Established in 1994, the China Development Bank (hereinafter referred to as CDB or we) is a state-funded and state-owned development finance institution. As an independent legal entity directly overseen by the State Council, it is dedicated to supporting China’s economic development in key industries and under-developed sectors.

To anchor its mission of supporting national development and delivering a better life for the people, CDB aligns its business focus with China’s major medium- and long-term economic development strategies. Leveraging its unrivalled position as a leading bank for medium- and long-term financing and comprehensive financial services, it mobilises economic resources and channels them towards eight key areas:

- Socioeconomic development, such as infrastructure, basic industries, pillar industries, public services and management;
- Urbanisation, urban-rural integration, and balanced regional development;
- Programmes essential for national competitiveness, including the transformation, upgrading, and restructuring of traditional industries, energy conservation, environmental protection, advanced equipment manufacturing;
- Public welfare, including affordable housing, poverty alleviation, student loans, and inclusive finance;
- Areas of strategic importance, including science and technology, culture, and people-to-people exchange;
- The Belt and Road Initiative (BRI) and other international cooperation programmes in industrial capacity, equipment manufacturing, infrastructure connectivity, energy and resources, and for Chinese enterprises to “go global”;
- Initiatives in support of development and economic and financial reforms;
- Other areas encouraged by national development strategies and policies.

Placing a strong premium on reform and innovation and tapping into its strengths as a development finance institution, CDB keeps closely to national development strategies, operates on market principles with the backing of sovereign credit, and ensures principal safety and modest profitability. Its vigour, influence and risk resilience have been growing continuously, putting it on track to become a world-class development finance institution and a steady source of support for China’s economic and social development.
The global governance structure is at a historical turning point. COVID-19 has produced a tremendous impact on the world economy. Sustainable development, according to Chinese President Xi Jinping, holds the golden key to the global issues today. CDB will fully leverage its strengths in development finance to promote concerted efforts for sustainable development.

To this end, we will comprehensively strengthen Party building. We will ensure the CPC’s leadership over all aspects of our work and make our own growth a conducive part in the national development strategy. By strengthening Party building, we will foster stronger discipline in the whole group to ensure sustained development.

We will comprehensively improve our services. CDB will be adaptive to the market environment at home and overseas, innovate financing models, make development finance more instrumental in challenging times, lower the financing costs of the real economy, and step-up medium-to-long term financing supply for areas related to the people’s livelihood, environmental rehabilitation, and other areas of priority and weakness.

We will comprehensively enhance our financial governance capacity. CDB will keep refining its corporate governance mechanisms and improve decision-making and operational efficiency of the board. We will implement all reform programs for better management, communication with stakeholders, and value-creation.

We will comprehensively elevate the guiding role of development finance. We will seek to build more extensive networks for international cooperation to create synergy between the BRI and the UN 2030 agenda for sustainable development to provide lasting impacts for sustainable development.

Great accomplishments call for foresight and persistent efforts. The year 2020 is a milestone in China’s history as we realize the goal of building a moderately prosperous society in all respects and conclude the 13th five-year plan. CDB will forge ahead with a greater sense of responsibility, mission, and urgency and a better appreciation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We will take on more challenges, support the “six stability” goals and “six protection” targets, and work for a stronger economy, a better life for the people, and an early victory in eliminating poverty and building a moderately prosperous society in all respects.
Financing the real economy. We issued RMB 1.22 trillion loans to projects of road, railway, power, water, and new energy to fill in infrastructure gaps. We achieved the “double RMB 100 billion” lending target, which boosted support for private companies and small and micro businesses. We supported the implementation of state strategies, such as the Beijing-Tianjin-Hebei Integration Plan, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Yangtze River Delta Integration, with RMB 807.8 billion loans disbursed to the areas along the Yangtze River Economic Belt. By the end of 2019, we had provided more than RMB 240 billion loans to finance high-quality development under the BRI.

Improving people’s livelihood. In an effort to step up poverty alleviation, we issued RMB 182.7 billion loans to targeted poverty-reduction programs, supporting infrastructure and public services in poor regions and developing businesses; we issued RMB 31 billion student loans to fight poverty with education. To create better synergy between poverty reduction and rural invigoration, we issued RMB 366.1 billion loans to rural invigoration programs. We financed the construction of public rental housing units, government-subsidized rental housing units, and co-ownership housing units and supported renovation of shanty areas and old residential blocks in cities to better the housing environment.

Protecting the environment. CDB promoted green finance to protect the environment and reduce energy consumption and emissions. We expanded the supply of green financial products, enhanced the social impact of green finance, and issued China's first financial bonds in the area of sustainable development. Through multiple financial services, such as loan syndication, investment, and leasing, we provided financing for the protection of the Yangtze River and for green development. At the end of 2019, our balance of green loans topped RMB 2.1 trillion, the largest in China's banking sector and making us an important force for the national program to treat pollution.

Supporting COVID-19 response. We established a COVID-19 emergency financing mechanism for the production and purchase of medical supplies and the provision of critical consumer goods. We set up special working capital loan facilities to help affected businesses reopen and recover. We increased support for the priority and vulnerable sectors by speeding up the disbursement of loans to restore growth and at the same time contain the spread of the pandemic.

Improving operational management. We refined our corporate governance structure and procedures for better decision-making and operational efficiency. We strengthened internal control, compliance management and process standardization to ensure operation in accordance with laws and regulations. With a strong risk awareness, we formulated a plan to tackle the most difficult challenges in risk management and stepped up efforts on the ground to keep a healthy asset portfolio. We promoted balanced business development between the headquarters and subsidiaries and improved our services to create a larger scope for growth.

CDB is poised to embrace the new year with renewed energy. In 2020, we will stick to our mission of serving national interests with financial instruments. We will continue to play our countercyclical role to support state strategies, economic growth and social stability. We will strengthen our financial governance capacity and provide better financial services to facilitate the balanced and sustained development of the economy, society, and the environment in China.
Advancing Both Epidemic Prevention and Control and Economic Development with Firm Confidence and Coordinated Efforts

Since the outbreak of COVID-19, guided by General Secretary Xi Jinping’s crucial instructions and the decisions and arrangements of the CPC Central Committee and the State Council, CDB has played the countercyclical role of development finance to support epidemic control and economic recovery. While continuing to keep the epidemic under effective control, we have coordinated with the government to ensure stability in priority areas, promote the steady operation of the economy and society and fulfill our responsibilities as a development finance institution.

Leveraging CDB’s Advantages to Get the Real Economy Back on Track

Optimizing resources allocation and accelerating lending
CDB channeled funds into priority areas where investment would benefit both the supply and demand sides and generate a multiplier effect, such as advanced manufacturing, people’s livelihood, and infrastructure. By the end of June 2020, RMB loans issued by CDB on the Chinese mainland had increased by RMB 682.4 billion, including RMB 93 billion on-lending facilities.

Sparking no-effort support to both ongoing and newly launched projects
CDB designed a dedicated loan facility in support of the brand manufacturers that boasted a notable market share but were faced with temporary challenges. We made every effort to fill in infrastructure gaps by giving priority to projects in transportation, municipal works, logistics, critical agricultural infrastructure, and water conservancy and irrigation. By the end of June 2020, CDB had disbursed RMB 1,027 trillion loans for new infrastructure, new urbanization and major projects.

Stepping up support for private businesses and small enterprises
CDB expanded its network of partner institutions and guided them to steadily reduce the financing costs of small enterprises and private businesses. It had granted RMB 120.1 billion through on-lending facilities by the end of June 2020.

Fighting the “three battles”
To win the battle against poverty, CDB had granted RMB 96.1 billion in poverty relief loans by the end of June 2020. To win the battle against pollution, CDB enhanced its support for major environmental protection projects and national reserved forest projects, focusing on all-round protection of the Yangtze River, and ecological conservation and high-quality development along the Yellow River. By the end of June 2020, CDB had granted RMB 230.7 billion in green loans. To win the battle against risks, CDB maintained stable asset quality by enhancing risk prevention and control in priority areas through improved mechanisms, identifying risks arising from the epidemic, and taking targeted measures to handle risks in a steady manner.

Adopting Innovative Financial Service Models to Help Businesses Re-Open

Developing emergency financing policies
Following the guidelines jointly issued by China’s five state authorities including the People’s Bank of China (PBoC), CDB developed the Work Plan for Winning the Battle against COVID-19 and Leveraging Development Finance to Stabilize Economic and Social Development, along with several mechanisms for emergency loan granting, in order to reduce potential disruption caused by the epidemic.

Setting up an emergency financing service mechanism in the context of COVID-19
CDB took targeted measures to ensure timely response to financing needs and an adequate supply of loans and to streamline credit granting procedures, with a view to supporting enterprises involved in the construction of hospitals for COVID-19 patients, production and procurement of medical supplies, and supply of daily necessities. CDB also strengthened compliance management of the special-purpose funds. By the end of June 2020, we had granted RMB 31.4 billion in emergency loans to fight against the epidemic, issued RMB 13.5 billion special-purpose bonds to tackle the epidemic, which became a low-cost source of funding fortacking the outbreak. The aim is to mobilize funds across society to mitigate the impact of the epidemic.

Pursuing a differentiated lending policy
In order to help enterprises re-open as early as possible, CDB adopted a differentiated lending policy, adjusting repayment plans and interest periods and temporarily cutting interest rates for key projects and enterprises in epidemic-stricken regions, sectors, and industries. It set fees on intermediary services and adopted a special policy of fee cuts for epidemic prevention and control, with a view to truly reducing the burden on enterprises. It also carried out follow-up audits of loans for epidemic prevention and control to ensure that these loans were used for their intended purposes.

Issuing dedicated loans to help enterprises resume operation
CDB set up two special working capital loan facilities to help affected businesses reopen and recover. It helps to expand domestic demand and stabilize investment by supporting both ongoing and newly launched projects in priority areas including infrastructure, manufacturing, and poverty relief. CDB also stepped up services to foreign trade and investment, to support affected projects and enterprises. By the end of June 2020, CDB had granted RMB 438.5 billion in working capital loans to stabilize the business sector and economic development.

Donations to Epidemic-Stricken Regions
- On January 27, 2020, CDB donated RMB 20 million to the Huabei Charity Federation.
- CDB purchased from overseas 4.6 million units of medical supplies including masks, protective suits, ventilators and extrapulmonary membrane oxygenation equipment to support the fight against COVID-19 on the front line.
- Four CDB subsidiaries donated a total of RMB 20 million to Huabei.
- CDB employees donated more than RMB 6.82 million.
Taking Targeted Measures to Fight the “Three Battles”

Winning the “three battles” against major risks, poverty, and pollution is crucial for high-quality development. In 2019, while confronting complex situations and challenges at home and abroad, CDB made significant progress in tackling risks, poverty reduction, and environmental improvement, serving as a driver of high-quality development.

Offering High-Quality Services to Win the Battle Against Poverty

Three breakthroughs to consolidate poverty relief outcomes

- Breakthrough in the total amount of loans for poverty relief through financial services. Over RMB 300 billion loans had been granted in support of poverty relief and economic and social development in poverty-stricken regions.
- Breakthrough in the total amount of loans for poverty relief through industry development. Over RMB 100 billion loans had been provided to promote industry development in poverty-stricken regions and lift local people out of poverty by increasing their income.
- Breakthrough in the total amount of student loans. Over RMB 1.90 billion student loans had been issued to help cut the inter-generational transmission of poverty.

Three initiatives to address the toughest challenges in overcoming poverty

- With a focus on the toughest poverty-relief challenges, CDB strengthened its support for the battle against poverty in the poorest regions including the “Three Regions and Three Prefectures” (the “three regions” refer to Tibet, four Tibetan-inhabited provinces, and four prefectures in southern Xinjiang, while the “three prefectures” refer to Liangshan Yi Autonomous Prefecture in Sichuan, Nujiang Lisu Autonomous Prefecture in Yunnan and Linxia Hui Autonomous Prefecture in Gansu).
- To create synergy among all stakeholders, take advantage of its extensive client base, and promote collaboration matchmaking, CDB released the Guideline on Strengthening Poverty Alleviation Collaboration Between Eastern and Western Regions in All Aspects, specifying that favorable policies would be adopted for poverty relief in the poorest regions and employment of relocated people and that funding would be provided for projects of poverty relief collaboration between eastern and western regions.
- CDB pooled its resources to promote poverty relief in targeted areas. Guided by the 2019 CDB Work Plan for Poverty Relief in Targeted Areas, CDB supported local projects for improvement of human habitats and for industry development.

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<tr>
<th>Developing a poverty relief framework to strengthen top-level design</th>
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<tr>
<td><strong>“1-1-3-4-3-1” poverty relief framework</strong></td>
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<tr>
<td><strong>One organization</strong></td>
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<td>An efficient organizational structure that features bank-wide participation and collaboration</td>
</tr>
<tr>
<td><strong>One plan</strong></td>
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<td>A poverty relief plan with a specific timeline and roadmap</td>
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<td><strong>Three-targeted strategy</strong></td>
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<td>A strategy of providing institutional, financial and intellectual support</td>
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<tr>
<td><strong>Four methods</strong></td>
</tr>
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<td>Peer family relocation at the provincial level, infrastructure construction at the county level, industry development at the village (household) level, and educational assistance at the household (individual) level</td>
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<tr>
<td><strong>Three actions</strong></td>
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<tr>
<td>Poverty relief actions focused on the poorest regions, on collaboration between eastern and western regions, and on targeted areas</td>
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<tr>
<td><strong>One work evaluation system</strong></td>
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<td>An effective work evaluation and supervision system to ensure accountability with a signed letter of responsibility</td>
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By the end of 2019

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<th>RMB 1.4 trillion poverty relief loans issued since the 13th five-year plan period</th>
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<td>The number of national and provincial-level poverty-stricken counties covered by poverty relief loans: 1,235</td>
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Environmental Benefits of Green Finance

- By the end of 2019
  - The outstanding green loans: more than RMB 2.1 trillion
  - The total amount of green bonds issued: RMB 35 billion

- Environmental benefits:
  - 62,798 million tonnes per year standard coal saved
  - 137.492 million tonnes per year carbon dioxide emissions reduced
  - 1,646 million tonnes per year sulfur dioxide emissions reduced
  - 872,000 tonnes per year oxynitride emissions reduced
  - 621,000 tonnes per year chemical oxygen demand reduced
  - 73,000 tonnes per year ammoniacal nitrogen emissions reduced
  - 546.61 million tonnes per year water saved
Fighting the Battle Against Major Risks

Improving the Risk Governance Framework

- The Board of Directors served as the strategic decision maker in risk management to ensure CDB’s sound operation.
- The Risk Management Committee served as an advisor to the Board of Directors and was in charge of reviewing risk appetite and risk management strategies, overseeing senior executives’ control of risks (e.g., credit risks) and CDB’s overall risk management performance, and providing suggestions for improving risk management and internal control.
- The risk management responsibilities of senior executives were strengthened. CDB integrated the responsibilities and functions of its executive-level deliberation and decision-making bodies for specific risks, and established a regular reporting system to be updated on the risk management work of its branches and affiliates. These moves improved the effectiveness and efficiency of executive-level deliberation and decision-making for risk management.
- The risk management responsibilities at all levels were consolidated. CDB improved its risk governance, risk appetite management, and performance evaluation, and set up mechanisms respectively for warning of weak risk management performance, for vertical reporting of risk management by CDB branches, and for re-inspection of projects facing critical risks. We thus enhanced the independence and vertical management of its risk management function.
- Internal audit played a key role in supervising risk management. CDB expanded the coverage of its internal audits and optimized the use of audit results to strengthen internal control and risk prevention through internal auditing.

