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招商銀行股份有限公司

CHINA MERCHANTS BANK CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 03968)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors of
China Merchants Bank Co., Ltd.

24 March 2017

As at the date of this announcement, the executive directors of the Company are Tian Huiyu and Li Hao; the non-executive directors of the Company are Li Jianhong, Li Xiaopeng, Sun Yueying, Fu Gangfeng, Hong Xiaoyuan, Su Min, Zhang Jian and Wang Daxiong; and the independent non-executive directors of the Company are Leung Kam Chung, Antony, Wong Kwai Lam, Pan Chengwei, Pan Yingli, Zhao Jun and Wong See Hong.

Corporate Social Responsibility Report of China Merchants Bank Co., Ltd. for 2016

Report Formulation Description

This report is the eleventh corporate social responsibility (CSR) report released by the China Merchants Bank (hereinafter referred to as CMB, the Bank, or We) since 2007. It features the CMB's efforts in facilitating balanced development of the economy, society and environment while conducting financial services.

Scope of the Report

Organizational scope of the report: The report is primarily about CMB, covering the head office, branches throughout China, CMB International and Wing Lung Bank.

Reporting period: From January 1 to December 31, 2016.

Report release cycle: This is an annual report. The last report was released in March, 2016.

Report Formulation Basis

This report refers to the new edition of the *Sustainability Reporting Guidelines* (G4) issued by Global Reporting Initiative (GRI), and is in compliance with the "Core Plan". For details about indicators described in this report, see the G4 Content Index Table on Page X to X.

Meanwhile, as a listed company (stock code: 03968) in the Stock Exchange of Hong Kong's (HKEx) main board, this report also refers to Appendix 27 Environmental, Social and Governance Reporting Guide of the HKEx's Main Board Listing Rules. For details about indicators described in this report, see the Content Index Environmental, Social and Governance Reporting Guide of the HKEx on Page X to X.

Data and Information Description

Data and information disclosed in this report are obtained by the following approaches:

- CMB internal data collection systems and related statistical statements
- Excellent social responsibility practices sorted out and summarized in daily work
- Qualitative and quantitative information collection tables based on the report frame.

The financial data disclosed in this report is from the *CMB 2016 Annual Report*. In addition, some historical data is added for data and information comparison. The currency in this report is RMB unless it is especially noted.

Report Assurance Approach

In order to ensure the authenticity and reliability of this report, Ernst & Young Hua Ming LLP ("EY") has been engaged to provide limited assurance on selected sustainability information contained in this report in accordance with International Standard on Assurance Engagements 3000 (ISAE3000): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and "AA1000 Accountability Principles Standard 2008 (AA1000)". The scope of work carried out by EY is set out in the assurance statement from EY, which can be found on page X.

Report Access Approach

This report is released in both print and electronic versions. You can read and download the report on our website (URL: <http://www.cmbchina.com/>).

Chairman's Address

The 2016 is not an extraordinary year for China Merchants Bank.

Under the background of macroeconomic growth to sequentially slow down, the bank business development is facing the severe challenge, also has been given more responsibility and role. China Merchants Bank adheres to the management idea of "Changes Due To Situation, Changes Due To You", unswervingly promotes the strategic transformation of "Light-type Bank" through the measures, such as the optimization of business structure, expansion of financial technology, promotion of service upgrade and development of cross-border cooperation. While fully enhancing our own value-creating ability, we will comprehensively boost the real economy and people's livelihood improvement with more efficient and high-quality financial service to share the "timely rain" of financial services with the different main bodies, such as government, enterprise and individual. Meanwhile, we constantly pay attention to expectation and demand of the interested parties, in order to continuously create value for the interested parties, to jointly seek development and jointly create good future with the interested parties through actively deepening the social responsibility management and expanding the responsibility practical action.

We make the employees as their own masters. We always adhere to the people-first principle, widely build the enterprise culture of "Respect, Care and Sharing" in the scope of the whole bank to provide the broad professional platform and diversified care measure for employees, so that the employees' self-value realization will be organically combined with the enterprises' healthy development to realize the hand-in-hand growing of enterprises and employees.

We use the services to satisfy customers, continuously deepen "Service is the Foundation of Banking", enhance the trust and understanding between customers and us through the development of "Moving Service Scene", so that the customers more always experience the intimate service with individuation and warmth while experiencing the efficiency and convenience brought by the financial technology.

We strive to make the society more harmonious and beautiful, and our fixed-point poverty alleviations to Yongren county and Wuding county have continued for 18 years. Our friendship with local people has been transmitted into all parts of the country through streams of cadres for poverty alleviation, and also sows the seeds of love in the minds of the broad people of China Merchants Bank to inspire us to continuously contribute to the public welfare undertakings establishments.

Entering in 2017, we will greet the China Merchants Bank thirty-year anniversary, and we will take more firm steps to fully practice responsibility idea of "Making Efforts To Sustainable Finance, Enhancing Sustainable Value and Contributing To Sustainable Development " and to jointly realize our good expectation of "One-hundred-year China Merchants Bank" with the interested parties in the face of new starting point and new journey.

China Merchants Bank

Chairman Li Jianhong

President's Address

In 2016, we continue to promote the company's second transformation with "Light-type Bank" as direction, "One Body with Two Wings" as positioning and "Service Upgrade" as a path. In the 2016, we realized the efficient development, created the more abundant value return and promoted the upgrade from the financing to the wisdom fusion, and jointly created the sharing value with the interested parties, such as customers, shareholders, communities and employees.

Lead financial life and provid high-quality service. Through sped up the innovation and application of financial science and technology, refactoring the business process with mobile phone as center, developing the products and services of innovative finance and arranging the consumer finance and consumer scene, we provided a different financial lifestyle for people; Through developing the domestic and overseas service branch coverage, promoting service standard process standardization, designing a moving service scene and measures and helping customers to effectively prevent telecom fraud, we won customers' trust with a good-faith and high-quality service and ranked No. 1 in the best popular joint-stock commercial bank of "2016 Common People's Favorite Bank" online poll.

Supporting enterprise development and boosting the people's livelihood improvement. Through innovating financial products of the small and micro enterprises, developing the service connotation of science and technology financing, servicing "Qianying Zhanyi" customers, promoting investment and credit linkage mode innovation and creating "One-road Finance" comprehensive service brand, we interact with the real economy. Through developing the financial solution of people's livelihood , jointly innovating capital cooperation mode with government and enterprise and exploring the innovation benefit farming to serve "Agriculture, Rural Areas and Farmers", we continually contribute to the people's livelihood improvement.

Practicing green finance and promoting cross-border cooperation. Through revising the green credit policy, supporting environmental industry development, implementing branch service with paperless reformation, advocating green with low cartoon office and spreading public environmental protection concept, we jointly meet the environmental challenges with the society. Through deepening the exchanges and cooperation with the third party institution, deepening the connection with the external Internet scene and platform and developing the industrial Internet financial solution, we take cross-border cooperation to realize the resource sharing and to effectively enhance the company value.

Promoting public welfare and walking with employees for growth. Through continuously promoting fixed-point poverty alleviation, developing "Kindheartedness of China Merchants Bank" electricity poverty alleviation project, encouraging the cardholder to participate in public welfare donation, boosting the welfare innovation by virtue of financial platform and developing "Love Full of Sunflower Garden" series of public welfare activity, we help the harmonious development of society; Through developing "YOU Talent Scout" talent referral plan, fully starting the sequence evaluation work, establishing reserve talent pool system, optimizing the cloud learning platform, starting "Running China Merchants Bank!" running locomotion, we walk with employees to jointly create a better future.

