



2016

Corporate Social Responsibility Report
Environmental | Social | Governance

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Chairman's Statement

Chairman: Yi Huiman



One can reach wherever he wants to go as long as he is determined. The year 2016 was the first year of China's 13th Five-year Plan period and the tenth anniversary of the Bank's listing. Despite complicated and changing economic and financial situation both at home and abroad in this year, we kept moving forward with original commitment and opened a new chapter of performing social responsibilities. Focusing our efforts on stability, we maintained steady profit growth, stable asset quality and firm control of risks. While tackling all difficulties, we managed to produce better-than-expected performance, played a positive role in the market and brought good news. We have given priority to making new progress and new achievements in performing our social responsibilities as a major bank, and have built a more responsible and respectful image.

In the year 2016, we innovatively improved our financial services by taking the whole picture into consideration and focusing on our original purposes. To be specific, we have improved the credit increment and stock, full credit and non-credit flow and integrated management, built new-type relations with the government and enterprises, and supported the supply-side structural reform and rejuvenation of the real economy. We have proactively adapted to the country's 13th Five-year Plan, "Four Major Sectors", "Three Supporting Belts" and "Made in China 2025" strategies, and served major strategies and key projects. The Bank led the preparation of China-CEEC Finance Corporation and China-Central and Eastern Europe Investment Cooperation Fund to support "Belt and Road" infrastructure construction and capacity cooperation through a multilateral financial pattern. We promoted micro-financial service as fundamental and strategic business, and built a new micro-financial service pattern featuring standard online service and professional offline service. Thanks to these efforts, the Bank became the first commercial bank with outstanding micro-loans above RMB2 trillion. For enterprises in temporary difficulties, we provided stable and expected services to help them solve their long and short-term troubles, instead of calling in or postponing loans. Through innovative measures, the Bank has made its due contribution to steady growth, better development and risk control. Besides, we have reinforced our support to merger and restructuring, and pressed ahead with debt-for-equity swap and asset securitization. For finance-backed precision poverty alleviation, the Bank has initiated the first investment fund for poverty reduction in China, and the related outstanding loans was about RMB90 billion. Always proceeding from the customers' needs, we focused on solving key and the most serious problems and highlighting advantages. We have implemented six programs for service improvement and tried to become the most satisfactory and efficiency bank and the first choice of customers that can bring them the best experience.

In the year 2016, we stuck to giving equal emphasis to short and long-term benefits, and targeted at "green bank" and "smart bank" and tried to broaden the horizon with new innovations. We strongly advocated the concept of green finance, guided quantitative research of environmental risks, and helped to make green finance a core subject for B20. In accordance with green financing criteria, we innovated upon green financial products, underwrote green bonds, and built an all-around green financial service system. By improving industrial credit policies, we promoted the development of the industries involved in energy saving, emission reduction and environmental protection. Meanwhile, we adopted an environment-friendly way for our office work, and maintained eco-friendly operation. We have made careful plans for in-depth integration of IT and finance and focused on providing Internet-based smart services to ecosystems on different platforms and in different scenarios, to promote strategic upgrading of e-ICBC, better connect all industries and enterprises, benefit all households and improve people's living standards.

Also in the year 2016, we worked harder to develop our corporate culture which serves as the foundation for our development, form a cultural identity among all employees, and nourish the tree of social responsibility with corporate culture. On the basis of the integrity culture proposed before, we improved the "24-character" credit operation concept and released core concepts for compliance culture. By following these guidelines, the Bank tried to solve short-term and long-term problems, maintained good credit asset quality and impose comprehensive risk control. We have held the bottom line for risk control and played a role as a ballast stone in safeguarding security and stability of national economy and finance. While improving the compensation incentives, we focused on forming cohesion through corporate culture, and retained talents by providing a caring environment and offering a stage for ambitious employees, so that they can feel the pride of self-fulfillment, satisfaction of their contribution to the Bank and honor of dignity. The Bank has devoted itself to charity. It has sent its volunteers to all parts of the countries and launched an innovative online charity campaign called "Micro Love – Charitable Donation". Its overseas institutions performed their social responsibilities across the globe.

East breeze brings us a new spring. In the year 2017, the supply-side structural reform will be deepened, and the Bank will be tasked with new missions and called to make new achievements. In the coming period, we will practice the concept of "innovation, coordination, green, opening up and sharing" to a full degree, and shoulder more responsibilities for promoting sustainable development of the society, economy, environment and the Bank itself with broader vision, more open mind, and more vigor.



Chairman: Yi Huiman
30 March 2017

President's Statement

President: Gu Shu



In 2016, the Bank encountered many negative effects caused by complicated and changing international economic situation, accelerated interest rate liberalization at home, deepened financial disintermediation, tightening capital regulation, more intensive competitions from other banks and enterprises from other sectors becoming engaged in the financial business and interweaving of different risks. Despite that, the Bank has always taken serving the real economy as its responsibility, supported the supply-side structural reform, and maintained generally stable and robust operation. It has shown its sense of responsibility as a major state-owned bank by enhancing its service quality, supporting national strategies, developing green and inclusive finance, and has injected new impetus to the real economy. The Bank managed to keep a leading position in terms of major operation indicators in 2016. To be specific, its net profits hit RMB 279.106 billion by increasing 0.50%; ROE, capital adequacy ratio and non-performing loan ratio were respectively 15.24%, 14.61%, 1.62%.

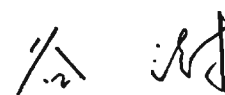
Keep serving the real economy and support the supply-side reform. To meet the demand for diverse financial services against the background of transformation of the driving force for economic growth and the supply-side structural reform, the Bank has held the bottom line of preventing systemic and regional risks, coordinated the increment and stock of credit, improved the full-flow management of credit and non-credit, better channeled credit to improve quality at the supply side, and constantly enhanced the efficiency and quality of serving the real economy and the supply-side structural reform. In 2016, the Bank granted new loans RMB1,123.380 billion with an increase of 9.4% including new domestic loans of RMB844.905 billion with an increase of 8.0%, and extended re-lent loans of RMB2.16 trillion. We improved credit policies of the banking industry, covering seven strategic emerging industries set out by the Chinese government. The outstanding loans to the cultural industry reached RMB174.278 billion, including RMB119.242 billion as outstanding project loans with an increase of 2.83%. The outstanding loans to central and western regions increased by 7.6% to RMB4,132.65 billion, reflecting constantly optimized regional structure. The outstanding loans to small and micro-enterprises increased by 8.01% to RMB2.03 trillion. The Bank took modern agriculture as one of the major target markets for credit extension and supported quality agricultural enterprises. Priorities went to quality credit projects in water conservancy, high-standard farmland construction and other fields. The Bank actively supported sectors affecting people's livelihood and upgrading of individual consumption. The personal housing loans were to RMB3,240.838 billion. The amount of credit cards issued by the Bank totaled 121 million.

Substantially enhance service quality and make customers satisfied. The Bank firmly upheld that service should be the foundation for its development, kept building the service-centered culture and constantly innovated services and practice to improve service quality, and accelerated the pace to become a customer satisfied bank. In 2016, the Bank took the lead in the domestic banking industry a core service-centered concept featuring "top priority to customers, satisfactory services, employees as the center and honesty and integrity", and has made new achievements

and formed new look of services. A total of 109 outlets were included among the 1,000 model units for excellent services in the banking industry. Besides, the Bank has launched programs to beautify 6,137 of its outlets in major cities, and built star-rated service system which included 499 five-star outlets and 3,505 four-star ones. The Bank kept implementing its strategy of building the e-ICBC internet finance brand.

Flex its muscle as a global brand and support the "Belt and Road" construction. As a commercial bank leading in terms of global presence and the size of assets, the Bank has taken initiative to fulfill its mission and responsibility as a major force for the financial industry, significantly helped Chinese enterprises to go global, supported the "Belt and Road" Initiative, and implemented a large number of early harvest projects to advocate international win-win cooperation. As at the end of 2016, 412 institutions were established in 42 countries and regions. The Bank has appointed 1,507 overseas institutions in 143 countries and regions as its correspondent banks. The total assets of its overseas institutions increased by 9.5% to USD306.450 billion. It had set up 127 institutions in 18 countries along the "Belt and Road". The Bank had supported 288 "going global" projects with total loans commitment of USD78.6 billion.

Develop green and inclusive finance to show its sense of responsibility as a major bank. Committed to becoming a leading green bank in the world, the Bank has seen the growth rate of loans supporting the green economy grow 6.8 percentage points higher than that of overall domestic corporate loans. It has underwritten eight green bonds, and raised funds which totaled RMB88.3 billion, ranking first among banking institutions. The Bank has boosted the development of inclusive finance, and actively participated in public undertakings such as poverty alleviation and volunteer services. The Bank has involved in targeted poverty alleviation for 21 years and established precise principles, comprehensive rules guarantee and systematic work methods. It has sent 88 managers for poverty alleviation, bringing remarkable social effects and receiving positive response. Forming a culture of honesty and integrity and upholding the people-oriented concept, the Bank has kept reinforcing protection of customers' rights and interests, advocated integrity, and tried to become a harmonious bank which grows together with its employees. The year 2017 will be an important year to implement the 13th Five-year Plan and deepen the supply-side structural reform, and is also the closing year of the Bank's new Three-year Plan. The Bank will keep focusing on quality and efficiency, accelerate business transformation and structural adjustment, deepen reform and encourage innovation in an all-around way, maintain stable and sound operation, keep improving its capability to support the real economy, and fulfill its responsibility as a major state-owned bank to boost harmonious development.



President: Gu Shu
30 March 2017

Chairman of the Board of Supervisors

Chairman of the Board of Supervisors: Qian Wenhui



About Us

Company Profile

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured into a joint-stock limited company. On 27 October 2006, it was successfully listed on both Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited (Stock Code: 601398.SS, 1398.HK).

Through its continuous endeavor and stable development, the Bank has developed into a top large listed bank in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness and providing comprehensive financial products and services to 5,784 thousand corporate customers and 530 million personal customers.

Taking the provision of service to the real economy as the starting point and the ultimate goal, the Bank remained steadfast in new finance and new service under the guidance of new concept, supported the supply-side structural reform and the economic transformation and upgrading and realized healthy and sustainable development. Through deepening of reform, innovation and operation transformation, retail banking, asset management and financial market business emerged as the important growth engines of profit. The pattern of internationalized and diversified operation was further improved, covering 42 countries and regions, contributing more to the Bank's profit-making.

The Bank consciously unified the social responsibilities to its development strategy and operation and management activities, gaining wide social recognition in the aspects of supporting targeted poverty alleviation, protecting environment and resources, participating in social and public welfare undertakings and promoting inclusive finance. The Bank was ranked the 1st place among the Top 1000 World Banks by UK magazine The Banker for the fourth consecutive year and the Global 2000 listed by the US magazine Forbes, topped the sub-list of commercial banks of the Fortune 500, and took the 1st place among the Top 500 Banking Brands ranking of Brand Finance.

Corporate Culture

Mission

Excellence for You

Excellent Services to Clients
Maximum Returns to Shareholders
Real Success for Our People
Great Contribution to Society

Value

Integrity Leads to Prosperity

Integrity
Humanity
Prudence
Innovation
Excellence

Vision

A Global Leading Bank with
the Best Profitability,
Performance and Prestige

ICBC objectives : to become a respectable and outstanding global large banking group with large asset size, sound risk management, strong development momentum, excellent profit structure and extensive business presence.

Corporate Governance

Improving corporate governance framework

The Bank has made constant efforts to improve the corporate governance and checks and balances mechanism comprising the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management featuring clearly-defined responsibilities and accountability, coordination and effective checks and balances, and to optimize responsibilities of the authority organ, decision-making organ, supervisory organ and executive organ. As a result, the corporate governance operation mechanism with scientific decision-making process, effective supervision and steady operation has been in place. During the reporting period, the Bank won an array of awards conferred by many authoritative domestic and overseas institutions and news media. They included the "Corporate Governance Excellence Award" by the Chamber of Hong Kong Listed Companies, the 6th China Securities Bauhinia "Best Listed Corporate" by Hong Kong Ta Kung Wen Wei Media Group Limited, the "Asset Corporate Award—Platinum Award" by the magazine Forbes, the "Best Board of Directors" by the magazine The Board of Directors and the "2016 Outstanding Board of Directors of Strategic Chinese Listed Companies" by the 21st Century Business Herald.



During the reporting period, as required by the domestic and overseas regulatory laws, the Bank proceeded from its own governance conditions and amended the Working Regulations for the Risk Management Committee of the Board of Directors and the Working Regulations of the Audit Committee of the Board of Directors. In accordance with the amended Working Regulations of the Risk Management Committee of the Board of Directors, the Risk Management Committee of the Board of Directors assumed the responsibilities of the Risk Committee for Institutions in the USA concurrently.

During the reporting period, the Bank convened 1 annual general meeting and 1 extraordinary general meeting, which reviewed and approved 15 proposals, and heard 3 reports. Each meeting was convened in compliance with relevant legal procedures which assured shareholders' participation and exercise of rights. The Bank engaged lawyers to witness the general meetings and issue legal opinions. All the resolutions and announcements from the above general meetings had been posted to ICBC's official website.

During the reporting period, the Bank held 8 meetings of the Board of Directors. These meetings reviewed 65 proposals and heard 22 reports. As at the disclosure date of this report, the board of Directors of the Bank consisted of 14 directors, including 4 Executive Directors, 5 Non-executive Directors and 5 Independent Non-executive Directors. Independent non-executive directors accounted for no less than 1/3 of the total number of directors, 3 of whom were female. The Board of Directors has established 6 special committees, namely, the Strategy Committee, the Audit Committee, the Risk Management Committee, the Nomination Committee, the Compensation Committee and the Related Party Transactions Control Committee. With the exception of the Strategy Committee whose chairmanship was assumed by the Chairman of the Board of Directors, the chairmanship of all the other committees were assumed by independent directors.

During the reporting period, the Board of Supervisors held 7 meetings, reviewed and approved 19 proposals and heard 40 work reports. As at the end of the reporting period, there were a total of 6 supervisors under the Board of Supervisors, out of whom 2 were shareholder supervisors, 2 were employee supervisors, and 2 were external supervisors.

Strengthening comprehensive risk management

During the reporting period, the Bank continued to strengthen the implementation of advanced capital management approaches, constantly refined the internal risk measurement model, and improved the risk measurement system. In accordance with the regulatory requirements, it timely disclosed the capital adequacy ratios. In addition, it stepped up model monitoring and improvement, updated data as well as IT system, strengthened capital allocation and refined performance evaluation, in a bid to constantly push forward implementation and application and enhance the risk management capability.



The Bank improved the comprehensive risk management policy system, optimized the system of risk appetite indicators, developed the administrative measures for implementation of regulatory indicators of intensified regulatory standards, streamlined the methods and system of the internal capital adequacy assessment process (ICAAP), and drafted the ICAAP report.

1

The Bank conducted the consolidated management of the Group, further improved the policy system of consolidated management, stepped up the risk management of no-banking subsidiaries, effectively carried out monitoring and reporting of consolidated risk, and actively pushed forward the application and improvement of the Group's consolidated risk management system.

2

The Bank advanced the country risk management, intensified the efforts to monitor country risk, timely re-evaluated and adjusted the annual rating of sovereign/country risk, strengthened country risk limit management, and supported demands of business development.

3

The Bank strengthened the ongoing monitoring, optimization, validation, management and application of the measurement systems for credit, market and operational risks, promoted the construction of enterprise data application system and accelerated the construction of enterprise-level anti-fraud management platform to promote the big data mining and analysis and application.

4

The Bank enhanced the risk management of wealth management business, pushed forward the construction of three lines of defense for standardized investment business-related risk management, intensified the management of and control over the market risk limit for asset management business, reported the risk arising from wealth management business, advanced the building of information system, enhanced the management of systems and procedures, and put the risk arising from wealth management business under continuously effective supervision.

5



Improving internal audit system

In terms of internal audit, the Bank adapted to the changes in the risk management conditions, pushed forward the functional optimization and professional innovation, improved the audit methods and techniques, advanced the preparations for information technology-based audit process, intensified efforts in organizing professional qualification programs and project-specific trainings, deepened the professional development of teams, and constantly enhanced the audit service capacity and professionalism.

During the reporting period, the Bank, focusing on development strategies and core tasks, carried out the risk-oriented audit activities, completed the annual audit plan in an all-round manner, and gave priorities to the credit risk, market risk, regional risk and financial innovation risk confronting the Bank under the complicated operating environment.

Social Recognition

During the reporting period, the Bank gained extensive social recognition by its good performance in social responsibility fulfillment. It won such awards as “Best Social Responsibility Financial Institution Award” , “Annual Poverty Alleviation Award” , and First Place Winner of “Chinese State-owned Listed Companies on Corporate Social Responsibilities” successively, and continued to be included by the Hang Seng Corporate Sustainability Index Series.

Organizer	Awards
<i>China Banking Association</i>	“Best Social Responsibility Financial Institution Award” , “Best Social Responsibility Manager Award of the Year” (with four people awarded), “Best Social Responsibility Special Contribution Outlet Award of the Year” (with two outlets awarded), and “Top 50 Financial Products that Serve Small and Micro Enterprises in 2015”
<i>Southern Weekly</i>	First Place in the “List of State-owned Listed Companies on Corporate Social Responsibility”
<i>China News Service, China Newsweek</i>	“Most Responsible Enterprise of 2016”
<i>People’s Daily Online</i>	“Annual Poverty Alleviation Award”
<i>Global Compact Network China</i>	“SDG Pioneer”
<i>The Economic Observer</i>	“Most Respectable Enterprise”
<i>Corporate Citizen Committee of China Association of Social Workers, CCTV, Tencent Public Welfare Foundation</i>	“Excellent Corporate Citizen of 2016 in China”
<i>Social Responsibility Committee of the Chinese Institute of Business Administration, Beijing Rongzhi Corporate Social Responsibility Institute</i>	Public Transparency Model Award
<i>Hexun.com, the Stock Exchange Executive Council (SEEC)</i>	“2016 Excellent Green Financial Institution”



2016 Highlights

▲ indicates improvement from the prior year

□ indicates a basically flat level with the prior year

Field of Responsibility	Award granted	Comparison
 Improve responsibility management	The Bank acted on the Basic Provisions for Corporate Social Responsibility to standardize the social responsibility information collection channel, disclosure methods and duties. It carried out a series of social responsibility training program (the ESG Reporting Guide of HKEx) in the whole bank to build a platform for the whole bank's employees to learn social responsibility. It also carried out questionnaire surveys for substantial analysis on stakeholders to offer reference for the Bank to fix important subjects in social responsibility.	▲
 Promote international practice	The Bank was selected for several consecutive years as a composite share in the Hang Seng Corporate Sustainability Indexes and built up a good international image. It attended the 5th Global Conference organized by the Global Reporting Initiative, which promoted international communication on social responsibility.	▲
 Support the real economy	We improved credit policies of the banking industry, covering seven strategic emerging industries set out by the Chinese government. The balance of loans to cultural industries reached RMB174.278 billion, among which the balance of loans to projects reported at RMB119.242 billion, up 2.83%. The balance of loans to the central and western regions amounted to RMB4,132.65 billion, up 7.6%. Loans to small and micro enterprises stood at RMB2.03 trillion, up 8.01%.	▲
 Improve people's livelihood	As at the end of the reporting period, the balance of residential mortgages stood at RMB3,240,838 million, up RMB724,641 million over the beginning of the year, which went up by 28.8 percentage points. The credit cards issued reached 121.32 million.	▲
 Build an ecological civilization	As at the end of the reporting period, the balance of loans supporting the green economy was RMB978.560 billion, increased by 7.0%, which was about 6.8 percentage points higher than the growth rate of domestic corporate loans balance in the same period. The E-banking transaction volume surged to RMB599 trillion and the proportion of E-banking transactions in the total number of transactions of the Bank reached 92.0%, up by 1.8 percentage points over the previous year.	▲
 Protect customer's rights and interests	During the reporting period, the Bank initiated the Online Contest on Knowledge of Protecting Consumers' Rights and Interests. A total of 197,209 employees by person-times took part in the competition cumulatively, among which 84,159 persons attended the formal contest. Additionally, it also launched financial knowledge publicity and awareness campaigns among consumers in the regular and concentrated means combined. For its efforts, the Bank was named as the "Exemplary Unit of 2016 in Carrying out the Month-long Financial Knowledge Publicity for Every Household" by CBRC and was conferred "the Best Effect Award for Popularizing Financial Knowledge Series in 2016" by China Banking Association.	▲
 Focus on the people	As at the end of the reporting period, the Bank had 461,749 employees, 100% of whom signed employment contracts with ICBC. During the reporting period, the Bank organized 51,000 training sessions of various types and trained 5,093,200 person-times, averaging 9.63 days per person.	—
 Contribute to charity and public interest	During the reporting period, the Bank donated RMB65,295.8 thousand externally (data of the Group). Besides, it also kept improving the "pairing and relaying mechanism", carried out various initiatives targeted at young volunteers, and organized a diverse range of themed activities for public good such as "Micro Love—Charitable Donation" and "Care for Children of Migrant Workers".	▲



Key Performance Index

Note 1: Since 2013, the capital adequacy ratio and core tier 1 capital adequacy ratio of the Bank have been calculated according to the Regulation Governing Capital of Commercial Banks (Provisional) released in June 2012 by CBRC.

Note 2: Data of office paper, power and water consumption and official vehicle oil consumption are from the Head Office.

Note 3: The balance of loans to small and micro enterprises has been disclosed according to the S-64 Loans to Large, Medium, Small and Micro Enterprises by Industry formulate by CBRC since 2014.

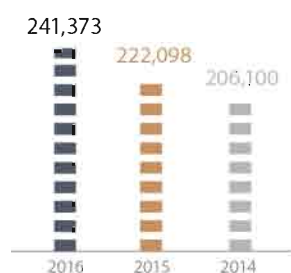
Note 4: Social contribution value per share = Basic earnings per share + (Tax payment + employee expense + interest expense + total investment on public interest)/Total equity at end of period.

Note 5: The scope of total number of employees, proportion of female employees, proportion of employees from minority ethnic groups is the whole group. The ethnic minorities in the Table refer to the remaining 55 legal ethnic groups in addition to the Han nationality in the People's Republic of China.

