Chairman's Statement

ICBC honors its roots and is committed to building its future. The year 2017 was a milestone in the development of the OCS and the country, and a year in which we pursued progress while maintaining stability. In the face of the complex and volatile economic and financial environment at home and abroad and the various risks, we kept our eyes on the overall trend and made holistic plans. We achieved better operating performance and made new progress in fulfilling social responsibilities. By seizing opportunities and making solid efforts, we achieved operating performance that was better than planned, better than the same period last year and better than expected. By consistently implementing the new development concepts of "innovation, coordination, green, opening up and sharing," we consolidated our image as an excellent corporate citizen featuring environmental friendliness, outstanding governance and serving the society.

In the past year, we kept firmly in mind why we started, combined our operation with national strategies, and made careful deployments of financial services. We closely followed the implementation of the "Made in China 2025" and "Internet Plus" strategies and conducted overall financing management. We optimized the distribution of existing resources by improving the unified management mechanism of credit, stock and investment, increased the supply of quality credit by enhancing the innovation and diversified investment and financing system. Our credit and non-credit financing management has exceeded RMB1 trillion, and more financial resources were channeled into the real economy. We deepened the supply-side reform, introduced innovative use of financial services to assist SOEs in cracking hard nuts in their reform and promote the development of mixed economy, and set up a multi-level equity supply chain to help enterprises cut costs and enhance operating efficiency. We entered the Science & Technology Finance Department and provided financial services for research and development, for enterprises in the industrial and agricultural sector, for farmers, agriculture and rural areas, for targeted poverty relief and for mass entrepreneurship and innovation in a coordinated way. Using finance to lift poverty in a targeted way helped us gain the battle against poverty, and the micro and small enterprise loan balance was the largest in the industry.

We worked harder to align the credit policies with regional development policy, took the initiative to diversify with the "Four Regions" and "Three Supporting Belts", stepped up efforts on the Belt and Road Initiative, held the Belt and Road Conference, the new phase of strategic deployment. We were the first to establish the banking service cultural system in the industry, made greater efforts to solve service problems and continuously improved customer experience. In order to create a bank satisfying for the people, we supported the development of "Happy Industries" such as culture, tourism, medical care, education and elderly care, so as to meet the people's growing demand for a happy life. We also assisted Chinese enterprises in going global while contributing to the local economic development and improving the livelihood, took the lead in creating a regular cooperation mechanism for banks along the Belt and Road routes, further improved our global service network, and took quicker steps in extending the key products and services.

In the past year, we firmly remembered our mission, made innovations while carrying on the fine traditions, worked for the new situation of modernization that features the harmonious development of man and nature, and strived to realize economic benefits and social values in the same time. We further enriched the connotations of intelligent bank, the online and offline intelligent channels served the customers across the board, and the innovative "human intelligence" of "machine intelligence" was leading the industry. We kept perfecting the green credit system and insured the green system in that respect, so as to truly protect the natural environment. We are an industrial leader in underwriting green bonds, issued the first Belt and Road green bond and won multiple honors, actively conducted green finance explorations, and were the first to launch the "ICBC GSS Green Leader" in the industry. We practiced green operation, advocated green office work, and took concrete steps to protect the environment and build a beautiful China. We actively coped with the new changes and requirements of financial regulations and the new market situations, resolutely safeguarded the rights and interests of the consumers and investors, and consistently created satisfactory values for customers, shareholders, and other stakeholders. We believe that by putting the bottom line of risk and legal compliance, took an active part in building a high-end social system, and adopted technical means to effectively ensure financial security and stability and customers' personal and property security.

In the past year, we put people first, paid close attention to employees' all-round development, made active efforts of poverty relief for the goal of common prosperity, and participated in charity programs to contribute to social harmony and stability. We fostered harmonious labor relations, provided a democratic atmosphere and clear parks of career development for the employees, and promoted the exchange among employees of different nationalities. We wanted to pursue corporate development while helping the employees grow and progress, and motivated them to play to their potential and become talents and invidious. We have made poverty relief efforts for 22 years and insist on the basic strategy of targeted poverty relief and alleviation. We increased the credit support to poor areas, ensured the strategic positioning of poverty relief and alleviation, increased the credit support to poor areas, ensured the strategic positioning of poverty relief and alleviation, increased the credit support to poor areas, ensured the strategic positioning of poverty relief and alleviation, increased the credit support to poor areas, ensured the strategic positioning of poverty relief and alleviation, increased the credit support to poor areas, ensured the strategic positioning of poverty relief and alleviation.

The wind is up and we should set sail. This year will be a difficult and hard one, we should set our sails harder. 2018 is the 40th anniversary of China's reform and opening up, and the first year of ICBC implementing a new round of development plan in accordance with the OCS and the nation's strategic deployment. The new era brings new opportunities, and new goals mean new challenges. Lining in mind the big picture of serving the real economy, ICBC will never forget its mission and has kept pressing ahead in high spirit and with firm faith while maintaining steady progress in general. In the process of serving the real economy and the supply-side structural reforms, ICBC pursues the overall major goals in the economic, environmental, social aspects, and has realized consistent healthy development while fulfilling its social responsibilities and achieving its objectives, demonstrating the image of a major responsible bank.

Chairman: Yi Huiman
27 March 2018
In 2017, in the face of the influence of tightening financial supervision, deepening interest rate liberalization, quickening financial disintermediation and fierce internal and external competition, ICBC persisted in serving the real economy, safeguarded the risk bottom line and defended the line of security, improved financial services, exerted to develop green finance, assumed the responsibility of a large bank in serving the national strategy and assisting to improve the peoples livelihood. In 2017, the Bank achieved smooth development, with main business indicators leading the industry. It generated net profit of RMB279.3 billion, up 10.3%. ROE and capital adequacy ratio reached 14.93% and 15.14%, and NPL ratio maintained at 1.55%, with social contribution per share of RMB2.48.

Stick to the costs of banking and deliver excellence. In line with the real economy and supply-side structural reform, the Bank improved the performance and effectiveness of services for the real economy, accurately catered for diversified financial demands of real economy, and injected financial resources focusing on advanced manufacturing, happiness industries, internet of things and other leading edge industries. In 2017, the Bank registered total loans of RMB14,213.4 billion, an increase of RMB1,766.2 billion or 12.6% over the beginning of the year, improved the combined management of incremental and existing credit. Domestic branches saw an addition of RMB loans of RMB1,158.3 billion, RMB1.87 trillion of new RMB loans that were recovered and repaid. The Bank took the initiative to promote regional coordination according to the country’s regional development strategy of “Four Regions” and “Three Supporting Bases” and significant assignments for Xinjiang New Area. Acting on the requirements of “lowering costs and increasing efficiency” over the year began; it registered 242.660 million and small enterprise customers, up 90% over the year beginning; it approved and set up 234 million and small companies, in which 200.7 million were real estate and asset operation. This Bank continued to satisfy the diverse demands of various industries in poverty-stricken regions and projects vital to the peoples livelihood, constantly increased financial support and targeted assistance, with outstanding targeted poverty relief loans of RMB1.227 trillion, up 16.5% over the year beginning, obviously higher than the average growth of total loans. The Bank actively participated in various activities for public good, focusing on the themes of supporting the people with a disability, environmental protection, donations to schools and public benefit publicity and education; it safeguarded employees’ rights and interests, cared for employees’ growth, facilitated cultural integration, and reaped employees’ and society with the goal of promoting harmonious and common development.

2018 is critical for China to build a moderately prosperous society, and marks the start of the new three-year plan of the Bank. The Bank will continue to promote the foreign interaction of sustainable development of enterprises and performance of social responsibility, with the goal of improving value creation, risk control and market competitiveness, it will observe risk appetite, speed up operation transformation, deepen reform and innovation, and make new contributions to economic and social progress, with real economy services as the starting point and standpoint.
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 to a joint-stock limited company. On 27 October 2006, the Bank was successfully listed on both Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.

Through its continuous endeavor and stable development, the Bank has developed into the leading bank in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to work further development and has made efforts to build a "bank of the first choice of customers", while providing a comprehensive range of financial products and services to 6.271 million corporate customers and 567 million personal customers. The Bank has been conscientiously integrating the social responsibilities with its development strategy and operations and management activities, and gaining widespread recognition in the aspects of promoting inclusive finance, supporting targeted poverty relief, protecting environment and resources and participating in public welfare undertakings.

The Bank always keeps in mind its underlying mission of serving the real economy with its principal business and along with the real economy it prosper, suffers and grows. Taking a risk-based approach and never overlooking the bottom line, it regards controlling and resolving risks as its iron law. Besides, the Bank remains steadfast in understanding and following the business rules of commercial banks to strive to be a century-old bank. It also stays committed to seeking progress with innovation while maintaining stability, continuously enhances the strategy of mega retail, mega asset management, mega investment banking as well as international and comprehensive development, and actively embraces the Internet. The Bank unceasingly delivers specialized services, and pioneered a specialized business model, thus making it "a craftsman in large banking".

The Bank was ranked the 1st place among the Top 1000 World Banks by The Banker, ranked 1st place in the Global 2000 listed by Forbes, topped the sublist of commercial banks of the Global 500 in Fortune for the 8th consecutive year, and took the 1st place among the Top 500 Banking Brands of Brand Finance for the second consecutive year.

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.

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: Build a world-class and modern financial enterprise with global competitiveness by adhering to the principles of "delivering excellence, sticking to our founding mission, customers' favourite, leading in innovation, security and prudence, and people-oriented".

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.

- Regular communication
- Special communication
- International exchange

- Launching the social responsibility column at the official website and the Internet to update and issue information in time
- Enhancing interactive exchanges with the public through various media channels such as microblog, ICBC Link, and third-party social platforms
- Releasing a social responsibility report annually
- Regularly issuing performance reports
- Holding employee representative meetings and employee communication meetings
- Special road shows
- Participating in related conference of United Nations Environment Programme
- Attending related meetings of United Nations Global Compact
- Attending related meetings of the Global Reporting Initiative
Delivering Excellence

Leveraging a sound corporate governance, the Bank promoted the transformation of operation, offered innovative products and services, strove to enhance profitability and risk control level, propelled the reasonable distribution of social resources and supported the sustainable development of the real economy via optimal allocation of financial resources, and created superior value for the society and all the stakeholders including shareholders, customers, employees.
Effective Corporate Governance and Prudent Operating Style

Corporate Governance Framework

The Bank has made constant efforts to improve the corporate governance and checks and balances mechanism comprising the nominative shareholders’ general meeting, executive board of directors, effective board of supervisors and efficient sense 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, forceful implementation, effective supervision and steady operation has been in place. During the reporting period, the Bank made amendments to the Articles of Association of Industrial and Commercial Bank of China Limited to improve corporate governance structure and received a series of corporate governance awards from many Chinese and foreign authoritative institutions and news media, including the “The Asset Corporate Award – Platinum Award” from the Hong Kong magazine The Asset, and the “Best Corporate Governance Award” for outstanding board of directors of Chinese listed companies from the 21st Century Business Herald, as well as the “China Business Top 100 Award” and the “Ethical Chinese Enterprise Award” from the China Business Top 100.

During the reporting period

Shareholders’ General Meeting

- convened
  - 1 annual general meeting
  - convened
  - 1 extraordinary general meeting

Board of Directors

- held
  - 9 meetings
- reviewed
  - 64 proposals

Board of Supervisors

- held
  - 8 meetings
- reviewed
  - 20 proposals

As at the end of the reporting period, the Board of Directors of the Bank consisted of 16 members, including 4 Executive Directors, 6 Non-executive Directors, and 6 Independent Non-executive Directors. Independent non-executive directors accounted for more than 1/3 of the total number of directors.

As at the disclosure date of the report, the Bank had 5 supervisors, including 1 Shareholder Supervisor, 2 Employee Supervisors and 2 External Supervisors.

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 Annual General Meeting for the Year 2016 was held in Beijing and Hong Kong concurrently.
Preventing financial risks, and protecting financial safety

The Bank paid attention to both on-balance sheet and off-balance sheet, and worked hard to ward off the "black swan" and "gray rhino" events in order to defend the bottom lines of safety and risks. In terms of on-balance sheet activities, the Bank centered on management and control of credit risk, and strengthened control from the source and targeted treatment, thus fully implementing all key indicators on asset quality and substantially increasing the allowance to NPL ratio with respect to off-balance sheet activities; the Bank, focusing upon new-type risks across borders, regions and markets, stepped up categorized risk prevention and disposal; on the principles of "simple, transparent and controllable"; the Bank standardized the development of asset management, inter-bank and off-balance sheet business, and stuck to regulatory arbitrage, fund circulation in the financial system only and money deriding from real to virtual economy. Strictly safeguarding the four key points - cooperation, access, limit and account, the Bank strictly prevented risks spreading from the Internet-based financial sector; it applied the big data technology to strengthen monitoring and analysis and also to control illegal fund-raising and financial washing risks adhering to the "prudent and sound" operating strategy; the Bank managed and controlled liquidity, exchange rate and interest rate risks in a coordinated way.

Implementation of National Policies

During the reporting period, the Bank faithfully performed its brand duties as a state-owned large bank in line with China's economic and financial policies and with a focus on the three key challenges - prevention and resolution of major risks, targeted poverty relief and pollution prevention & control and the three key tasks - serving the real economy, preventing financial risks, and deepening financial reforms.