After adhering to idea of responsibility of "Pursuing Sustainable Finance, Enhancing Sustainable Value and Contributing Sustainable Development" and practicing responsibility system of "Customer Service, Value Creation, Green Development, Employee Growth and Social Harmony", we will continue to work together with all interested parties and take use of finance to promote a better society.

China Merchants Bank

President Tian Huiyu

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About CMB

Company Profile

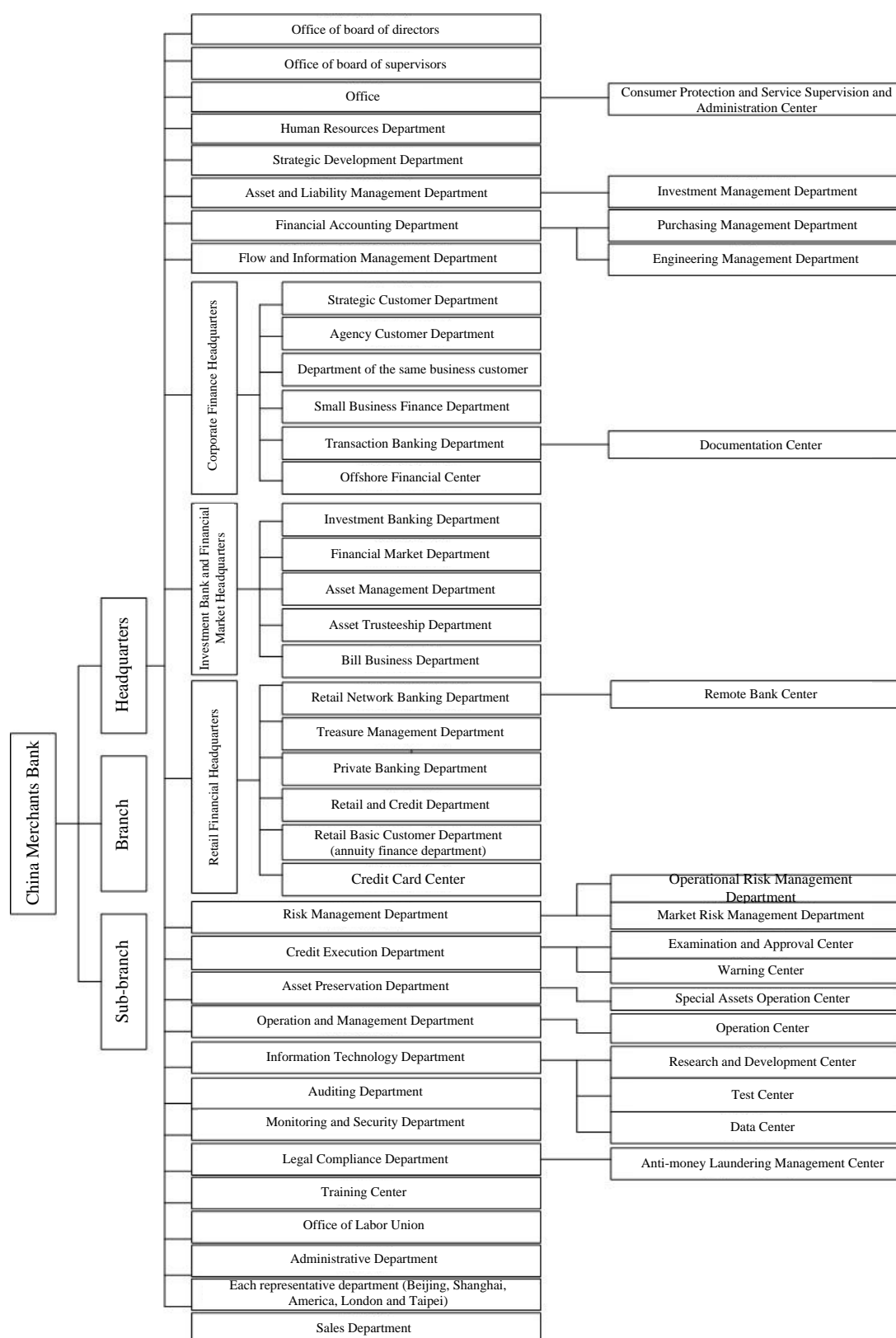
Founded on April 8, 1987, CMB was the first joint-stock commercial bank in China established and wholly-owned by business entities, and also the first pilot bank (other than state-owned banks) for financial reforms in the Chinese banking sector promoted by the Chinese government. CMB was listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong's (HKEx) in 2002 and 2006, respectively.

Since our establishment 29 years ago, with changes in the internal and external business environments, and by adhering to the principle of "We are here just for you", we have been adjusting our business development strategies, transforming our business management model, devoting efforts to provide a better new financial service. By virtue of continuous financial innovation, high-quality customer service, prudent management style, good business performance and social responsibility undertaken bravely, we have become one of commercial banks with most brand influence in China.

In 2016, we continue to adhere to the strategic positioning of "Light-type Bank" and "One body with Two Wings", actively arrange Internet finance through the practice of Light-type Bank development path, in order to achieve digital thinking and comprehensive leading ability and to strive to become the "Best Commercial Bank of China of Innovation Driving, Leading Retail and Bright Characteristic". Let the general interested parties can share development results with us and jointly make a contribution to the sustainable development of economy, society and environment.

<p>No. 1</p> <p>In the "2016 Common People's Favorite Bank" organized by <i>The Chinese Banker</i> magazine, we ranked No. 1 of in the best popular joint-stock commercial bank</p>	<p>No. 13</p> <p>In the "2016 Global Bank Brand Top 500" organized by <i>The Chinese Banker</i> in the United Kingdom, we rose from No. 25 to No. 13</p>	<p>No. 189</p> <p>Selected to <i>Fortune</i> Global 500 ranking list for five consecutive years, and ranked from No. 235 to No. 189</p>
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Organizational Structure



Honor and Recognition

Award authority	Awards
<i>21st Century Business Review, Continuum</i>	<ul style="list-style-type: none"> ▪ "Best Financial Space Design Award", "Best Financial Customer Service System Award"
<i>Asian Private Banker</i>	<ul style="list-style-type: none"> ▪ "The Best Private Bank in China"
<i>Euromoney</i>	<ul style="list-style-type: none"> ▪ "The Best Private Bank in China"
<i>The Banker</i>	<ul style="list-style-type: none"> ▪ Ranked No. 13 in the global bank brand top 500 with the brand value of USD 13.239 billion ▪ Ranked No. 27 of global bank top 1000 with a tier one capital scale of USD 53.535 billion ▪ "2016 China Annual Bank"
<i>The Asian Banker</i>	<ul style="list-style-type: none"> ▪ "2016 Asia Pacific Retail Excellence Award" ▪ "China Best Transaction Bank" ▪ "Best Wealth Management House in China",
China Banking Association	<ul style="list-style-type: none"> ▪ "Best Characteristic Trade Finance Bank" ▪ "Best Supply Chain Financial Bank" ▪ "Best Public Welfare Contribution Award in Social Responsibility" ▪ "Annual Public Charity Excellent Project Award"
<i>Securities Times</i>	<ul style="list-style-type: none"> ▪ "China Best Universal Bank Investment Bank" ▪ "The Best Bond underwriting Bank in China"
<i>Asia Money(Asian currency)</i>	<ul style="list-style-type: none"> ▪ "The Best Private Bank in China" ▪ "The Best Cash Management Bank in China"
<i>The Banker</i>	<ul style="list-style-type: none"> ▪ "2016 China Financial Innovation Award" ▪ "The Most Popular Joint-stock Commercial Bank"
<i>The Asset (magzine)</i>	<ul style="list-style-type: none"> ▪ Best Sub-Custodian Bank in China ▪ "China Best Transaction Bank" ▪ "The Best Cash Management Bank in China" ▪ "Best Cooperative Bank of Electronic Channel Solution" ▪ "China Best Asset and Working Capital Management Bank" ▪ " Project Award of Annual Company Payment" ▪ "The Best Private Bank in China-- High Net-worth Crowd Class"
<i>Fortune China 500 ranking list</i>	<ul style="list-style-type: none"> ▪ Ranked No. 26 with an operating income of RMB 20.1471 billion, rose 3 numbers than the last year
<i>Fortune Global 500 ranking list</i>	<ul style="list-style-type: none"> ▪ Selected for five consecutive years with ranking No. 189 with rising 46 numbers than the last year
<i>FinanceAsia (Asian finance)</i>	<ul style="list-style-type: none"> ▪ "The Best Private Bank in China"
<i>Chief Financial Officer magazine</i>	<ul style="list-style-type: none"> ▪ "The Best Wisdom Supply Chain Finance Award" ▪ "The Best Small and Medium-sized Enterprise Service Brand Award"
<i>Financial Times</i>	<ul style="list-style-type: none"> ▪ "The Best Private Bank in China"