Optimizing the Comprehensive Risk Management System

- Reforming the risk management system. CDB set up a long-term risk prevention mechanism based on its risk appetite, governance structure, processes, methods, and tools for risk management.
- Improving the risk appetite management system. CDB established a group-level statement of risk appetite and a multi-layered risk appetite management framework to provide overall guidance for business operations and risk management across the bank.
- Enhancing management throughout the lending process. CDB reshaped its lending process in all respects and established complete and clearly defined lending procedures, forming a standardized lending process that featured more convenient operations and embedded risk management.
- Improving the consolidated management capability. CDB accelerated the building of a comprehensive consolidated management framework and a corresponding IT system, with a view to providing an overall picture of risks the bank was faced with.
- Optimizing risk identification and measurement methods to gain an accurate understanding of clients’ risk profiles and enhance the accuracy and objectivity of risk identification and evaluation.

Improving the Consolidated Management System

- Improving lending policies and credit review management. CDB optimized unified management of lending to institutional clients, enhanced efforts in developing innovative credit review models, and released guidelines for lending to priority industries.
- Enhancing risk monitoring and early warning. CDB improved the accuracy and effectiveness of its risk early warning system by adopting a forward-looking risk analysis mechanism, conducting strict risk monitoring, and leveraging complete risk information.
- Strengthening post-loan management. CDB established loan management departments at the branch level to ensure more independent and professional loan management by CDB branches. It also improved the post-loan management system for its international operations and set up a pre-disbursement review center.
- Building a group-level system for standardized stress tests. CDB carried out stress tests in a wide range of scenarios, while promoting standardized and institutionalized stress tests.

Building a Sound Market Risk Management System

- Developing an innovative mechanism for management of group clients. CDB implemented the Work Plan for Optimizing Management of Group Clients to refine differentiated management and provide more targeted and effective services for group clients.
- Building a sound market risk management system. CDB established a scientific and flexible mechanism for market risk hedging, which enabled it to respond proactively to market risks, reduce exposure to and ensure effective management of exchange rate risks.

Preventing International Business Risks

- Preventing international business risks. We established CDB Global Finance and optimized the mechanism and work process for management of international loans. We also improved our direct management of international operations and adopted the principle of “one strategy for one country” to strengthen the guiding role of country strategies.
- Enhancing risk management of government-related business. While strengthening policy research and predictive analytics, CDB paid high attention to debt risks facing the government and collaborated with the government in accordance with applicable laws and regulations.
- Adopting an innovative mechanism for management of group clients. CDB implemented the Work Plan for Optimizing Management of Group Clients to refine differentiated management and provide more targeted and effective services for group clients.

Improving Risk Disposal

- CDB made greater efforts in identifying existing risks, enhancing accountability for non-performing loans (NPLs), particularly those from major branches and projects, and disposing of existing risks in accordance with law. By doing so, CDB achieved significant progress in risk disposal.
Pursuing its mission of ‘enhancing national competitiveness and improving people’s livelihood’, CDB holds fast to its positioning as a development finance institution, its core values of responsibility, innovation, green growth, prudence, and win-win development, and its goal of growing into a world-leading development finance institution. CDB makes full use of development finance that serves national strategies and features sovereign credit support, market-oriented operation, principal safety and modest profits, and takes advantage of medium and long-term investment and financing to stabilize economic growth and optimize the economic structure. The ultimate purpose is to attain the development goals set by the Chinese government, more efficiently allocate social resources, and mitigate cyclical economic fluctuations. CDB has also enhanced its support for tackling priority issues and gaps to serve national strategies while ensuring its own high-quality development.

**Our Goal**

Aligning its business focus with China’s major medium and long-term economic and development strategies, high-quality development requirements, and the sustainable development goals in the United Nations Transforming Our World: The 2030 Agenda for Sustainable Development, CDB is committed to growing into a market-oriented development finance institution that features adequate capital, sound governance, strict internal control, safe operation, excellent services, and high-quality assets, and to providing strong financial support for sustained and healthy development of the Chinese economy.

**Our Vision**

CDB continues to strengthen its capability and efficiency in serving national strategies as an indispensable and special development finance institution of strategic significance. CDB plays its due role to help China build its capacity for long-term economic growth. It serves China’s major medium and long-term development strategies, and provides strong support for projects in relation to national security and the livelihoods of the Chinese economy, in order to generate more momentum for medium and long-term economic development and improve China’s capability for sustainable economic and social development. CDB plays a counter-cyclical role at critical moments. It leverages medium and long-term investment and financing to support macroeconomic policies, of the state with a view to boosting market confidence and reducing cyclical economic fluctuations.

CDB pursues high-quality development by enhancing its market-oriented operation capability. CDB keeps exploring new concepts, methods, and approaches to serve economic and social development in a market-oriented manner. CDB works to enhance corporate governance by creating a governance framework in which all functions operate on their own while collaborating and effectively balancing against each other. CDB is committed to innovation and has developed innovative financing models, management systems, financial products, and risk control technologies. CDB is keen to enhance risk prevention and control. It has created complete, scientific, and effective systems for risk management and internal control. CDB also keeps strengthening its operational capabilities through lean and intensive management.
Improving Corporate Governance Capability

CDB is keen to integrate the CPC’s leadership into every aspect of its corporate governance, and adopts various operating mechanisms to modernize the governance framework on development finance.

Rules-Based Corporate Governance

Upholding the guiding principle of making progress while maintaining stability, the Board of Directors fulfilled its strategic decision-making responsibility and improved CDB’s governance capability and quality. It ensured that the bank adhered to its positioning as a development finance institution, focused on its main functions and business areas, took concrete measures to serve the supply-side structural reform, played a countercyclical role, spared no effort to dispose of risks, and aligned the delivery of China’s national strategies with its own sustainable development. With a focus on priorities including corporate governance, reform and development, risk management, and internal control, the Board of Directors held six meetings in 2019, at which it adopted 50 proposals and discussed and provided suggestions on critical issues such as business separation, regulation, and rectification, thus safeguarding CDB’s reform and development.

CDB enforced the building of a sound governance framework. Based on the principle that all functions should be performed independently in a well-coordinated operation and effective checking system, CDB established a more efficient governance framework in accordance with applicable laws and regulations, the Articles of Association of the China Development Bank, and its rules of procedure. All committees under the Board of Directors were assigned clearly defined responsibilities, based on which they served as advisors to the board by preparing and reviewing crucial proposals of the board and offering professional comments and suggestions. We also enhanced democratic management and included in our governance framework a democratic management system based on the employees’ congress.

CDB established a more comprehensive system of corporate governance rules. It enforced the Articles of Association of the China Development Bank and the Regulatory Measures of the China Development Bank and Established a Long-term Effective Mechanism, which specified “10 tasks whose execution was subject to comprehensive evaluation and set up a regular, long-term mechanism that promoted implementation of rules and regulations, improvement of decision-making procedures, accountability, and standardization of reporting lines. CDB also released the Work Rules of the China Development Bank for Safeguarding the Right of Non-Executive Directors to be informed, which specified working mechanisms for issues including regular reporting, reporting of events of critical risks, and proposal preparation to ensure fulfillment of directors’ responsibilities.

Enhancing Business Operations

CDB deepened reforms to lay an institutional foundation for its healthy and sustainable development. We improved our working mechanism for deepening reform and made remarkable progress in nine areas of reform. It advanced the reform in business operation to ensure that the bank adhered to its positioning as a development finance institution serving national strategies. It reformed international business management and, as a result, CDB Global Finance was set up. We released the China Development Bank Risk Management Reform (Ⅲ) Plan to reform our risk management system and improve our risk management capability. We also deepened reform in our subsidiaries to maintain their focus on main functions and business areas. CDB refined management to enable operations management to play a better role in supporting business development. It developed innovative approaches to financing planning and completed a number of financing planning and research projects. Upholding the principle of long-term financing, it developed new financing channels, used innovations to be a leader on the bond market, and improved its capability to ensure adequate supply of funds. To strengthen financial management across the bank, CDB established a sound financial governance framework at the group level, which provided pillars of its financial management. It also optimized the equity management mechanism for its subsidiaries and deepened comprehensive business coordination with them. With a focus on IT application in priority areas, CDB completed and upgraded its Daxianhu Data Center, which elevated the bank’s information technology capability to a new level. CDB also continued refining its operational systems and mechanisms and adhering to the principles of zero accidents and zero fund losses.

Improving Risk Prevention and Control

CDB implemented in a steady manner its three-year plan for winning the battle against major risks to ensure effective delivery of related measures and improve the quality of its assets.

Strengthening Comprehensive Risk Management

CDB accelerated the risk management system reform across the bank, improved its rules and regulations for comprehensive risk management, and amended the Measures of the China Development Bank for Comprehensive Risk Management. CDB carried out risk identification and evaluation to specify major risks it was faced with and improve its risk management capability. It adopted a multi-layered risk appetite management framework, improved the breakdown and transmission of its risk appetite, and developed a group-level statement of risk appetite. In order to strengthen consolidated management, CDB sharpened its capability of integrated risk management and enhanced bank-wide coordination and consistency in the implementation of the processes, rules and regulations, and standards for risk management. It strengthened predictive analysis of industry risks and optimized its precautions for these risks. It improved its group client management mechanism to shift its focus from projects to clients. Moreover, CDB advanced the building of a business continuity management system and performed business continuity drills to improve the quality and efficacy of management in all respects.

Enhancing Internal Control and Compliance Management

To improve its internal control and compliance system, CDB developed and amended a total of 46 rules and regulations to improve the effectiveness of internal control and compliance management. It refined its authorization management system to distinguish between authorization and dynamic regulation. It adjusted its internal control indicators and extended the coverage of onsite and offline evaluation to its main business lines and all of its subsidiaries. It unveiled and rectified problems according to the principle of ‘ensuring accountability, setting up a complete rectification guide, defining standards for completion of rectification, adopting pragmatic measures, and addressing both symptoms and root causes’. CDB also established a sound management system for related party transactions and internal transactions, and began to collect complete information about its related parties. Moreover, it enhanced its anti-money laundering efforts and established a complete system for identification, monitoring, evaluation, and prevention of money laundering risks.

CDB took advantage of the supervisory role of audits focusing on policy implementation, critical risks, business compliance, effective utilization of funds, management loopholes, fulfillment of executives’ responsibilities, and rectification of problems, enabling the bank to better serve China’s national strategies. It assisted the National Audit Office in auditing the implementation of major national actions, launched audits in priority areas such as poverty relief and foreign exchange, and promoted problem identification and rectification through internal and external audits, with a view to supporting the bank’s business development and risk prevention and control.

Ensuring Effective Risk Disposal

Upholding the principle of “fully exposing risks, consolidating asset quality, and accelerating disposal of NPLs”, CDB launched a comprehensive investigation of the risks facing its existing projects, in accordance with regulatory requirements. It invested greater efforts in disposing of risks in priority areas and strengthened systematic risk management through whole-process control, list-based management, and risk identification. To speed up risk disposal through coordinated and collaborative efforts, CDB established a consultation mechanism under which the responsibility of risk disposal was assigned to branches through regular scheduling. Moreover, the bank developed innovative loan recovery strategies and explored market-oriented, law-based debt restructuring methods to accelerate NPL disposal. It also enhanced accountability for NPL to increase employees’ compliance and risk awareness and to make its assets healthier.
Promoting Stakeholder Participation

CDB respects and responds to the needs and expectations of all stakeholders including its clients, employees, business partners and government agencies, by fulfilling its social responsibilities. In 2019, it received many honors and awards, including the Enterprise of the Year of the People’s Award for Corporate Social Responsibility from people.cn (for 14 consecutive years), the Social Responsibility Award for Targeted Poverty Relief from xinhuanet.com (for three consecutive years), and the 2019 Best Corporate Practice for Achieving Sustainable Development Goals.

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Sustainable Development Management

- CDB identified, evaluated, and confirmed a series of priority issues regarding sustainable development, such as poverty reduction, sustainable infrastructure, clean energy, environmental protection, high-quality education, employment, and global partnerships.
- CDB provided advice at the High-Level Advisory Meeting of the United Nations Global Compact (UNGC) Action Platform for Joint Building of the BRI by Responsible Enterprises towards the Sustainable Development Goals, worked towards the establishment of platforms and mechanisms such as the Belt and Road International Think Tank Cooperation Committee and Asia Think Tank Exchange and Cooperation Network Plan; and published the BRI’s Sustainable Development Report 2018.
- At the 2019 China Business Summit on Achieving Sustainable Development Goals held by the UNGC Network China, CDB shared its three-faceted strategy and four methods for poverty relief, philosophy for supporting the battle against poverty, and achievements in poverty relief, under the topic of “ending poverty and promoting prosperity.” It published the International Poverty Reduction Cooperation: Building a Community with a Shared Future.
- CDB conducted research on macro economy, old age and child care services, SME financing, investment and financing models for smart cities, energy finance, coal mine subsidence zones treatment and utilization, housing finance, and new energy vehicle industry.

Information Disclosure

- CDB published sustainability reports on an annual basis. At the Second Belt and Road Forum for International Cooperation (BRF), it released the Report on Development Finance for Sustainable Development Along the Belt and Road to showcase how it implemented the principle of extensive consultation, joint contribution and shared benefits for the BRI and supported the initiative with high-quality services.
- CDB disclosed its sustainable development information through a variety of channels including new media such as WeChat and Weibo to enhance communication with a wide range of stakeholders: regulators, industry associations, financial institutions, international organizations, and its shareholders and investors.

Exchange and Communication

- CDB enhanced communication with organizations such as the UNGC, Global Reporting Initiative, and China Banking Association, as well as Chinese and foreign social responsibility experts, by attending forums and symposiums.
- At the 2018 China Banking Association Social Responsibility Symposium it organized, CDB delivered a keynote speech and shared its views on the trends and good practices in sustainable development.
- CDB shared its experience in fulfilling social responsibilities and achieving sustainable development at conferences including the Belt and Road Symposium on Fulfilling Corporate Social Responsibilities and the UNGC Network China Forum on Sustainable Financial Projects.