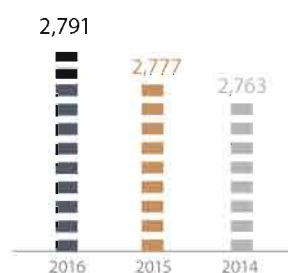
Note 6: The loans to green economy sectors are counted as the energy saving and environmental protection projects and services of CBRC.

Economic index	Unit	2016	2015	2014
Total assets	RMB100 million	241,373	222,098	206,100
Total loans and advances to customers	RMB100 million	130,568	119,335	110,263
Customer deposits	RMB100 million	178,253	162,819	155,566
Operating income	RMB100 million	6,417	6,687	6,349
Net profit	RMB100 million	2,791	2,777	2,763
Basic earnings per share	RMB	0.77	0.77	0.78
Dividend in cash	RMB100 million	835	832	910
Total tax payment	RMB100 million	1,433	1,311	1,314
Return on average total assets	%	1.20	1.30	1.40
Return on weighted average equity	%	15.24	17.10	19.96
NPL ratio	%	1.62	1.50	1.13
NPL balance	RMB100 million	2,118	1,795	1,245
Allowance to NPL	%	136.69	156.34	206.90
Capital adequacy ratio ¹	%	14.61	15.22	14.53
Core capital adequacy ratio ¹	%	12.87	12.87	11.92

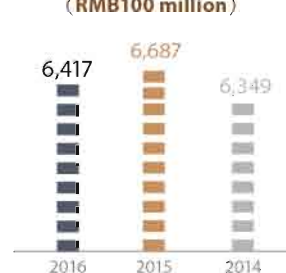
Total assets (RMB100 million)



Net profit (RMB100 million)

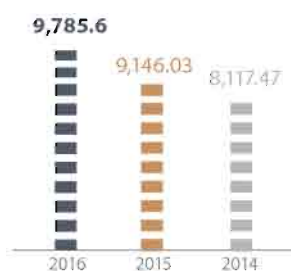


Operating income (RMB100 million)



Environmental Index	Unit	2016	2015	2014
Loan made to green economy sectors	RMB100 million	9,785.6	9,146.03	8,117.47
Proportion of business volume of E-banking	%	92	90.2	86
Office paper consumption	Million pieces	7.71	8.44	8.81
Office power consumption	Kilowatt/ hour	19,867,300	19,825,712	18,673,936
Office water consumption	Ton	156,324	150,450	157,360
Official vehicle oil consumption	Liter	86,532	94,186	100,169

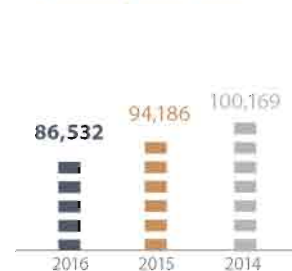
Loan made to green economy sectors (RMB100 million)



Proportion of business volume of E-banking (%)

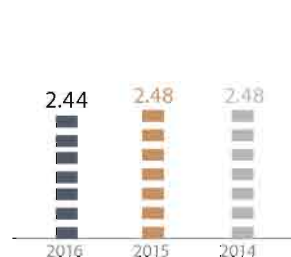


Official vehicle oil consumption (Liter)

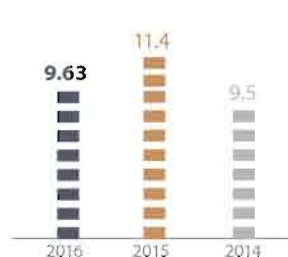


Social Index	Unit	2016	2015	2014
Small and micro enterprise loan balance	RMB100 million	20,340	18,832	17,215
Social contribution per share	RMB1 yuan	2.44	2.48	2.48
Total number of employees	Person	461,749	466,346	462,282
Proportion of female employee	%	51.3	51.1	51.0
Proportion of employees from ethnic groups	%	5.6	5.4	5.2
Average training days per person	Day/person	9.63	11.4	9.5
Charitable donations	RMB10 thousand	6,530	5,575	5,086

Social contribution per share (RMB1 yuan)



Average training days per person (Day/person)



Charitable donations (RMB10 thousand)





1

Responsibility Strategy



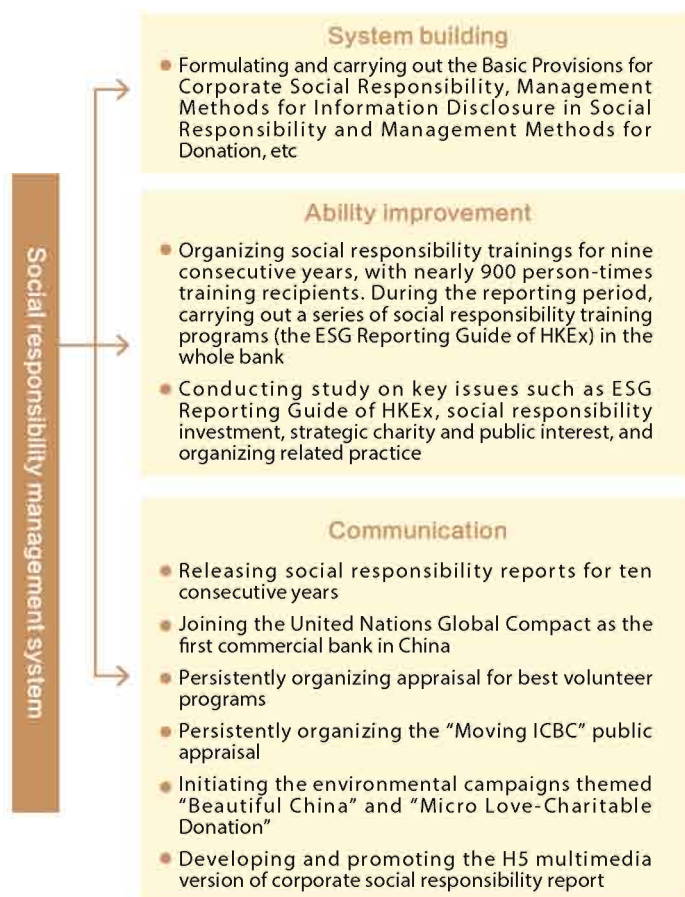
Connotation of Responsibility

"Excellence for You—Excellent services to clients, Maximum returns to shareholders, Real success for our people, Great contribution to society" is not only a corporate social responsibility objective of ICBC, but also the solemn commitment made to various stakeholders. The Bank is committed to serving common interests of various stakeholders in economic and social development, promoting sustainable economic development and social progress, developing core values such as "Integrity, Humanity, Prudence, Innovation and Excellence", and maximizing comprehensive value to economy, environment and society.

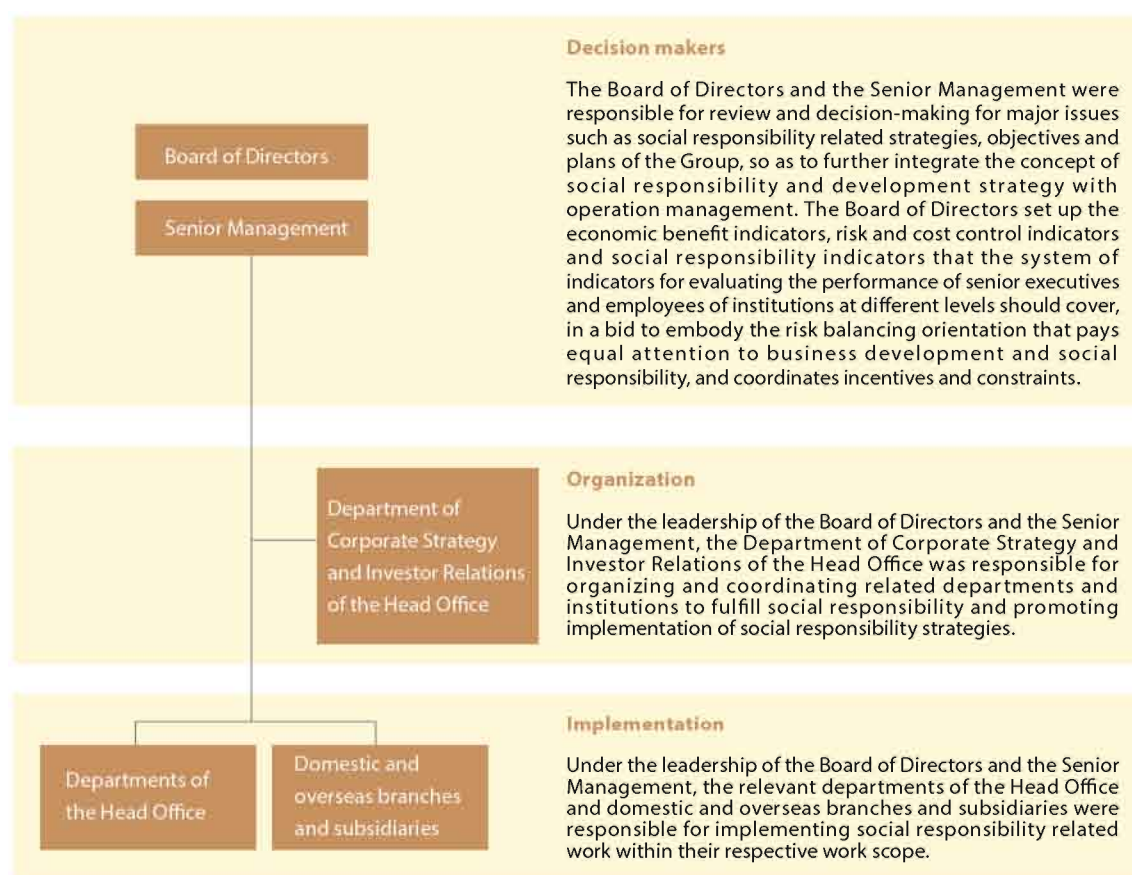


Responsibility System

The Bank made great efforts to promote building a responsibility culture, and took the world's best social responsibility practice as benchmark. It formulated and carried out three-year plans on related work in a rotation manner, constantly explored sustainability paths and gradually formed the concept of social responsibility with industrial characteristics. Starting with releasing social responsibility reports, the Bank guaranteed related work with system building and relied on training on social responsibility to gradually improve the social responsibility management system integrating strategy planning, system building, information disclosure, education & training, performance assessment and international communication, in a bid to grow into a respectable global corporate citizen.



Management Architecture



Responsibility Communication

The Bank paid great attention to communication with stakeholders. By establishing the mechanism for combination of real-time and regular communication and coordination of special communication and international exchange, the Bank ensured normalized exchanges with key stakeholders and encouraged involvement of related parties by actively tapping into the role of new media platforms.



Government

- Promote sustainable and healthy economic development
- Coordinate public finance and serve government development targets
- Guide by policy
- Submit statistics report
- Routine research and communication
- Support development of national economy, and prioritize resource allocation function
- Support development of livelihood sectors such as small and micro enterprises, agriculture, countryside and farmers as well as minority regions
- Steadily increase tax payment and employment opportunities

Regulatory authorities

- Compliant operation and fair competition
- Maintain financial system stability
- Regulatory policies
- Work report
- Submit statistics report
- Intensify compliance management and honest operation
- Improve corporate governance, and strengthen internal control
- Promote the implementation of Basel New Capital Accord

Shareholders

- Satisfactory return on investment
- Good market value
- Fully understand company operational status
- General shareholders meeting
- Company announcement
- Performance road show
- Investor's hotline, email and fax
- Robust operation, profitability enhancement and steady dividend
- Strengthen investor relations management and fully disclose information

Customers

- Quality and convenient financial products
- Satisfactory financial services
- Comfortable business environment
- Seminar
- Satisfaction survey
- Customer service hotline
- Official website, microblog, ICBC Link and third-party platform
- Record-high E-banking business year on year; business process, service and product innovation improvement
- Enhance service quality, focus on customer experience, and upgrade outlets
- Continue protecting consumer rights and interests

Partners

- Fair procurement
- Integrity and mutual benefit
- Bid and invite for bidding
- Business exchange and cooperation
- Regular visit
- Open & transparent procurement mechanism
- Just & fair procurement principles
- Harmonious and win-win business cooperation

Employees

- Good career planning and growth opportunities
- Complete protection of interests
- Workers' Congress
- Education and training
- Employee satisfaction survey
- Implement HR enhancement projects, and improve employee training
- Improve compensation and incentive, and insurance and benefit system

Community

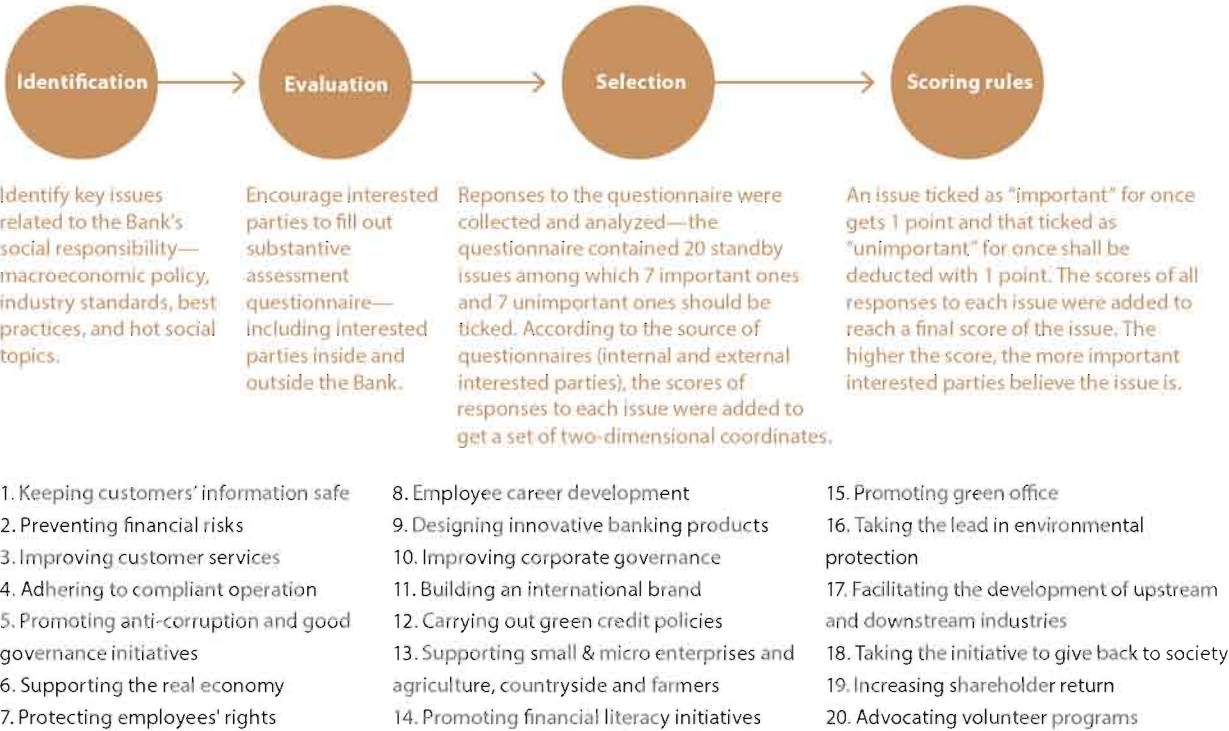
- Focus on community development
- Safe and healthy living environment
- Public interest activities
- Joint community construction
- Carry out volunteering activities, help disadvantaged people, and actively engage in public interest activities
- Ensure safe operation, spread financial knowledge, and advocate environmental protection

Environment

- Pay attention to climate change and support low-carbon economy
- Advocate energy saving and emission reduction; build conservation-minded society
- Make policies for energy saving and emission reduction
- Green and public interest activities
- Implement green credit, promote E-banking, and extend green finance channels
- Advocate green office, implement responsibility procurement, and carry out environmental protection and public interest activities

Substantiality Analysis

During the reporting period, in order to make the report more pertinent and responsive, the Bank, taking into consideration the demand of stakeholders and major corporate development strategies, conducted a questionnaire to collect data for substantive analysis, based on which key sustainability issues were identified.





2

Supporting the Real Economy, Becoming Value Creator

During the reporting period, the Bank worked hard to meet the diversified needs for financial services amid the supply-side structural reform and the shift of impetus for economic growth, and firmly held fast the bottom line of incurring no systematic or regional risks. At the same time, it coordinated the integrated use of credit increment and credit stock, improved the full-flow management of credit and non-credit financing, and vigorously supported and serviced the development of the real economy.





The debt-for-equity swap gave the supply-side reform a shot in the arm

To act on the core message of the related national policies, the Bank stringently conformed to the requirements for market-based and legal operation, and used the debt-for-equity swap as a means to lift customer service modes and comprehensive financial service capacity of commercial banks to a higher level. At the same time, with the multi-layer capital market, it helped companies optimize their capital structure, facilitate the supply-side structural reform, and better served the development of the real economy. During the reporting period, the Bank reached an intention for cooperation regarding to its first market-based debt-for-equity swap program. It would conduct a debt-for-equity swap business worth about RMB10 billion with Shandong Gold Group Co., Ltd. and provide it a full package of quality financial services. As an industry leading company with its gold reserve and output both ranked the second place across China, the group was expected to lower its corporate leverage ratio by around 10%, enhance its capital strength substantially, diversify its equity structure, and improve its corporate governance mechanism through the partnership with the Bank in the program.

Strategic Emerging Industries

The Bank improved its credit policies for such industries as equipment manufacturing, new energy power generation, new energy vehicle manufacturing, electronic information, pharmacy, synthetic materials, and chemical engineering, which covered the seven strategic emerging industries set out by the Chinese government, in a bid to implement the strategy of “manufacturing power” and vigorously foster and expand the markets of such strategic emerging industries as energy conservation and environmental protection, new energy, high-end equipment manufacturing.



“seven strategic emerging industries”

Opinions on Giving Credit Support to Key Areas of Advanced Manufacturing

The bank-wide efforts were made to orderly expand the credit market of the following ten key areas: next generation information technology, high-end CNC machine tools and robots, aerospace equipment, marine engineering equipment and high-tech ships, advanced rail transportation equipment, new energy vehicles, electronic equipment, agricultural equipment, new materials, bio-pharmaceuticals, and high-performance medical devices,

1

1. The automation technology company supported by Jiangsu Branch



 The maglev railway reported by the magazine Qiushi

The Changsha medium-to-low speed magnetically levitation railway project was supported by the syndicated loan arranged by Hunan Branch. As a commercial rail line, it was manufactured and operated by China on its own and thus it was the first completely independent intellectual property of its kind in the country. As at the end of the reporting period, the maglev line had safely operated for 239 days, traveling a total distance of 500,000 kilometers and carrying a total passenger traffic of 1,643,000 person-times. Visitors from nearly 20 countries including Singapore, Austria, Germany, Brazil and South Korea as well as 30 cities like Beijing, Shanghai, Guangzhou and Wuhan came to inspect the rail line, bearing testimony to the appeal of the Chinese maglev lines. The photo of the railway was taken as the back cover by the magazine Qiushi for its November 2016 issue.

 Intelligence-intensive software technology service

A computer technology company was an intelligence-intensive enterprise in Dalian mainly engaged in software development, IT service, integration of computer system, and education and training. It was specialized in providing personally developed software products, industry solutions and technical support for utility, finance, industry, communications, health and other sectors. As an export-oriented company, its sales income and daily expenditures suffered from currency mismatch and were confronted with exchange rate volatility risk in the long run. Given that, Dalian Branch actively rendered the customer such financial derivatives and services as forward FX settlement and sales and FX swap, so as to help it hedge against risks, reduce the impact arising from changes in exchange rate on its income and profit, and provide the financial support for its stable growth.

 The high-tech chemical program that filled in the technological gap

A Shandong-based supplier of basic chemical raw material was one of China's largest single fertilizer producers and the leader of energy efficiency indicators in synthesis ammonia and methyl alcohol sectors across the country. As a high-tech company at the provincial level, it owned more than 70 national patents and won over 20 scientific and technological progress awards of various sorts. Relying on the two sides' robust partnership in project financing, cash management and many other aspects, Shandong Branch took the lead to arrange a syndicated loan which was aimed to finance the company's high-tech chemical product project. Once completed, the project would fill in the technological gap of China in the field and ease the current shortage of related products, thus effectively reducing the long-term over-reliance of the country on import.

1	3
2	

- 1.The high-tech pharmaceutical enterprise supported by Hebei Branch
- 2.The rooftop distributed PV power project supported by Guangxi Branch
- 3.The construction of offshore wind power plant project supported by Jiangsu Branch



Regional Coordinated Development

During the reporting period, in accordance with the strategic planning of China for regional development, the Bank proceeded from the implementation of regional credit policies and issued the Opinions on Supporting the Financing for Urban Function Promotion in Key City Branches, the Credit Policy of the Beijing-Tianjin-Hebei Cooperated Development Region and the Northeast Regional Credit Policy on the basis of its regional policies concerning the three supporting belts, i.e. the coordinated development of the Beijing-Tianjin-Hebei Region, the “Belt and Road” Initiative-related area, and the Yangtze River Economic Belt. Besides, it also encouraged the relevant branches to give priorities to key projects in such fields as traffic integration, industry upgrade and transfer, environmental protection and improvement, cultural tourism, health, education and housing, promoted the coordinated industry development of the Beijing-Tianjin-Hebei region and the Yangtze River Economic Belt as well as the rejuvenation of Northeast China, and boosted the industry upgrade and transfer drive. As at the end of the reporting period, the balance of loans the Bank granted to the central and western regions reported at RMB4,132.65 billion, up 7.6% year on year.



41,326.5 (RMB100 million)

the balance of loans the Bank granted to the central and western regions



7.6%

up



A logistics park on the edge of Beijing

In response to the execution of the major state strategy—the coordinated development of the Beijing-Tianjin-Hebei Region, a Hebei-based agricultural and sideline product processing company made investment to build Xinfadi Agricultural and Sideline Product Logistics Park in Gaobeidian, Hebei. The project boasted the largest scale and the soundest comprehensive services among all non-local projects the Beijing Xinfadi Market had invested in so far. During the reporting period, to facilitate Beijing's functional dispersal and industry transfer and ensure safe supply of agricultural and sideline products, Hebei Branch extended a RMB500 million loan to the Xinfadi Cold-chain Logistic Park (Phase I) and then conducted an agency creditor's right investment business worth RMB500 million with it, both of which boosted the development of the logistics park remarkably.





