive CEB features.



The Head Office orientation activities for newly recruited graduates

Case: Conducting training on enhancing service capabilities and marketing skills

In early March, CEB Changsha Branch launched 10 consecutive training sessions on enhancing the employees' financial service capabilities and marketing skills. The training sessions covered service etiquette, enhancement of marketing skills, interaction and collaboration between the front and back offices, etc. The employees' service capabilities had been effectively enhanced by role exchange, role play, self-correction of mistakes in attires, etc.



CEB Changsha Branch organized a training session on enhancing service capabilities and marketing skills.

3. Caring for staff's life

Concerns were extended for work and life of female employees, employees living in hardship and retirees, with an emphasis on caring for their physical and mental health and solving their difficulties.

The Head Office set up a Sunshine Care Fund, which had a total income of RMB304,800 and used RMB55,000 to help employees in need in 2017.

Case: “Sharing Love, Lighting up Life”

The Credit Card Center of the CEB Head Office offered an innovative service of “traditional Chinese medicine health care” to employees, which substantially improved the employees’ health. The Credit Card Center initiated the EAP project, offering four categories of service: information inquiry about mental health, monitoring mental state, caring for mental health and management of mental state, with an aim of improving the employees’ psychological capital and sense of happiness.



Traditional Chinese medicine health care room in CEB Credit Card Center



EAP Project of CEB Credit Card Center

4. Ensuring work-life balance

To improve the quality of staff's spare time, the Bank organized various activities such as hiking and photography competitions, which effectively improved the cohesion of staff teams and cultivated an aspiring corporate culture.

Case: Staff photography competition held

In October, the Bank organized the third bank-wide photography competition, where 148 people from 38 branches submitted 354 (sets of) photos. During the competition, we invited some expert photographers to select excellent works, created a collection of them, and recommended 47 works to the fourth national exhibition of photographs of financial sector. Six employees won awards in the exhibition.



Featured work: *Beauty in Loulan*, by Fang Zhong, CEB Shenzhen Branch



Featured work: *Autumn in Zizhu Park with Sunset Glowing Red*, by Zhu Wen, CEB Head Office



First-prize: *The Skier*, by Wan Lingxun, CEB Heilongjiang Branch



Second-prize: *Tea Plantation in Spring*, by Ying Haijia, CEB Ningbo Branch



Third-prize: *Primitive Tribe in the Morning Sunrays*, by Zhao Wenli, CEB Shenzhen Branch

Case: Various staff activities held



The Information & Technology Department of the Head Office held the chorus contest of “Freeing Youth, Flying Dream.”



CEB Shanghai Branch held the 7th Staff Sports Games.



CEB Qingdao Branch organized the walkathon activity of “Running with CEB, Running with Love.”



CEB Kunming Branch held the first “Youth League Cup” debate contest.

iv. Continuing with public welfare actions and fulfilling social responsibilities

The Bank was committed to public welfare, actively explored innovation in this field, devoted itself into education, assistance to the disabled and other philanthropic fields, and delivered voluntary service, all contributing to the philanthropic road with CEB characteristics.

1. Exploring innovative approaches of public welfare

The Bank was active in pushing forward innovation in public welfare, launched charitable trust and block chain donation system through combining its own industry characteristics, and explored new modes of using financial services to facilitate charity.

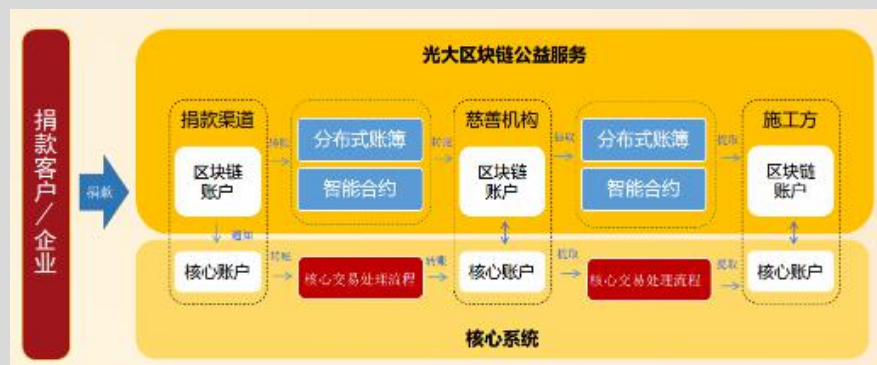
Case: A charitable trust project officially launched by China Everbright Bank