<i>Global Finance</i>	<ul style="list-style-type: none">▪ "The Best Private Bank in China"
<i>21st Century Business Herald</i>	<ul style="list-style-type: none">▪ "2016 the Most Competitive Asset Management Bank"▪ "2016 Best Asset Custodian Bank"▪ "China Best Brand Construction Case Award"▪ "2016 Annual Most Propagation Force Commercial Bank"
Xinhuanet, Ltd(website)	<ul style="list-style-type: none">▪ "2016 China Social Responsibility Outstanding Enterprise Award"

What had we done in 2016?

Key performance

Value Creation

We actively grasp the market opportunity, closely circumscribe the strategic direction and positioning of "Light-type Bank" and "One Body with Two Wings" to deeply promote transformation work and to enhance our ability of value creation.

Index	Unit	2014	2015	2016
Total assets	RMB one hundred million	47,318.29	54,749.78	59,423.11
Net profit	RMB one hundred million	560.49	580.18	623.80

Client service

We always take customers as a center and take high-quality service experience for customer satisfaction through promoting upgrade of service, innovating service model, guaranteeing the rights and interests of customers and other measures.

Index	Unit	2016
Number of clients of cumulative downloads of mobile banking APP	Ten thousand	4,152
Number of users of client binding of handheld life APP	Ten thousand	3,149

Index	Unit	2016
Develop an education activity of customer protection	Time	11,103
Number of beneficiaries of consumer protection education	Ten thousand	3,148

Index	Unit	2014	2015	2016
95555 comprehensive customer satisfaction	%	98.34	99.27	99.62
Praise of client obtained	Time	17,443	19,848	31,497

Green development

We actively practice green finance, strongly support energy conservation and environmental protection industry, optimize our credit business structure through the development of green loan project, and the environmental protection concept will be run through our business operation.

The green loan project achieves the energy conservation and emission reduction	Unit	2016
Water	Ten thousand tons	594.21
Standard coal	Ten thousand tons	321.21
CO ₂	Ten thousand tons	796.02

Index	Unit	2014	2015	2016
Total power consumption of headquarters office	Kilowatt hour	13,346,205	13,512,858	13,474,394
Paper consumption saved of credit card electronic billing	Millions of pieces	--	6.92	21.38
Data center average energy use efficiency (PUE)		1.91	1.85	1.76

Employee growth

We adhere to humanistic philosophy of "Respect, Care and Sharing", fully guarantee each rights and interests of employees to build the wide career development platform for employees and to help employees to jointly create a healthy and happy life.

Index	Unit	2014	2015	2016
Number of minority employees	Person	2,460	2,649	2,732
Staff Turnover	%	6.91	6.73	6.70
Average employee learning time of training	Class hour	55	61	61.5

"Running China Merchants Bank!" Online running activity	Unit	2016
Number of participants	Person	67,566
Total running mileage of employee	Ten thousand kilometers	2,559

Social harmony

We are actively devoted to poverty alleviation and public welfare undertakings, and try to help mountain inhabitants out of poverty through the deep culture of fixed-point poverty alleviation and development of innovation poverty alleviation; Meanwhile, actively develop public platform, encourage customer and the public to make contributions to the public welfare undertakings.

Index	Unit	2016
Donate poverty alleviation funds for fixed-point counties, such as Yongren county and Wuding county	RMB ten thousand	1,092.68
"1+1" pairing to fund local poor students	Person	2,651
Help the poverty people with file and registration to overcome poverty alleviation	Person	6,331

Index	Unit	2016
Convert the autism professional training course	Ten thousand class hours	20,376
Professional training courses for exchanging autism	Million hours	20,376
The value of social contribution per share	Yuan	7.98

Social responsibility performance memorabilia

Mobile banking 5.0 walks with Machine Gene Investment to be released officially

The launch of China Merchants Bank APP5.0 and Robo-Advisor service "Machine Gene Investment" not only brings the financial service platform of intellectualization and contextualization, but more create the integration service new model of "Man and Machine" and "Online to Offline" in the domestic wealth management field.

Launch of "Moving Service Contextualization" project

Start the "Moving Service Contextualization" project, and intimately create "Moving Service" through practicing 8 "Moving Service Scenes" and 25 "Moving Service Measures", in order to try to become a more "Warmth Bank" in the customers' heart.

Support China innovation and entrepreneurship competition for five consecutive years

After establishing innovation entrepreneurship public welfare fund, providing entrepreneurship mentor tutorship, matching special credit line and other ways, we fully support China innovation entrepreneurship competition, jointly build the high-quality platform to support mass innovation entrepreneurship, discover and foster innovation enterprises.

Boost shantytown renovation residents to settle down and interpret a dream

We actively participate in the construction of the shantytown renovation project in Wuhan, Changchun and Chongqing with the accumulative RMB 12.88 billion invested for shantytown renovation of the whole year, and develop the shantytown renovation loan special by the cooperation with the China Development Bank, which provides the comprehensive financial service scheme, such as shantytowns loan agent settlement and individual demolition account service, and helps shantytown renovation residents to share urban development results.

Deeply promote green credit

Revise and perfect the green-credit policy of the whole bank, strictly control newly-increased loan to the industries with high pollution and high energy consumption and take back inventory business; Meanwhile, encourage the increased support for green industry with the loan balance of industrial

energy saving, water-saving and environmental protection project being up to RMB 6.141 billion in 2016 with a year-on-year growth of 15.98%.

Running Group of China Merchants Bank appear in the Shenzhen Marathon

As the only honor partner of the 2016 Shenzhen International Marathon, while providing preliminary propaganda, knowledge reserve, fair boosting, route service and other full support for "Shenzhen Marathon", we establish the China Merchants Bank Running Group, which is composed of 238 China Merchants Bank customers and 300 China Merchants Bank employees, and it became a beautiful color on the track.

Continuously deepening poverty alleviation and public welfare undertakings

Carry out fixed-point and targeted poverty alleviation in Wuding and Yongren County of Yunnan Province for 18 consecutive years. Until the end of 2016, we had donated RMB 95,318,500 to build 30 Hope Primary Schools, select and dispatch 70 poverty alleviation cadres.