1.The wind power project supported by Dalian Branch



The double cross-shaped high-speed railway network in Henan

Zhengzhou was positioned as a major comprehensive traffic hub in China, according to the plan of local government and the official reply of the State Council. Among which, the construction of a double cross-shaped high-speed railway network in Henan constituted an important part of the positioning. During the reporting period, Henan Branch actively worked with the construction units. As at the end of the reporting period, it reviewed and approved five large projects which involved a total amount of RMB92.4 billion. Besides, the Branch also innovatively granted the related project companies with early-stage loans worth RMB1 billion and working capital loans worth RMB1 billion. Multiple businesses were conducted to finance the high-speed railway construction project throughout its early and operational stages in an all-round manner.



Small and Micro Enterprises

During the reporting period, the Bank creatively promoted the financial service mode targeted at small and micro enterprises which combined offline franchised services and online standardized operations, so as to better meet financing demands of such companies. As at the end of the reporting period, the balance of loans granted to small and micro enterprises by the Bank amounted to RMB2.03 trillion, up 8.01% year on year, signaling that the Bank realized the goal prescribed by the banking authority for financial services delivered to small and micro enterprises—three “no lower than” .



Loans to Small and Micro Entrepreneurs

As a new customer of the Bank, a Suzhou-based company was mainly engaged in producing grinding apparatuses and featured stable operations and sound credit records. It hadn't raised fund from financial institutions or given any external guarantee. But the long recovery term of sales proceeds led to a liquidity crunch. As a result, it didn't have enough money to purchase production goods. After getting informed of the conditions, Suzhou Branch immediately sent people to visit the company, inspect its production and operation sites, negotiate with the company owner about the financing demands, and check the authenticity of such materials as orders, financial statements, tax bills, and utility bills. Based on the actual operational conditions, the Branch recommended the product of "loans to Small and Micro Enterprises" and granted the company with a loan worth RMB4 million.

"Tax-based financing"

Anhui Branch worked with the local government to facilitate the growth of the tax-based financing business through a variety of forms including business promotion meetings. This business was intended to provide a certain amount of credit exposure for small enterprises based on their tax payment through many guarantee methods including mortgage, pledge and guarantee. Different from traditional loans that required collateral, small and medium enterprises could get a certain amount of credit financing from the Bank by virtue of their tax-paying credit, a move to ease their fund crunch and lower their operating cost. As at the end of the reporting period, Anhui Branch cumulatively provided 131 small and micro enterprises with the tax-based financing support in an amount of over RMB451 million.

Cultural and creative enterprises of small and micro sizes

Since its establishment, a Beijing-based small company was dedicated to platform building and peripheral operation regarding mobile games. To date, the company had 150 million of registered users in total, with monthly active users exceeding 15 million. It already became a well-renowned mobile game portal and BBS across China. Beijing Branch, through field inspection, summed up the features of the industry where the customer operated, identified the new financing demands of the company arising from business platform expansion, and devised and offered the suitable financial product for it. Reasonable fund use conditions and installment payment plans were developed to efficiently complete the financing business with the cultural and creative company, by taking into account its asset-light operation, large fund input yet affluent cash flow during the early stage of platform expansion.

1. The mountain and forest land supported by Guangxi Branch
2. Small enterprises supported by Guangdong Branch



People's Livelihood Guarantee

Private Housing Loans

Centering on the position and target of supporting residents' demands for self-occupied houses or the houses to improve household living conditions, the Bank adjusted the policies for residential mortgages in time, and expanded the coverage of middle-and-low income customer groups applying mortgages. It strictly implemented the policy of restricting credits to certain regions, leveraged the financial means' capacity of allocation and adjustment to guide hot cities to regulate and control housing prices so as to bring them back to a reasonable level. From such aspects as customer selection, credit policies, loan size, fund allocation and pricing mechanism, it prioritized the demands for residential mortgages of the household first ordinary self-occupied houses and the houses to improve living conditions, aiming to enable middle-and-low income households to access and afford houses under the synergy of efforts made by regional regulators and banks. As at the end of the reporting period, the balance of residential mortgages stood at RMB3,240,838 million.



Consumer finance

During the reporting period, the Bank actively responded to market and customer demands. It launched the standardized, professional financing products and well-structured, easily accessible financing services, which included preferential interest rates for individual consumer credit loans (like RMB1 interest every day for a loan of RMB10,000 and cash installment), so as to further exploit the driving force of consumption in economic development. As at the end of the reporting period, the Bank issued 121 million credit cards.



A customer bought a forward-delivery apartment a few years ago. During the decoration process, he ran out of money and then filed a loan request with the Bank. As an employee of a public institution, the customer had stable income and sound credit records. After getting informed of the conditions, Suzhou Branch recommended ICBC Consumer Card for Installment Payment and helped the customer get a loan worth RMB300,000 for making final payment to decorators and purchasing furniture and household appliances. ICBC Consumer Card for Installment Payment was the first product Suzhou Branch launched to have payments automatically converted into installment credit. It was intended to provide quality customers with excessive consumption, installment repayment, circular use and other services, helping them get funds for such big-ticket items such as home decoration, home supplies, household appliances, wedding and tours.



930.1 (RMB100 million)
The balance of poverty alleviation loans totaled



273.5 (RMB100 million)
up



Culture industry

During the reporting period, the Bank specified a strategic orientation of credit supporting the culture industry, combined the development of the culture industry with the accelerated operational transformation, and actively facilitated the development of the culture industry. At the same time, it kept improving the credit policies for the culture industry so that a set of exclusive financing products were launched to meet financing needs of cultural companies of different types and scales at varying ends of the spectrum of development. As at the end of the reporting period, the balance of loans to the culture industry granted by the Bank reached RMB174.278 billion, among which that of project loans registered at RMB119.242 billion, up 2.83% year on year.



A bank outlet at Shanghai Disney Resort

During the reporting period, Shanghai Branch started to sell entrance tickets for Shanghai Disney Resort as its sales agent, which represented the first time for Disney to team up with a commercial bank for ticket sales across the world. On 28 May 2016, the Resort Sub-branch of ICBC Shanghai Branch was opened for business. Situated at Disneytown, it is the only bank outlet you can find in the Disneyland parks worldwide. As an outlet offering intelligent service experiences, it innovatively set up a children playing area, an intelligent service experience area, a product display and sales area, etc. At the same time, it also installed 19 ATMs inside and outside the Resort, so as to provide the most convenient financial services for visitors.

Agriculture-related services

The Bank took modern agriculture as one of the major target markets for credit extension, formulated the credit policies for such agriculture-related fields as agriculture, agricultural machinery, new rural areas (small towns) to support quality enterprises and guide the Bank to give priorities to quality credit projects in water conservancy, high-standard farmland construction, etc.



Free-ranging Silkie chickens in Bishan District

A Silkie chicken free-ranging cooperative located in Bishan District, Chongqing planned to expand its farming scale, driven by strong market sales. But due to the fund crunch, it couldn't get adequate supply of raw materials. Chongqing Bishan ICBC Rural Bank sent employees to the farming base for inspection and devised a purposeful financial service plan by taking into account the fact that farmers didn't have any eligible property as collateral or guarantee. The plan was well received and supported by the local government and therefore got registered and passed with the competent authorities. This was also the first loan secured by the rural land circulation and operation right within Bishan District, Chongqing Municipality. It offered local farmers an "out-of-box" solution and represented the first step the local government and bank took together to address the "last kilometer" problem while implementing the policies of the State Council aimed to support and benefit farmers.



Tea plantation in Xixiang County

Xixiang County of Shaanxi Province is one of the best tea-growing areas in North China. Located remotely, it has long lagged behind in terms of economic development. Considering its unique advantages in tea resources, Shaanxi Branch innovatively launched the tea financing product so that local companies that acquired the relevant plantation qualification and took tea growing, production and operation as principal business might get working capital loans with credit and forest right as collateral. During the reporting period, Shaanxi Branch extended a RMB3 million loan with the term of one year to a local ecological tea garden that had its own brand, which financed the company's initiative for production expansion and efficiency improvement and could be seen as a great measure helping farmers to get rich.

- | | |
|---|--|
| 1 | 2 |
| 3 | <p>1.The Resort Sub-branch of Shanghai Branch situated at Disney Resort opened</p> <p>2.The milk buffalo breeding base supported by Guangxi Branch</p> <p>3.The Sri Lanka affordable housing project supported by Jiangsu Branch</p> |





3

Making Contributions to the Society Building up a Brand Bank

The Bank accelerated to promote the building of a "bank of customer satisfaction", innovated in service practice, arranged for the global layout in depth and implemented the "Belt and Road" Initiative, echoing to the theme of the time loudly.



Service Efficiency

During the reporting period, the Bank actively explored and popularized the application of smart outlet service mode, updated the supply-side banking service and improved the efficiency of customer service. As at the end of the reporting period, the Bank put into service 10,997 smart outlets, increased by 7,876 than the beginning of the year, with the coverage of smart outlets amounting to 67.97% of the Bank's total outlets.



10,997 smart outlets



67.97%

Business handling channels

By improving the usability of interaction design of smart equipment and optimizing the operation processes, the smart service mode realized off-counter transaction for regular personal non-cash businesses, expanded business handling channels and improved the business efficiency. The Bank launched the reform of combined service procedures, and provided one-stop services through webpage-based interaction, shopping cart operation and written permission-based service to customers with multiple demands. By so doing, both work efficiency of bank tellers and customer experience were significantly improved, and the frequency of entering password and signing names reduced by 56.5% and 71.7% respectively.

Customer service chain

Being oriented to customer demand, the Bank constructed a progressively stratified customer service chain with service acceptance was classified. It broke the mindset of the traditional counter layout and arranged for and positioned the smart service area at the initial end of the customer service chain. The smart service area was located at the main entrance of outlets, before the teller service area and right next to the self-service bank, guiding customers for diversified channels.

1

2

1. Guangdong Branch organized outlet service training
2. Guangdong Branch conducted all-around construction of smart outlets

The smart service mode realized replacement by smart equipment of highly frequent time-consuming businesses at counter, including more than 200 financial services such as opening of bank cards, activation of e-banking, application for credit cards, personal exchange settlement, transfer and remittance, wealth management, fund and insurance, card activation, password resetting, ICBC messenger, passbook board, account inquiry and journal printing. Basically all the regular personal non-cash businesses at counter were covered. Take the example of opening a bank card together with registration of e-banking. Time spent on the business handling was considerably shortened from 12-15 minutes at counter to 3-5 minutes, with the efficiency being greatly improved.



12-15 minutes at counter



3-5 minutes by smart equipment



Service Experience

During the reporting period, the Bank accelerated to promote the construction of a “bank of customer satisfaction” and drove forward the transformation of service concept to solve common concerns of customers. It innovated in service practice and constructed the service eco-system in the efforts to build up the bank as the “first choice of customers” .

Transform the service concept and develop the service culture

The Bank refined the service cultural system to “respect for customers, service to satisfaction, center on employees and integrity as always” and consequently, new achievements of services in “center on people, respect for customers, safety and excellence” kept emerging. 109 outlets across the Bank were selected as “1,000 Top Model Units for Civilized and Standardized Banking Service” .



99999 tellers

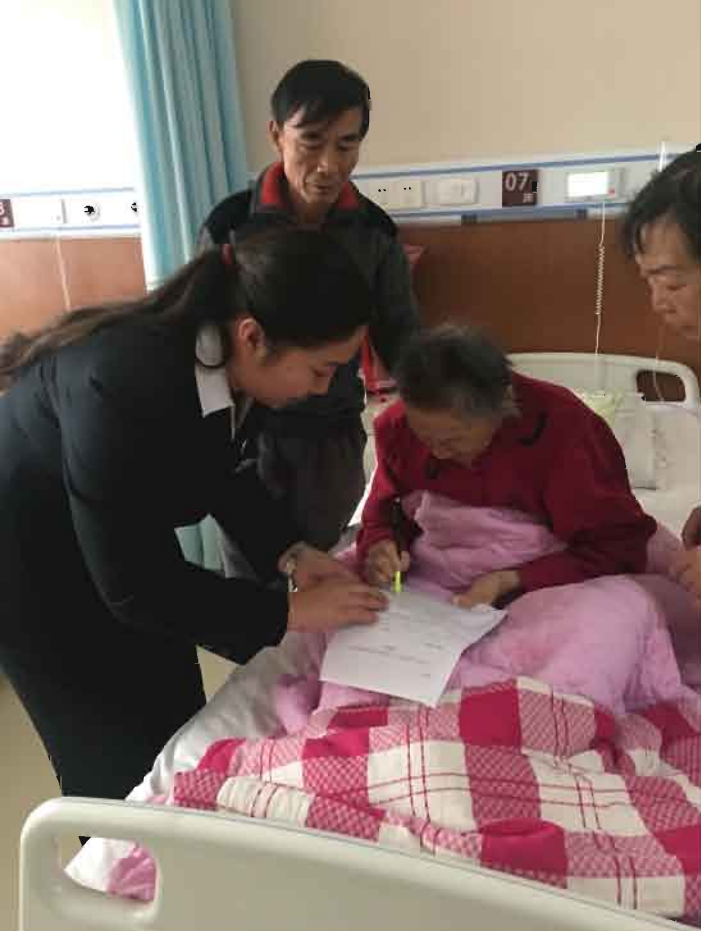
99999 tellers were a special group in banks. They assumed the responsibilities of not only counter service, but also cash box management within outlets. The work was miscellaneous with trifles and highly risky, requiring the tellers to be qualified both professionally and psychologically with a strong sense of responsibility. Ayi Nur from Xinjiang Branch was one of them. She worked for six working days continuously each week, being the first to arrive at the outlet every morning to print bills, arrange packets, wait for vault vehicle and hand out workboxes. No matter how busy she was, she was always heard of hearty laughs and dedicated to work, with no complaint ever heard.



Greetings from outlet

During the reporting period, the Banking Department of Chaoyang Sub-branch, Beijing Branch launched the competitiveness improvement campaign to create a cozy service atmosphere in the hall. Paying attention to such details as “a greeting at entry, a cup of hot water during waiting and a word of send-off at departure” , it provided customers with more friendly service experience. As a comprehensive service outlet, the Banking Department received a large number of customers at door, which made hall service especially important. Based on various data such as customer flow cycle, business content, waiting time and average time spent on regular business, the outlet initiated varied new modes including dynamic management of hall service, appointment for private banking and mini-salon in hall, effectively improving the service experience. Over recent years, it kept the admirable record of “zero” major complaint and public opinion event.





Meet the customer demand

The Bank made great efforts to meet five categories of major service demand of customers including fees, waiting time, service attitude of staff, products and self-service and continued to promote improvement of services. Since 2012, the Bank had conducted the independent third-party survey over customer satisfaction for five consecutive years. During the reporting period, its overall customer satisfaction was rated 801 points, increased by 32 points on a yearly basis.



801 points
overall customer satisfaction



32 points
up



The northernmost bank in Arctic Village

Arctic Village in Mohe County, Heilongjiang Province was a river town in the northernmost of China at the latitude of up to 53° 33'. Located in a frigid zone, it had an annually average temperature of -5°C and the lowest temperature of -52.3°C and the frost-free period here was 90 days. Mohe was also the county with lowest temperature nationwide, thus dubbed as the "Cold Polar of China". Arctic Village was over 70km from the county center, suffering inconvenient transport and difficult living conditions for local citizens. In order to support the work and life of citizens in the remote villages and build up the brand image of ICBC, Heilongjiang Branch set up Arctic Sub-branch here in 2011 and drew the curtain for the northernmost outlet in China and also the first full-function outlet in Arctic Village. So far, the sub-branch had been providing quality service for local citizens for more than five years and was widely recognized in local areas.



Making seeing a doctor less difficult

In order to address the common social concern of "difficulty in seeing a doctor", the Bank enhanced cooperation with hospitals and optimized and enriched the bank-hospital service. It launched online and offline channels such as ICBC Mobile, ICBC Link, personal online banking and self-service terminals to provide customers of both ICBC and other banks with one-package services such as registration appointment, smart waiting, fee payment and check-up report inquiry, bringing the brand-new hospital experience to the public. On December 16, 2016, the first internet-based bank-hospital service project of Guangxi Branch was put into service in Guigang City People's Hospital. The project built up an efficient and dynamic platform by placing self-service devices in the hospital and launching mobile App and WeChat public account, helping users with registration appointment, smart waiting, fee payment and report printing via cellphone or self-service devices. It saved the time of users for queuing up, provided patients with real-time and effective medical information and also released the time and energy of medical staff, who could better serve the patients.



Innovate in service practice

During the reporting period, the Bank spared no effort to develop five advantages in services including network, structure, professionals, safety and technology. It launched the Beauty Campaign in outlets of major city branches and rectified 26,544 issues in 6,137 outlets, fulfilling the campaign tasks. The Bank also built up the outlet star service system at various levels, accumulatively shaping 499 five-star outlets and 3,505 four-star ones.



"Be the first to make it"

During the reporting period, the Bank Card Center adhered to the tenet of "providing excellent financial service" and set up Merchant Development Center by referring to the experience of international large-sized commercial banks in professional management and independent operation in merchant service. Also, it implemented the payment development strategy with online and offline channels integrated. Meanwhile, the Center launched the ICBC QR code payment product to extend its financial service to economic and livelihood sectors, especially medium and small-sized merchants that were difficult to reach previously. While providing card-holders with economic and convenient payment experience, the practice also realized mutual benefit and win-win result with the broad merchants. As at the end of the reporting period, the number of ICBC QR code merchants reached 1,583,000 and personal customers of QR code payment reached 4,274,000.



QR code merchants
1,583 thousand



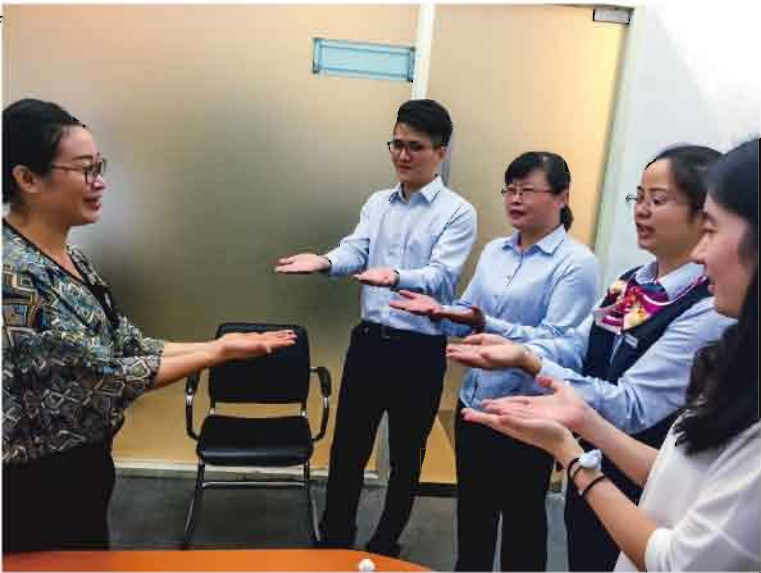
personal customers of QR code payment
4,274 thousand

1

1. Hebei Branch staff provided at-home services for customers

2

2. Fujian Branch organized the staff to learn sign language





"Back to the Future" ICBC e-House

During the reporting period, Anhui Branch set up the first internet finance experience center in Anhui Province, Huaihe Road Sub-branch ICBC e-House. The Center was equipped with touch experience workstation, show window-interactive screen, ICBC Link photo printer, 3D-360 ° holographic display and VR equipment and provided application scenarios of multiple internet financial products such as high-speed WIFI network, online billing, mobile transfer and remittance, reward point redeem and QR code payment. Customers entering the e-House were allowed to experience internet finance and practice the concept of online and offline integration. Besides, the e-House also provided convenience facilities such as cellphone charge box and umbrellas, satisfying the needs of customers besides business handling and bringing them sound experience.



"Great Securities Trading APP"

During the reporting period, ICBC International rode along the development trend of mobile terminals both at home and abroad and the trading habits of customers and further optimized and upgraded its securities trading APP that was currently in service. By enriching the functions and improving the interaction experience, it substantially optimized the interface design and the function availability. Currently, the system has covered multiple securities markets such as Hong Kong, SH-HK Stock Connect A shares, America, Singapore and Japan and is expected to gradually cover securities markets in more countries and regions in America and Europe. Furthermore, the overseas futures trading platform was also launched the same year. It covered futures derivatives such as agricultural products, base metals, noble metals, energy, stock index & exchange rates and bonds of major international futures exchanges such as Chicago Mercantile Exchange and London Metal Exchange. The system was capable of 24/7 non-stop trading across time zones, which further satisfied the customer demand for highly frequent transactions.



Service Globalization

As a front-runner among commercial banks in globalized layout and asset, the Bank proactively assumed the mission and responsibility as the financial main force. It implemented the "Belt and Road" Initiative, carried out a large group of previously harvested projects and advocated international win-win sharing. As at the end of the reporting period, the Bank set up 412 institutions in 42 countries and regions and established the correspondent banking relationship with 1,507 overseas institutions in 143 countries and regions.



42

countries and regions



412

institutions

1

1. One Island sub-branch of Fujian Branch opened to serve officers and soldiers on the island

2

2. Xiamen Branch staff reset password for the elderly



Excellent performance in the “Belt and Road” countries



288

“going global” projects



78.6

USD billion, loans in total



18

countries along the “Belt and Road”
(127institutions)



Kuala Lumpur new city expected to rise

Malaysia is a major country along the “Belt and Road” with strong investment need of infrastructure. Bandar Malaysia is a major “Belt and Road” project jointly promoted by the Chinese and Malaysian governments and also a strategic investment made by Malaysian Ministry of Finance to drive economic growth. During the reporting period, the Bank signed a memorandum with the project and planned to provide targeted financing support. The project will cover the largest single plot in the city center of Kuala Lumpur so far and is planned to develop into a transit-oriented international economic center integrating finance, commerce, culture, tourism and high-end residential buildings. The total investment exceeds USD30 billion and is intended to attract Top 500 to set up Southeastern Asian or even Asian Pacific headquarters.



