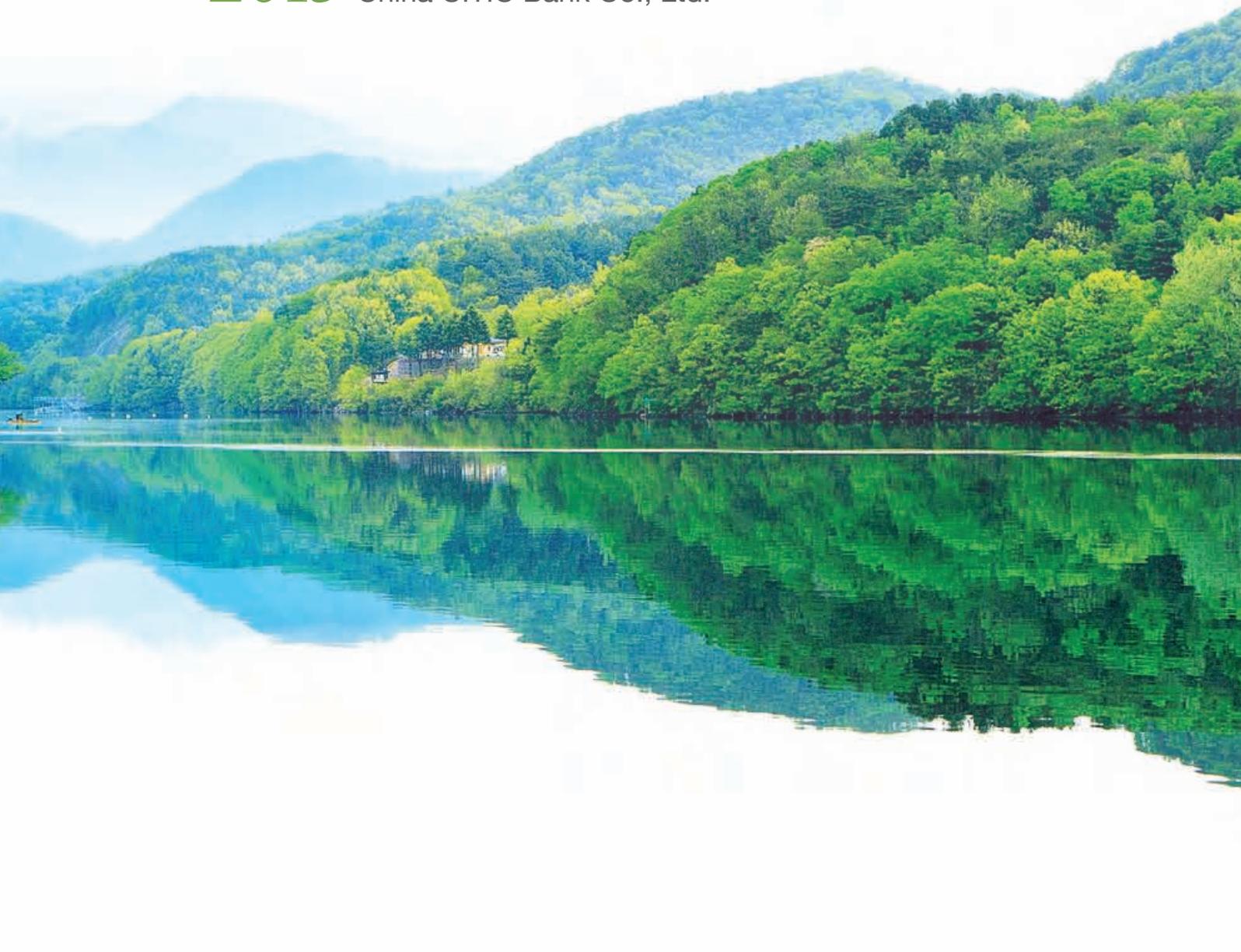




2015 Corporate Social Responsibility Report  
China CITIC Bank Co., Ltd.



# PREPARATION EXPLANATION

The 2015 Corporate Social Responsibility Report of China CITIC Bank Corporation Limited is hereinafter referred to as “the Report”. China CITIC Bank Corporation Limited is hereinafter referred to as “the Bank”. China CITIC Bank Corporation Limited and its subsidiaries are hereinafter referred to as “the Group”.

## Preparation Basis

The basis for preparation of the Report includes the *SSE Guidelines on Environmental Information Disclosure of Listed Companies*, *Guidelines on Preparation of Report on Company's Fulfillment of Social Responsibilities*, and *SEHK Guidelines for Environmental, Social and Governance Reporting* plus relevant notifications released by the SSE.

The Report was prepared in accordance with the index systems and relevant disclosure requirements as detailed in the *Guide of Report on Sustainable Development (4<sup>th</sup> Version) (G4)* issued by the Global Reporting Initiative (“GRI” hereinafter).

The Report was prepared with reference made to the *Opinions on Strengthening Social Responsibilities of Banking Financial Institutions* promulgated by the China Banking Regulatory Commission (“CBRC” hereinafter), *Guidelines on Corporate Social Responsibilities of Banking Financial Institutions* promulgated by the China Banking Association (“CBA” hereinafter), ISO26000 as well as GB/T36001-2015 *Guidance on Social Responsibility Reporting*.

## Preparation Method

The work process and work approach related to preparation of the Report were both based on the *Measures of China CITIC Bank for Management of Social Responsibility Reporting* and the Information Management System for Social Responsibility Reporting of China CITIC Bank.

Information about the Board of Directors, the Board of Supervisors, corporate governance and risk management information and financial data in the Report were sourced from the 2015 Annual Report (A Share) of the Group. For the purpose of the Report, unless otherwise specified, denomination currency is “Renminbi” and “as at the end of the year” refers to “as at the end of 2015”.

Reporting periods of the data and statements disclosed in the Report are identical with those of the Report (unless otherwise specified). Methodologies for collection of data, statements and cases disclosed in the Report are made through the online information management system. All data mentioned in the Report relating to the previous reporting period are basically consistent with those disclosed in the previous report of the Bank. In the event of data adjustment, explanations thereof are provided in corresponding sections of the Report.

The Report was written in the Chinese language. Its English translation was based on the Chinese version. In case of any discrepancies between the two versions, the Chinese version shall prevail.

## Preparer of the Report

The Report was prepared by the Mass Work and Security Department at the Head Office of the Group located in Oriental Culture Mansion, No.9 Chaoyangmen Beidajie, Dongcheng District, Beijing, China.

## Reporting Period

The reporting period, as covered by the Report, ranges from 1 January 2015 to 31 December 2015 (unless otherwise specified), coinciding with that of the annual report. The time ranges of the statistics furnished by subsidiaries of the Group as mentioned in the Report coincide with those of the Report.

## Scope of the Report

The Report covers 31 departments of the Head Office, 38 tier-1 branches and their sub-branches, and 5 tier-1 subsidiaries at home and abroad.

## Deliberation of the Report

The Report was deliberated and adopted by the Board of Directors, the Board of Supervisors and the senior management of the Group. The Board of Directors and all directors of the Group guarantee that the information contained herein does not include any false records, misleading statements or material omissions, and assume several and joint liabilities for its truthfulness, accuracy and completeness.

## Assurance of the Report

PwC Zhong Tian LLP has carried out independent limited assurance of the Report and produced its assurance report thereof. Please refer to the relevant annex of the Report for details.

## Publication of the Report

The Report is released in the three forms of printed hardcopy, electronic edition, and APP format. Hardcopies are distributed to the public via outlets of the Bank, by postal service or at related events, with summary information released via public media chosen by the Bank. Full text of the electronic edition is made available on the official website of the Group (<http://bank.ecitic.com/>). The APP format is published via the mobile customer terminal. The English version of the Report is published in electronic form only.

## Disclosure of the Report

The Group has officially published its social responsibility report once a year as of 2008. The Report is both the 8th social responsibility report officially published by the Bank and the 7th social responsibility report officially published by the Bank after independent audit by a third party.



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Chairman Chang Zhenming

## CHAIRMAN'S STATEMENT

The year 2015 saw China entering on all fronts into a “new normal” period, its economic growth undergoing transformation, ecological development given greater importance, and social development in progress towards transition. Under the “new normal”, the Group as a state-owned public company not only shoulders the important tasks of adapting to economic transformation, maintaining and increasing the value of state-owned assets, and assisting in effectively implementing national strategies. But also, it should do more on protecting consumer rights and interests, participating in charity and anti-poverty activities, and supporting green finance while fulfilling its economic, social and environmental responsibilities.

The Group's Board of Directors made further efforts to step up banking regulation and improve corporate governance. In 2015, the Group strengthened its top-level design by introducing management measures relating to the Board of Directors, which helped to improve performance evaluation and work procedure for the Board of Directors, board members and senior management and promote the performance of due diligence by board members. The Group pursued a new reform program about risk management system, which further improved its risk management system in an all-round, uniform, independent and professional manner. The Group released reports and announcements on a regular basis according to law and ensured the authenticity, accuracy, completeness, fairness and timeliness of information disclosed to protect legitimate rights and interests of all stakeholders.

In 2015, the first year to implement its *2015-2017 Development Strategy of China CITIC Bank*, the Group, with its vision to become the “bank of best integrated financial services”, stepped up its efforts towards business transformation, structural adjustment, system reform and risk control, a major step forward in implementing the strategy. The Group established a corporate culture system with core values of “trust, innovation, coordination, and excellence”, and made strenuous efforts to grow into a trustworthy bank, a green bank, a people's bank, a bank of love, a bank of value and a bank with a great brand while promoting harmonious and sustainable economic, social and environmental development.

In 2015, PwC Zhong Tian LLP was hired to authenticate the important statements and key data in this Report, provide an independent assurance report and offer the Group opinions and suggestions about social responsibility management.

The 2016 Report on the Work of the Government for the first time proposed developing green finance vigorously, and working on key poverty reduction projects as a priority for the year. Therefore, the Group will closely follow the state's steps towards further reform and structural adjustment, actively adapt to the new normal of economic development, develop a more practical and effective green credit policy, improve carbon footprint management, and ramp up green finance development, thus contributing to the country's ecological development. Meanwhile, we will take targeted measures in poverty alleviation and fulfill our social responsibility as a corporate citizen.



Chang Zhenming  
Chairman  
23 March 2016



Executive Director and President  
Li Qingping

## PRESIDENT'S STATEMENT

In 2015, facing the complex economic situation, environmental pressure and social demand under the country's "new normal", the Group developed the *2015-2017 Development Strategy of China CITIC Bank*, established its corporate culture system, and surrounding its CSR objectives, incorporated its CSR philosophy into the corporate culture, aspiring to become a caring and responsible corporate citizen that actively responds to stakeholders, and promotes harmonious and sustainable economic, social and environmental development.

Embracing a vision to become the "bank of best integrated financial services", the Group has been active in serving the country's economic development in its positive response to national strategies. In 2015, the Group ramped up its support of the real economy as well as national strategies including "The Belt and Road", "Coordinated Development of Beijing, Tianjin and Hebei" and "Internet Plus", and in collaboration with CITIC Group, organized its branches to actively participate in these strategies, leading to gratifying results. The Group also conducted business research in an in-depth manner, actively promoted industrial development, and strengthened efforts to fight corruption and uphold integrity while maintaining a stable financial order. As at the end of 2015,

the Group recorded net profit attributable to shareholders of RMB 41,158 million, total assets of RMB 5,122,292 million, a capital adequacy ratio of 11.87%, a provision coverage ratio of 167.81% and an NPL ratio of 1.43%.

Cherishing a “customer-centric” service philosophy, the Group is dedicated to improving its customer service capabilities and protecting consumer rights and interests on a constant basis. In 2015, the Group developed a three-year development plan for consumer protection, improved the service management system, strengthened service quality management, set up a uniform, new image of customer service, and ensured customer information security and outlets’ operation security. In particular, by actively improving services, enhancing service capabilities, increasing service channels and boosting innovation in services and products, the Group greatly improved the customer experience and earned praise from customers.

Fully recognizing the fundamental role of employees, the Group offers employees sufficient basic benefits, keeps to the principle of equal pay for equal work, and provides employees with rational opportunities for career development and professional training as needed for their jobs, giving support to sustainable career development of them. The Group attaches great importance to protecting various legitimate rights and interests of employees, ensuring smooth channels through which employees express their appeals, ensuring their rights and interests in respect of the trade union, protecting female employees’ rights and interests, caring their mental and physical health, and providing them with sufficient support, in an effort to create a positive cultural environment and enhancing employee happiness.

The Group is dedicated to raising social responsibility awareness by promoting the concept of “gratitude and dedication” and actively repaying the society and participating in poverty relief, philanthropic and charitable activities. In 2015, the Group decided to ramp up its support of poverty reduction - to donate RMB 6 million each year in support of poverty reduction in the western regions, and sent poverty reduction cadres to three villages in Xietongmen County, Shigatse, Tibet, and Tanchang County, Longnan, Gansu. The Bank actively carried out heart-warming financial services, keeping on cutting service fees and providing the disadvantaged with convenient and caring financial services. As at the end of the year, social contribution per share of the Group stood at RMB 4.12; external donations amounted to RMB 15,591,128, up 6.67%; and donations by employees were RMB 1,171,800. Employee participants in volunteer activities numbered about 1,330.

In promoting a corporate culture of “sustainable development”, the Group embarked on research into the dual impact of climate change on its business operations, aimed to build a “green bank”. In 2015, the Group carried out carbon finance business operations, gave great support to green credit operations, practiced strict control over risks involved in loans to industries with high energy consumption and high pollution, developed green credit intermediary services, and granted loans in support of environmental projects. The Group further boosted e-banking transactions, in its action to practice energy conservation and emissions reduction. As at the end of the year, the Bank’s balance of loans granted to industries with high energy consumption and high pollution stood at RMB 50,180 million, up 1.95%, and down 0.44 percentage points from a year earlier in terms of their proportion to corporate loans granted; the Bank’s direct and indirect carbon dioxide equivalent for the year was about 180,300 tons, up 9.09%, with per capita carbon emissions at about 3.39 tons, up 4.14%.

The Group strengthened close communication in multiple forms with stakeholders, and paid attention to and actively responded to their appeals. In 2015, the Group conducted face-to-face communication with government agencies, kept in close touch with investors through road shows, business releases and announcements, carried out a wide variety of business presentations and financial knowledge training to customers, published services & products newsletters via national mainstream media, the Bank’s official website and microblog, and enhanced interaction with stakeholders through releasing an CSR in APP format.

In 2016, being guided by the state’s 13th Five-Year Plan and the government department in charge and facing a new market situation, the Group will keep to its responsibility culture and philosophy, further strengthen social responsibility management, grasp and respond in time to stakeholders’ concerns and appeals, making use of financial leverage in boosting ecological development, actively take targeted measures in poverty alleviation and participate in charitable activities, performing economic, social and environmental responsibilities a financial institution is supposed to undertake.



Li Qingping  
Executive Director and President  
23 March 2016



## THE GROUP'S PROFILE

Founded in 1987, the Group is among the earliest emerging commercial banks established during China's reform and opening up and China's first commercial bank participating in financing in both the domestic and international financial markets. It is renowned at home and abroad for renewing numerous track records in the contemporary Chinese financial history. Over the years, it has made positive contributions to China's economic development.

In April 2007, the Group's A shares and H shares were listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong simultaneously. In 2009, the Group successfully acquired CITIC International Financial Holdings Limited. In 2015, the London Representative Office in the UK opened and the Sydney Representative Office was being prepared, symbolizing that the Group has ushered into another round of internationalization drive. In December 2015, the Group became the shareholder of Taiwan-based CTBC Financial Holding Co., Ltd. as the first joint-stock commercial bank from Mainland China to invest in Taiwan.

Currently, total assets of the Group exceeded RMB 5.0 trillion. In May 2015, the Group ranked the 94th among the "Top 2,000 Global Companies" published by the Forbes magazine; in July 2015, the Group ranked the 33rd in terms of tier-one capital and the 46th in terms of total assets among the "Top 1,000 World Banks" published by The Banker magazine of the United Kingdom, reflecting that the Group has grown into an international financial institution with strong capital base, comprehensive competitiveness and brand influence.

In the context of economic new normal and market-orientation of finance, leveraging on the unique competitive edge of CITIC Group in coordinating the development of finance and industries, the Group provides corporate & institutional customers with assorted financial solutions in corporate banking business, international business, financial market business, institutional banking business, investment banking business, factoring business and custody business, and purveys personal customers diversified financial products and services covering general retail banking, credit card, consumer finance, wealth management, private banking, going abroad finance and e-banking, by pursuing the core values of "trust, innovation, coordination, and excellence" and the operational management concepts of "compliant, intelligent, team-based and efficient", aimed at becoming the "bank of best integrated financial services". All in all, the Group is trying its best to meet the comprehensive financial service requirements of corporate and personal customers in an all-around way.

The Group maintains 1,353 outlets in 128 large and medium cities in Mainland China and has over 50,000 employees nationwide. There are 4 subsidiaries under the Group, namely, Zhejiang Lin'an CITIC Rural Bank and CITIC Financial Leasing Co., Ltd. in Mainland China, as well as CITIC International Financial Holdings Limited and China CITIC Bank (Hong Kong) Investment Limited (formerly known as "China Investment and Finance Limited") in Hong Kong. CITIC International Financial Holdings Limited wholly-owned China CITIC Bank International Limited has over 1,900 employees at 41 outlets in Hong Kong, Macau, New York, Los Angeles, Singapore and Mainland China.

## KEY PERFORMANCE INDICATORS

Key Performance Indicators <sup>1</sup>			
Key Performance Indicators	Unit	2015	2014
<b>Economic Responsibility Performance</b>			
Operating income	RMB 100 million	1,451.34	1,247.16
Total profit	RMB 100 million	549.86	545.74
Net profit attributable to shareholders of the Bank	RMB 100 million	411.58	406.92
Basic earnings per share	RMB Yuan	0.88	0.87
Return on average assets (ROAA)	%	0.90	1.07
Return on weighted average equity	%	14.55	16.84
Total assets	RMB 100 million	51,222.92	41,388.15
Total liabilities	RMB 100 million	48,026.06	38,714.69
NPL ratio	%	1.43	1.30
Provision coverage ratio	%	167.81	181.26
Capital adequacy ratio	%	11.87	12.33
<b>Social Responsibility Performance</b>			
Taxes paid <sup>2</sup>	RMB 100 million	247.99	231.49
Total donations	RMB 10 thousand	1,559.11	1,461.60
Value of social contribution per share	RMB Yuan	4.12	4.19
Outlets*	In number	1,353	1,230
Self-service terminals*	In number	11,044	11,128
Headcount*	Person	53,136	50,735
Including: Male employees*	Person	25,023	23,959
Female employees*	Person	28,113	26,776
Ethnic-minority employees*	Person	2,128	1,966
Turnover rate of employees (under labor contracts with the Bank)*	%	5.63	4.63
Total training input*	RMB 10 thousand	8,607.03	7,812.97
Voluntary activities*	In number	57	64
Voluntary participants*	Person-time	About 1,330	About 2,450
<b>Environmental Responsibility Performance</b>			
Loan balance of green credit*	RMB 100 million	236.96	251.73
Transaction value of personal internet banking*	RMB 100 million	114,805.56	89,652.25
Transaction value of corporate internet banking ("e" channels)*	RMB 100 million	560,718.37	381,072.41
Per capita urban power consumption*	kWh	4,689	4,423
Per capita urban water consumption*	Ton	37.8	31.5
Per capita Xerox paper purchase volume*	Pack	7.7	7.8
Total number of account statements*	10,000 envelopes	12,067	9,530
Consumption of hardcopy account statements*	10,000 envelopes	3,459	3,323
Hardcopy-to-e-statement substitution rate*	%	71.33	65.13
Video conferences*	In number	About 4,100	About 3,300

<sup>1</sup> Indicators marked with "\*" in the table are data of the Bank and those without the "\*" mark are data of the Group.

<sup>2</sup> Data source: "Cash Flow Statement - Taxes Paid" in the annual financial report.



# 01

## STRATEGY AND MANAGEMENT

Full Implementation of the New  
Strategy

Establishment of the Corporate  
Culture System

Clarification of the CSR  
Philosophy

Identification of CSR Topics

Enhancement of CSR  
Communication

Strengthening of CSR  
Management

## Full Implementation of the New Strategy

2015 was the first year for the Group to implement the *2015-2017 Development Strategy of China CITIC Bank*. Over the past year, following the vision to become the “bank of best integrated financial services”, the Group accelerated the business transformation, optimized the structural adjustment, deepened the system reform and safeguarded the risk bottom line, making major progress in the implementation of the strategy. The progress was embodied in the following areas.

The new strategy guided a new development landscape, which featured comprehensive financing, platform-based evolvement and internationalized development. The innovative development shaped the new market image of Internet finance, business brand and “great item”. The new growth engines of asset business, cross-border business, channel layout and characteristic development were built up in major areas. The system reform excited the new vigor and periodical achievements were made in risk control system, innovation system, assessment system, assets and liability management and human resource reform. The coordinated development ushered in the new chapter of mutual benefit and win-win result. As the development with information technology stepped onto a new level, the new core system was successfully launched and the all-business and all-institution one-time switch was successfully put into operation. The Party building and the corporate culture created the new atmosphere, providing a solid organizational and discipline guarantee for the Bank development and shaping the sound climate of the entire staff learning and practicing the corporate culture.

## Establishment of the Corporate Culture System

In 2015, the Group officially established and released the corporate culture system and formulated and distributed the *Handbook on the Corporate Culture of China CITIC Bank and the Three-year Plan on Corporate Culture Building of China CITIC Bank (2015-2017)*. This opened a new chapter in the Group’s corporate culture building, shaped the picture of paralleled advancement in corporate culture and development strategy and was a positive attempt to integrate corporate culture into business management.

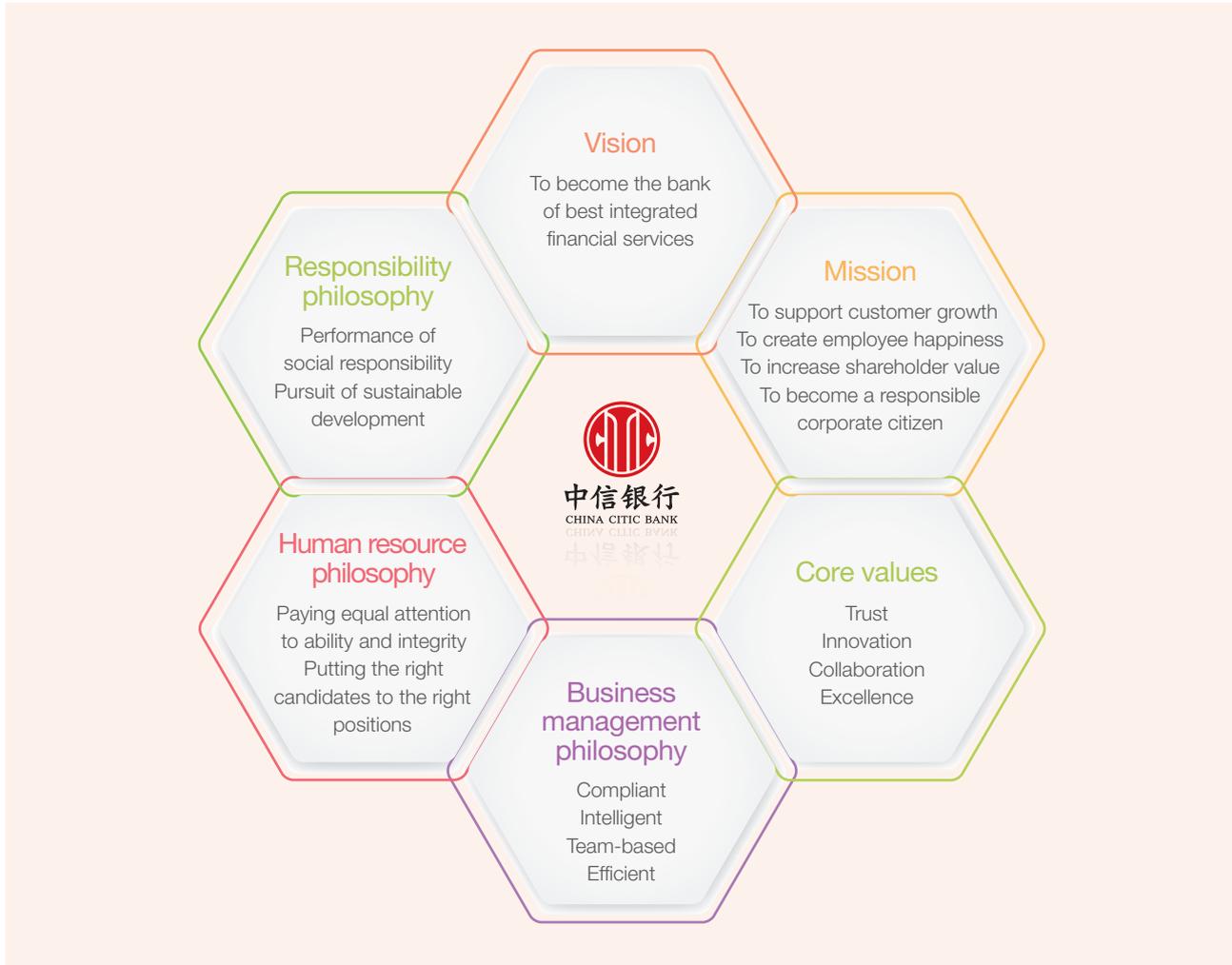
The corporate culture of the Group was consistent with that of CITIC Group and was the shared values and code of conduct of the entire staff of China CITIC Bank. The *Handbook on the Corporate Culture of China CITIC Bank* was the outline of the Group’s corporate culture building, which not only carried forward the essence of the corporate culture of CITIC Group and pooled the wisdom in business management of the Group, but also reflected the values and pursuit of the China CITIC Bank staff.