Making finance to serve the real economy

To fulfill the mission of serving the real economy, the Bank continued to improve the combined management of existing and incremental credit, pursued the integrated operation of credit and non-credit, and kept streamlining its financial services. During the reporting period, the Bank reported an addition of more than RMB1 trillion in both credit and non-credit financing, thus channeling more stable financial resources to support the real economy; the Bank continued to support the structural reform on the supply side by supporting capacity cut steadily and orderly, backing inventory reduction under city-specific lending policies, and bolstering de-leverage in a multi-pronged approach; the Bank attached importance to prop up the weaknesses of the real economy and made more efforts to run well the inclusive financial system, thereby becoming the largest micro and small-enterprise loan lender in China; on the basis of maintaining a balance of loans to the initiative of targeted poverty relief and reduction at around RMB100 billion, the Bank facilitated the efforts of the designated anti-poverty counties towards cutting off poverty in all aspects; while serving the government's major strategies, the Bank took initiatives to align with such strategies as the "Four Regions", the "Three Supporting Belts" and the construction of Xiangan New Area, promoted the launch of the Belt and Road Inter-Bank Routine Cooperation Mechanism, and provided financial services for the Belt and Road Initiative.

Development of Corporate Governance Regulations

During the reporting period, the Bank made amendments to the Articles of Association of Industrial and Commercial Bank of China Limited in accordance with the Company Law of the People's Republic of China and the latest regulatory provisions on corporate governance of the China Banking Regulatory Commission and The Stock Exchange of Hong Kong Limited, among other Chinese and foreign regulatory authorities. The Bank wrote Party building requirements into the Articles of Association, defined the core leadership of the CPC Party Committee, and fully combined Party building with corporate governance practice. In the meanwhile, the Bank incorporated the contents on the Workers' Congress and the connectivity of domestic and foreign investors into the Articles of Association. Besides, according to the newly-amended Articles of Association and the regulatory laws and regulations of Chinese and foreign regulators, the Bank amended the Rules of Procedures for the Shareholders' General Meeting and the other five governance rules, thus further improving the corporate governance policy system.

Pushing forward transformation and innovation, and aid in financial reform
Realization of Sustainable Development

During the reporting period, the Bank continued to adhere to the prudential policies on sustainable development and worked hard to achieve certain targets and results.

### Table: Economic Indicators

<table>
<thead>
<tr>
<th>Economic Index</th>
<th>Unit</th>
<th>2017 (RMB100 million)</th>
<th>2016 (RMB100 million)</th>
<th>2015 (RMB100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td></td>
<td>260,870</td>
<td>241,373</td>
<td>222,958</td>
</tr>
<tr>
<td>Total loans and advances to customers</td>
<td></td>
<td>142,334</td>
<td>130,568</td>
<td>119,335</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>RMB100 million</td>
<td>192,263</td>
<td>178,253</td>
<td>162,819</td>
</tr>
<tr>
<td>Operating income</td>
<td>RMB100 million</td>
<td>6,757</td>
<td>6,417</td>
<td>6,687</td>
</tr>
<tr>
<td>Net profit</td>
<td>RMB100 million</td>
<td>2,875</td>
<td>2,791</td>
<td>2,777</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>RMB</td>
<td>0.79</td>
<td>0.77</td>
<td>0.77</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>RMB100 million</td>
<td>858</td>
<td>835</td>
<td>832</td>
</tr>
<tr>
<td>Total tax payment</td>
<td>RMB100 million</td>
<td>1,165</td>
<td>1,433</td>
<td>1,311</td>
</tr>
<tr>
<td>Return on average total assets</td>
<td>%</td>
<td>1.14</td>
<td>1.20</td>
<td>1.30</td>
</tr>
<tr>
<td>Return on average equity</td>
<td>%</td>
<td>14.35</td>
<td>15.24</td>
<td>17.10</td>
</tr>
<tr>
<td>NPL ratio</td>
<td>%</td>
<td>1.55</td>
<td>1.62</td>
<td>1.50</td>
</tr>
<tr>
<td>NPL balance</td>
<td>RMB100 million</td>
<td>2,210</td>
<td>2,118</td>
<td>1,795</td>
</tr>
<tr>
<td>Allowance to NPL</td>
<td>%</td>
<td>154.07</td>
<td>136.69</td>
<td>156.34</td>
</tr>
<tr>
<td>Capital adequacy ratio</td>
<td>%</td>
<td>15.14</td>
<td>14.61</td>
<td>15.22</td>
</tr>
<tr>
<td>Core tier 1 capital adequacy ratio</td>
<td>%</td>
<td>12.77</td>
<td>12.87</td>
<td>12.87</td>
</tr>
</tbody>
</table>

### Figures and Graphs

- **Figure 1:** Profits and Dividends of the Bank since IPO
- **Figure 2:** ICBC Stock Price Trend 2007-2017
- **Figure 3:** Natural gas price trends and market share indicators

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**Protecting Shareholders’ Legal Rights and Interests**

During the reporting period, the Bank actively and frequently communicated with investors in diversified forms and in an all-around way. The Bank satisfied the requirements of Chinese and foreign regulators on information disclosure, actively performed the information disclosure obligations, and did well in each compulsory information disclosure work. On this basis, the Bank pushed forward voluntary information disclosure, continued to improve the contents and forms of regular reports and temporary announcements, endeavored to provide rich and effective information to stakeholders.

During the reporting period, the Bank pursued synchronous information disclosure in the listing places, and prepared regular reports in simplified and traditional Chinese and English to address the information demand of Chinese and foreign investors. At the same time of advocating “green and environmental-friendly” and actively guiding the shareholders to receive electronic corporate communications, the Bank made corporate communications in paper form to shareholders who were accustomed to reading paper materials. The Bank continued to optimize the investor communication platforms including investor relations website and investor email, and actively used new media forms such as WeChat and ICBC Link to inform company updates and put in place friendly, smooth and efficient channels of information disclosure and communication with investors.
Responsibility Performance Index

The Bank took the world's best social responsibility practice as benchmark, continued to explore the path of sustainable development, and made unremitting efforts to improve the social responsibility management system integrating policy development, strategic planning, rules & regulations, information disclosure, education & training, index & assessment and international cooperation. The Board of Directors was responsible for establishing the Bank's social responsibility index & assessment, and the Bank's Responsible Management Committee was responsible for establishing and improving the Group's social responsibility index & assessment. The relevant departments of the Head Office and domestic and overseas branches and subsidiaries should actively participate in social responsibility related work within their respective work scope.

Social Recognition

As at the disclosure date of the report, the Bank gained extensive social recognition for its good performance in social responsibility fulfillment. It won many awards such as the “Best Initiative in Social Responsibility” and the “Best Social Responsibility Financial Institution Award.”

<table>
<thead>
<tr>
<th>Organizer</th>
<th>Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Banking Association</td>
<td>Best Initiative in Social Responsibility</td>
</tr>
<tr>
<td>Caiyan Media</td>
<td>2017 SGX ESG50 Index Enterprise</td>
</tr>
<tr>
<td>Southern Weekly</td>
<td>2016 List of Chinese State-owned Listed Companies on Corporate Social Responsibilities</td>
</tr>
<tr>
<td>News Agency</td>
<td>Banking Institution Mostly Trusted by the General Public</td>
</tr>
<tr>
<td>Securities Daily</td>
<td>“Golden Horse” Listed Company with Most Social Responsibilities</td>
</tr>
<tr>
<td>China News Service, China Newsweek</td>
<td>Most Responsible Enterprise of 2017</td>
</tr>
<tr>
<td>Shanghai United Media Group, jiemian.com</td>
<td>2017 Perfect Chinese Enterprise</td>
</tr>
<tr>
<td>China Committee of Corporate Citizenship</td>
<td>2017 Excellent Corporate Citizen of China</td>
</tr>
<tr>
<td>China Association of Social Workers</td>
<td>International AIC Awards - Silver Award</td>
</tr>
<tr>
<td>China Legal Aid Foundation</td>
<td>Outstanding Contribution to the Public Welfare Cause of Legal Aid</td>
</tr>
</tbody>
</table>

![Image of the page]
Sticking to Our Founding Mission

Staying true to our founding mission, the Bank was determined to be rooted in the real economy, actively adapted to the requirements of the structural reform on the supply side, supported the "overcapacity and excess inventory cut, deliverytime cost reduction, and strengthening of points of weakness", and backed the optimization of industrial structure. The Bank aligned itself with the national strategies to promote regional coordination, ensure and improve living standards, providing premium financial services, aid in high-end manufacturing and practice green finance in a bid to advance the high-quality growth of economy and self-upgrade & development in a deeply integrated way.
Serving the Real Economy

Staying True to the Founding Mission

The Bank always committed itself to developing the principal business, and stayed true to the founding mission to constantly improve financial services for the sake of serving the real economy and the supply-side structural reform. It, by putting new mechanisms in place, arranging new layouts and making new breakthroughs, managed to comprehensively enhance the ability and level of serving the real economy and to advance the high-quality growth of economy and self-upgrade & development in a deeply integrated way.

Promoting Industrial Upgrade

The Bank faithfully served the key areas and weak links of the national economy in improving quality and efficiency, deepened the support for the structural reform on the supply side characterized by "overcapacity and excess inventory cut, de-leverage, cost reduction, and strengthening of points of weakness", and promoted transformation and upgrade of traditional industrial structure.

The power source of new energy vehicles

During the reporting period, the Bank made an investment of RMB 1 billion in a power battery producer through an industrial fund. The producer acquired a foreign company, and was thus able to further improve the technology of nano lithium iron phosphate battery, enabling the battery to substantially enhance the performance of cold start and adjust to the weather conditions of northern China at the same time of significantly increasing energy density. The mass production of this type of batteries was of great significance to further development of the new energy vehicle industry.

Made-in-China bearings going global

Bearing is a basic part crucial in equipment manufacturing, and is called the "heart" of equipment manufacturing. During the reporting period, Dalian Branch of the Bank, in cooperation with an overseas branch, tailor made a loan product solution for a bearing manufacturer. In this way, it helped the manufacturer save lots of financial costs, and gave a strong support for the manufacturer to smoothly wrap up the overseas M&A project.
During the reporting period, focusing on the idea of building a Community of Shared Future for Mankind, the Bank actively supported Chinese enterprises to “Go Global”, served the Belt and Road Initiative, further improved its global service network, took the initiative to meet customers’ diversified financial service demands and advanced the construction of a global key product line in an in-depth manner. The Bank has accumulating supported 358 “Going Global” projects which undertakes loans of USD9.5 billion in total, ranking top among Chinese-fund banks and basically achieving full coverage of the Belt and Road key industries. As at the end of the reporting period, the Bank has maintained branches in 20 countries and regions along the Belt and Road.

**Strongly supporting the B&R with finance**

The banking industry’s first Belt and Road Macroeconomic Indexes

ICBC Standard, a subsidiary of the Bank, unprecedentedly released the Belt and Road Economic Indexes in the banking industry aimed at serving the B&R financial strategy. The indexes, comprising the Belt and Road Economic Health Index and the Belt and Road China Connectivity Index, have set up a new benchmark for the frontier researches necessary for the initiative.

**The Chinese element in the construction of West Asia**

The Attabad Ushakhtar oil shale power plant in Jordan, which will be the world’s largest oil shale power plant, is a key project along the economic development route of the B&R.

**Serving the “Maritime Silk Road”**

In light of the Belt and Road Initiative, ICBC Shenzhen Branch actively served the trade and investment projects of Chinese-invested enterprises in the countries along the Belt and Road, and supported enterprises’ going global by series products, like cross-border merger and acquisition loan, cross-border fund pool, overseas direct loan, risk participation, and overseas loan under domestic guarantee, in a bid to seek new growth sources of international business. In the reporting period, the branch worked with many overseas branches to assist a company in successfully winning a bid for acquisition and privatization of a logistics group in Singapore.

**Advancing Regional Coordination**

The Bank took initiatives to align with such regional development strategies of China as the “Four Regions” and the “Three Supporting Belts”, as well as the important deployments including the construction of Xiongan New Area, strengthened the allocation of credit resources to Beijing-Tianjin-Hebei and central & western China, etc. and set up the Leading Group of Serving the Construction of Xiongan New Area in order to support the harmonious regional development.

**A railway line running through the Qilian Mountains**

With a designed speed of 250 km/h, the high-speed railway line linking Xi’an, capital of Shaanxi Province, and Chengdu, capital of Sichuan Province, went into operation on 6 December 2017. The 658-kilometer line is China’s first rail route running through the Qilian Mountains. It is a key project of China aimed at improving the layout of railway lines and strengthening the exchanges and cooperation between “Guangdong-Hainan Economic Zone” and “Chengdu-Chongqing Economic Zone”. During the reporting period, Shaanxi Branch of the Bank lent RMB1.070 billion successively to the Xi’an-Chengdu high-speed railway project.

**Supporting the “west-east electricity transmission project”**

Huadian Yelian Hydropower Station, a significant project of the central government to support Tibet’s economic and social development during the 13th Five-Year Plan period, is critical for the construction of “west-east electricity transmission” connections base and hydropower base in southwest China. It is of significance to poverty alleviation in the regions along the Yalong River, building of a moderately prosperous society and adjustment of energy structure in China. In the reporting period, based on the investigation into Huadian Yelian Hydropower Station project previously, ICBC Tibet Branch set up a special service team to design a customized integrated financing plan for the project through visits and communications. As one of the three co-leads banks and a correspondent bank of the syndicated loan for the project, the branch signed a syndicated loan agreement with seven local banks.
Ensuring and Improving Living Standards with Premium Financial Services

During the reporting period, the Bank further strengthened the credit support for low-income housing, strongly supported self-used housing purchase, actively promoted the financing for the governments' purchase of shantytown reconstruction services, restructured and improved related supporting policies, expanded the scope of regional access, and optimized the project and customer administration management.