Stakeholders and CDB’s Responses

- Strengthening the CPC’s leadership
- Enhancing corporate governance capability
- Improving risk prevention and control
- Intensiﬁng efforts to sense the real economy
- Cultivating new drivers of economic growth
- Safeguarding and improving people’s livelihood
- Supporting ecological conservation and protection
- Promoting opening-up and international cooperation
- Optimizing corporate governance
- Safeguarding shareholders’ rights and beneﬁts
- Maintaining and increasing the value of state-owned assets
- Strengthening management of investment risks
- Disclosing accurate information in a timely manner
- Continuously optimizing operational management
- Ensuring measurable and stable returns on investment
- Supporting all-round protection and green development of the Yangtze River
- Sharing green ﬁnance products
- Creating green ofﬁce
- Launching environmental protection campaigns
- Defining comprehensive ﬁnancial services
- Improving services and operational quality and efﬁciency
- Satisfying clients’ desire for ﬁnancial needs
- Cooperating with partners including government agencies, international organizations, academic institutions, and suppliers
- Promoting win-win collaboration to create shared value
- Ensuring open and fair recruitment
- Providing diversified training to cultivate a high-quality, professional, and innovative staff team
- Improving employee care
- Improving employee satisfaction
- Supporting all-round protection and green development of the Yangtze River
- Sharing green ﬁnance products
- Creating green ofﬁce
- Launching environmental protection campaigns
- Defining comprehensive ﬁnancial services
- Improving services and operational quality and efﬁciency
- Satisfying clients’ desire for ﬁnancial needs
## Promoting High-Quality Economic Development

### 2019

**Infrastructure**
- **RMB 115.2 billion** loans granted for railway construction
- **RMB 465.2 billion** loans granted for highway construction
- **RMB 143.7 billion** loans granted for urban rail transit construction
- **RMB 173.4 billion** loans granted to the electric power industry
- **RMB 58.9 billion** loans granted to the water resources industry

**Coordinated Regional Development**
- **RMB 440.4 billion** loans granted to the Beijing-Tianjin-Hebei Region
- **RMB 266.1 billion** loans granted to the Guangdong-Hong Kong-Macao Greater Bay Area
- **RMB 807.8 billion** loans granted to the Yangtze River Economic Belt
- **RMB 333.1 billion** loans granted to the Yangtze River Delta

**Industrial Development**
- **RMB 378.5 billion** loans granted to the manufacturing industry
- **RMB 121.2 billion** loans granted to the high-tech industry

**Green Finance**
- Issued China's first sustainable development-themed green financial bond under the Bond Connect program, with an issue size of **RMB 10 billion**

**The Belt and Road Initiative**
- More than **USD 20 billion** loans granted to support the BRI
- **21** multilateral and bilateral seminars attended by **948** participants
- Scholarship benefited **144** foreign students from **30** countries
Filling Infrastructure Gaps with a Focus on Quality and Efficiency

Supporting the Building of an Integrated Transport Network

The focus of transport development should be shifted from speed and scale to quality and efficiency, from disconnected to integrated development of different modes of transport, and from development driven by traditional factors to development driven by innovation, in order to build a modern integrated transport system that is safe, convenient, efficient, green, and cost-effective.

The Program of Building National Strength in Transport by the CPC Central Committee and the State Council

High-quality transport infrastructure is vital to ensure stable and healthy economic development and people’s need for easier mobility. In 2019, CDB stepped up efforts to fill gaps in transport infrastructure such as highways, railways, airports, and urban rail transit, with a view to promoting the building of a modern integrated transport system that is safe, convenient, and efficient, and leveraging the role of transport infrastructure in supporting and leading high-quality economic and social development.

Planning and Research

- CDB launched a strategic research on building national strength in transport in collaboration with external institutions to support the creation of the National Program of Building National Strength in Transport, and completed a series of planning and research projects to identify industry trends and development priorities in the 14th Five-Year Plan period, such as the Report on Transport Development Opportunities and Future Work Priorities.

- In addition to frontier research and studies on critical and challenging issues, CDB also launched research on methods of predicting highway and railway traffic volumes in collaboration with professional institutions such as the Transport Planning and Research Institute of the Ministry of Transport, in order to improve the depth and accuracy of project reviews.

Focus on Priority Areas

- With respect to coordinated regional development, CDB supported the implementation of Beijing-Tianjin-Hebei integrated transport projects and established four project pipelines respectively for the Guangdong-Hong Kong-Macau Greater Bay Area, the integrated development of the Yangtze River Delta, cross-river routes, and coastal routes, with a view to maximizing the role of transport infrastructure in promoting regional development.

- To close development gaps, CDB supported expressway construction, capacity expansions of national and provincial arterial roads, construction of airline hubs in Central and Western China, and construction of the “Eight Vertical and Eight Horizontal” high-speed railway network.

Diverse Measures

- CDB strengthened its collaboration with enterprises and supported the implementation of leading enterprises’ major projects, including China Railway’s vehicle purchase project and China Communications Construction’s Taihangshan Expressway project and Jianhe-Rongjiang Expressway project.

- CDB made use of the complementary advantages of development finance and commercial finance, and deepened financial collaboration in fields such as syndicated loans to provide joint support for transport infrastructure projects.

- CDB provided new financing channels for transportation infrastructure projects, such as syndicated loans, bond issuance, and bond underwriting, leveraging the advantages of comprehensive financial services.

Actions

- CDB launched a strategic research on building national strength in transport in collaboration with external institutions to support the creation of the National Program of Building National Strength in Transport, and completed a series of planning and research projects to identify industry trends and development priorities in the 14th Five-Year Plan period, such as the Report on Transport Development Opportunities and Future Work Priorities.

- In addition to frontier research and studies on critical and challenging issues, CDB also launched research on methods of predicting highway and railway traffic volumes in collaboration with professional institutions such as the Transport Planning and Research Institute of the Ministry of Transport, in order to improve the depth and accuracy of project reviews.

“The High-Speed Railway on Cloud” Injects Vitality into Local Development

On December 16, 2019, the Chengdu-Guiyang High-Speed Railway that links Sichuan, Yunnan, and Guizhou was put into operation as the first high-speed railway in the Wumengshan region. As the lead lender, CDB Sichuan Branch granted a total of RMB 12 billion in loans to support the implementation and completion of the project. The railway has reduced the travel time between Chengdu and Guiyang to three hours, benefiting 36 million people living along the line. It will also help improve the high-speed railway network in Western China and promote economic and social development in Southwest China.
On June 30, 2019, Line 2 of the Nanchang Metro was completed and began trial operations. CDB Jiangxi Branch has provided a total of RMB 3.72 billion loans to support the construction of Line 2. The opening of the line has effectively relieved the pressure of passenger traffic in the old and new urban areas of the city, saved travel time for citizens, and improved the quality of public transport in Nanchang.

The Pingtan Strait Road/Rail Bridge
Supported by CDB Fujian Branch with a loan of RMB 3.072 billion, it is the world’s longest cross-sea road/rail bridge and the first bridge of its kind in China. The successful opening of the bridge in 2019 is of great significance to improving the Beijing-Fuzhou-Pingtan high-speed railway route and strengthening the transport network in the region.

The Lintao County-Weiyuan County Section of the Lanzhou-Haikou Expressway
Supported by CDB Gansu Branch with a total loan of RMB 1.4 billion, it has helped improve local traffic conditions and promoted the development of the economy and society in areas along the expressway such as Gansu, Ningxia, and Qinghai.

Creating a Better Life Through Rail Transit
On June 30, 2019, Line 2 of the Nanchang Metro was completed and began trial operations. CDB Jiangxi Branch has provided a total of RMB 3.72 billion loans to support the construction of Line 2. The opening of the line has effectively relieved the pressure of passenger traffic in the old and new urban areas of the city, saved travel time for citizens, and improved the quality of public transport in Nanchang.
Helping to Meet the Needs for Efficient Energy

Low-carbon energy development concerns the future of humanity. China attaches great importance to low-carbon energy development and actively promotes energy consumption, supply, technology, and institutional transformation. The country is ready to work with the international community to strengthen energy cooperation in all aspects, safeguard energy security, address climate change, protect the ecology and environment, promote sustainable development and bring more benefits to people around the world.

Congratulatory Letter from President Xi Jinping to the Taiyuan Energy Low Carbon Development Forum 2019

The development of high-quality energy projects is a solid guarantee for the sustained and sound development of the economy and society. In 2019, we actively supported the construction of key projects such as a coastal nuclear power facility, a large-scale hydropower project, pumped storage and other energy storage facilities, affordable wind power, large-scale advanced offshore wind power and UHV power transmission projects. We increased support to areas of weakness such as transforming and upgrading rural power grids, natural gas production, supply, storage and marketing systems. We also promoted the improvement of energy supply structure, helped meet the energy needs of economic and social development, and enhanced people’s wellbeing through “using efficient energy.”

By the end of 2019, CDB issued RMB 2.44 trillion to the energy industry, resulting in a clean power capacity of 360 million kW.

Actions

Conducting Planning Studies

- Taking stock of the development trend in the energy industry, carrying out research related to the wind power and photovoltaics industries, and completing research reports like the Report on the Development and Operation of the Offshore Wind Power Industry.
- Providing policy recommendations to local governments, and completing planning studies such as the Development Finance to Support Qinghai in Becoming a National Clean Energy Demonstration Province.

Supporting Key Areas

- Promoting the implementation of major clean energy projects with a focus on coastal nuclear power, wind power, hydropower, and photovoltaics. A total of RMB 122.6 billion loans have been granted.
- Facilitating electric power transmission across provinces and regions and promoting the construction of key projects for UHV electric power transmission.
- Promoting the upgrading and reconstruction of rural power grids and issuing loans of RMB 5 billion to support the construction of related projects.
- Enhancing natural gas storage and transport capacities and supporting the construction of projects such as Sinopec’s Wen 23 underground gas storage facility and the Jiangxi Provincial Natural Gas Pipeline Network Project.

Case

The Zhundong-Huadong ±1,100 kV UHVDC Transmission Project

CDB Xinjiang Branch has provided a total of RMB 9.2 billion in medium and long-term loans in support of 2000 MW clean energy installed capacity to promote the development of wind and solar power in the Zhundong area and contributed to the economic development in Xinjiang.

Phase I Offshore Wind Farm in the Xinghua Bay, Fuqing, Fujian

The project is a leading platform for offshore turbine research and innovation. CDB Fujian Branch lent RMB 700 million to this project to improve local energy consumption mix and meet the needs for clean energy.
China’s economy has transitioned from high-speed growth to quality growth, raising new requirements for coordinated regional development, namely the “reasonable division of tasks and optimized development”. In 2019, we supported the implementation of major regional development strategies concerning the coordinated development of the Beijing-Tianjin-Hebei Region, the development of the Yangtze River Economic Belt, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and build world-leading innovation platforms and growth poles. We should make solid progress in the construction of Xiongan New Area, implement measures to jointly protect the Yangtze River Economic Belt, and promote the ecological protection and high-quality development of the Yellow River Basin.

Promoting Regional Coordination and Complementarities

We should speed up the implementation of the regional development strategy, improve regional policies and spatial layout, consider the comparative advantages of different regions, develop sources of new driving forces for national quality development, promote the coordinated development of the Beijing-Tianjin-Hebei Region, the integrated development of the Yangtze River Delta and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and build world-leading innovation platforms and growth poles. We should make solid progress in the construction of Xiongan New Area, implement measures to jointly protect the Yangtze River Economic Belt, and promote the ecological protection and high-quality development of the Yellow River Basin.

Environmental Benefits:

By supporting the construction of citrus planting bases and a project to improve the capacity of original citrus orchards, forest coverage is expected to grow by about 1,500 hectares and the efficiency of soil and water conservation will be increased by about 10%.

By supporting the construction of green production demonstration bases for pickled mustard tubers and production demonstration bases for the recycling of pickled mustard tuber’s raw materials, salt consumption will be reduced by 10,000 tons and the direct discharge of wastewater will be reduced by 280,000 tons.

Infrastructure Improvement:

Living conditions in urban and rural areas have been improved to build green homes by better urban and rural transportation infrastructure, upgraded public services.
• CDB Xiongan Branch in Hebei was officially launched to provide comprehensive and diversified financial services for Xiongan New Area.

• We helped optimize regional layout by supporting the construction of Beijing’s core functional area and sub-center. We carried out research on the development and construction planning of featured small towns in Beijing’s sub-center, and facilitated the implementation of projects in the Tongzhou District of Beijing including the construction of an integrated pipeline, the improvement of the water environment and the renovation of shantytowns.

• Focusing on key areas, we supported the construction of Beijing-Zhangjiakou High-speed Railway, Beijing-Xiongan Intercity Railway, Beijing-Daqing Expressway and the Beijing-Daxing International Airport to promote Beijing-Tianjin-Hebei Interconnection. We also supported such projects as the comprehensive management of the Yongding River Basin and the ecological restoration of the Hutuo River in Shijiazhuang, and carried out research on Tianjin’s ecological barrier construction and other plans, in a bid to help protect the ecological environment in the Beijing-Tianjin-Hebei Region.

• We carried out the Study on Development-Oriented Financial Support for Infrastructure Connectivity in Guangdong-Hong Kong-Macao Greater Bay Area, Study on Development-Oriented Financial Support for Systematic Financing in Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone. With the efforts, we have had a thorough review of major projects in fields such as transportation, energy, communication, water conservation, and science and innovation parks in the Greater Bay Area.

• We issued the CDB’s Action Plan for Supporting the Construction of Guangdong-Hong Kong-Macao Greater Bay Area (2019-2022) and help build Shenzhen as a leading demonstration area of socialism with Chinese Characteristics.

• We held two training sessions on “the integration of Guangdong, Hong Kong and Macao and Macao’s financial capacity building”, aiming to promote diversified development of Macao’s economy and upgrade the abilities of its financial talents. The sessions trained a total of 51 middle and senior managers from the Monetary Authority of Macao, Luso International Banking Limited, Bank SinoPac, and other financial institutions.

Providing Support for the Launch of Beijing Daxing International Airport

As a flagship project in Beijing, the Daxing International Airport plays a key role in the synergistic development of Beijing, Tianjin and Hebei. CDB Beijing Branch has granted a total of RMB 1.226 billion to support the project’s development. The airport, which officially started operation on September 25, 2019, allows for transfers between different transportation modes including the highway, rail transport, high-speed railway, and the intercity railway. This forms a diversified transportation network, creating a strong connection between the Beijing-Tianjin-Hebei urban agglomeration and is expected to advance the regional connection and accelerate the high-quality development of the area.

• Loans totaling RMB 186.3 billion were granted to Northeast China and east Inner Mongolia to support prioritized and challenging areas, such as infrastructure, basic and pillar industries, SOE reform, urban renewal, poverty alleviation, contributing to overall revitalization and high-quality development of the old industrial base.