Hold "Love Full of Sunflower Garden Supported Teaching Activity in Yunnan Province" ·

When we carried out 2016 "Love Full of Sunflower Garden Supported Teaching Activity in Yunnan Province", we began to recruit volunteers from the warm-hearted card holders and all staff, as a result, we selected 6 professional volunteers elaborately. They provided more than 70 courses for the students who came from two primary schools in Longling County, Baoshan City of Yunnan Province, moreover, they also sent sports shoes for more than 700 students who came from the local four primary schools.

The warm-hearted card holders of China Merchants Bank donate integration courses for autistic children.

Launched a thematic activity of "Integral Crowdfunding + Charity Auction" at this time of world's 9th Autism Awareness Day in 2016, 35,225 cardholders of China Merchants Bank have jointly raised more than 10 million integrations - a total of more than 20,000-hour autistic children fused course for autistic children in the only one month.

1 Lead financial life

Scene story

Han Xin, 26 years old, private enterprise office clerk

On the evening peak subway, Han Xin was lucky to find a seat to sit down after a busy day. She took out the mobile phone and opened China Merchants Bank APP5.0, then easily bought the fund portfolio allocated by Machine Gene Investment after a few simple steps. "Although the work life is stable three years after graduation, if I want to realize the objectives to buy the car and a house, I need to start the investment finance as early as possible. I did not know how to choose the financial product previously, but now the Machine Gene Investment can provide one-click customized fund portfolio to make the financing more safe and worry-saving".

Background of sustainable development

In the modern society, the finance not only plays an important in the function of financing and economy adjustment, but also provides all kinds of fund convenience together with the daily life for people always and everywhere. Along with rapid development of mobile Internet and the popularity of mobile equipment, the people's life style has been affected obviously, while bringing the simple, rich and convenient life, the development of new technology and new scene also make people full of expectations in the future financial life. On this basis, there are more possibilities in the banking industry of reshaping customer service and improving customer experience.

What we do

- Promote the innovation and application of financial technology
- With mobile phone as center, reshape business process
- Develop the financial product and service of innovation
- Arrange the consumer finance and consumer scene

What we gain

- Number of retail customer is up to 78.18 million and increases 16.79% than that at the beginning of the year.
- Number of clients of cumulative downloads of mobile banking APP is up to 41.52 million with annual active login customers of 25.78 million.
- Total number of client download of handheld life APP is 106 million times with total number of binding users up to 31.49 million.
- The average response time of the online customer service reduced to 3 seconds, and a response speed increased by 333%.
- The total cumulative amount of credit card exceeds RMB 2 trillion
- Total number of paperless business of retail business is up to more than 130 items

Response to the SDG objective



By virtue of big data, cloud computing and other technologies, we continuously promote the inclusive finance with digital products and services, so that the financial service could better provide supports for people to enhance life quality with more efficiency, equality and transparency.



Based on the wide application of financial technology, we spare no efforts to create "Light" service model through the popularity of intelligent equipment and the optimization of service processes, in order to provide the service experience with self-service and intellectualization and to meet the increasingly diversified financial demand of the people.



We provide the high-quality customer credit service for people and actively strengthen all kinds of business specifications and risk managements, promote the sustained and healthy development of business while fully guaranteeing the rights and interests of customers.

1.1 Innovate financial technology and rebuild customer experience

After entering the digital times, the “mobile Internet, big data, cloud computing, block chain” and other technical terms are more and more entering in the sights of people, the integrated development of finance and technology is being more deeply perceived by people. We always take customers as center on this, actively focus on the demand and experience of customers, fully master the development opportunities of financial technology, innovate to create the rich, convenient and customized products and services to bring the high-quality and effective financial experience for customers.

Building Mobile Financial Platform

Since the official introduction of China Merchants Bank mobile banking APP in 2010, we have been tracking customer behavior changes to conduct the top-level design on the mobile banking with "Customer-centered" for the first time in the industry, which breaks the original development model of "the offline business will be projected onto the mobile Internet", so that the service, operation, sales, consulting interaction and other functions and scenes will be appeared with user perspective to make the service to return the “users requirements” themselves.

At the end of 2016, the China Merchants Bank mobile banking version 5.0 was launched officially, and the mobile banking 5.0 not only realizes multiple first-breakthroughs in the industry by virtue of Fintech (financing science and technology) technology, but also brings the brand-new service experience with intellectualization and individuation for the masses of users.

Mobile Banking 5.0 Opens Gate of the Future for You

Chen Li is a senior IT practitioner, he, realizing the importance of financial management, is a loyal user to China Merchants Bank APP. Now you see that he has upgraded to the latest version 5.0 in the first time after seeing the updates, the brand-new channel and function make him urgently experience the brand-new change of mobile banking 5.0.

Chen Li firstly clicked on the "Mine" channel, then the clear demonstration of "Account Overview", "Income and Expenditure Record" and "Personal Consumption Credit Card" make him somewhat unexpected. In case of wanting to see your bank card balance previously, Chen Li can only check one by one, then took out the calculator to calculate total assets. But now, your financial situation can be seen at a glance.

Chen Li was more surprised that the mobile banking 5 brings many financial "Black Technology", so that he, the "geek", compulsively lamented that the bank financing can also be so intelligent and convenient.

• Machine Gene Investment, One-click Intelligent Investment



Those, such as great stock market volatility, low deposit interest rate and how to allocate your assets, are a lot of trouble for Chen Li. Usually he spends time to research financial products, and occasionally listens to the opinions of friends for the reference. Mobile banking 5.0 is equipped with the brand-new Machine Gene Investment application, then it provides the new choice of financial management.

Based on our years of financial management practice and fund research experience as well as the innovative application of machine learning algorithm and big data technology, Machine Gene Investment provides the "Intelligent Fund Combination Configuration Service" based on public offering fund for customers with the investment model of intellectualization. The customers can build a

portfolio according to the earnings target and risk requirements of their independent choice after conducting the selection of the investment term and the risk and return, the customers can conduct the independent selection and realize one-click purchase and one-click optimization.

• **Income and expenditure records, your intimate financial housekeeper**

Sometimes Chen Li also takes use of some accounting tools, but because manual accounting is very troubled and cannot automatically record salary and income information, and there is the stolen risk of cash flow information, which make him have not been able to develop a good habit of accounting.

The "Income and Expenditure Records" function launched in mobile banking 5.0 starts from two perspectives of income and expenditure to help customers to comprehensively record incomes, investments, consumptions, account transfer and other fund transferred information. And it can automatically conduct the classification of income and expenditure with the big data technology and mobile Internet platform as the bearing, in order to realize the bill record with 360° and to make users clearly understand the details of each sum of money and be clear of financial condition at a glance.

• **Biological Identification, Does Not Need To Prove that You Are You**

Chen Li wanted to check the "Account Transfer" function, then the voice button appears after clicking on the homepage search bar, he tried to say the two words "Account Transfer", then the "Transfer and Remittance" function and relevant "Account Transfer" information and problems frequently asked by customers are immediately matched out.

By virtue of biometric technology, such as fingerprints, voices and faces, the mobile banking 5.0 helps customers realize the functions, such as face-scanning business processing and voice search. In the past, if wanting to complete the large amount of account transfer, you can only go to the branch for completion, but now you can complete the large amount of account transfer of RMB 0.2 million - RMB 1 million if only needing to complete the face identification and identity verification process through mobile banking.



41,52 million customers
Number of clients of cumulative downloads of mobile banking APP

RMB 12,1036 trillion
Mobile banking transaction volume.