During the reporting period, the Bank's low-income housing loans granted to RMB 78,027 million, compared with the same period of last year, increased by RMB 24,151 million.
- Including shantytown reconstruction loans at RMB 76,148 million
- Involving 203 low-income housing projects in 24 provinces or municipalities

Spur the Development of a Housing Market that Gives Equal Weight to Buying and Renting

The Bank earnestly implemented differentiated housing credit policies that are specific to the conditions of different cities. With a strong support for meeting the residents' demand of buying homes for personal use, the Bank continued to follow up on the policy on housing rental pilot, actively adapted itself to meeting the requirements of the housing rental system and platform building, leveraged the joint force of the Group's diversified financial services, accelerated the development of a housing market that gives equal weight to buying and renting, and worked hard to satisfy the new living requirements of residents.

- The Bank's residential mortgages reported a balance at RMB 3,938.689 billion increased by RMB 697.851 billion over the year beginning
- The Bank granted RMB 1,136.7 billion of new residential mortgages increased by RMB 1,053.1 billion for residents to buy their first homes
- Representing 92.65% of all residential mortgages
Aiding in High-end Manufacturing

During the reporting period, the Bank actively aided in high-end manufacturing in line with the government’s strategies on development of a manufacturing power, giant aircrafts and ocean economy. As at the end of the reporting period, ICBC Leasing which is wholly owned by the Bank owns and manages 610 aircrafts, 309 vessels and over 40,000 sets of heavy equipment.

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircrafts</td>
<td>610</td>
</tr>
<tr>
<td>Vessels</td>
<td>309</td>
</tr>
<tr>
<td>Heavy equipment sets</td>
<td>40,000</td>
</tr>
</tbody>
</table>

The world’s largest carrier reported by CCTV news

During the reporting period, one 400,000-dwt crude oil carrier of ICBC Leasing was launched at a shipbuilder of Qingdao. This carrier, with a world-leading technology and a deck area equal to that of Chinese aircraft carrier Liaoning, is the world’s largest carrier. As at the end of the reporting period, made-in-China ships accounted for about 70% of the vessel assets owned and managed by ICBC Leasing; and ICBC Leasing supported the “Going Global” drive of Chinese shipbuilders at an amount of RMB41.4 billion accumulatively.

Made-in-China C919 aircrafts amazing the world

Over recent years, ICBC Leasing has ordered 190 China-made passenger aircrafts, accumulated, including 100 C919 homemade large passenger jets, thus becoming the largest buyer of C919 aircrafts and strongly supported the development of China’s aircraft manufacturing. During the reporting period, ICBC Leasing ordered 35 China’s C919 large passenger planes.

Strongly Supporting the Structural Reform on the Supply Side

Setting up a Franchised Institution

ICBC Financial Asset Investment Co., Ltd, ICBC Investment, a franchised institution of the Bank for the debt-for-equity exchange, was opened in September 2017. As one of China’s first group of commercial bank examiners of debt-for-equity, ICBC Investment has a registered capital of RMB12 billion, the highest among the Bank’s subsidiaries. Since opening, ICBC Investment has devoted itself to helping companies reduce the leverage ratio, accelerating efforts of companies to become more cost-effective and deepen reforms, and tailor-making the debt-for-equity solutions for companies to strengthen the capital power and governance efficiency.

Inspiring debt-for-equity exercise

The debt-for-equity business of an iron group corporation, which was jointly provided by Shanshan Branch, ICBC Investment and ICBC Credit Suisse Asset Management, was successfully launched during the reporting period. The business decreased the target’s asset-liability ratio, optimized its financing structure and strengthened its capital power. At the same time, Shanshan Branch and ICBC Investment took part in the target’s corporate governance, effectively improving the governance level and guaranteeing its long-term sound development.

Enhancing Cost-effectiveness

The Bank acted upon the messages of related national policies, strictly complied with the “market-oriented and fee-based” requirement, and utilized multi-tiered capital market approaches to help enterprises optimize capital structure, reduce financing cost, strengthen capital base.

Market-leading debt underwriting

In accordance with the requirement of the structural reform on the supply side, the Bank voluntarily adapted itself to the trend of financial disintermediation and corporate deleveraging, actively supported the bond issuing of enterprises in the inter-bank market, and helped enterprises reduce financing cost. In the past five years, the Bank underwrote over RMB7 trillion of bonds accumulatively and made investments of over RMB4 trillion accumulatively in various RMB bonds, both figures the highest in the Chinese market.

Helping enterprises go global

In the reporting period, ICBC Inner Mongolia Branch became one of the three lead banks for centralized operation of foreign exchange funds for a dairy group; rendered cross-border foreign currency fund pool and centralized foreign exchange collection and payment services for the group’s foreign company; and built a channel linking current account and capital account of foreign exchange business and domestic and overseas funds through centralized operation of foreign exchange funds, providing strong financial service support for the group’s “Going Global” strategy. The cooperation also drove the cooperation between the two parties in cash management, foreign exchange remittances, import letter of credit, spot and forward foreign exchange transactions, overseas loan, overseas credit insurance, etc.

Serving state-level integrated reform pilot zone

In the reporting period, ICBC Shouxi Branch completed loans for the wealth management direct investment project of Shouxi integration integrated reform zone, making it the first financial institution to support the construction of Shouxi transformation integrated reform pilot zone. It is a typical case of the Bank serving the province’s industrial transformation and economic development with investment banking means, indicating that it has realized a trail of supporting local economic transformation and serving financial innovation of state-level integrated reform pilot zone.
Carrying out Green Finance

Aiding in Green Bond Financial Market Development

During the reporting period, the Bank positively answered the call of Chinese government for saving energy and reducing emissions, and strengthened environmental protection, and aided in the development of green bonds. It underwrote 17 green bonds with a combined amount of RMB64.3 billion, ranking No.1 among Chinese banking institutions and named the “Excellent Underwriter of China Bond Green Bond Index Constituents 2017”. The Bank actively involved itself in green bond investment, recording an investment balance of RMB20.19 billion.

- Underwrote 11 green bonds
- Rated RMB 64.3 billion
- Making the Bank rank No. 1 among Chinese banking institutions
- Named the “Excellent Underwriter of China Bond Green Bond Index Constituents 2017”

Carrying Forward Green Credit

During the reporting period, the Bank actively acted in line with the government’s five development concepts of “innovation, coordination, green, opening up and sharing” and the requirements of “promoting balanced economic, political, cultural, social, and ecological progress”. Regarding green credit as a key strategy for long-term pursuit, the Bank comprehensively carried forward green credit, actively backed the development of environmental industries, enhanced the prevention and control of environmental and social risks, and continued to advance low carbon operation in all aspects, e.g. credit policy, management process, business innovation and own performance, in order to synchronously improve social and ecological benefits. As at the end of the reporting period, the balance of green credit was RMB110 billion, which was higher than the same-period growth of the bank’s corporate loan balance by about 3.50 percentage points.

As at the end of the reporting period, the balance of green credit

- Ecological protection
- Clean energy
- Energy saving and environmental protection
- Resource recycling
- Reached RMB 1,099,199 million, increasing by RMB 120,639 million

Beijing Branch of the Bank acted as the lead underwriter of the RMB1 billion green bond financing instrument issuance by an energy conservation services company, which was focused on energy conservation services and clean energy exploitation & utilization. The fund so raised was used to support a biomass power generation project of its subsidiary. The project, the highest rated at G-1, could save 999,200 tons of standard coal and reduce CO₂ emissions by 2,456,900 tons each year, setting a good example for promoting energy conservation and emissions reduction and supporting green shift of economy in China.
Improving Green Credit Policies

Each year, the Bank releases the revised industrial (green) credit policy, acts in accordance with the green credit policy orientations and requirements for different industries, supports the development of key areas of green credit business, continues to improve the classification standards and management regulations of corporate green credit, and strengthens the prevention, control and management of potential environmental and social risks. During the reporting period, the Bank issued the Measures for Risk Management of “Going Global” Cross-border Financing Business, requiring related overseas institutions to strengthen environmental and social risk management over the Belt and Road business and the “Going Global” business in compliance with their local policies, laws and regulations, and regulatory requirements, as well as international practices.

Strengthening Whole-process Management of Green Credit

The Bank comprehensively implemented the “Green Credit One-stop 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 on monitoring, identification, control and mitigation of environmental and social risks, and embedded and carried them out throughout the whole credit process. The early-warning notices of risk were issued in time to enterprises with violations of environmental protection and safety 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.

Improving the IT-based Green Credit Management

During the reporting period, the Bank collected and verified green credit classification 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 and information disclosure.

Intensifying Green Credit Assessment and Resource Allocation

To carry out the green credit orientations and value concepts, the systems of performance assessment indicators of the Board of Directors over senior management members and of the institutions over their employees contained economic benefit indicators, risk & cost control indicators and social responsibility indicators, which measured the risk balancing orientation placing equal emphasis upon business growth and risk prevention & control and coordination of incentives and constraints. The Bank regularly performed the self-assessment of green credit implementation, worked out the measures for rectification and improvement, deeply promoted green credit building and enhanced the execution force of green credit. On the basis of putting in place the financial and human resources related to green credit, the Bank clearly required to steadily increase the proportion of green credit and accelerate the development of green credit business during the reporting period.

Data on Reduction of Greenhouse Gas Emissions under Green Credit

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green credit balance (RMB100 million)</td>
<td>10,951.99</td>
<td>9,785.60</td>
<td>6,146.01</td>
</tr>
<tr>
<td>Standard coal equivalence of reductions (10,000t)</td>
<td>2,267.27</td>
<td>2,478.05</td>
<td>2,203.89</td>
</tr>
<tr>
<td>CO₂ equivalence of reductions (10,000t)</td>
<td>2,502.57</td>
<td>2,634.26</td>
<td>2,032.74</td>
</tr>
<tr>
<td>COD emission reduction (10,000t)</td>
<td>15.83</td>
<td>20.7</td>
<td>44.17</td>
</tr>
<tr>
<td>Ammonia nitrogen emission reduction (10,000t)</td>
<td>1.61</td>
<td>2.3</td>
<td>4.03</td>
</tr>
<tr>
<td>SO₂ emission reduction (10,000t)</td>
<td>12.45</td>
<td>38.31</td>
<td>100.77</td>
</tr>
<tr>
<td>Nitrogen oxides emission reduction (10,000t)</td>
<td>6.15</td>
<td>5.08</td>
<td>4.21</td>
</tr>
<tr>
<td>Water saved (10,000t)</td>
<td>3,486.65</td>
<td>6,326.49</td>
<td>5,350.84</td>
</tr>
</tbody>
</table>

NOTE: The data is derived from the Bank’s own green credit.
Developing Inclusive Finance

Setting up the Inclusive Finance Department

During the reporting period, the Bank wrapped up the setup of inclusive finance department at the Head Office and all ten (1) directly-controlled branches, accelerated the improvement of the organizational framework of inclusive finance, spared no effort to put the "five specialized" operating mechanism in place, widely guaranteed the supply of credit resources and optimized the mix of financial products for micro and small enterprises, deeply carried out the "loan renewal" policy, improved risk control models, advanced the application of big data and Internet technologies in micro and small enterprises finance, strengthened inclusive finance for more economic benefits, and lived up to its large-bank position in the areas of supporting micro and small enterprises, "agriculture, rural areas and farmers", "mass entrepreneurship and innovation", and anti-poverty.
Serving Micro and Small Enterprises

During the reporting period, the Bank vigorously promoted the setup of micro and small enterprise banking centers in key regions, worked hard to strengthen the operation and management of such centers, continued to optimize their specialized operating model, and offered standardized micro and small enterprise credit products and individualized financial services solutions to satisfy diverse requirements of customers.

As at the end of the reporting period, the Bank registered a balance of loans to micro and small enterprises of RMB2.22 trillion, up 9% over the year beginning.

There were 242,660 micro and small enterprise customers, up 9,940 over the year beginning.

The Bank approved the setup of 2,346 micro and small enterprise banking centers, including 500 already in operation.

The presence of micro and small enterprise banking centers:
- provided capital branches: 100%
- important city branches: 96%
- demonstration stations: "Made in China 2025": 84%
Supporting Mass Entrepreneurship and Innovation

During the reporting period, the Bank established 10 new economy-themed sub-branches, in the places closest to the resources of new economy, e.g. Beijing and Shanghai. They are specialized in serving scientific, innovative enterprises, and actively provide high-tech enterprises, NEEQ listed enterprises and unicorn enterprises with precise and quick financial services.

Poverty Relief through Finance

The Bank is keenly aware that finance-supported targeted poverty reduction and alleviation plays a pivotal role in the fight against poverty. While focusing on targeted poverty reduction and alleviation, the Bank strived to achieve breakthroughs mainly in credit granting, product innovation and service provision, etc., and deeply pushed forward anti-poverty work to cater for the financial demand of poverty-stricken areas. The Bank’s efforts paid off in the way of financial leveraging and promoting finance-supported targeted poverty relief in the new era.