The Group became the first joint-stock commercial bank that invested in Taiwan

In 2015, the Group signed the equity cooperation agreement with CTBC Financial Holding Co., Ltd. (“CTBC Holding”), which signaled that the Bank entered Taiwan and became the first joint-stock commercial bank that invested in the area. On 16 September, the Bank and CTBC Bank Co., Ltd. (“CTBC Bank”) successfully signed the Business Cooperation Agreement, symbolizing that the two parties took a major step forward in deepening the business cooperation.

According to the agreement, the Group would subscribe 3.53% common shares of CTBC Holding and was expected to become its third largest nominal shareholder. Meanwhile, it would sell 100% equity of China CITIC Bank International Limited to CTBC Holding’s subsidiary CTBC Bank. In the future, the Bank and CTBC Bank would conduct broad cooperation in joint issuance of credit cards, mutually beneficial support and service for retail customers, cross-border RMB and trade financing, cross-border financing and syndicated loans, bond underwriting, credit investigation and many other areas, so as to further extend the banking business across the Straits.

It consisted of five chapters, namely cultural inheritance, values, occupational norms, motto oath and logo of the Bank. The chapter on values included six parts, namely vision, mission, core values, business management philosophy, human resource philosophy and responsibility philosophy.



## Clarification of the CSR Philosophy

In 2015, the corporate social responsibility (CSR) philosophy of the Group became an integral part of its corporate culture values and the full content was “performance of social responsibility and pursuit of sustainable development”.

**Performance of social responsibility:** To be a responsible enterprise, to effectively fulfill economic, social and environment responsibilities, to connect closely with all stakeholders, to be committed to public benefits with love and care, and to become a responsible corporate citizen.

**Pursuit of sustainable development:** To uphold the scientific outlook on development, render credit support to energy conservation and emission reduction and development of green economy and circular economy, and construct a green bank; to advocate a low-carbon life style, protect the ecological environment, and take the path of sustainable development.

**The Group's CSR objectives:** To substantially perform the economic, social and environmental responsibilities that a banking financial

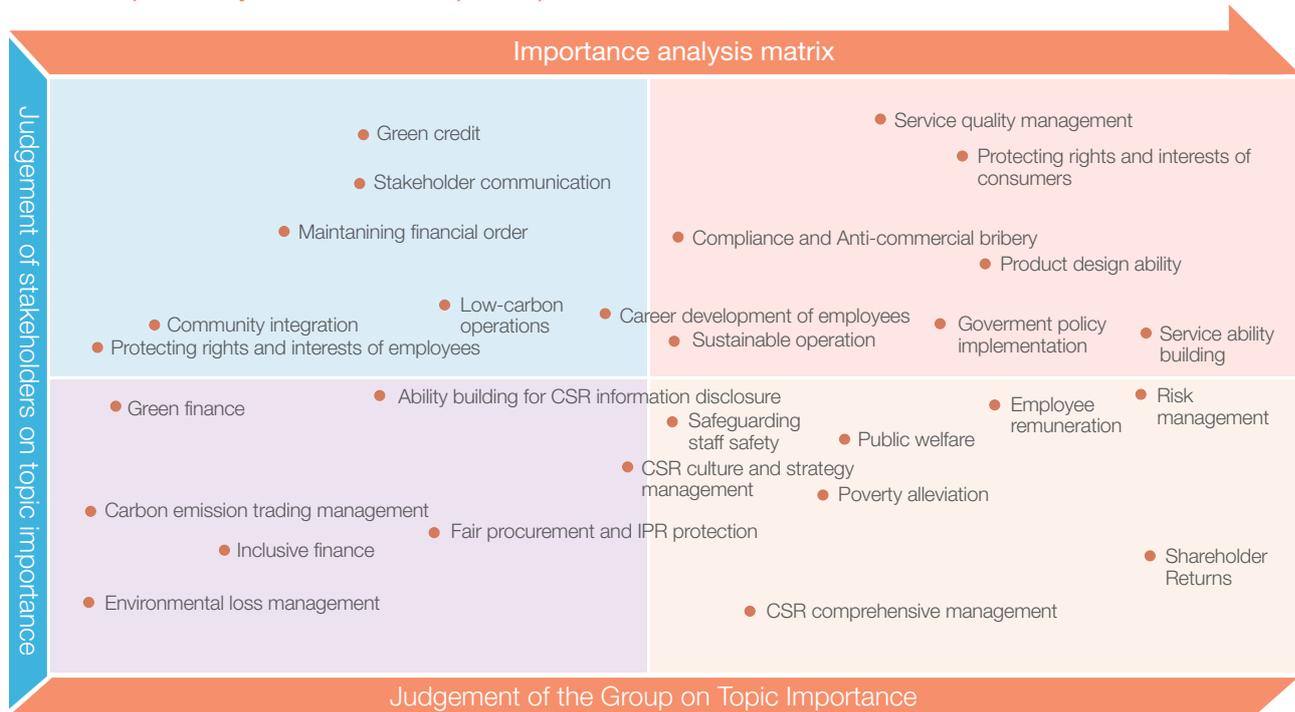
institution should shoulder, strive to grow into a trustworthy bank, a green bank, a people's bank, a bank of love, a bank of value and a bank with a great brand while promoting harmonious and sustainable economic, social and environmental development.

### Identification of CSR Topics

In 2015, the Group summarized around 700 CSR indicators and conducted substantial analysis according to the GRI (G4) requirement. In line with the characteristics of Chinese financial industry and the various business guidelines and regulatory requirements for banking in 2015, it identified the following major CSR topics: actively supporting national strategies, protecting rights and interests of consumers, providing multiple guarantees for employees, expanding green credit and supporting the course of poverty alleviation.



### The Group's Analysis Matrix of Topic Importance



### Enhancement of CSR Communication

In 2015, the Group reinforced communication with stakeholders and adopted effective measures to respond to stakeholder wishes and demands in a timely and sincere manner, thereby promoting harmonious sustainable development of both itself and the stakeholders.

### Recognition of stakeholders

The stakeholders recognized by the Group mainly include:

**Government**



01

**Expectations as Understood by the Bank:** Compliance with state laws and regulations as well as industrial standards and norms; safeguarding safety of bank funds; fair competition according to law, and safeguarding a fair competition environment; sustainable development.

**Forms of Communication:** Laws, regulations, policy guidelines and normative documents; industrial meetings, special reports, regulatory announcements and ratings, and briefings; on-site inspections and off-site regulation; symposiums, seminars and forums.

**Response Measures:** Answered government calls; implemented regulatory policies; participated in development of industrial standards and norms; improved operating and management results; accepted regulatory evaluation.

**Performance:** Tax payment according to law; support to the real economy; steady improvement of operating results; remarkable management results; anti-corruption and clean governance; safeguarding a stable financial order, etc.

**Shareholder**



02

**Expectations as Understood by the Bank:** Standard corporate governance; higher return to shareholders; higher profitability; higher corporate value; sustainable development.

**Forms of Communication:** Shareholders' Meetings; periodical announcements; communication and exchanges with investors; road shows; results releases.

**Response Measures:** Formulated and implemented development strategies; refined corp. governance; reinforced risk prevention; increased transparency of information disclosure.

**Performance:** Better CSR management; higher social contribution value per share; lasting brand value and honors; better operating results; internal regulatory ratings, etc.

**Customer**



03

**Expectations as Understood by the Bank:** Provision of high-quality financial services; provision of high-quality financial products; provision of complete, truthful and accurate product and service information; safeguarding information safety.

**Forms of Communication:** Business outlets; e-banking; marketing activities; salons and lectures; market surveys; result evaluation.

**Response Measures:** Provided convenient express financial services; diversified financial products; timely launch product & market announcements; understood customer comments and suggestions, strengthened safety and security of business outlets.

**Performance:** Survey of customer satisfaction and demand; better service quality; better customer experience; safeguarding customer rights and interests, etc.

**Supplier**



04

**Expectations as Understood by the Bank:** Compliance with commercial ethics; open, equitable and fair procurement; mutual benefit, win-win and common development.

**Forms of Communication:** Publicly available procurement information; negotiations and exchanges; cooperation contracts and agreements.

**Response Measures:** Set up and improved the supplier management mechanism; established and maintained a supplier database; reinforced communication and contact with suppliers.

**Performance:** Establishment of concentrated procurement center; formulation of relevant rules and regulations on concentrated procurement management; establishment of partnership with suppliers.

**Employee**



05

**Expectations as Understood by the Bank:** Creation of jobs; reasonable remuneration and welfare; satisfactory work environment; smooth communication mechanisms; admirable room for personal career development.

**Forms of Communication:** Employee representatives' congresses; trade unions; intranet emails and forums; internal meetings.

**Response Measures:** Uniformly recruited employees; upheld equal pay for equal work; safeguarded staff health and safety; organized cultural and sports activities; protected essential rights and interests of staff; provided on-job skill training; listened to employee viewpoints.

**Performance:** Realizing the role of the trade union; staff performance evaluation for promotion purpose; health inspections and psychological counseling for employees; diversified professional training sessions; employees arranged to go on all types of leaves; symposiums with employees.

**Community**



06

**Expectations as Understood by the Bank:** Care for vulnerable groups; communication with government on poverty alleviation; charity and public benefit activities; financial literacy.

**Forms of Communication:** Field surveys and visits; visit to poverty alleviation institutions; visit to charity and public benefit organizations.

**Response Measures:** Made outbound donations; implemented poverty alleviation projects; assisted vulnerable groups; promoted financial literacy; organized public benefit activities.

**Performance:** More outbound donations; organization of targeted poverty alleviation events and public benefit and charity activities; participation in voluntary activities, etc.

Communication with stakeholders

**Active visits.** In 2015, President Li Qingping of the Bank led teams to visit provinces, autonomous regions and municipalities directly under the central government. Their visits strengthened the Bank’s communication with leaders of the party committees and provincial governments of Fujian, Guangdong, Shandong, Hunan, Liaoning, Henan, Jiangxi, Tibet, Shaanxi and Inner Mongolia as well as party committees and municipal (district) governments of Tianjin, Dalian, Qingdao, Shanghai and some districts in Beijing. During their visits, sufficient communications and exchanges were carried out with 17 government organizations for continuous improvement of the Group’s work in various aspects and enhancement of the Group’s capacity and competence in serving the real economy.

**Strategic cooperation.** In 2015, the Bank actively promoted strategic cooperation with key strategic customers and provincial government. As at the end of the year, it had signed the headquarters-to-headquarters cooperation agreement with 20 core strategic customers and promoted several branches to sign the strategic cooperation agreement with municipal (district) government and regional major institutional customers.



China CITIC Bank, CITIC Trust and Evergrande Group signed the strategic cooperation agreement.

On 18 March 2015, the Bank and CITIC Trust signed a strategic cooperation agreement with Evergrande Group in Beijing. Chairman Chang Zhenming of CITIC Group and the Bank, President Li Qingping of the Bank, Chairman Chen Yisong of CITIC Trust and Chairman of the Board Xu Jiayin of Evergrande Group attended the signing ceremony. By signing the agreement, the three parties would comprehensively elevate the height of cooperation on the basis of the cooperation in financing, fund management and trust financing, so as to provide Evergrande Group with all-round innovative financing service and write a new chapter in “bank-trust-enterprise cooperation”.



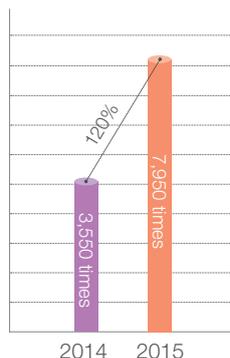


**Announcements and road shows.** In 2015, the Group held the 2014 results release in Beijing and Hong Kong and the 2015 interim results release in Beijing, organized global road shows in Hong Kong, USA, Canada, Europe and the Middle East and introduced its business situation to its individual and institutional shareholders and important potential investors. As at the end of the year, it disclosed 99 various announcements (including interim announcements and regular reports) at the SSE website. It also disclosed 145 various announcements (including interim announcements and regular reports) at the SEHK, thus informing financial performance, modification of important corporate information and progress of significant projects of the Group to the market in time. The Group maintained in-depth conversation with over 200 domestic and abroad investment institutions and accumulatively received more than 2,000 person-times of capital market participants.

**Emergency handling of share price anomaly**

On 8 July 2015, the rate of deviation value of the closing price of A-share price of the Group accumulatively exceeded 20% for three consecutive trade days. On the same day, the Group conducted real-time monitoring over the stock trade in combination of the share price trend of the previous two days and immediately organized self-check upon notification by the stock exchange. Meanwhile, it verified the situation with its de-facto controller CITIC Group and its controlling shareholder CITIC Limited. As confirmed by the self-check and the verification, there was no major information that should have been but was not disclosed with the Group, its de-facto controller and its controlling shareholder. Consequently, the Group released the announcement on the abnormal fluctuation of the A-share trade on the evening of 8 July to disclose the situation to the public, ensuring the legitimate rights and interests of its shareholders.

Bank-wide or regional marketing events for customers



**Marketing events.** The Bank organized about 7,950 bank-wide or regional marketing events for customers, increased by 4,400 than the year before or 120%. Around 77,900 person-time employees provided professional financial services for 4 million person-time customers. The events included content publicity of products, product promotion, door-to-door service provision, care for customer activities, friendship celebrations with customers, and education and communication on financial policies and knowledge.

**Internal communication.** The Group made timely release of information on daily work update, important files and marketing and management briefing at its intranet, created the “Corporate Culture Building” and “Management of Social Responsibility” columns at the intranet and set up the subscription account to popularize the responsibility philosophy, promote responsible actions and reinforce communication with employees. It also set up the President’s Mailbox to listen to comments and suggestions from employees at all levels anytime. As at the end

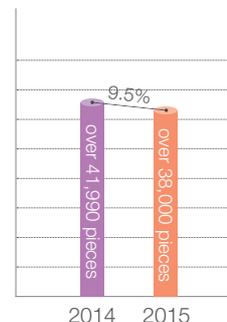
of the year, the Group recorded nearly 18 million visits to its intranet, increased by around 87.5% on a yearly basis.

**Media publication.** The Group created the “Social Responsibility Reporting” column on its official website to disclose its CSR information to the general public. As at the end of the year, via various national (and local) media, the Group published over 38,000 pieces of media coverage, a decrease of about 9.5%; on its official website, the Group made over 1,400 news releases and published more than 4,000 announcements on wealth management products, increased by 7.69% and 33.33% respectively than the end of last year. The summary of the *2014 Social Responsibility Report of China CITIC Bank Corporation Limited* was published on 3 presses, namely *China Business News*, *Securities Times* and *National Business Daily*.

Visits to the Group's intranet



Publication via various national (and local) media

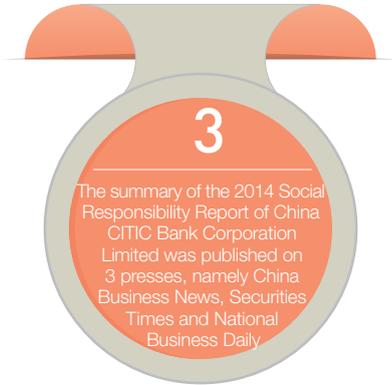


### The Bank held the regular banking press conference

On 17 September 2015, the Bank held the regular banking press conference with the theme of “arranging the layout of Internet finance and accelerating the strategic transformation” at Press Conference Hall of CBRC. Reporters from over 40 domestic and overseas mainstream media agencies such as Xinhua News Agency, CCTV, China Securities Journal and Reuters attended the conference.

At the conference, the Bank released its business achievements, successful cases and strategic plans in Internet finance and disclosed for the first time the operation status of its innovative product in online supply chain finance “CITIC e-Payment”, China’s first cross-border RMB payment platform and the Bank’s “The Belt and Road” fund project, attracting wide attention of the media.





**Interview exchanges.** In 2015, the Group received Moody's and Fitch Rating for surveys and follow-up interviews and assisted CITIC Group in completing the annual interviews by S&P and R&I. It took the initiative to invite rating agencies to its results releases and actively provided them with dynamic information to promote their understanding of the Bank and ensure objective and fair rating results. Despite the background of overall slowdown of China's macro-economic growth and intensified pressure on asset quality in Chinese banking industry, Moody's and Fitch decided to keep the rating for the Group in 2015 the same as 2014.

#### Fitch Rating conducted the annual rating interview with the Group

On 7 September 2015, a three-member delegation of Fitch Rating headed by associate director Wang Jin conducted in-depth communication and exchange on the issues of its concern. During the interview, the Group introduced its 2015 interim performance, the transformation since the new development strategy was implemented and the achievements made in risk management system, asset quality control, confirmation of business characteristics and accelerated development of retail banking business and replied to Fitch's questions on major banking business etc. The business experts from the Group analyzed in depth the concerns of Fitch, with which the Fitch analysts strongly resonated. In 2014, Fitch rated the Group as BBB for long-term rating, b+ for VR, 2 for support rating and stable for outlook.

**Innovative experience.** In 2015, the Group continued to release its social responsibility report via APP, enhancing the communication with stakeholders with innovative methods and a friendly interface. The APP was placed on the official website, official WeChat and official Microblog of the Group with rolling advertisement being played at more than 1,000 outlets of the Bank, which made its social responsibility report more readable and the customer experience more convenient.

### Strengthening of CSR Management

**Stabilization of the work team.** In 2015, the "Corporate Culture Division" in charge of the Group's CSR information disclosure was transferred from the Supervisory Department to the Mass Work & Security Department, ensuring stability of the work team. As at the end of the year, the Group had 76 part-time staff members on CSR management, covering all the functional departments at the Head Office, 38 domestic branches and 3 domestic and overseas subsidiaries. The Group organized two training sessions for the part-time staff members on CSR management, further improving the capacity in CSR operation and management.

**Enhancement of CSR performance assessment.** In 2015, the Group actively performed its social responsibility and incorporated “social responsibility” into the performance assessment indicators. The “social responsibility” indicator included two sub-indicators, namely service quality and the “three minimums” for micro and small enterprises. The “service quality” sub-indicator evaluated retail banking quality of branches and aimed at better evaluation guidance for higher service quality. It covered two components, namely “third-party mysterious customer monitoring” and “number of outlets placed on the list of 1,000 Best Role Model Units”. Loans to micro and small enterprises should meet the “three minimums” requirement, i.e., growth rate being no lower than the average growth rate of all loans, number of customers securing loans being no lower than that of the previous year and rate of loans being granted being no less than that of the previous year. The indicators were focused on guiding domestic branches to step up their credit support for micro and small enterprises.

**IT-based data collection.** In 2015, the Group further enhanced management over its social responsibility reporting by innovatively developing the “Information Management System for Social Responsibility Reporting of China CITIC Bank”, perfecting its CSR indicator system and realizing the online reporting of information on over 700 CSR indicators by all the subsidiaries. It further optimized the channel management, statistical definition and process management on social responsibility and improved truthfulness and traceability of the social responsibility information.

**Communication with international organizations.** In 2015, the Group actively participated in communication and exchange on international social responsibility. In June, it received the delegation headed by senior expert Ms. Maaïke Fleur from GRI Headquarters at China CITIC Bank. The two parties discussed the Group’s support for international non-profit organizations and Ms. Maaïke Fleur recognized the Group’s work in pioneering to prepare and publicize its social responsibility report.

**Insistence on third-party assurance.** Since 2009, the Group hired third-party assurance agencies to conduct independent limited assurance of its social responsibility reports, review the truthfulness of important statements and key data in the reports and produce opinions and recommendations regarding the Group’s management of social responsibility. In March 2015, KPMG Hua Zhen LLP put forward 27 opinions and recommendations regarding the Group’s management of social responsibility, all of which were remedied or responded to by the Group in its daily work. Assurance of the Group’s *2015 Social Responsibility Report* would be conducted by PwC Zhong Tian LLP, which would review the truthfulness of important statements and key data in the report and produce opinions and recommendations regarding the Group’s management of social responsibility.

1,000

The APP was placed on the official website, official WeChat and official Microblog of the Group with rolling advertisement being played at more than 1,000 outlets of the Bank

700

The “Information Management System for Social Responsibility Reporting of China CITIC Bank” realized the online reporting of information on over 700 CSR indicators by all the subsidiaries

27

KPMG Hua Zhen LLP put forward 27 opinions and recommendations, all of which were remedied or responded to by the Group in its daily work



# 02

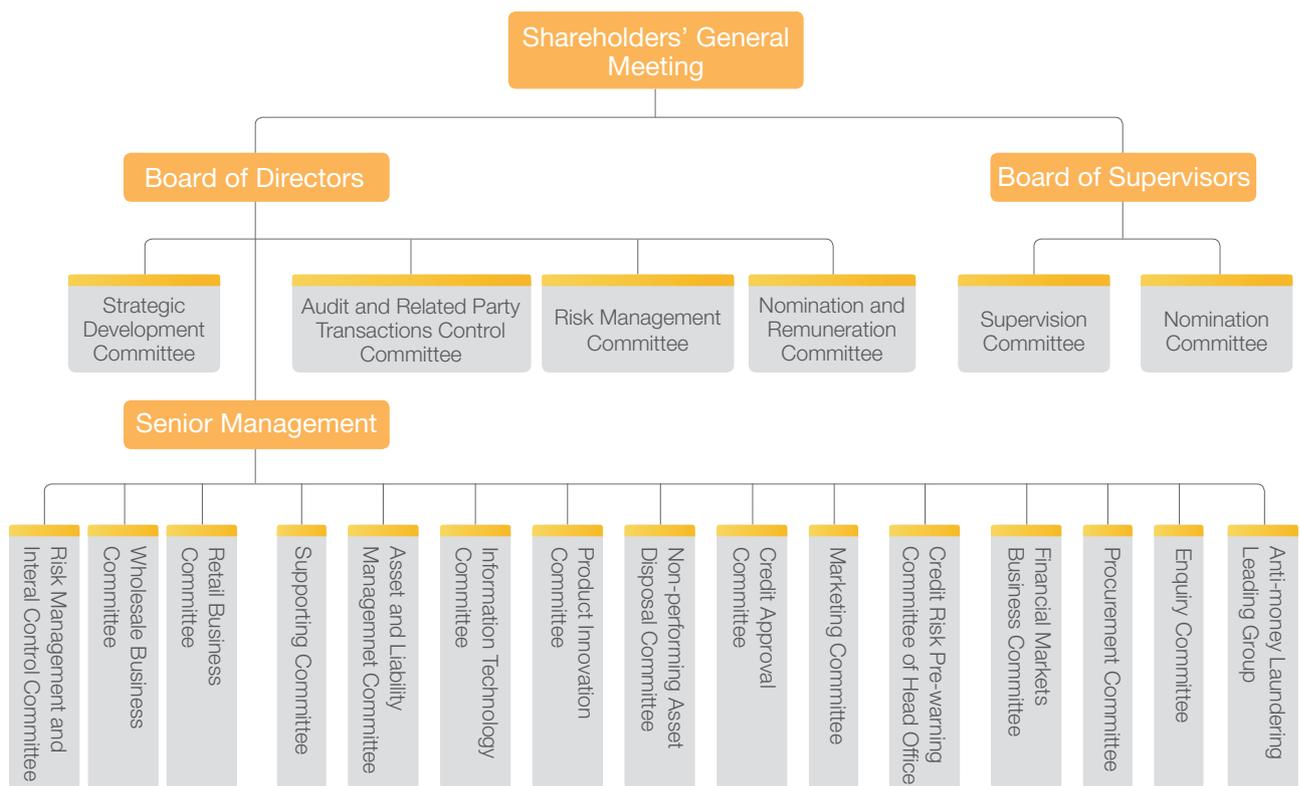
## CORPORATE GOVERNANCE AND RISK CONTROL

Improvement of Corporate  
Governance

Strengthening Risk Management

## Improvement of Corporate Governance

### Corporate governance structure



### Overall profile of corporate governance

In 2015, according to regulatory requirements both at home and abroad, the Group, based on its actual condition and in response to the challenges and opportunities brought by the development and adjustment of the domestic economy, continuously improved its corporate governance structure, and ensured the Board of Directors, the Board of Supervisors and all the specialized committees played the role of strategic guidance, scientific decision-making and effective supervision in all significant matters during the operation and management of the Group; and further optimized the effective check-and-balance mechanism among the shareholders' general meeting, the Board of Directors, the Board of Supervisors and senior management. The Board of Directors, the Board of Supervisors and all the specialized committees performed their duties diligently and guaranteed the compliant operation and steady development of the Group's various businesses, in accordance with regulatory policies and requirements.

17

The Group organized directors, supervisors and Board Secretary to attend the 17 times training courses of the Listed Companies Association of Beijing

33

33 field investigation to branches



### The Group convened

1

annual shareholders' general meeting

3

extraordinary shareholders' general meetings

2

A shareholders class meetings

2

H shareholders class meetings

11

meetings of the Board of Directors

9

meetings of the Board of Supervisors

30

meetings of the specialized committees under the two boards

The Group completed the overall re-election of the Board of Directors and the Board of Supervisors, and ensured the smooth transition of the two boards and all the specialized committees; strengthened information communication between the Board of Directors, the Board of Supervisors and the management by innovating the communication mechanism, further exerted the guiding role of the two boards in the implementation of strategies, business development, risk control and internal control & compliance, and boosted the decision-making level and operational efficiency of the two boards. To reinforce the development of the corporate governance system, the Group collated relevant terms of its articles of association according to the requirements of CBRC's *Guidelines on the Corporate Governance of Commercial Banks*, and formed the amendment thereto. The revised articles of association had come into force in 2015. In order to support the performance of duty by the Board of Directors and the Board of Supervisors, the Group organized directors, supervisors and Board Secretary to attend the 17 times training courses of the Listed Companies Association of Beijing, as well as 33 field investigation to branches.