On September 1, the Bank, in cooperation with Huaneng Trust, officially launched a charitable trust project. In a trilateral cooperation mode of “commercial bank + trust company + high-net-worth customer,” the project connected charitable trust to charity projects through appealing to high-net-worth customers to donate investment returns and waiving the Bank’s own fee income. In 2017, in the selection of “China Private Banking and Wealth Management Awards 2017” hosted by *The Asian Banker*, the Bank, by virtue of its outstanding contribution to public welfare, was honored as the “Best Social Responsibility Private Bank in China.”



Case: Transparency of charity enabled through block chain technology

With such attributes as unforgetability, multi-centricity, anonymity and traceability, the block chain technology plays a unique role in banking business. The Bank successfully launched a block chain charitable donation system for the “Water Cellar for Mothers” program, which enabled the transparency of donation information, the traceable use of donated funds, the unchangeableness of accounting information and the privacy protection of donators under the program. The system has effectively increased the transparency of charitable donations.



Flowchart of block chain charity service

2. Extending student aids

The Bank took an active part in funding education and aiding the disadvantaged group, made donations to students and organized employees to help the disadvantaged group, offering them possible assistance.

Case: “Sailing Dreams, Bringing Love Home”

On February 16, CEB Yingkou Branch of Dalian hosted the ceremony of “Sailing Dreams, Bringing Love Home”, donating RMB105,000 to students in need in Yingkou City.



CEB Yingkou Branch of Dalian hosted the student donation ceremony of “Sailing Dreams, Bringing Love Home.”

Case: One-to-one assistance to children with hearing disorder

On July 3, Qingnian Road Sub-branch under CEB Changchun Branch officially started the one-to-one assistance program with Changchun Special Education School. Staff representatives of the sub-branch would deliver one-to-one long-term assistance to eight children with hearing disorder of the school. On December 8, the representatives delivered to them some small gifts such as scarfs and gloves and gave them a lecture on financial knowledge.



The one-to-one assistance program between CEB Qingnian Road Sub-branch and Changchun Special Education School

3. Delivering voluntary service

The Bank organized many branded voluntary projects and encouraged employees to take an active part in voluntary service and make use of their strengths to reward the society. As at the end of 2017, the Bank had delivered 1,006 times of voluntary service, involving 4,645 employees work of 3,142 hours.

Case: “Care for Children” voluntary activity

On June 5, CEB Chongqing Branch organized employees to participate in the “Care for Children” voluntary activity sponsored by Chongqing Financial Federation of Trade Union and Chongqing Financial Trade Union Committee of Women Workers and Staff, delivering care and love to children of the Children’s Home.



CEB Chongqing Branch organized the “Care for Children” voluntary activity.

Composing a new chapter in the new era

2018 is the first year of implementation of the guidelines of the 19th CPC National Congress and also a critical year of securing a decisive victory in building a moderately prosperous society in all respects. In the future, CEB will advance at a steady pace, attach equal importance to quality and efficiency and go all out to become a leading joint-stock commercial bank in China defined by its reputation, aspirations, quality, innovation, vigor, unique characteristics, dedication to the bottom line and sense of responsibility.

We will stick to mutual benefits and a win-win outcome, actively support China's major strategies and projects related to people's livelihood, optimize the regional financial functions, bolster the development of small and micro enterprises, agriculture, rural areas and rural people and emerging industries, serve the real economy, implement the internationalized development strategy, step up domestic-overseas collaborations, and advance the expansion of the international layout.