Comprehensive optimization of business process

As the important measures to promote "Light-type Bank" strategy, while deeply arranging the mobile financial platform, we also closely circumfuse the demand and experience of customers to create the new customer service and business model by virtue of informatization, big data and other technologies, we deeply improve customer experience while enhancing our operating efficiency.

Virtual Teller Machine	You can immediately conduct "Face To Face" communications with the remote teller employee through the Virtual Teller Machine and handle the 45 non-cash businesses with the remote. This not only can prolong the branch service time, reduce the queue time, but also provides the convenient door-to-door service for the special customers through portable PAD Virtual Teller Machine.	The newly-increased Virtual Teller Machine is 5,084 sets yearly to realize the comprehensive deployment all branches of the whole bank, the non-cash business replacement rate of branch counter is up to 60%
Face-scanning Withdrawal	The ATM (Automated Teller Machine) only needs the face identification and the correct withdrawal password without the insertion of bank card, you can complete the withdrawals.	The ATM "Face-scanning Withdrawal" function was launched in 816 self-service bank branches of 107 cities in the country
Paperless Counter	On a basis of realizing the whole bank promotion of paperless platform, we comprehensively promote the paperless transformation with counter business, all new business receipts will realize the paperless processing without special reason, and will try to introduce the paperless processing in the corporate banking.	More than 130 retail businesses realize the paperless processing with a processing volume up to 80 million times yearly
Self-service Receipt	In case of needing to print a statement of account, you can handle in the self-service bank receipt printer with a completion of printing and seal after only needing to bring the collection card of China Merchants Bank, then this reduces the unnecessary queue waiting.	The printed volume of self-service bank receipt printer is up to 23.87 million times with a replacement rate of counter batch printing up to 34%
Intelligent customer service	Enhance the logical judgment, problem thinking and conversation interactive ability of online intelligent robot through intelligent knowledge base optimization, "Guess What You Want To Ask" and other ways, and expand the scene online service entrance and optimize online customer service experience in view of the mobile banking.	The average response time of the online customer service reduced from 13 to 3 seconds, and a response speed increased by 333%

Accurate Portrayal of the Customer Portrait

Along with the development of big data, explosive growth of data and maturity of analysis technology, so that we can capture customer behavior data in depth and fully understand and close to the customer through the depiction of customer portrait. Through the classification of service scene and behavior, we establish nearly a hundred of label platform of the model based on mobile banking browsing and position path preference, and continuously enrich customer portrait through the external cooperation and effectively establish 1,000 customer portrait labels. This not only can more accurately identify customer needs, but also rapidly and conveniently match out the product service with customization and personalization.

Big Financial Data, "Bill" To Reveal

At the turn of the year, we rely to our own big platform and data advantage and bring a small gift for masses of customers, review moments of life and spy out urban impression with customers through two "bills" with innovation and warmth feeling.

• Personal Bills, Review My Story on Incomes and Expenditures

In the 2017 New Year approach, our personal annual bills of "Beauty" and "Wisdom" turn up in due course. Compared with a third - party platform that can only tell you where is the money and who received the red envelopes, our annual bill will analyze your annual income and expenditure in 360° all directions, including incomes, salary, financing, account transfer, consumption and each aspect, can

also tell you the income ranking in the same city and partners with most account transfers, and comprehensively and intuitively review moments of life with you.



- **Urban Bills, draw the urban life impression**

As for the cities and residents of different regions, people always think of some distinctive features, such as hardworking Zhejiang people with diligence, Shandong people with battle righteousness and Sichuan people with enthusiasm, but along with the increasing changes of people's life and consumption behavior, people also often have fragments of impression, even in their own city.

After the statistics of a real big data, we release "Urban Bills" in the "China Merchants Bank" WeChat public platform, then this will connect the personal moments of life and city to help people to fully understand life and behavior characteristics and personally feel the whole city impression from shopping, travel, eating and drinking, financing, account transfer and other behaviors combined with real data to vividly describe the income condition and expenditure preference of 44 cities of crowd in the country.



After scanning, you can check your urban bills!

1.2 Start integration service and feel smart evolution

By virtue of wide application of financing technology, we not only bring more autonomy and convenience for customers, but also open the new model of integration service. Through promoting the deep integration of "online-to-offline" and "Man and Machine" and strengthening the connection between people and people, people and scene, people and branch, provide the quality service of all channels and intellectualization for customers.

Online-to-offline Integrations, Build Future Branch

We will conduct the mutual connection between branch business and mobile financial platform through mobile banking APP to serve "O2O Reconstruction" of processing, will integrate the offline network and integrated service as a whole to be presented to customers, in order to give full play to the advantages in self-service, exchange interaction and real experience and to effectively enhance the service awareness of customers.

- **Online:** Through the function of "Online Financing Consultant", you can directly contact the exclusive account manager or conduct artificial consulting through the online inlet. In case of needing to handle complex or high-risk business at the branch, you can directly conduct the branch appointment, and can enjoy services without waiting after identity verification at the branch.
- **Offline:** At the branch, the first thing is that you should connect the WIFI, then open the mobile banking to select the business to be handled, then the mobile phone can guide you for subsequent operations: or directly jump out function page of the relevant service, or guide you to the intelligent self-service equipment after asking you to fill in the information, or remind you to counter for handling after arranging number.

In 2016, we firstly started the "Future Branch" pilot in the 4 cities in the country. The service concept of self-service, intellectualization and experience, the rich design layer sense and sense of science and technology, those let the customers can now know the appearance of "Future Bank".

Those, such as financial area with novel vision and friendly use, VTM (Virtual Teller Machine) self-service area with privacy and sense of science and technology, self-service print area of public and private business vouchers, build the core stage of future branch lobby. The concise and private new financial area design break the traditional financial counter "Estrangement" between customers and banks, the financial commissioner sits side by side with customers to better accompany with customers to make purchasing choice.



Future Branches, without Waiting

Ms. Han is a financial personnel of a private company, the most concern was in the line at the branch in the past. But now Ms. Han will firstly make an advance reservation on the mobile phone before going to the branch of China Merchants Bank every time. Just got the branch, our Lobby Manager greeted her friendly to provide the advance priority queuing number, told her the waiting circumstance to handle business, and also held a cup of fragrant freshly-brewed coffee. After a few minutes, the Customer Manager of Ms. Han visited her to handle the advance business in the service area, but you also needed special queuing to print the sealed business voucher and receipt in the past, now these can be completed on the self-service equipment, and no longer troubled by the cumbersome process and waiting.



Integration of Man and Machine, Intelligent Service Experience

"Unmanned Service" had been considered by many people to be one of the future development trends of banks. But we believe that, the trust and temperature will be the necessary factor of financial service industry anytime. We also actively promote the mutual connection and mutual integration of man and machine to bring more intelligent, convenient and thoughtful service experience with for customers while expanding the artificial intelligence and self-service equipment on this.

"Machine Gene Investment" at the Back, Professional Service for You

As our newly-launched Robo-Advisor service in 2016, "Machine Gene Investment" is the deep integration through man and machine to provide the most "Understanding You" intelligent financial service for you.

- **Our expertise:** More than 10-year wealth management practice and fund research experience with financial asset management scale up to RMB 2.3 trillion
- **Evolution of machine:** Use machine learning algorithms to conduct the 1.07 million times of investment training which is equivalent to the 49-year investment policy of Publicly Offered Funds Manager

"Cloud Mortgage", Service for You at Any Time

In view of customers with house loan demand, we build the PAD mobile operation platform of "Cloud Mortgage", so that our Customer Manager can handle housing loan business for customers anytime and anywhere through PAD, and the "Cloud Mortgage" business approval is completed in the background. As long as the customer data is complete, then five-minute advance approval can be realized, then approval can be completed in 24 hours.