There is no significant discrepancy between the Group's institutional setup and operation of corporate governance and the corresponding requirements stipulated in the *Company Law* of the PRC and the regulations issued by the CSRC and the SEHK; nor is there any corporate governance issue pending but required to be resolved by regulatory authorities.

The Group convened one annual shareholders' general meeting, three extraordinary shareholders' general meetings, two A shareholders class meetings, two H shareholders class meetings, eleven meetings of the Board of Directors (including four regular on-site meetings, five interim meetings convened due to significant events, and two votes by correspondence), nine meetings of the Board of Supervisors (all being on-site meetings) and thirty meetings of the specialized committees under the two boards. The shareholders' general meeting, meetings of the Board of Directors and meetings of the Board of Supervisors were all held in compliance with the procedures specified in the Articles of Association.

The chairman and president of the Group hold their positions separately. Mr. Chang Zhenming is Chairman, responsible for presiding over shareholders' general meetings, convening and presiding over the Board of Directors' meetings and examining implementation of the resolutions of the Board of Directors; and Ms. Li Qingping is President and an executive director of the Bank, responsible for implementing the Board of Directors' resolutions, and presiding over the operation and management of the Bank. The respective responsibilities of the Chairman of the Group and the President of the Bank are clearly defined, which comply with the requirements of the Hong Kong Listing Rules.

## Board of Directors

**Composition and responsibilities of the Board of Directors:** The Board of Directors is the decision-making body of the Group. As at the disclosure date of the Report, the Board of Directors of the Group consisted of nine members, including two executive directors, namely, Ms. Li Qingping and Mr. Sun Deshun; three non-executive directors, namely, Mr. Chang Zhenming, Mr. Zhu Xiaohuang and Mr. Zhang Xiaowei; and four independent non-executive directors, namely, Mr. Li Zheping, Ms. Wu Xiaoqing, Mr. Wong Luen Cheung Andrew and Mr. Yuan Ming.

**Meetings of the Board of Directors:** In 2015, the Board of Directors convened 11 meetings whereby 95 proposals were deliberated and adopted, including the proposals on the Bank's institutional development plan for 2015, 2015-2017 strategic planning, profit distribution for 2014, financial budget for 2015, plan for private offering of preferred shares, and amendment to the *Articles of Association of China CITIC Bank Corporation Limited*; and listened to 16 reports, including the Bank's business operation report of 2014, 2014 capital adequacy ratio management report, 2014 liquidity risk management report, 2014 comprehensive risk management report, report on the credit risk internal rating system, and report on the implementation progress of the new capital management measures.

**Specialized committees under the Board of Directors:** There are four specialized committees under the Board of Directors, namely the Strategic Development Committee, the Audit and Related Party Transactions Control Committee, the Risk Management Committee and the Nomination and Remuneration Committee. In 2015, the Group convened eight meetings of the Strategic Development Committee, eight meetings of the Audit and Related Party Transactions Control Committee, five meetings of the Risk Management Committee and five meetings of the Nomination and Remuneration Committee.

## Board of Supervisors

The Board of Supervisors is the supervisory body of the Group reporting to the shareholders' general meeting. As at the disclosure date of the Report, the Board of Supervisors consisted of eight members, including Mr. Cao Guoqiang (chairman), Mr. Shu Yang, Ms. Wang Xiuhong, Mr. Jia Xiangsen, Mr. Zheng Wei, Mr. Cheng Pusheng, Ms. Wen Shuping and Mr. Ma Haiqing, among whom two were shareholder representative supervisors, three external supervisors, and the other three employee representative supervisors. In 2015, the Board of Supervisors held nine meetings whereby 27 proposals were deliberated and adopted. Furthermore, the Board of Supervisors supervised the Group's



meeting's approval of the application for continuing related party transaction caps from 2015 to 2017; the approved caps involved over 90 types of related party transactions under eight categories, covering all the related party transaction business and greatly boosting the approval efficiency. Third, the Group optimized the related party credit line management mechanism, and further raised the efficiency of credit line use. Fourth, the Group prepared the *Product Manual for Related Party Transactions V2.0*, analyzed transaction procedures for over one hundred banking products one by one, unified identification and calculation standards, and constantly standardized the management of related party transactions. Fifth, the Group conducted an annual audit of related party transactions, and probed into key businesses, management processes, operating mechanisms and data quality. Sixth, the Group performed the procedures of approving and disclosing related party transactions, and the duty of routine monitoring, and ensured all related party transactions were carried out in a compliant manner; cooperated in the management of related party transactions with the Bank's controlling shareholder CITIC Limited, and guaranteed complete, accurate and all-round disclosures.

### Codes of Conduct

To regulate employee conduct and improve employee quality, the Bank formulated the *China CITIC Bank Employee Codes of Conduct* under the guidance of the Board of Directors, stipulating professional ethics, professional discipline, professional image, office environment, and work atmosphere of the Bank's employees to encourage compliance with the codes of conduct among the employees. In 2015, the Group formulated the *Duty Performance Manual for Directors and Supervisors of China CITIC Bank*, which defined various duty performance rules and obligations of directors and supervisors, and facilitated the scientific management of duty performance by them; and worked out the *Management Measures for Grassroots Surveys by Directors of China CITIC Bank Corporation Limited (for Trial Implementation)*, which further specified the work requirements for grassroots surveys by directors and expenditure management. The Board of Supervisors stipulated the *Duty Performance Assessment Methods of the Board of Supervisors of China CITIC Bank Corporation Limited for the Board of Directors, the Board of Supervisors and Senior Management (for Trial Implementation)*, standardizing and improving its mechanism of assessing the duty performance by the Board of Directors, the Board of Supervisors and Senior Management of the Bank.

2,511

The Group collated and produced a list of related parties comprising 2,511 legal persons

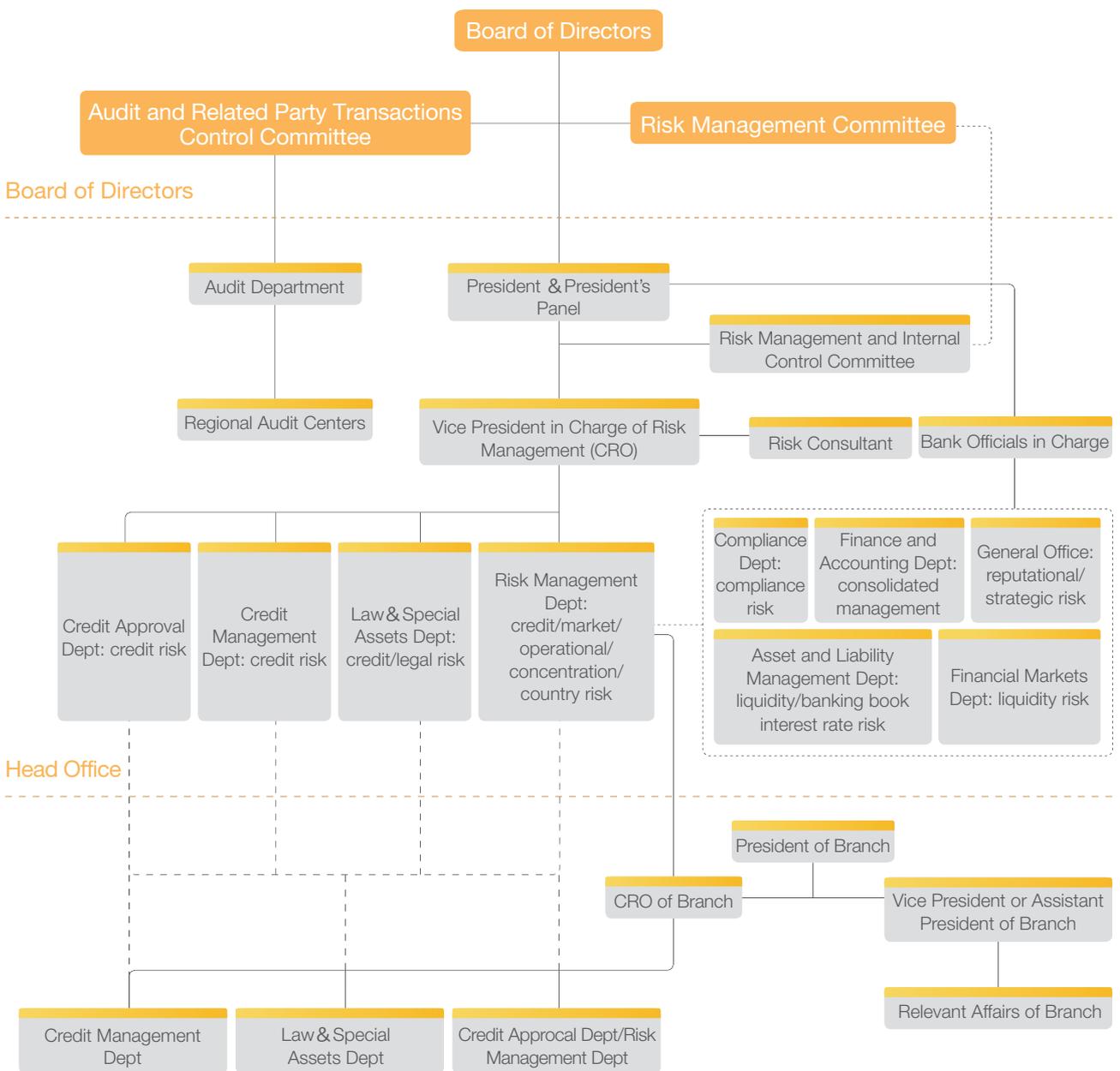
1,771

The Group collated and produced a list of related parties comprising 1,771 natural persons

Strengthening Risk Management

Risk management structure

Comprehensive Risk Management Structure of China CITIC Bank



Branches

### Comprehensive risk management system

In 2015, the Bank accelerated the building of and put in place a relatively complete comprehensive risk management system, defined the parties responsible for risk management, set up “three defense lines” for risk management, and covered all risks for management. Presidents and vice presidents in charge of risk management at all levels are respectively the first and the principal responsible person for risk management work; the “three defense lines” for risk management refer to business management departments (the first defense line); risk management and compliance departments (the second defense line); audit and discipline inspection and supervision departments (the third defense line). The leading management departments were designated and duties defined for each type of risks. The Head Office set up a credit risk early warning committee, established the risk management qualification certification mechanism, credit approval review mechanism, major risk inquiry mechanism and comprehensive assessment mechanism for branches; and completed the implementation of the advanced measurement approach under the capital management measures, further enhancing its risk control capacity.

### Establishing the risk management concept

In 2015, the Bank adhered to an overall steady risk preference and compliant business operation, stressed the matching among business scale, profitability and risk-taking; brought into play the capital constraint function, boosted comprehensive income and the return on risk capital and shifted from “controlling risks” to “managing risks” by resorting to advanced risk quantification techniques, strengthening economic capital management, internal fund transfer pricing and other approaches and observing the principle of “covering risks with income”, instead of purely seeking book profit; and implemented differentiated credit policies by region, industry, customer and price.

### Reinforcing post-lending management

In 2015, the Bank stepped up post-lending management in terms of process building, structure optimization, risk early warning and risk identification, and achieved substantial effects. First, the Bank fully launched the new process building program after credit granting along five dimensions (i.e. organization, policy, process, system and culture), put in place the risk early warning organization system and decision-making mechanism at both the Head Office and branch level, established a parallel operation mechanism, implemented list-based management of low-quality customers, optimized the functions of the information system, and enhanced its risk management capacity. Second, the Bank strengthened voluntary exit and limit management, optimized the structure of credit assets, customers, products, industries, maturities and guarantees in strict accordance with limit management requirements. Third, the Bank carried out risk early warning and elimination, stepped up risk monitoring of key



The Bank

completed

**568**

compliance audits

tabled

**1,733** proposals

with

**94%**

of opinions adopted



The Bank

conducted

**12**

special audits

**3**

ad hoc audit projects

with institutional coverage ratio at

**98%**

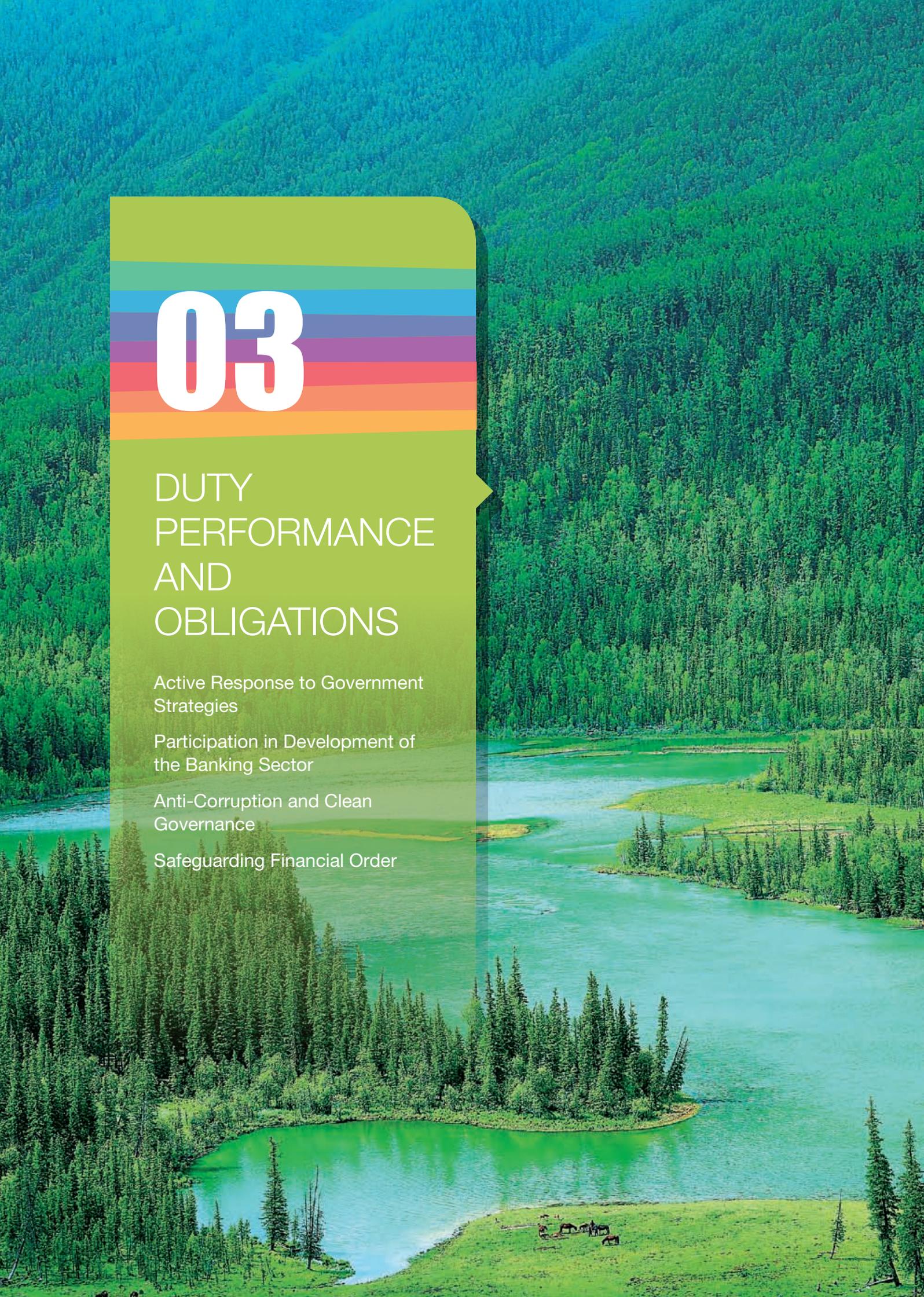
customers, regions, industries, products and customer groups, promptly identified and assessed risk levels, optimized the early warning management process, and boosted its response speed. Fourth, the Bank conducted special credit inspections and risk identification and elimination, identified potential risks, stipulated targeted risk prevention measures, and rectified the problems identified in the finding, effectively achieving the purpose of risk prevention and control.

### Strengthening internal control and compliance management

In 2015, according to the requirements of the CBRC, the Bank conducted a one-year-long special inspection themed “Strengthening Internal Control, Curbing Non-compliance Operation and Illegal or Criminal Activities” (“One Strengthening and Two Curbings”), with 98.8% of rectifications completed. The Bank strengthened system building and authority management, reinforced compliance auditing, rectification and accountability, and stepped up efforts to identify risks relating to employee behaviors, with no cases found out by regulators. As at the end of the year, the Bank completed 568 compliance audits, and tabled 1,733 proposals in total, with 94% of opinions adopted. In addition, the Bank also completed sorting through business processes bank-wide, and optimized its internal control platform, laying the foundation for the application of three major tools for operational risk.

To strengthen auditing independence, the Bank formulated the reform plan for its audit system, set up an audit framework of “one department and eight centers”, moved forward audit checkpoints, and issued risk warnings promptly, reinforced process monitoring and pressed for continuous improvement of internal control by means of unannounced audits and special investigations, effectively exerting the function of auditing. As at the end of the year, the Bank conducted 12 special audits, 3 ad hoc audit projects, and all-round audits of 5 branches and 2 subsidiaries, with institutional coverage ratio at 98%.

The Bank reinforced process control and quality supervision of audit projects, put in place a quality management system covering the entire auditing process from “project initiation, preparation, implementation, reporting and archiving”, and designated specific personnel to oversee the progress and quality of all project phases, notably boosting the execution efficiency and result quality of audit projects.



# 03

## DUTY PERFORMANCE AND OBLIGATIONS

Active Response to Government  
Strategies

Participation in Development of  
the Banking Sector

Anti-Corruption and Clean  
Governance

Safeguarding Financial Order

## Active Response to Government Strategies

### Support for real economy

In 2015, the Bank confirmed the vision to become the “bank of best integrated financial services” and provided a package of integrated solutions to meet the diversified and comprehensive financial demand of customers and serve real economy.

In terms of credit policy, the Bank adhered to the overall objective of “preventing risk, adjusting structure and generating income” and practiced classified credit policies in the dimension of industry, customer and product under the precondition of strict risk control. It provided greater support for government strategies such as coordinated development of Beijing, Tianjin and Hebei, the “The Belt and Road” Initiative, Yangtze River Economic Belt and free trade zones and forcefully supported enterprises that offered micro and small and agriculture-related financial services, promoted industrial structural adjustment and upgrade and defused severe over-capacity in a bid to actively support development of real economy.

Regarding product and service, under the precondition of controllable risk, the Bank proactively innovated in financing products, made great efforts to expand the capital-light business and actively integrated resources both inside and outside the Bank, so as to use limited resources to serve real economy to the maximum extent possible.

With respect to service for micro and small enterprises, the Bank was always paying great attention to financial service for micro and small enterprises. It actively carried out various government requirements and continued to improve and enhance financial services for the businesses in the aspects of establishment of cooperation platform, innovation in products and business modes, fee reduction and profit sharing and Internet finance.

Concerning service charge, the Bank strictly implemented related regulatory policies, actively supported management over banking service pricing and stepped up efforts in fee reduction and profit sharing. It set up the Service Charge Management Leading Group of the Head Office headed by the President to coordinate and guide related work and established the briefing mechanism of the Service Charge Management Working Group to convey related policies and work updates in time. Trainings and self-inspection on service charge were conducted to further standardize related charging behaviors and efforts were stepped up to put in order and streamline service charge items. The Bank also actively implemented national policies on “inclusive finance”, launched fee reduction and exemption activities in multiple channels and enhanced positive publicity and guidance for the public opinion.

400 billion

The Bank would provide over RMB 400 billion financing to support “The Belt and Road” Initiative

90 billion

27 projects of the Bank’s 16 branches were identified as the first group of major projects to be promoted, with more than RMB 90 billion funds to be raised

## Support for the “The Belt and Road” Initiative

On 24 June 2015, the Bank joined hands with several CITIC Group subordinates including CITIC Securities, China Securities, CITIC Trust, CITIC Construction, CITIC Heavy Industries, CITIC Guoan Information Industry, CITIC Resources, CITIC Engineering and CITIC Envirotech to hold a press conference in Beijing, announcing that in the future, they would support “The Belt and Road” Initiative with RMB 700 billion investment and financing. To be specific, the Bank would provide over RMB 400 billion financing, which would cover more than 200 reserve projects and involve 24 branches, and set up “The Belt and Road ” Fund with a first-phase size of RMB 20 billion.

The Bank actively arranged its layout in the major fields under “The Belt and Road” Initiative such as infrastructure, energy and resource, eco- and environmental protection, new energy, modern agriculture and culture and education. The financing methods included not only project loans, syndicated loans, annexation loans and other traditional financing products of commercial banks, but also “mega asset management” products such as PPP financing, wealth management financing and structured financing. It also established strategic partnership with local government in quite a few areas. As at the end of the year, 27 projects of its 16 branches were identified as the first group of major projects to be promoted, with more than RMB 90 billion funds to be raised. The group included 17 projects for the “Silk Road Economic Belt” with a financing value of nearly RMB 40 billion and 10 projects for the “21<sup>st</sup> Century Maritime Silk Road” with a financing value of over RMB 50 billion. With a starting size of RMB 18.6 billion, “The Belt and Road” Fund had input over RMB 5.3 billion. Moreover, a ladder-shaped reserve mechanism had been put into place and the total size of the reserve projects exceeded RMB 120 billion.



### Measures to support “The Belt and Road” Initiative

Hefei Branch won the bid for the traffic infrastructure construction fund project in Lu’an City of Anhui. With accurate understanding of the financing demand of financiers in capital fund and by keeping a close eye on the project, Hefei Branch successfully won the bid for the RMB 5 billion infrastructure construction fund project in Lu’an and fulfilled the first phase of financing in a short period of time. It forcefully supported the development of local infrastructure construction and was highly recognized by local government.

Hohhot Branch and Baotou Transportation Investment Group jointly set up “Baotou Transportation Investment Industrial Fund”. The latter was mainly engaged in management of roads repaid with government charges, management of for-profit roads and investment, construction, operation and management of their branches. The cooperation exerted positive influence over the mid and long-term development of local traffic infrastructure construction.

Xi’an Branch fully supported the development of Xixian New Area. Xi’an Branch actively promoted “the Belt and Road” infrastructure construction and development fund to land in Xi’an, paid visit to Xixian New Area and Baoji Panlong New Area, met with leadership of related administrative committees and reached intent of cooperation on specific projects.

### Setting up “Baidu-CITIC Bank” to develop inclusive finance and serve real economy

On 18 November 2015, the Bank joined hands with Baidu to hold a press conference on establishment of the direct bank Baidu-CITIC Bank in a bid to develop inclusive finance and serve real economy. Foundation of Baidu-CITIC Bank was a positive attempt made for full integration of traditional banks and Internet enterprises, met the increasingly stronger need of broad customers and micro and small enterprises for financial services and pioneered the new pattern in win-win result between traditional financial institutions and Internet companies. It was widely recognized by government organizations, regulators, financial peers, investors and the public and the market value of the Bank increased by RMB 34 billion on the day of the press conference.

At the conference, the Bank and Baidu respectively announced a specific measure on inclusive finance. The Bank would exempt all fees for transfer within the country via personal online banking since 1 December 2015, while Baidu’s third-party payment platform Baidu Wallet would officially launch the “Rebate Program All Year Around” with immediate effect, under which consumers could immediately enjoy 1% or higher cash back by paying with Baidu Wallet anytime of a year. In the future, Baidu-CITIC Bank would take “managing wealth for citizens, raising fund for the public, developing inclusive finance, serving real economy” as its mission to provide consumers with thoughtful and professional innovative financial services.

### Support for government strategies of Beijing-Tianjin-Hebei integration and Yangtze River Economic Belt

In 2015, the Bank continued to center on the government strategy of Beijing-Tianjin-Hebei integration to accelerate synergy and linkage among Beijing, Tianjin and Hebei and continuously enlarge resource input and innovative support for the integration. It mainly supported such areas as the second airport area in Beijing, Tianjin Binhai New Area, Hebei Caofeidian and Langfang and Baoding at the border of Beijing, Tianjin and Hebei as well as the five industries including traffic infrastructure construction, real estate, building materials and machinery, environmental protection and modern services. As at the end of the year, the Bank had 25 reserve projects and granted RMB 10.7 billion loans, which covered the key fields of infrastructure, urbanization construction and industrial transfer, with industries of over-capacity subject to strict control.

In line with the external economic situation and changes of the regulatory environment, the Bank continued to adhere to differentiated development with characteristics and fully supported input of quality credit assets. Taking China (Shanghai) Pilot Free Trade Zone and Shenzhen Qianhai Pilot Free Trade Zone as breakthrough, it provided greater support for major businesses and key areas and focused on offering support for “large government, large customers and large projects” especially in Beijing, Shanghai, Guangzhou and Shenzhen. Meanwhile, it objectively evaluated resource gift, economic and financial potential and business management competency of branches in various areas, perfected classified and stratified management policies of branches and encouraged branches for breakthrough in major fields and differentiated development according to regional characteristics, so as to enhance comprehensive competitiveness.