Considering the difficulties of poverty-stricken areas in selling agricultural products and the low recognition of good-quality products there, the Bank made full use of Internet-based financial means and rolled out good-quality agricultural products on “ICBC Mall”, the online shopping mall of ICBC, for sales.

Innovative poverty alleviating financial products and services: The Bank launched the “Getting Rich Entrepreneur Loan”, granting loan to people who planted and bred a lot. 117 registered poor households received aid through funding jobs and signing of support agreements. Innovation was made to poverty alleviating poverty loan products. To address the operation and development demand of registered poor households, the Bank provided unsecured loans of RMB 2.00 million to 2.00 poor households, and helped them get rich through hard work and live on an independent basis.

As at the end of the reporting period

- More than 500 merchants in poor areas went on ICBC Mall
- 3,238 locally featured agricultural products and rural tourism products
- A cumulative trading amount of 15.162 billion

These merchants came from 275 nationally designated poor counties in 21 provinces, autonomous regions and municipalities.
Financial Services for “Agriculture, Rural Areas and Farmers”

The Bank kept on providing innovative financial services for “Agriculture, rural areas and farmers”. Relying on a variety of approaches to strengthen financial services for them, worked hard to fill up financial services gaps and deficiencies, and actively explored the fresh models of benefiting farmers with finance so that stable finance could benefit the countryside. During the reporting period, the Bank granted loans of RMB17.2 billion for new countryside construction cumulatively.

The Bank continued the construction of outlets and self-service channels in county areas and townships.

The Bank rolled out innovative “Farmer-benefiting Loan” product series including farmer guarantee loan, agricultural husbandry loan, land loan, agricultural machinery loan and agricultural product loan in cooperation with the government and trading enterprises. On the basis of the actual situation of the customers, the Bank chose the ways of guarantee like mortgage, pledge and guarantee flexible, and matched with different methods of calculating the loan amount to increase the availability of loans.

The Bank issued Funong cards to rural migrant workers. The cards featured the same functions locally and in different places, and thus provided convenience to the elderly and children. As at the end of the reporting period, 27,973,000 Funong cards were issued, an increase of 3,384,600 over the year beginning.

In order to accommodate to the development progress of agricultural cultivation reform in Heilongjiang Province, and better serve the “agriculturized” economy, ICBC Harbin Branch, located in Harbin City, increased financing support for farmers of agricultural cultivation sector, and designed an “Agriculture Startup Loan” financing plan for employees of each farm under the jurisdiction of Agricultural Cultivation (Hua) District Administration Bureau, aiming at meeting borrowers’ loan demands for purchase of agricultural materials and production in the course of agricultural production and operation. The branch granted “Agriculture Startup Loans” of RMB19,006,000, providing a stable environment and support for smooth reform of agricultural cultivation.

ICBC benefiting farmers under risk sharing

The operating entities of new type agriculture are weak in risk tolerance, and find it very hard to apply for loans. In response, Harbin Branch of the Bank completed the signing of a strategic cooperative agreement on “Guarantee for Farmers of Jiangsu” with Jiangsu Agriculture Credit Guarantee Co., Ltd. in a short period of time, and quickly issued the first “ICBC Farmer-benefiting Loan” for a local agricultural company.

1. An enterprise’s countryside modern agricultural construction project financed by the Bank.
2. A firm branch supported the purchase of agricultural implements by farmers’ cooperative without any collateral.
Customers’ Favourite

Customers are the business foundation of a bank. The Bank upholds and fulfills the “customer-oriented” operating philosophy and takes persistent efforts to build an efficient, reputed bank that provides good customer experience. The Bank endeavors to provide more efficient, safer and more convenient financial services of better quality and become a trusted, reliable, user-friendly and first-choice bank that provides excellent financial services.
Improving Service Quality

The Bank has implemented an "online + offline", "manual + AI" and "push + interactive" vertical service system that enables identification, response and connection across all channels and provides consistent service experience. The Bank stays always "near you" based on 16,090 domestic outlets, 27,739 self-service banking facilities, nearly 100,000 ATMs and 7,453 online services, and remains "trustworthy" based on more than 400,000 professional and dedicated employees, strong and reliable data systems and minute/second-level data backups.

Enriching Services

The Bank always upholds the "customer-oriented" guiding principle, emphasizing customer experience and pursues improvements in service quality, placing focus on products, processes and channels. The Bank aims to become a bank near customers to ensure financial services are available anytime, anywhere, and also become a bank in the heart of customers and the first choice of customers.

Organic combination of rigid system and user-friendly service

In recent years, the Bank has accelerated full-scale application of new technologies in fund security and risk prevention and control and established a "Cloud Monitoring" platform with credit card fraud risk monitoring, online transaction risk monitoring, personal account fraud risk monitoring and telecom fraud account identification and warning systems at its core, covering online and offline operations, all business processes as well as internal prevention and internal control. This platform provides early warning and real-time "suspicious issuing" for risk transactions. In the reporting period, the Bank released the "ICBC Smart Guard", an account security service. This service enables customers to set account payment features at their discretion according to risk appetite, transaction habits and specific scenarios, thereby keeping track of fund movements and enhancing risk protection. When launched, "ICBC Smart Guard" will, together with "Cloud Monitoring", form a complete "Cloud + Terminal" smart risk prevention and control system that provides customers with all-dimensional, smart protection for account transactions and fund security.
Advancing the Construction of Channels

Strengthening Management Mechanisms

In the reporting period, the Bank issued the core principles of service culture: "Customer First, Satisfactory Service, Valuing Employees, Persistent Integrity." It is the first bank to widely implement service culture in China's banking industry, aiming to accelerate the Bank's pace towards a bank of customer satisfaction that is the first choice of customers, and which employees are proud of.

The Bank listens to voices of customers and makes the cost of expectations and enhances the customer-oriented service team, capability, and quality around customer demand. The Bank has improved the customer-oriented organizational structure, work mechanisms and business processes, and built a service network featuring global business response, integrated online and offline operations, and 7x24 service to become the first-choice bank for customers.

The Bank treats employees as valuable resources by respecting, understanding, trusting, and caring for them. The Bank fully protects the rights and interests of employees, helps their career development, organizes various activities to promote employee value enhancement with customer satisfaction enhancement, builds a mega service landscape in which "managers serve employees, the second line serves the first line, and all employees serve customers" and builds a "bank of employee satisfaction".

Satisfactory Service

The Bank keeps pace with the times and always innovates in customer service modes to boost the service supply capacity, address pain points of customer experience, provide customers with the best financial service experience and build a "bank of customer experience".

Customer First

The Bank always takes credibility as its底线, works hard to win the trust of customers and unswervingly stays true to the expectations of customers and the larger society to build the "most trusted bank".
Setting Models

The Bank set models for service improvements to spur the positive energy and build a harmonious bank. As at the end of the reporting period, the Bank had 650 five-star service outlets that play a model role in improving customer service in the new era.

A master of currency replacement commanded by CCTV

Liu Tiefeng is one of the counter staff at Changsheng People’s Square Sub-branch of the Bank with nearly 40 years’ frontline work experience, called “Lao Liu” by colleagues to show their respect and affection. Mr. Liu has helped customers replace RMB15 million of damaged or soiled currencies in the past over ten years. He has helped numerous customers, receiving as countless thanks as mutilated currencies replaced by him. After Jilin TV and CCTV broadcast his deeds successively in September 2015, Mr. Liu responded without excitement saying that when a person puts love and responsibility first, no matter how ordinary his post is, he will always do a good job.

Banking Department Outlet Quality Service Competition

To further cement and disseminate the core philosophy of ICBC’s service nature, the Banking Department of Jiangsu Branch of the Bank organized the “A Hit for the First Choice Bank - Banking Department Outlet Quality Service Competition”, a final even, 21 sub branches took part in the competition.

Improving Service Functions

The Bank focuses its product orientation on customer experience based on the pain points of customer demand and market hot spots in the Internet era. Standing in the shoes of customers, the Bank speeds up product innovation, optimization and upgrades in pursuit of the best service experience. In the reporting period, the Bank kept increasing service efficiency, with the number of customers waiting for overly long time down 26.4% and the number of outlets with overly long waits down 66.3% year-on-year. The customer satisfaction improved steadily, as was shown by third-party customer satisfaction.

In the reporting period, the bank provided one-stop services to customers with diverse demand through the multi-transaction parallel processing mechanism and the front-end application and back-end billing mode. This service does not require customers to fill in forms manually, with the number of password entries, signings and identifications down 10%, 60% and 33% respectively compared with the old service mode. The average time length of counter transactions, including cash withdrawal and remittance, was reduced by over 20%. Customer experience has been improved significantly.

ICBC Truck in South America

ICBC Truck, a truck-mounted mobile outlet of ICBC (Argentina), officially debuted at Argentina’s famous beach resort Punta del Este in January 2017. This mobile facility has further optimized the service mode and improved customer experience. ICBC Truck is equipped with ATM and staffed with customer manager. Customers can withdraw cash, transfer money or pay bills on ATMs and the customer manager provides account opening, business consulting and other services in the truck.
Building a Global Brand

Building ONE ICBC

Within the overall framework of "ONE ICBC", the Bank endorses the values of "being open, honest, and accessible" and the philosophy of "putting customers first". The Bank aims to promote a culture of "zero defects" in its operations and services. We strive to achieve one-step access, rapid response, and global service.

The Bank diversifies its business via a banking holding company model. The Bank has adapted a dual-lane diversification model that combines internal expansion and strategic acquisitions, licensed and unlicensed operations, and commercial banking and non-commercial banking businesses. At the end of the reporting period, the Bank has made significant progress in asset management, global markets, investment banking, financial leasing, life insurance, and market-based debt-equity swaps and continuously developed new profitability centers in the fields of capital market and emerging finance.

In the reporting period, ICBC AKA rolled out the "ICBC AKA Prosperous Life Insurance Product Plan", which is a new model that includes "principal annuities". The plan is designed to meet diverse customer needs, including wealth enhancement, children's education, asset preservation, and high-quality living arrangements. In recognition of its contribution to the insurance industry, ICBC AKA was awarded the "Best Innovation Award" at the "China's Insurance Innovation Awards 2017". The insurance product plan was named the "Most Innovative Insurance Product".

ICBC Credit Suisse Asset Management is deeply committed to providing excellent wealth management services to its customers. The Bank emphasizes the importance of maintaining a strong relationship with its customers, providing a "happy life" experience, and constantly striving to improve its service quality. As at the end of the reporting period, ICBC Credit Suisse Asset Management handled RMB 2.1 billion worth of assets for over 19 million customers. In addition, ICBC Credit Suisse Asset Management has improved its investor education quality through its "Chinese-style" education website, which highlights its public welfare features, professionalism, and uniqueness and provides comprehensive education services to its customers, becoming the leading fund company in China's growing fund investor education market.

In the reporting period, ICBC International has been ranked first in global fundraising among Chinese investment banks in 2017. ICBC International also completed the Deutsche Bank's EUR billion rights issue project and the SMCP IPO project as the sole Chinese investment bank, marking the debut of the ICBC investment banking brand in the French capital market.

Buying into the Standard Bank Group in 2008 is the largest overseas investment of the Bank, and also an important milestone in the Bank's internationalization process. The "equity-based strategic cooperation" between the two banks includes a "扶贫工作" in the African financial cooperation. It has enabled sharing of resources and combined strategic, in the areas of project finance, trade financing, fund settlement, information technology, and risk management, including innovative financial service modes "China-Africa Direct Lending", "Cross-border Remittance" and other financial products. The Bank provides a full spectrum of financial services including credit, financing, treasury management, and investment banking, and has significantly increased its presence in Africa. In the reporting period, the two banks also made breakthroughs in knowledge, and continued to support the exchange of information and expertise among staff to further deepen mutual understanding, enhance complementary advantages and promote cultural integration.

ICBC Credit Suisse Asset Management manages RMB 2.1 billion worth of assets for over 19 million customers. In addition, ICBC Credit Suisse Asset Management has improved its investor education quality through its "Chinese-style" education website, which highlights its public welfare features, professionalism, and uniqueness and provides comprehensive education services to its customers, becoming the leading fund company in China's growing fund investor education market.
Demonstrating a Major Bank’s Sense of Responsibility

With its global service network, the Bank serves local economic development, helps solve hot issues and difficulties in local economic and social development, given due consideration to the impact on local people, environment and society and improves the local people’s well-being.

Sabzwal Coal-fired Power Plant in Pakistan is the first large-scaled high-efficiency clean coal-fired power project brought on stream in the China-Pakistan Economic Corridor. The plant started to operate on May 22, 2017, estimated to generate 9 billion kWh a year to address the local electricity shortage and promote people’s wellbeing improvement as well as social and economic development in Pakistan. The power plant far outperforms Pakistan’s national emission standards in terms of dusting, denitrification, etc. The safety, quality and efficiency demonstrated in the plant construction have created a miracle in Pakistan’s electricity development history. The Bank set up a syndicate and arranged a loan of USD1.44 billion for the project as the lead bank. In the project execution process, the Bank leveraged on its strengths in diversification and global service network to design an integrated financing structure for the project based on close collaboration among branches Beijing, Shenzhen and Shanghai branches. The Bank completed the drafting, negotiation and signing of the financing agreement in a short period to provide a strong assurance for smooth project implementation.