We will continue delivering "Sunshine" services, refining the service management framework, and actively build an inclusive finance pattern, in order to provide innovative, safe and reputed service, maximize values delivered to customers, and strive for mutual development with customers.

We will carry on innovation and development, implement the guidelines of the 19th CPC National Congress, carry out featured Party-building actions, step up technology innovation to deliver more efficient and intelligent service to customers, continue reinforcing risk management, and stick to the bottom line of financial risk.

While continuing the targeted poverty alleviation program, we will refine our policies and rules in the program, increase efforts in poverty alleviation, actively explore and spread CEB-featured e-commerce poverty alleviation mode in a bid to contribute to winning the battle against poverty.

We will insist on green development in line with the requirements for building an ecological civilization stated in the 19th CPC National Congress Report, optimize our credit business structure and deliver more resources to support the development of energy-saving and environmentally-friendly industries and facilitate the elimination of outdated industries, disseminate the green and environmental concepts, and carry out green charity practices.

Staying people-oriented, we will continue broadening career development paths for our staff, build up an all-dimensional training system, improve the overall quality of employees, truly care for their physical and mental health, and secure their sense of belonging and happiness.

We will continue our philanthropic actions, actively explore innovation in philanthropy, make more devotion to support education, empowering the weak and delivering voluntary service, continue sponsoring the "Water Cellar for Mothers" program, and strive to become an important participant and propeller in rewarding the society.

"The natural law governs all that genuine power stems from the heart." China Everbright Bank looks forward to creating a bright future together with you.

Appendix

Appendix 1 Notes

I. Coverage

Organizations: The Corporate Social Responsibility Report (“CSR Report” or “the Report”) covers the Head Office of China Everbright Bank and the institutions in its jurisdiction.

Reporting Period: January 1, 2017 to December 31, 2017 (Some contents may not fall into the aforesaid reporting period.)

Reporting Cycle: Annual report.

II. Basis

China Banking Regulatory Commission

Opinions on Strengthening Social Responsibility of Banking Financial Institutions

China Banking Association

Guidelines on Corporate Social Responsibility of Banking Financial Institutions

Shanghai Stock Exchange (“SSE”)

Guidelines on Environmental Information Disclosure of Companies Listed on Shanghai Stock Exchange

Hong Kong Exchanges and Clearing Limited

The latest version of *Environmental, Social and Governance Reporting Guide*

Chinese Academy of Social Sciences

Guidelines on Corporate Social Responsibility Report of Chinese Enterprises (CASS-CSR4.0)

Global Reporting Initiative (“GRI”)

Sustainable Development Reporting Standards

III. Notes on data

The financial in the Report comes from the 2017 annual financial statement of CEB, mainly of 2017, while some of the previous years. All monetary amounts stated in the Report are denominated in RMB, unless otherwise specified.

IV. Reporting quality assurance

To ensure the authenticity and reliability of the Report, PricewaterhouseCoopers Zhong Tian LLP has performed limited assurance of key data disclosed in the Report, and issue an independent assurance engagement report in accordance with the

International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

V. Contact information

General Office of China Everbright Bank Company Limited

Address: China Everbright Center, No.25, Taipingqiao Avenue, Xicheng District, Beijing

Postal code: 100033

Tel: 86-10-63636363

Fax: 86-10-63639066, 63639088

Appendix 2 Table of Key Performance Indicators

Economic performance	Unit	2017	2016	2015
Total assets	RMB1 trillion	4.09	4.02	3.17
Operating revenue	RMB100 million	918.50	940.37	931.59
Net profit	RMB100 million	316.11	303.88	295.77
Balance of loans to small and micro businesses	RMB100 million	4,002.78	3,409.70	2,884.35
Average return on total assets	%	0.78	0.85	1.00
Weighted average return on net assets	%	12.75	13.80	15.50
Non-performing loan ratio	%	1.59	1.60	1.61
Capital adequacy ratio	%	13.49	10.80	11.87
Social performance	Unit	2017	2016	2015
Total workforce	Person	44,066	42,250	40,319
Proportion of female employees	%	55.31	55.52	55.17
Effective customer complaints received	Case	639	768	880
Public welfare donations of the Head Office	RMB10,000	764.29	633.25	613.11

Environmental performance

Statistic scope of the environmental performance section herein covers the Head Office, domestic tier-1 branches and the sub-branches under Xiamen Branch of China Everbright Bank, unless stated otherwise. Lhasa Branch is not included in the statistics of this report, because it was opened on December 18, 2017, but it will be included in due course in the future.