### Support for the government strategy of “Internet plus”

In July 2015, the central government issued the *Guiding Opinions on Actively Promoting the “Internet plus” Actions* and the *Guiding Opinions on Promoting*



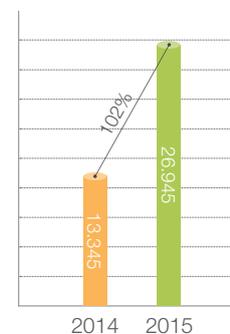
the *Healthy Development of Internet Finance* that was later jointly circulated by ten ministries and commissions also confirmed that banks, as the main entity, shall join hands with Internet companies to develop Internet finance. In the *Suggestions of the Central Committee of the CPC Concerning Formulation of the 13<sup>th</sup> “Five-year” Plan on National Economic and Social Development* that was released by government, Internet finance was included into the national five-year plan and it was proposed to accelerate the reform of the financial system, improve the efficiency of finance serving real economy and perfect the mutually complementary financial institution system with reasonable labor division. Internet finance was upgraded to a national strategy. The Bank actively carried out the 13th “Five-year” Plan, responded to the call of the “Internet plus” strategy for innovation and practice and cooperated with Baidu to set up the direct bank Baidu-CITIC Bank.

### Support for enterprises to “go global”

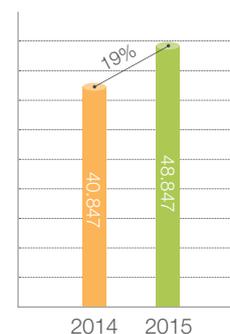
In 2015, as the capital account convertibility process accelerated after China joined the IMF SDR, the Bank closely followed the direction of Chinese financial reform, seized the opportunity of Renminbi internationalization and kept a close eye on the offshore market demand of Chinese enterprises in “going global”. It sped up building of the off/on-shore investment and financing product system and provided enterprises with cross-border integrated financial services. As at the end of the year, the Bank’s cross-border payment and receipt of foreign exchange in RMB was RMB 368.8 billion, decreased by 2.46% year on year.

The Bank fully supported “going global” enterprises for engineering contracting overseas, equipment export and export of high-tech products as well as overseas investment, overseas bond issuance and cross-border merger & acquisition. As at the end of the year, it provided Chinese “going global” enterprises with non-financing foreign bank guarantees equivalent to RMB 26.945 billion, increased by RMB 13.6 billion or 102% year on year, and provided financing guarantees/stand-by letter of credit equivalent to RMB 48.847 billion, increased by RMB 8 billion or 19%.

Non-financing foreign bank guarantees (RMB billion)



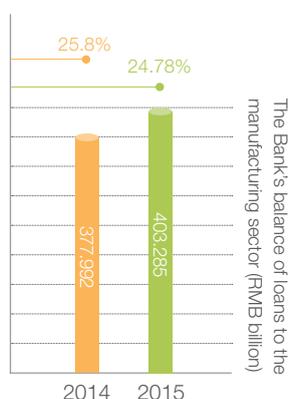
Financing guarantees/stand-by letter of credit (RMB billion)



#### Supporting enterprises to “go global”

A Shandong-based electric power construction company was a quality customer of Qingdao Branch for years and the cooperation was previously focused on traditional business such as corporate loans. In the second half of 2014, learning that the customer’s most overseas contracting projects required the support of bank guarantees right from submitting tenders, Qingdao Branch Jimo Sub-branch set up a joint service group consisting of multiple business departments and devised the “engineering guarantees + trade financing” integrated service mode according to the characteristics of the enterprise. As at the end of the year, the company issued six engineering-related bank guarantees, with the value accumulatively approaching USD 15 million, and issued four import letters of credit, with the value accumulatively approaching USD 40 million, which greatly supported the company’s overseas business development.

The share of loans to the manufacturing sector in the Bank's total corporate loans



### Strict control of loans to highly concerned industries

In 2015, observing the principle of “control of aggregate, differentiated treatment, selection of the optimal, enhanced management”, the Bank strictly controlled the on/off-balance-sheet full caliber aggregate in the real estate industry, implemented list-based management among real estate enterprises and focused on tier-one cities. In terms of projects, it offered support for commercial housing that met rigid demand and partial improvement demand and strictly controlled high-end large-area housing projects with excessive large area for each apartment and high unit price. The Bank selected for the optimal to support indemnificatory housing projects with sound qualifications, standardized operation modes and restructure cash flow and renovation projects of urban shanty areas.

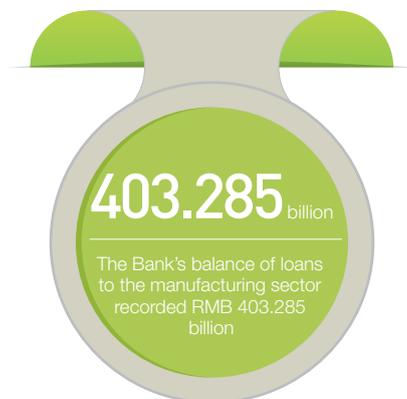
The Bank strictly carried out the quota management policies for on/off-balance-sheet full caliber aggregate for government financing platforms and adhered to the

### The Bank's Loans by Sector

Sector	2015		2014	
	Loan balance (RMB 100 million)	Share (%)	Loan balance (RMB 100 million)	Share (%)
Manufacturing	4,032.85	24.78	3,779.92	25.80
Transportation, warehousing and postal service	1,444.53	8.88	1,363.45	9.31
Production and supply of power, gas and water	490.86	3.02	514.68	3.51
Wholesale and retail	2,454.19	15.08	2,759.63	18.84
Real estate development	2,248.73	13.82	1,608.21	10.98
Water conservancy, environment and public utility management	1,207.04	7.42	1,114.66	7.61
Leasing and commercial services	1,461.15	8.98	835.14	5.70
Construction	1,011.88	6.22	1,004.56	6.86
Public and social organizations	208.35	1.28	193.04	1.32
Others	1,716.15	10.54	1,477.49	10.08
Total corporate loans	16,275.73	100.00 <sup>3</sup>	14,650.78	100.00 <sup>4</sup>

<sup>3</sup> Due to the rounding question, the sum of “Share” was more than 100%, it can be ignored as data adjustment.

<sup>4</sup> Due to the rounding question, the sum of “Share” was more than 100%, it can be ignored as data adjustment.



principle of “control of aggregate, optimized structure, differentiated treatment for the old and new, steady transition”. It proactively connected with implementation of major national strategies and construction of major engineering projects, avoided high-risk fields and regional financing platform business and made evaluation from the perspectives of regional fiscal strength, stratification of platform entities, project cash flow, direction of capital input and methods of guarantee. Efforts were made to reasonably improve threshold, strictly control increment, optimize stock and enrich product application to improve comprehensive benefits.

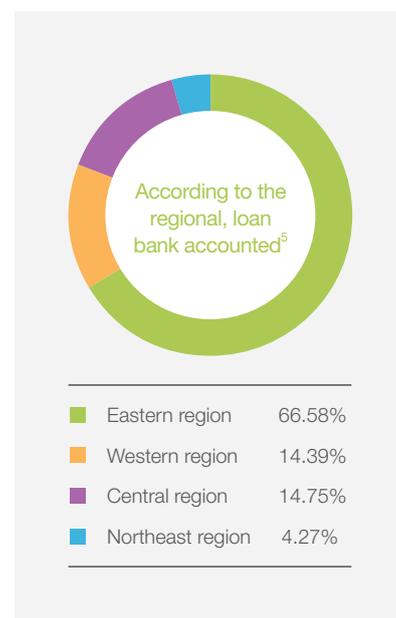
The Bank offered greater support for manufacturing, real estate development, leasing and commercial services. As at the end of the year, the Bank’s balance of loans to the manufacturing sector recorded RMB 403.285 billion, up RMB 25.293 billion from the end of the previous year, and the share of such loans in the Bank’s total corporate loans stood at 24.78%, an decrease of 1.02 percentage points over the end of the previous year.

The Bank’s Loans by Region (unit: RMB billion yuan)



Note: “Eastern region” herein corresponds to the “Yangtze River Delta”, “Bohai Rim (including the Head Office)” and “Pearl River Delta and West Strait” as mentioned in the annual report of the Bank (except for Dalian Branch); “central region” refers to the following areas where tier-1 branches of the Bank are located: Taiyuan, Hefei, Nanchang, Zhengzhou, Changsha, and Wuhan; “western region” refers to the following areas where tier-1 branches of the Bank are located: Chengdu, Chongqing, Xi’an, Kunming, Nanning, Hohhot, Urumqi, Guiyang, Lanzhou, Xining, Yinchuan and Lhasa; and “northeastern region” includes “Northeastern region” as mentioned in the annual report plus Dalian Branch.

<sup>5</sup>Due to the rounding question, the sum of “Share” less than 100%, it can be ignored as data adjustment.



### CITIC Financial Leasing focusing its credit support on new energy

On 18 December 2015, the size of leasing of CITIC Financing Leasing exceeded RMB 20 billion. Up to the date, the company handled a total of 43 financial leasing businesses, covering such fields as new energy, municipal infrastructure construction and equipment manufacturing.

Since its foundation and operation in April 2015, CITIC Financing Leasing realized a leasing input of RMB 20 billion. In the face of the pressure of economic downturn and the increasingly intensified market competition, it followed the “professional, market-based, internationalized” strategy, focused on the six fields namely environmental protection and energy saving, clean energy, retirement and health, equipment manufacturing, urban digitalized renovation and general aviation and actively pursued differentiated management modes with characteristics. As at the end of the year, among the fulfilled businesses of the company, new energy accounted for nearly 30%, mainly covering PV power generation and wind power generation, and the funds were used in construction and daily management of power station projects.

### Optimization of regional economic loan structure

In 2015, the Bank actively participated in development of the Going West strategy, the emergence of the central regions and the revitalization of northeast old industrial base, seized the opportunity of the central and western regions undertaking the transferred industries from the eastern regions, paid special attention to advantageous industries and leading enterprises, stressed efficiency of green credit and accelerated development of green economy. As at the end of the year, the Bank's loans to the western region totaled RMB 340.226 billion, representing a growth of 16.2%, and the share of loans to the western region in the Bank's total loans reached 14.39%, up 0.20 percentage points; the loans to the eastern region totaled RMB 1,574.408 billion, representing a growth of 15.98%, and the share of loans to the western region in the Bank's total loans reached 66.58%, up 0.79 percentage points; the loans to the central region totaled RMB 348.882 billion, representing a growth of 13.91%, and the share of loans to the western region in the Bank's total loans reached 14.75%, down 0.09 percentage points.

The Bank activated green channels of review and approval and perfected credit solutions for projects involved in major national strategies and major development regions such as the Going West strategy, the emergence of the central region, the revitalization of northeast old industrial base, the “Belt and Road” Initiative and Beijing-Tianjin-Hebei integration. In 2015, in the process of project review and approval, the Bank actively granted loans for traffic infrastructure construction in Lanzhou, Xi'an, Xining and Chongqing and supported loan projects for water affairs and water conservancy in Zhejiang, Shanxi and Jiangsu.

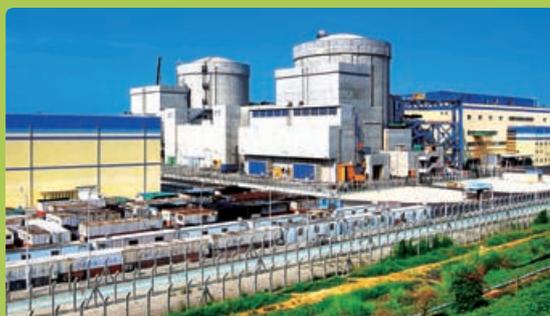
The Bank had 246 outlets in the western region, an increase of 32 outlets or 14.95%, accounting for 18.18% of the Bank's total outlets, installed 2,122 ATM terminals in the western region, increased by 203 terminals or 10.58% and accounting for 19.21% of the Bank's total, and employed 7,436 people in the western region, 13.99% of its total staff and increased by 0.21 percentage points than the year before.

### Support for optimization and upgrade of traditional industries

In 2015, according to the suggestions of China's 13<sup>th</sup> “Five-year” Plan on national economic and social development, the Bank actively supported development of emerging industries such as energy saving and environmental protection, bio-technologies, information technologies, intelligent manufacturing, high-end equipment and new energy and supported optimization and upgrade of traditional industries. It clarified “promoting industrial structure adjustment and upgrade, defusing severe over-capacity and actively supporting development of quality enterprises and building of advanced capacity” in the credit policies, adjusted the structure of traditional manufacturing customers and paid attention to supporting advanced equipment manufacturing with leading technologies and strong market competitiveness that promoted industrial upgrade. As at the end of the year, the Bank granted RMB 199.766 billion loans in the support for traditional industries and the loan balance was RMB 253.829 billion.

### Supporting the nuclear power development

Some nuclear power limited company was the customer of Beijing Branch. The Bank granted RMB 500 million fixed asset loans to the company's Changjiang nuclear power project phase one in 2010 for a term of 22 years. The project phase referred to Qinshan nuclear power phase-two power station project for unit configuration and was consistent with the Qinshan project in process technology and solution, belonging to a second-generation semi-nuclear power station. By the time when its two units were connected to grid, the project could generate 10 billion kWh power annually, driving nuclear power to account for 30% in the power source structure of Hainan and improving the power source pattern. It was primarily estimated that calculating based on 7,000 hours of operation annually for nuclear power units, compared with coal-fired power generation units with the same capacity, use of standard coal could be reduced by around 2.6 million tons annually, which could reduce carbon dioxide emission by 7.8 million tons, soot emission by 450 tons, sulfur dioxide emission by 1,600 tons and nitrogen oxides emission by 9,700 tons, generating a noticeable environmental-protection benefit.



### Support to development of strategic emerging industries and the cultural industry

In 2015, always following the national industrial policy, the Bank actively practiced the government policy of accelerating to cultivate and develop strategic emerging industries and pumped its loan funds to industries of the kind, especially high-end equipment, energy conservation and emission reduction, clean energy and information technology. As at the end of the year, the Bank granted RMB 99.379 billion loans in the support for strategic emerging industries and the loan balance was RMB 122.313 billion.

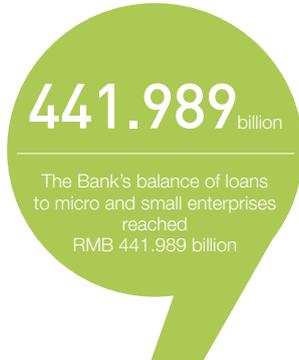
The Bank adhered to the general principle of "proactive development, intervention with the optimal, encouragement for innovation and enhancement of risk control" and actively intervened with development of the cultural sectors with mature business modes, stable cash flow and promising growth potential in the future. For the cultural sectors distinctly with focus put on originality rather than assets, those with great growth potential in the future as a part of emerging cultural industry but with immature business modes, or those with violent fluctuation in profit-making, the Bank actively studied the industrial trend and financing modes, intensified innovation in businesses and products and prudently supported quality customers and major projects. As at the end of the year, the Bank granted RMB 9.914 billion loans in its support for cultural industry and the loan balance<sup>6</sup> was RMB 15.226 billion, an increase of RMB 5.682 billion or 59.53% than the year before.

### Innovative services for micro and small enterprises

In 2015, in order to effectively improve its financial services for micro and small enterprises, against the background of increasingly intensified and frequent risk of



<sup>6</sup> Statistical caliber covers balances of all items under Category R "Culture, Sports and Entertainment Industries" of Industry Classification of the National Economy (GB/T 4754 - 2011).



micro and small loans, the Bank paid great attention to development of financial businesses to small enterprises as always and took the businesses as the priority for developing inclusive finance and performing its social responsibilities. Under the precondition of effectively controlling credit risks, it followed the principle of “focusing on micro and small enterprises, standardized, factory-focused and network-based development”, steadily promoted financial business development for small enterprises and continuously explored and optimized business modes for sustainability of financial services for the enterprises. As at the end of the year, the Bank’s balance of loans to micro and small enterprises reached RMB 441.989 billion, increased by 2.49% and accounting for 18.67% of the total. To be specific, balance of loans to small enterprises was RMB 310.554 billion, increased by 2.48%, and that to micro enterprises was RMB 62.906 billion, increased by 34.65%.

The Bank paid great attention to and strived to meet the financial demand of strategic emerging industries and livelihood service industries, effectively promoting the sustainable development of financial business for small enterprises. In 2015, in line with the requirement of “secondary retail transformation”, it accelerated business transformation and basically realized “focusing on micro and small enterprises, standardized, factory-focused and network-based development” for financial business for small enterprises. By speeding up to stage the risk control and operation system for financial business for small enterprises and promoting the stationing system for review and approval personnel, it perfected the intensive risk control and operation platform of the credit factory mode. Through continuously optimizing and upgrading its system and strengthening development and application of grading cards, it improved automatic processing of the system. As building of the financial product system for small enterprises was enhanced, a product system with focus highlighted, multiple layers and distinct characteristics was shaped. By assisting with customer business operation with both public and private sectors being linked, the Bank won over in batches and cultivated small corporate customers. By further standardizing service charge and reasonably pricing loans, it substantially reduced financing cost of micro and small enterprises. Efforts were made to enrich methods for identifying, preventing and

### Loans of the Bank to Micro and Small Enterprises

	2015	2014	Change (%)
Balance of loans to micro and small enterprises (RMB 100 million)	4,419.89	4,312.40	2.49
Including: Balance of loans to small enterprises (RMB 100 million)	3,105.54	3,030.52	2.48
Balance of loans to micro enterprises (RMB 100 million)	629.06	467.17	34.65



defusing risky assets and accelerate collection of over-due loans and treatment of non-performing assets, which eased the burden left over in history.

## Participation in Development of the Banking Sector

In 2015, the Bank, an enthusiastic participant in work promoted by industrial associations, was actively engaged in daily activities of the China Banking Association and the latter's four specialized committees, namely, the Standing Self-Regulation Work Committee, Custody Business Committee, Pension Business Committee and Factoring Committee, and in academic exchanges of 16 social organizations including the China Institute of Internal Audit, Financial Services Procurement Committee of the China Financial Society, Board of the Inter-bank Market Traders Association, Standing Board of the China Treasury Bond Association, China Securities Investment Fund Industry Association, Enterprise Annuity Sub-committee of the China Social Insurance Society and China Financial Standardization Technical Committee. As such, the Bank made its due contribution to development of the banking sector.

Over the year, the Bank organized the plenary meeting of Custody Business Committee, China Banking Association & Seminar on Internet-based Fund Depository Business, organized the 2016 Meeting on Financial Statistical System of the People's Bank of China and took the lead to organize the first training of China Banking Association on trade finance. Meanwhile, in the annual subject research on management of banking IT risk organized by CBRC, all of the three subjects submitted by the Bank won awards. In the selection of the highest awards for technological innovation and technical advance in the financial sector sponsored by the People's Bank of China, the Bank won the Award of Banking Scientific and Technological Development in five items such as online loans and second-level air card making.

### Holding the first seminar on intermediate business for joint-stock commercial banks

On 23 September 2015, the Bank organized the first seminar on intermediate business for joint-stock commercial banks and delegates from major public joint-stock commercial banks such as China Merchants Bank, China Everbright Bank, China Minsheng Bank, Industrial Bank, Huaxia Bank and SPD Bank attended the meeting. Theme of the meeting was enhancing peer communication and exchange and facilitating development of intermediate business. The participants fully discussed such topics as group system and content of information exchange on intermediate business of joint-stock banks and reached consensus. At the session of business exchange, the participants discussed in depth management of intermediate business, budget assessment and fee reduction and exemption. The seminar helped related sectors enhance mutual understanding, improved information sharing and exchange, improved comparability of exchange data on intermediate business and laid a solid foundation for establishing a long-term exchange mechanism on intermediate business in the future.



The Party Committee organized

4

reporting meetings of the core group (expanded)

1

session of collective study on the spirit of the Fifth Plenary Session of the 18<sup>th</sup> Central Committee of the CPC

Anti-Corruption and Clean Governance



Implementation of the spirit of the 18<sup>th</sup> National Congress of the Communist Party of China

In 2015, the Party Committee of the Bank studied in depth the spirit of the 18<sup>th</sup> CPC National Congress and the Third, Fourth and Fifth Plenary Session of the 18th Central Committee of the CPC in the form of collective study by the core group of the Party Committee, reporting meeting and online learning and realized the objective of unifying thoughts and improving understanding. As at the end of the year, the Party Committee organized four reporting meetings of the core group (expanded) and one session of collective study on the spirit of the Fifth Plenary Session of the 18<sup>th</sup> Central Committee of the CPC. Secretary of the Party Committee of the Head Office Li Qingping emphasized the requirements of comprehensively strictly governing the Party and the Bank, unifying the thoughts and conception of the entire leadership with the new spirit and new deployment of the CPC Central Committee and fulfilling the leadership responsibility amid transformed development of the Bank. She also requested the Party leadership to build up the right value of power, identify the positioning of serving the undertakings of CITIC and the broad employees and masses, persist with exerting power for the masses and fulfilling responsibilities for CITIC undertakings and safeguard the fundamental interests of each employee.

“Three educations”

Party discipline education

Warning education

“Ten bans” education

“Three transformings” work

Transforming functions while focusing on main business

Transforming methods while highlighting main responsibilities

Transforming style while taking the initiative

Promotion of construction of the Party conduct and clean governance

In 2015, the Bank continued to launch the “three educations” on anti-corruption and clean governance, namely Party discipline education, warning

education and “ten bans” education by highlighting the focus, promoted the work in transforming functions while focusing on main business, transforming methods while highlighting main responsibilities and transforming style while taking the initiative with the “tapping nails” spirit and enhanced building of discipline inspection and supervision teams to provide solid guarantee for performing supervisory responsibilities. The Bank put into full play the role of supervision, discipline and accountability, adhered to putting discipline and rules in the front, also in front of laws and made full use of the “four forms” of supervision and discipline to substantially perform the functions of supervision, discipline and accountability. It drove ahead formulation of rules and regulations and building of the new normal in construction of the Party conduct and clean governance, formulated the *Implementation Opinions on Carrying out the Main Responsibility of the Party Committee and the Supervisory Responsibility of the Discipline Inspection Commission in Construction of the Party Conduct and Clean Governance* and the *Assessment Methods of Branches for Carrying out the Main Responsibility of the Party Committee and the Supervisory Responsibility of the Discipline Inspection Commission in Construction of the Party Conduct and Clean Governance* as well as the responsibility list and established and perfected the rules and regulations. With constructing the “great supervision” pattern as the objective, the Bank pressed ahead with building of the punishment and anti-corruption system and promoted supervisory responsibility to be performed in a lasting manner. As at the end of the year, no corruption case occurred within the Bank.

### Practice of strict economy and combat against waste

In 2015, the Bank continued to strictly carry out the *Implementation Measures of China CITIC Bank on the Practice of Strict Economy and Combat against Waste*. These measures specified requirements for various areas including but not limited to management of operating funds, domestic and overseas business travel, business reception, business use of vehicles and organization of conferences on the principles of stricter cost control, simpler arrangements, compliance with laws and regulations, total quantity control, being realistic and pragmatic, being open and transparent, and deepening reform.

The Bank required wider application of energy-saving technologies and products, elimination of high-energy-consumption devices and equipment, focus on more extensive use of new energy and renewable energy, active use of water-saving utensils and construction of a role model water-saving employer. In addition, it required concentrated recycling of waste items such as non-classified waste paper and electronic wastes to promote their reuse, destruction of classified waste items pursuant to relevant confidentiality regulations and active use of information technology including paperless office and less consumption of disposable office supplies.

### Implementing the “Eight Rules” of the CPC Central Committee

Since the “Eight Rules” of the CPC Central Committee was issued, the Bank actively guided its leading officials and employees to fully recognize the ultimate requirement of strictly governing the Party and the importance and urgency of enhancing the work style construction. In 2015, Secretary of the Head Office Party Committee Li Qingping repeatedly emphasized implementation of the “Eight Rules” and required to rectify the “four undesirable work styles”, namely excessive red tape, deception and pursuit of no practical results; deviation from reality and the masses, weak service awareness and disputes over trifles; slack spirit, rigid adherence to conventions and lack of innovation awareness; extravagance, waste and display of splendor. As multiple measures were taken such as continuously rectifying the paperwork and meeting style, closely connecting with the masses, enhancing system building, improving work style, enhancing the awareness of running the Bank in thrifty and regulating expenditure on “three public consumptions”, the “four undesirable work styles” was effectively rectified and the consciousness of the Party officials at various levels in carrying out the spirit of “Eight Rules” and firmly correcting the “four undesirable work styles” was further improved.



## Safeguarding Financial Order

### Strict control of money laundering risks

In 2015, in line with the *Anti-Money Laundering Law of the People's Republic of China* and the anti-money laundering regulatory requirements of the People's Bank of China, the Bank enhanced management over anti-money laundering risk and internal control, formulated a series of management systems such as *Policies on Management of Anti-money Laundering Risks of China CITIC Bank Corporation Limited* and *Methods for Risk Assessment and Classified Management of Customer Money Laundering and Terrorist Financing of China CITIC Bank*, clarified the organizational structure on anti-money laundering management and promoted personnel at related positions to fully perform their responsibilities in business processes.

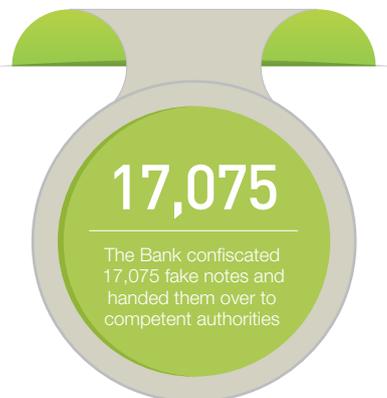
The Bank conducted whole-process control over money laundering risks, implemented compliance review and risk monitoring for innovative financial products, organized training concerning post qualification and access and regularly performed its obligation of reporting large-sum and suspicious data to the People's Bank of China. It earnestly conducted monitoring over the terrorist-related list and established the model of independent monitoring to continuously improve management over anti-money laundering risks. As at the end of the year, the Bank organized five training sessions on anti-money laundering across the entire Bank, with around 8,100 person-time employees participating.