Cross-border remittance connecting Asia and Africa

As the economic and trade cooperation between China and Africa was constantly deepened, cross-border business and investment between enterprises on both sides became increasingly active. During the reporting period, the Bank joint hands with Standard Bank Group and launched the “China-South Africa direct-connect cross-border remittance product” , constructing a comprehensive and individualized self-service system for centralized cross-border fund management. The system was based on the Bank’ s global cash management and overseas business system and intended to meet the demand of cross-border corporate customers for cross-border cash management. It provided the customers both inside and outside China with financial services with global primary account as carrier and supported three currencies including US Dollar, South African Rand and Renminbi. Enterprises could realize corporate and personal direct-connect remittance from China to Standard Bank of South Africa, effectively manage account receivable and payable, collect and allocate internal funds, obtain cash flow information in time and accurately and gain diversified investment opportunities. On the first day that the system was put into service, Beijing Branch successfully handled the first transaction. After the teller input such elements as remittance currency and country and identification code of beneficiary bank according to the actual remittance demand of the customer, the system proceeded to judgment of product type, which was to be selected by the outlet, and then uploaded the business to the process center.



Contribute to local internationalization and upgrade

During the reporting period, the Bank further improved its globalized layout in the pursuit of internationalized transformation and upgrade. Meanwhile, it promoted its overseas institutions to integrate into and contribute to local areas to play a positive role in local economic and social development. As at the end of the reporting period, total assets of the overseas institutions (including overseas branches, overseas subsidiaries and investment in Standard Bank Group of South Africa) reached USD306.450 billion, an increase of 9.5% on a yearly basis.



306.450 (USD billion)
total assets of the overseas institutions



9.5%
up



To be "Most popular retail bank in Macao" !

ICBC (Macao) innovated in product variety and enriched services in the efforts to build up the "most popular retail bank in Macao" and lead local financial services. It took the lead locally to launch fund-linked wealth management products in two series, "Exclusive to Private Banking Customers" and "Exclusive to Wealth Management Customers". It was also the first in Macao to launch installment for car purchase via credit card and SMS installment as well as various products such as HCE cellphone credit card and upgraded mobile banking. To be specific, installment for car purchase via credit card was quite popular among merchants and car holders; the new-version mobile banking not only broke the barrier of traditional mobile banking limited to ICBC customers, but provided varied leisure and shopping services for customers of both ICBC and other banks. The Bank was the first to support cross-border toll payment and jointly issued "Macao-Guangdong Connect Credit Card" with mainland branches, enabling driver customers with both Guangdong and Macao-registered license plates to pay toll fees at ICBC (Macao).



Breakthrough in cooperation with
"super-sovereign institutions"

During the reporting period, Luxembourg Branch successfully opened RMB clearing accounts with European Investment Bank (EIB), signaling a new breakthrough in the Bank's RMB clearing bank construction in super-sovereign institutions. As a super-sovereign institution, EIB remains seriously prudent in selection of business partners and conduction of new businesses and has strict requirements in risk management and internal processes. Since 2011, Luxembourg Branch has established sound cooperative relationship with EIB and obtained its support in multi-currency financing demand. After becoming the designated RMB clearing bank, the Branch actively enhanced the relationship and conducted systematic exchanges regarding RMB internationalization and the Bank's advantage in RMB businesses including RMB account functions and protocol text, eventually finalizing the business this time.



ICBC 中国工商银行

中国工商银行布里斯班分行开业典礼

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

BRISBANE BRANCH

GRAND OPENING CEREMONY



"Locally only" RMB clearing bank

Canada Subsidiary resorted to the brand advantage as the only RMB clearing bank locally and comprehensively improved its customer service capabilities in cross-border settlement, currency exchange and exchange rate risk management. During the reporting period, the Subsidiary launched CFETS and finished the first onshore RMB foreign exchange transaction on the same day. Since CFETS operation was prolonged, the Sub-branch successfully realized provision of real-time onshore RMB purchase and sales service for participating banks during time periods with active transactions in Eastern Standard Time. It actively marketed inter-bank clearing bank business and realized 24-hour clearing, considerably increasing the income of remittance intermediary business.



Infrastructure service in the home of alpaca

Information-based construction has become a major development goal of Peru government. Chinese technology and communication enterprises represented by Huawei took Peru as a major development area in South America. ICBC (Peru) supported such enterprises to explore business in the country and in order to support their basic communication projects locally, and signed comprehensive financial services and cooperation agreements including the form of for-profit leasing, which laid a good foundation for further cooperation. Besides, ICBC (Peru) supported the upgrade project of a local leading oil enterprise. The enterprise, with government background, was one of the top energy enterprises and also one of the largest enterprises locally, having made extraordinary contribution to the economic development of Peru.



Subway heading to Rio de Janeiro

ICBC Leasing put into use its advantages in overseas equipment leasing and cooperated with export and credit insurance institutions to provide structure and tax planning service for international financing transactions in a targeted manner. By doing so, it reduced the financing cost of customers, improved the international competitiveness of Chinese enterprises and products, supported a large number of Chinese enterprises in manufacturing and construction etc. to "go global" and facilitated the "Belt and Road" Initiative. During the reporting period, ICBC Leasing closely cooperated with a large-sized machinery company and supported export of 23 subway trains to Rio de Janeiro, Brazil. This was another success for Chinese rail transit equipment in "going global" and occupying overseas market since Chinese companies won the bid for 30 and 70 urban rail electric multiple units in Brazil in 2009 and 2012 respectively. With the support of ICBC overseas institutions, ICBC Leasing capitalized on its years of experience in international business and provided customers with diversified financing leasing proposals, offering forceful support to "going global" of Chinese rail transit equipment.

3

1 2

1. Fujian Branch held the Tea Culture Appreciation Fair for customers
2. Dalian branch promoted service for special group
3. On 21 September 2016, Chairman Yi Huiman attended the opening ceremony of Brisbane Branch





4

Being Environment- friendly Building up a Green Bank

During the reporting period, the Bank continued to promote integration of the green finance concept into every link of financial service and business management and strived to realize sustainability while enhancing the customer awareness of environmental protection and promoting the coordinated development of society and economy with resource and environment. It advocated and facilitated to take green finance as a key topic of "B20 Summit" , participate in discussions on B20 policy documents on green finance and enhance the voice of emerging economies in green growth and green finance. At the international conference "Future of Green Finance" held in London, it officially issued the Study on the Stress Test for the Impact of Environmental Factors on Credit Risk of Commercial Banks. This filled in the blank of Chinese banking industry in study on environmental risk quantification and conduction mechanism and played a role of guidance for global banking peers to conduct study on green finance and environmental risk quantification.



Green Credit

As at the end of the reporting period, balance of green credit that the Bank extended to domestic green economic sectors such as ecological protection, clean energy, green transportation, industrial energy saving and environmental protection and resource recycling reached RMB978.560 billion, increased by 7.0% over the beginning of the year.

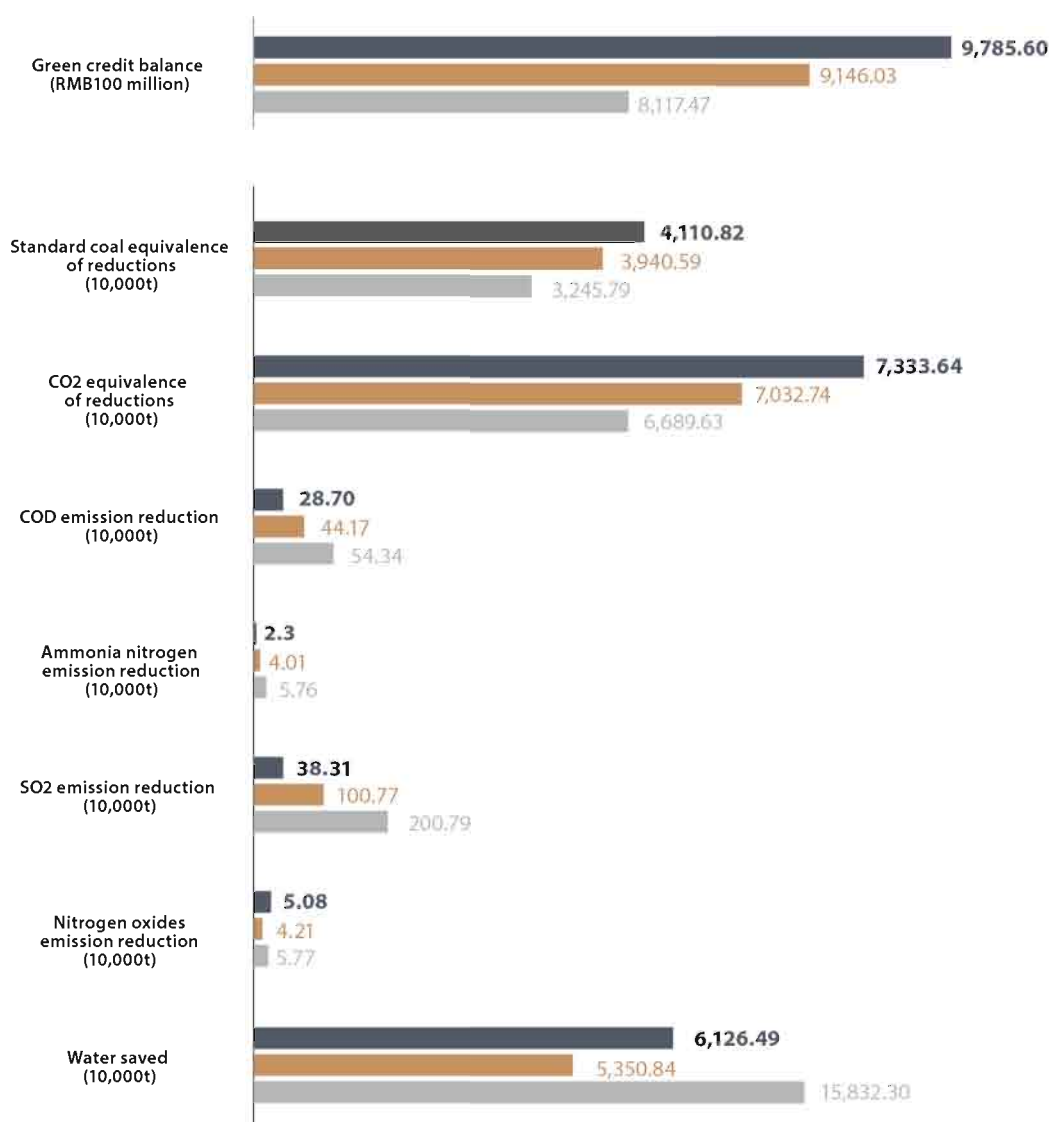


978.560 RMB billion
balance of green credit



7.0%
up

Data on Reduction of Greenhouse Gas Emissions



Note: The data is the result of calculation converted from green credit.

2016 2015 2014

Four policy advices on green finance

1

Create incentive measures and reduce the cost of green investment and financing

2

establish green and environmental protection standards and encourage disclosure and reporting of investment impact

3

improve institutional construction and intellectual capability through the G20 international cooperation platform

4

encourage financial institutions to measure climatic, environmental and social risks in their investment portfolios

Improve industrial credit policies. During the reporting period, the Bank issued 60 industrial credit policies, positively positioned green industries, encouraged the entire Bank to actively expand the credit market in green economic sectors and promoted the “green adjustment” of its credit structure. Meanwhile, it issued the Guiding Opinions on Credit of Energy Conservation Sectors, guiding the entire Bank to expand in order the quality credit market in five energy saving sectors including industrial energy saving, architecture energy saving, transport energy saving, energy saving equipment and product manufacturing and energy saving service.

Strengthen credit process management. The Bank continued to comprehensively implement the “Green Credit One-Veto System” through the whole credit process, requiring timely checking of the green credit classification marks of customers in every link, the result of which would be the essential foundation for conducting overall customer evaluation and making credit decisions. It raised specific requirements for monitoring, identification, control and mitigation of environmental and social risks and would carry them out throughout the whole credit process. The environmental risk early-warning and prevention & control mechanism with responsibilities divided to the Head Office and branches was perfected and early-warning notices of risk were issued in time to enterprises with violations of environmental protection and safe production and those involved in elimination of backward capacity. Tracking, monitoring and supervision were enhanced to realize whole-process monitoring, management and control of environmental and social risks.

Implement the national requirement for “de-capacity.” During the reporting period, the Bank practiced mobility management over five industries with serious

over-capacity, upper- and downstream industries of steel and the coal industrial chain and actively carried out differentiated credit policies with “both support and control”. It stepped up support for leading industrial players with advanced technological equipment, competitive products and market and supported the rational capital demand of backbone enterprises in merger and restructuring, technical renovation, energy saving and emission reduction, “going global” and routine operation. It also accelerated to withdraw financing from disadvantageous enterprises that suffered continuous loss, uncompetitive products and poor development prospect. By actively using financial methods to help solve the over-capacity tension, the Bank promoted the industrial transformation and upgrade.

Conduct strict credit evaluation and assessment. The Bank included social contribution per share into its performance assessment indicator system for senior management as a shared indicator for the management, so as to realize the strategic objectives of undertaking social responsibility and seeking sustainable development. The Head Office set a quantitative green credit indicator and incorporated it into the quarterly performance assessment indicator system for branches and subsidiaries to further improve the performance evaluation and incentive & constraint mechanisms on green credit.

Improve the information level of green credit management. According to the regulatory requirement for the green credit statistical system, in combination with its own management demand, during the reporting period, the Bank verified green credit categorization as well as statistical data quality of project loans to corporate customers of the entire Bank. It further improved the quality of basic data, perfected the functions of the statistical system and bettered the timeliness and accuracy of green credit statistics reported to regulators and information disclosure.



Broadly conduct foreign exchanges

During the reporting period, the Bank actively participated in trainings organized by regulators such as “Green Credit Work Seminar” and “Training on Green Consumption and Green Bonds” . It also conducted exchanges on green finance with UNEP, WWF, China Energy Research Society, PICC Property and Casualty Company and Environmental Resources Management (ERM). Meanwhile, the Bank organized green credit trainings throughout the entire Bank at various levels in multiple forms such as video training and on-site training.



Solar power plant on the roof

Guangdong Province, densely populated and economically developed, is a large power consumer and has a large power gap every year. In recent years, as smog frequently hit China, energy structure of the country started to be transformed and land resource was in short supply, popularization of photovoltaic (PV) power system on the roof of residential buildings became an effective approach to solve the power headache in Guangdong, i.e. distributed PV generation. With the support of preferential policies, a Guangdong-based energy company made full use of its own advantage and developed the grid-connected PV roof system. So far, it has constructed and put into operation four PV power projects, covering workshops of multiple large-sized enterprises in Zhuhai, Zhongshan and Jiangmen. Guangdong Branch comprehensively considered supportive policies for the project, operational risk of the industry and the company’ s project experience and solvency and granted multiple project loans at benchmark interest rate. It supported the project to fully utilize solar energy, improve local energy structure, save coal and oil resources that were already limited and indirectly protect the water and soil environment.

1

1. The wind power project supported by Dalian Branch.



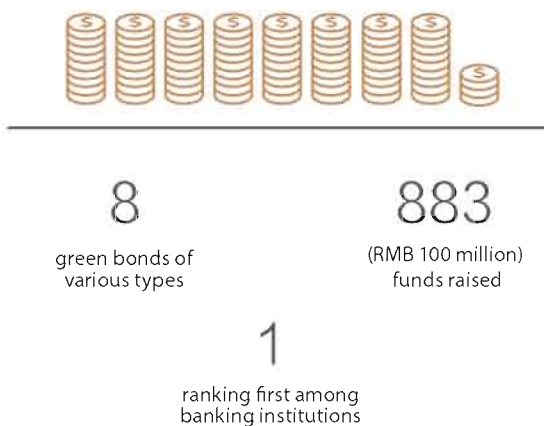
Combat against PM2.5

A Beijing-based environmental technology company is intended for comprehensive treatment of air pollution and mainly provides integrated solutions for control of volatile organic compounds and nitrogen oxides for oil stations, oil tanks, oil docks and refinery bases of petrochemical enterprises and other industrial enterprises. Its business has been recognized by CNPC, SINOPEC, CNOOC and SINOCHEN. The company had successfully provided first-grade gas environmental protection solutions for Beijing Olympic Games, Shanghai World Expo, Guangzhou Asian Games, Beijing APEC Meeting and Hangzhou G20 Summit, making major contribution in PM2.5 emission reduction. During the reporting period, given the company’ s comprehensive strength and growth prospect, Beijing Branch provided it with RMB50 million financing in the form of financial asset service to support its routine operation and payment for upper-stream purchases. By doing so, the Branch would also promote the development of energy saving and environmental protection industry and the country’ s air pollution treatment.



Green Financial Innovation

During the reporting period, the Bank actively innovated in green bond underwriting and strived to construct an all-round green financial service system, so as to provide customer financing compliant with green standards in bond underwriting. It underwrote China's first green finance bond, i.e. RMB30 billion green finance bond of one commercial bank, the first RMB green bond of international multi-lateral development institutions in Chinese inter-bank market, i.e. RMB3 billion green finance bond of New Development Bank, China's first green corporate bond, i.e. RMB2.5 billion green corporate bond of one motor company, and the Bank's first green non-financial corporate debt financing instrument in the inter-bank market, i.e. RMB2.8 billion green non-financial corporate bond of one investment company. As at the end of the reporting period, the Bank had accumulatively underwrote 8 green bonds of various types and raised funds totaling RMB88.3 billion, ranking first among banking institutions.



Green Service

During the reporting period, the Bank continued to promote construction of online channels and accelerated innovation in internet banking, mobile banking and telephone banking, with the size and structure of e-banking further improved. As at the end of the reporting period, the Bank's e-banking transaction value was RMB599 trillion and the business size reached another peak. The number of e-banking transactions accounted for up to 92.0% of the entire Bank's total transactions, up 1.8 percentage points over the year before. Mobile finance continued to develop rapidly and the transaction value at ICBC Mobile increased by 92.1% on a yearly basis, the greatest growth among all the channels.



432%
smart service
went up



105%
businesses via SMS, WeChat
messages and ICBC Link
went up



92%
identification rate of smart
services



90%
manual phone calls
receiving rate

Personal internet banking

With a mindset of "opening up business, customers and platform", the Bank made great efforts to promote construction of open personal internet banking. Customers of other banks could register with the Bank's open internet banking and all the customers could browse all the businesses without logging on. The open personal internet banking was put into service nationwide in September 2016 and customer activity has noticeably improved since then.

Personal mobile banking

The Bank continued to drive forward product innovation and iterative R&D on mobile banking. It launched innovative features such as cashing by scanning a QR code, hospital registration for family and friends, management of contracted express payment and remittance to other banks overseas and comprehensively supported type-Ⅱ and Ⅲ accounts.

Corporate e-banking

The Bank deepened e-banking product innovation and launched 15 innovative products such as real-name signature, electronic large-sum certificates of deposit, unsecured loans and corporate e-banking customer pass. It also upgraded the corporate mobile banking, simplified the operation process for small and micro businesses and optimized the operating procedures for large and medium-sized enterprises.

Telephone banking

The Bank promoted the new-generation telephone banking architecture to upgrade and rapidly drove forward intensive and smart services. The new-generation smart robot "GINO" was put into production, realizing full coverage over smart services via text channels, and identification rate of smart services exceeded 92%, which could substitute 450 seats. More than 90% of manual phone calls were answered in the E-banking Center throughout the year. Businesses via SMS, WeChat messages and ICBC Link of the year increased by 105% on a yearly basis; self-service rate surpassed 97% and smart services climbed by 432% year on year.



"Three platforms and one center"

ICBC Mall: The share of orders and customers with transactions concluded at mobile terminals increased by 26 and 20 percentage points respectively on a yearly basis. B2C customers were increased by over 20 million throughout the year. 17,000 merchants were signed accumulatively, bringing personal mortgage loans of over RMB15 billion and electronic supply chain financing of more than RMB500 million.

ICBC Link: The number of customers exceeded 60 million, increased by 10 times on a yearly basis. The size of monthly active users ranked seventh in the financial APP board and fifth on the banking service APP board.

ICBC Mobile: The number of active customers surpassed 80 million, among which the number of customers at mobile terminals rose by 64.2%. The transaction value exceeded RMB20 trillion, up 92.1% year on year. The ranking at mobile banking App stores registered a best record of 39th, a new high in history.

Internet Financing Center: Balance of internet financing business exceeded RMB620 billion, increased by 20.19% on a yearly basis. Among them, balance of internet financing for corporate customers surpassed RMB320 billion, up 30.1%, and balance of internet financing for personal customers exceeded RMB300 billion, up 11.2%.



ICBC Mall

20 million
new B2C customers

17 thousand
merchants signed



ICBC Mobile

80 million
active customers

64.2%
the number of customers at
mobile terminals rose by



ICBC Link

60 million
the number of customers

10 times
rose by



Internet Financing Center

620 RMB billion
balance of internet
financing business

20.19%
went up



Green Charity

The Bank advocated the construction of ecological civilization and organized institutions at various levels to actively participate in the “Beauty China” environmental campaign. It conducted varied environmental protection activities such as voluntary tree planting, care for the “mother river”, low-carbon, energy saving and emission reduction classes and “no food leftover” campaign, with the purpose to guide all the employees to be hardworking and thrifty and become environment-friendly and low-carbon practitioners.

1	2	
3		4

1.The Software Development Center organized the staff to carry out waste recycling activities

2.Fujian Branch organized the staff to carry out urban cleaning activities

3.Tibet Branch organized the staff to clean river banks

4.The Data Center (Beijing) organized the tree planting activity



Green Operation

During the reporting period, the Bank continued to practice the concept of thrifty operation and transform the energy use conception. It adopted green operation, strengthened the saving awareness, innovated in energy saving and emission reduction and tightened energy control. The Bank also explored the energy saving space in depth and optimized energy-consuming equipment to reduce energy consumption of operation.