• We set up a leading group to support the revitalization of Northeast China, and organized a set of events themed as “Financial Support for Revitalization-Liaoning Actions 2019”. Many cooperation outcomes were produced, serving as strong support to economic transformation and upgrade in Liaoning.

• We prepared the Report of CDB on the Ecosystem of the Transformation of Scientific and Technological Achievements in Heilongjiang; and played the role of development finance to support applying scientific and technological achievements in Heilongjiang.

• Loans totaling RMB 68.5 billion was granted to Xinjiang and Tibet in 2019 to support large projects such as the construction of the Ürümqi Railway Station.

• We published the work plan of development finance for western development. With a clear understanding of the priorities and requirements, we performed our duties in serving Great Western Development Strategy through development finance.

• We completed research on the planning of the bamboo industry in Yunnan, national reserve forests in Guizhou and featured agriculture in Inner Mongolia centering on local development characteristics, promoted industrial transformation and upgrading in Central and Western China, and supported the economic layout based on complementary regional advantages.
• We released the 2019 Work Plan on Supporting the Overall Conservation and Green Development of the Yangtze River, and provided a loan totaling RMB 384.9 billion for green development and conservation of the Yangtze River.

• We co-organized the Seminar on Bank-Government-Enterprise Cooperation to Promote High-Quality Development of the Yangtze River Economic Belt, and co-established the Three-Tank Alliance for High-Quality and Green Development of the Yangtze River Economic Belt, a shared platform for scientific research and finance.

• We improved the mechanisms for coordinating with local governments; signed special cooperation agreements on overall conservation of the Yangtze River with the governments of 11 provinces and cities along the Yangtze River; built a bank of key cooperation projects; and organized and completed 25 special cooperation projects and special studies on the conservation of the Yangtze River, including the implementation of the Financing Plan for the Development of the Yangtze River Ecological and Economic Belt in Hubei, to systematically promote the overall conservation of the Yangtze River.

• We promoted special cooperation with environmental protection enterprises; supported the implementation of key projects of China Three Gorges Corporation and China Energy Conservation and Environmental Protection Group in pilot cities; established a special cooperation mechanism with China General Nuclear Power Corporation for the overall conservation of the Yangtze River; and signed special cooperation agreements for the conservation of the Yangtze River.

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• We enhanced communication with the Yangtze River Delta Regional Cooperation Office; and studied specific proposals and measures of development-oriented finance to support the integration of the Yangtze River Delta.

• We enhanced cooperation with local governments; completed research on the investment and financing planning of Shanghai and Zhejiang for promoting the integrated development of the Yangtze River Delta, and provided intellectual support to higher-quality integrated development of the Yangtze River Delta.

Remarkable Progress Achieved through Loans for Projects within the Yangtze River Conservation Areas

Loans of RMB 49.3 billion have been granted to support projects in the Yangtze River conservation areas, which are expected to make the following achievements:

- regenerating and rehabilitating 1,370 km of long river channels
- regenerating and rehabilitating 1,333 hectares of lakes and rivers
- dredging 5.68 million m$^3$ of sediment from rivers and lakes
- treating 357,000 m$^3$ of heavy metal polluted sediment
- treating 2,667 hectares of rural non-point source pollution
- building 4,270 km of blowoff pipes in rural areas
- building 2,034 km of water supply pipes in rural areas
- building 2,162 km of drainage pipes
- increasing forest reserves by 327,333 hectares
- increasing the daily sewage treatment capacity by 5.46 million tons
- building water conservation hubs and reservoirs with a total capacity of 1.9 billion m$^3$
- launching rural area water safety projects benefiting a population of 15.78 million
Safeguarding Our Environment with Green Finance

Green Credit for Green Economy

We shall vigorously develop green finance. We shall establish and improve the environmental and social risk management system, incorporate environmental, social and governance requirements into the whole credit process, and strengthen the information disclosure and communication with stakeholders on environment, society, and governance.

Guiding Opinions on Promoting the High-Quality Development of Banking and Insurance Industries by the China Banking and Insurance Regulatory Commission (CBIRC)

With enhanced awareness of green sustainable development, we consistently increased support for ecological environmental protection, energy conservation and emission reduction, strove to enhance the awareness of self-regulation and compliance of green finance, and engaged in the drafting of national green standards. We conducted research on the construction standards of comprehensive water environment treatment projects, evaluation standards for green financing project, evaluation index of green banking and local green financing project matching standards. We also coordinated environmental, social, and financial resources to provide effective support for “three fronts”, i.e. ecological restoration, environmental protection, and green development.

Enhancing Planning and Research

- Promoting the development of the Yangtze River Economic Belt. We worked with state and local government departments and major environment protection enterprises on over 20 planning research projects including the Hubei Hekang eco-economic belt and the Yangtze River ecological protection project launched by China Three Gorges Corporation. The research focused on creating financing entities, innovating models and building mechanisms; a planning and cooperation system covering the whole Yangtze River Economic Belt was in place.

- Exploring differentiated green development paths. We promoted research on green development planning such as the Green Finance Plan for Ecological Environment Protection and Development in Beijing, the Research on Development Finance Supporting Green Development in Xiamen and the Financing Plan for Development Finance Supporting Qinghai to Build a National Clean Energy Demonstration Province.

Supporting Key Areas

- Supporting the protection and green development of Yangtze River. We worked hard to support urban environment protection, rural non-point source pollution treatment, industrial pollution treatment and other key areas; and helped implement such projects as the comprehensive water environment treatment project at Beili Lake in Qingshan, Wuhan, and the Yangtze River protection project in Changsha, Hunan.

- Climate adaptability. Pilot financing for forest reserves. We supported the shelterbelt forest systems, reforestation of farmland, and desertification control. We have played an innovative and leading role in water source conservation, soil and water conservation and biodiversity protection. We supported projects such as the targeted national reserve forest quality improvement project in Shaanxi County, Fujian. Financing green transportation. We supported urban greenway networks for green travel; the increasing use of environmentally friendly vehicles and new energy vehicles with low energy consumption and emissions; the construction of infrastructure such as charging piles, railway, waterway, highway and other multimodal transport to build low-carbon emission and efficient transportation systems. Green building financing. Through supporting projects such as Tianjin Dayin Building Materials, we helped accelerate the growth of green building companies. Low-carbon city financing. We prioritised financing for sponge city projects, including shiny town renovation, renovation of disused buildings and urban renewal, and construction of urban underground utility pipelines.

- Industrial emission reduction and green economy transformation. We support key projects in areas such as industrial energy efficiency improvement, clean production transformation and comprehensive utilization of resources to reduce waste gas, waste water and solid waste at the source.

Support Major Water Projects to Improve Ecological Environment

The extension and regulation of Xinmeng River is a backward project for water environment management of Tahe Lake and this single project with highest investment in Jiangsu. CDB Jiangsu Branch in total granted RMB 4.99 billion to provide strong financial support for the successful implementation of the project. Once the project is completed, it will be an integral part of the Yangtze River Taihu Lake water diversion project, effectively upgrade the capacity of Taihu Lake flood control and water allocation, and help to guarantee the safety of eco-environment, flood control and water supply in Yangtze River China.

Actions

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- Industrial emission reduction and green economy transformation. We support key projects in areas such as industrial energy efficiency improvement, clean production transformation and comprehensive utilization of resources to reduce waste gas, waste water and solid waste at the source.

- Evaluating environmental and social risks and including them into credit decision. We raise the awareness of environmental and social risks; strictly abide by laws and regulations in environmental protection and industries; learn from the best practices worldwide; fully evaluate the environmental and social risks of each project, and take the evaluation results as an important basis in making a credit decision.

- Improving the credit process management highlighting environmental and social risks. We formulated the CDB Risk Identification and Evaluation Measures which includes land approval policies, emission reduction requirements, and industry technological standards into the requirements for approval decisions and credit management.

CDB’s Story

Pollution Interception around Erhai Lake to Restore Clean Water

Erhai Lake is the seventh largest freshwater lake in China, and it is also the ‘mother lake’ for the people of Dai in Yunnan. By the end of 2019, CDB Yunnan Branch had issued a loan of RMB 2.28 billion to the pollution interception project around Erhai Lake in Dai. The project owns an area of 63 square kilometers, serving a population of about 650,000 people. The main sewage interception pipelines cover 100% of the residential area, and the river sewage interception pipelines achieve 100% coverage. The project has made it possible to reuse nearby treated sewage water, urban landscape water and agricultural irrigation, contributing to the continuous improvement of the water quality of Erhai Lake and restoring clean water for the people of Dai.

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**Diversifying Green Finance Options with Green Bonds**

Efforts shall be made to develop energy efficiency credits, green bonds and ABS of green credit, establish green development funds in compliance with laws and regulations, explore innovative green financial products, and support the development of a green, low-carbon and circular economy. Guiding Opinions on Prompting the High-Quality Development of Banking and Insurance Industries by the CBIRC

Upholding the philosophy of green development, CDB has made efforts to issue green bonds, introduce social funds to green finance, diversify financing methods and cut the financing costs for green projects, increase social impacts of green finance, and enhance the coverage, availability, convenience of green financial services.

**Expanding Investment Channels and Increasing Green Effects**

In 2019, CDB issued China’s first sustainable development-themed green finance bond totaling RMB 10 billion under the Bond Connect program to global investors. The bonds will finance green projects such as the forestry ecological construction project and natural forest reserve project in Jiangxi. Varied by a third party, the bond complies with the Green Bond Principles and Social Bond Principles, which is an enabler and available to investors from different markets at home and abroad. It has also been sold to the public through offline and online banks, marking the debut of sustainability bonds in China over the counter market through which the public can support ecological development while purchasing bonds.

The bond issuance is expected to help create the following environmental benefits:

- Treating 267.43 million tons of sewage and 234,000 tons of waste per year, reducing chemical oxygen demand by 4,280 tons and biological oxygen demand by 2,176 tons per year, building 485 km of water supply pipes and 607 km of sewage interception pipes, regulating 668 km of river channels, building 726 km of flood-control dams, and afforesting 29,985,301 m²
- Restoring 66,733 hectares of water ecological areas and 18,555 hectares of other ecological areas
- Reforesting 1,056 hectares, improving 1,841 hectares of existing forests, and nurturing 4,397 hectares of young and middle-aged forests
- Restoring 1,739 hectares of rain forests

**Actions**

- The first Keyuan 2019 credit asset-backed securities were issued, profiting from the existing high-quality loans and channeling social investment to key areas and weak links in green development and poverty relief.
- Diversified financing measures, including factoring and L&G, were utilized for such areas as environmental improvement, green manufacturing and green infrastructure.
- Issuing 2019’s first green medium-term note RMB 1 billion to CNO Wind Energy Limited.

**Green Securities**

- CDB Securities issued green lease ABS for China Merchants Real Estate Group in 2019 and many other high-quality green corporate bonds to support corporate financing and the development of real economy through capital market products.
- CDB Securities underwrote renewable green bonds for HBIS Group, to help promote the upgrading of energy-saving and environmental protection technologies and green products.

**Syndicated Loan**

- As the lead arranger, CDB organized loan syndications to bring an amount of over RMB 520 billion to support key projects in areas such as pollution control, low-carbon transportation and innovation development.
- As the lead arranger, CDB organized an international syndication according to the Green Loan Principles to provide green loan worth USD 500 million for CSICPC International Limited. The loan had its first disbursement in 2019 and is the first syndicated loan to an overseas project of China’s central SOEs.
Serving High-Quality BRI Cooperation

High-quality BRI cooperation will focus on translating the principles of extensive consultation, joint contribution, and shared benefits into concrete outcomes, coordinating economic growth, social development, and environmental protection. We always adhere to the principle of "development and contribution, and shared benefits into concrete outcomes, coordinating economic growth, social development, environmental protection."

In the joint pursuit of the BRI, we must always take a development-oriented approach and see that the vision of sustainable development underpins project selection, implementation, and management. We need to strengthen international development cooperation to create more opportunities for developing countries, help them eradicate poverty and achieve sustainable development.

Keynote Speech by President Xi Jinping at the Opening Ceremony of the Second BRF
Taking the Lead in the Establishment of the First Multilateral Financial Cooperation Mechanism between China and Latin America

On April 22, 2019, the China-LAC Development Financial Institutions Association, initiated by CDB, was established. Member banks of the mechanism include seven representative development finance institutions in Latin America with regional influence, such as Banco de Inversiones y Comercio Exterior (BICE) and Banco Latinoamericano de Comercio Exterior (Bladex).

I believe the establishment of this association and our participation will provide a more formal platform for our future cooperation. The BICE can attract more funds through CDB, encouraging Chinese companies to invest in Argentina and bringing more benefits to our trade and economic growth.

BICE Chairman Francisco Cabrera

CDB has provided more than USD 100 billion in financing for over 200 projects in 18 countries and regions in Latin America; taken the lead in establishing a total of USD 22.5 billion in special loans for China-Latin America and China-Caribbean cooperation in infrastructure projects; participated in the founding of the China-LAC Industrial Cooperation Investment Fund with USD 10 billion invested in the first phase and China-Portuguese Speaking Countries Cooperation Development Fund with a total size of USD 1 billion; and also held many bilateral exchanges between China and LAC countries. The Mechanism will give new impetus to China-LAC cooperation through the collaboration among CDB’s member banks.

Support to Set an Example for China-Malaysia Industrial Capacity Cooperation

The Malaysia-China Kuantan Industrial Park is a major Malaysia-China inter-governmental collaboration project directly proposed and developed by leaders of the two countries. It is the first national industrial park built in Malaysia. CDB Hong Kong Branch granted a loan of USD 100 million to support the development of local industries and the infrastructure construction of the park, so as to promote the complementarity of industries between China and Malaysia, and boost local economic and social development.

Skills Enhancement for Jobs Creation

Humanwell (Africa) Pharmaceutical, one of whose investors is the China-Africa Development Fund, a CDB subsidiary, training local professionals.

The Power Grid Project in Northern Laos

The project is supported by CDB with medium- and long-term loans of USD 266 million to upgrade the northern power grid from 115 kV to 230 kV. Once the project is put into operation, the northern power grid and the central power grid will be connected to form a nationwide unified backbone grid of 230 kV, providing strong support for a stable power supply and the economic development of Laos.

Trade Area to Give Impetus to the Development of Djibouti

Djibouti is an important sea outlet for Ethiopia and other East African countries, located on the key route between Europe and Asia. CDB Shenzhen Branch provided a loan of USD 240 million for the pilot zone in the first phase of the Djibouti Free Trade Zone, and actively cooperated with shareholders of both sides to facilitate financing during the Second BRF in 2019.