1. Discharges and emissions¹

Sulfur dioxide (ton) ²	0.01
Nitrogen oxide (ton) ³	0.57
Total greenhouse gas emissions (Category I & Category II) (ton) ⁴	63,846.54
Greenhouse gas emissions per capita (Category I & Category II) (ton/person)	3.32

Greenhouse gas emissions per square meter of floor area (Category I & Category II) (ton/m ²)	0.10
Direct discharges & emissions (Category I) (ton)	6,201.08
Fuel consumption of corporate vehicles ⁵	1,510.60
Diesel consumption of facilities ⁶	1,913.71
Gas	2,776.78
Indirect discharges & emissions (Category II) (ton)	57,645.46
Purchased electricity power	57,645.46
Total hazardous waste discharges (ton) ⁷	105.50
Hazardous waste discharges per capita (ton/person)	0.0055
Hazardous waste discharges per square meter of floor area (ton/m ²)	0.0002
Total non-hazardous waste discharges (ton) ⁸	1,631.81
Non-hazardous waste discharges per capita (ton/person)	0.08
Non-hazardous waste discharges per square meter of floor area (ton/m ²)	0.0026

Notes:

1. As data concerning wastes, energy and resource consumption of computer rooms cannot be calculated separately for the time being, the calculation of intensity of greenhouse gas emissions, hazardous waste discharges, non-hazardous waste discharges, energy consumption and daily water consumption, in terms of both per capita and per square meter of floor area, covers both office areas and computer rooms.

2. Emissions of sulfur dioxide mainly come from fuel consumption of corporate vehicles; the sulfur dioxide emission data are calculated according to the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Road Motor Vehicles (Trial)* released by the Ministry of Environmental Protection of the People's Republic of China.

3. Emissions of nitrogen oxide mainly come from fuel consumption of corporate vehicles; the nitrogen oxide emission data are calculated according to the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Road Motor Vehicles (Trial)* released by the Ministry of Environmental Protection of the People's Republic of China.

4. The greenhouse gas inventories contain carbon dioxide, methane and nitrous oxide, which are mainly produced from purchased electricity power and fuels. Emissions of greenhouse gases are presented in terms of carbon dioxide equivalent, and calculated in accordance with the *2015 Power Grid Baseline Emission Factors in China* released by the National Development and Reform Commission (NDRC) and *2006 IPCC Guidelines for National Greenhouse Gas Inventories* publicized by the Intergovernmental Panel on Climate Change (IPCC).

5. “Fuel consumption of corporate vehicles” includes gasoline and diesel consumed by corporate vehicles.
6. “Diesel consumption of facilities” refers to diesel consumed by backup generators and a few kitchen ranges.
7. Hazardous wastes from business operation, mostly in the form of used lead-acid batteries, are handed over to qualified specialized companies for treatment.
8. Non-hazardous wastes of the Bank, mostly office wastes and discarded hard disks, are also conveyed to recyclers for treatment. Office wastes of the Head Office, Shenyang Branch, Dalian Branch, Xiamen Branch, Jinan Branch, Qingdao Branch, Chongqing Branch, Chengdu Branch, Xi’an Branch, Nanchang Branch, Urumqi Branch and Xining Branch are handed over for treatment to the property management companies in charge of respective business premises. As a result, office wastes of these entities cannot be separately measured, so they are estimated according to the *Manual of Coefficients of Pollutants Discharged from Urban Domestic Sources in the First National Census on Pollution Sources* released by the State Council.