Advocate green office. Adhered to the concept of green office, the Bank continued to push forward paperless office with IT-based office methods and staged an IT-based office platform integrating process management, concentrated processing of office business and real-time release of documents and materials. It also steadily promoted construction of various office sub-systems and put into service a dozen of sub-systems such as the new business document system, the administrative seal management system, the external affair management system, the meeting management system, the confidential business system, the attendance management system, the group contact list, the office supplies management system and the access card management system, basically covering all the aspects of office management. During the reporting period, the Head Office accumulatively used 7,712,600 sheets of paper, decreased by 729,300 sheets on a yearly basis, with 8.64% being saved.



7712.6 thousand
sheets of paper



729.3 thousand
saved



8.64%
saved

Reduce energy consumption of vehicles. The Bank steadily promoted the reform of official vehicle system in the Head Office. The first was to tighten vehicle oil use management to ensure accuracy and standardization of oil use statistics. One fuel card was allocated to one vehicle; oil quality, oil quantity and gas station were restricted according to the status of vehicles and allocated in line with actual need to ensure authenticity and reliability of each transaction. The second was to collect statistics on monthly mileage of vehicles and calculate their oil consumption per 100 kilometers. Inspections were arranged for vehicles with high oil consumption and refined management was practiced over the vehicle oil use. During the reporting period, annual oil consumption of the vehicles in the Head Office was 865,323.6 thousand liters, decreased by 7,700 liters or 8.13% compared with the year before.



865,323.6 thousand liters
annual oil consumption of
the vehicles



7.7 thousand
saved



8.13%
saved

Innovate in energy saving and emission reduction. The first was to reinforce thermal insulation to increase energy utilization. Low-temperature areas in the Head Office building in winter were monitored and thermal insulation of buildings was reinforced. Air heater fan coils were installed and old unit seals were replaced to reduce thermal energy consumption in winter, maintain the winter temperature of lower-floor areas and improve the overall energy utilization efficiency of buildings. The second was to improve the water saving mechanism. Various measures were adopted such as optimizing the water pipeline to adjust water supply and consumption, establishing the mechanism of recycling residual water at pantries and reusing cleaning water and realizing the transmission of waste water from drinking water filtering

to the cooling tower of central air-conditioning for recycling. The third was to strengthen electricity saving management. Efforts were made to enhance monitoring over illumination and air conditioning equipment and practices such as "not turning on light when natural light is sufficient" and "not turning on air-conditioning when the temperature is suitable" were advocated, which enhanced the employees' awareness of energy saving. Meanwhile, measures such as installing energy-saving light sources and electricity savers in office buildings of the Head Office and running air-conditioning for half an hour less in summer were taken.

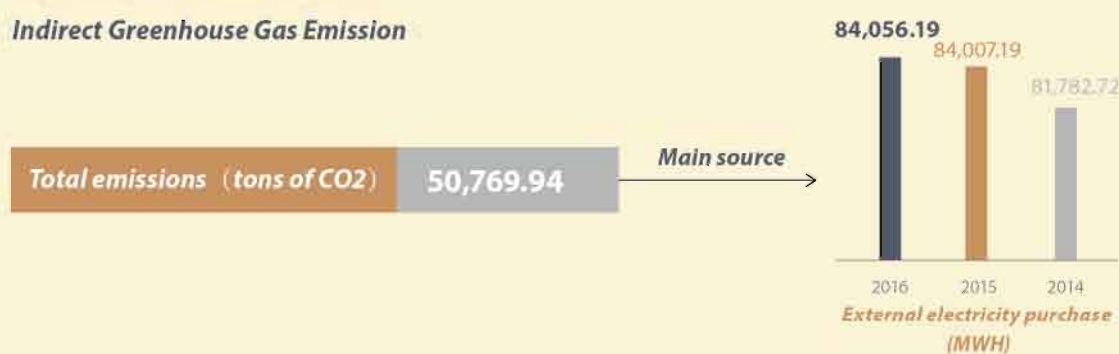


Greenhouse Gas Emissions of the Head Office Institutions in Beijing

Direct Greenhouse Gas Emission

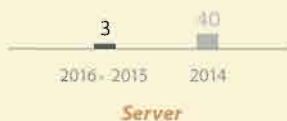
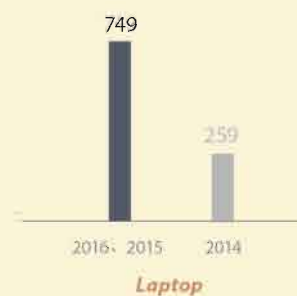
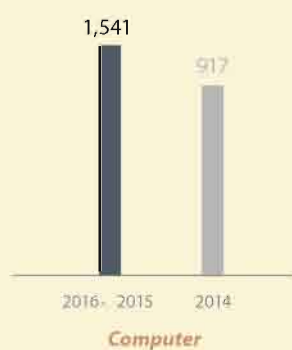


Indirect Greenhouse Gas Emission



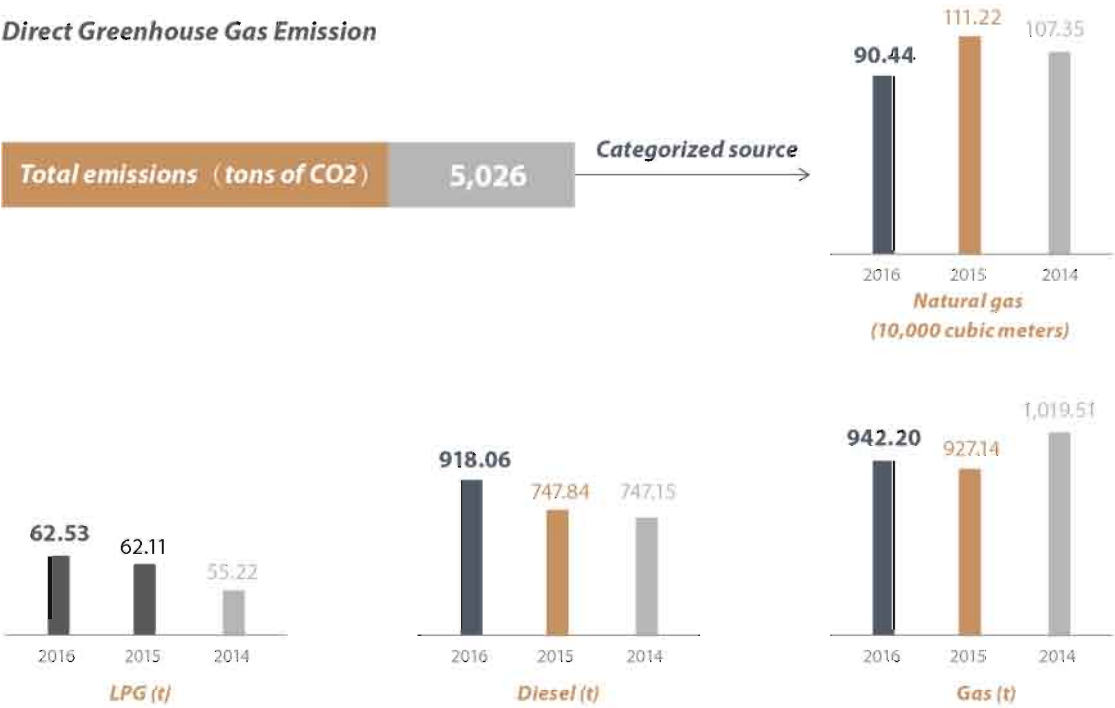
Waste statistics

Categories

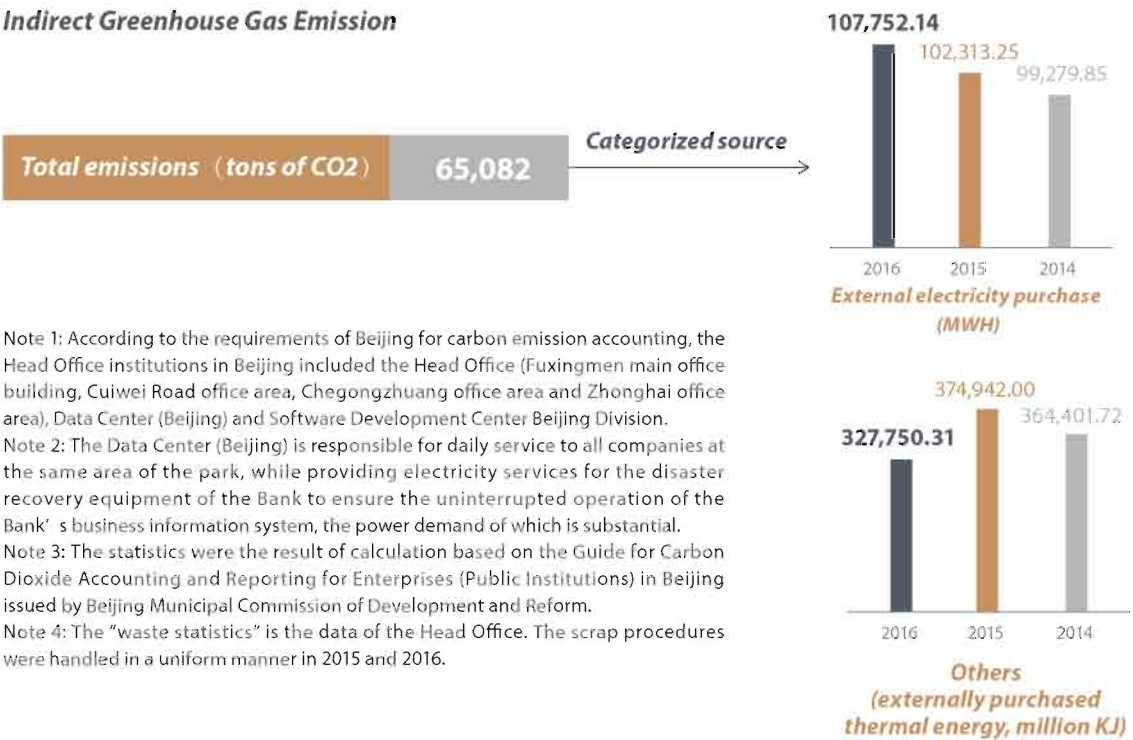


Carbon Emission Statistics of Beijing Branch

Direct Greenhouse Gas Emission



Indirect Greenhouse Gas Emission



Note 1: According to the requirements of Beijing for carbon emission accounting, the Head Office institutions in Beijing included the Head Office (Fuxingmen main office building, Cuiwei Road office area, Chegongzhuang office area and Zhonghai office area), Data Center (Beijing) and Software Development Center Beijing Division.

Note 2: The Data Center (Beijing) is responsible for daily service to all companies at the same area of the park, while providing electricity services for the disaster recovery equipment of the Bank to ensure the uninterrupted operation of the Bank's business information system, the power demand of which is substantial.

Note 3: The statistics were the result of calculation based on the Guide for Carbon Dioxide Accounting and Reporting for Enterprises (Public Institutions) in Beijing issued by Beijing Municipal Commission of Development and Reform.

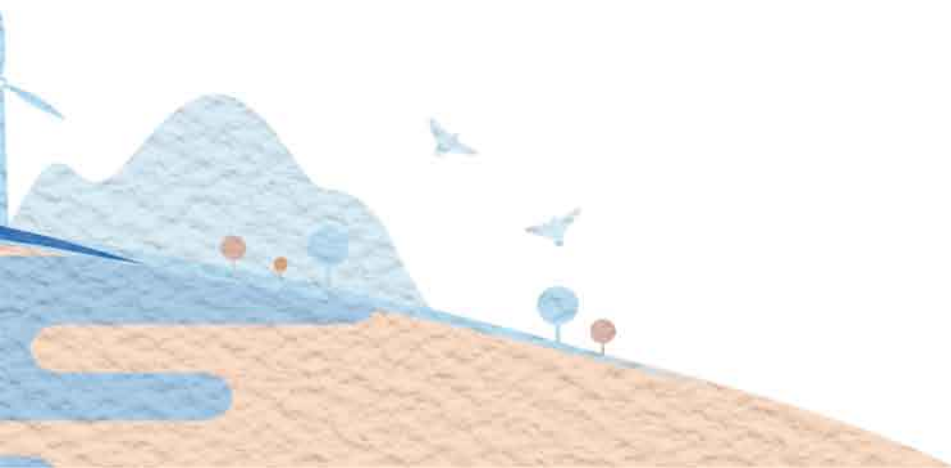
Note 4: The "waste statistics" is the data of the Head Office. The scrap procedures were handled in a uniform manner in 2015 and 2016.



5

Building up an Integrity Bank with Internal and External Guarantee

Integrity is the cornerstone of the bank's development. The Bank, actively materializing the value of "Integrity Leads to Prosperity" , continuously enhanced consumer protection, took various measures to safeguard financial safety and strived to construct an honest financial environment for consumers.



Consumers' Rights and Interests

During the reporting period, the Bank further improved consumer protection mechanisms, formulated, printed and forwarded the Administrative Measures for Protection of Customers' Rights and Interests and the Administration Measures for Customer Complaints (2016) and finished construction of the basic system framework of consumer protection. On such basis, it improved a series of auxiliary systems such as sales management of wealth management products of consumers, evaluation on the consumer protection line in branches and emergency handling procedures for major incidents of consumer protection to promote the work to be systematized, standardized and institutionalized.

Regulate service charge

During the reporting period, the Bank strengthened restriction of the service charge assessment system from multiple dimensions, implemented related supervisory policies. It also formulated and carried out the new edition of price list and continued to optimize charge policies for products and services, so as to further regulate service charge management.



Chinese enterprises in Russia

Legal requirements for economy and finance in Russia differed from China in some aspects. Some newcomer Chinese enterprises in Russia encountered quite a few difficulties in business activities due to lack of understanding on local policies, laws and regulations and business processes. Having learnt about the situation, Moscow Subsidiary proactively provided the enterprises with related legal aid and financial consultation service, helping them make better judgment and choices and safeguarding the customers' rights and interests.



Drill against hackers

As internet finance developed rapidly, "for-profit" hacker attacks such as illegally stealing money beyond line authority and hacking into application systems to steal sensitive customer information became increasingly rampant. In order to safeguard customers' information safety and exercise and test its own field capability against hacker attacks, Data Center (Beijing) held a field combat competition for information safety protection. The competition adopted the internationally popular CTF rules and set 12 high-fidelity information system scenarios by focusing on main safety risks that may emerge under the Bank's internet finance business scenario. All participant teams used attack and defense technologies such as "breaking business authority", "remote control of Trojan scan and removal" and "analysis and evidence investigation for intrusion traces" to scramble for the triumph mark "flag" hidden in the scenarios. The evaluation system would automatically grade the participants according to the degree of difficulty of scenarios and time consumed for seizing the flag.



Compliant and preferential service charge

Yunnan Branch comprehensively understood and accurately respected various regulatory rules and policy requirements regarding banking service charge, especially preferential policies exclusive to small and micro businesses, and constantly paid attention to compliant charging. It strictly carried out the principle of "compliance with law, equality and free will, separation of interest from fees, consistent quality and price", signed relatively complete contracts or agreements under the free will of customers, rationally charged customers under the precondition of equal negotiation, mutual benefit, written agreement and openness and transparency and fulfilled the obligation to disclose product information and risks before providing services, fully safeguarding the legitimate rights and interests of consumers. It firmly avoided 11 specific charging violations that were the major target of regulatory law enforcement such as "charge with no service rendered", "compulsory charge" and "cost transfer" and ensured that all charged businesses could stand the test from both inside and outside and the inquiry of customers.



12 high-fidelity information system scenarios



1. On 5 February 2016, the then Chairman Jiang Jianqing attended the opening ceremony of Bank Museum



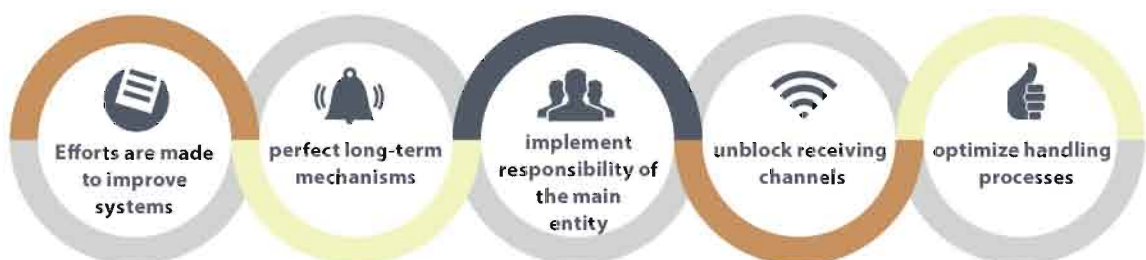


Segment complaint management

During the reporting period, the Bank received 6,032 customer complaints in total (according to the new regulatory rules and the need of business development, the Bank lowered the identification threshold of customer complaints and included some customer opinions and advices into the scope of complaint in order to better improve products and services). It continued to take enhancing complaint management as an important method for improving customer service and protecting consumers' rights and interests, formulated complaint guide and made a detailed list of receiving methods and handling processes, which were disclosed at all banking outlets of the entire Bank and the portal website. The Bank also listened to voice of customers, paid close attention to their opinions and feedback on new products, services and rules, rapidly worked on solutions and efficiently solved customer appeals. It attached importance to improvement of customer experience through source treatment.



Whole-process refined management of customer complaint





Two "Fives" of Hainan Branch

Hainan Branch carried out the complaint treatment campaign and innovatively formulated the "five principles" (liability when first asked, thinking in others' shoes, change of hands in different locations, "mood attended first and then issues", conversion of complaints to opportunities) for field complaint handling and "five steps" (receiving the complaint and responding rapidly,

taking complainers away from the scene and pacifying their mood, respecting customers and thinking in their shoes, inquiring customers more than once and listening to their appeals, solving issues with possible proper compensation), which effectively improved the ability of field complaint handling.

"five steps"



"five principles"



Reinforce education. During the reporting period, the Bank continuously consolidated the enterprise culture of protecting consumers' rights and interests, organized related education, trainings and quizzes among employees and shared model cases to play the demonstrative role and popularize instructive experience. During the period, the Bank conducted an online knowledge competition on consumer protection, which was participated by 197,209 person-times throughout the entire Bank, including 84,159 employees participating in the official contest. Meanwhile, the Bank combined routine and concentrated education and launched education campaigns among consumers on financial knowledge in a targeted manner. It was named the "Role Model Unit in the Financial Knowledge into Families Campaign 2016" by CBRC and won the "Award of Best Achievement in the Financial Knowledge Popularization Campaign in Chinese Banking Industry 2016" conferred by China Banking Association.



Concentrated education

In line with consumers' need of financial knowledge, the Bank organized such activities as "March of Financial Knowledge Popularization", "Financial Knowledge into Families" and "Month of Financial Knowledge Popularization".



Routine education

Given the frequent occurrence of telecommunication frauds, phishing email scams and illegal fund raising in recent years, the Bank compiled targeted education materials and pushed them to customers via new media channels such as microblog, WeChat and WIFI at outlets.



Financial Safety

The Bank relied on information approaches to innovate in financial safety methods, improve the internal control and compliance construction and earnestly fulfill the anti-money laundering obligation, so as to build up the enterprise culture featuring safety, compliance and integrity.

Safeguard safety of physical channels. During the reporting period, the Bank actively promoted the construction of the networked smart alarming and monitoring management platform to detect in time and handle accurately various public security incidents such as intentionally damaging self-service banking devices and street fights. By using remote alarming, video monitoring and intercom system, it provided customers with real-time risk notification and service support. Meanwhile, safety knowledge publicity campaigns were conducted among all the employees, safety inspections were intensified and anti-robbery, theft, fire, violence and terrorist emergency drills were organized to constantly improve the disposal ability of the employees against emergencies and take safety risk at business places into control. By doing so, the Bank strived to provide customers with a safe and stable service environment and protect their personal and property safety.



Taking suspect by strategy

On January 12, 2016, an escaped convict that had been at large for 22 years went to a sub-branch of Yunnan Branch with a current bankbook for demand deposit. The teller on duty detected the situation when checking identity for the transaction and then, following the requirements of emergency drills, withdrew from the counter with the excuse of equipment failure and difficulty in bankbook reading and reported it immediately to the outlet principal. Having re-checked the situation, the principal stabilized the suspect in the name of network fault, arranged the security personnel to control the scene and enhance observation and monitoring over the target and the hall personnel to evacuate customers un-noticed, and at the same time called the superior security department and police. Minutes later, police arrived and successfully caught the suspect. In the whole process, the Bank employees collaborated closely and didn't impact customer safety and routine business operation, displaying the brand image of the "safest bank".

Perfect the anti-fraud cooperation mechanism. The Bank took protection of customers' interests as the primary task and constructed a 24/7 multi-dimensional smart anti-telecom fraud network covering all channels. The network realized real-time screening of transfer and remittance transactions made via the Bank's channels (outlets, online banking, telephone banking, mobile banking and self-service terminals), notified customers of risks and automatically triggered early warning against telecom frauds in the real-time manner, reducing the fraud incidence from source. During the reporting period, the Bank accumulatively intercepted more than 60,000 telecom frauds, increased by 44.09% compared with the year before, and helped customers avoid capital loss valued more than RMB900 million, up 45.47%.



Full-coverage risk control

The Bank made great efforts to construct a multi-dimensional and all-round risk monitoring and early warning network. It cooperated with the Ministry of Public Security and established a network-aided inspection and control platform to improve the efficacy of network capital inspection and control and intensify the combat against financial frauds. It cooperated with the Supreme People's Court to share information on dishonest executors and uncompleted cases, urge the dishonest to fulfill their legal obligations and perfect the punishment mechanism for dishonest crimes. It also cooperated with the Supreme People's Court on sharing of judicial decision documents and information on bankrupt enterprises and jointly promoted the application of judicial big data in risk prevention and control in the financial sector. The Bank cooperated with the Supreme People's Procuratorate on inquiry and application of information on bribery crimes to curb bribery behaviors from source. It signed a cooperation memorandum on risk information with NDRC to share the joint reward and punishment "lists" and participate in the construction of the national social credit system.

intercepted more than 60,000 telecom frauds, increased by 44.09%

avoid capital loss valued more than RMB900 million, up 45.47%



Practice responsible procurement. During the reporting period, the Bank further improved the procurement system according to requirements of whole-life cycle management for centralized procurement projects and problems arising in procurement practice. It revised the Implementation Measures for Centralized Procurement and the Management Measures for Special Centralized Procurement, formulated the Administrative Measures for the Post-procurement Management of Suppliers of Centralized Procurement Projects (Trial) and set out the Review and Negotiation Principles and Grading Standard for Centralized Procurement Projects according to the classification of goods, services and software. The Bank optimized the voting system of the Centralized Procurement Review Committee, regulated related behaviors of the entire Bank and strengthened procurement risk control and evaluation management. The Bank also actively popularized the ICBC Mall procurement section, gradually realized online transactions of suppliers, further expanded supplier data and intensified check of risk information such as external supplier frauds. During the reporting period, the Bank detected another 22 suppliers in breach of its supplier standards, with the total number reaching 166.