• By the end of 2019, there had been already 90 enterprises in the Trade Zone, creating nearly 200 jobs for the area directly.
• When completed, the Trade Zone is expected to create more than 100,000 jobs, which is about one-sixth of Djibouti’s workforce.
• In the initial stage of operation, the Trade Zone is expected to increase Djibouti’s GDP by USD 150 million. In 2035, GDP generated by the Trade Zone is expected to rise to USD 2.5 billion.
02
Helping Create a Better Life

2019

Poverty Alleviation
- RMB 21.2 billion loans granted for the follow-up support for the relocation of poor populations from inhospitable areas
- RMB 47.2 billion loans granted for rural infrastructure
- RMB 150.9 billion loans granted for major infrastructure in poverty-stricken areas
- RMB 118.3 billion loans granted for poverty alleviation through industrial development
- RMB 31 billion of student loans granted

Small-and-Micro Private Businesses
- Meeting the targets of granting RMB 100 billion loans for private enterprises and small-and-micro businesses respectively

Government-Subsidized Housing
- RMB 263.5 billion loans granted for shanty-town renovation
- RMB 4.8 billion of rental housing loans granted

Rural Vitalization
- RMB 366.1 billion loans granted for rural revitalization

Elderly Care, Education and Health
- RMB 2.1 billion loans granted for the elderly care industry
- RMB 12.4 billion loans granted for the education industry
- RMB 17.8 billion loans granted for the health industry
Taking Targeted Measures to Improve the Quality of Poverty Alleviation

Consolidating the Achievements and Ensuring Lasting Results of Poverty Alleviation

For poverty alleviation, we should not only keep an eye on the numbers, but also the quality. We cannot say that we have completed the task of poverty alleviation if, in a year or two, a lot of them slip back into poverty again. We need to take a multi-pronged approach to improve the quality of poverty alleviation and consolidate our achievements in it.

President Xi Jinping on a Symposium about Solving Prominent Problems Including Meeting the Basic Needs of Food and Clothing and Guaranteeing Compulsory Education, Basic Medical Care and Housing in 2019

The key to poverty alleviation lies in precision and sustainability. Entering into a crucial and decisive stage of poverty relief in 2019, we remained committed to the fundamental strategy of targeted poverty alleviation and eradication. We strived to improve the quality and level of poverty alleviation through financial services. With increasing financing support, we made sure that loans for poverty alleviation would not be reduced and that their quality would be improved. We also stepped up targeted measures to improve the quality of poverty alleviation.

### Peppers Industry for a Better Life

**The City Longnan in Gansu, which sits within the Qinling-Dabie Mountains, is comprised of a cluster of contiguous poverty-stricken areas. The city’s only district and eight counties are all national-level poverty-stricken counties.**

The city government in applying the idea of supply chain finance to create an innovative operational mechanism for the industry. A total of RMB 30 million in loans was granted for the Longnan’s poverty alleviation project of pepper order-purchase, which provided effective support to 3,546 poverty-stricken households and 14 farmers’ specialized cooperatives in 473 administrative villages of 46 townships located in the city’s seven counties. The average income of poverty-stricken households engaged in this project increased RMB 2,946.

### Establishing a Consortium

- CDB helps to establish a joint stock consortium with prefecture- and county-level poverty alleviation companies as the leaders, county-level cooperatives as the main body, and village-run cooperatives as the units.
- CDB helps to improve the supply chain with farmers’ cooperatives and farmers’ households as the producers and poverty alleviation companies as the distributors and raw material suppliers.

### Improving Supply Chain

- CDB provides financing support, relying on the purchase and sale orders signed by poverty alleviation companies with cooperatives and downstream customers, so as to facilitate production, supply and marketing for organizational operation and industrial development.

### Providing Funding

- Loans granted for the relocation of poor populations from inhospitable areas, covering around 3.12 million registered impoverished people.

### Providing Follow-Up Support for the Relocation of Impoverished People from Inhospitable Areas, and Helping Them Settle Down with a Better Life

- We conducted on-site investigations in 10 provinces and regions, including Guizhou, Guanxi and Gansu, to understand the actual situation and development needs of large-scale relocation sites.
- We prioritized our efforts on development of large relocation sites with more than 1,000 relocated people, especially those with more than 5,000 relocated people, by supporting leading industrial poverty alleviation projects and projects in industrial parks, scenic spots, water, electricity, roads and natural gas to strengthen areas of weakness. Loans are extended to 1,402 central relocation sites in 84 counties, benefiting about 270,000 people.

### Strengthening the Weak Links of Infrastructure and Filing the Foundation of Development

- We supported the construction of major projects in poverty-stricken areas such as transportation, water utility and power grids, to address poverty alleviation and promote economic and social development in poverty-stricken areas.
- We made efforts to ensure that rural poor people can be free from worries over food and clothing and have access to compulsory education, basic medical services and safe housing, by supporting projects to improve the safety of drinking water and environment in poor villages, so as to offer better working and living conditions in poverty-stricken areas.

### Reducing Poverty Through Industrial Development and Increasing Income

- We took on-lending as an effective measure to support poverty alleviation through industrial development, implemented differentiated access policies for financial institutions in impoverished counties, and expanded the scope of on-lending in impoverished counties.
- We encouraged central SOEs, local SOEs, and large leading enterprises to extend their industrial chains downward to support the development of industries unique to the region in poverty-stricken areas, thus increasing the income for poor households.
- RMB 10 billion in loans granted throughout the year for the forestry industry as part of the targeted measures to reduce poverty.
The Infrastructure Construction Project of Bashuidong Scenic Area in Xinshao County, Hunan

CDB Hunan Branch granted loans totaling RMB 200 million to support the project, so as to promote the development of the tourist industry in Xinshao County and increase the income of local residents.

Supporting Industrial Development in Poverty-Stricken Areas to Help Lift Poor Families out of Poverty

To help Ulanqab successfully complete its task of poverty alleviation and promote the sustainable development of the local economy, CDB Inner Mongolia Branch granted a loan of RMB 120 million to Inner Mongolia Minfeng Seed Co. Ltd., to actively support the integration of the local potato industry comprising seed potato cultivation, food potato storage and intensive processing. With the loan, the project helped more than 700 poor households in five counties and banners to shake off poverty and become well-off.

Boosting Consumption and Income

Weichi Village, Yingshan Town, Shaanxi is a targeted village for poverty alleviation of CDB Shaanxi Branch. The branch has explored new ideas and methods of poverty alleviation through consumption, expanded the consumption of products and services of poverty-stricken areas, and promoted the industrial development in such areas.

Establishing an E-Commerce Platform to Expand the Market

• We developed an e-commerce platform to sell local products, integrating rural production into the overall industrial chain and expanding the market of rural-made products.

Buying to Help

• We launched a campaign themed “My commitment to poverty alleviation” to encourage the organizations, employee welfare plan and employees of CDB to purchase local products. By the end of 2019, CDB Shaanxi Branch had helped Weichi Village achieve an income of more than RMB 300,000 through the sales of various products, helping residents of Weichi Village get rid of poverty and enjoy a better life.

Developing Featured Industries and Balancing Supply and Demand

• We matched market supply and demand through made-to-order agribusiness, integrating production and marketing.
• We facilitated land circulation, and developed high value-added agricultural products to increase the income of local people.
• We registered the trademark of “Weichi Village” as an effort to promote the standardization, branding and normalization of agricultural products, and always strive to be innovative in poverty alleviation through industrial development.

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Focusing on Key Areas and Lifting Targeted Counties out of Poverty

We will fulfill the responsibility of targeted poverty alleviation, make poverty alleviation in poverty-stricken counties a priority, and intensify our efforts.

Targeted poverty alleviation is an important political task assigned to CDB by CPC Central Committee and the State Council. CDB always regards targeted poverty alleviation as an important political and social responsibility. By strengthening financing support, pooling intellectual resources, and carrying out multi-party cooperation, CDB has helped four targeted counties for poverty alleviation, namely, Zhangjia County, Wuchuan County and Daoshan County in Guizhou, and Guimao County in Sichuan, to get rid of poverty and continue to show new vigor and vitality.

Breaking the Bottleneck of Development Through Financing Support

- We supported the improvement of the living environment in rural areas by granting a loan of RMB 807 million to Zhangjia, Wuchuan and Daoshan counties for the improvement of their living environment, benefiting 172 villages.
- Loans totaling RMB 688 million was granted to support poverty alleviation through development of featured industries.
- Student loans of RMB 230 million was granted, benefiting 30,800 impoverished students.

Improving the Abilities of Grassroots-Level Officials Through Training

- We trained 2,258 grassroots-level officials and 5,247 technical professionals to improve their ability to fight against poverty.
- We sought to benefit more trainees, including 2,767 “level-3 officials” and members of the “three teams” (composed of township Party secretaries, village Party secretaries and bellwethers committed to achieving rural prosperity) in Guimao County, through on-site and video trainings.
- We arranged courses on farming technology and e-commerce for officials and technical professionals working for poverty alleviation in Zhongnan, Wuchuan and Daoshan counties, and training more than 600 professionals from the “three teams”.

Promoting Cooperation and Attracting More Investment

- We organized the matchmaking meeting on poverty alleviation and investment invitation, facilitating the signing of the cooperation agreement between the Gulin County government and eight enterprises, and introduced Alibaba Group in e-commerce poverty alleviation.
- We helped to introduce a leading e-commerce company to Wuchuan County and Daoshan County respectively for investment and business operations to make the local enterprises stronger.

Collaborating with Multiple Parties to Support Employment

- We invited outperforming enterprises to hold a special job fair for people from four counties, helping 326 applicants find potential jobs.
- We organized events like the Tianjin Rainbow Bridge Talents Program and the special job fair of Henan Yuneng Holdings Co., Ltd to help with the employment transfer of impoverished people.
- We stepped up efforts of skills training for impoverished people and training 210 entrepreneurial leaders.

Keeping Channels Open for Consumption-Powered Poverty Alleviation

- We launched the CDB section on the Goodbull Cloud Labor Union application with the Poverty Alleviation Mall page to exhibit and sell more than 120 kinds of agricultural products from four counties, and increased purchases during traditional festivals.
- Specialty products from targeted counties for poverty alleviation were launched on the e-commerce platform of the Agricultural Bank of China and the Online Sales Platform for Agricultural and sideline Products from Poverty-stricken Areas.
- With our customer resources, we provided business matchmaking services for targeted counties to sell their products, matching the needs of benevolent enterprises and people with agricultural products from poverty-stricken areas.

A Road to a Better Life

Hongxiang Village, Gulin County, Sichuan is a targeted village for poverty alleviation of CDB. In 2018, CDB sent an official named Zhang Zhenfei to the village to lead the work of poverty alleviation. After investigation, Zhang Zhenfei found that the only main road leading to the village was just 3.5 meters wide, with many turns. There were potential safety hazards for children who went to school and villagers who went to work through the road. As a result of the high transportation costs, farming and industrial development in the village was held up, and thus the poverty alleviation was a difficulty. In 2019 Hongxiang Village solved the problem of road and infrastructure construction and won the battle against poverty.

“The road has been repaired. Now it’s safer for us to travel along the road, and our crisp red plums can be sold. I’m grateful to CDB.”

Li Qin, a villager in the fourth group of Hongxiang Village
Expanding Financial Supply to Small and Micro Private Enterprises

The private economy plays an irreplaceable role in maintaining stable growth, promoting innovation, increasing employment and improving people’s livelihood. In 2019, we implemented the State Council’s policies and arrangements on strengthening the financial services for small and micro private enterprises by providing special loans for private enterprises, expanding effective financial supply, relieving the liquidity pressure of private enterprises and using on-lending as the primary model to support small and micro enterprises. We also worked hard to improve the availability of financial services for small and micro private enterprises by providing special loans for promoting innovation, increasing employment and improving people’s livelihood. In

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Expanding Financial Supply to Small and Micro Private Enterprises

We should enhance the awareness and ability of financial institutions to serve private enterprises, especially small and micro enterprises, expand effective financial supply to private enterprises, improve the relief policies and measures for private enterprises, support the sustainable and robust development of private enterprises, and promote the realization of the goal of “keeping employment, the financial sector, foreign trade, inward and outward investment, and expectations stable”.

We improved the system for assessment and incentives, designed performance indicators dedicated for private companies, set loan tolerance limit for private companies and SMEs according to regulatory requirements, encouraged CDB branches to step-up lending support to private companies and SMEs, so as to provide accessible and affordable financing to private companies.

We focused our support on small and micro enterprises with a credit line of less than RMB 10 million, allowing more small and micro enterprises to enjoy financial services.

We implemented differentiated access policies of on-lending for financial institutions in poverty-stricken counties, benefiting more small and micro enterprises in such counties.

By setting preferential interest rates of special loans for private enterprises, we directly saved RMB 127 million financing cost for private enterprises.

We set special pricing policies for on-lending to offer tangible benefit to small and micro enterprises.

Several Opinions on Strengthening Financial Services for Private Enterprises by General Office of the CPC Central Committee and General Office of the State Council.

Supporting Small and Micro Enterprises to Reduce Poverty and Increase Income

“In the past, I only knew that CDB supported the construction of major national projects, and I didn’t expect that we small enterprises would gain support,” said the head of Gansu Dingle Agriculture and Animal Husbandry Co., Ltd. with joy. CDB Gansu Branch has granted a total of RMB 50 million of loans to the company in the way of on-lending to support the development of the beef breeding industry. By handing beef to the company for centralized breeding, local farmers can get the guaranteed income of RMB 900 per beef at the end of the years to increase their own income and shake off poverty.

His company applied for on-lending of RMB 3.5 million from CDB Hubei Branch which could save interest of RMB 48,000 per year. CDB combines its own capital advantages and the market advantages of the commercial bank to cooperate with local small and medium banks in the form of wholesale on-lending to provide financing services for small and micro enterprises.

By the end of 2019, CDB had supported more than 120,000 small and micro enterprises through on-lending, helping enterprises broaden financing channels and reduce financing costs, and enabling more small and micro enterprises to enjoy high-quality financial services.

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“One in, one out” strategy for one enterprise” toward private enterprises, balancing the services to private business and risk prevention.

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Supporting Small and Micro Enterprises to Reduce Poverty and Increase Income

“One in, one out” strategy for one enterprise” toward private enterprises, balancing the services to private business and risk prevention.
Taking Multiple Measures to Improve the Living Environment

We will better address people’s housing needs, require local governments to shoulder primary responsibility, reform and improve housing market and support systems, and sustain the steady and healthy development of real estate markets. We will continue to build government subsidized housing and rebuild rundown urban areas to meet the basic housing needs of disadvantaged groups.  