2. Energy and resource consumption

Total energy consumption (megawatt hour) ¹	107,350.76
Energy consumption per capita (megawatt hour/person)	5.58
Energy consumption per square meter of floor area (megawatt hour/m ²)	0.17
Direct energy consumption (megawatt hour)	27,646.53
Fuel consumption of corporate vehicles	6,167.35
Diesel consumption of facilities	7,278.36
Natural gas	14,200.83
Indirect energy consumption (megawatt hour)	79,704.23
Purchased electricity power	79,704.23
Purchased electricity power consumption of the Head Office (megawatt hour) ²	30,261.56
Daily water consumption (ton) ³	637,348.18
Daily water consumption of the Head Office (ton) ⁴	92,027
Daily water consumption per capita (ton/person)	33.11
Daily water consumption per square meter of floor area (ton/m ²)	1.01

Notes:

1. Calculation of energy consumption data is based on the consumption amount of electricity and fuels, as well as relevant conversion coefficients provided in the *General Rules for Calculation of Comprehensive Energy Consumption* (GB/T 2589-2008) released by the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China and the Standardization

Administration of the People's Republic of China, including electricity power, natural gas, fuel consumption of corporate vehicles and diesel consumption of facilities.

2. "Purchased electricity power consumption of the Head Office" includes that of China Everbright Center, Shangdi Office, Taoranting Office and Everbright Building.

3. "Daily water consumption" includes tap water and intermediate water.

4. "Daily water consumption of the Head Office" includes that of China Everbright Center, Shangdi Office and Taoranting Office. As water fees of the Everbright Building office area are included in property management fees, water consumption cannot be separately calculated for the time being, so it is excluded from the statistical scope.

5. Package data are inapplicable to the Bank.

Appendix 3 Statistic Table of Targeted Poverty Alleviation Effort²

Indicator	Unit	Quantity and status
I. Overview		
Including: 1. Capital	RMB 10,000	663,507.48
1.1 Direct capital input	RMB 10,000	575.20
1.2 Loan capital	RMB 10,000	662,932.28
2. Amount equivalent to materials' value	RMB 10,000	43.98
3. Number of filed poverty alleviation population	Person	13,029
II. Breakdown		
1. Poverty alleviation by industry		
Including: 1.1 Types of industrial poverty alleviation projects	/	√ Agriculture and forestry √ Tourism √ E-commerce √ Return on asset √ Technology-oriented business √ Others
1.2 Number of industrial poverty alleviation projects		97
1.3 Investment of industrial poverty alleviation projects	RMB 10,000	517,840.34
1.3.1 Direct capital input into industrial poverty alleviation projects	RMB 10,000	218.80
1.3.2 Loan capital input into industrial poverty alleviation projects	RMB 10,000	517,621.34
1.4 Number of filed poverty alleviation population	Person	2,591
2. Poverty alleviation by employment shift		
Including: 2.1 Capital input into vocational training	RMB	1.2

² The statistics of this part cover all domestic tier-1 branches of CEB except for Lhasa Branch, because Lhasa Branch was opened in December 28, 2017, but it will be included in due course in the future. Each item in this table is the sum of that of all the branches covered.

	10,000	
2.2 Number of people who received occupational training	Person/ time	473
2.3 Number of filed poverty alleviation population under employment	Person	229
3. Poverty alleviation by relocation		
Including: 3.1 Number of people aided to relocate and get reemployed	Person	0
4. Educational poverty alleviation		
Including: 4.1 Financial aids to students from poverty-stricken families	RMB 10,000	94.51
4.2 Number of students who received financial aids	Person	725
4.3 Input to improve educational resources in poverty-stricken areas	RMB 10,000	5,060.57
4.3.1 Direct capital input to improve educational resources in poverty-stricken areas	RMB 10,000	60.57
4.3.2 Loan capital input to improve educational resources in poverty-stricken areas	RMB 10,000	5,000
5. Poverty alleviation in health care		
Including: 5.1 Capital input to medical and sanitary resources in poverty-stricken areas	RMB 10,000	15,000.48
5.1.1 Direct capital input to medical and sanitary resources in poverty-stricken area	RMB 10,000	0.48
5.1.2 Loan capital input to medical and sanitary resources in poverty-stricken area	RMB 10,000	15,000
6. Poverty alleviation in ecological conservation		
Including: 6.1 Item	/	<input checked="" type="checkbox"/> Carrying out ecological protection and construction initiatives <input type="checkbox"/> Designing compensatory methods for ecological protection <input type="checkbox"/> Setting up full-time positions in charge of ecological welfare work <input type="checkbox"/> Others
6.2 Capital input	RMB 10,000	50,000