In the reporting period, the Teminakuya Gas-fired Power Plant supported by ICBC (Moscow) started to operate commercially and connect power to the grid. It is the first large electric power cooperation project between China and Russia. The power plant is equipped with the most advanced gas-fired power generation sets that reduce natural gas consumption by 25% and cut air pollutant emissions by 30%. It is of great importance to improving the local power grid structure, developing a circular economy, fueling development of related industries and improving the living standard of local people. The local government and residents commend the power plant as a shining pearl by the Volga River.

Kung Wo Soy Sauce Factory is a Hong Kong-based century-old store that opened in 1905, which once sold as many as 1,000 bottles of unaged soy sauce a day. In recent years, many small Hong Kong stores have been struggling to survive due to rising rent and other adverse factors. As a long-term partner of Kung Wo Soy Sauce Factory, ICBC (Asia) developed a tailor-made financing solution for the store based on detailed analysis and issued a housing-backed loan to meet its working capital demand in peak season (autumn and winter). This loan helps the century-old store to grow and continues its community service.

During the reporting period, Mumbai Branch lent INR 1.08 billion to a local non-banking institution, which provided financial products and services to personal customers in the suburbs and rural areas mainly in order to satisfy their financing demand for housing, agricultural machinery and transport vehicles. At the same time, Mumbai Branch granted a loan of INR 120 million to another local non-banking institution aimed at helping the letter provide deposit, insurance, micro-enterprise development funding and family education improvement loan to urban low-income groups.
4
Leading in Innovation

Innovation is an inexhaustible driver for trend-setting, sustainable development of a bank. The Bank has vigorously fostered innovation culture. In pursuit of all-round innovation driven by innovation in system and technology, the Bank makes continuous efforts to improve online and offline service systems, innovate products and services and strengthen innovation in management in a bid to become a leader and driver of the smart finance ecosystem.
Promoting Smart Service

In the reporting period, the Bank moved steadily forward with smart outlet upgrades and self-banking development by further enriching the content of smart outlet service and improving the network of self-service channels. The Bank innovated internet banking, mobile banking and telephone banking products and services, accelerated the supply-side structural reform in banking services, kept building online and offline channels, and enhanced both smart service capability and customer experience.

Improving Offline Smart Services

In the reporting period, the Bank's smart service channels added personal banking services including lost card reporting and replacement, lost card reporting and conciliation, full account view and account upgrade. E-banking services including secure media management and credit card services including credit card registration, ICBC E-Loan, activation of credit cards applied for online. The Bank provided non-local cardholders with direct card transfer and account closure. E-banking password resetting, e-banking registration and registration and credit card activation services. The facial recognition feature for debit card was launched to effectively fight against identity theft and protect customers.

The Bank keeps close track of the latest technological developments to pilot and scale up the use of innovative devices. The ATM payback feature was added, the portable smart ATMs were launched on a pilot scale.

During the reporting period, from the easternmost Dangji Sub-branch in Fujian County, Heilongjiang Province to the westernmost Xinwen North Road Sub-branch in Shaoyao County, Kashgar, Xinjiang, from the northernmost Baiji Sub-branch, Mohe County, Heilongjiang Province to the southernmost Sanya Sub-branch in Yongsha Island, Hainan Province, ICBC smart equipment provided 62.78 million customers with more professional, quicker, safer and better financial services.
Innovation in Online Smart Products

Since the e-ICBC 3.0 strategy was launched, ICBC has been pushing forward with building online service channels and accelerating innovation in internet banking, mobile banking and telephone banking. E-banking is focused on Internet business accounts, with 94.36% of total business volume, becoming the primary channel for serving customers.

**e-Payment Products**

The branch upgraded the payment product mix to cover high-value and small-value payments. ICBC and non-ICBC customers and diverse payment scenarios, and allowed efficient merchant interfacing. UnionPay QR code connectivity and WeChat and Alipay acquiring services were rolled out. Beijing Subway, Exit-Entry Administration, online hospital and other mobile payment scenarios were introduced on a pilot scale to significantly enhance customers’ payments experience in relevant scenarios.

**ICBC Loan Products**

The bank has leveraged big data to improve the capabilities of credit extension and risk control, constantly enriched service features including second-level lending, grace period and fingerprint password, established scenario connection with pure consumer finance platforms, integrated internet platforms and vertical e-commerce platforms to meet customer demand for “Quick, Easy and Simple” finance in various consumption scenarios.

**E-banking**

- **Transactions value increased by 7.7% year-on-year**
- **ICBC Mobile**
  - Transactions value increased by 85.7% year-on-year
  - Transaction value rising by 186.2% year-on-year
  - Active users increased by 18.9% year-on-year

A notable trend of business migration to the mobile terminal.

Magical smart ATMs

During the reporting period, ICBC smart ATMs appeared on an exhibition featuring China's outstanding achievements over the past five years as the sole physical product of the financial industry, manifesting to visitors the unique charm of intelligent banking and modern financial services. This equipment, incorporating cutting-edge technologies such as artificial intelligence, biometrics and big data analysis, provides over 200 financial and daily life services, covering most counter-based common non-cash personal services.

First ICBC Mall online auction

In the reporting period, Jiangsu Branch of the Bank chose Karamay Petroleum Branch for piloting of small-value promotional item procurement. An announcement was published and quotes of suppliers were accepted on the ICBC Mall e-commerce platform. The first “Online Auction” and the first “Reverse Auction”, two online sourcing tools, were traded successfully on the ICBC Mall e-commerce platform. Nine suppliers quoted their prices. The deal announcement was immediately published on ICBC Mall, marking the Bank’s first e-procurement transaction.

Support urban infrastructure construction by innovation

Metro Line 6 project of Changsha is the longest line with the biggest investment among the planned 12 metro lines in the city. In the reporting period, ICBC Hunan Branch put forward an innovative financing plan, and simplified project initiation and report procedures for the customer while meeting financing demands and loan approval requirements to meet the project construction fund demand and guarantee the smooth progress of the project.

Establishing Cross-border E-commerce Channels

In November 2017, the Bank's Singapore Branch was invited to the Fintech Festival jointly organized by the Monetary Authority of Singapore (MAS) and the Association of Banks in Singapore for the first time. It exhibited the Bank's new mobile banking, cross-border B2B e-commerce platform, ICBC Mall, cross-border e-payment, and ICBC e-Security. The investment, seven innovation labs, smart outfits and other products. At the Fintech Festival, the first cross-border bilingual B2B e-commerce platform jointly established by Singapore Branch and Singapore Pearl Holdings Co., Ltd. in Southeast Asia effectively connected corporate customers in China, Singapore and Southeast Asia to provide them with one-stop B2B services. This platform provides a cost-effective and efficient cross-border e-commerce channel for Singapore and even the ASEAN market.
Advancing Innovation in Products

Building “Mega Investment Banking”

In the reporting period, the Bank coordinated investment banking development, strengthened the Group’s top-level design, established a value chain-wide marketing system, and focused on key fields, key customers, key products and key institutions. The Bank fostered the investment banking culture, increased business volume, upgraded business systems and strengthened collaboration between domestic and overseas institutions.

Fostering the ICBC Investment banking M&A brand

According to the data provided by Thomson Reuters for the year 2017, the Bank ranked No.1 by number of M&A deals in both the Asia Pacific and China four years in a row,

Joined the global top 20 by value and number of M&A advisory service deals two years in a row.

The “mega investment banking” coordinated management platform was created

The Bank has realized total-process management of investment banking to keep track of financial asset service projects from pipeline through approval to investment.

The “mega investment banking” research service platform was upgraded

The Bank consolidated the Group’s research findings and released them to customers through the financial advisory service module.

The “mega investment banking” transaction matchmaking platform was improved

The Bank provides partners and customers with the information release and transaction platform that covers businesses, projects and products.

Early restructuring to bear new fruit

In the reporting period, the Bank as a financial advisor conducted a general due diligence of China Railway Material Group Co., Ltd. (CRMG), developed its debt restructuring plan and helped CRMG reach a consensus with the creditors’ committee that “debt restructuring options should be designed under the framework of preserving the full principal amount of claims” and designed the private placement bond replacement option and the asset disposal option for CRMG. On January 19, 2017, CRMG’s debt restructuring plan was unanimously approved by the bank creditors’ committee and private placement bondholders’ meeting and a debt restructuring agreement was formally signed, marking a substantial progress in the CRMG debt restructuring project. CRMG commented on the Bank’s debt restructuring plan stating that it “has given full consideration to the balance of interests between enterprise and bank and achieved a win-win result among stakeholders” and that the project “demonstrates the most efficient debt restructuring of central enterprises”. On December 29, 2017, CRMG repaid the principal plus interest on the privately placed debt financing instrument when due, marking the debt servicing plan for 2017 was fulfilled to schedule.

City of Eagle Development Industry Upgrade Guidance Fund

To advance industry restructuring, the government of Pingxiang City established an RMB5 billion industry upgrade fund, the largest industry guidance fund led by the local government. Pingxiang Branch of the Bank obtained the sole eligibility for its establishment after active marketing. The initial RMB460 million was put in place, accompanied by RMB660 million of government fund and non-government funds. It was the first combination fund approved by Pingxiang Branch under the project mode, playing a significant role in the local market.
In the reporting period, the Bank upheld the investment philosophy of integrity, value, professionalism and innovation, made solid progress in transformation of the business model of asset management, deepened intra-group collaboration and effectively carried out such work as net-worth transformation of products, M&A capacity building, compliance and sales, risk management and operation support. ICBC Asset Management (Global) was established to unleash the advantages in group operation, deepen inter-disciplinary collaboration and intra-group cooperation and ultimately create secure, stable and sustainable return on wealth management funds of customers.

In the reporting period, the Bank seized laws in retail banking in the new era, made active explorations in digital-based smart retail transformation and pushed for steady operation and sustainable development in retail banking focused on products, processes, channels, risk controls and accounts.
**Enhancing Full-dimensional Corporate Banking**

In the reporting period, the Bank pushed for total market layout, total financing service, total product, total channel management, total team building and strong collaborative marketing and continuously improved the capabilities of corporate banking services and corporate banking management with the ultimate aim of addressing the demand of corporate customers.

**Building a new industrial-financial ecosystem**

In the reporting period, the Bank launched "ICBC Hub" that serves core customers primarily and upstream and downstream micro and small businesses secondarily. The product provides enterprises with supply chain-wide online-one-stop service inclusive of all products through a combination of "Industry e-commerce + Internet finance + big data", thereby creating a new industrial-financial ecosystem and opening up a new financial service model for commercial banking in the internet era.

**Deploying Full-dimensional Institutional Banking**

In the reporting period, the Bank strengthened innovation in marketing services externally to effectively fortify the institutional customer base. Internally, the Bank refined operation management and continuously enhanced the sustainability of institutional banking.

**NO.1**

The Bank actively supported the Ministry of Finance’s treasury centralized e-payment reform and non-tax revenue e-collection reform. The Bank expanded the mobile information service for social security.

**NO.1**

The Bank actively promoted financial bond underwriting business, and guaranteed the No. 1 position in the banking market by the financial bonds underwrite.

**Strengthening Innovation in Management**

**Improving the Differentiated Institution Management Mechanism**

In the reporting period, the Bank made continuous improvements in the differentiated institution management model. While adhering to the "ONE ICBC" integrated management, the Bank further streamlined the management functions at all levels and created a framework for differentiated management of traditional and emerging businesses. Category-specific endeavors were made according to regional economy size, public finance capacity, per capita income, industry developments, institutional team capability, quality and profitability, potential for growth and innovative development, thereby improving overall efficiency, strengthening direct operation functions of the Head Office and enhancing the service marketing level and competitiveness.

**Optimizing the Assessment and Evaluation Mechanism**

In the reporting period, the Bank improved the assessment system in line with the times, local conditions and prevailing trends to highlight the differentiated, segment-based, integrated and straight-through orientation. The Bank improved the differentiated assessment methods under the unified principle, and promoted the resource allocation, pushed all institutions to play the comparative advantages and enhance regional competitiveness, and strengthened the implementation of strategies.

**Advancing Reform in Key City Branches**

In the reporting period, the Bank moved forward with boosting the competitiveness and profitability of 80 key city branches by supporting their discretionary innovations and reforms, in a bid to develop them into ICBC’s major battlegrounds featuring "great business contribution, large business share, good asset quality, good reputation and strong innovation".
Security and Prudence

Safety and soundness underlie the sustainable prosperity of banks. The Bank upholds the corporate culture that “Integrity Leads to Prosperity”, responds actively to the latest changes in financial supervision and market conditions, attaches great importance to defending the bottom line of risks and fortifying the lines of defense for compliance and pursues safe operation and sound development based on well-established policies and risk control and prevention in a bid to create value for customers and the larger society.
Solidifying Internal Management

Policies and procedures
The Bank issued the Provisions on Compliance Management of Overseas Institutions, further strengthened the three lines of defense for compliance risk of overseas institutions and refined and issued the seven working mechanisms for overseas compliance management. The Compliance Management Handbook for Senior Managers of Overseas Institutions was published. The Administrative Measures for Compliance Managers and the Work Manual for Compliance Managers of Outlets were issued.

Compliance culture
The Bank launched a themed activity of 2017 “Implementation Enhancement Year” of Internal Control and Compliance. The Bank enhanced pre-event and real-time risk control and prevention in compliance examination. A compliance examination team composed of 675 professionals was established at the tier-one branch level or branches directly controlled by the Head Office. The Bank continued to deepen the application of the compliance examination system and established early intervention of examination as a routine.