Anti-money laundering risk monitoring. During the reporting period, the Bank strictly implemented anti-money laundering and counter-terrorist financing laws and regulations and actively fulfilled the anti-laundering social responsibility of a commercial bank. It continuously enhanced anti-laundering risk monitoring, relied on big data and utilized anti-laundering information system to effectively warn against and continuously monitor upper-stream criminal behaviors such as sanctioned behaviors, terrorist financing, underground banks, illegal fund raising, drugs and smuggling. By doing so, it realized the whole-process closed-loop management from transaction early-warning, manual discrimination and sampled quality inspection to system control optimization. Multiple measures such as online verification and 2nd-generation ID card identifier were used to verify identity of customers and authenticity and effectiveness of their identity documents.



"Reliable around the clock" information system service

During the reporting period, the average daily business handling volume of the Bank information system exceeded 330 million, an increase of more than 19% over last year. With the continuous growth of business volume, the Bank information system maintained a safe and stable situation, withstood the testing of peak-business periods including G20 Summit, the Spring Festival and the National Day, and also ensured the smooth operation of "Double Eleven" promotions, the issuance of commemorative coins, etc.

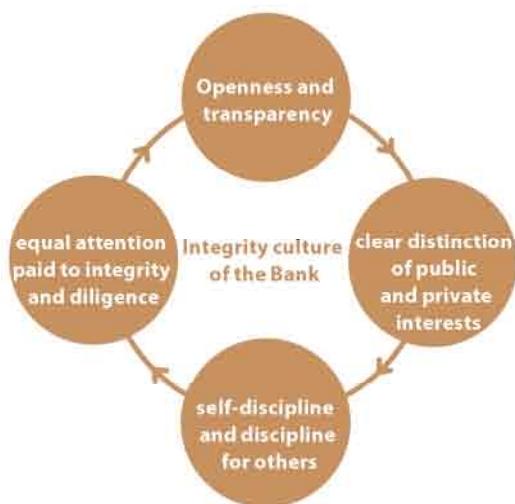


Anti-fraud cellphone APP

In order to improve the awareness and ability of the public in preventing telecom frauds, the Bank cooperated with the Ministry of Public Security to develop China's first fee-free anti-telecom fraud inquiry software, ICBC e-Security for public welfare. The software was based on accounts involved in telecom frauds cracked by public security departments and used high-level security tools such as establishing risk blacklist inventory and activating zero-time gap response to enable the public to check safety of related accounts before transfer and remittance transactions.



Ensure self-disciplined and compliant operation and promote building of the integrity culture. During the reporting period, the Bank officially identified its compliance cultural concept focused on “center on compliance, responsibility of the entire staff, controllable risk, prudent and efficient operation” . It promoted construction of the integrity culture in depth, enhanced supervision of disciplinary procedures and accountability and guided and urged employees to embody the concept of integrity and self-discipline into their mindset and behaviors. In the effort to reinforce guidance, it conducted quantitative assessment for integrity responsibility, pegged the assessment result to business performance and excellence selection and comprehensively used interview reminder, organizational disposal and disciplinary action to promote implementation of the responsibilities.



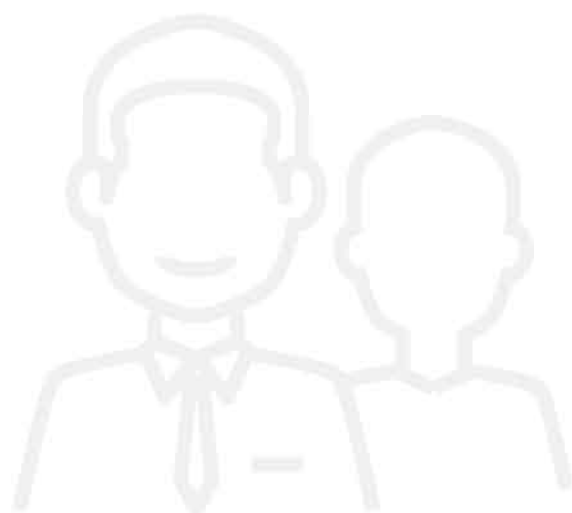
Persistent actions to promote integrity

During the reporting period, the Bank actively promoted building of the integrity and self-disciplinary culture and resorted to both traditional channels including columns, Party lessons, videos, posters and bases and new media to cover all the employees and pay special attention to the key minority. It conducted quantitative assessment for integrity responsibility and pegged the assessment result to business performance and excellence selection. Hedonism and extravagance were prohibited to maintain a sound atmosphere. In line with the characteristics of large-sized multinational financial groups, the Bank enhanced integrity control over its subsidiaries and overseas institutions by catering to local conditions. It kept the letter, visit and reporting channels unblocked and concentrated forces to investigation of major clues with strong detectability. For problems with management personnel that just emerged, it stepped up efforts in interviews and inquiries. Check of integrity background was intensified during selection of management personnel and result of letter and visit supervision was fully utilized.



- 1.Telecoms anti-fraud publicity by Guangdong Branch
- 2.New RMB paper currency knowledge publicity by Fujian Branch
- 3.Jiangsu Branch conducted the cultivation of integrity culture & prevention of commercial bribery publicity and education activities
- 4.Anti-counterfeiting currency knowledge publicity by Xiamen Branch





6

Managing with Love Building a Harmonious Bank

Committed to a people-oriented culture and aimed to be a harmonious bank, the Bank endeavored to create a harmonious environment to facilitate mutual growth of employees and the Bank, by protecting the lawful rights and interests of employees, improving the career development system, respecting and caring for employees, effectively promoting the integration of different cultures.



Number of employees (person)



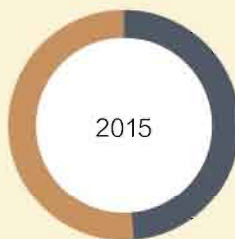
461,749



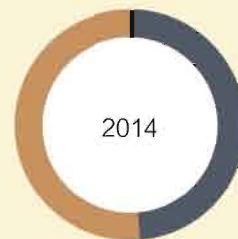
Percentage of male and female employees (%)



M: 48.7%
F: 51.3%



M: 48.9%
F: 51.1%



M: 49%
F: 51%

Number of new employees (10 thousand persons)



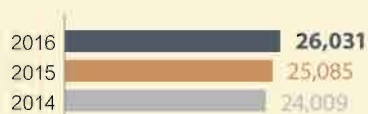
Number of female employees (person)



Tip:

The data in the table are in group range.

Number of ethnic minority employees (person)



Staff Management

Staffing

During the reporting period, the Bank continuously improved its employment and staffing policies, and signed labor contracts according to law, for the protection of the legitimate rights and interests of employees. Furthermore, in order to effectively meet the diverse needs of employees, enterprise annuity, supplementary healthcare insurance and other supplementary insurance mechanisms had been established and a multi-level pension and healthcare system was gradually built up.

Democratic management

During the reporting period, the Bank continued to give full play to the role of the workers' congress and the labor union in the protection of employees' legal rights and interests, and disclosed information of the Bank in accordance with relevant regulations. Efforts were also made to establish and improve the management measures and organizational procedures of the workers' congress and procedures for electing representatives and submitting proposals by representatives, improve the workers' congress rules system, protect employees' right to democratic management, and give full play to the initiative and creativity of employees so as to advance the operation and development of the Bank.



1. One branch in Guangdong held the workers' congress



Development of Employees

During the reporting period, the Bank continued to focus on staff development, provided employees with multi-channel career development paths, strengthened scientific performance management, attached great importance to training and actively promoted cultural diversity and integration.

Multi-channel career development

The Bank formulated systematic training programs and implementation plans targeting different positions, teams, abilities and ages of employees to help them realize long-term career development according to the needs of the Bank and their personal interests. It also developed a systematic teambuilding plan for young employees to encourage the faster growth of the outstanding ones; implemented an all-round management talents cultivation program, and strengthened the teambuilding of management talents at all levels and of all types; stepped up efforts to openly select and promote senior management officers to ensure the long-term development of the Bank and implementation of relevant government regulations and policies.



New Youth, New ICBC

During the reporting period, the Bank launched a teambuilding program for young employees, the contents of which included strengthening people-oriented management of young employees, optimizing the cultivation and development mechanism, improving compensation and benefit policies, and shaping a harmonious working pattern. In terms of career development channel for outstanding young employees, the Bank particularly put in place a cultivation mechanism for core young talents, improved the exchange and training mechanism, and accelerated the promotion of outstanding employees, facilitating the faster growth of young employees.



Openly Selecting Management Officers as Reported by XINWEN LIANBO (CCTV News)

During the reporting period, the Bank launched bank-wide open selections of managers for provincial-level branches and overseas institutions, stepped up efforts to openly select and promote senior management officers, and achieved positive effects by designing a scientific selection and promotion mechanism. This was continuously reported by a number of state media, including CCTV.



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1. The Reading Exchange Meeting of Hebei Branch



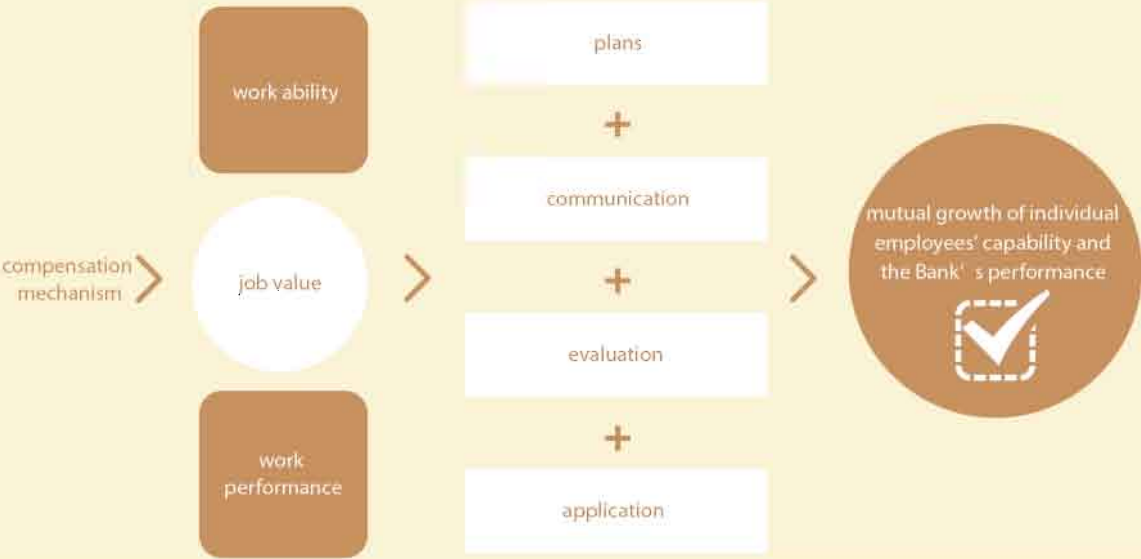
Optimized performance management

Adhering to the principle of being scientific and efficient, the Bank has clearly defined and aligned roles and responsibilities, effectively allocated human resources, established a full-process performance management system and made active efforts to create a performance-oriented culture with high employee engagement. It has also established a compensation mechanism based on work ability and performance with the value of jobs at its core, and used tools such as performance plans, performance communication, evaluation and application to instill an awareness of performance contribution and capability building among employees and promote mutual growth of individual employees' capability and the Bank's performance.



Staff Management through Both Incentives and Constraints

Ningxia Branch continued to improve its staff incentive and constraint mechanism and optimize the performance assessment mechanism for all types of employees, enhanced the appropriateness and effectiveness of assessment by setting different types of assessment points based on job responsibilities of employees, and established a "result + process" assessment model using both quantitative and qualitative methods. For the assessment of its employees, the branch came up with workload coefficient evaluation to distinguish varied contributions by different positions, which reflects the assessment principle of distribution according to performance and more pay for more work, incentivizes employees to deliver better performance and reinforces the effect of incentives and constraints.



Education and training

By centering on its operation and development requirements, the Bank has increased the scope and overall advantages of "ICBC University" so as to better guarantee the sustained supply of talents for building itself into a modern financial enterprise. During the reporting period, the Bank organized 51,000 training courses of all kinds, with 5,093,200 participants. The average training days per trainee was 9.63 days.



51 thousand training courses



Multi-level Employee Training System

ICBC-AXA comprehensively strengthened the cultivation of core talents and development of staff training resources. It launched key training programs for different types of employees, including required courses such as enhancement of general managers' leadership, training camp for center branch general managers, mobile learning platform "ICBC WE College" and optimized orientations for new employees; and quality courses like practices on the development of high-efficacy employees. This allowed it to develop a training system that covers a wide range of fields, targets employees at all levels and has rich contents. During the reporting period, ICBC-AXA organized 2,254 training courses in total, with 28,574 participants and 79,168.6 training hours. The average training time per person was 41.41 hours. The training time of the online university was 2,400 hours.



Caring for Employees

Caring for employees' mental and physical health

The Bank offered health checks to staff members on a regular basis, organized various recreational and athletic activities, organized seminars and other activities designed to improve the mental health of employees, promoted healthy lifestyles, further improved the physical fitness of employees and increased employees' enthusiasm towards work and life.



Psychological Counseling Hotline for Employees

Beijing Branch opened a 7*12 psychological counseling hotline to provide its employees with free mental health counseling services concerning work pressure, love and marriage, personality analysis and adjustment, and parenting, which effectively helped relieve psychological pressures of its employees. During the reporting period, the branch provided telephone counseling service to 1,096 person times. Furthermore, it staged two "Employee Caring Day" activities each month, and invited well-known psychological experts to provide employees counseling service on specific subjects via the hotline, which was well received among employees.



The First Exhibition of Calligraphy, Art and Photography Works by Bank Employees

During the reporting period, the Bank held the first exhibition of calligraphy, art and photography works by its employees. More than 1,000 works were collected for the event, then reviewed and appraised by experts. Finally 60 calligraphy works, 60 art works and 30 photography works were selected for exhibition. The event was reported by 25 media outlets including CCTV and www.people.com.cn. The works on display were then published by Tianjin People's Fine Arts Publishing House, and had extensive influence both within and outside the Bank. Moreover, the Bank also organized employees' sports meets at institutions of all levels, the first poetry and prose competition and the third tennis competition of employees, enriching the recreational and athletic activities for employees.



2

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1.The Data Center (Beijing) staff "Greeting the New Year" calligraphy competition.

2.President Gu Shu attended the 2016 ICBC Sports Meeting





Hobby-based Employee Associations

Shenzhen Branch organized calligraphy, art and photography contests through its employee calligrapher, artist and photographer associations, carried out a variety of association-based activities such as pen clubs, painting from life and collecting materials from folk custom, and opened various types of training courses. During the first art and calligraphy exhibition of Shenzhen's finance industry, six employees of the branch won the excellence award for their works, and 20 employees had their works displayed. During the activity of "Writing Spring Couplets for and Sending Greetings to Customers, Model Workers and Employees", Shenzhen Branch organized over ten calligraphers to write about 6,000 spring couplets and 2,000 Chinese character "fu" for customers of all the 20 outlets under its jurisdiction, which was well received among customers.



"Approaching Employee Families" Campaign

Data Center (Beijing) consistently launched the campaign for approaching employee families. During the reporting period, the center staged the third such activity, in which 150 employees and 340 families thereof took part. The campaign, composed of an appreciation party, in-house visit, interactive game, and art performance, greatly boosted their understanding of employees' work environment and the Bank culture.



Mutual assistance of employees

During the reporting period, the Bank continuously improved the mutual assistance mechanism of employees and increased the response speed and mutual assistance efficiency to the employees suffering illness, disasters and major accidents. The Bank expressed condolence to employees affected by floods this year in Hubei, Anhui, Jiangsu and Jiangxi in a timely manner.



Full Coverage of Employees under Mutual Assistance Program

Sichuan Branch made continuous efforts to be more scientific, standardized and prompt in employee mutual assistance, and ensured full coverage of employees under the mutual assistance program. In the year, the branch carried out 2 centralized employee assistance activities, distributed relief funds of RMB5,664,000 to 868 employees, handled 7 emergency assistance cases and promptly distributed relief funds of RMB145,000, with the coverage ratio of its mutual assistance program hitting 100%.



Initiatives to promote the wellness of retirees

During the reporting period, 179,000 retirees participated in health checks organized by the Bank. Representatives of the Bank visited about 77,000 retirees to demonstrate the Bank's concern for their well-being. 3,554 retirees above 90 years of age received cash assistance totaling RMB3,617,000 from the Bank. The Bank organized various kinds of recreational activities, including croquet, dance, fitness, chorus, painting, photography and billiards, through 1,634 retiree centers and 22 senior colleges run by the Bank to enrich the lives of retirees.



"Silver-Haired Lecture Hall"

Beijing Branch sought those with special skills and enthusiasm among the 6,000-odd retirees and organized a lecturer team to launch the "silver-haired lecture hall". During the first session of the program, a retiree of the branch who had special skills in photography and post production acted as the lecturer, and shared his knowledge about photo-shooting post production with over 200 retirees, receiving rave reviews. Currently, the branch has built a pool of 9 lecturers and offered courses on calligraphy, photography, painting, knitting, folk art and Taiji softball, among others.



retirees participated in health checks
179 thousand



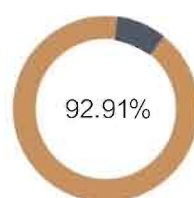
cash assistance for retirees above 90 years
3,617 RMB thousand



retiree centers
1,634

Inclusive Culture

The Bank adheres to an open corporate culture of mutual respect, and is committed to promoting cultural exchanges between employees of different nationalities and regions during the process of internationalization. Vigorously efforts were made to recruit and cultivate local talents and advance staff localization in overseas institutions. Exchange activities were organized on a regular basis to encourage local employees of overseas institutions and employees of domestic institutions to learn from and communicate with each other. As at the end of the reporting period, the total number of overseas employees of the Bank was 14,662, with the localization ratio of 92.91%; the number of the senior management members was 220, with the ratio of local members of 20.91%.



localization ratio of staff



localization ratio of senior management



From Beijing to Johannesburg

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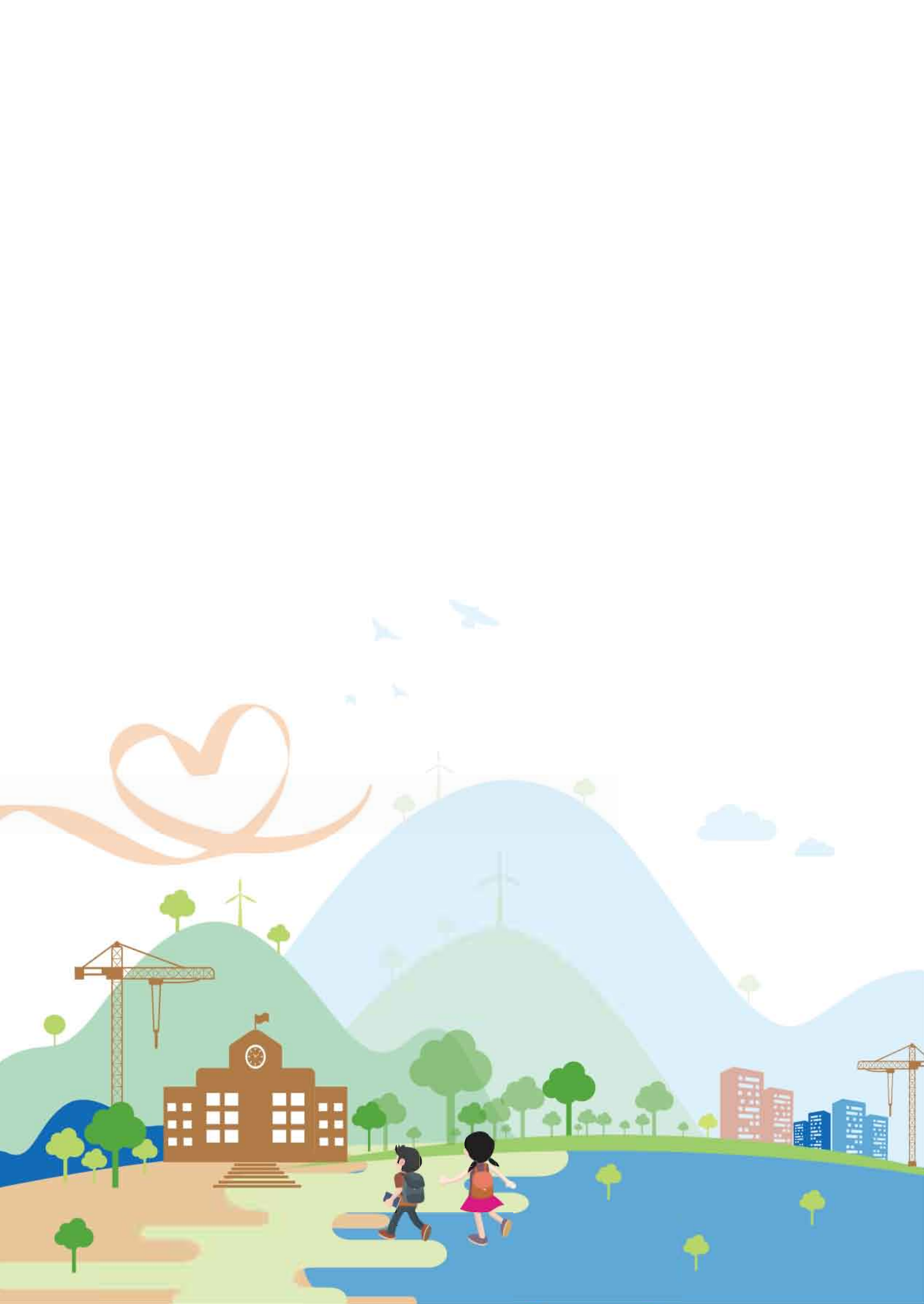
1. Guangdong Branch organized the ability improvement training for personnel transferred to another types of positions

2

2. Singapore Branch organized the staff to participate in local basketball matches

Standard Bank Group, the biggest commercial bank in Africa, is a strategic partner of and controlled by ICBC. The Bank vigorously promoted bilateral strategic cooperation, and entered into the Master Framework Cooperation Agreement for Employee Exchange Programs within the reporting period. Pursuant to which the Bank would select and send outstanding core employees from all business lines to Standard Bank Group for exchanges and training activities in the coming few years. This is aimed to widen the vision of employees, enhance their business and cross-culture communication capabilities, and promote the diversification of their careers.