### Prevention of counterfeit money circulation

In 2015, according to the requirement of the People's Bank of China, the Bank comprehensively promoted cash full-amount sorting and serial number retrieval, optimized the renovated its management system for serial number retrieval, successfully launched the system and organized on-site training among related business management personnel across the Bank. It successfully attained the periodical targets of full-amount sorting and serial number retrieval of outbound



cash payment via all channels, which was significant for determining the counterfeit money responsibility and safeguarding Renminbi circulation. As at the end of the year, the Bank confiscated 17,075 fake notes and handed them over to competent authorities, a decrease of 20.89% over the end of the previous year; coupon value of the confiscated fake notes totaled RMB 1,243,473, a decrease of 31.97%.



**Safeguarding of stability and promotion of safety** //

In 2015, earnestly carrying out the working guideline of “focused on prevention, implementing responsibilities, stressing priorities, safeguarding safety”, the Bank conducted safety evaluation and rating, paid special attention to safety and stability, steadily pressed ahead with security defense and made efforts to practice delicacy management, providing the safety guarantee for operation of the entire Bank. As at the end of the year, the Bank stopped 87 petitions and affrays of various kinds, among which five were prevented and resolved by the Head Office. No fire or other security incident occurred within the Bank.

**Stopping a financial fraud**

At 11:20 on 25 November 2015, an over 60-year-old customer came to counter No.4 of Wuhan Branch Donghu Sub-branch for depositing RMB 4,081 in cash to a remote debit card with He being the recipient. Given that the customer was an elderly citizen and the deposit was to be made with a card, the handling teller Chen asked the customer if he knew the card holder and the purpose of the deposit after counting the cash. The customer answered yes and affirmed that the deposit was for purchase and there was no problem. Seeing that the card was a remotely-registered one, the teller notified the customer of related risks, telling him not to remit any money to strangers because the money could not be retrieved in the case of frauds. After repeated inquiries by the teller, the customer mysteriously said that the money was for opening an account for buying “Weika Coins”, that field investigations had been made to confirm security and handsome profit and that he would transfer another RMB 280,000 later. By now, the teller realized the customer might have been deceived and immediately reported the situation to Accounting Manager Guo. Guo inquired about contact of the direct relatives of the customer for the purpose of further verification but was refused. The customer repeatedly urged the teller to make the deposit, afraid that he would be disqualified if he acted slowly because there was a cap over the number of purchasers. Guo asked the customer to wait a moment for the reason of “having to verify related information at back office in the case of deposit without presenting card” and reported the situation to the sub-branch president and the branch security department after calling 110. Eventually, they managed to stop a fraud and avoid unnecessary financial loss for the customer.





# 04

## CUSTOMERS AND SERVICES

Customer-oriented Principle

Protection of Customer Rights  
and Interests

Improvement of Service Quality

Enhancement of Customer  
Experience

Strengthened Management of  
Suppliers

## Customer-oriented Principle

In 2015, the Bank established its corporate culture system, making “to support customer growth” as the top priority of its mission. Upholding the “customer-centered” principle, the Bank spared no efforts to provide customers with satisfactory products and services to help them realize value appreciation; it perfected its financial services with secured service quality and improved service level, and made the “customer-oriented” principle the tenet.

### Postpone collection of due loan interest

In mid-December 2015, Chongqing Branch granted credit to a construction company which undertook many projects under construction. The company made large preliminary input and failed to reach the quantities for payment as specified in project contract, resulting in inadequate capital and tight cash flow for a short period. Unfortunately, it had only RMB 1 million in its account and had to make a choice: pay bank loan interest or the migrant rural workers before the New Year holiday. The branch timely negotiated with the head of the company to gather information on its operating status and following collection of project payment, and estimated its recent cash flow. Consequently, the branch made a decision that the fund available in its account would be used to pay the workers first and the loan interest could be postponed till collection of the project payment. By doing so, the branched helped maintain social order, assured the migrant rural workers, and secured process of the project. In late 2015, the company collected its receivables and paid the due interests.

## Protection of Customer Rights and Interests

### Protection of consumer rights and interests

**Establishment and perfection of management systems:** In 2015, the Bank defined the responsibilities of its Board and the Senior Management for the protection of consumer rights and interests and formulated the *Measures of China CITIC Bank for the Protection of Consumer Rights and Interests*, making the protection of consumer rights and interests an important part of its operational development strategy, so as to make overall planning in this regard and consolidate performance supervision. The Bank established and improved the organizational structure and the operating mechanism concerning the protection of consumer rights and interests, set up the Committee for the Protection of Financial Consumers consisting of 17 departments of the Head Office, and created the Customer Service Management Division under the Retail Banking Department of the Head Office as the office organ of the Committee shouldering nine responsibilities including planning, guiding and managing bank-wide work in this aspect. Each branch also created relevant institutions. The Bank formed the reporting system for information disclosure, complain



# CITIC 中信銀行



settlement, financial education and protection of consumer rights and interests and regulations on assessment and emergency plan. It also improved the codes of conduct concerning product and service provision secured the implementation of all standards through formulating the *Measures of China CITIC Bank for the Assessment and Management of Protection of Consumer Rights and Interests concerning New Products and New Services*, revising the *Process of Sales of Personal Wealth Management Products of CITIC Bank* and establishing such internal inspection and audit systems as the Mystic Inspection and video inspection.

**Preparation of the Three-year Plan:** In 2015, the Bank prepared the *2015-2017 Strategic Plan for the Protection of Consumer Rights and Interests* to ensure sustained implementation of protection of financial consumers. During the planned period, the Bank will enhance top-level design and create active and scientific management and work mechanisms to safeguard the responsibilities for and works concerning impartial treatment of consumers in terms of business, service and management, and actively launch new approaches aiming at protection of consumer rights and interests, upgrade its customer service ability and level, and improve customer satisfaction.

**Unification of the new customer service image:** In 2015, the Bank standardized the visual image for its outlets, and commenced such projects as replacing the outlet VI logo, upgrading outlet employee uniform, and expediting construction of excellent outlets, community outlets and micro and small outlets. As at the end of the year, the VI logo replacement was completed in 2,800 outlets and independent self-service banks, and over 20,000 outlet employees got the new uniform featuring CITIC Red and Chinese Elements, in order to disseminate the corporate culture of the Bank.

**Intensive improvement of service quality management:** In 2015, the branches and sub-branches of the Bank developed implementing rules of their service standards with reference made to the *Handbook of China CITIC Bank on Service Quality Management*, conducted examinations of service provision at the outlets via multiple channels, further refined the *Service Price Catalog of China CITIC Bank*, and screened relevant rules and regulations on protection of consumer rights and interests promulgated by the regulators and the Group over the years.

2,800

The VI logo replacement was completed in 2,800 outlets and independent self-service banks

Through concentrated training and internal training, the Bank strengthened the integrated training of key posts, intensified internal training covering 26 retail projects including key products and key tasks, organized outlet trainings and exchanges, made supervision, inspection and tutoring of employee performance assessment, in order to constantly improve marketing and service level.

**Facilitating customer access to businesses:** In 2015, the Bank required that the principle of proximity be followed for selection of new sites when planning relocation of outlets, i.e., new sites should be located within the radiation scope of customer groups to reduce impacts on customer's banking experience and customers should be informed before and after the relocation. For instance, the Bank required that relocation announcements be put up in distinctive places at the lobby of the concerned outlet at least 1 month prior to the relocation, that bank employees make proactive reminders to customers, that traffic guidance be issued to customers. In addition, the Bank attached great attention to the "Voluntary Accessible Services to the Disabled" initiative, which further improved the construction of accessible facilities at the outlets, built up staff awareness and capacity for serving disabled customers, and organized regular training courses for employees on the methods and techniques of accessible service provision.

### Protection of Customer Information Safety

In 2015, the Bank continued to improve its system of rules and policies on information technology risk management, and further standardized its information technology management mechanism. The Bank developed 220 information technology management rules and technical standards covering all aspects of information technology risk management including development and testing of applications, system operation, emergency response management, network management, safety management and technological management. The Bank established and perfected its information technology management process to define the mechanisms for division of duties, supervision and review of key points and priority stages such as development, operation, testing and network and lay down detailed requirements and routes for reporting of information security incidents. In addition, the Bank established a fairly comprehensive system for monitoring of information technology risk and constructed the system for automatic concentrated monitoring of production system, fully covering operation systems, databases, application systems and network systems, and deployed security monitoring systems covering virus, IDS and network communication.

### Protection of Outlet Operation Safety

To ensure safe operation of the outlets, the Bank launched a bank-wide safety assessment. The assessment covered 400 outlets and self-service banks, 191 independent outlets, 117 independent self-service equipment and 8 self-service kiosks of 37 branches which all reported satisfactory results.

### Sales of wealth management products

In its sales of wealth management products, the Bank adopted the following measures to protect proper and legitimate rights and interests of consumers:

- Only bank employees with qualifications in wealth management, fund and insurance may sell wealth management products;
- When selling wealth management products, bank employees must assess investors' risk tolerance level;
- When selling wealth management products, bank employees must make full disclosure of the products' benefits and risks to customers;
- When selling wealth management products, bank employees must examine and distinguish qualified investors for products with higher risks.

37

The Bank launched a bank-wide safety assessment and 37 branches all reported satisfactory results



### Improvement of Emergency Response Management System

In 2015, the Group paid high attention to the development of emergency response management system. It formulated and enforced such rules and regulations as the *Regulations of China CITIC Bank on Reporting Important Issues*, the *Emergency Plan of China CITIC Bank for Staff on Business Trip Overseas*, and fifteen emergency plans for custody, wealth management and e-banking businesses to effectively protect the legitimate rights and interests of customers and the Group.

The Group defined the processes for emergency drilling, emergency plan management and emergency response concerning information technology. It prepared emergency drilling plans for each year in the forms of true scenario and sand table, operating practice and sand table, covering all production and operation aspects including application system, network and computer room. The Group developed complete emergency plan templates covering all emergency plans, defined the layered emergency response process, applied differentiated response to events of general and significant influences, and reinforced the announcement, reporting and decision-making processes.

In line with the requirement of New Basel Capital Accord, the Group revised the *Implementation Rules for the Measures of China CITIC Bank for the Management of Reputational Risk* to refine the processes and methods for response to significant and emergent public opinion events. The Group also revised the *Emergency Plan of China CITIC Bank for Liquidity Risk* to ameliorate the relevant emergency plan.

### Improvement of Service Quality

#### Higher Service Ability

**Greater capacity for handling of complaints:** In 2015, the Bank launched the 24x7 free customer service hotline. In compliance with the *Measures of the Credit Card Center of China CITIC Bank for the Management of Customer Complaints*,

complaint settlement should observe the principle of “responsibility-based accountability, first accountability, reporting level by level, settlement within set time limit, compliant handling, timely recording and change-role”. It was specified that complaints must be settled within three work days, and that complaints would not be closed until the customer accepts the solution offered by the Bank. During and after complaint settlement, the Bank made timely reviews to analyze the cause and work out rectification plans, so as to minimize similar disputes. Customer experience improvement projects were presented to probe into customers’ dissatisfactions, tackle with both internal and external replies to improve their satisfaction. As at the end of the year, the customer service hotline received 69,663 complaints through 4008895558, 13.12% less than the end of the previous year, and customer satisfaction rate was 97.57%, an increase of 0.48 percentage points over the end of the previous year; 9,122 complains were received through 95558, 3.19% more than the end of the previous year, and customer satisfaction rate was 97.6%, a decline of 0.18 percentage points over the end of the previous year.



#### Practices in improving service level

Xiamen Branch tried various means and forms to build learning and sharing platforms. In each month, the branch would make random inspections of the morning and evening meetings of outlets, and required that regular meetings should be convened concerning service quality. It provided pertinent training for the guides/lobby managers, wealth managers, business department managers and comprehensive tellers to improve their service ability. It also highlighted the advanced models. The former quarterly and annually excellent outlets and service stars were appraised monthly and annually, and the number of excellent outlet of the month was added from one to three, thus creating a favorable climate for competition. It also intensified complaint management through secret inspections by the Head Office and the branch, open inspection, self-inspection, mutual inspection, monitoring inspection, etc. It required that the lobby manager should carefully reply to each comment left on the Suggestions & Complaints on a daily basis, and contact each complaint who left contact information to win their understanding.



**Higher customer service level:** In 2015, the Bank gave active response to the financial knowledge promotion programs organized by CBRC and CBA. It intensified training of outlet service staff and disseminated financial knowledge and practical techniques among the public to create a sound financial climate. It was honored the “2015 Best Outcome Award of Chinese Banking Sector for Financial Knowledge Promotion” given by CBA. The Bagualing Sub-branch in Shenzhen, the Banking Department of Taizhou Branch in Nanjing, ETDZ Sub-branch in Qingdao, the Banking Department of Taizhou Branch in Hangzhou, Zhengbianlu Sub-branch in Zhengzhou, the Banking Department of Chongqing Branch, Hankou Sub-branch in Wuhan, the Banking Departments of Hohhot and Baotou Branches, and the Banking Department of Guiyang Branch were awarded the “100 Best Role Model Units of Chinese Banking Sector” by CBA, ranking No. 1 among Chinese joint-stock banks in terms of number of winners, and 42 sub-branches awarded the “Five-Star Outlets in Provision of Standard High-quality Services” by CBA.

### Assessment of Customer Satisfaction //

In 2015, the Bank surveyed 675,710 customers via automatic outbound customer calls, and received 662,549 satisfactory replies, reporting a satisfaction rate of 98.04%, 0.96 percentage points higher than the end of the previous year. Customer satisfaction of the Bank’s corporate online banking and investment & wealth management businesses averaged 99.90%. In particular, they gave favorable comments on the Bank’s safe, swift and convenient one-stop financial services for going abroad, and were satisfied with out diverse service channels.

To further improve customer satisfaction, the Bank contacted each and all customers who left dissatisfactory reply. It was learnt that, customer dissatisfaction include: 1. the credit limit of bank cards was far from reaching their demand and readjustment application was replied too slowly or unsuccessful; 2. it should be easier to modify personal information to access to other businesses; 3. defect in telephone banking rules, business rules and employees’ handling technique and business proficiency, and refusal to information verification and installment application.

### Proactive Correction of Service Deficiencies //

In 2015, the Bank made the following improvements according to customer dissatisfaction:

Application for readjustment to credit limit was replied too slowly or unsuccessful:  
1. backup credit limit approval policy was adopted, i.e. part of the credit limit decided according to customer’s worthiness will be reserved and to be validated upon application; 2. self-service channels were expanded to facilitate customer operation; IVR function was activated; WeChat readjustment function was included into plan.

### The “new core” system successfully launched

On 10 May 2015, six new systems including the core business system, data warehouse and consolidated statement system, new retail credit system of the “new core” system, as well as 121 peripheral systems, 25 management information systems, 579 branch feature applications and 274 branch management information systems were put into operation in an once for all manner, covering all businesses and institutions. The Bank’s IT supporting business shifted into rapid development.

The “new core” system highlights the “customer-centered and market-oriented” strategy, made all-round improvements in terms of customer service, product management, fee handling, account system, operating management and service, and reached the top level among domestic peers.

The “new core” system is capable to handle 120 million customers, 200 million accounts, 78 million transaction per day on average or 100 million transactions in peak days. It is also capable to handle 7,000 transactions per second on average or 8,000 transactions in peak hours, a remarkable stride forward compared with the average 18 million transactions per day and 800 transactions per second of the original system. The “new core” system also serves customers on a 7x24 basis. The efficiency of counter service is improved over 40%, and the deliverable cycle of new product is shortened nearly 50%, substantially upgrading customer service level.

During the three years and nine months’ project term, over a thousand systems were developed and renovated, eight functional testing made, ten overall testing and six simulations conducted. The one-time switch of 1,005 systems covering all institutions and businesses is a new record among commercial banks of the similar size.

## Enhancement of Customer Experience

### Reduction of Service Charge Items

2015 witnessed the Bank constantly standardizing its service charges and successively producing a series of management measures to reduce service charges and surrendering part of its profit to customers. The Bank honestly observed CBRC regulations on exempting personal RMB accounts from 34 charges of 11 categories, prohibited commitment fee, fund management fee, financial consultant fee and advisory fee imposed on loans to micro and small enterprises.

The Bank also gave up 19 service fees directly related or no longer applicable to loan and consultant, and lowered five service fees including IC card cost based on market and regulatory status, and streamlined and amended *the Service Price Catalog of China CITIC Bank*. The number of fee-free services was readjusted from 96 to 67.

The Bank continued expanding the scope of accounts exempted from out-of-town cash withdrawal fee. The coverage of accounts exempted from fees for cash withdrawal at out-of-town outlets of the Bank for the first two transactions every month was expanded from personal basic pension (including retirement pay) accounts, as required by the regulator, to all personal accounts opened with the Bank; the cost of each IC card was reduced from RMB 20 to RMB 5. The Bank gave more special offers to customer accounts. Personal customers were exempted from all account administration fee and annual fee (excluding credit



card customers; except Dongguan Branch); in addition to free transfer via mobile banking, personal domestic transfer via online banking was exempted from service fee.

Besides the 11 categories of personal RMB accounts as required by the regulator, 56 services were also free of charge; specific customers enjoyed discounts for 41 of the 167 fee-based services; 12 fee reduction/exemption programs were launched, including “zero fee for overseas cash withdrawal via credit card” and installment for credit card spending. As at the end of the year, the Bank exempted customers RMB 2.99 billion in total.

**New Service Channels**

In 2015, the Bank established 124 new institutions and shut down one institution, of that, the number of tier-1 branches was added by one and tier-2 branches added by 9, and that of sub-branches increased by 114. The number of ATM was decreased by 84 or 0.75% over the end of the previous year. As at the end of 2015, the Bank had 1,353 outlets in 128 large and medium cities in Mainland China, including 38 tier-1 branches, 88 tier-2 branches and 1,227 sub-branches.

**Innovative Services and Products**

In 2015, the Group actively implemented new strategy, enhanced innovation in products and service to foster comparative advantages in the sector, and introduced a series of financial services and products with CITIC characteristics.

**Corporate Service and Products**

The Bank adopted commercial banking + investment banking, banking + non-banking, on- and off-balance-sheet, and domestic + overseas operating modes to service customers with comprehensive financing solutions.

The Bank obtained qualifications for over 400 fiscal agent businesses of “government integrated finance” of various levels, covering all provincial treasury centralized receipts and payments and local treasury cash management pilot regions.

The Bank played a leading role in asset custody. It ranked second among peers in terms of custody of security brokers, and ranked first among joint-stock banks in terms of custody of public placement funds.

The Bank was the top financial market maker in terms of foreign exchange spot trade, and secured No. 1 in terms of trade volume of bills and asset management.

Centering on enterprise trades and trade chains, and integrating sixteen featured products and services, the Bank inaugurated the “Trade +” brand, making it the first commercial bank with exclusive transaction banking brand in China.



### Innovative “CITIC Wealth Management Night Market”

On 13 November 2015, the China Forum on Inclusive Finance sponsored by *National Business Daily* opened in Beijing. The widely noticed awarding event was attended by regulators including PBOC, CBRC and CBA, industrial associations and representatives of the banking sector. CITIC Wealth Management Night Market stood out among various financial products and was crowned the “2015 Excellent Brand of Inclusive Finance”.

Upholding its “customer-oriented” principle, the Bank takes the lead in making differentiated financial brands. In May it introduced the CITIC Wealth Management Night Market which received warm market response. The first release was sold out within two minutes. As at the end of the year, the product has recorded 24 issuances. More than 90,000 individuals purchased the product. Despite that the return rate equals to similar products, it was widely welcomed by consumers and reported sales of over RMB 10 billion in months.

### Retail Service and Products

The Bank’s “house mortgage loan” was a competitive personal loan product which reported a balance over RMB 150 billion and was awarded the “Top 10 Innovative Financial Products Award”.

The Bank introduced various financial services for going abroad including global visa service, optimized loan for overseas students, Sunshine direct RMB overseas investment service, foreign currency wealth management products, and issued the first *White Paper on the Assessment Index Survey of Overseas Study Agents* in China.

In collaboration with seven financial subsidiaries including CITIC Securities, CITIC Trust and CITIC Prudential, the Bank launched the CITIC wealth management platform and the CITIC Xingfuchuan Cheng Account customized for customers with high net value. At the news conference on 2015 competitiveness assessment report on Chinese commercial banks, the Bank was honored the “Best Bank for Wealth Management”.

### Improved Service Flow

In 2015, for simple counter services, the Bank set up the “express service window” whereby the service standards of “standing up to welcome customers, presenting documents to customers with both hands, providing services with high efficiency, reminding customers of potential risks, and watching customers leave” were strictly observed and customer waiting time effectively shortened. The Bank further improved its service notice system. Business hours, fee schedules, deposit and loan interest rates, and foreign exchange rates were openly displayed and repetitively broadcasted on the LED screens of all outlets, with revisions made to the previous versions and English translations added. In strict accordance with regulatory requirements, all outlets of the Bank displayed relevant contents such as the “7 Not Allows” and “4 announcements”<sup>7</sup> as a gesture to welcome public supervision.



<sup>7</sup> “7 Not Allows”: Banks are not allowed to convert loans to deposits, not allowed to require deposit before the grant of loans, not allowed to charge customers for unreasonable intermediary and other financial services, not allowed to up float interest rate in disguised forms, not allowed to bundle loans with the sales of products, not allowed to up float loan interest rates to the ceilings, and not allowed to transfer operation cost to customers. “4 announcements”: Banks must make the following information announcements: their service charge items, their service quality and prices, their preferential policies, and the purposes and functions of their products, services and systems.



## Enhancement of E-banking Services

In 2015, the Bank launched personal internet banking V6.0 which received favorable response from users. The new version brought with brand new features. It for the first time supports browsers other than IE and Mac system; the desktop, pad and flat design brings strong visual impact; it stresses personalized services and allows customized function, quick trade and interface style; it enables three-step access to main function to improve user experience; it presents more comprehensive, professional and quality services including rich investment & wealth management products and inclusive asset report.

The Bank also launched mobile banking V3.0 featuring flat visual experience, streamlined trade process, lower access bar and higher security. V3.0 supports registration with cards issued by other banks, and presents new functions such as card-free withdrawal and wealth management calendar.

## Strengthened Management of Suppliers

In 2015, the Bank formulated the *Measures of China CITIC Bank for Administration of Centralized Procurement* which specifies the “centralized, independent, competitive and applicable” and “separated administration and procurement” principles as well as the methods and procedures of “local procurement” and “origin procurement”. As a result, the supply chain was shortened and transport cost reduced, allowing concentrated supply of goods with competitive strength. Observing the principles of minimal cost and best quality, the centralized procurement aims to acquire quality products with preferential prices.

The Bank made strict examination of suppliers focusing on their records of major violation of operating rules, social responsibilities and production safety in recent three years. As at the end of the year, all suppliers had gone through the access examination.

The Bank has not yet developed uniform regulation and standard contract text concerning suppliers’ fulfillment of their social responsibilities. Some institutions added terms and conditions in this regard to the contracts reached with suppliers, such as “Party B undertakes and ensures that Party B maintains legal labor relationship with its employees, and is obligated to and has made available necessary medical insurance, social security or insurance policy for its employees and has paid related fees in due as required by laws and regulations.”

By intensifying management of supplier access and assessment of suppliers and rejecting high-energy-consumption and heavy-pollution suppliers and products, the Group guided suppliers to perform their due social responsibility. The Group vigorously promoted “electronic review and approval” and development of the procurement information system. Information technology was made full use of to standardize review and approval of procurement projects, improve work efficiency and substantially streamline written response materials, so as to minimize social cost and environmental responsibility. The Bank required candidate suppliers for each procurement project to assess whether the procurement was made in a just and fair manner. As at the end of the year, the Bank received satisfactory responses and zero complaint, neither in written nor oral forms.

# 05

## EMPLOYEES AND CULTURE

Basic Profile of Employees

Basic Staff Welfare Programs

Equal Pay for Equal Work

Improved Assessment  
Mechanism

Caring Physical and Mental  
Health

Career Planning for Employees

Protection of the Legitimate  
Rights and Interests of  
Employees

Enhanced Vocational Training

Diverse Cultural and Sports  
Activities



The proportion of employees without labor contract stayed at

**11.19%**

**3.22** percentage points lower over the end of the previous year

<sup>8</sup> Including assistant general managers at tier-1 departments of the branches, assistant general managers of sub-branches (inclusive), and above.

<sup>9</sup> Including assistant general managers (inclusive) at tier-2 departments of the Head Office and above.



## Basic Profile of Employees

Continuing expansion of the Bank in 2015 fueled the growth of headcount. As at the end of the year, the Bank registered a total 53,136 employees, an increase of 4.73%, declining by 3.63 percentage points compared with the end of the previous year. Of them, the number of employees with labor contracts was 47,190, accounting for 88.81%, 3.22 percentage points higher over the end of the previous year; the percentages of women and men employees were respectively 52.91% and 47.09%, with the former increasing by 0.13 percentage points over the end of the previous year; the percentage of employees of ethnic minorities was 4.00%, an increase of 8.24%, decreasing by 12.30 percentage points over the end of the previous year; the percentages of basic-level employees, management staff of branches and the Head Office were respectively 88.65%, 10.57% and 0.78%; those with college education or above was 87.04%, ascending by 0.35 percentage points over the end of the previous year; the loss rate of employees with labor contracts was 5.63%, 1.00 percentage point more than the end of the previous year.