The policy that everyone has access to housing is heart-warming. In 2019, we implemented the government subsidized housing policy made by the State Council by focusing on the key task of “improving weak links and forestalling major risks” and complying with regulations to support the financing of the projects under construction for rebuilding rundown areas. Efforts had been made in promoting the innovation of financing models for newly-commenced projects, and the launch of the projects for rebuilding rundown areas in Xi’an and Ji’nan. We also actively helped with the pilot projects for rebuilding old residential areas in cities and towns by working with pilot areas to explore support models. We increased the support for housing leasing, and promoted the launch of the projects for building houses jointly owned by the government and the purchasers in such cities as Zhuhai and Beijing to help meet different groups’ housing demands.

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Providing Access to Housing for Non-locals Working in Cities

Shenzhen is a typical immigrant city. With the continuous net inflow of population, citizens’ demand for increasing housing supply and improving housing conditions is becoming increasingly prominent. CDB Shenzhen Branch has earnestly implemented the guiding principles of the CPC Central Committee and the State Council on speeding up establishment of a housing system that ensures supply through multiple sources, provides housing support through multiple channels and encourages both housing purchase and rental. It has also given play to the leading role of development finance in the house-leasing sector by providing a credit line of RMB 36 billion to Shenzhen Talents Housing Group Co., Ltd. to support the construction of the government-subsidized projects for talents’ rental housing, and help improve the housing structure of Shenzhen.

CDB will provide different groups of people including new citizens and all kinds of talents with about 48,000 rental houses to meet their needs for rental housing.

Rebuilding Rundown Areas to Help Realize the Dream of Making a Good Living

CDB Hubei Branch has granted a total of RMB 3.2 billion to support the construction of the government-subsidized project for rebuilding rundown areas in Wuhan East Lake High-Tech Development Zone. The whole project adopted the method of building new resettlement houses, involving the demolition and resettlement of a total of 10,696 households in three villages. The project was of great significance to promoting new urbanization and improving local people’s livelihood.

CDB’s Story

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Focus on Priorities to Support Rural Revitalization

As a development-oriented financial institution, China Development Bank is expected to leverage its advantages of serving national strategies, market-based operations, and maintaining moderate profitability to increase support for rural revitalization and foster growth drivers for rural economy. Guidelines on Financial Services for Rural Revitalization by the PBoC, the CBIRC, China Securities Regulatory Commission, the Ministry of Finance and Ministry of Agriculture and Rural Affairs

The stability of rural areas is vital to our country’s security. A strong agriculture is essential for a solid foundation of our country, and rural people’s wellbeing is based on operations, and maintaining moderate profitability to increase support for rural revitalization and foster growth drivers for rural economy.

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Camellia Planting Base Built to Help the Industry Thrive

Jinzhai County, Anhui, is located in a contiguous destitute area of Dabie Mountain. The local camellia industry has begun to take shape, but the capacity remains too low. To date, CDB Anhui Branch has granted a total of RMB 2.2 billion in loans to support the county to build a standardized camellia planting base. CDB hopes to promote the efficient development of the camellia industry, help grow the collective economy, increase farmers’ income, and drive rural tourism, so as to lay a solid foundation for revitalizing the rural economy of Jinzhai County.

Supporting Leading Companies to Plant the Seeds of Hope

Since 2015, CDB Hunan Branch has continuously provided loans with preferential interest rates to Yuan Longping High-Tech Agriculture Co., Ltd. (“Longping High-Tech”), to meet its financing needs and support its business development. These efforts have helped to guarantee the agricultural supply such as seeds and fertilizers, contributing to China’s agricultural advancement.
03 Working Together toward Partnership

2019

Customers
18 CDB branches were awarded “China’s Five-Star Bank Branch for Considerate and Standardized Services” by China Banking Association

Employees
Employee satisfaction up to 99%
CDB headquarters organised 118 off-job trainings for employees and trained a total of 31,999 persons

Charity
Charity donations up to RMB 57.81 million
Organized 526 financial knowledge education activities joined by 3,996 publicists, directly benefitting 149,700 audiences
Meeting the Diversified Needs of Customers

As China’s economy continues to develop, people’s pursuit of a better life in the financial field is reflected by their diversified, personalized, and multi-level needs. We must innovate and enrich the financial product system to meet people’s diversified financial needs.

We fully implement the "customer-centric" philosophy, optimize the integrated financial service system, promote the standardization of our network, and continuously improve the efficiency of service and the responsiveness to customer needs to create greater value for our customers.

Press Conference held by the CBIRC and the State Council Information Office in 2019 on the Effectiveness of Measures to Promote Supply-Side Structural Reform in the Financial Sector

We sought to be aligned with customers’ medium- and long-term development plans to explore differentiated customer service mechanisms.

We increased the breadth and depth of customer surveys to provide targeted financial solutions.

Providing Diversified Services that Targets Customers’ Needs

Press Conference held by the CBIRC and the State Council Information Office in 2019 on the Effectiveness of Measures to Promote Supply-Side Structural Reform in the Financial Sector

Creating Synergy to Improve Service Quality and Efficiency

We strengthened synergy between the headquarters and branches and between the parent company and subsidiaries and optimized the product system of intermediary businesses, in order to improve customer services in all aspects.

Innovating Product to Improve Services

We diversified customer service tools by providing special loans, subsidized loans and other products.

Providing Diversified Services that Targets Customers’ Needs

Building Quality Branches to Deliver Sincere Services

Believing in ‘fine management and professional services’, CDB Jiangxi Branch works hard to provide considerate and standardized services, improve facilities, and optimize service mechanisms. Committed to services up to high standards, the branch was proud to be awarded “China’s Five-Star Bank Branch for Considerate and Standardized Services” by China Banking Association in 2019.

Providing Integrated Financial Services

Improving Customer Experience

Intelligent Customer Services

We put into operation applications and created a “human-based + intelligent”, “hotline + online” 24-hour customer service system, with a success rate of AI-powered response up to 99% and significant improvement of customer experience.

We promoted new e-banking products such as self-service printing of receipts, making an appointment for account opening, self-help form-filling, completing the deployment of self-service equipment in 35 branches, and helping the branches improve their skills relating to AI-powered services to provide more convenience for customers.

Considerate and Standardized Services

We implemented the Guiding Opinions of the PBoC on Optimizing Account Opening Services for Corporate Customers and promoting all branches and cancelled the permit for opening corporate account, improving the efficiency of account opening for customers.

Following the Manual of Standards for Image Building of China Development Bank’s Branches, we required all branches to use 57 unified service signs to improve CDB’s look and image.

CDB's Story

Providing Diversified Services that Targets Customers’ Needs

Press Conference held by the CBIRC and the State Council Information Office in 2019 on the Effectiveness of Measures to Promote Supply-Side Structural Reform in the Financial Sector

Electronic Self-Service Zone

• Setting up self-service machines to facilitate customers to print receipts at any time

Public Education Zone

• Providing materials such as financial newspapers and risk warning brochures to enhance customers’ awareness of financial risks

Convenient Service Zone

• Providing water dispensers, cellphone charging stations, reading glasses and other supplies to create a comfortable and relaxed environment for customers
Growing Together with Employees

We must protect the legitimate rights and interests of all workers in the process of development. We must build up a strong social security network to safeguard the rights and interests of female employees and effectively ensure the safety of all laborers.

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We effectively protect the legitimate rights and interests of all our employees, help them improve the professional skills and comprehensive qualities, organize a variety of cultural activities, create a green work environment, and enable our employees to enjoy work at CDB and lead a healthy life.

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Supporting Employees’ Development

Organizing staff training by classification and hierarchy to improve their comprehensive qualities and professional skills.

Providing Care and Support

Providing care and support for employees to enhance their cohesion and sense of belonging.

Enriching Cultural Life

Carrying out cultural and sports activities to balance work and life, promote the CDB spirit, and show a good morale.

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Going Green in the Office

Calling for saving water, electricity and food to enable emission reduction and energy and resource conservation.

Protecting Employees’ Rights and Interests

Respecting employees’ democratic rights and providing benefits package.

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Growing Together with Employees

By the end of 2019, we have had 9,797 employees, 99.06% of which have a bachelor degree or above, and 41.41% of which are female.

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Saving Water and Electricity

- The bottled water used for meetings are labeled “do not waste, save water”. Recycling bins have been set up in meeting rooms and the water room on each floor. We also tried to save water by controlling and improving the watering method for greening.
- We made full use of natural lighting and energy-saving equipment in office buildings, applied the energy-saving lighting mode in underground parking at specific time, and strengthened the operation management of the HVAC systems to reduce electricity load.

Saving Food

- A more accurate purchase plan was made to facilitate the restaurants to better prepare food.
- A notice board was placed in front of the plates drop-off area to show the weight of residual left the previous day and a camera was installed above the drop-off area to raise employees’ food-saving awareness.

Classifying Domestic Waste

- We called all employees to participate in the classification of domestic waste in the office area, and work toward the goal of compulsory classification of domestic waste in the four office areas of the headquarters in Beijing, in order to contribute to resource conservation.

Green Travels

- Drivers were informed to improve fuel-saving awareness and skills to reduce carbon emissions.
- We reasonably reduced the use of non-private cars, encouraged car sharing, and advocated taking public transportation in short distances.

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CDB Qingdao Branch launched a green and energy-saving campaigns. They put up slogans and posters in ten offices, printers, toilets and other areas to raise energy-saving awareness at workplace and encourage the employees to "work together to build low-carbon, green branches".
Respecting Democratic Rights

• Convening the second session of the third Workers Congress to actively respond to employees’ concerns.
• Handling 87 proposals submitted by employee representatives, with a completion rate of 100%.
• Organizing employee representatives to review five systems involving the vital interests of employees.

Providing Benefits Package

• We continued to follow the salary distribution principle of “position-based salary and performance-based bonus, moderate competition externally and fairness first internally” to improve the performance and salary management.
• We developed the Work Measures on Strengthening the Mechanism Building for Employees’ Psychological Care, opened a psychological counseling hotline, organized activities to care for the mental state of employees, and held lectures and training on mental health knowledge to improve employees’ mental health.
• We established and improved health records and organized all-round health examinations for employees to protect their physical health.

Firming Theoretical Foundation

• We held special study classes, refresher classes, seminars, training classes, and Party affairs classes for all employees of different levels; carried out rotation training on the spirit of the Fourth Plenary Session of the 19th CPC Central Committee; and held special training classes and online workshops for the first time to study and implement Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era.
• We integrated theory with practice and carried out research around topics such as the role of the Party branch as a fortress, high-quality development under the BRI, rural revitalization, bank-government cooperation, and construction of the Greater Bay Area, and establishing a mentor system for research projects.
• We optimized the teaching arrangements; organized the theme education of “staying true to our founding mission”, strengthened the education on ideals and beliefs and on the history of the Party and the new China; applied teaching methods such as learning by doing, case studies, structured discussion, held Party spirit analysis forums and reading forums; organized trips to the revolutionary bases to train the Party spirit; and kept improving the relevance and effectiveness.

Improving Professional Skills

• We formulated the Training Implementation Plan for Improving Employees’ Professional Skills and built a curriculum system.
• We arranged key personnel for training on leadership and English proficiency and conducted new employee training.
• We carried out special training for business lines to improve the professional competence of employees in areas such as risk control and financing model innovation.
• We promoted the development and teaching of cases, developed 25 teaching cases on topics such as resolving NPLs, and encouraged trainees to think deeply and apply what they’ve learned.
• We worked with international financial institutions for exchanges and mutual learning, assigned DG/Director level managers for short-term training in top overseas colleges, and selected young backbone staff for exchange and internship at Barclays, ABSA and other financial institutions for 12 years in a row.

Strengthening the Ability to Act

• We provided young employees with “cross-regional, multi-position, and multi-dimensional” practice opportunities, built 12 practice bases for young employees across CDB, and organized 25 practical activities throughout the year involving 289 young employees.
Protecting the Rights and Interests of Female Employees
- Promoted the signing of the CDB Special Collective Contract on Protecting the Rights and Benefits of Women Employees.
- Compiled and published the Answers to 100 Questions About Protecting the Rights and Benefits of Women Employees.
- Improving the facilities of lactation room to highlight practical functions and meet the special needs of female employees.

Supporting Employees in Need
- Visiting 87 poor employees and offering RMB 317,000 on the New Year’s Day and the Spring Festival.
- Visiting 12 family members of the deceased employees and employees suffering from critical illnesses and offering RMB 48,500.

Caring for Overseas Employees
- Conducting psychological tests and themed micro-courses, sending out psychological journals, and engaging psychologists to provide one-to-one counseling to overseas employees via online lectures.
- Distributing fitness subsidies for 9 consecutive years to ensure the health of overseas employees.

Sending Regards to Front-Line Workers
- Sending regards and offering RMB 1,596,500 to front-line workers at Tibet Branch and Qinghai Branch as well as resident workers and poverty alleviation specialists in Tibet and Xinjiang.

Remembering Retired Employees
- Releasing the Implementation Opinions of CDB on Further Improving the Management of Sophisticated Services for Retired Cadres to improve the management level.
- Launching “Happy e-Garden”, an information platform dedicated to the retired employees, and “Happy to Help the Elderly”, a service platform for home-based care, to better meet the multi-level, multi-faceted needs of the retired employees.
- Carrying out a series of activities such as theme essay writing and calligraphy, painting and photography exhibition to guide the retired employees to learn and accomplish something and have fun in their old age.

Thought Leadership: Carrying Out Theme Education Activities
- Organizing theme activities such as gatherings to celebrate the Spring Festival, speech contests, and the “New Era, Happy Reading” reading competition.
- Carrying out the activity “Love My Motherland and Sing the National Anthem Together”, the special theme day event “Speeches under the National Flag”, and the theme campaign “Dating with the National Flag” around the major theme of celebrating the 70th anniversary of the founding of PRC to guide employees to enhance political, ideological and emotional identity.

Enthusiasm: Organizing Achievement Competition
- Organizing the theme achievement competition “Paying a Tribute to the New China, Forging ahead in the New Era – Compliance and Risk Control for Better Development” to guide employees to have professional dedication.

Motivation: Promoting Advanced Models
- Selecting and commending 26 “CDB Model Workers” and 25 “CDB Outstanding Young Employees” to encourage the self-driving power to learn from, catch up with and strive to be an advanced model.

Keynote Speeches Show a Good Morale
In order to motivate CDB’s young employees of the new era to shoulder the mission of becoming a new force of development finance, CDB held a speech competition themed “Magnificent 70 Years: Striding to the New Era”. A total of 212 employees from 65 teams across CDB participated in the competition to showcase their profound understanding of the founding of PRC, the May 4th Movement, and the mission of CDB as well as to demonstrate their commitments, dedication, and morale.
Commitment to Public Welfare

We will pay more attention to special groups and general concern of the people, better perform our function of ensuring livelihood, effectively guarantee the sustenance of people in need, and promote the establishment of a long-term mechanism for helping people in poverty.