Internal audit
The Bank carried out risk-oriented audit activities around its strategy and central tasks, pushed for functional optimization and professional innovation in internal audit in a proactive manner, improved the audit methods and techniques, advanced IT-assisted audit, stepped up vocational education and project training and made continuous improvements in the audit service capability and professionalism.

Integrity culture
To play the leading role of culture, the Bank solicited integrity-themed micro-videos and posters and exhibited good works. The Bank made solid progress in discipline education to further enhance all employees’ capabilities of discipline, self-control and comprehension. In addition, the “Strict, Precise and Accurate” management accountability was implemented to ensure the accountability of an individual will amount to a warning for a group of people.

In the reporting period, the Bank cumulatively conducted 2,258 AML training sessions attended by over 220,000 person times.

The Bank also organized 15,607 integrity and compliance training sessions attending by 740,320 person times.
Improving the Consumer Protection System

In the reporting period, the Bank implemented consumer protection laws, regulations and supervisory requirements with due care, upheld consumer protection as the core philosophy and code of conduct in operation and development and integrated consumer protection organically into all links of operation management in an effort to safeguard the fund safety and income of customers and harmonize economic benefits and social value.

Consumer Protection Workstation of Jiangpu Branch

Improved consumer protection system

The Bank further improved the working mechanism for consumer protection, disclosed the service fee standards and service terms promptly, fully and comprehensively to protect consumers’ right to know, further brought discipline to service charges and monitored external inspection of service charges quarterly to avoid impairing the legitimate rights and interests of consumers.

Refined complaint management

Upholding the management tenet of “Focusing on Customers”, the Bank deemed the strengthening of customer complaints management to be an important way of improving customer services and protecting consumers, attached more importance to customer comments and feedbacks, and continuously optimized customer experience in line with their appeals.

Deepened publicity and training

The Bank carried out financial knowledge education of consumers by a combination of routine and central publicity and training events. The Bank was granted the Award for Excellent Performance in the “Populatizing Financial Knowledge” by CBRC and awarded the 2017 Best Effect Award for “Populatizing Financial Knowledge” Series in Chinese Banking Industry by the China Banking Association.

The Bank organized the online consumer protection knowledge contest attended by 204,380 person times, incorporating consumer protection as a crucial component in corporate culture. The video training on customer complaint management was held to enhance outlets' ability to manage and handle complaints.

Publicity

The Bank compiled and released well-targeted publicity materials via corporate Weibo, WeChat public account and outlets with a number of publicity events, including “National Financial Education Campaign” , “Financial Literacy Popularizing Month”, “Populatizing Financial Knowledge” , “9·19 Theme Education” , “Campus Financial Education Campaign” and “Preventing Illegal Fundraising”.

A heart-warming mistake

Mr. Fang Hanxi, First Grade Professor Emeritus at Renmin University of China, is a giant in China’s journalism history. After winning the Wu Hufung Humanities and Social Sciences Lifetime Achievement Award, Mr. Fang decided to donate all the award money of RMB1 million before tax to establish a charity fund. Mr. Fang, accompanied by fund staff, visited the Renmin University Sub-branch of ICBC to make money on December 23, 2017. The sub-branch personnel noticed that the elderly Mr. Fang had the number-taking, queuing and other steps done via his companion. To protect the old man from any possible fraud, bank staff carefully asked Mr. Fang about the purpose of fund transfer, identity of payer and whereabouts of his children and made patient explanations. Then the companion took out the news report on Mr. Fang’s donation to eliminate the bank staff’s doubts. Though mistaken as a “swindler”, the companion appreciated the work attitude and sense of risk of ICBC personnel and was satisfied with the service process. This event received wide media attention and coverage and won high praise from the public.
Improving Asset Quality

The Bank took tough steps to improve the quality of credit assets by eliminating both symptoms and root causes and accelerated the creation of a new credit management mechanism fit for the new normal. The capability of proactive credit management and the ability to dispose of non-performing assets were further strengthened to pursue quantitative and qualitative improvements in asset quality.

Upgrading the industry structure

The Bank continuously adjusted or improved industry credit policies, enhanced the industry structure planning and focused on key regions and high-quality customers in line with the macro-economic policy, industry policy orientation and industry characteristics. While supporting industry leaders and transformation and upgrade needs, the Bank continuously drove optimal adjustments to the industry credit structure. Further highlighted the strategic function of the industry credit policy and improved the guiding role practicability and operability of the industry credit policy.

Cutting loans to industries with excess capacities

The Bank kept abreast of the latest national policy changes, continuously improved working mechanisms through industry credit policies, deployment management of key industries and other measures, strengthened financing management of customers with excess industrial capacities and fully played the role of finance in resource allocation. The Bank saw through short-term pickups in industries with overcapacities including steel, coal, electricity and cement, optimized the housing finance product system, controlled over-concentration of new financing in real estate, strictly controlled the total size of financing and reformed its structure to effectively prevent risks in excess industrial capacities and correct the existing achievements in elimination of excess capacities. At the end of the reporting period, the Bank’s loans to industries with excess capacities accounted for 1.80% of total outstanding loans, down 0.14 percentage point year-on-year.

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- 1.80% of total outstanding loans.
- Down 0.14 percentage point year-on-year.

In the reporting period, the Bank’s loans to transportation, storage and postal services increased by 13.2%, mainly for the transportation and logistics industries. The loan to the mining industry increased by 12.8%, mainly for the coal industry. The loan to the real estate industry increased by 25.7%, mainly for the housing construction industry.

In the reporting period, the Bank’s loans to the building and commercial service industry increased by 23.6%, mainly for investment and asset management services. The loan to the printing and publishing industry increased by 23.9%, mainly for the printing and publishing industry.

The Bank recorded a decline of RMB 37.82 billion in the balance of financing to “Key” and “Moderate Entry” customers, increased by RMB 27.83 billion from the beginning of the year, while the balance of financing to “Prudent” and “Exit” customers fell by RMB 40.24 billion and RMB 25.41 billion respectively from the beginning of the year.
Quantitative Asset Quality Indicators

In the reporting period, the Bank maintained the momentum of asset quality improvements and saw continuous improvements in key indicators.

- **NPL balance (RMB 100 million):**
  - 2017: 2.110
  - 2016: 2.118
  - 2015: 1.705

- **NPL ratio (%):**
  - 2017: 1.55
  - 2016: 1.62
  - 2015: 1.50

- **Allowance to NPL (%):**
  - 2017: 158.07
  - 2016: 136.69
  - 2015: 156.34

Strengthening Risk Management

In the reporting period, the Bank deflected the risk and security bottom line, established the "Outlook on Economic Development", "Outlook on Steady Development", and "Correct Outlook on Risk", implemented its responsibility for risk prevention and control, aligned the risk management policy with the times and situation, enhanced professional skills and better fulfilled its responsibility as a major bank.

Fulfilling the Responsibility for Risk Control and Prevention

The Bank formulated the Group's Comprehensive Risk Management and the Administrative Measures for Risk Adverse, according to the international cutting-edge theories and practices, China's latest regulatory requirements and practical experience. The Risk Management Plan for 2018-2020 was formulated to specify the objectives and tasks for future risk management. The Bank strengthened risk management, completed annual updates of the recovery and resolution plan and improved the stress testing methods. The Bank made persistent efforts to perform the responsibility for risk prevention and control and improved the comprehensive risk management system.

Emphasizing Operational Risk Control and Prevention

The Bank strengthened control over operational risk appetite and limit indicators, formulated and issued the Operational Risk Limit Management Plan and stepped up efforts on loss reduction. The Bank enhanced the deliberative platform role of the Operational Risk Management Committee, optimized the system of key operational risk indicators, completed the revision 2.0 indicators, organized Head Office departments, 11 oversees and controlled institutions and all domestic tier-two branches and higher-tier institutions to conduct operational risk and control self-assessment in line with worldwide risk screening, boosted the efficiency of management tools and continuously improved operational risk management.

Enhancing the Guard against Market Risk

The Bank strengthened the Group’s market risk limit management, issued the annual plan for market risk limits, included 46 overseas institutions in the trading book limit management and improved the limit determination methods for new products and businesses. The Bank properly carried out market risk monitoring and reporting, improved the Group's market risk management system to pursue the extension and application of the global market risk management system and enhanced the application capability of overseas institutions.

Preventing cross-contagion of risks

The Bank has incorporated cross-risk in the comprehensive risk management system, researched market-wide conditions, bank-wide businesses and cross-asset information, analyzed the path of risk contagion, created the market information database and made trials on market-wide cross-asset risk monitoring and analysis. The standardized investment risk monitoring and warning platform was created and connected to seven internal and external systems. The platform enabled "Bond + Stock + Loan + Leasing + Agency + Notes" data connectivity across markets, businesses and institutions.
People-oriented is the fundamental principle of our operation and development. In the reporting period, the Bank upheld the leading role of the Party Committee, earnestly safeguarded the employees’ legal rights and interests, cared for their growth, and created a harmonious “home” where all employees and leaders of the Bank pulled together their wisdom and efforts to promote common development. In the meantime, the Bank actively supported charity work, encouraged the employees to participate in volunteer activities, and gave back to the society and fulfilled its responsibility as a major bank in multiple ways, such as helping the poor, the elderly and the handicapped, providing financial support for education, and providing community services.
Safeguarding Employees’ Legal Rights and Interests

Regulating Labor Employment

In the reporting period, the Bank carefully implemented the Labor Contract Law and relevant national laws and regulations, continuously established and improved various labor systems, discussed and signed labor contracts according to law, and specified the Bank’s and the employees’ rights and obligations in written form, providing the legal basis for protecting the employees’ rights and interests. The Bank earnestly implemented the national policies on remuneration and benefits, and improved the “paid leave” system to guarantee the employees’ right to take a vacation. The Bank paid various social insurances and the housing fund for employees in time and in full, and established the supplementary insurance system, including enterprise annuity and supplementary medical insurance, and gradually created a multi-layered old-age and health care system.

Promoting Democratic Management

In the reporting period, the Bank held the first session of its first employee representatives’ congress, in a bid to foster the democratic management with employee representatives’ congress in the basic form. The session focused on five aspects, namely operation and management, business innovation, team building, Party-mass work and corporate culture, and employee care and guarantees of their rights and interests. It collected 258 proposals from the employee representatives and generalized them into 129 motions, based on which the Bank printed the Opinions on Doing Ten Good Things for Grassroots Employees, with a view to improving their benefits, rights and interests, energizing the morale and bettering the services.

Practicing Open Governance

In the reporting period, the Bank further practiced open governance, and made public its operational decisions, development objectives and operating performance, as well as matters concerning the employees’ immediate interests, such as the income distribution, benefits, and competition for positions.

In the reporting period, the Chongqing Branch organized the eighth program of employees making reasonable suggestions, themed “gathering employees’ wisdom, realizing ICBC’s dream.” It further enhanced the democratic management system, guaranteed the employees’ legal rights and interests, consolidated that sense of ownership, and contributed to the Bank’s development both in spirit and capability.
Perfecting the Guarantee Mechanism

In the reporting period, the Bank continued to improve the guarantee mechanism for female employees’ rights and interests, and enhanced the care for children, nurses, and employees to ensure that pregnant and nursing female employees could have a suitable environment. It also implemented various initiatives to improve female employees’ overall conditions, creating a harmonious work environment for female employees regarding work, work life, and family life.

In the reporting period, the Bank organized a medical examination and distributed long-term care insurance to employees. Based on the employees’ needs, the Bank organized a range of cultural and recreational activities, including croquet, dancing, fitness programs, choir, painting, calligraphy, and billiards.

Caring for the Employees’ Growth

Supporting Career Development

In the reporting period, the Bank set up many measures to create various conditions for employees’ career growth. It established scientific mechanisms for career development, provided diverse paths for career development, and encouraged employees to seek new opportunities for growth. It also actively promoted cultural exchange and integration, in the endeavor to achieve employees’ personal and corporate development at the same time.

The Bank provided multiple paths of career development for employees. It continuously strengthened and improved the position and career management system, and established a career development model that covers multiple positions and types and includes “vertical promotion and lateral exchangeability”. The Bank highlighted the professional qualification system management, clarified the standards for employees’ career development, and the requirement on the employees’ capability, and carried out targeted career design and capability cultivation according to different positions, teams, capabilities and ages, guiding the employees to proactively improve their position skills.

The Bank implemented full-process performance management, and actively advocated the continuous performance culture featuring high level of employees’ participation. By continuously improving the processes and methods at the four levels of performance plan, performance communication, performance assessment, and performance application, the Bank set up the performance objective breakdown and performance management mechanism, and the performance assessment mechanism that gives equal importance to employees’ performance and behavior, redefining the good interaction between improving the employees’ capability and the Bank’s performance.

In view of the new requirement for reform, development and talent building, the Bank carried out general training and specific training, both online and offline, at home and abroad, and worked hard to build the “ICBC University”, putting all employees onto the track of orderly cultivation and continuous improvement. The Bank completed 49,000 training sessions of various kinds in the reporting period, totaling 5.67 million person times, ensuring the steady personnel supply and intelligent support for meeting the operating objectives.

The Bank completed 49,000 training sessions of various kinds totaling 5.67 million person times.
Increasing Employee Incentives

The Bank believes in incentivizing the employees with honors and gives reasonable and suitable rewards to honor-winning employees. It integrates the honors with incentives such as bonuses, training, vacation and promotion, and strives to achieve the optimal results.