6.2.1 Donation amount	RMB 10,000	0
6.2.2 Loan amount	RMB 10,000	50,000
7. Poverty alleviation with minimum subsistence		
Including: 7.1 Capital input to help children, women and the elderly “left-behind”	RMB 10,000	4.13
7.2 Number of “left-behind” people aided	Person	450
7.3 Capital input to help the impoverished disabled people	RMB 10,000	14.35
7.4 Number of the impoverished disabled people aided	Person	119
8. Social poverty alleviation		
Including: Capital input to east-west collaborative poverty alleviation	RMB 10,000	0
8.2 Capital input to one-to-one poverty alleviation programs	RMB 10,000	82.13
8.3 Poverty alleviation charity fund	RMB 10,000	11.5
9. Other projects		
Including: 9.1 Number of projects		503
9.2 Capital input	RMB 10,000	75,436.45
9.2.1 Direct capital input	RMB 10,000	125.51
9.2.2 Loan amount	RMB 10,000	75,310.94
9.3. Number of filed poverty alleviation population	Person	10,438
9.4. Notes to other projects	/	
III. Honors and Awards		
In January 2018, the Bank won the “Annual Poverty Alleviation Award” at the 12th “People’s Corporate Social Responsibility Awards” selection ceremony held by People.cn.		
In July 2017, the Bank was honored as the “Model Enterprise in Contributions to Targeted Poverty Alleviation in 2017” at the annual conference on corporate social responsibility of Chinese enterprises sponsored by <i>Southern Weekly</i> .		

Appendix 4 Indicator Index

Content	CASS-CSR4.0 indicator	Position in the report
CEB and SDGs	S2.1, S2.14, S3.4, S3.7, S4.8, S4.11, S4.13, E2.25	
Chairman's message	P2.1-P2.2	
President's message	P2.1-P2.2	
About us	CEB today	P4.1-P4.5, M1.1, M1.3-M1.6, M3.8
	CSR management	G1.1-G1.2, G2.1-G2.4, G3.1-3.3, G4.1-G4.3, G5.1, G6.1-G6.2
Sharing prosperity, leading a new era	CSR Story: The rebirth of a shabby block	P3.1
	Creating value by supporting national initiatives	S1.4
	Building up harmony and serving the real economy	S1.4
	Seeking mutual development and advancing the international business layout	S1.4
	CSR Story: Finance helping rural enterprises "going global"	P3.1
"Sunshine" services starting a new journey		

	Creating integrated value through delivering quality service	M2.1-M2.2
	Innovating service, experiencing intelligent banking	M2.4
	Rigorous safety management to protect customers' rights and interests	M2.8-M2.10, M2.13
	Spreading "sunshine" through quality service	M2.15-M2.17
	CSR Story: "Party-building + business" facilitated the economic development of Shaoshan area	P3.1
Innovative development opening up a new chapter	Focusing on featured Party-building in a comprehensive manner	S1.4
	Driving development with technology innovation	M2.4
	Reinvigorating the Bank while sticking to the risk bottom line	M2.2, M3.5, M3.8
Creating a better life by shouldering responsibilities	CSR Story: Water for life	P3.1
	CEB's devotion in targeted poverty alleviation	S1.4, S4.12-S4.13