1.3 Focus on scene of consumption and boost consumption upgrade

Under the economic policy guidance of strongly promoting domestic consumption development, China is facing a new round of consumption upgrade, the consumers transform as tasting life and enjoying life from the responses to life. But the gradual perfection of "Internet + Consumption" model also expands consumption demand of the public while enriching consumption scene and optimizing consumption experience. Under this background, we fully master the development opportunity of consumption finance to deeply expand the product services, such as credit card and consumption credit service, to commonly cultivate consumption power and to promote consumption upgrade.

Enjoying Handheld Life, Enhancing Life Quality

If you are a credit card cardholder of China Merchants Bank, then you must be not strange to our "Handheld Life" APP. As a pioneer of mobile Internet of China Merchants Bank credit card layout, "Handheld Life" APP will permeate financial service into online-to-offline scene and domestic-to-overseas scene and all kinds of consumption scenes with "Connecting Your Life · Consumption · Finance" as an idea, in order to circumfuse each consumption demand of customers to conduct scene construction and to bring the "Following Everywhere" service experience for customers.



Selective Purchase of Meal Ticket at Will	Movie Ticket Online Option	Goods Purchase in Installation	Integral Real-time Exchange
Air Ticket and Hotel One-click Booking	Overseas Travel One-Card-Solution	Credit Financing Easy Application	Open-and-play Zhaomi Game

Blushing in Business Circle, Playing the Life

Ms. Huang's company is located in Beijing international trade business circle. Since the "Handheld Life" launched out the activity of blushing in business circle, she must search preferential food in the business circle and purchase the meal ticket coupon together with colleagues through Handheld Life APP before eating at noon every day. Nanjing food stalls, Jindingxuan, Mt. Hannashan Korean Barbecue and Pacific Coffee are their favorite love. In case of any new interested movie, Ms. Huang will open "Handheld Life" to select an nearest cinema, invite friends to see a movie after work for a sweet night.

<p>106 million times</p> <p>Number of download and installation of "Handheld Life"</p>	<p>19.5 million customers</p> <p>Monthly number of active registered user</p>
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Expanding consumption finance, enriching product service

In view of the people's different consumption under the different field and scene, we continue to expand product service and innovate consumption credit model, try to bring the consumption finance experience for customers.

Lightning Loan, "Loans" a Good Life for You

Since the mobile Internet loan product "Lightning Loan" was launched in 2015, we further expand the mortgage consumption loan business and supporting consumption business, and conduct the introduction of the data accumulation fund, social insurance and other e-commerce platform data, launch "POS Lightning Loan", "Agency Lightning Loan", "Supporting Lightning Loan", "Provident Fund Lightning Loan" and other products to better meet a large amount of consumption demand of the masses of working-class families.

All in One Mobile, Enjoys Mobile Payment at Any Time

How to do without the wallet if away from home? It doesn't matter, our mobile payment product "All in One Mobile" will comprehensively support Apple pay, Samsung Pay, Huawei Pay and MIUI Pay. In the shopping transaction, you only need to click the mobile phone screen near the POS, the payment can be completed after lightly touching your fingers, you do not need to open APP and data network, this greatly improves the people's payment convenience under all kinds of online-to-offline consumption scene.

Meanwhile, we also establish the MUCFC Company with the China Unicom. The two major product systems, "Haoqidai" and "Xinyongfu" launched not only open up multiple online-to-offline business circle between us and China Unicom, but also develop cooperation with educational training, home decoration, medical beauty, air travel and other multiple industries to provide consumption credit service with whole online service, no guarantee and low interest rate and to meet the different consumption financial demand of low-middle-income people.

1.4 Promote cooperative innovation and enrich financial ecology

With circumfusing people's daily life scene, we develop cooperation and fully combine our professional ability with outstanding enterprises and institutions in multiple fields, in order to make an effective connection our advantage business and the external service scene and platform and to continuously deepen service model with customers, banks and the third party as "Trinity", we also build the nascent state of "Future Bank" while bringing variety of financial service life.

Transportation

We jointly issued China Merchants Bank DiDi Co-branded card with the DiDi, this not only provides the travel preference to cardholder, but also uses "All in One Net" to pay the travel order; Cooperated with eHi Car Services and Zuzuche to provide economical car rental scheme for users' daily rental and outbound driving.

Entertainment

Cooperated with imgo.tv to issue the imgo.tv co-branded card and launch imgo APP payment preferential activity to make masses of fans to better enjoy popular entertainment IP.

E-business

Cooperated with Boqii Pet Platform to launch the pet picture customized bank card and other personalized service, then the customers can personally upload the pretty picture to be printed on their own bank card.

Walk with DiDi, boost sharing economic model

Today, in case of going out in a hurry or going to the place with a little farther road and bus inconvenience, "DiDi One Time" has been become the choice of many people. The sharing economic model not only makes people travel more convenient, but also make the daily-idled vehicle resource to be used. In view of this travel activity, we comprehensively started the strategic cooperation with DiDi in 2016 to boost the sharing economic development through the preferential customer rights and interests, mobile payment, offline service and other measures.

• China Merchants Bank DiDi Co-branded card

In view of main customer group of DiDi travel - - urban young white-collar worker, we have launched the Co-branded debit card and credit card of China Merchants Bank DiDi, the new customers can obtain the DiDi preferential gift packs equivalent to RMB 200 and multiple subsequent preference, in order to make the travel of users can enjoy more benefits.



• Travel Payment of "All in One Net"

After we will connect "All in One Net" payment platform with DiDi, the users use DiDi to travel, namely, you can pay car fare of payment order though "All in One Net" with more than 10 supporting banks, you also can select to open the accumulative payment amount of less than RMB 500 for password - free payment function to enjoy a more convenient payment experience.

2 Provide high-quality service

Scene story

Chen Yingli, China Merchants Bank Shanghai Branch Caoyang Sub-branch, savings teller

After completing the last business, Yingli was ready to close counter, but found that an elder uncle is morosely looking out the windows in the lobby. During the heavy rain day, learned that the elder uncle did not bring an umbrella, Yingli firstly asked colleagues to accompany with elder uncle, then directly rushed into rain to take a taxi for elder uncle after negotiating with the elder uncle. After sending elder uncle to the car, she also gave the elder uncle the umbrella in hands.

"I found the customers often encounter many difficulties in the work, I am also very happy to help them to really solve problems".

Background of sustainable development

As the important part of the social economy, the service quality and service level of banking industry are involved in our own sustainable development and vital interests of thousands of households. In the face of increasingly fierce horizontal competition environment and the acceleration of Internet finance to the banking industry traditional service channel, the offline bank branch and bank face-to-face service are still important channels of consumers and banks to deepen trust and understanding. The banking industry should continue to deepen service improvement to increase the customer trust and build good customer relationship with good faith and high-quality service.

What we do

- Expanding the domestic and overseas service branch coverage
- Promoting service standard process standardization
- Designing moving service scenes and measures
- Helping the customers to effectively prevent the telecom fraud
- Deepening to carry out the financial knowledge propaganda activity

What we gain

- There are 1,819 domestic and overseas branches with an increase of 102 branches than that in 2015
- The domestic institutional branch has covered 136 cities in the country with an increase of 3 cities than that in 2015
- The customer satisfaction of customer hotline is 99.62%, the complaint handling satisfaction is 96.98%
- The number of beneficiary of consumer protection education is up to 31.48 million people with an accumulative developed activity of 11,103 times
- The number of effective browsing of "Likes for China Merchants Bank" activity page exceeds 18 million.