### Employee Statistics

	2015	2014	Changes
Headcount	53,136	50,735	4.73%
Employees under labor contracts with the Bank	47,190	43,424	8.67%
Employees dispatched to the Bank or hired with letters of engagement	5,946	7,311	-18.67%
Male employees	25,023	23,959	4.44%
Female employees	28,113	26,776	4.99%
Ethnic-minority employees	2,128	1,966	8.24%
Basic-level employees	47,107	45,413	3.73%
Branch managerial employees <sup>8</sup>	5,614	4,970	12.96%
Head Office managerial employees <sup>9</sup>	415	352	17.90%
PhDs	182	184	-1.09%
Postgraduates	9,410	8,613	9.25%
Undergraduates	36,656	35,186	4.18%
Junior college graduates	5,109	6,033	-15.32%
Below junior college (non-inclusive)	1,779	719	147.43%
Aged 30 and below	28,414	28,410	0.01%
Aged between 31 and 40	16,972	15,187	11.75%
Aged between 41 and 50	6,196	5,761	7.55%
Aged between 51 and 59	1,543	1,367	12.87%
Aged above 60	11	10	10%
Employees (under labor contracts) Turnover Rate	5.63%	4.63%	21.60%

In accordance with government regulations on dispatched labor, the Bank reinforced the management of dispatched staff. There had been no dispatched labor added since 2015. The Bank also worked out detailed plan for employees without labor contract, some of whom would gain permanent status, some remain current status, and some be laid off, so as to gradually reduce the proportion in total staff. As at the end of the year, the proportion of employees without labor contract stayed at 11.19%, 3.22 percentage points lower over the end of the previous year.

### Basic Staff Welfare Programs

In 2015, in accordance with state and local government regulations, the Bank paid basic pension insurance, basic medical-care insurance, unemployment insurance, work injury insurance, maternity insurance for employees, and housing provident funds.

### Equal Pay for Equal Work

In 2015, the Bank formulated the remuneration standards based on value of particular post. The Bank fully observed the principle of equal pay for equal work, with no gender-specific differences in its remuneration and promotion standards. The Bank met local minimum pay requirements with regard to its minimum remunerations.

### Improved Assessment Mechanism

In 2015, based on its post system, the Bank set up the value creation-oriented performance management system. On the basis of the key performance indicators specified in the post description and combining its strategic objectives and key tasks, the Bank developed the annual performance plan to guide the works of all posts. The Bank made thorough assessment of employees' fulfillment of performance plan by means of performance assessment and online assessment.

### Caring Physical and Mental Health

In 2015, out of its great care for physical and mental health of employees, the Bank organized health training courses and lectures for its employees, covering extensive areas, such as how to keep fit with the use of traditional Chinese medicine (TCM), tips on the health of female employees members, health-care of infants and young children, prevention and treatment of middle to old-age diseases (coronary heart disease, hypertension, and diabetes, etc.),



The Bank had organized

**127**

health-related training courses and lectures

attracting participation of over

**5,800** employees



Employees voluntarily participating in physical check-ups recorded about

**46,000**

person-times

up

**6,000**

person-times over the end of the previous year

psychological knowledge, and emergency self-rescue and first aid. All these helped employees to understand their bodies, improve their work habits and develop self-consciousness of disease prevention. As at the end of the year, the Bank had organized 127 health-related training courses and lectures, attracting participation of over 5,800 employees.

In order to help its employees maintain top form, the Bank organized routine physical check-ups for its employees on a regular basis, with more items checked for employees aged 45 and above, and some branches organized special physical check-ups for female employees. As at the end of the year, employees voluntarily participating in physical check-ups recorded about 46,000 person-times, up 6,000 person-times over the end of the previous year.

The Bank supported the trade unions of branches' courtesy visits to employees, cultural and sports events and "employees' home", and visited sick employees with both mental and monetary cares. Senior management members of the Bank paid courtesy visits to retirees on a regular basis and called on sick employees.

### Career Planning for Employees

In 2015, the Bank further defined such philosophy conveyed in its selection, utilization and promotion of talents, i.e., pay equal attention to ability and integrity but prioritize integrity in promotion, select the best from the elites, apply the principle of survival of the fittest, and take full advantage of the talents pool, put the right candidates to the right positions, and motivate employees with a sound incentives mechanism, thereby tapping into the full potential of talents.

The Bank intensified regulations and policies through formulating 22 rules concerning the management of branch leader group and their members, post management, etc. The manager team was enhanced, talent selection and utilization mechanism perfected, the Senior Management readjusted and supplemented, the competitive talent selection strengthened, and 188 division-level managers were appointed through competition. Guided by the talent-based strategy, the back-up management talent pool of more than 170 persons for the Head Office and branches was established, and training of international talent pushed forward.

### Protection of the Legitimate Rights and Interests of Employees

#### Protection of Employee Right to Make Claims

In 2015, the President's Mail Box was set up on the intranet of the Group whereby basic-level employees may directly communicate with the senior management of the Group. The employees were encouraged to offer opinions on business development and internal management through the President's Mail

Box, in order to build a sound internal and external feedback mechanism and a channel for solicitation of rationalization proposals. Each employee may send mail to the Box in real name or anonymously to file complains or suggestions. The presidents would give feedback to and settle the hot issues within set time limit. As at the end of the year, the Box received 110 emails and hardcopies, all of which were replied.

The Bank solicited employees' opinions on operation and management through diverse channels. A symposium of young employees was held at the Head Office and 21 suggestions concerning six aspects were collected, with responses given by related departments and follow-ups published. President Li Qingping addressed the symposium for 105 new employees who reported on the concentrated training and apprenticeship at the basic level. After the meeting, replies were given to the advices from new employees. The democratic consultation of the Party Committee of the Head Office concluded with 75 opinions concerning nine aspects, which were all forwarded to each of the Senior Management members.

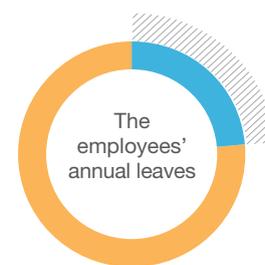
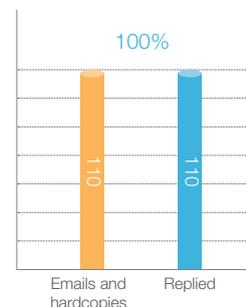
### Protection of Employee Right to Work and Rest

In 2015, the Bank fully safeguarded employees right to work and rest according to law, clearly defined the working hours, breaks and leaves, labor protection and working conditions of its employees in the labor contracts. There was no forced labor (overtime) found in the Bank. The *Administrative Measures of the Head Office of China CITIC Bank on Employees Overtime* specifies that employees must file application for approval before overtime, so as to eliminate forced labor (overtime). As at the end of the year, the Bank registered total overtime<sup>10</sup> of 3,332,200 hours or 63 hours per capita in the year. In the year, the employees' totaled 1,367,500 days of due annual leaves, of which 23.81% or 325,500 days were actualized. The other leaves including marital leave, personal leave, sick leave and funeral leave totaled 236,300 days or 4.45 days per capita, 3.05 days fewer than the end of the previous year.

### Protection of Employee Rights as Trade Union Members

In 2015, the Head Office and branches of the Bank all had trade unions in place and budgeted operating funds for trade unions in full amounts to ensure extensive organization of trade union activities. As at the end of the year, the Bank achieved 100% trade union membership rate among employees with labor contracts; employee representatives' congresses were already in place at the Head Office and the Credit Card Center and 38 branches; 37 branches signed Special Collective Contract of China CITIC Bank for Protecting the Rights & Interests of Female Employees, equaling to the previous year. For the whole year the Bank convened 56 employee representatives' congresses at different levels, 16 congresses more than that at the end of previous year, deliberated over 200 items, an increase of 23%, and recorded about 4,300 participants in total, up approximately 3% over the end of the previous year.

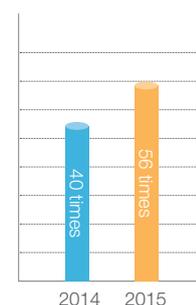
The President's Mail Box annual feedback rate (%)



Due annual leaves	1,367,500 days
Actualized annual leaves	325,500 days
Actualized rate	23.81%

<sup>10</sup>This Includes overtime in extended work time, weekend and holidays.

Employee representatives' congresses at different levels (Times)



### Food Festival

To improve employees' sense of happiness, the Head Office presented the Food Festival--I'm A chef on 30 July 2015, attended by chefs of Xinlong Property Management Company from Beijing, Shanghai and Weihai. During the Festival, employees enthusiastically participated in the contest, and voted their favorite delicacies. President Li Qingping and the leadership attended the event and tried the dumpling and chopping contests. The heads of many Head Office departments shared their kitchen skills. Through the event, the leadership delivered their care about and built up the rapport with the employees.

### Satisfactory Logistic Services

In 2015, the Bank provided employees with a clean, quiet working environment, as well as auxiliary facilities including libraries, chess and poker rooms, employees canteens, and shower rooms. Employees were routinely reminded to pay attention to their personal safety during the work days and public holidays. As at the end of the year, 22 employees of the Bank were injured at work in sport activities, on the way to/from offices, in offices and during business trips, a decline of 16 persons compared with last year. For these injury incidents, the Bank made active efforts to apply to local authorities of human resources and social security on verifying the injuries as work-related ones, and, in the event that the decisions were made otherwise, the Bank would actively provide material and spiritual compensations to the concerned employees, and made sure that the latter would focus on regaining health and returning to their jobs thereafter.

Clean tidy employees canteens with specialty chefs were available at the Head Office and some branches and sub-branches, relieving employees of dining worries during working hours. Branches unable to establish canteens made arrangements with third-party suppliers to make timely meal delivery to the employees, another reason for employees to feel joyful and happy in their work, so as to "create employee happiness".

### Protection of Women's Rights and Interests

The Head Office's trade union issued a circular requiring a continued effort to press ahead with the signing of collective labor contracts with female employees at branches, in a move to truly protect women's rights and interests. According to statistics, 95% of the female employees across the Bank signed the *Special Collective Contract with Female Employee*, marking a firm step made in protecting the lawful rights and interests of employees.

The Head Office departments, the Credit Card Center and some branches including in Beijing, Shanghai and Nanning set up rooms for the private use of

### Mothers-to-be Care Program

Guided by an idea of "acting with heart and care" for female employees, Chongqing Branch combines female employees' lawful rights and special interests with their long-term career development. The Mothers-to-be Care Program comprises four parts - "Initial Care", "Care in Job", "Care in Life", and "Prolonged Care".

Initial Care means that a female employee, once pregnant, can receive a mother-to-be badge, anti-radiation clothing and a pregnancy guidebook, and that the branch will ask her department to provide work flexibility for the pregnant female employee. Care in Job means that a female employee aged 30 or older or who a hospital has declared will have a high-risk pregnancy, can rest at home for 3 months before pregnancy and 2 months before childbirth, or in serious cases a prolonged period. Care in Life measures include a baby care room at the branch's headquarters, midday rest zones for pregnant employees at sub-branches, obtaining birth permits for pregnant employees, and access to VIP prenatal examination services at 4 general hospitals. Prolonged Care means that female employees who have returned to work after childbirth enjoy 2 breastfeeding hours each workday and have their breast milk stored in storage devices at the baby care room.

breastfeeding female employees. A wide range of activities intended for female employees were held during the International Women's Day and Children's Day, including lectures on female health and pregnancy, parent-child events, and physical examinations, which boosted female employees' happiness.

## Enhanced Vocational Training

In line with the strategic plan and centering business transformation and performance improvement, the Bank intensified the multi-dimensional training of employees to upgrade their post competency in 2015. The Bank's training and development were closely centered on the strategic transformation to build a team that meets strategic needs, equipped with strong executive ability and all-round competitiveness; future-oriented to carry out training of leaders at all levels, the backup management and international talents; delivered at multiple levels and in diverse categories to deepen post training and professional training; aimed at expediting the transformation to reinforce online learning and mobile learning and support business; dedicated to create a learning atmosphere through such activities as reading, CITIC lecture and knowledge contest. As at the end of the year, the multi-layered and categorized training plans were well implemented across the Bank. 6,064 trainings were held with 522,628 participants.



The multi-layered and categorized training plans were well implemented across the Bank

**6,064** trainings

were held with

**522,628**  
participants

### Training Statistics

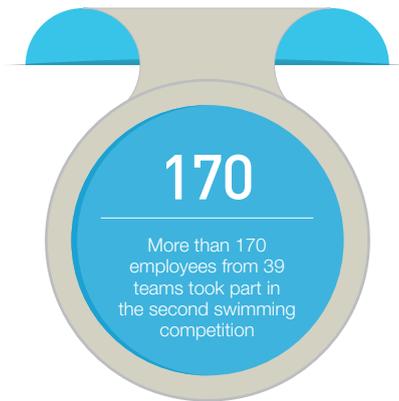
	2015	2014	Changes
Total training input (RMB 10,000)	8,607.03	7,812.97	10.16%
Per capita training input (RMB)	1,619.81	1,539.96	5.19%
Total training attendance (person-time)	522,628	411,385	27.04%
Training courses per capita (person-time)	9.84	8.11	21.33%
Training days (day)	11,865	7,902	50.15%
Training days per capita (day)	24.05	15.34	56.79%

### Promotion of E-courses

E-courses convey the contents of online learning. The Bank makes full use of multi-media teaching methods to combine texts, images, audio and visual programs, and formed a kaleidoscopic e-teaching system to ensure the best results. The system consists of simple flashes of texts and images, simulative operation, and selected flash produced on the basis of actual cases of the Bank.

In 2015, the Bank developed the *Handbook of Corporate Culture of China CITIC Bank* which elaborates the corporate culture of the Bank with cartoon figures and text and image presentation. Consisting of cultural inheritance, values, professional norms, tenet and pledge, Bank logo, and corporate culture development plan, the Handbook is composed of both lectures and Q&A to help employees understand the Bank's culture.

The Bank further intensified online learning and mobile learning. As at the end of the year, the online school of the Bank presented 186 new courses, totaling 1,755,000 students and 2,089,000 school hours; 289 examinations were held and participated by 85,700 examinees. The WeChat University of China CITIC Bank saw registration of 52,000 employees, nearly all the employee members; a total 33 examinations were held and participated by 14,000 examinees; 74 courses were presented and 18,000 students recorded.



## Diverse Cultural and Sports Activities

In 2015, the Bank organized the bank-wide advice solicitation regarding the second transformation of retail strategy, and staged the China CITIC Bank marketing service contest, which effectively benefited business development, upgraded employees' professional ability, business skill and customer service level, and boosted the transformation of retail business. It also staged the Bank-wide calligraphy and painting contest themed with "Cultivating Cultural Climate and Creating CITIC Charm", and the contest on strategy, culture, compliance and integrity, bringing the corporate culture development into climax. The second swimming competition was held in Wuhan where more than 170 employees from 39 teams took part in. The bank-wide "Set the Dream Free" gym competition involved all the 39 trade unions of the Bank. The trade unions of the Head Office and branches established autonomous teams to satisfy employees' hobbies such as photography, yoga, basketball, jogging and mountaineering to bring diverse cultural and sports activities.

### "Strategy, Culture, Compliance and Integrity" Contest

The Group presented the bank-wide "Strategy, Culture, Compliance and Integrity" Contest since November 2015 to disseminate corporate culture, strategic planning, compliance and integrity across the Bank. Nearly 50,000 employees from 42 branches and subsidiaries participated the two-month-long contest and had to go through three rounds before get qualified to the final.

42 institutions including the Head Office, branches, Credit Card Center and subsidiaries competed the first round in November. The participating institutions attached great importance to the event, and in various forms helped the competitors comprehend the Bank's new strategy, culture, compliance and integrity philosophy. Through internal competition, each institution formed its squad consisting of five members.

From December 2015 to January 2016, lots were drawn to divide the 42 institutions into four groups (10-11 teams per group) where they had to fight for the top two places to the final. The organizing committee of the Head Office prepared the questions and rules. On the morning of 9 January 2016, the semi-finals were staged at the same time in Beijing, Hangzhou, Zhengzhou and Chengdu, which were chaired by the panels from the Head Office. Eight teams won out and would go to the final.

On 18 January 2016, the Final was staged at the Head Office. President Li Qingping attended the event and granted awards. The Final was lit up by the amazing presentations of competitors from eight branches. The panel added fuel with their comments.

The event raised the enthusiasm across the Bank for its culture, strategy, compliance and integrity, and came up the consensus of "culture brings strength, strategy leads development, compliance creates values, and integrity fosters righteousness".



# 06

## PUBLIC BENEFIT AND CHARITY

Enthusiastic Return to the Society

Support of the Government's  
Poverty Reduction Policy

Engagement in Public Benefit  
Undertakings

Employee Volunteer Activities



The Bank established

**17**

"Self Improvement  
Classes" across the  
country

donated RMB

**5.1** million in total

and offered financial  
assistance to

**850**

poor high school students

## Enthusiastic Return to the Society

In 2015, the Group enthusiastically paid back to the society and donated charity funds to the areas most in need. As at the end of the year, the Group donated RMB 15.2015 million and USD 60,000, equivalent to a total of <sup>11</sup>RMB 15.5911 million, primarily for poverty reduction, disaster relief, assisting poor students and aiding disadvantaged groups. Employees of the Group donated RMB 1,171,800. Social contribution per share of the Group stood at <sup>12</sup>RMB 4.12, down RMB 0.07 per share or 1.67% below the end of the previous year.

## Support of the Government's Poverty Reduction Policy

In 2015, the Group decided to step up efforts to support poverty reduction undertakings. Starting from 2015, the Group donated RMB 6 million each year to assist western regions with poverty reduction undertakings, and took three villages in Xietongmen County of Shigatse, Tibet Autonomous Region and Dangchang County of Longnan, Gansu Province as its designated targets for poverty alleviation. In addition to providing funding support, the Group also dispatched cadres to the two target regions for poverty reduction to promote the implementation of the Bank's precision poverty reduction program, and help local people shake off poverty.

Led by the Head Office and followed up by all the branches, the Bank offered financial assistance to poor students of fine character and good academic performance. Starting from 2013, the Bank launched the program of "China CITIC Bank-New Great Wall High School Student Self Improvement Classes" together with the China Foundation for Poverty Alleviation (CFPA), providing tuition fees and living expense subsidies to poor high school students from 17 provinces, cities and autonomous regions (including 12 ethnic minorities) to help them finish schooling. Under the unified guidance of the Head Office, the Bank's employee volunteers from 17 branches (including Chengdu, Changsha, Taiyuan, Nanchang, Harbin and Hohhot Branches) carried out teaching activities by combining teaching with entertainment, which were very popular among local students and faculties. In the last three years, the Bank established 17 "Self Improvement Classes" across the country, donated RMB 5.1 million in total and offered financial assistance to 850 poor high school students.

Nanning Branch responded actively to the government's call for poverty reduction, and carried out assistance activities for specific targets. It successively

<sup>11</sup> Calculated based on the announcement on the RMB central parity rate released by the China Foreign Exchange Trade System (CFETS) on 31 December 2015, i.e. 1 US dollar = 6.4938 yuan.

<sup>12</sup> Social contribution per share = (annual tax paid + staff salaries paid + loan interest paid to creditors + total outbound donations + other social costs as a result of environmental pollution) ÷ total share capital + basic earnings per share. Decrease in social contribution per share in the year mainly resulted from increases in the total shares.

assigned two cadres to act as “first secretary” of Fengfang Village, Lucheng Town, Tianlin County of Baise City, who worked and dwelled in the village all year round, helping it build drinking troughs and other infrastructure and resolving the drinking water problem for local villagers. The branch’s employee volunteers took photos for the village’s elderly throughout the year, donated cash and daily necessities, visited poor families and households enjoying the five guarantees and gave them cotton quilts, woolen blankets and consolation money. These measures helped improve the living conditions of poor households and were acclaimed by local governments and villagers.

Chongqing Branch actively carried out poverty reduction activities to targeted recipients, and helped resolve difficulties in the production and livelihood of local people. The branch started to offer support and assistance to Keda Town of Youyang County from 2014, helped it build walled villages and watering places for both people and animals, repair roads of 38 kilometers long, maintain houses with a total area of 320 square meters, and add office facilities. It also got into contact with the Qijiang district government, offering to teach at the Huangsha Primary School in the district and arranging 2 employees to teach elementary school courses there each week. So far, 178 persons have participated in the teaching project, with the total teaching time exceeding 2,500 class hours.

## Engagement in Public Benefit Undertakings

### Considerate Financial Services

**Deduction and exemption of service charges.** In 2015, the Bank lowered and adjusted its charging standards, not only making deductions on the annual fee of savings cards and administration fee for micro accounts, but also exempting all the service charge for domestic transfers via mobile banking and personal Internet banking.



**Provision of convenience services.** In 2015, all the outlets of the Bank stepped up efforts to help and support the disadvantaged, and further optimized the measures for volunteer and convenience services.

**More attention to details in serving the visually disabled.** In 2015, all the outlets of the Bank were equipped with Braille keyboards, service guides in Braille, dedicated seats and fast track windows; posted signs saying "Guide Dogs Allowed", allowing guide dogs to enter the outlets without affecting others, and assisting in explaining to and reassuring other customers.

**Thoughtful services to the elderly.** In 2015, the Bank tailor-launched the "Xingfunianhua" Card (literally meaning Card for "happy times") for the elderly customer group, organized training courses for the card holders on financial knowledge and

### Assistance to SMEs

In 2015, Ningbo Branch of the Bank listed the credit quota separately for small and micro enterprises ("SMEs") in an effort to support credit grants to these enterprises. In terms of credit policy, it gave priority to credit grants to SMEs with a credit line of under RMB 2 million. In terms of loan pricing, the branch reduced financial burdens on SMEs by providing them loans totaling RMB 177 million at preferential rates throughout the year, which were much lower than the average price of its small business loans; and implemented a simple and convenient approval process, thereby effectively lowering the financing cost of SMEs. In terms of product innovation, the branch launched a loan renewal product upon repayment to support the development of SMEs, which benefited 26 such enterprises; and granted renewed loans of RMB 135 million in total.

### Loan granted to protect food safety

A certain new energy company in Hainan, founded in 1996, is a modern green energy enterprise integrating oil trade, recycling and processing used mineral oil, development, production and sales of biomass fuels, and committed to developing low-carbon economy and high-tech clean energy. It operates a highly clean biomass fuel project using waste animal and vegetable fats and oils with an annual capacity of 300,000 tons, upon completion of construction.

In 2015, the Bank granted an RMB 70 million working capital loan to the company to purchase waste animal and vegetable fats and oils such as gutter oil, hogwash oil and palm acid oil so that it could adopt the world's most advanced "hydrodewaxing and deoxidizing production technique" to manufacture high-quality and clean second-generation biodiesel containing low sulfur and causing little pollution, which has surpassed national standards. In doing so, the Bank helped to effectively avoid the reuse of waste cooking oil on dining tables, resolve the secondary pollution of the above wastes by making full use of them, and guarantee food safety for ordinary people.

### Equal treatment to all customers

One day in December 2015, it was raining in Kunming. Teller Yang Shuangjiao and Lobby Manager Li Yun were about to have lunch after completing handover formalities, when two old people walked in, saying they wanted to deposit some money and handing over a plastic bag. After Li Yun opened the bag, a fishy smell soon filled the entire business lobby. That was because the old couple, having no children and relying on collecting wastes to sustain their livelihood, had saved up the paper banknotes for a long time, which smelt bad in such a humid weather. The granny said apologetically, she had gone to many banks but none of them would help them deposit the money; thinking that she used to be a client of China CITIC Bank a long time ago, she came here to try her luck. Yang Shuangjiao took over the small banknotes carefully and started counting attentively. Seeing the apologetic expression on their faces, Li Yun got some hot water for the old couple, and kept soothing them. Half an hour later, Yang handed over RMB 260 worth of new banknotes to the old couple. It was already 1:30 p.m.; the granny took an apple out of her pocket and gave it to Li. More touchingly, the customers in the waiting area applauded fervently. Nobody complained anything about waiting longer for the old couple to finish their transaction; Yang and Li won the approval of people for the positive energy shown in them.

how to detect counterfeit bank notes and prevent frauds, and prepared amenities for elderly customers such as wheelchairs and dedicated seats in outlets.

**Support to groups of special occupations.** In 2015, the Bank set up rest stations in its outlets for traffic police and cleaners, and launched film-watching activities for families of sanitation workers, bringing warmth to these families.

### Promotion of Financial Literacy

In 2015, the Bank organized and launched the campaign for “promoting financial literacy”, and boosted the financial literacy level and financial security awareness of the general public by staging diversified promotional activities in various forms.

On 31 May, all the outlets of the Bank set up stands at their gates or in front of residential communities nearby on 9:00 a.m., and designated promotion specialists for public education inside outlets, which marked the opening of the campaign in 2015. The Bank focused on addressing the hot topics in and misunderstandings of the public about the banking sector in the form of panel exhibition, foldout distribution, and consulting for citizens, especially promoting knowledge about interest rate deregulation, deposit insurance system and Internet financial services and warning residents against the effect of illegal financing on their daily life.

During these activities, the Bank, under the slogan of “CITIC Red – Promoting Financial Literacy and Enjoying Beautiful Life”, carried out promotions by centering on the themes of “interest rate deregulation and deposit insurance system, Internet finance, and prevention of illegal financing”, put in lots of human and material resources and staged diversified promotional activities in various forms and close to the masses by selecting both indoor and outdoor venues, combining conventional publicity and education with characteristic ones, and resorting to all kinds of media.