Protecting environment and creating green ecology	S1.4, E1.1, E1.7, E2.8, E2.15-E2.16, E2.24, E3.1-3.2, E3.6
Caring for staff and building a stage for career development	S2.1-S2.4, S2.7, S2.10-S2.18, S3.3-S3.4, S3.7
Continuing with public welfare and fulfilling social responsibilities	S4.6, S4.8, S4.10-S4.11
Composing a new chapter in the new era	A1
Appendix 1 Notes	P1.1-P1.3
Appendix 2 Table of Key Performance Indicators	M1.6-M1.8, M2.18, S2.1, S4.8, A2
Appendix 3 Statistic Table of Targeted Poverty Alleviation Effort	S4.6
Appendix 4 Indicator Index	A5
Appendix 5 ESG Index	A5
Appendix 6 Assurance Engagement Report	A4
Appendix 7 Feedback	A6

Appendix 5 ESG Index

The Report is presented in accordance with the latest *Environmental, Social and Governance (ESG) Reporting Guide* issued by Hong Kong Exchanges and Clearing Limited (“HKEX”). In 2017, the Report applied general disclosures of 11 aspects and 32 key performance indicators stated in the *ESG Reporting Guide*.

Scope, aspect, general disclosure and KPI		Index	Remark
A. Environment			
Aspect A1	Emissions		
General disclosure	Information related to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous wastes: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Protecting environment and creating green ecology	/
A1.1	The types of emissions and respective emission data.	Table of Key Performance Indicators	/
A1.2	Total greenhouse gas emissions (in tons) and, if applicable, intensity (e.g. per unit of production volume, per facility).	Table of Key Performance Indicators	/
A1.3	Total hazardous wastes produced (in tons) and, if applicable, intensity (e.g. per unit of production volume, per facility).	Table of Key Performance Indicators	/
A1.4	Total non-hazardous wastes produced (in tons) and, if applicable, intensity (e.g. per unit of production volume, per facility).	Table of Key Performance Indicators	/
A1.5	Description of measures to mitigate emissions and results achieved.	Protecting environment and creating green ecology	/
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Protecting environment and creating green ecology	/
Aspect A2	Use of resources		

General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Protecting environment and creating green ecology	/
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Table of Key Performance Indicators	/
A2.2	Total water consumption and intensity (e.g. per unit-of-production volume, per facility).	Table of Key Performance Indicators	/
A2.3	Description of energy use efficiency initiatives and results achieved.	Protecting environment and creating green ecology	/
A2.4	Description of whether there is any issue in water sources that are fit for purpose, water efficiency initiatives and results achieved.	Protecting environment and creating green ecology	/
A2.5	Total packaging materials used for finished products (in tons) and, if applicable, with reference to per unit produced.	/	N/A
Aspect A3	Environment and natural resources		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Protecting environment and creating green ecology	/
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting environment and creating green ecology	/
B. Society			
Aspect B1	Employment		
General disclosure	Information related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Caring for staff and building a stage for career development	/

B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for staff and building a stage for career development	/
B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for staff and building a stage for career development	/
Aspect B2	Health and safety		
General disclosure	Information related to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Caring for staff and building a stage for career development	/
B2.1	Number and rate of work-related fatalities.	Caring for staff and building a stage for career development	/
B2.2	Number of lost days due to work injury.	Caring for staff and building a stage for career development	/
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for staff and building a stage for career development	/
Aspect B3	Development and training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to occupational training. It may include internal and external courses paid by the employer.	Caring for staff and building a stage for career development	/
B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Caring for staff and building a stage for career development	/
B3.2	Average training hours completed per employee by gender and employee category.	Caring for staff and building a stage for career development	/

Aspect B4	Labor standards		
General disclosure	Information related to preventing child and forced labor; (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Caring for staff and building a stage for career development	/
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Caring for staff and building a stage for career development	/
B4.2	Description of steps taken to eliminate such practices when discovered.	/	N/A
Aspect B5	Supply chain management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Reinvigorating the Bank while sticking to the risk bottom line	/
B5.1	Number of suppliers by geographical region.	Reinvigorating the Bank while sticking to the risk bottom line	/
B5.2	Description of practices related to engaging suppliers, number of suppliers who are implemented these practices, and how these practices are implemented and monitored.	Reinvigorating the Bank while sticking to the risk bottom line	/
Aspect B6	Product responsibility		
General disclosure	Information related to health and safety, advertising, labeling and privacy matters related to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Spreading “sunshine” through quality service	/
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	/	N/A
B6.2	Number of products and services related complaints received and how they are dealt with.	Spreading “sunshine” through quality service	/