Advocating craftsmanship

During the reporting period, the Bank launched the campaign of finding "Banking Masters", actively spread the stories of "masters" working on different business lines, and strongly advocated the "craftsmanship" that focuses on exceptional professional skills, rigorous and concentration in work, detail-oriented working style, and high sense of professional identity and responsibility. The campaign inspired the employees across the Bank to be dedicated to work and voluntarily improve themselves in the endeavor to push the Bank's reform and development. A hundred "masters" were eventually selected through the four-month campaign.

Honest global employees

Committed to global operation, the Bank takes its employees around the world as the most valuable strategic resources and strives to become a "Bank the employees are satisfied with", and achieve their common development. In the reporting period, the Bank has selected 33 honorable global employees through strict and equitable review and assessment, including recommendation by overseas institutions, online voting and evaluation by the Evaluating Committee at the Head Office. The Bank commended them for providing suggestions for its operation and development, making use of their familiarity with the local society and culture to promote the integration of the Group and the local community, and making joint efforts to the Group's internationalization.
Deepening Employees’ Recognition of the Bank

The Bank makes a point of creating a quality working environment for the employees, pays close attention to their physical and mental health, gives special care to female employees, and organizes a variety of cultural and sports activities and outdoor trainings. It has set up a variety of mutual help mechanisms and mechanisms to help the special groups, so that those truly in need can receive help, better realize their social values and have a more meaningful life.

Caring for employees, building our common home

Considering the employees’ actual conditions, the Ningxia Branch carried out the “home building” program and continuously improved auxiliary facilities. It effectively solved the prominent inconveniences in the employees’ daily life, especially those working on the frontline, satisfied their daily cultural and mental needs to the largest extent, and fostered a home culture of “co-construction and sharing”.

Promoting Cultural Integration

Upholding the concept of equity, openness, respect and integration, the Bank makes active efforts to create an environment where every employee can fully employ his/her talent and develop on equal platforms. The Bank encourages the exchange among employees of different nationalities, establishes the mechanism for excellent local employees in overseas institutions to work in domestic ones, and organizes the selection of “Honorable global employees” and cultural exchange events, in a bid to keep deepening the cultural integration.

At the end of the reporting period, there were total 15,012 people working in our overseas institutions, including 241 senior managers, 92.3% and 19.1% of whom were locals respectively.

During the reporting period, the Bank launched an activity of the cultural promotion month of “ONE ICBC, ONE FAMILY” among overseas institutions, and rolled out the event of “Cultural ICBC-China Outreach” worldwide to promote the “Going Global” of Chinese culture and ICBC culture and assist the internationalization strategy through cultural integration.
The organization in the US treats all employees equally and over 85% of its employees are locals. The New York Branch creates a safe working environment, and formulates and effectively executes the internal management rules to guarantee the employees' rights to paid leave and other benefits.

Featuring diverse cultures, the ICBC institution in UAE provides a language-learning platform for the employees by offering English, class, Chinese class and Arabic class. It also pays close attention to the benefits and care for employees of different nationalities, and works hard to promote cultural exchange.

ICBC Standard Bank fully respects the local culture while highlighting ICBC's own characteristics. It organized a string of cultural exchange activities such as the Ping Pong contest, photography contest and Spring Festival Lion dance, with a view to deepening the employees' communication, promoting teamwork, and strengthening every employee's sense of responsibility and honor as a member of ICBC.

Practicing Green Operation

Advocating Green Office

The Bank advocates green office and tries to raise the working and management efficiency through IT means. It improved the functions of the office system, continued to promote paperless office work, informed the car use system, and established a diversified official car use system focused on self-owned cars and complemented by the commercial car service such as online car hailing. In the reporting period, the Head Office used 8.73 million pieces of paper accumulatively, and its annual car fuel consumption was 64,109 liters, down by 423 liters or 0.69% year-on-year.

Creating innovative energy conservation and emission reduction model:

In the reporting period, the Bank actively pushed the reform for paperless counter work, and fully optimized the printing of paper certificates, uploading of photos and handover of paper in personal banking business. Customers no longer need to save and hand over the paper receipts, which reduced paper consumption.

Advocated the idea of water-saving

In the reporting period, the Bank optimized the water supply volume of stop-valve control of main water pipes, established the residual water recovery and cleaning water recycling mechanism, and enabled the recycle of direct drinking water-filtered water after being delivered to air-condition cooling tower.

Promoting Green Concepts

The Bank calls on the employees to proactively protect the natural eco-environment. In the reporting period, the Head Office spent RMB 66,000 on voluntary tree planting, planted 3,312 trees. These efforts improved the eco-environment, sharpened the employees' environmental awareness, and intensified their sense of responsibility for the environment.

ICBC Credit Suisse Asset Management carried out several events of cancelling paper statements and customizing e-statements for customers in the theme of "low-carbon life" and "environmental protection starts with me", and called on the investors to join the efforts too. In the reporting period, ICBC Credit Suisse Asset Management organized online public welfare events in themes such as "Supporting Environmental Protection, Protecting Health" on the World No Tobacco Day and World Car Free Day, calling on the investors to take a low-carbon and green lifestyle such as quitting smoking and taking public transit.
GHG emission at Beijing-based Institutions of the Head Office

According to the carbon emissions regulations at Beijing, the Beijing-based institutions of the Head Office include the Head Office itself, the Data Center (Beijing), and the Beijing branch of the software development center. The Data Center (Beijing) provides uninterrupted operation services for all business information systems across the bank and therefore has a large power demand. The power consumption data is collected and calculated according to the Guide for the Calculation and Reporting of CO2 Emission for Enterprises (Draft) in Beijing.

**Direct GHG emission**

<table>
<thead>
<tr>
<th>Total emissions (tons of CO2)</th>
<th>2,955.55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main source</td>
<td></td>
</tr>
<tr>
<td>Natural gas (TWh, cubic meters)</td>
<td>136.69</td>
</tr>
</tbody>
</table>

**Indirect GHG emission**

<table>
<thead>
<tr>
<th>Total emissions (tons of CO2)</th>
<th>49,518.32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main source</td>
<td></td>
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<tr>
<td>Outsourced electricity (MWh)</td>
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</tr>
</tbody>
</table>

**Waste statistics**

<table>
<thead>
<tr>
<th>Type (pcs)</th>
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<th>2016/5</th>
<th>2014</th>
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<tbody>
<tr>
<td>Microcomputer (mainframe)</td>
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<td>Server</td>
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<td>3</td>
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</tr>
<tr>
<td>Others</td>
<td>37</td>
<td>116</td>
<td>283</td>
</tr>
</tbody>
</table>

Implementing Responsible Procurement

In the reporting period, the Bank put into use the new supplier information approval standards, which, in accordance with China’s latest requirements on the joint punishment of blacklisted enterprises, included the blacklist of punished enterprises published on the Credit China website run by the National Information Center in the scope of supplier check, and referred to the results in collective procurement. Based on public bidding and rigorous review, 166 companies were put in the supplier database. The collective procurement management system was connected with the disciplinary inspection and supervision management system, so the Bank could access the latest blacklist every day and strictly control the key steps of procurement. Twelve enterprises were put in the blacklist for violating relevant rules of collective procurement.

166 companies were put in the supplier database.
12 enterprises were put in the blacklist for violating relevant rules of collective procurement.

Suppliers’ commitment to social responsibility

In the negotiation notice released to potential suppliers, the Bank made it clear that the suppliers should sign the Letter of Commitment to Social Responsibility whereby they commit to actively fulfilling their social responsibilities in the daily operation, preferring the environmentally friendly design and technology for their products, and reducing environmental pollution and energy and resource consumption.

Adhering to the development strategy of “promoting finance with business and combining finance with finance as the basis”, the ICBC Mall created a distinctive business-venture scenario and achieved new breakthroughs in such areas as health care, smart life and bulk commodities. It has had 21,000 contracted business stores accumulating, including 180 excellent green food producers in the country, and basically covers all green food producers nationwide that are able to provide e-commerce services. The ICBC Mall is one of the most authoritative e-commerce platforms with the most complete supply of green foods in China.
Contributing to Targeted Poverty Relief

The Bank takes poverty relief as an important part of fulfilling its social responsibilities, and set up a leading group of poverty relief through finance to improve this working mechanism in a holistic way. In the reporting period, the Bank insisted on the basic principle of targeted poverty relief and elimination, took targeted measures to meet the demand of characteristic industries and livelihood projects in poor regions, and continuously stepped up the financial support and targeted assistance, playing its due role in the tough battle against poverty. By the end of the reporting period, the Bank’s balance of various poverty relief funds stood at RMB127 billion, an increase of RMB6.9 billion year on year.

The Bank’s balance of various poverty relief funds stood at 127 billion, an increase of 34 billion year on year.

Poverty relief planning and objectives: The Bank made sweeping efforts to provide financial services to poor regions, and leverage the role of finance in promoting poverty reduction and sustainable economic development in the regions. It stepped up efforts in targeted poverty relief, integrated resources at poor areas, and assisted the poor in improving production and living conditions by means of finance, industry, education, medical care for poverty relief, supporting them to achieve poverty reduction goals on time.

Mechanism for poverty relief: The Bank established the working group for poverty relief to enhance leadership and coordination for poverty relief. It stipulated guideline documents for poverty relief, such as the Opinions on Comprehensively Advancing Finance-backed Poverty Alleviation Work and the Targeted Poverty Allocation Work Plan and Key Points in Targeted Poverty Alleviation, which specified the Bank’s guiding ideas, basic principles, priorities and measures for poverty relief.

Targeted Poverty Relief Achievements

- Loan of industry targeted poverty relief: 2,290,487.86
- Loan of project targeted poverty relief: 9,452,849.58
- Finance-backed targeted poverty relief balance of loans: 12,702,854.38
- Rural transport facilities: 4,444,335.67
- Upgrading of rural power networks: 1,500,831.6
- Rural water conservancy facilities: 956,903.61
- Rural education loans: 81,184.00

- Poverty relief through industry development: 1,285
- Poverty relief through education: 685
- Poverty relief through healthcare: 640
- Poverty relief through infrastructure: 140
- Poverty relief through cultural development: 10

- Number of beneficiaries of targeted poverty relief: 64,422
- Number of registered poor people: 22,969

The Bank’s targeted poverty relief for children in poor regions of Sichuan

The Group poverty relief donations apart from targeted poverty relief

- Amount of donations: 2,658.87
- Number of beneficiaries: 347,635

Note: The “targeted poverty relief” refers to the poverty relief effect in Tongbai County, Xingyang County, Jiyang County and Xiangyang City in Sichuan Province.
Carrying on the efforts for new achievements

It is recorded in the yellow files that on March 29, 1995, six people in the 1st poverty relief work group of ICBC's Head Office and provincial branch arrived in Baxi, led by Shan Jining and Zhang Lirong, respectively deputy director of the Human Resources Department of the Head Office and vice president of ICBC Sichuan Provincial Branch. There was no railway or highway in the Qingling and Qian Shan mountains 22 years ago, only meandering mountain roads. The word "arriving successfully" reflected the work group's resolution of poverty relief despite the long journey and hardships.

Poverty Relief Through Education

The bank prioritized targeted poverty relief through education. Upholding the idea that "education is critical for poverty relief," it has sponsored poor students, supported job creation, provided rewards and training for village teachers, boosted the building of school dorms, and implemented aid programs, thus raising the level of poverty relief through education across the board. It also carried out a number of educational service projects in areas of need to help poor people, which strengthened the local driving force for poverty relief.

The Bank has carried out the Qihang Program of sponsoring excellent poor college students for 14 straight years at the standard of RMB5,000 per poor college freshman, and has helped 2,882 poor students realize their college dream so far. It has also carried out the New Great Wall Program for seven straight years, which sponsored poor high school students through college.

The Bank has carried out the targeted recruitment program for poor college graduates since October 2016, and plans to provide jobs for 1,000 poor college graduates in the following five years. It will cultivate them as key professionals in the county and encourage them to build their hometown. In the reporting period, the program hired over 340 poor college graduates nationwide, helped their families get out of poverty thanks to the job, and promoted the long-term development of local economy and society.

The Bank has carried out the Candle Program of commending excellent village teachers for 15 straight years, during which it has commended and sponsored village teachers for 2,410 person times. In the mountains, to broaden their vision and raise the teaching level in poor regions, the Bank has carried out the Candle Program of excellent village teacher training for four straight years, which provided the opportunity of study and communication for 1,250 village teachers.

To date, the Bank has donated to build 17 Hope Elementary Schools, 12 teaching buildings and dormitories for middle and elementary schools and 67 school kitchens in the four counties, it provided targeted assistance. It also actively called on the employees to join the poverty relief efforts and pulled together their forces by forming one-on-one assistance, providing free lunches and donating books and sports items.
Poverty Relief through Health Care

ICBC’s Caring Program has reached more than 53,000 patients in the targeted poor regions to have free or discounted surgeries, and achieved the goal of helping poor cancer patients to recover their sight.

To lower the maternal and infant mortality, the Bank has launched the “Safety for Mother and Baby 100” program for seven straight years, which has helped 8,580 poor pregnant women have successful deliveries. It has also decided to build six township hospitals and eight health stations and buy four ambulances to expand the scope of medical help and give more poor people the access to basic medical services.

