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## **Industrial Bank Co., Ltd adopts the Equator Principles**

October 31, 2008 - Industrial Bank Co., Ltd (hereinafter referred to as "IB") is the first bank in China to announce the adoption of Equator Principles, a voluntary set of guidelines in financial industry to determine, assess and manage environmental and social risks in project financing. IB is ready to observe the requirements of Equator Principles, to set up internal policies and procedures in compliance with Equator Principles, and to conduct due diligence research on social and environmental issues in project financing.

Founded in August 1988, headquartered in Fuzhou City, Fujian Province, IB is one of the first batch of joint-stock commercial banks. On February 5, 2007, IB was listed on Shanghai Stock Exchange (Stock Code: 601166) with total registered capital of RMB 5 billion. Since its commencement, IB has committed itself to offering all-round, top-quality, and high-efficiency financial services for clients by adhering to its managerial ideas that stress "Developing Together, Growing Together" and "Service Starts with Sincerity". According to the latest ranking results of "Top 1000 World Banks" released by the British magazine, the Banker, in July 2007, IB was ranked 145th and 260th in terms of total assets and tier 1 capital respectively. And in the same issue, on the list of "Top 100 Chinese Banks", IB maintained both its No. 1 position in terms of average return on capital and No. 10 in terms of tier 1 capital and total assets respectively.

IB has been devoting itself to the development of sustainable finance. In October 2007, IB officially endorsed the United Nations Environment Program Statement by Financial Institutions on the Environment and Sustainable Development, demonstrating that IB formally joined its Financial Initiative. Additionally, IB and International Finance Corporation (hereinafter referred to as "IFC") entered into two-phase cooperative agreements on China Utility-Based Energy Efficiency Finance Program in 2006 and 2008 respectively. By the end of September 2008, IB had extended approximately RMB 2.8 billion energy efficiency loans in China. These initiatives are expected to help save 3.35 million tons of standard coal consumption per year, the equivalent of reducing 10.82 million tons of carbon dioxide emission per year. During the "2007 Sustainable Banking Awards" jointly hosted by the Financial Times and IFC in June 2007, London, IB was nominated for "Emerging Markets Sustainable Bank of the Year" and "Sustainable Deal of the Year" categories and achieved the runner-up in the category of "Sustainable Deal of the Year", becoming the first and sole Chinese financial institution to receive the award. In April 2008, IB was again nominated for "Emerging Markets Sustainable Bank of the Year" category in the "2008 Sustainable Banking Awards". In July 2008, IB obtained "Green Bank Innovation Award", which was presented at the "2007 Best China Banks" event initiated by the Economic Observer Newspaper. The green bank award is the first award in China focusing on green banking and sustainable finance, which is of pioneering significance in promoting financial institutions to participate in environmental protection.

IB's Chairman Mr. Gao Jianping puts forward some principles directed at its governance idea. That is "Thoroughly apply the Scientific Outlook on Development, deepen the understanding of the relationship between the bank's social responsibility and sustainable development, proactively explore various ways to prompt the bank to perform its social responsibility, and forge a good relationship of harmonious coexistence between man and Nature, environment and society." As IB embraces the vision and philosophy consistent with the Equator Principles, adopting the principles will help IB integrate and perfect its sustainable finance system. As the Equator Principles are getting popular with more and more Chinese banks, IB hopes that the principles will become a benchmark in China to manage environmental and social risks in project financing, thus providing a solid foundation for the sustainable development of China's finance industry.