Response to the SDG objective



We widely implement the financial knowledge popularization activity to help customers and the public to enhance financial literacy, to guide them to correctly use financial knowledge and to enhance the risk awareness and responsibility awareness.



We fully pay attention to financial service demand of different groups, extend and build special service, etc. through the services, eliminate the objective service obstacles of all kinds of groups, and continuously optimize service rate without online transfer bank charge and measures.

2.1 Promot service upgrade and create moving service

As a commercial bank with "Service is the Foundation of Banking", we always adhere to customer-focused, try to bring the financial experience with individuation and humanization for the masses of customers through continuously expanding service network, enriching and extending service connotation, so that the innovative and convenient financial service can fully benefit the people.

Moving Service, Warming You

Swan Goose Relieves Homesickness, CMB Knows My Mind

Xiaoyu, 24 years old, works in an advertising company. Graduated two years, the work with fast rhythm and high pressure makes her feel more anxiety. She always misses her family heavily after the work. The Mid-Autumn Festival is approaching in a moment, many friends have booked the tickets for the home and family reunions, but she was even afraid to call her family, all her strengths would collapse and down her face when she listened her mother's voice.

A moment later, the Mid-autumn Festival is coming. During the working clearance, Xiaoyu made time to come the downstairs China Merchants Bank branch, intended to remit a sum of money to family before the holiday.

Xiaoyu found that many young people like her fill in something in the service counter after coming to the lobby. They smiled or were lost in thought, or had a faint sadness. She walked up to find that there are a thick stack of holiday card placed at the service counter. Our staff asked gently, "Hello Miss, do you need to write a holiday card for family members?" "Please write down the address, China Merchants Bank's staff will be responsible for helping to mail without free of charge!"

"Yeah, I can bless with safeness to my family members although I can't return home during Mid-autumn Festival", she picks up a greeting card and takes a pen. She wrote so few words after some hesitation: "Mom and dad, I will be all right, miss you. Attention to the body."

Came to Shanghai for two years with 34 times of missing family, but this is the first letter home sent by Xiaoyu. "What's my parents' mood when they receive my greeting card? Definitely, very happy". Thinking about it, Xiaoyu feels a little better from her depressed mood.

In 2016, we created a service upgrade project "Moving Service Contextualization" to start from the customer experience and to classify eight "Moving Service Scenes" in the service process and 25 corresponding "Moving Service Measures", this fully arouse the enthusiasm of the branch service personnel and jointly brings the warm "Moving Service" for customers.

Eight Key Moments of "Moving Service Scene"

Warm Reception	Personality Identification	Optimum Temperature	Waiting Concern
Demand Foresight	Warm Farewell	Extended Service	Customer Reward

Beijing Branch: "Caring Health, Moving Service"

Beijing Branch tries to add a care for customers fully combined with the local weather situation. It will provide the anti-haze gauze mark and provide the clearing lung and anti-haze health tea, etc. in the winter fog season. It will prepare the summer cool and refreshing drink for customers in the hot summer. When the waited customers are more, it will also organize customers to carry out small-scaled activities, such as a rotary lucky draw and earning waiting integral, in order to help customers to regulate mood and reduce the impatience during the waiting, and to make customers practically feel humanistic service experience.

Shanghai Branch: The Person Who Turns Back Has Priority without Repeat Waiting

The Shanghai Branch has made "Turn-back Priority" at the branch. When the customers fail to handle the business due to incomplete business material, non person concerned, exceeding business handling

time and other reasons, or need the repeated waiting due to other special circumstances, then the guides will actively donate "Priority Service Card" to the customer, the customers can enjoy the priority service next time by virtue of the card to create the convenience for the customers' second visit.

Special Group, Intimate Care

We intimately pay attention to the service demand of special group and provide humanized and customized service scheme from aspects of branch construction, service facilities and process optimization, and continuously strengthen employees' service awareness and service level on special group customer, in order to help the special group customer to eliminate service obstacle brought by all kinds of inconveniences.

Crossing 5000 Miles, Thank You Personally

Aunt Wang has a visual impairment with a lot of inconvenience every day and her old father, she has to prepare her life for pension and also shoulders the father's pension burden, so the investment and finance are harder every day. Due to visual reason, she also is not very convenient back and forth between bank branches, it is quite simple and convenient operation in normal view, but Aunt Wang fails to complete it, so she uses the remote manual service to handle business for the long term.

After several contacts, the customer service executive, Zhao Ying learned the special circumstance of aunt Wang, and built a special service mechanism for her through background feedback, so that aunt Wang can smoothly access to the special line of Zhao Ying every time. Zhao Ying planned a whole set of asset allocation for aunt combined with all kinds of product characteristics of China Merchants Bank according to her difficulties in the contact. Zhao Ying always slows down speech rate to explain financial knowledge for the aunt, and gives up to use short chains and other auxiliary channels and assist aunt to complete online operation as far as possible, this makes aunt Wang moved deeply.

On Feb. 3, 2016, aunt Wang specially came to Shenzhen from Lanzhou only to personally thank Zhao Ying sincerely thinking for her.

"Thank China Merchants Bank, your telephone bank service is the most humanized in my used banks, let me feel the idea of China Merchants Bank changes due to your changes, maybe you cannot feel it, but it is a great care for our social vulnerable group, I must recommend you well to the Disabled Persons' Federation after going back!"

-- Aunt Wang



Aunt Wang personally came to Shenzhen to thank Zhao Ying

Dalian Branch: Passing Love, Caring Special Customers

The Dalian Branch pays attention to cultivate the service ability of "Caring Special Customers" to make "Protection Knowledge of Consumer's Rights and Interests" and "Commonly-used Sign Language of Bank" fully included in the compulsive courses of pre-service training of each forefront post new employees and "Backup Talent Pool" of branch service management post. In the process of strengthening service to improve service, the "Sign Language Training" link is also increased, the simulative scene of serving special group customer is increased in the service scene simulation exercise and post qualification certification passing to further strengthen employees' service awareness and coping capacity on special group customer and to barrier-free service culture and service concept.

Foshan Branch: Accompany to "Handle" Service in a Whole Process

In view of the customers, such as old people, pregnant woman and disabled people who need special

accommodation, Foshan Branch sets up "Accompany to "Handle" Service in Whole Process", the guides will take priority No. for customers and arrange each link, such as the entire accompanying process, auxiliary fill and coordination in the allowable conditions, so that special customers can enjoy our love "Accompanying" service; As for the customers who still wait to handle business at lunch or are bored in the passenger-flow rush hours, it actively provides the food and drinks to relieve customers' anxiety.

Urumqi Branch: Providing Multilingual Services

Urumqi Branch pilots to establish "Multilingual Service" branches, the lobby employees study some sample Uighur language independently, such as "Hello", "Thank You", "Goodbye", "What Can I Do for You" and "Do You Take the Bank Card", etc. In addition, there are minority workers assigned to in order to use Uighur language to communicate with Uighur customers, this pleasantly surprises Uighur customers who came to handle business.

Private Bank, Wholeheartedly Serving for You

We set up the domestic and overseas linkage service platform for enhancing high-end customer service experience and continuously improve private bank service channel for enhancing private bank customer financial service quality.