7

Advocating Charity Undertakings Building a Charitable Brand

The Bank made continuous efforts to create a corporate culture that attaches great importance to public welfare and develop ICBC into a brand known for its humanitarian efforts. It led its staff to participate in public welfare activities tailored to local characteristics, and was committed to creating social and economic value simultaneously by taking actions and performing duties across the world. During the reporting period, the Bank donated RMB65.2958 million (group-wide).





Special
Report

ICBC's Precision Poverty Relief Efforts



93.01
RMB billion

ICBC set off on its poverty alleviation journey 21 years ago. For twenty one years, we have worked closely with local governments, promoted local development consistently through development-oriented poverty alleviation, and dispatched 88 managers charged with poverty relief tasks. The Head Office, Sichuan Branch and one poverty relief manager were granted the honor of "advanced units" or "advanced individual" for targeted poverty alleviation work by the State Council Leading Group Office of Poverty Alleviation and Development. During the reporting period, the Bank continued to attach great importance to poverty alleviation programs, actively performed its social responsibility as a major state-owned bank, improved working mechanisms and relevant policies, and stepped up efforts to provide financial services in the area of precision poverty alleviation by giving full play to the unique advantages of commercial banks and based on the principle of business sustainability. As at the end of the reporting period, the balance of poverty alleviation loans totaled RMB93.01 billion, increasing by RMB27.35 billion year on year.



Poverty alleviation
planning

The Bank stepped up credit support to poor areas. It helped areas where it carried out targeted poverty alleviation programs to consolidate resources, and assisted the poor in improving production and living conditions by means of education, healthcare, industry and disaster relief, supporting them to achieve poverty reduction goals on time.



Poverty alleviation
support

The Bank's leading group of poverty alleviation efforts is headed by Chairman Yi Huiman, composed of several bank officials as deputy heads and 14 business departments as members, and responsible for managing and supervising poverty alleviation work bank-wide. The Bank also stipulated the Opinion on Comprehensively Advancing Finance-backed Poverty Alleviation Work and the Precision Poverty Alleviation Work Plan of ICBC, specifying the guidelines for the effort, and supporting the construction and development of major quality projects, especially those concerning roads, water conservancy, resettlement for poverty reduction purposes, and basic development of farmland. By providing funding to leading enterprises of agriculture industrialization, it helped upstream and downstream farmers find jobs, start businesses and become rich.



Poverty relief
methods

The Bank focused on the poverty relief requirements of registered poor households and poverty-stricken areas as well as the government development plans to formulate poverty relief policies and determine poverty relief projects, according to local conditions and with the aim of achieving precise poverty relief.



Practical Experience



Household-based poverty alleviation

The Bank endeavored to ensure “one account, one poverty relief plan and one set of assistance measures for one household”, and that relief funds were used on specific persons, households and villages, controlling the precise use of funds.



Mechanism-based supervision

The Bank improved regulations on the management of poverty alleviation funds and projects, and established a set of working mechanisms for the donation, approval, use of and feedback on relevant funds, so that donation programs could be planned in advance, supervised during implementation and tracked afterwards.



Intellectual support

The Bank put in place working mechanisms for the selection, assessment, training and use of poverty relief personnel, and sent young and middle-aged managers each year to offer assistance in targeted poverty alleviation areas to put local resources to good use and spark local people’s enthusiasm for shaking off poverty. The Bank even set up a “government financial advisory” team to help local governments to make plans, attract business and investment, develop industries, and offer investment and financing services.



Industry model

The Bank implemented and promoted an industrialized poverty alleviation model of “ICBC + government poverty reduction departments + village managers + leading enterprises + poor farmers”. In Sichuan, the Bank provided startup capital to support a key farming and breeding project in Tongjiang, Nanjiang, Wanyuan and Jinyang each; then leading enterprises offered technical support and repurchased such projects; local governments and poverty reduction managers were responsible for supervision and management.



Special products

The Head Office optimized the “secured loan for startups” and increased the cap of loan amount from RMB80,000 to RMB100,000, supporting poor households to start their own businesses. In Jilin, the Bank launched the “agriculture loan” secured by the use right of contracted farmland in rural areas in a bid to help agricultural cooperatives and big farmer households to purchase agricultural implements. In Guizhou and Tibet, the Bank rolled out the financing schemes of “travel loan” and “accommodation loan”, supporting local farmers to open family hotels to shake off poverty and get rich.



Poverty alleviation experience

By following the principle of precision, the Bank has developed rule-based organizational support, and summarized systematic methodologies and front-line practices and experience that suit local characteristics including poverty alleviation through finance, ecology industry, education, healthcare and disaster relief.



Practical Experience



Poverty alleviation through finance

The Bank supported local enterprises and infrastructure construction through credit funds, concessional loans, and agriculture-oriented credit products, and by improving the payment service and the credit system. It also developed inclusive finance and improved financial services to precisely meet the diverse financing needs of poor areas.



Credit leverage

The Bank supported local leading enterprises in the sectors of mining, commerce and trade, as well as infrastructure projects (such as expressways, gas stations and hydropower stations) and key projects; established financing risk compensation fund for small and micro enterprises together with local governments to support the development of these enterprises; and stepped up efforts to extend personal loans for housing, business operation and consumption that meet due conditions to business owners from the sectors of planting, breeding, transportation, mining and construction materials, all of which are the pillars of the county economy.



Service channels

The Bank increased its service coverage by improving the distribution of physical outlets and self-service facilities, adopting 3G terminals and "POS" designed to help farmers, and strengthening peer cooperation, and hence solved the problem that residents in poor areas had difficulty opening bank cards as there were no bank outlets locally, so that farmers in villages could access basic financial services such as deposit, withdrawal, transfer and remittance, and agency payment.



Wealth management packages

The Bank promoted "preferential wealth management packages for farmers" such as bank wealth management, low-risk money funds and fixed-income insurance, to optimize the financial asset allocation structure of residents in poor areas.



Preferential services

The Bank issued "Fu Nong" cards to agriculture-related people and migrant workers, exempting them from paying the service charge, annual fee, production cost and remittance charge in part or in full.



Product innovation

The Bank innovated a loan product called "entrepreneurship loan" in support of leading planters and breeders, and required borrowers to hire poor farmers, purchase the raw materials produced by and rent production or operation venues from poor farmers to increase their wage, rental and goods income.



Poverty alleviation through e-commerce

The Bank put merchants from national-level poor counties on its e-commerce platform – ICBC Mall. These merchants are from different industries from special agricultural products to tourism and located in different provinces, cities and autonomous regions including Sichuan, Guizhou, Xinjiang and Tibet. In Sichuan, the Bank helped local merchants register brands for some of their high-quality and unique products (such as "Bashan Local Pig" and "Ba Shi Ba Shi"), and broaden online sales channels, building an "e-commerce + enterprises + poor farmers" internet-based precision poverty reduction model.

Poverty alleviation through green industry

By supporting local governments and people to explore the model of developing green and cyclic economy, the Bank supported the development of characteristic industries including green planting and breeding, cash forest industry, traditional handicraft industry and village tourism, and combined ecological protection with increasing the income of local people.



Ecological facilities

The Bank rebuilt villages and farmers' facilities in 9 pilot villages, constructed over 1,000 methane tanks and 160 tremella pools.



Green production

Green production. In Sichuan, the Bank launched the "eco-pig" breeding project in Tongjiang, "Mongolian gazelle" breeding project in Nanjiang, "black chicken" breeding project in Wanyuan and a characteristic planting project in Jinyang.

Poverty alleviation through education

The Bank enhanced local education levels and the self-development capability of local people by means of charitable donations, rewards to teachers, financial assistance to students and paired-up assistance.

Educational facilities

The Bank donated and built 16 Hope primary schools, 12 middle and primary school buildings, 3 plastic playgrounds and 67 campus kitchens.

Direct assistance to poor students

The Bank helped more than 2,400 poor students enter colleges.

Educational supplies

The Bank donated 5,600 multifunctional schoolbags to protect the left-behind children of registered poor families from safety accidents or accidental injuries; collected idle computers from front-line business personnel and set up two middle and primary school e-classrooms.

Employment protection

The Bank gave special treatment to college students registered in poor student databases or originating from the villages of the national-level poor counties. In October 2016, the Bank officially launched the special recruitment program for college students from poor families, planning to recruit 1,000 college students from registered poor households in the next five years.

Teachers

The Bank offered financial assistance or rewards to more than 1,800 village teachers, and training to 900 outstanding ones.



Poverty alleviation through healthcare

The Bank improved the medical service level for local people, and reduced the cases of local residents falling below the poverty line or returning to poverty due to illnesses, by offering free medical assistance and donating medical and health facilities.



Medical and health facilities

The Bank donated 4 ambulances and offered donations to 6 township hospitals and 8 health stations.



Medical assistance

The Bank financed cataract operations for over 5,800 poor patients and made all the poor cataract patients in Tongjiang, Nanjiang and Wanyuan regain their eyesight. It also provided financial assistance to 8,500 pregnant women from poor families so that they could access delivery service in hospitals.

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1. Tibet Branch donated food to local villages for the coming winter.



Precision Poverty Relief Achievements

Finance-backed precision poverty relief	2016	
Balance of loans	RMB 10 thousand	9,300,978.68
Including: Loan of industry precision poverty relief	RMB 10 thousand	1,601,312.28
Loan of project precision poverty relief	RMB 10 thousand	6,099,917.36
Including: Rural transport facilities	RMB 10 thousand	3,689,888.85
Upgrading of rural power network	RMB 10 thousand	162,007.38
Rural water conservancy facilities	RMB 10 thousand	529,256.83
Rural education loan	RMB 10 thousand	148,003.00
Amount of targeted poverty relief input	2016	
Total	RMB 10 thousand	2,000.00
Poverty relief through industry development	RMB 10 thousand	1,269.50
Poverty relief through education	RMB 10 thousand	570.50
Poverty relief by healthcare	RMB 10 thousand	160.00
Number of beneficiaries of targeted poverty relief	person	23,217
Including: Number of registered poor people	person	4,975
The Group poverty relief donations apart from targeted poverty relief	2016	
Amount of donations	RMB 10 thousand	2,626.75
Projects	relief donations, village infrastructure, planting projects and etc.	
Number of beneficiaries	person	253,036
Including: Number of registered poor people	person	34,752
Awards (contents and levels)	2016	
Award	the "Annual Poverty Alleviation Award" of the 11th People Enterprise Social Responsibility of people.com.cn	





Next steps

In terms of credit support

the Bank will further increase credit resources for poverty alleviation, encourage branches with heavy poverty reduction tasks to set up a special lending program to preferentially meet the financing need for poverty relief during loan program management.

In terms of financing policy

the Bank coordinated the commercial and charitable nature of the effort, and focused on meeting the financing demand of registered poor households, and individuals, enterprises or key projects which could assist or serve the registered poor households.

In terms of product innovation

the Bank supported its local institutions to innovate financing products based on local conditions so as to meet the need of poverty reduction finance.

In terms of service channel

the Bank optimized outlet layout in poor areas, put in more self-service facilities, promoted system interconnection with financial institutions in such areas, and extended financial service networks and payment and settlement services to them.





Inclusive Poverty Alleviation Efforts in Bazhong and Dazhou

By adopting the “4+1” development model of “ICBC/government poverty reduction departments/villages/leading enterprises” + “poor households”, Bazhong Branch launched an “ICBC eco-breeding” pilot program in 4 administrative villages of Tongjiang County and 19 administrative villages of Nanjiang County, under which to vigorously promote the breeding of Bashan local pigs and Nanjiang Mongolian gazelles. With over 1,000 piglets and gazelles distributed, the program opened the way to wealth for over 3,500 poor people, and increased the per capita income by RMB740 per year. Moreover, the branch put 26 local specialties of 20 categories on ICBC Mall (including local pigs, tremella and black agaric), broadening the sales channels for local farmers, with total sales reaching RMB10 million. Dazhou Branch set up withdrawal sites in poor counties, towns and villages, helping eliminating the difficulty in withdrawing money for farmers, workers, planters, breeders and operators of rural inns. It also extended financial services such as transfer, remittance, and payment of call charges and electricity bills to reach villages by means of online banking and mobile banking. The branch also launched an exclusive financial product in the amount of RMB20 million for Wanyuan, and waived custodian charges and sales commission charges, providing quality wealth management service to customers in poor areas.



ICBC's presence on the “Roof of the World”

Ngari (Ali) is at the westernmost of Tibet, surrounded by snow-capped mountains in all directions and known as the “Roof of the World” with an average altitude of 4,500 meters. For years, ICBC Tibet branch has dispatched dozens of outstanding employees there, to work and live with Tibetan people in harsh conditions caused by the high altitude and bitter cold. The living experience there is unimaginable for many. Every newcomer has to cope with altitude sickness with symptoms such as a splitting headache, a bleeding nose, nausea and vomiting, and insomnia. Then after surviving that, you have to burn cow dung to make a fire and melt ice to cook every day; travel to the village entrance to get water for household use, dig out fuels from under snow and unfreeze the tooth paste before use in the morning. Overcoming all these difficulties, our colleagues in Tibet have done a remarkable job in disaster relief, farming assistance, medical resource coordination and education, greatly improving local livelihood and winning the trust and friendship from local farmers and herdsmen.

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1. On 22 April 2016, Chairman of Board of Supervisors Qian Wenhui, on behalf of the Bank, donated black baby chick to local farmers.

2. The Bank donated piglets to local farmers.

3. Tibet Branch staff together with villagers carried out livestock epidemic prevention.



Charity Brand

Having fostered the public spirit for many years, the Bank has developed a few public welfare brands, including "ICBC Cup" National Undergraduate Financial Creativity Design Competition, "Micro Love – Charitable Donation" online goodwill store, and mainland internship offers to college students from Hong Kong, Macau and Taiwan. In doing so, the Bank has carried forward the public spirit and developed a public welfare awareness among all the staff.



The "ICBC Cup" National Undergraduate Financial Creativity Design Competition

Officially launched in June 2016, the competition went through four stages – publicity, solicitation and review of works, five semifinals and the national finals, bringing financial knowledge into the whole process. The Bank provided jobs as incentives for the event, further raising the enthusiasm of students to participate in it. This year's competition attracted one million participants from over 1,000 universities at home and abroad, and received 4,763 design works. Both the number of participants and works scaled new highs.

Centering on the theme of "financial creativity design", the event aimed to consistently promote "mass entrepreneurship and innovation" on campus, and combine boosting students' social practice capability with encouraging the spirit of innovation among them. During the competition, participants displayed their youthfulness, courage and ambition with creativity and originality. Some university teachers even brought the competition into classrooms, combining a knowledge contest with teaching, and creating a new and more acceptable bank-university cooperation model.



"Micro Love – Charitable Donation" Online Goodwill Store

On the basis of the online goodwill store, the Bank officially launched "Eyes Care Action 2" – "Commitment of Love" during the reporting period in Hebei, under which ophthalmologist teams from Beijing Children's Hospital and Children's Hospital of Hebei Province offered the first free clinic in Shijiazhuang. From June 1 to June 6 (the period from the "International Children's Day" to the "World Sight Day"), over 100 young volunteers of the Bank went to 6 counties and cities in Hebei, providing voluntary services while over 5,500 children accepted free treatments. On August 26, as the further move of the "Eyes Care Action", a permanent medical center was formally established in Lhasa. As the first donor to the medical center, the Bank donated ophthalmic medical equipment worth RMB180,000 to the People's Hospital of Lhasa for the latter to carry out blanket eyesight screening, and to call for the attention of the public to poor children with eye diseases. Furthermore, the Bank invited ophthalmologists to communities and schools in Lhasa and Shigatse, bringing free eye detections and knowledge about eye use and care to over 2,000 poor children and people.



2,000 persons

free eye detections and speeches
about eye use and care



5,500 persons

voluntary services

2

1

1. Dalian Branch held summer outlet experience activity for college students

2. The young volunteers of the Data Center (Beijing) went to the migrant children schools to offer after-school tutoring





Supporting Xinjiang "Summer Camp"

During the reporting period, the Bank invited 50 outstanding middle and primary school students of various ethnic groups from Kashgar and Changji of Xinjiang to take part in a youth summer camp in Guangzhou. By arranging these children to visit the Huangpu Military Academy, Sun Yatsen Memorial Hall, Guangdong Museum and the local wildlife park, among other activities, the Bank turned the event into a tour of patriotic education, history and culture education, nature exploration and ethnic fusion, generating warm responses from them.



Mainland Internship Offers to University Students from Hong Kong, Macau and Taiwan

During the reporting period, the Bank received 28 students from four universities in Hong Kong, Macau and Taiwan, including the University of Hong Kong and National Taiwan University, and offered them internship opportunities in five branches in Beijing and Shanghai. Through close collaboration and active organization of different departments and institutions, the Bank formulated a well-balanced internship plan with rich contents, and signed internship agreements with all the students, specifying work requirements and interests protection details so as to carry out work smoothly during their internship. The Bank also organized the interns to visit the Great Wall, National Museum, Expo Park and other historic and cultural facilities to let them appreciate the history and civilization of China and sense the development of the nation, boost their understanding of China's reforms and development and their identification with the country, and promote communication and exchanges between young people from the three places, on the mainland and within the Bank.

During the reporting period, the Bank made continuous efforts to improve the "pairing up + relaying" mechanism, and carried out all types of youth volunteer activities to practice the volunteer spirit. Institutions of all levels launched volunteer activities under the themes of "caring for the children of migrant workers", "bringing financial knowledge to rural areas", "caring for the orphans and widows and the left-behind elderly", and "building the house of seven colors for left-behind children", among others. These activities, with increasingly deep significance, have attracted more young staff of the Bank to take part in voluntary services.



Performing Duties Across the World

The 3rd "Customer Service Festival" of ICBC-AXA

During the reporting period, ICBC-AXA staged the 3rd "Customer Service Festival". During the two-month event, its head office and branches launched 3 online and over 30 offline activities of all kinds centering on the theme of "Health and Charity Campaign". The three online activities were "Big Data Health Assessment", "Children's Painting Competition for Charity Purpose" and "Environmental Protection Battle – a WeChat Game". ICBC-AXA's head office staged a theme event in Shanghai Children's Art Theatre during which it collected 216 books for charitable donation. It also raised over RMB8,000 from its customers through the online activities on its official WeChat account, used the money to purchase books and school supplies and donated them to the public library of Huilai County in Jieyang, Guangdong. Its branches also carried out various charity activities including assisting poor schools and old people in welfare centers.

UNICEF-Recognized 10-Square-Meter Breastfeeding Rooms

During the reporting period, Shandong Branch sponsored a UNICEF 10 ^m breastfeeding room program together with local volunteer organizations, which was acknowledged by UNICEF. The room was opened to the public free of charge and could meet the need for breastfeeding and baby care. The program is located in the lobby of Quancheng Park Sub-branch, and the 10 ^m room is equipped with a baby crib, washing-free hand sanitizer, a cabinet, a sofa, power supply and even an air conditioner, as well as supplies including spill pads, disposable diapers and baby wipes. Mothers can breastfeed and change diapers for their babies at ease there, and avoid the awkwardness of doing so in public.



By promoting public welfare localization through its domestic and overseas institutions, the Bank encouraged them to carry out public welfare activities tailored to local economic and social characteristics so as to realize globalized action and localized performance of duty, as ICBC works to build itself into a bank of charity.



Joining Hands to Fight Typhoon “Meranti”

During the reporting period, “Meranti” , the strongest typhoon of 2016, landed in Xiamen, and caused enormous damage. In face of the natural disaster, employees of Xiamen Branch made concerted efforts to carry out rescue work and cleanup courageously and ensured steady operation of the Bank. All its sub-branches started on-the-spot inspection of outlets immediately after the typhoon hit the city, looked into the conditions of damage, carried out cleanup work and ensured the normal operation of outlets. Institutions of all levels effectively guaranteed the capital flows of local disaster relief organizations through coordination. Employees of the branch voluntarily participated in environmental cleanup in communities and young volunteers actively took part in post-disaster cleanup in severely-affected districts. Xiamen Branch sought to learn about the damage caused to its corporate customers immediately after the typhoon left, and initiated a financial support plan. By offering preferential interest rates, adjusting interest payment cycles and repayment plans, and increasing the grant of loans, the branch distributed loans totaling RMB1.08 billion to 104 affected corporate customers in full support of their post-disaster reconstruction so as to overcome the difficulties together.

“Little Wishes” of Left-behind Children

During the reporting period, Hubei Branch organized its staff to help 53 left-behind children realize their New Year’s wishes in the form of “one-on-one assistance” . A schoolbag, a football, a pair of winter boots ... these little wishes contained the pure anticipation of the 53 children, all of them excellent in conduct and learning and coming from poor families. The branch’s private banking center organized all the staff to participate in the program; young employees assigned to the Hong Kong Branch of ICBC (Asia) claimed these “little wishes” by email, immediately ordered a set of Children’s Encyclopedias online for the children. A pregnant employee about to deliver called particularly to pair herself up with two children and offer them financial assistance. Employees of its directly-controlled institutions who worked in the annex came to the organizer’s office to learn more details in person. Within 12 hours, all the 53 wishes were claimed. Those who failed to do so voluntarily bought school supplies and children’s books, and entrusted the organizer to send them to schools.