To enhance the financial literacy of the elderly, the Bank’s outlets organized employees to step up promotional efforts by posting posters at outlets and distributing promotional foldouts, and offered promotional and educational courses for the elderly inside outlets, especially those on Internet financial services. By introducing knowledge about personal information security, Internet security, safety about card usage, and prevention of financial frauds, the Bank continuously deepened the knowledge of the elderly about finance and raised their financial security awareness.

Nanjing Jianye Sub-branch held a lecture on preventing financial risks for all the tenants in the office building it was located, which attracted more than 200 employees from over 20 enterprises; it gave a systematic introduction of the rights, interests and obligations of customers, standard procedures for the sale of services and products and complaint handling process, among others, and fielded questions from the audience.

Beijing Branch organized customers to watch the play “Xiao Ka’s Secret” schemed by the CBRC Beijing Office. The play warned about financial risks and educated people about financial knowledge by centering on the theme of



preventing financial frauds and adopting a popular and lively performance form. Such an interesting and educational means of publicity helped promote rich and practical banking knowledge among people.

Lanzhou Branch organized community-based publicity teams consisting of retailer managers, business managers, retail customer managers and wealth management managers to promote basic financial knowledge about personal loans, credit and debit cards, wealth management products and agency sales business on weekends in the residential community of Lanzhou Prison Administration, family members compound of Gansu Provincial Hospital, and family members compound of the Gansu Provincial Party Committee, among others, in a bid to guide the general public to rationally select banking products and services, raise consumers' awareness of protecting the security of their own funds and properties, and boost the public's capability of choosing banking services independently.

Hangzhou Yiwu Sub-branch staged the activity of "boosting credit quality and promoting financial literacy" targeting individual businesses in the local market. The activity took the form of distributing promotional brochures, offering explanations and answering questions, and centered on contents about the protection of consumer rights and interests in traditional banking businesses, customer experience, money-saving tips, general knowledge about credit reporting, prevention of and fight against illegal fundraising. The sub-branch specifically introduced consumers' rights, interests and obligations in traditional banking businesses such as savings, remittance & exchange, bills, bank cards and personal loans; and offered important notices and useful tips on savings, wealth management, transfer and remittance, among other services provided by the Bank, so that customers could enjoy more convenient and secure services at fewer expenses.

Qingdao Branch actively supported the campus service activity titled "bringing financial knowledge to primary schools" launched by the CBRC Qingdao Office. Over a period of around three months, the branch gave two classes on financial knowledge each week, covering 8 lessons about currencies, banks, bank cards, Internet banking, wealth management tips for primary school students, prevention of financial frauds, insurance and practices at bank outlets. Throughout the learning and teaching process, the branch adopted various interaction forms such as video, animation, comedy sketch, painting and scenario simulation to make the classes lively, interesting and educational as well. By explaining in plain language, the branch promoted financial literacy among teenagers, and drove home the idea of "understanding more about finance for higher security about your wealth".



## Employee Volunteer Activities

The Bank established the CITIC Bank Youth Volunteer Association in 2014. The association works for the following purposes: practice the voluntary



spirit, disseminate advanced cultures, and contribute to the construction of a harmonious society characterized by unity and mutual help, equality and fraternity, and common advancement. Volunteers of the Bank have made the following solemn commitments: "Help others and serve the society to our best capacity irrespective of remunerations".

Under the leadership of volunteer organizations, employee volunteers of the Group participated in various voluntary service activities, including but not limited to voluntary teaching, tree planting, caring for the elderly, caring for children suffering from diseases as well as other disadvantaged groups, donating to disaster-stricken areas, providing warmth and caring to sanitation workers, advocating the Lei Feng Spirit, donating blood, advocating traffic compliance, raising funds for disaster relief by organizing charity bazaars, and distributing Spring Festival couplets, etc. As at the end of 2015, the Group established 45 youth volunteer organizations (including volunteer associations and voluntary service teams), and over 200 youth volunteer organizations at the sub-branch level (including voluntary service teams); organized 57 employee volunteers activities, involving approximately 1,330 person-times of employee volunteers.



The Group established

**45**

youth volunteer organizations

and over

**200**

youth volunteer organizations at the sub-branch level

organized

**57**

employee volunteers activities

involving approximately

**1,330**

person-times of employee volunteers

A vertical graphic element consisting of horizontal stripes in the colors of a rainbow: purple, red, orange, yellow, green, and blue. The number '07' is overlaid on these stripes.

# 07

## GREEN BANKING AND ENVIRONMENTAL PROTECTION

Influence of Climate Change

Launch of Carbon Finance Business

Support to Green Credit

Promotion of E-banking Transactions

The Practice of Energy Conservation  
and Emission Reduction



During the “12<sup>th</sup> Five-year Plan” period, China promulgated a series of laws and regulations on building “resource-conserving” and “environmentally friendly” society and changing the previous extensive mode of economic development. The State Council also reiterated its determination to vigorously develop the environmental protection industry, and has established the National Energy Commission. Such moves will not only promote the shift of China’s economic model from “high carbon” to “low carbon”, but also significantly fuel the development of carbon finance. The *2015-2017 Development Strategy of China CITIC Bank* defines the Bank’s industry positioning in future, namely, adhering to putting the new economy and service industries as well as strategic emerging industries represented by energy conservation and environmental protection, new energy, new-generation information technology, new materials, new energy vehicles, biology and high-end equipment manufacturing as the key supporting areas.

## Influence of Climate Change

The influence of extreme weather and natural disasters caused by climate change on the Bank’s businesses is double-sided. On the one hand, extreme weather and natural disasters can lead to the increased government spending on them—one is infrastructure investment to keep ecological balance and respond to extreme weather and natural disasters; and the second is special funds or subsidies to support energy conservation and emissions reduction, new energy development, reforestation and others, creating a sound environment for the Bank to carry out relevant businesses. On the other hand, extreme weather and natural disasters pose serious threats to the health of social groups, challenge the supporting ability of existing social system and social security fund, and also exert pressure on the Bank’s relevant businesses.

## Launch of Carbon Finance Business

In 2015, the Group continued to support colleges, universities and research institutions to carry out researches on carbon trading market, sponge cities and sustainable development as well as other topics, and worked out the report



### Support for Energy-saving Environment-friendly Products

In 2015, Shenzhen Branch of the Bank granted RMB 100 million comprehensive loans to Shenzhen XX Company, used for R&D and production of new-energy buses. From 2011 to 2015, the company accumulatively put some 6,000 new energy buses (nearly 1,500 vehicles in 2015) to the domestic market, covering more than 20 provinces and cities nationwide, thus making contributions to China's green development and environmental protection. The new generation of environmental protection and energy saving series of LNG city buses developed by the company renders outstanding emission reduction and energy saving effects. Compared with emissions of G-III diesel engine, this model could lower the CO emission by 99.97%, and hydrocarbon by 83.3%. Compared with a conventional diesel vehicle, a single LNG bus could save about 12.45L diesels or RMB 78.20 per 100km. Suppose the daily mileage of 300km, 26 days per month and 12 months per year, a single LNG bus could save around 11,700L diesel or RMB 73,000.



communicated with its legal representative, requiring them to control production pollution. The customer cooperated actively by adopting advanced production process and techniques designed to control emission of pollutions. Now the company is qualified in all environmental assessments, but the Bank will continue to watch its performance in environmental protection, and will decide to increase or cease credit support for it according to the Bank's credit policies.

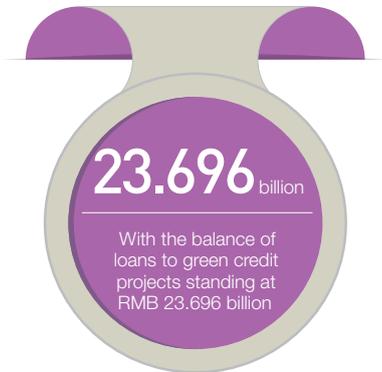
**Tougher review and approval of credit grant.** In 2015, at the pre-lending investigation stage, the Bank took compliance, land use, environmental protection, safe operation, case and lawsuit relating to the projects proposed for credit grant as key investigation targets. At the review and approval stage, the Bank implemented the "one-vote-down system" in environmental protection, taking enterprises' environmental protection and law compliance condition as the precondition. It formulated and strictly implemented "Four No-lending"<sup>13</sup> principle and "Six Necessary Conditions" for project financing<sup>14</sup>. For example, one chemical group in Ningxia applied for RMB 300 million fixed asset loan from the Bank, used for construction of PVC resin project. After investigation, the Bank found that the company committed such behaviors as "arbitrarily pouring sewages and incompliantly operating slag yards" and "defaulting on pollution discharge fees", according to an authoritative media outlet. Combining other project issues, the Bank ultimately rejected the company's loan application.

**More green loans.** In 2015, the Bank conducted strict green credit management in highway, railway, port, airport, steel, non-ferrous metal, basic chemical engineering, cement and glass industries, taking environmental protection, energy conservation & emissions reduction standards and the implementation of social responsibility as the core conditions of credit access to the above industries, and exercised the one-vote-down right in granting loans to enterprises not meeting the requirements of environmental protection, energy conservation & emissions reduction and social responsibility. As at the end of 2015, the Bank's green credit was mainly granted to projects for green transport, renewable and clean energies, energy conservation and environmental protection services, waste



<sup>13</sup> Namely, granting no loans to: projects unapproved by the authorized environmental assessment department; new projects restricted or eliminated by the national industry policy; high-polluting projects in the lists of "Restricted Regions" and "Restricted Drainage Basins" set by the environmental protection authority; and enterprises and projects in violation of environmental protection laws.

<sup>14</sup> Must conform to the industrial policy and market access standards, project examination and approval or archival filing procedures, land use pre-examination, approval of environment impact assessment, energy-saving assessment review and credit, safety and urban planning regulations and requirements, and those failing to meet the "Six Necessary Conditions" will not be qualified for credit support.



disposal, and pollution prevention and control, with the balance of loans to green credit projects standing at RMB 23.696 billion, an decrease of 5.87% compared with the end of the previous year.<sup>15</sup>

### Stringent risk control of “two-high industries”

In 2015, the Bank continued with its tougher control of credit grant to heavy-pollution and high-energy-consumption industries (“two-high industries”), paid close attention to the orientation of government policies, and further intensified credit risk management over overcapacity industries, namely, iron and steel, non-ferrous, and thermal power generation. In line with its credit policy, the Bank adopted a prudent attitude towards the “two-high industries”, toughened credit review and approval criteria for these industries, provided loan support selectively to premium enterprises in these industries, gradually but resolutely compressed and exited from loans to enterprises that were low in production capacity, high in energy-consumption and backward in processes and technologies. For instance, the Bank has granted RMB 50 million credit line to an aluminum company in Chongqing during the past several years. Due to high energy consumption and big electrolysis gas pollution in this industry, the Bank has exited from the credit to this company in the beginning of 2015.

### Statistics on Loans to “Two-high Industries”

High energy consumption & heavy pollution industries	2015		2014	
	Balance of loans (RMB 100 million)	Share in total corporate loans (%)	Balance of loans (RMB 100 million)	Share in total corporate loans (%)
Iron and Steel	222.77	1.30	228.12	1.56
Cement	60.14	0.35	60.69	0.41
Coke	39.64	0.23	31.58	0.22
Copper smelting	21.02	0.12	13.45	0.09
Aluminum smelting	29.92	0.17	31.78	0.22
Lead and zinc smelting	11.94	0.07	6.12	0.04
Thermal power generation	116.37	0.68	120.46	0.82
Total	501.80	2.92	492.19	3.36

<sup>15</sup> Statistical caliber is based on the balances of items with the following category names as per the Industry Classification of the National Economy (GB/T 4754 - 2011), including: 1. Water pollution control; 2. Control of hazardous wastes; 3. Control of other pollutants; 4. Manufacturing of biological and chemical pesticides and micro biological pesticides; 5. Manufacturing of materials for specialized environmental pollution control agents; 6. Manufacturing of regenerative rubber; 7. Processing and disposal of metal scraps and wastes; 8. Processing and disposal of non-metal scraps and wastes; 9. Wastewater processing and recycling; 10. Process, utilization and distribution of other types of water; 11. Recycling and wholesale of regenerative materials; 12. Hydro power generation; 13. Nuclear power generation; 14. Other power production; 15. Monitoring of environmental protection; 16. Wildlife protection; 17. Wild plant protection; 18. Greenery management; 19. Other nature protection; 20. Manufacturing of specialized devices for environmental protection; and 21. Manufacturing of specialized devices and meters for environmental monitoring. In the 2014 CSR Report, due to the change of statistical caliber, the balance of loans to green credit projects adjusted from 27.125 billion to 25.173 billion.

### Support for Elimination of “Two-high Industries”

In 2015, the Banking Department of the Head Office actively implemented the policies of the Head Office. In view of the iron and steel, electrolytic aluminum and other industries with overcapacity, the Department only cooperated with the enterprises operating compliant projects and meeting standards of energy conservation and environmental protection. It is explicitly stipulated in the credit policy that “in principle, we should compress and control support for industries with overcapacity, only support quality leading enterprises in the industry, and grant loans to other enterprises in the industry prudently.” No support will be given to fixed asset loans and project financing aiming to expand capacity in principle.

When it came to whether the credit could be granted to one of China’s large-scale coal group companies, the Banking Department of the Head Office had in-depth communication with it, studied its’ working report, tracked its performance in environmental protection, learned about its measures to actively participate in the ecological park, sewage treatment and other urban infrastructure constructions by leveraging on its brand and technological advantages. As at the end of the year, the Department granted a credit line of RMB 5 billion to a state-owned large coal group company.

The Bank paid close attention to the group’s routine operations and its management of environmental protection in the process of production, in order to prevent its business activities from disturbing environmental protection. In addition, according to the requirements of the regulators and the Head Office, the Bank tracked and monitored new loans according to the specific list issued by the China Banking Regulatory Commission (CBRC) each quarter, to see whether there are corporate customers that “were punished by the environmental protection authority or ordered to correct its illegal behavior but haven’t complete the rectification in the current phase” or “belong to the backward and overcapacity enterprises in the industry”. In case of finding such a customer, the Bank would handle the case according to its severity and other risks involved, and may gradually exit from loans to overcapacity customers with warning signals.

The Bank resolutely controlled credit grant to heavy-pollution high-energy-consumption industries, and practiced the mechanism of gradual exit from a group of overcapacity steel manufacturers. As at the end of 2015, the Bank’s balance of loans to “two-high industries”<sup>16</sup> stood at RMB 50.18 billion, up by RMB 961 million or 1.95% over the end of previous year; and the share of such loans in total corporate loans of the Bank went down by 0.44 percentage point over the previous year. Specifically, the balance of loans granted to the steel and iron industry was RMB 22.277 billion, RMB 535 million less than the previous year; that to the cement industry was RMB 6.014 billion, down RMB 55 million from a year earlier.

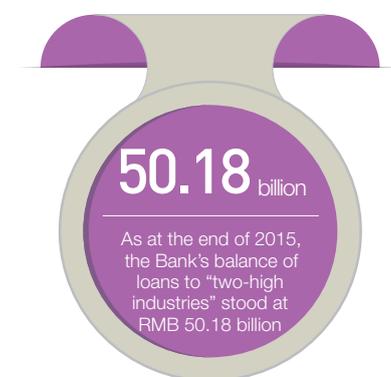
### Development of green intermediary credit business

Green intermediary credit business of the Bank means the following: the Ministry of Finance (“MOF”) concluded a foreign currency denominated loan contract with an overseas financing bank, whereby the MOF borrowed foreign currency funds and entrusted the Bank to invest the funds in eligible energy conservation and emission reduction projects, and the Bank guaranteed to the MOF that it would repay both principals and interests to the overseas financing bank in a timely manner.

In August 2011, upon approval of the MOF and the National Development and Reform Commission, the Bank undertook the Phase II “Green Intermediate



<sup>16</sup> Statistical caliber is based on the balances of items with the following category names as per the Industry Classification of the National Economy (GB/T 4754-2011).





The Bank's balance of loans in green intermediary credit business recorded EUR

**33.47** million

up EUR

**27.48** million

**458.16%**

over the end of the previous year

Credit Project" of KfW worth EUR 42 million. In its green credit intermediary business, the Bank made investments mainly to finance projects for reduction of GHG emission relating to urban buildings, energy, transportation, water supply and wasted-water treatment. Specific requirements included the following: energy-saving public buildings; energy-saving water supply pumps and wasted-water treatment systems; waste control and recycling; power generation with combustible gas and waste heat from recycled waste and wasted-water; energy-saving public transport vehicles and urban transport vehicles powered by alternative energy (such as hybrid buses). As at the end of 2015, the Bank's balance of loans in green intermediary credit business recorded EUR 33.47 million, up EUR 27.48 million or 458.16% over the end of the previous year.

### Protection of ecological environment

The Bank has established the Fenghua Sub-branch in Xikou Town, one of the national 5A-class scenic spots; set up the Hangzhouwan Sub-branch in the New Area of Hangzhou Bay, a national wetland reserve area; installed

#### Support for Nanming River Renovation Project

In November 2014, Guiyang Nanming River Comprehensive Treatment Project (Phase II) was admitted to the first eight demonstration projects released by the MOF. The Bank lent RMB 1.96 billion to support the first PPP project based in Guiyang.

Guiyang Nanming River Comprehensive Treatment Project is one of important projects concerning livelihood improvement of Guiyang municipal government, aiming to enhance the ecological and living environment for citizens. Through financing support of RMB 560 million overseas funds by CNCBI, the initial result has been achieved after the implementation of Nanming River project (Phase I). The river has no obvious stench compared with the previous situation, with water quality of worse than Grade V decreased from 51% to 17.4%, quasi Grade-V up from 10.1% to 24.3%, and quasi Grade-IV up from 8.8% to 28.2%. Water quality along the Nanming River has effectively improved, having the project become an example in malodorous black river governance in China.

Nanming River project (Phase II) was aimed at "seeking for a permanent cure" and "enhancing water quality". A subsidiary of CITIC Group won the bid with PPP mode. It conducted investment, construction and operation on the project by means of franchise rights, and transferred it to the government after expiration of the franchise, fully reflecting the cooperative advantage of the government and social capital. After the implementation of Phase II, water supplement of the River reached around 200,000 tons/day, and reuse of reclaimed water reached around 100,000 tons/day, expanding the service area of around 90 square kilometers, improving and building pipe network of 65.5km, and making the River's landscape comprehensively improved.

the self-service equipment in Yuyao's five-star Siming Lake Resort Hotel; and operated the comprehensive Boshan Sub-branch, less than 3km away from the Yuanshan Provincial Natural Reserve Area. In 2015, the Bank strictly implemented the ecological and environmental protection work in accordance with the requirements of the business regulators and administrative management institutions.

## Promotion of E-banking Transactions

In 2015, the Bank continued the two-way balanced development of "internet-based financial services" and "finance-based internet business". With internet finance as the breakthrough point, it mainly focused on mobile finance, and e-banking business achieved rapid development. As at the end of 2015, the Bank's total number of mobile banking customers reached 12,727,300, the full-year new users increased by 97.25% YoY. Personal online banking business was growing steadily, with existing subscribers reaching 18,031,900 and new subscribers 4,124,900, up 29.68% from a year earlier. The transaction substitution rate of e-banking transactions reached 96.13%, representing a year-on-year increase of 2.97 percentage points.

### Statistics on E-banking Business of the Bank

	2015	2014	Changes
<b>Personal E-Banking</b>			
Customer number of personal internet banking (10,000 accounts)	1,803.19	1,390.52	29.68%
Transaction amount of personal internet banking (RMB 100 million)	114,805.56	89,652.25	28.06%
Customer number of personal mobile banking (account)	1,272.73	645.24	97.25%
Transaction amount of personal mobile banking (RMB 100 million)	11,407.49	1,161.45	882.18%
<b>Corporate E-Banking</b>			
Transaction amount of corporate internet banking (RMB 100 million)	560,718.37	381,072.41	47.14%
Transaction number of corporate internet banking (10,000 transactions)	4,812.05	4,509.78	6.70%



The Bank's total number of mobile banking customers reached

**12,727,300**

the full-year new users increased by

**97.25%** YoY

Personal online banking business was growing steadily, with existing subscribers reaching

**18,031,900**

and new subscribers

**4,124,900**

up

**29.68%**

from a year earlier

the transaction substitution rate of e-banking transactions reached

**96.13%**

representing a year-on-year increase of

**2.97%**



## The Practice of Energy Conservation and Emission Reduction

### Advocacy of video conferences

In 2015, the Bank vigorously advocated video conferences and tried hard to control the number of on-site meetings. As at the end of the year, the Bank held around 4,100 video meetings and trainings, including 268 at the Head Office level, up by 11.67%; and about 3,800 at the branch level, a slight increase over the previous year.

### Use of energy-saving environment-friendly products

In 2015, the Bank continued to use recycled paper to print business cards, a move that has reduced deforestation, lowered environmental pollution in the papermaking process, protected the environment and saved resources. As at the end of the year, the Bank printed business cards totaling 63,692 boxes with recycled paper, equivalent to saving wood by 13.3 tons. Based on the average European car emissions standard, such a move reduced car mileage of 12,100 km, lowered garbage waste of 8.2 tons, equivalent to reduction of carbon dioxide emission of 1.2 tons, energy saving of 14,038 kWh, and water saving of 224.97 tons.<sup>17</sup>

### Campaign for Energy Conservation and Emission Reduction

**Integration of energy conservation concepts into outlet design:** Some branches incorporated more energy conservation concepts into the preliminary designs of their newly constructed outlets. For instance, higher-level environment-friendly products were chosen for main construction materials such as wall and floor marbles, paint, and lumber cores, and environment-friendly products were used as much as possible for auxiliary materials to ensure green, standard and civilized construction.

**Purchase of renewable materials:** Some branches purchased disposable bags and other daily necessities made from regenerative materials, and distributed proposals to call for the use of hand driers in toilets to reduce the consumption of paper towels.

**Clean plate initiative:** Some branches implemented the "clean plate" initiative branch-wide to reduce waste on dining tables.

**Purchase of products with energy-saving certifications:** Some branches only allowed the purchase of energy-consuming devices labeled at energy efficiency level II and above or products with indications of energy-saving certification.

**Reuse of office supplies:** Some branches attached importance to the cyclic utilization of office supplies, e.g.: binder clips and paper clips were recovered from departments with large accumulation of used stuff to the department in charge of distribution of office supplies for redistribution and utilization.

**Reduced use of high energy-consumption transport in business travels:** Some branches required their staff to maximize the use of express trains in their business travels where and when possible.

**Use of natural gas boilers:** Some branches invested several hundreds of thousands of Renminbi to upgrade and renovate their boilers, converting the long-used diesel boilers into natural gas ones, which effectively addressed diesel boiler problems such as insufficient combustion, generation of black smoke and negative impacts on the environment.

**Participation in meeting with your own mugs:** Some branches advocated participants bringing their own mugs to meetings instead of distributing disposal paper cups during the meetings.

<sup>17</sup> Data source: The above data was automatically calculated on the third-party website provided by the suppliers. Please refer to <http://www.arjowigginsgraphic.com/> for details.

## Advocacy for less use of copy paper

In 2015, the bank encouraged employees to reduce the use of copy paper and the printing of hard copies of regular reports and conference materials. As at the end of 2015, the Bank purchased around 411,100 packs of A4 copy paper (equivalent to around 983 tons of CO<sub>2</sub>e), an increase of 4.08% over the previous year<sup>18</sup>, with per capita purchase thereof being 7.74 packs, an decrease of 0.9% over the previous year.

### Measures for Reducing Office Use of Paper

**Replacing hard-copy reading with e-reading:** Some branches guided its employees to develop the habit of computer reading instead of reading printed versions.

**Two-sided printing:** Some branches encouraged employees to use two-sided papers. Except for official documents, all internally circulated documents were printed on both sides, unless the paper carried important information such as financial, personal or communication data and therefore may not be reused, under which circumstance the paper was timely shredded.

**Printing more on every single piece of paper:** When printing internal documents, some branches advocated the use of smaller Size 4 font and narrower margins to print more contents on each piece of paper.

**Reduction of erroneous printing:** Prior to printing, some branches advocated careful review to ensure the document was free of errors and thereby avoided unnecessary waste; and required the setting of print area (for Excel tables in particular), preview of the print layout, and confirmation of error-free status of the document before printing.

**Higher use efficiency of waste paper:** Some branches required its employees to use non-printable waste paper with one-blank side as scratch paper instead of simply discarding such waste paper.

**Reduction of hard-copy materials:** Some branches required that meetings should maximize the use of multi-media for presentations to reduce the use of hard copies, and that employees should maximize the use of emails to reduce the use of facsimile paper, or scan hard-copy facsimiles and email the electronic versions thereof.

## Tougher management of business vehicles

In 2015, around 2,736,800 liters of gasoline was purchased for business vehicles of the Bank, down by around 527,200 liters or 16.15% (equivalent to 6,501.99 tons of CO<sub>2</sub>e) over the end of the previous year<sup>19</sup>.

## Reduction of energy consumption in logistics

In 2015, the Bank delivered 1,156,100 couriers by piece, an increase of 2.58% over the previous year, or 667,500 kilos of couriers by weight, an increase of 112.59% over the previous year, with the corresponding per capita figures being



<sup>18</sup> Each pack of A4 copy paper is of the 500-piece standard specification and weighs 2.5 kg; CO<sub>2</sub> emission factor for the entire life cycle of paper is 956kg CO<sub>2</sub>e/ton. Data source is DEFRA 2014.