Poverty Relief through Industrial Development

In the reporting period, the Bank continuously increased the support to a number of industrial projects aimed at poverty relief. Regarding the use of poverty relief funds, the Bank actively explored the model that combines the ICBC, the government, the village’s Party committee and autonomous committee, enterprises and the poor households together, integrated resource input and localization with better effects, and realized effective capital use. It has not only fostered a group of characteristic agricultural products projects with growing vitality and turned the fund for targeted poverty relief into tangible benefits, but also provided various jobs and temporary income for the poor households, which stimulated their initiative and resolve for shaking off poverty through their own efforts and contributed to the overall poverty relief of the whole county.

In the reporting period, the industrial projects for poverty relief on these four targeted poor counties benefited over 2,200 poor households and increased their income by over RMB3,000 on average.

Poverty Relief Plans

1. The Bank will provide precise financing support in view of the development plan of the targeted regions, give priority to the scale of credit and capital for those regions, and create new financial products and services for poverty relief according to local conditions.

2. The Bank will implement the poverty relief model that features the combination of education, finance, industry and health care, and push the poverty relief efforts from being driven by external forces to being driven by internal forces and from individual cases to collective relief.

Since it donated to build the Hope Elementary School in Toxog of Anhui’s Hezhou in 2013, the ICBC Anhui Branch has kept the practice of donating for schools. It donated to build the comprehensive teaching building and computer rooms and provided computers, projectors and stereo systems for the Pafong Elementary School, and sponsored 60 excellent and extremely poor students every year to help them complete the schooling and walk out of the mountain into the big world.

Zhou Zhunlian was a cadre assigned by ICBC Yunnan Branch to Weixa County of Diqing for poverty relief. He worked in Zhai town of Weixa County on secondment from August 2010 to August 2012, and has worked in Maogou town since August 2013. There was no collective economy in the Zhaitangtang village of Zhai town in the past. To change this backward situation, Zhou Zhunlian and the village and town cadres conducted a careful survey, solicited opinions from all directions, found technical support from the county, visited neighboring counties and towns to learn from them, and invited experts from Kunming and Zhaotong. Finally they decided to adopt planting and breeding in the direction of collective economy based on the local rural conditions, and reported the decision to ICBC Yunnan Branch to apply for poverty relief fund. The greenhouse planting and professional cooperatives not only gave some local residents land rent, but also created jobs for poor households and boosted the development of new type of planting and breeding.

1. Cheng Yiting, primary secretary assigned by ICBC Yunnan Branch to managing poverty relief, is visiting poor villages.

2. Do you still remember the photo of a big-eyed girl who wants to go to school but faced poverty in Chinese people? The girl in the photo was born in Yun County, Anhui province. Yang Yang, the girl in the photo, graduated from high school and went to work at ICBC Anhui Branch.

Industrial and Commercial Bank of China Limited
Carrying out Charity Work

Voluntary Service

In the reporting period, the Bank formulated the volunteer registration plan in the Young Volunteers Association to regulate the management mechanism of the 468 volunteer associations across the Bank. It also took an active part in a variety of charity activities themed with caring for the handicapped, environmental protection, donating for students and charity publicity, and encouraged the employees to make social contributions in multiple ways. The Bank has raised donations of RMB730 million.

<table>
<thead>
<tr>
<th>Hours of volunteer service (Hours)</th>
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<td>2015</td>
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</table>

<table>
<thead>
<tr>
<th>Number of volunteer activities</th>
<th>Person-times of volunteers</th>
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</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
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<tr>
<td>2015</td>
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</tbody>
</table>

“Planting Hope” volunteer charity program

ICBC institutions in Shanghai initiated the “Planting Hope” joint-volunteer charity program in 2015, which was aimed to sponsor poor students in remote areas so that they can receive complete and quality education. The program has been carried out for three years and sponsored 36 poor students in different regions.

“Cool in Summer”

The ICBC Tianfeng Sub-branch in Henan’s Huanggang set up special seats and provided water for outdoor workers such as street cleaners, traffic police and city inspectors. A street cleaner is sitting on the special seat and an employee at the ICBC outlet is offering him herbal tea.

ICBC employees saves little girl

On August 17, 2017, a little girl who was locked at home climbed out of the window in search for her family and was hung outside the window on the third floor. At this moment, Diao Chunyan, an employee at ICBC’s Taizhou Sub-branch, saw her and climbed to the second floor to hold her up until the girl was safe.

The best care is to be with your children

During the reporting period, ICBC Shenzhen Branch jointly held the 88th “Dad’s Study” Reading Month Campaign of Shenzhen City, with Shenzhen Reading Union and sameshow.com. The campaign was carried out by online and offline channels. The online activities include book donation, “parent-child creative painting” collection and exhibition, and essay competition of little journalists of sameshow.com. Offline activities include “Dad’s Study” in campus, exchange and donation of books in trunk, little propaganda of anti-information fraud, selected courses for parenting, and exhibition of excellent works in activities, allowing parents to witness their children’s growth and enjoy the parent-child campaign.
Fulfilling Social Responsibilities Overseas

In the reporting period, ICBC’s overseas institutions strengthened the communication and integration with the local communities, tightened the cooperation with charity organizations, and participated in local charity programs in various ways.

In the reporting period, ICBC (Macau) actively participated in the disaster relief and quickly formed a volunteer team of more than 50 employees to provide drinking water and food for solitary elders having difficulties in getting food and water because the lifts were out of use, and to clean up the communities and roads in hard-hit areas. At the same time, ICBC (Macau) donated 500,000 Macanese Patacas to Macau Red Cross, took the initiative to launch the “reconstruction support loan plan”, and distributed the preferential loans to typhoon-stricken customers at the highest speed.

Disaster relief during Typhoon Hato

For cancer-suffering children

During the reporting period, ICBC (Brazil) donated toys, clothes, books, and food to C.A.B.C., a non-government charity organization in Sao Paulo, with a view to providing better living conditions for the cancer-suffering children and let them feel happy and warm despite the painful treatment.

Love across the Pearl River

In the reporting period, ICBC (Asia) raised more than 3.8 million Hong Kong dollars, a historical new high, for Caritas Hong Kong by holding charity golf contests, donating at the Caritas fundraiser and concert, sponsoring the “Growth of Young Artists” program of Caritas Institute of Higher Education, and selling Caritas charity lottery coupons. Since 2015, ICBC (Asia) has actively carried out a series of “ICBC (Asia) and Caritas by Your Side” volunteer activities, including English classes for children, charity sales, and for CSSA (Comprehensive Social Security Assistance) families to watch movies and have excursions. These activities benefited a variety of groups and spread love to all social classes.

Wonderful and vigorous UAE

The ICBC in the UAE gave strong support to the local cultural exchange and sports. It not only sponsored the UAE’s National Day celebration, World Green Economy Forum and Rugby matches, but also set up a good image as a responsible bank in supporting the local development, helping Chinese enterprises financially to expand business, protecting employees’ rights and interests, supporting environmental and resource protection, and engaging in public welfare activities.

Forging the bridge for China-Africa cultural exchange

In the reporting period, the ICBC African Representative Office exclusively sponsored the preliminaries in South Africa of the 16th ICBC Cup “Chinese Bridge”—Chinese Proficiency Competition for Foreign College Students, based on layers of competition. 20 South African college students participated in the contest and demonstrated the charm of the Chinese culture. This activity showcased and exported the Chinese culture to the Africans and was good for deepening their understanding of China.
Substantiality Analysis

To make the report more targeted and responsive, the bank formulated the substance analysis questionnaire in the reporting period in view of the stakeholders' needs and the corporate development strategy. Based on the questionnaire, we interviewed customers, shareholders, regulators, employees, suppliers, the press, CSR experts and charity organizations, and determined the key topics of sustainable development according to the results.

Outlook

2018 is the first year of implementing the spirit of the 19th CPC National Congress and a critical year for promoting the building of a moderately prosperous society. The international and domestic economic and financial situation remains complicated with many instabilities and uncertainties, but reflects both challenges and opportunities. On the international level, the global economy has entered a turning point. Main developed economies tend to stabilize and aperiodic demands on fiscal and monetary policies continue in the near future. The international financial market may face a round of turmoil. On the domestic level, the Chinese economy has shifted from the stage of high-speed growth to the stage of high-quality development. The economy progresses steadily, and new drivers are the main factors driving the transformation and upgrading of the economic structure, and to broaden the scope of the real economy. The real economy and the service sector are developing rapidly. Under the background of deepening financial reforms and improved financial services, banks will also face many challenges and opportunities.

Independent Limited Assurance Report

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 on an understanding of IKSIC's processes for determining material issues for IKSIC's key stakeholders;
- Inquiries of management and relevant staff at group level and selected business units concerning sustainability strategy and policies for material issues, and the impact of these across the business;
- Interviews with relevant staff at group and business unit level for providing the information in the SR Report;
- A media analysis and an internet search for references to IKSIC 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 segregation of data into information as presented in the SR Report;
- Visits to sites of Zhejiang Branch, Jiangsu Branch, Hebei Branch, Shanxi Branch, Shanghai Branch, Industrial and Commercial Bank of China (Taipei) Public Company Limited selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria.

The Board of Directors is also responsible for determining IKSIC's objectives in respect of social responsibility performance and reporting, including identification of stakeholders and material issues that are important to these stakeholders for establishing and maintaining appropriate performance management and internal control systems from which the reporting 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 Assurances Engagements 2000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, Issued by the International Auditing and Assurance Standards Board. We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and complied with the applicable requirements of the International Standard on Quality Control 1 to maintain a comprehensive system of quality control.

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

Conclusions

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the SR Report of IKSIC for the year ended 31 December 2017 is not presented fairly, in all material respects, in accordance with the SR Reporting Guidelines (SRG), the disclosure recommendations of the SSE Guidelines and SEHK's Environmental, Social and Governance Reporting Guide.
GRI 4.0 Index and Contrast with ESG Reporting Guide

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<td>Nature of ownership and legal form.</td>
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<td>Markets that the organization provides services for (including geographic breakdown, sector served, and types of customer and beneficiaries).</td>
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<td>List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or to which it contributes.</td>
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<td>G4-16</td>
<td>Membership of organizations such as industry associations and national or international standards organizations.</td>
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</table>

Identified material aspects and boundaries

- List all the aspects included in the organization’s materiality analysis and their relative importance.
- List all the criteria that define the report content and the exclusions, if applicable.
- Explain how the organization has identified the report content and the exclusions, if applicable.
- Explain whether the organization has updated the report content and the exclusions, if applicable.
- List all the material aspects identified in the process of defining report content.
- Exclusion for each material aspect, report the boundary within the organization.
- Define for each material aspect, report the boundary outside of the organization.
- Report the effect of any restrictions of information provided in previous reports, and the reasons for such restrictions.
- Report significant changes to decision reporting periods in the scope and aspect boundaries.

Stakeholder engagement

- All of the stakeholders engaged by the organization.
- Explain the basis for the identification and selection of stakeholders with whom to engage.
- Explain the approach to stakeholder engagement, including frequency of engagement by type, and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

Report key topics and concepts that have been raised through stakeholder engagement, and how the organization has responded to these key topics and concepts, including through its reporting. Report the stakeholder groups that raised each of the key topics and concepts.

Report guidance

- Reporting period for information provided.
- Date of most recent previous report.
- Reporting cycle (such as annual, semi-annual, biannual).
- Contact point for questions regarding the report or its content.
- Report the agreed-upon scope of the organization's performance, the GRI Content Index for the chosen option, and reference to the External Assurance Report (if the report has been externally assured).
- The organization’s policy and current practice with regard to seeking external assurance for the report.

Governance

- Governance structure of the organization, including committees of the highest governance body.
- Report on the capacity for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.
- Report whether the organization has appointed an executive level officer with responsibility for economic, environmental, and social topics, and whether the executive serves on directly to the highest governance body.
- Processes of consultation between the highest governance body and external stakeholders.
- The composition of the highest governance body and its committees.
- The role and Chair of the highest governance body in the organization.
- The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value, mission statement, strategies, policies, and goals related to economic, environmental, and social impacts.
- Measure taken to enhance the highest governance body's collective knowledge of economic, environmental, and social topics.
- Report the processes for evaluation of the highest governance body’s performance with respect to governance of economic, environmental, and social topics, and as actions taken in response to evaluation feedback of the highest governance body.
- Report the highest governance body's role in the identification and management of economic, environmental, and social risks, and opportunities, and whether stakeholder consultation is used to support the highest governance body’s identification and management of economic, environmental, and social risks, and opportunities.
- The highest governance body's role in reviewing the effectiveness of the organization’s risk management processes for economic, environmental, and social topics.
- Report the highest committee or position that formally reviews and approves the organization’s sustainability report and ensures that all material issues are reported.
- Report the process for communicating critical concerns to the highest governance body.
- Report the nature and total number of critical concerns that were communicated with the highest governance body and the mechanisms used to address and resolve them.
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Feedback Form

Thank you for reading the 2017 Corporate Social Responsibility Report of Industrial and Commercial Bank of China Limited. ICBC has published Corporate Social Responsibility Reports for consecutive eleven 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 the report to us via the following means:

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E-mail: care@icbc.com.cn
Address: No 55 Fuzhongmiao Avenue, Xicheng District, Beijing, PRC
Corporate Strategy and Investor Relations Department
Post code: 100160

1. What is your overall evaluation of 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. 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 stakeholders 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 " □ ".