“Caring for Autistic Children” Charity Bazaar

During the reporting period, a number of organizations in Shanghai launched a “Caring for Autistic Children” charity bazaar in 96 Plaza, Pudong New Area, Shanghai. Over 40 young volunteers from Shanghai Branch participated in the activity on behalf of the Bank, calling for more caring for autistic children in need. Volunteers promoted knowledge about autism before their stand, and actively marketed the 100-odd items donated by sub-branch employees. Among these items, there were stamps, coins and postcards which had been treasured for years; biscuits made freshly overnight and ornaments; and idle furniture. A wide variety of items put on sale arrested the attention of hundreds of citizens passing by, and were bought by some of them.



Caritas by the Pearl River

During the reporting period, ICBC (Asia) has acted as the chair of the Hong Kong Caritas Fundraising Committee, a key charity agency in the city, for 18 consecutive years, and continued to raise funds for the organization through various types of events. During the reporting period, it staged more than 10 “Caritas” events, including: hosting the golf day event and promoting charitable donations to its commercial partners (raising up to HKD1.30 million); donating HKD600,000 to the “Caritas” TV fundraising dinner; participating in three charity bazaars; and selling “Caritas” charity raffle tickets on a commission basis. Moreover, it staged the “ICBC (Asia) *Caritas – Sharing Joy with Others” series of volunteer activities tailored to people from different classes, further diversifying beneficiaries. By the end of the reporting period, ICBC (Asia) had raised over HKD3 million for Caritas Hong Kong.

Volunteer Service on the Pampas

ICBC (Argentina) made continuous efforts to improve its volunteer service mechanism, and broaden the scope of volunteer service. It supported the “food donation” program initiated by the local “Food Bank Foundation”, promoted the event with posters and by email, and organized employee volunteers to sort collected foods and donate them to homeless children and other assistance targets. It also set a “charitable donation box” on its office floor, and organized employees to donate school supplies for schools in poor areas. Furthermore, it organized employees to help harvest local crops on a voluntary basis, and assisted local residents in donating harvested food to the “Food Bank”; launched a Christmas toy donation activity, and donated the toys to local welfare centers for young people.





“Chinese Bridge” in Northern Vietnam

During the reporting period, the 15th “Chinese Bridge” competition for college students in northern Vietnam was wrapped up in Hanoi University. The event was organized by the headquarters of China’s Confucius Institute and the Chinese embassy in Vietnam, and co-sponsored by ICBC Hanoi Branch and other Chinese organizations. 15 contestants from 11 universities in northern Vietnam participated in the competition. Their fluent Chinese and rich knowledge about Chinese language and culture drew the extensive attention and coverage of local media (including VTV) and Chinese media based in the country such as People’s Daily, Xinhua News Agency and China Daily. Hanoi Branch vigorously supported the Confucius Institute of Hanoi University to carry out the teaching of Chinese and promote Chinese culture, facilitate the cultivation of talents proficient in the language and attract them to participate in the building and development of local Chinese enterprises.



All Staff Mobilized to “Stop Hunger”

ICBC (Malaysia) organized all the staff to participate in weekend charity activities by working together with “STOP HUNGER NOW”, an international nonprofit organization, which is committed to alleviating hunger across the world by launching “nutritious meal” packaging and donation activities worldwide, organizing volunteers to package such meals on the spot, and sending them to developing countries or regions beset by hunger or nutrition. Since its founding, “STOP HUNGER NOW” has assisted nearly one million poor people in over 75 countries. On the day, employees were divided into over ten teams to package “nutritious meals”, headed by their team leaders.

ICBC (USA)'s Community-based Charity Efforts

As a US-based Chinese community bank, ICBC (USA) complied with the Community Reinvestment Act as required by local regulators, attached great importance to positive interactions with communities where it is located, and actively engaged itself in community building. Under the uniform deployment of ICBC (USA), its branches in New York, Los Angeles and San Francisco and other cities maintained good relationships with Chinese customers, lived in harmony with other ethnic group inside their communities, assisted minority and disadvantaged groups there by means of direct donations and loans (among others), and supported the causes of science, education, culture and healthcare in communities. As at the end of the reporting period, ICBC (USA) launched 22 donation programs, including 8 in New York and Los Angeles each, 5 in San Francisco and 1 in Seattle, amounting to USD22,440 in total, and involving a number of areas including community economic growth, people’s livelihood, cultural cooperation, community education and protection of women’s rights and interests.



Outlook

The year 2017 will be the year when the 13th Five-year Plan is further implemented and will see the supply-side reform to be deepened. The global economic pattern enters the new in-depth adjustment period, with more distinct features of complex differentiation, continuous change and chain interaction. China's economy maintains an overall steady and promising momentum under the new normal, with in-depth advancement of reform and opening up and structural adjustment. The supporting role that innovation plays in development continues to enhance and the green development concept is increasingly popular. The profound changes and mutual influence of the domestic and overseas financial environment are of great significance to the Chinese banking industry. It contains many structural, differentiated and phased business opportunities, and also increases the interbank and cross-industry competition, widens the risk management range and increases the capital management difficulties and other challenges, which require banks to actively enhance their sustainable development capacity through multiple channels.

Looking into 2017, the Bank will maintain a strategic concentration to more consciously include the management of the Bank into the grand logic of understanding, grasping and leading the new normal, adhere to serving the real economy as its responsibility, stick to the main tone of keeping stable while striving for growth and uphold inheritance and innovation to earnestly practice corporate citizenship responsibility. The Bank will further implement the "Focusing on large, small, excellent and new businesses" strategic arrangements to speed up operation restructuring and structural adjustment, play the Bank's exemplary role in supporting real economy development and serving supply-side structural reform and promote inclusive finance and regional coordinated development; it will continue to focus on customer experience, optimize service channels, lead and support upgrade of services with the breakthrough in financial technology to meet consumers' demands for multi-scenario, diverse and refined financial services; The Bank shall always adhere to the green development, integrate the concept of energy saving and emission reduction and carbon decreasing throughout the whole process of corporate governance and daily operation to build a better homeland; it will continue to protect consumers' rights and interests, adheres to integrity and self-discipline. The employees and the company, with a sense of common fate, shall actively promote pre-emptive poverty alleviation policies and measures to be implemented and endeavor to enhance the charity brand influence and create a harmonious and beautiful future with all stakeholders.



Value Creator

- The Bank will focus on improving the financial services for key projects in key areas such as the "three supportive belts", "four regions", "Made in China 2025", key cities and new urbanization, pilot free trade zones, quality enterprises "going global"
- It will also enhance financial support for the top ten strategic areas of innovation-driven development strategy, and modern agriculture, ecological and environmental protection and improvement
- It will strengthen financial services for small and micro enterprises, consumer credit, agriculture-related economy and ethnic areas



Green bank

- The Bank will continue to improve the green credit policy, strengthen the research and application of relevant international standards, and deepen the financial support for green economy and green manufacturing
- It will strengthen the advantages of e-ICBC and enhance the deep application of big data in financial services to build the "smart bank" system
- The Bank will adhere to green operation, enhance the low-carbon concept of employees and carry out various green welfare activities



Harmonious bank

- It will give full play to the Workers' Congress and the Labor Union, etc. to allow the employees actively to participate in the democratic management of the company, so as to gather wisdom, collect comments and reach consensus
- The Bank will expand employee occupation development room through multiple channels, pay attention to employees' cultural needs and strengthen diversified training and integration
- Besides, it will improve the employee mutual assistance mechanism to enhance their sense of homeland and pride.



Brand bank

- The Bank will constantly enhance customer experience, promote intelligent-based, light, miniaturization transformation of outlet channels, accelerate the integration of online and offline business and optimize the service mechanisms and procedures
- It will also promote financial technology and internet finance innovation, provide a more rich platform and scenarized services
- It will steadily promote international and comprehensive management and improve cross-border and cross-market integrated financial services



Integrity bank

- The Bank will effectively integrate the protection of consumers' rights and interests into the whole process of corporate governance and financial services, providing all-round safeguarding of the legitimate rights and interests of consumers
- It will continue to stick to honesty and self-discipline and provide integrity services
- It will strengthen anti-fraud mechanism through multiple channels to earnestly fulfill the anti-money laundering obligations and improve the ability of risk management compatible with the new economic normal



Charitable Bank

- The Bank will deepen the work of precision poverty alleviation to enhance the sustainable effects of poverty alleviation
- It will improve the volunteer service mechanism to tap and create a volunteer service brand with great influence. It will encourage more employees to participate in the volunteer service
- The Bank will continue to support the welfare activities in fields such as education, culture, sports to be more integrated into communities.

Independent Limited Assurance Report

To the Board of Directors of Industrial and Commercial Bank of China Limited

We were engaged by the Board of Directors of Industrial and Commercial Bank of China Limited ("ICBC") to provide limited assurance on the 2016 Social Responsibility (Environmental, Social and Governance) Report of ICBC for the year ended 31 December 2016 ("the SR Report").

Responsibilities of the Board of Directors

The Board of Directors of ICBC is solely responsible for the preparation and presentation of the 2016 SR Report, including the information and assertions contained within it, in accordance with the Global Reporting Initiative ("GRI")' s Sustainability Reporting Guidelines (G4), the Stock Exchange of Hong Kong ("SEHK")' s Guidelines for Environmental, Social and Governance Reporting, and disclosure recommendations of the following guidelines issued by the Shanghai Stock Exchange:

- Notice on Strengthening Listed Companies' Undertaking of Social Responsibilities and issuance of 'Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange'
- Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange
- Preparation and review of internal control report and social responsibility report (collectively known as the "SSE Guidelines").

The Board of Directors is also responsible for determining ICBC' s objectives in respect of social responsibility performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and for maintaining adequate records.

Responsibilities of KPMG

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our work in accordance with international standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

That standard requires that we comply with the ethical requirements, including independence requirements of the IFAC (International Federation of Accountants) Code of Ethics for Professional Accountants, and plan and perform the engagement to obtain limited assurance about whether the SR Report, in the form and context in which it appears taken as a whole, is free from material misstatement, in so far as the information contained in the SR Report is not inconsistent with information made available to us at ICBC' s Head Office.

Our independent limited assurance report is made solely to ICBC in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Board of Directors of ICBC those matters we have been engaged to state in this independent limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than ICBC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Summary of work performed

A limited assurance engagement on a SR report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the SR report, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of ICBC' s processes for determining the material issues for ICBC' s key stakeholders;
- Interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at corporate and business unit level responsible for providing the information in the SR Report;
- A media analysis and an internet search for references to ICBC during the reporting period;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the SR Report;
- Visits to sites of Data Centre (Beijing), Bazhong Branch, Dazhou Branch, Chongqing Bishan ICBC Rural Bank Co., Ltd., ICBC PERU Bank and Industrial Commercial Bank of China (Argentina) S.A., selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Comparing the information presented in the SR Report to corresponding information in the relevant underlying sources to determine whether key information contained in such underlying sources has been included in the SR Report;
- Reconcile key financial data and figures with the audited financial statements;
- Reading the information presented in the SR Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ICBC.

Where the SR report has included information or year-on-year comparisons of information not contained in previous reports, we have examined for 2016, but have not examined the information for previous years.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore, a lower level of assurance is provided. In addition, our work was not undertaken for the purpose of opining on the effectiveness of ICBC' s systems and procedures.

Conclusions

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the SR Report of ICBC for the year ended 31 December 2016 is not presented fairly, in all material respects, in accordance with the GRI' s Sustainability Reporting Guidelines (G4), the disclosure recommendations of the SSE Guidelines and SEHK' s Guidelines.

KPMG Huazhen LLP
Beijing
30 March 2017



GRI 4.0 Index and Contrast with ESG Reporting Guide

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G4-4	Primary brands, products, and services.		P7
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G4-6	Number of countries where the organization has presence in, and names of countries where either the organization has significant operations or that is specifically relevant to the sustainability covered in the report.		P7
G4-7	Nature of ownership and legal form.		P7
G4-8	Markets that the organization provides services for(including geographic breakdown, sectors served, and types of customers and beneficiaries).		P7
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G4-10	Total number of employees by employment contract, gender and geography.	B1.1	P13,P62
G4-11	Percentage of total employees covered by collective bargaining agreements.		P92
G4-12	Description of the organization's supply chain.		P58
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.		P8
G4-14	Whether or how the precautionary approach or principle is addressed by the organization.		P43
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.		P17
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations.		P17
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G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.		Please Refer to Chapter 15 of 2016 Annual Report(H Share)
G4-18	a. Explain the process for defining the report content and the aspect boundaries. b. Explain how the organization has implemented the reporting principles for defining report content.		Back page
G4-19	List all the material aspects identified in the process for defining report content.		P19
G4-20	For each material aspect, report the aspect boundary within the organization.		P19
G4-21	For each material aspect, report the aspect boundary outside the organization.		P19
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.		P12,P13
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G4-25	Report the basis for identification and selection of selected stakeholders with whom the engage.		P18
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G4-39	Whether the Chair of the highest governance body is also an executive officer.		Please Refer to Chapter 10 of 2016 Annual Report(H Share)
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.		P17
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Anti-corruption			
G4-SO4	Communication and training on anti-corruption policies and procedures.	B7.2	P59
G4-SO5	Confirmed incidents of corruption and actions taken.	B7	P59
Product and service labeling			
G4-PR5	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements.		P34
Customer privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	B6.2 B6.5	P55-57
Financial Services Sector Supplement			
Society			
FS14	Initiatives to improve access to financial services for disadvantaged people.		P72-79
Product Responsibility			
FS15	Policies for the fair design and sale of financial products and services.		P22-29,P54
FS16	Initiatives to enhance financial literacy by type of beneficiary.		P56
Product Portfolio			
FS1	Policies with specific environmental and social components applied to business lines.		P42-44
FS2	Procedures for assessing and screening environmental and social risks in business lines.		P43
FS3	Processes for monitoring client's implementation of and compliance with environmental and social requirements included in agreements or transactions.		P43
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.		P43,P48-51
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.		P17-19
FS6	Percentage of the portfolio for business lines by specific region, size and by sector.		Please Refer to Chapter 7 of 2016 Annual Report(H Share)
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	B8.1 B8.2	P22-29,P80-85
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	B8.1 B8.2	P42-48



ESG Guidelines

- A1.1 The types of emissions and respective emissions data.
 - A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
 - A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
 - A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
 - A1.5 Description of measures to mitigate emissions and results achieved.
 - A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.
 - A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).
 - A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).
 - A2.3 Description of energy use efficiency initiatives and results achieved.
 - A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.
 - A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.
 - A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.
 - B1 General Disclosure Information on:
 - (a) the policies; and
 - (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.
 - B1.1 Total workforce by gender, employment type, age group and geographical region.
 - B1.2 Employee turnover rate by gender, age group and geographical region.
 - B2 General Disclosure Information on:
 - (a) the policies; and
 - (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.
 - B2.1 Number and rate of work-related fatalities.
 - B2.2 Lost days due to work injury.
 - B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.
 - B3 General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
 - B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
 - B3.2 The average training hours completed per employee by gender and employee category.
 - B4 General Disclosure Information on:
 - (a) the policies; and
 - (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.
 - B4.1 Description of measures to review employment practices to avoid child and forced labour.
 - B4.2 Description of steps taken to eliminate such practices when discovered.
 - B5 General Disclosure Policies on managing environmental and social risks of the supply chain.
 - B5.1 Number of suppliers by geographical region.
 - B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.
 - B6 General Disclosure Information on:
 - (a) the policies; and
 - (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.
 - B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.
 - B6.2 Number of products and service related complaints received and how they are dealt with.
 - B6.3 Description of practices relating to observing and protecting intellectual property rights.
 - B6.4 Description of quality assurance process and recall procedures.
 - B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.
 - B7 General Disclosure Information on:
 - (a) the policies; and
 - (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
 - B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.
 - B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.
 - B8 General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.
 - B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).
 - B8.2 Resources contributed (e.g. money or time) to the focus area.
-

Table of Social Responsibility Performance Contrast with the Ten UNGC Principles

UNGC Principle	CSR Performance in 2016
1 Businesses should support and respect the protection of internationally proclaimed human rights.	The Bank valued people, strictly observed laws, regulations and ordinances of China and other countries where it operated, entered into employment contracts with all of its employees, fully paid employer's social security and housing provident fund contributions for its employees, improved the system of employee involvement in corporate management and effectively protected the rights and interests of employees.
2 Make sure that they are not complicit in human rights abuses.	The Bank abided by international conventions or practices signed or recognized by China, including the Universal Declaration of Human Rights.
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	The Bank improved the system of employee representatives' meeting to listen to all employees' voices and protect their right to know, participate and supervise. All branches and subsidiaries of the Bank have their own trade unions and all employees were members of trade unions.
4 The elimination of all forms of forced and compulsory labour	The Bank signed employment contracts with its employees in compliance with the Law of the People's Republic of China on Employment Contracts and other relevant laws and regulations. It also fully protected employees' rights to rest and take leaves and eliminated all forms of forced and compulsory labor through an efficient and orderly working mechanism and optimized labor composition.
5 The effective abolition of child labour	The Bank strictly prohibited child labor.
6 The elimination of discrimination in respect of employment and occupation	The Bank respected employees' religious freedom and individuality and eliminated any discrimination on the basis of race, gender, national origin, culture, age and others. The Bank also treated all employees fairly and impartially throughout recruitment, job transfer, compensation, career development and separation management.
7 Businesses should support a precautionary approach to environmental challenge	In accordance with the Green Credit Guideline, the Bank actively responded to climate changes by willingly assuming responsibility for international environment, establishing a sound mechanism for comprehensive management of environmental protection and using the financial lever to help get rid of dependence on traditional development mode and promoting economic restructuring.
8 Businesses should undertake initiatives to promote greater environmental responsibility	The Bank improved its green credit policies and procedures, established an accountability mechanism for green credit and strengthened credit risk management of enterprises with outdated production capacity and heavy metal pollution. The Bank implemented the "one-ballot veto" rule for lending to root out the causes of environmental pollution and fully supported the eco-friendliness drive.
9 Businesses should encourage the development and spread of environmentally friendly technologies	The Bank gave priority to green credit projects including new energy, energy conservation and reuse of resources. The Bank also intensified its efforts in innovating green credit products related to carbon emission and energy conservation. As at the end of the reporting period, the loan balance to the green economy sector totaled up to RMB 978.56 billion. The Bank also promoted paperless, energy-efficient E-banking leveraging on its leading technological strengths, with the E-banking transactions accounting for 92%.
10 Businesses should work against corruption in all forms, including extortion and bribery	In accordance with the guideline of "combating corruption in an integrated way, addressing both its symptoms and root causes, and combining punishment with prevention while focusing on the latter", the Bank pressed forward with anti-corruption work focused on improving the corruption control and prevention system.



Feedback Form

Thank you for reading the 2016 Corporate Social Responsibility Report of Industrial and Commercial Bank of China Limited. ICBC has published Corporate Social Responsibility Reports for consecutive ten years. In order to better satisfy your need, provide more valuable information for you and all relevant stakeholders, improve our performance of corporate social responsibility and enhance our ability to fulfill our social responsibility, we sincerely hope that you would provide your valuable opinions and feedback regarding this report to us via the following means:

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Corporate Strategy and Investor Relations Department

Post code: 100140

1. What is your overall evaluation for the report?

☐ Very good ☐ Good ☐ General ☐ Poor

2. What is your evaluation for ICBC's performance of its social responsibility on the economic level?

☐ Very good ☐ Good ☐ General ☐ Poor

3. What is your evaluation for ICBC's performance of its social responsibility on the environmental level?

☐ Very good ☐ Good ☐ General ☐ Poor

4. What is your evaluation for ICBC's performance of its social responsibility on the social level?

☐ Very good ☐ Good ☐ General ☐ Poor

5. Do you think the report can truly represent the influence on economy, environment and society of the social responsibility practice of ICBC?

☐ Yes ☐ So so ☐ No

6. What do you think of the clarity, correctness and completeness of the information, data and statistics in the report?

☐ Very good ☐ Good ☐ General ☐ Poor

7. Is this report reader-friendly from your perspective in terms of its contents, structure and formatting?

☐ Very good ☐ Good ☐ General ☐ Poor

8. Which of the following stakeholder do you belong to?

☐ Government ☐ Regulator ☐ Shareholder and Investor ☐ Client

☐ Supplier and Partner ☐ Employee ☐ Community public ☐ Others

9. What are your opinions and suggestions on corporate social responsibility of ICBC and this report?

Note: Please add "√" in the corresponding "☐".



Introduction

Scope of the Report

Organizational scope of the Report: This Report is primarily about Industrial and Commercial Bank of China Limited, covering the whole group.

Reporting period: 1 January 2016 – 31 December 2016. Some content exceeded this scope.

Reporting cycle: Annual.

Preparation Principle of the Report

This Report is prepared with reference to the "Sustainable Development Reporting Guidelines" of Global Reporting Initiative and the Financial Services Sector Supplemental Guidelines, the Ten United Nations Global Compact (UNGC) Principle and the ISO26000 "Social Responsibility Guideline (2010)" and the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited and meets the requirements set out in the "Opinions concerning Enhancing the Social Responsibility of Banking and Financial Institutions" issued by China Banking Regulatory Commission, the "Guidelines for Corporate Social Responsibility of Chinese Banking and Financial Institutions" released by China Banking Association, the "Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies" promulgated by the Shanghai Stock Exchange, the Guideline for the Preparation of the "Report on Performance of Corporate Social Responsibility" and relevant opinions.

Explanations for Report Data

Financial data of the report are from the 2016 financial statements prepared pursuant to International Financial Reporting Standards, which have been independently audited by KPMG Huazhen (Special General Partnership). Other data are mainly of the year 2016 and sourced from internal systems and statistics of branches of the Bank. The units in this report, unless otherwise specified, are denominated in RMB.

Assurance Approach of the Report

The Board of Directors of Industrial and Commercial Bank of China Limited and all directors undertake that the information in this report contains no false record, misleading statement or material omission, and assume individual and joint and several liabilities to the authenticity, accuracy and completeness of the information in this report. Meantime, KPMG Huazhen (Special General Partnership) has carried out the independent third-party assurance of this report. Please see the Appendices for assurance basis, scope and method of work and assurance result.

Release and Interpretation of the Report

The Report is released both in hardcopies and online. The online version is available at the Bank's website at www.icbc.com.cn, www.icbc-ltd.com. This Report is published both in Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

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