Opinions on Studying and Implementing the Guidelines of the Fourth Plenary Session of the Nineteenth CPC Central Committee by the Ministry of Civil Affairs

"Youth Action" Bringing Hope to Children

"Teachers from Beijing are here! Teachers from Beijing are here..." Cheers of the children woke up the serene morning in May at Yuexin Primary School in Guizhou. This school, located at the You'er village, Hongfenghu town, Guizhou, is the survey site of the grassroots’ targeted poverty alleviation for Youth League Working Committee of CPC Central Committee and State Organs, and the practice site for young employees of CDB. The young volunteering teachers from CDB fulfilled their promise to the children at this school.

The activities of Yuexin Primary School is only a snapshot of CDB volunteering service. In 2017, CDB organized the “Youth Action”, part of the “Leifeng Month” volunteering events, to further promote the spirit of “serving and helping people” of Leifeng, known as the Chinese icon for his selfless dedication. By the end of 2019, nearly a thousand young volunteers from CDB participated in the activities of “colorful classrooms”, delivering 300 hours of volunteering services. They held workshops, organized surveys, taught courses and paid visits for three schools for migrant workers’ children in Beijing, one special rehabilitation center for children and Yuexin Primary School.

CDB’s Story

We adhere to our responsibilities in public welfare. We have amended the Measures of CDB for Managing Donations as part of an effort to firm up the foundation of compliance management. We continue to support public welfare projects that care for vulnerable groups, in order to build harmonious community.

Elderly Care
We respect and love the elderly so as to ensure they live a happy life after retirement.

Helping People in Distress
We donate cash, clothing, among others, to help meet the needs of poor families.

Environmental Protection
We clean up trash and plant trees as part of an environmental protection endeavor.

Teaching Resources
We train front-line teachers, donate teaching apparatus, and build music classrooms, thus creating better educational opportunities for children.

Poverty Alleviation through Consumption
We procure agricultural products from poverty-stricken areas and expand their sales channels, to help people in these areas increase income.

Donations
We adhere to our responsibilities in public welfare. We have amended the Measures of CDB for Managing Donations as part of an effort to firm up the foundation of compliance management. We continue to support public welfare projects that care for vulnerable groups, in order to build harmonious community.

By the end of 2019
1,857 registered volunteers who provided a total of 93,750 hours of volunteer services
To perform our social responsibilities, we carried out “Financial Knowledge Month”, “Financial Knowledge Promotion across China”, among other activities, to publicize financial knowledge, increase awareness of financial risks, and enable rational choice of financial products and services.

Representatives of CDB Qinghai Branch carried out a series of winter activities in Qinghai to promote financial knowledge and policies, and help villagers improve their ability to identify risks and new types of financial frauds.

CDB Xiamen Branch participated in the publicity campaign to explain financial knowledge and fraud tricks to students, raising the financial awareness and skills among the college students.

Representatives of CDB Ningbo Branch visited Ningbo Yongjiang Talent Innovation Center on a special mission to promote financial knowledge in the community, including credit and personal information protection and payment security, in an effort to enhance residents’ awareness in credit and risk prevention.

We warn against “campus loans” and promote knowledge on financial aid.

Representatives of CDB Hainan Branch participated in the “June 14 Credit History Day” campaign to promote knowledge on credit in an effort to raise the awareness of small and micro business owners and managers on honest operations.

CDB Guizhou Branch organized a publicity campaign in Liangshuijing Community, explaining financial knowledge to residents and making them alert to illegal fundraising activities.

We promote financial knowledge, such as how to prevent telemarketing and internet frauds, how to pay safely, and how to boycott illegal fund raising, to residents.

We publicize financial poverty alleviation policies, such as poverty alleviation through loans, and promote knowledge on financial fraud.

We promote financial knowledge, such as how to prevent telemarketing and internet frauds, how to pay safely, and how to boycott illegal fund raising, to residents.

We promote knowledge on credit records and enhance the awareness of business owners and managers on honest operations.
In 2020, China will finish the building of a moderately prosperous society in all respects and the 13th five-year plan. CDB will continue to be prudent and proactive, act on the new philosophy of development, and enhance financial support for supply-side structural reform. While adopting strong measures against COVID-19 on a daily basis, we will utilize our strength in development finance to support the real economy, the “six stability goals” and “six protection targets,” and the state endeavor to eliminate poverty and build a moderately prosperous society in all respects.

Strengthen Party building for political governance. We will stick to the right political direction and take real actions to sharpen the awareness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment; increase confidence in the path, theory, system, and culture of socialism with Chinese Characteristics; and uphold the status of General Secretary Xi Jinping as the core of the CPC Central Committee and the whole Party and the authority and centralized and unified leadership of the CPC Central Committee. We will enhance political leadership to ensure the CPC is ultimately in charge of corporate governance. We will embed political requirements in all Party building and business practices. We will enhance Party discipline in the whole group to foster a clean environment and root out corruption, making CDB a financial institution worthy of the trust of the CPC Central Committee and the general public.

Focus on priority areas to promote sound economic development. We will expand effective investment in conventional and new infrastructure to drive growth. We will promote the high-quality growth of the manufacturing sector and help build stable and competitive industrial and supply chains. We will support the integration of Beijing, Tianjin and Hebei, the development of the Guangdong-Hong Kong-Macao Greater Bay Area; and the integration of the Yangtze River Delta. We will make specific efforts to improve the efficiency and performance of our business operations to lay a solid foundation for long-term and healthy growth.

CDB will remain true to its founding mission and keep forging ahead. Amid the uncertainties in the COVID-19 pandemic and world economy and trade, CDB, as a development finance institution, will follow unswervingly the CPC’s leadership, stay confident and motivated, and play a better role in promoting social and economic stability in China. CDB is poised to be a conducive force for better, fairer, and more efficient and sustainable development of the country.
Including loans to projects located in central and western China, which includes Shanxi, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei, Hunan, Inner Mongolia, Guangxi, Chongqing.

Excluding loans in foreign currencies and loans of CDB Hong Kong Branch.

Including the number of video conferences held by the headquarters, Xinjiang Branch and Hainan Branch.

Referring to the total loans to the projects located in the 11 provinces along the Yangze River and belonging to the green development fields in the supporting list.

Referring to outstanding loans to projects under the 12 categories specified in the Notice on Reporting Green Credit Statistics by the CBIRC [2013] 185.

Referring to the amount of actual external cash donations made by the headquarters and the branches.

Referring to the loans within one year (included) with rapid decision-making as a part of the Bank's business scope, aiming to help local governments and critical enterprises and institutions to manage emergencies before fiscal aid or relief become available or the afflicted enterprises or institutions can resume their normal productions and operations.

Referring to the loans to rural infrastructure projects located in and designed to serve regions where the underprivileged population account for no less than 10% of total local population.

Referring to the proportion of shantytowns rebuilding loans to central, western and northeastern regions to the total shantytowns rebuilding loans across China.

Referring to loans disbursed to projects located in the three provinces of Northeastern China.

Referring to loans disbursed to projects located in central and western China, which includes Shaanxi, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei, Hunan, Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia, and Xinjiang.

Referring to loans disbursed to projects located in and designed to serve regions where the underprivileged population account for no less than 10% of total local population.

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Referring to loans disbursed to projects located in the three provinces of Northeastern China.
Independent Practitioner’s Assurance Report

To China Development Bank

We have been engaged to perform a limited assurance engagement on the selected 2019 key data as defined below in the 2019 Sustainability Report (“the Sustainability Report”) of China Development Bank (the “Bank”).

Selected key data

The selected key data in the Bank’s 2019 Sustainability Report is the environmental indicators and social indicators in the table of key data.

Our assurance was with respect to the year ended 31 December 2019 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2019 Sustainability Report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2019 Sustainability Report is set out in the footnotes to the table of key data (the “basis of reporting”).

The Management’s Responsibilities

The Management is responsible for the preparation of the selected key data in the 2019 Sustainability Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2019 Sustainability Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

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

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

Practitioner’s Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2019 Sustainability Report based on our work.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank’s 2019 selected key data in the 2019 Sustainability Report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risk of material misstatement of the selected key data in the 2019 Sustainability Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk.

Within the scope of our work, our work was performed at the headquarters and the following branches:

- Beijing Branch
- Jiangxi Branch
- Liaoning Branch

We performed the following procedures:

1) Interviews with relevant departments of the Bank involved in providing information for the selected key data within the Sustainability Report;
2) Analytical procedure;
3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
4) Recalculation; and
5) Other procedures deemed necessary.

Inherent Limitation

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

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2019 selected key data in the 2019 Sustainability Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

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

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China
29 Sep 2020
What We Did to Deliver the Ten Principles of the UNGC

The Ten Principles of the UNGC

<table>
<thead>
<tr>
<th>Principle</th>
<th>Performance in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;</td>
<td>CDB remained in compliance with the laws and regulations of China and other countries where it had operations, and signed employment contracts with all of its employees. CDB promted democratic management and supervision, listed employee opinions and suggestions, and responded actively to their concerns about the bank. CDB safeguarded comprehensive employee benefits, oriented employees towards the basic types of insurance, namely, basic pension insurance, basic medical insurance, unemployment insurance, employment injury insurance, and maternity insurance. CDB provided employees with market-competitive and fair remuneration, which was decided based on their positions and performance. CDB continued to optimize its mechanism for management of employee remuneration and benefits, and improve performance-based remuneration management.</td>
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<tr>
<td>Principle 2: make sure that they are not complicit in human rights abuses.</td>
<td>CDB remained in compliance with the international treaties and conventions acceded to or endorsed by the Chinese government, and respected international covenants and declarations including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.</td>
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<tr>
<td>Principle 3: Businesses should uphold the freedoms of association and the effective recognition of the rights to collective bargaining;</td>
<td>In terms of improving its employee representation system, CDB made notable progress in holding regular employee representative meetings at the grassroots level. It responded effectively to all proposals of employee representatives. CDB also respected employees’ democratic rights and ensured effective protection of their legitimate rights and benefits.</td>
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<tr>
<td>Principle 4: the elimination of all forms of forced and compulsory labor;</td>
<td>CDB prohibited forced labor of any kind, signed the signing of the CDB Special Collective Contract on Protecting the Rights and Benefits of Women Employees, and compiled and published the Answers to 102 Questions About Protecting the Rights and Benefits of Female Employees.</td>
</tr>
<tr>
<td>Principle 5: the effective abolition of child labor;</td>
<td>CDB upheld the principle of “equal pay for equal work.” It established a talent selection mechanism that highlighted fairness, equality, and competition. CDB prohibited discrimination based on race, gender, national origin, age, disability, marital status, religion, culture, and language, and women employees made up 41.4% of its total workforce. CDB also used special channels to assist employees in need, employees working in Western China and foreign countries, model employees, retired cadres, and women employees.</td>
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<tr>
<td>Principle 6: the elimination of discrimination in respect of employment and occupation.</td>
<td>CDB improved its green finance organizational guarantee system, green project system, green finance product system, and green finance risk management system, while participating in the development of national standards for green finance. CDB also developed regulations for implementation of comprehensive water environment improvement projects and for evaluation of green financing projects, as well as a green bank performance indicator system and matching standards for local green financing projects. CDB issued green bonds to channel private funds into the field of green finance, and strove to provide new financing models for environment improvement projects and for evaluation of green financing projects, as well as a green bank performance indicator system and matching standards for local green financing projects. CDB also cooperated with governmental bodies to establish green transformation management networks and credit assurance systems.</td>
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<tr>
<td>Principle 7: Businesses should support a precautionary approach to environmental challenges;</td>
<td>Adhering to the principles of green sustainability, CDB continued to strengthen its support for environmental protection, energy conservation, and emission reduction, while improving awareness of green finance. CDB also supported the protection and green development of the Yangtze River, climate adaptation financing, green transportation financing, reduction of industrial emissions, and green transformation of the economy. CDB also promoted water electricity, and food conservation, household waste classification, and green mobility, and used eco-friendly offices.</td>
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<tr>
<td>Principle 8: undertake initiatives to promote greater environmental responsibility;</td>
<td>CDB provided support for major green industries including clean and renewable energy, circular economy, energy conservation, and environmental protection, and has supported the installation of 500 million kW of clean electrical capacity.</td>
</tr>
<tr>
<td>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</td>
<td>CDB took on responsibilities in Party governance, deepened the reform of its discipline inspection and supervision system, and strengthened efforts in fighting corruption to improve the Party’s working practices and combat corruption. CDB developed special policies for promoting integrity in credit rating, quality assurance, infrastructure construction, talent selection and appointment, and avenues operations. CDB also convened bank-wide administrative and educational conferences to create a clear and upright political atmosphere.</td>
</tr>
<tr>
<td>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</td>
<td>CDB provided support for major green industries including clean and renewable energy, circular economy, energy conservation, and environmental protection, and has supported the installation of 500 million kW of clean electrical capacity.</td>
</tr>
</tbody>
</table>