B6.3	Description of practices related to observing and protecting intellectual property rights.	Reinvigorating the Bank while sticking to the risk bottom line	/
B6.4	Description of quality assurance process and recall procedures.	/	N/A
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Innovating service, experiencing intelligent banking	/
Aspect B7	Anti-corruption		
General disclosure	Information related to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Reinvigorating the Bank while sticking to the risk bottom line	/
B7.1	Number of concluded legal cases regarding corruption brought against the issuer or its employees during the reporting period and the outcomes of the cases.	/	N/A
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Reinvigorating the Bank while sticking to the risk bottom line	/
Aspect B8	Community investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Continuing with public welfare and fulfilling social responsibilities	/
B8.1	Focus areas of contribution (e.g. education, environmental concerns, staff's needs, health, culture, sports).	Continuing with public welfare and fulfilling social responsibilities	/
B8.2	Resources contributed (e.g. money, time) to focus areas.	Continuing with public welfare and fulfilling social responsibilities	/

Appendix 6 Assurance Engagement Report

2018/SH-0176
(Page1/3)

English Translation for Reference Only

Independent practitioner's assurance report

To the Board of Directors of China Everbright Bank Corporation Limited,

We have been engaged to perform a limited assurance engagement on the selected 2017 key data in the 2017 Corporate Social Responsibility Report ("CSR report") of China Everbright Bank Corporation Limited ("the Bank").

Key Data

We carried out limited assurance procedures on the following key data of the Bank's 2017 CSR report:

- Balance of loans to small and micro businesses
- Total number of employees
- Proportion of female employees
- Proportion of effective complaint completion
- Public welfare donations of the Head Office
- Benefits of wealth management products to customers
- Balance of green credit
- Replacement rate of integrated counter service by e-channels
- Number of branch institutions
- Number of self-service cash machines
- Daily water consumption of the Head Office
- Purchased electricity power consumption of the Head Office
- Balance of urbanization loans

Our assurance was with respect to the selected key data of 2017 CSR report only and we have not performed any procedures with respect to any other elements included in the 2017 CSR report or information in 2016 and earlier periods.

Criteria

The criteria of the preparation of the key data in the Bank's 2017 CSR report are listed in the basis of reporting of the key data (the "basis of reporting") after this assurance report.

Responsibilities of the Board of Directors

The Board of Directors of the Bank is responsible for the preparation of the selected key data in the 2017 CSR report. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2017 CSR report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

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

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

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the key data in the 2017 CSR report based on limited assurance engagement.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on any matter that would materially affect the key data in the 2017 CSR report. Our work involves assessing the risks of material misstatement in key data in the 2017 CSR report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have only performed the following procedures in the Head Office and Beijing Branch of the Bank. We did not perform assurance work in other branches. The procedures we performed comprised:

- 1) Interviews with management and personnel in the departments involved in providing information in relation to the selected key data for inclusion in the CSR report;
- 2) Analytical procedure;
- 3) Sampling of selected key data in the CSR report;
- 4) Recalculation;
- 5) Other procedures deemed necessary.

Inherent Limitation

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

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected key data in the 2017 CSR report are not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

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

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

March 28, 2018

Appendix 7 Feedback

Dear reader,

We highly appreciate your reading of the *2017 Corporate Social Responsibility Report of China Everbright Bank*. The Report may have some unavoidable mistakes or omissions. We hope you can provide your valuable opinions so that we can make continuous improvement in our CSR work.

Thank you!

China Everbright Bank

March 2018

We highly value your opinions on the Report. Please answer the following questions and give us your timely feedback.

1. What is your overall evaluation of the Report?

2. Which part of the Report are you most interested in?