<sup>19</sup> Average fuel consumption intensity of business vehicles is calculated at 0.731kg/L. Data source is DEFRA 2014. CO<sub>2</sub> emission factor is 3.25 CO<sub>2</sub>e/ton. Data sources include IPCC Guidelines for National Listing of GHG Emissions and China Energy Statistics Year Book 2012.

The Bank delivered  
**1,156,100**  
couriers by piece  
an increase of  
**2.58%**  
over the previous year

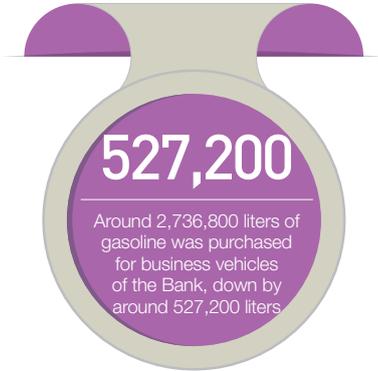
**667,500**  
kilos of couriers by weight  
an increase of  
**112.59%**  
over the previous year

with the corresponding per capita  
figures being

**21.76** pieces  
or  
**12.56** kilos

an decrease of  
**2%**  
and an increase of  
**102.62%**

over the previous year respectively



The Bank consumed

**249.16**

million kWh of power

equivalent to

**172,200**

tons of CO<sub>2</sub>e

**11.03%**

higher than the previous year

and per capita power consumption recorded

**4,689** kWh

**6.01%**

higher than the previous year

the Bank consumed

**2,007,300** tons

of water

up

**25.61%**

over the previous year

with per capita amount thereof being around

**37.80** tons

approximately

**20%**

higher than the previous year

### Measures for Management of Business Vehicles

**Uniform purchase of fuel cards:** Some branches practiced centralized purchase of fuel cards for business vehicles, e.g., “one fuel card for one vehicle”, regular quantitative fuel charging, and uniform management;

**Regular maintenance:** Some branches maintained business vehicles on a regular basis at designated places, linked frequency of vehicle maintenance with mileage and put in place a pre-maintenance application mechanism;

**Vehicle use registration:** Some branches registered the use of business vehicles, detailing vehicle user, vehicle use time, work assignment, destination, mileage and fuel consumption, strictly followed the review and approval procedures, and put the relevant information on a ledger.

**Comprehensive vehicle assignment:** Some branches assigned vehicles with comprehensive consideration, pooled vehicles for business travel to reduce the frequency of vehicle use, maximized the use of public transport for short-distance business trips, and uniformly arranged vehicles for collective participation in business events.

**Uniform parking:** Some branches parked all business vehicles in garages on non-working days and beyond business hours except for business need of vehicle usage so as to reduce the number of vehicles in use and control unauthorized use of business vehicles.

21.76 pieces or 12.56 kilos, a decrease of 2% and an increase of 102.62% over the previous year, respectively.

### Reduction of power and water consumption

In 2015, the Bank consumed 249.16 million kWh of power (equivalent to 172,200 tons of CO<sub>2</sub>e<sup>20</sup>), 11.03% higher than the previous year; and per capita power consumption recorded 4,689 kWh, 6.01% higher than the previous year. In 2015, the Bank consumed 2,007,300 tons<sup>21</sup> of water, up 25.61% over the previous year, with per capita amount thereof being around 37.80 tons, approximately 20% higher than the previous year.

### Reduction of hardcopy account statements

In 2015, the Bank reinforced efforts to cultivate awareness of energy conservation and environmental protection, guiding customers to shift from hardcopy to electronic account statements with the use of multiple channels such as its official

<sup>20</sup> The CO<sub>2</sub> emission factor was sourced from the 2012 data in 2011 and 2012 Average CO<sub>2</sub> Emission Factors of Grids in the China Region.

<sup>21</sup> The data for the previous year exclude shared water consumption, but those for this year include shared water consumption.

### Measures for Saving Electricity

**Control temperature with air conditioning.** Some branches set temperature of air conditioning systems at business and office premises between 26°C and 28°C in summer and turned on air conditioners in winter only when the outdoor temperature fell below 10°C; closed windows and pulled down blinds during daytime with air conditioners in operation; and turned off air conditioners and ventilators at business and office premises immediately after work;

**Control power supply.** Some branches reduced standby time of office electronic devices to reduce standby-mode energy consumption of main computers, Xerox machines, printers, drinking water machines, and shredders, and turned off power when the devices were not in use for a long time;

**Switch off lights upon departure.** Some branches ensured no light is on when there was nobody in office; turned off the lights during lunch break and after work, minimized the use of electric lights in sunny days and made full use of natural light to minimize energy consumption of lighting devices;

**Properly use electricity.** Some branches strictly abided by the rules on safe use of electricity, and stringently banned random non-authorized connection to power, irregular use of electrical appliances and overloading of power circuits; and changed lighting devices to LED lights for energy saving purpose.

website, account statements and SMS text messages. As at the end of 2015, annual number of credit card account statements of the Bank totaled 121 million, up 26.97%, representing a hardcopy-to-e-statement substitution rate of 71.33%, up 6.2 percentage points over the end of the previous year, which was equivalent to a reduction of 86.08 million hardcopies, or a reduction of paper use by approximately 1,722 tons, equivalent to a reduction of 1,646 tons of CO<sub>2</sub>e<sup>22</sup>. The aforementioned number of credit card account statements included 34.59 million hardcopies of enveloped statements, an increase of 4.09%, which was equivalent to 661 tons of CO<sub>2</sub>e<sup>23</sup>.

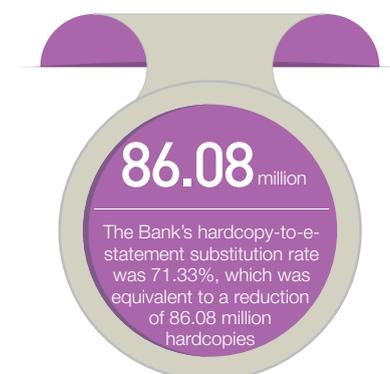
### Proper disposal of wastes

In 2015, the Bank disposed more than 23,000 electronic devices (including personal computers, displays, printers, fax machines, MFPs, laptops, servers, projectors, video cameras, cameras, recorders, video capture cards, racks, terminals, telephone sets, water dispensers, queuing machines, cash registers, electronic screens and dashboards), doubling the number in the previous year; decommissioned around 43,000 items of office consumables (including but not limited to printer ink boxes, cartridges, keyboards and mice), basically the same as the previous year; and disposed about 39,000 batteries of all types, slight lower than that at the previous year. In 2015, the Bank destroyed papers totaled 109.90 tons through formal channels.



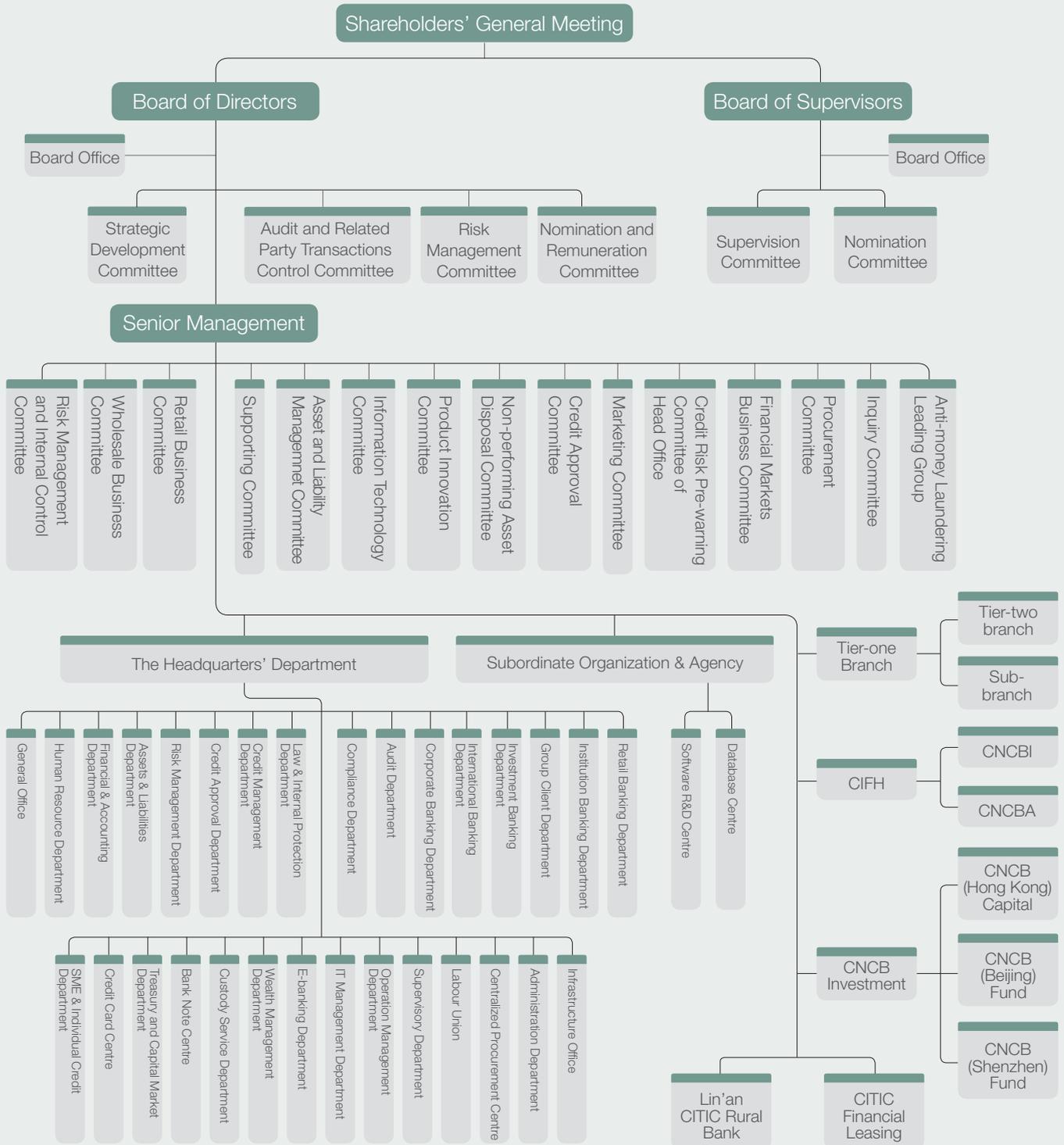
<sup>22</sup> Calculation criteria: hardcopy statements weigh 20g/envelope.

<sup>23</sup> CO<sub>2</sub> emission factor for the entire life cycle of paper is 956kg CO<sub>2</sub>e/ton. Data source is DEFRA 2014.



# ANNEXES

## Corporate Structure





### Outlet Map



## Honors



### April 2015

The Bank was named the “Excellent Settlement Member in China’s Inter-bank Market 2014”, and granted the “2014 Award of FX Clearing in China’s Inter-bank Market” and the “2014 Excellence Award of Financial Derivative Clearing at OTC Interest Rate” by the Shanghai Clearing House.



### May 2015

The Bank was selected by China Center for Market Value Management onto the list of “2015 Top 100 Chinese Listed Companies by Capital Brand Value”.

The Bank was honored the “Top 10 Financial Product Innovation Award” in the selection of “2015 Chinese Finance Innovation Awards” by The Chinese Banker magazine.



The Bank was given the “2014 FPY Award of USD & EUR Payments” in the working quality competition of financial institutions conducted by Deutsche Bank.

The Bank ranked 94<sup>th</sup> among the “Top 2,000 Global Companies” published by the Forbes magazine.



China Banking Association issued the “2014 Award of Most Socially Responsible Financial Institution” and the “2014 Best Green Finance Award of Performing Social Responsibilities” to the Bank.

### June 2015

The Bank was given the “2014 High FPY Award of AUD Payments” by Commonwealth Bank of Australia.

The Bank became the winner of “Golden Bull Top 100 Listed Companies 2014” and “Golden Bull Strongest Profit-making Company 2014” in the selection of “Golden Bull Top 100 Chinese Listed Companies 2014” by China Securities Journal.



### July 2015

The Bank was named the “Best Banking Employer” in the 13<sup>th</sup> ChinaHR Best Employer Awards Selection.

The Bank ranked the 33<sup>rd</sup> in terms of tier-one capital and the 46<sup>th</sup> in terms of total assets among the “Top 1,000 World Banks” published by The Banker magazine of the United Kingdom.

The Bank was given the “2014 USD Clearing Quality Certification” in the working quality competition of global financial institutions conducted by JPMorgan Chase.

The Bank’s Credit Card Center was selected as “China’s Best Call Center” by Specialized Customer Relation Management Committee under China Federation of IT Promotion.





### November 2015

The Bank stood out as the “2015 Corporate Banking with Outstanding Competitiveness” in the selection by Chinese Business Journal.

The Bank was awarded the “2015 Best Corporate Auto Financial Service Bank” in the selection of “China’s Auto Financial Services” held by 21<sup>st</sup> Century Business Herald.

The Bank won the “2015 Excellent Brand of Inclusive Finance” from National Business Daily.

The Bank was granted the “2015 Golden Award for Best Corporate Governance Information Disclosure” by Hong Kong Institute of Certified Public Accountants.

### December 2015

The Bank was accredited to be “2015 Most Innovative Bank” and “2015 Top 10 Internet Innovation Bank” by the Financial Times.

The Bank was chosen to be the “Excellent Asset Custodian Bank” in the “2015 Lead the Chinese Advance Selection” by JRJ.com.

The Bank was named the “FX Financial Service Provider of the Year” in The Economic Observer’s selection of “2014-2015 China Excellent Finance Awards”.

The Bank was accredited to be 2015 “Most Innovative Bank” and “Best Internet Finance Bank” by eastmoney.com.

The Bank won the “2015 China’s Best Internet Banking User Experience Award” from China Financial Certification Authority at the latter’s selection of “Chinese E-banking Golden Awards”.

The Bank was selected as the “Golden Innovative Bank of the Year” and the “Golden Joint-stock Commercial Bank of the Year” on the “List of 2015 Top 10 Chinese Financial Institutions by Wealth Management Capabilities” & also the Selection of “Golden Pixiu Awards” held by the Financial Money magazine.

The Bank was chosen to be “2015 Top FX Bank” by the Trade Finance magazine.

The Bank was named the “Best Bank for Crossover Cooperation” in the selection of “2015 Innovative China Special Awards” by China Business Times.

## Independent Limited Assurance Report



### Independent Practitioner's Assurance Report

To the Board of Directors of China CITIC Bank Corporation Limited

We have been engaged to perform a limited assurance engagement on the 2015 Social Responsibility Report ("SR report") of China CITIC Bank Corporation Limited ("the CITIC Bank").

#### Responsibilities of the Board of Directors

The Board of Directors of the CITIC Bank is responsible for the preparation of the 2015 SR report based on Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange ("SSE") and Guidelines on Preparation of 'Corporate Report on Performance of Social Responsibilities' (collectively known as the "SSE Guidelines"), and Hong Kong Exchange and Clearing Limited ("HKEx")'s Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide"), and with reference to Global Reporting Initiative ("GRI")'s Sustainability Reporting Guidelines ("G4"), Opinions on Strengthening Social Responsibilities of Banking Financial Institutions promulgated by the China Banking Regulatory Commission, Guidelines on Corporate Social Responsibilities of Banking Financial Institutions promulgated by the China Banking Association, ISO26000, and GB/T36001-2015 Guidance on Social Responsibility Reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the 2015 SR report that is free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for setting the Bank's objectives in respect of social responsibility performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders.

#### 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 whether we are aware of any matter that would materially affect the SR 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 2015 SR report. Our work involves assessing the risks of material misstatement in the 2015 SR 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 performed the following procedures in the Head Office of the CITIC Bank and the following domestic branches:

- Wuhan Branch
- Hefei Branch

The procedures we performed comprised:

- 1) Interviews with the management in terms of the strategy and policy of SR report, to inquire the formulation and implementation of SR-related strategy and policy;
- 2) Interviews with departments in charge of SR report and departments involved in providing performance information for inclusion in the SR report, to inquire the design and operation of SR report information collection and summary procedures;
- 3) Interviews with departments involved in the development and maintenance of “China CITIC Bank Social Responsibility Report Information Management System”, to inquire the design and operation of the System;
- 4) Consistency comparison between key financial performance data in the SR report with related data in financial report;
- 5) Analytical procedure of KPIs in the SR report, based on which we carried out sampling and recalculation of selected KPIs;
- 6) For information other than KPIs, selecting samples for comparison and check with related internal documentation or public information;
- 7) On-site interviews with Wuhan Branch;
- 8) Remote interviews with Hefei Branch; and
- 9) Other procedures deemed necessary.

Our assurance was with respect to the year ended 31 December 2015 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2015 SR report.

#### Inherent Limitation

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

#### Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2015 SR report is not prepared, in all material respects, based on the SSE Guidelines and the ESG Reporting Guide and with reference to GRI’s Sustainability Reporting Guidelines (“G4”).

#### Restriction on Use

Our report has been prepared for and only for the board of directors of the CITIC 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.


**Index for GRI<sup>24</sup> Indicators**

Profile	Location of disclosure	Profile	Location of disclosure	Profile	Location of disclosure
<b>1. Strategy and Analysis</b>		<b>4. Stakeholder Engagement</b>		G4-47	Undisclosed
G4-1	P3-7	G4-24	P12	G4-48	2015 Annual report/ P84-85
G4-2	P3-7	G4-25	P12-16/2011 CSR report	G4-49	P20
<b>2. Organizational Profile</b>		G4-26	P12	G4-50	P20
G4-3	Inside Cover	G4-27	P12	G4-51	2015 Annual report
G4-4	P6	<b>5. Report Profile</b>		G4-52	2015 Annual report
G4-5	Back Cover	G4-28	Inside Cover	G4-53	Undisclosed
G4-6	P6	G4-29	Inside Cover	G4-54	Undisclosed
G4-7	P6	G4-30	Inside Cover	G4-55	Undisclosed
G4-8	P6	G4-31	Inside Cover	<b>7. Ethics and Integrity</b>	
G4-9	P6	G4-32	P84-85	G4-56	P23
G4-10	P7/P54-55	G4-33	P84-85	G4-57	P56-57
G4-11	P56-58	<b>6. Governance</b>		G4-58	P56-57
G4-12	P52	G4-34	P19	G4-EC1	P4-5
G4-13	P52	G4-35	2015 Annual report	G4-EC2	P70-71
G4-14	P19-26	G4-36	Undisclosed	G4-EC3	P4-5
G4-15	P75-79	G4-37	P13-16	G4-EC4	Proprietary information
<b>3. Identified Material Aspects and Boundaries</b>		G4-38	P19-23	G4-EC5	P55
G4-16	P37	G4-39	P19-23	G4-EC6	P54-55
G4-17	P6	G4-40	2015 Annual report	G4-EC7	P9/P29-32
G4-18	Inside Cover	G4-41	P19-24	G4-EC8	Not applicable
G4-19	P11-12	G4-42	P19	G4-EC9	Undisclosed
G4-20	Inside Cover	G4-43	Undisclosed	G4-EN1	P78-79
G4-21	Inside Cover	G4-44	Undisclosed	G4-EN2	P75-76
G4-22	P36/P72	G4-45	P22-26	G4-EN3	P75-79
G4-23	Inside Cover	G4-46	P22-26	G4-EN4	P75-79

<sup>24</sup>GRI stands for Global Reporting Initiative.

Profile	Location of disclosure	Profile	Location of disclosure	Profile	Location of disclosure
G4-EN5	P75-79	G4-EN31	Undisclosed	G4-HR7	Undisclosed
G4-EN6	P75-79	G4-EN32	P52	G4-HR8	Not applicable
G4-EN7	P75-79	G4-EN33	P52	G4-HR9	Undisclosed
G4-EN8	P78	G4-EN34	Not applicable	G4-HR10	Undisclosed
G4-EN9	Not applicable	G4-LA1	P54-55	G4-HR11	Undisclosed
G4-EN10	Undisclosed	G4-LA2	P55-59	G4-HR12	Undisclosed
G4-EN11	P74	G4-LA3	P54-55	G4-SO1	Undisclosed
G4-EN12	Not applicable	G4-LA4	Undisclosed	G4-SO2	Undisclosed
G4-EN13	Not applicable	G4-LA5	P57	G4-SO3	Undisclosed
G4-EN14	Not applicable	G4-LA6	P58	G4-SO4	P38-39
G4-EN15	P75-79	G4-LA7	Undisclosed	G4-SO5	Undisclosed
G4-EN16	P75-79	G4-LA8	P57	G4-SO6	P62-63
G4-EN17	Not applicable	G4-LA9	P59	G4-SO7	Not applicable
G4-EN18	Not applicable	G4-LA10	P59	G4-SO8	Proprietary information
G4-EN19	P75-79	G4-LA11	Not applicable	G4-SO9	P52
G4-EN20	Not applicable	G4-LA12	P54	G4-SO10	Undisclosed
G4-EN21	Not applicable	G4-LA13	Proprietary information	G4-SO11	Undisclosed
G4-EN22	Undisclosed	G4-LA14	P55	G4-PR1	Not applicable
G4-EN23	P79	G4-LA15	Not applicable	G4-PR2	Not applicable
G4-EN24	Not applicable	G4-LA16	Undisclosed	G4-PR3	Not applicable
G4-EN25	Not applicable	G4-HR1	Not applicable	G4-PR4	Not applicable
G4-EN26	Not applicable	G4-HR2	P59	G4-PR5	P46-49
G4-EN27	Not applicable	G4-HR3	Undisclosed	G4-PR6	Not applicable
G4-EN28	Not applicable	G4-HR4	P64	G4-PR7	Proprietary information
G4-EN29	P62-63	G4-HR5	Undisclosed	G4-PR8	Undisclosed
G4-EN30	Not applicable	G4-HR6	Undisclosed	G4-PR9	Proprietary information


**Index for ESG<sup>25</sup> Indicators**

Content	Pages
<b>A. Workplace quality</b>	
<b>A1 Working conditions</b>	
General disclosure: Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and other benefits and welfare.	P54-60
A1.1 Total workforce by employment type, age group and geographical region.	P7/P54-59
A1.2 Employee turnover rate by age group and geographical region.	P7/P54-59
<b>A2 Health and safety</b>	
General disclosure: Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.	P54-59
A2.1 Number and rate of work-related fatalities.	Not disclosed
A2.2 Lost days due to work injury.	Not disclosed
A2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	P54-59
<b>A3 Development and training</b>	
General disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	P59-60
A3.1 The percentage of employees trained by employee category (e.g. senior management, middle management, etc.).	P59
A3.2 The average training hours completed per employee by employee category.	P59
<b>A4 Labour standards</b>	
General disclosure: Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labor.	P54
A4.1 Description of measures to review employment practices to avoid child and forced labor.	P54
A4.2 Description of steps taken to eliminate such practices when discovered.	P54
<b>B. Environmental protection</b>	
<b>B1 Emissions</b>	

Content	Pages
<p>General disclosure: Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance and material non-compliance with relevant standards, rules and regulations on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, etc.</p> <p>Air emissions include NOX, SOX, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	P75-79
B1.1 The types of emissions and respective emissions data.	P75-79
B1.2 Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	P75-79
B1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable
B1.4 Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	P75-79
B1.5 Description of measures to mitigate emissions and results achieved.	P75-79
B1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P75-79
<b>B2 Use of resources</b>	
<p>General disclosure:</p> <p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p>Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	P75-79
B2.1 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).	P7/P75-79
B2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P7/P75-79
B2.3 Description of energy use efficiency initiatives and results achieved.	Not disclosed
B2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not applicable
B2.5 Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	Not applicable
<b>B3 The environment and natural resources</b>	
<p>General disclosure:</p> <p>Policies on minimizing the operation's significant impact on the environment and natural resources.</p>	P75-79
B3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P75-79


**Index for ESG Indicators**

Content	Pages
<b>C. Operating practices</b>	
<b>C1 Supply chain management</b>	
General disclosure: Policies on managing environmental and social risks of supply chain.	P52
C1.1 Number of suppliers by geographical region.	Not disclosed
C1.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P52
<b>C2 Product responsibility</b>	
General disclosure: Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P43-52
C2.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
C2.2 Number of products and service related complaints received and how they are dealt with.	P46-48
C2.3 Description of practices relating to observing and protecting intellectual property rights.	2014 CSR Reporting
C2.4 Description of quality assurance process and recall procedures.	Not applicable
C2.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	P43-46
<b>C3 Anti-corruption</b>	
General disclosure: Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering.	P38-41
C3.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during	Not disclosed
C3.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P38-41
<b>D. Community involvement</b>	
<b>D1 Community investment</b>	
General disclosure: Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	P62-67
D1.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P62-67
D1.2 Resources contributed (e.g. money or time) to the focus area.	P62-63

<sup>25</sup> ESG stands for Environmental, Social and Corporate Governance.



## Feedback Questionnaire

To better understand your needs, improve quality of CITIC Bank's social responsibility report and provide you and other stakeholders with more valuable information, we would like to invite you to answer relevant questions in the Feedback Questionnaire and send your response to us either by facsimile or by mail delivery (please kindly indicate "Feedback Questionnaire about CITIC Bank's Social Responsibility Report" on the envelope if you choose mail delivery).

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Postal Code 100010

What is your overall view of the Report?

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Do you think the Report fully discloses what you hope to understand about CITIC Bank's performance of social responsibility?

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What further information do you hope to be disclosed in CITIC Bank's social responsibility report?

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Do you think the Report is of the right length?

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Do you think the Report is of a reasonable structure? How can we make further improvement?

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Are you satisfied with the design style of the Report? How can we make further improvement?

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What are your other suggestions regarding CITIC Bank's social responsibility report?

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### Your Information

Name

Work unit

Position

Telephone

Fax

Email



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