Number of the Disclosure Standard and Heading | Disclosure Article | Standard Content | Where to Find |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: General Disclosures</td>
<td>102-2</td>
<td>Name of the Organization</td>
<td>Bank Profile</td>
</tr>
<tr>
<td></td>
<td>102-3</td>
<td>Activities, brands, products, and services</td>
<td>Bank Profile</td>
</tr>
<tr>
<td></td>
<td>102-4</td>
<td>Location of headquarters</td>
<td>Back cover</td>
</tr>
<tr>
<td></td>
<td>102-5</td>
<td>Location of operations</td>
<td>Bank Profile</td>
</tr>
<tr>
<td></td>
<td>102-6</td>
<td>Ownership and legal form</td>
<td>Bank Profile</td>
</tr>
<tr>
<td></td>
<td>102-7</td>
<td>Scale of the organization</td>
<td>8.1. Appendix D: Key Data</td>
</tr>
<tr>
<td></td>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-9</td>
<td>Supply chain</td>
<td>Procurement of China Development Bank</td>
</tr>
<tr>
<td></td>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-11</td>
<td>Precautionary principle or approach</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-12</td>
<td>External initiatives</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-13</td>
<td>Membership of associations</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-14</td>
<td>Statement from senior decision-making</td>
<td>Chairman’s Review</td>
</tr>
<tr>
<td></td>
<td>102-15</td>
<td>Key impacts, risks, and opportunities</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-16</td>
<td>Values, principles, standards, and norms of behavior</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-17</td>
<td>Mechanisms for advice and concern about ethics</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-18</td>
<td>Governance structure</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-19</td>
<td>Delegating authority</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-20</td>
<td>Executive-level responsibility for economic, environmental, and social topics</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-21</td>
<td>Consulting stakeholders on environmental, economic, and social topics</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-22</td>
<td>Composition of the highest governance body and its predecessors</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-23</td>
<td>Chair of the highest governance body</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-24</td>
<td>Nomination and selection of the highest governance body</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-25</td>
<td>Role of the highest governance body in setting purpose, roles, and strategies</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-26</td>
<td>Collective knowledge of the highest governance body</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-27</td>
<td>Evaluating the highest governance body’s performance</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-28</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>Not Applicable</td>
</tr>
<tr>
<td></td>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>Not Applicable</td>
</tr>
<tr>
<td></td>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-31</td>
<td>Review of economic, environmental, and social topics</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-32</td>
<td>Highest governance body’s risk in sustainability reporting</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-33</td>
<td>Communication with critical stakeholders</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-34</td>
<td>Nature and total number of critical incidents</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-35</td>
<td>Remuneration policies</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-36</td>
<td>Process for determining remuneration</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-37</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>Not Applicable</td>
</tr>
<tr>
<td></td>
<td>102-38</td>
<td>Percentage increase in annual total compensation ratio</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-39</td>
<td>Percentage increase in annual total compensation ratio</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td></td>
<td>102-40</td>
<td>Percentage increase in annual total compensation ratio</td>
<td>10.6.1.2.3. Growing together with Employees</td>
</tr>
<tr>
<td>Number of the Disclosure Standard and Heading</td>
<td>Disclosure Article</td>
<td>Standard Content</td>
<td>Where to Find</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>--------------------</td>
<td>------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Stakeholder Engagement</td>
<td>103-24</td>
<td>List of stakeholder groups</td>
<td>VI.(6): Promoting Stakeholder Participation</td>
</tr>
<tr>
<td></td>
<td>103-21</td>
<td>Collective bargaining agreements</td>
<td>VI.(6.2): Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td>103-22</td>
<td>Defining report content and topic boundary</td>
<td>IX. Appendix 6 Notes to the Report</td>
</tr>
<tr>
<td></td>
<td>103-23</td>
<td>Draft of draft report</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Reporting Practice</td>
<td>102-49</td>
<td>Changes in reporting</td>
<td>Not Applicable</td>
</tr>
<tr>
<td></td>
<td>102-50</td>
<td>Reporting period</td>
<td>IX. Appendix 6 Notes to the Report</td>
</tr>
<tr>
<td></td>
<td>102-51</td>
<td>Draft of draft report</td>
<td>Not Applicable</td>
</tr>
<tr>
<td></td>
<td>102-52</td>
<td>Reporting cycle</td>
<td>IX. Appendix 6 Notes to the Report</td>
</tr>
<tr>
<td></td>
<td>102-53</td>
<td>Contact point for reporting questions</td>
<td>IX. Appendix 6 Notes to the Report</td>
</tr>
<tr>
<td></td>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI standards</td>
<td>IX. Appendix 6 Notes to the Report</td>
</tr>
<tr>
<td></td>
<td>102-55</td>
<td>GRI content index</td>
<td>IX. Appendix 6 Notes to the Report</td>
</tr>
<tr>
<td></td>
<td>102-56</td>
<td>External assurance</td>
<td>IX. Appendix 6 Notes to the Report</td>
</tr>
</tbody>
</table>

**GRI 103 Management Approach**

<table>
<thead>
<tr>
<th>Number of the Disclosure Standard and Heading</th>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 200 Economic</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>VII.(1).3. Safeguarding Our Environment with Green Finance</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>Management approach and its components</td>
<td>VII.(2): Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>VII.(2): Growing Together with Employees</td>
</tr>
</tbody>
</table>

**GRI 202 Energy**

<table>
<thead>
<tr>
<th>Number of the Disclosure Standard and Heading</th>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 303 Management Approach</td>
<td>103-1</td>
<td>Energy consumption within the organization</td>
<td>VII.(3): Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>Energy consumption outside of the organization</td>
<td>VII.(3): Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Energy intensity</td>
<td>VII.(3): Growing Together with Employees</td>
</tr>
</tbody>
</table>

**GRI 302 Water**

<table>
<thead>
<tr>
<th>Number of the Disclosure Standard and Heading</th>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 303 Management Approach</td>
<td>103-1</td>
<td>Reduction of energy consumption</td>
<td>VII.(4): Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>Reduction in energy requirements of products and services</td>
<td>VII.(4): Growing Together with Employees</td>
</tr>
</tbody>
</table>

**GRI 902 Market Presence**

<table>
<thead>
<tr>
<th>Number of the Disclosure Standard and Heading</th>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 903 Management Approach</td>
<td>103-1</td>
<td>Explanation of the material topics and its boundary</td>
<td>VII.(5): Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>Management approach and its components</td>
<td>VII.(5): Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>VII.(5): Growing Together with Employees</td>
</tr>
</tbody>
</table>

**GRI 903 Indirect Economic Impacts**

<table>
<thead>
<tr>
<th>Number of the Disclosure Standard and Heading</th>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 903 Management Approach</td>
<td>103-1</td>
<td>Explanation of the material topics and its boundary</td>
<td>VII.(6): Promoting High Quality Economic Development</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>Management approach and its components</td>
<td>VII.(6): Promoting High Quality Economic Development</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>VII.(6): Promoting High Quality Economic Development</td>
</tr>
</tbody>
</table>

**GRI 903 Environment**

<table>
<thead>
<tr>
<th>Number of the Disclosure Standard and Heading</th>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 903 Management Approach</td>
<td>103-1</td>
<td>Explanation of the material topics and its boundary</td>
<td>VII.(7): Promoting High Quality Economic Development</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>Management approach and its components</td>
<td>VII.(7): Promoting High Quality Economic Development</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>VII.(7): Promoting High Quality Economic Development</td>
</tr>
</tbody>
</table>
### Number of the Disclosure Standard and Heading

<table>
<thead>
<tr>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 305 Management Approach</td>
<td>103-1 Explanation of the material topics and its boundary</td>
<td>VIII.3.1. Safeguarding Our Environment with Green Finance</td>
</tr>
<tr>
<td>GRI 305 Management Approach</td>
<td>103-2 Management approach and its components</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 305 Management Approach</td>
<td>103-3 Evaluation of the management approach</td>
<td>VIII.3.3. Safeguarding Our Environment with Green Finance</td>
</tr>
<tr>
<td>GRI 306 Emissions</td>
<td>305-4 GHG emissions intensity</td>
<td>VIII.3.2. Promoting Regional Coordination and the Resulting Complementary Actions</td>
</tr>
<tr>
<td>GRI 306 Emissions</td>
<td>305-5 Reduction of GHG emissions</td>
<td>VIII.3.2. Promoting Regional Coordination and the Resulting Complementary Actions</td>
</tr>
<tr>
<td>GRI 306 Emissions</td>
<td>305-6 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</td>
<td>VIII.3.2. Promoting Regional Coordination and the Resulting Complementary Actions</td>
</tr>
<tr>
<td>GRI 306 Emissions</td>
<td>306-1 Waste generation and significant waste-related impacts</td>
<td>VIII.3.2. Promoting Regional Coordination and the Resulting Complementary Actions</td>
</tr>
<tr>
<td>GRI 306 Emissions</td>
<td>306-2 Waste by type and disposal method</td>
<td>VIII.3.2. Promoting Regional Coordination and the Resulting Complementary Actions</td>
</tr>
<tr>
<td>GRI 307 Compliance</td>
<td>103-1 Explanation of the material topics and its boundary</td>
<td>VIII.3.1. Safeguarding Our Environment with Green Finance</td>
</tr>
<tr>
<td>GRI 307 Compliance</td>
<td>103-2 Management approach and its components</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 307 Compliance</td>
<td>103-3 Evaluation of the management approach</td>
<td>VIII.3.3. Safeguarding Our Environment with Green Finance</td>
</tr>
</tbody>
</table>

### Number of the Disclosure Standard and Heading

<table>
<thead>
<tr>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 308 Supplier Environmental Assessment</td>
<td>103-1 Explanation of the material topics and its boundary</td>
<td>VIII.3.3. Safeguarding Our Environment with Green Finance</td>
</tr>
<tr>
<td>GRI 308 Supplier Environmental Assessment</td>
<td>103-2 Management approach and its components</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 308 Supplier Environmental Assessment</td>
<td>103-3 Evaluation of the management approach</td>
<td>VIII.3.3. Safeguarding Our Environment with Green Finance</td>
</tr>
<tr>
<td>GRI 403 Society</td>
<td>308-1 New suppliers that were screened using environmental criteria</td>
<td>Procurement of China Development Bank</td>
</tr>
</tbody>
</table>

### Number of the Disclosure Standard and Heading

<table>
<thead>
<tr>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 401 Employment</td>
<td>103-1 Explanation of the material topics and its boundary</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 401 Employment</td>
<td>103-2 Management approach and its components</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 401 Employment</td>
<td>103-3 Evaluation of the management approach</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 401 Employment</td>
<td>401-1 New employee hires and employee turnover</td>
<td>IX. Appendix A: Key Data</td>
</tr>
<tr>
<td>GRI 401 Employment</td>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 402 Labor/Management Relations</td>
<td>103-1 Explanation of the material topics and its boundary</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 402 Labor/Management Relations</td>
<td>103-2 Management approach and its components</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 402 Labor/Management Relations</td>
<td>103-3 Evaluation of the management approach</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 403 Occupational Health and Safety</td>
<td>403-1 Workers representation in formal joint management–worker health and safety committees</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 403 Occupational Health and Safety</td>
<td>403-2 Hazard identification, risk assessment, and incident investigation</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 404 Training and Education</td>
<td>404-1 Average hours of training per year per employee</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 404 Training and Education</td>
<td>404-2 Programs for upgrading employee skills and transition assistance programs</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 405 Charity and Philanthropic Opportunity</td>
<td>103-1 Explanation of the material topics and its boundary</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 405 Charity and Philanthropic Opportunity</td>
<td>103-2 Management approach and its components</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 405 Charity and Philanthropic Opportunity</td>
<td>103-3 Evaluation of the management approach</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 406 Diversity, Governance, and D&amp;I</td>
<td>406-1 Diversity of governance bodies and employees</td>
<td>VIII.3.2. Growing Together with Employees</td>
</tr>
<tr>
<td>GRI 406 Diversity, Governance, and D&amp;I</td>
<td>406-2 Ratio of basic salary and remuneration of women to men</td>
<td>IX. Appendix A: Key Data</td>
</tr>
</tbody>
</table>
## Notes to the Report

### Period Covered:
1 January 2019 to 31 December 2019, including certain information outside this timeframe.

### Frequency of Publication:
This Report is an annual report.

### Entities Covered:
This Report covers China Development Bank (as referred to as CDB, and we or us) and its subsidiaries.

### References:
ISO 26000 Guidance on Social Responsibility (http://www.iso.org); GRI Standards Core Option, G4 Sustainability Reporting Guidelines Financial Services Sector Supplement (http://www.globalreporting.org); GB/T36000-2015 Guidance on Social Responsibility; the UN, Transforming Our World: The 2030 Agenda for Sustainable Development; and relevant decisions and guidelines of the CBIRC and China Banking Association.

### Assurance:
In order to ensure its truthfulness and reliability, PricewaterhouseCoopers Zhong Tian LLP was engaged to provide third-party assurance on the report.

### Access to the Report:
The electronic copy can be found at http://www.cdb.com.cn.

### Contact:
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E-mail: csr@cdb.cn

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### Table of Findings

<table>
<thead>
<tr>
<th>Number of the Disclosure Standard and Heading</th>
<th>Disclosure Article</th>
<th>Standard Content</th>
<th>Where to Find</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 419 Socioeconomic Compliance</td>
<td>GRI103 Management Approach</td>
<td>103-1 Explanation of the material topics and its boundary</td>
<td>VI.3.2. Improving Risk Prevention and Control</td>
</tr>
<tr>
<td></td>
<td></td>
<td>103-2 Management approach and its components</td>
<td>VI.3.2. Improving Risk Prevention and Control</td>
</tr>
<tr>
<td></td>
<td></td>
<td>103-3 Evaluation of the management approach</td>
<td>VI.3.2. Improving Risk Prevention and Control</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS1 Policies with specific environmental and social components applied to business lines</td>
<td>VI.8.1. Promoting High-Quality Economic Development; VI.12.2. Helping Create a Better Life; VI.12.3. Working Together to Build Partnership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS2 Procedures for assessing and screening environmental and social risks in business lines</td>
<td>VII.12.1. Promoting Systemic Support for Winning the Battle against Pollution; VII.11.5. Safeguarding Our Environment with Green Finance; VII.11.4. Serving High-Quality BRI Cooperation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions</td>
<td>VII.12.1. Meeting the Comprehensive Needs of Customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS4 Processed for improving staff competency to implement the environmental and social policies and procedures as applied to business lines</td>
<td>VII.12.2. Growing Together with Employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS5 Interactions with clients' invited business partners regarding environmental and social risks and opportunities</td>
<td>VII.4. Promoting Stakeholder Participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS6 Percentage of the portfolio for business lines by specific region, size (e.g., micro, SME, large) and by sector</td>
<td>2019 Annual Report X: Strategic Priorities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose</td>
<td>IX. Appendix 1 Key Data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose</td>
<td>IX. Appendix 1 Key Data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS9 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues</td>
<td>VII.11.5. Safeguarding Our Environment with Green Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FSO Percentage of assets subject to positive and negative environmental or social screening</td>
<td>IX. Appendix 1 Key Data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS01 Percentage of assets subject to positive and negative environmental or social screening</td>
<td>VII.11.5. Promoting High-Quality Economic Development; VII.12.2. Helping Create a Better Life</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS02 Access points in low-populated or economically disadvantaged areas by type</td>
<td>VII.12.2. Helping Create a Better Life</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS03 Initiatives to improve access to financial services for disadvantaged people</td>
<td>VII.12.2. Helping Create a Better Life; VII.11.3. Commitment to Public Welfare</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FS04 Policies for the fair design and sale of financial products and services</td>
<td>VII.11.5. Safeguarding Our Environment with Green Finance; VII.12.1. Meeting the Comprehensive Needs of Customers</td>
</tr>
</tbody>
</table>
Dear reader,

Thank you for reading this report. We sincerely look forward to your valuable comment and advice on this report, given which can we further improve ourselves, better fulfill social responsibility and achieve a high level of competency of sustainable development!

1. What is your role/relationship to CDB? (Please check "√" in the box, same below)
   - Government
   - Regulatory Authority
   - Investor
   - Employee
   - Client
   - Vendor
   - Partner
   - Other Banks
   - Community and Public
   - Media
   - NGO
   - Other, please specify

2. What do you think of CDB's performance in fulfilling social responsibility and promote sustainable development?
   - Excellent
   - Good
   - Average
   - Bad

3. What is your overall impression of this report?
   - Excellent
   - Good
   - Average
   - Bad

4. What do you think of the structure of and the quality of information disclosed in this report?
   - Excellent
   - Good
   - Average
   - Bad

5. What do you think of the layout design and form of expression?
   - Excellent
   - Good
   - Average
   - Bad

6. What is your advice on CDB's fulfilling social responsibility and achieving sustainable development?

You can send your feedback to csr@cdb.cn. Your participation and support is greatly appreciated.