- **Traditional Service Channels:** The private bank customer enjoys the supper access service, all branches provide top-level courtesy for private bank customers.
- **Exclusive Physical Branch:** There are 3 newly-built domestic private bank centers, 1 domestic wealth management center and 1 overseas private bank center, another one overseas private bank center is in the trial operation stage.
- **Exclusive Remote Channel:** The private bank customers enjoy the exclusive global connection service and remote private diamond-level special line service.

By the end of 2016, we had set up high-end customer service network composed of 51 private bank centers and 63 wealth management centers in the 54 domestic cities and 2 overseas cities, the private bank customer has reached up to 59,560.

China Merchants Bank Services, Invite Your "Likes"

As we know that the customers have the right to speak the service quality. We organized and developed the service star selection activity of "Likes for China Merchants Bank Services" on this to make the masses of customers to select the service stars in their minds. During the activity period in 2016, the number of effective browsing of "Likes for China Merchants Bank" activity page exceeded 18 million and obtained the enthusiastic participation of customers.



They, Wait Your "Likes"



A "young customer" made "Likes" for Nanjing Branch

2.2 Enhance service specification and guarantee rights and interests of customers

We actively promote the standardized management of each business process, continuously improve service supervision management and customer complaint handling mechanism, and spare no efforts to prevent and control of illegal activities of "Telecommunication Fraud" to fully guarantee rights and interests of customers.

Specify Business Processes

We have formulated the *Service Standard Process Manual of Retail Forefront Post Employees and Operation Teller*, the Manual contents include the service standard process implementation of employees from a total of 8 posts, such as lobby staff, VIP Financial Managers, financial commissioner, Retail Marketing Managers, Retail Credit Customer Managers, Private Diamond-level Customer Managers and operation teller, and the general basic service standard of each post.



Printing *Service Standard Process Manual* of each post staff

Preparation of customer service pocket book

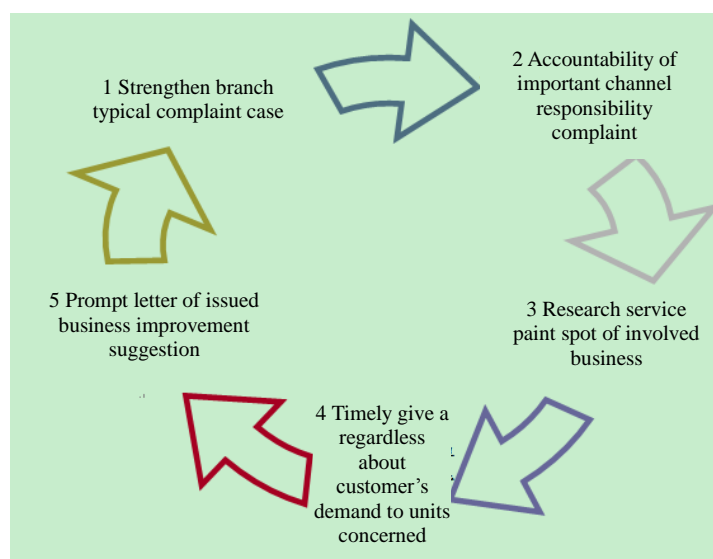
In order to further enhance counter service level, we combine with service management requirements and counter work characteristics of headquarters and branches, conclude to refine daily service management essence, prepare *Operation Teller Service Pocket Book* with appearances and manners, service languages, behaviors, service standards and contents, provide the service guide for the teller through the ways of abundant and elegant, brief formula and lively comic to make the teller easily master service specification requirements.



Preparation of *Operation Teller Service Pocket Book*

Attention to customer complaints

We carefully treat and properly handle every customer complaint with principles of good faith, respect and efficiency, and promote effective complaints through a variety of ways to provide reliable and satisfactory service for customers.



Meanwhile, we also prepare and release retail customer service dynamic on a monthly basis, strengthen monthly analysis of customer opinions to make branches accurately understand the key problems of customer opinions and to promote the quality service case and management experience. We also specially add a complaint management module, prepare and classify typical complaint case, analyze reasons of customer complaint and share the branch complaint handling experience.

Urumqi Branch: Upgrade service and improve clients' complaint handling

Urumqi Branch has established the following management mode to actively expand the complaints acceptance channel and listen to the voice of clients, namely, "uniform management, staged treatment and dedicated staff responsible". It will announce the supervision telephone of branch retailing, corporate business, responsible bank president and the business lobby supervisors in the business outlets, and paste the complaint treatment procedures. The business lobby supervisors shall take charge of collecting, arranging and replying the client suggestions every day, and the branch responsible persons shall make supervision and management. In order to enhance the employees' coping capacity with various complaints, Urumqi Branch has also held the service working conference, service meeting and complaints investigation conference at regular intervals to analyze and discuss the important complaints, frequent complaints and weak spots, then, put forward the corresponding improvement suggestions.

Protect wealth safety

In recent years, the telecommunication fraud cases happen frequently and continuously, and some lawbreakers always update their modus operandi to seriously endanger the property safety of the masses. Given this, we will take the following measures to prevent the telecommunication fraud cases maximally, such as, enhance the safety risk awareness of employees, strengthen the risk prompts in the key links, make the legitimate business operation and so on.

Prevention	It takes the initiative in applying face recognition technology to fulfill the real-name system of bank account.
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Management	It will actively promote the management platform freezing and payment stopping project for telecommunication fraud risk transaction events, launch the emergency payment mechanism and crack down the new-type unlawful and criminal activities on the telecommunication network.
Communication prompts	<ul style="list-style-type: none"> · Service branch It will give the warm prompts in the following way, namely, paste the safety card propaganda poster on the electronic screen and in the business lobby, distribute the related propaganda folders to citizens, etc.; The Lobby Manager and security personnel will pay special attention to the clients who answer the telephone and use the self-service equipment simultaneously at any moment. In case of any abnormality, they will inquire of them about the specific conditions. · Channel interface: The safety tips announcement has been uploaded in the mobile banking, the public version, professional version, All in One Net and other channels to remind clients to pay attention to the safety card and fund transferring. · WeChat official account: It will release fraud prevention knowledge on the "China Merchants Bank" and the WeChat public ID at regular intervals, meanwhile, the risk prompt messages will also be sent to clients.

Look through telecommunication fraud successfully and recoup RMB 0.3 million capitals for clients.

On Dec. 30, 2016, a woman came to the Sales Department of Luzhou Branch of China Merchants Bank to apply for opening the personnel e-bank. The scrupulous teller noted that the client was answering the telephone when the individual e-bank opening intention was verified. It was suspected that the client made operation according to the telephone orders. According to the daily telecommunication fraud prevention training and client behaviors, the teller preliminarily judged that the client was suspected to suffer from telecommunication fraud, therefore, he reported to the supervisor immediately.

After that, the bank supervisor made the in-depth communication with the client and found several suspects:

- The caller ID +0001968XXXXX was not the normal fixed telephone or mobile phone number;
- The caller said that he came from "public security bureau" and informed the client of "you are involved with anti-money laundering crime, you shall come to the bank where you have deposited the most capitals to open the personal e-bank immediately".
- What's worse, the caller had kept calling with the client for long period and asked the client to refuse to inform anybody of the calling contents.

Given this, we judged that this was a telecommunication fraud, then, stopped opening personal e-bank for the client. After our patient explanation, persuasion and consolation, the client gradually calmed down and realized the telecommunication fraud, then, she cancelled the personal e-bank opening application.



Urumqi Branch propagandas telecommunication fraud prevention knowledge to clients.

2.3 Implement public education and popularize financial concept

On the basis of public welfare, universality and diversification principles, we will strengthen the basic financial knowledge transmission and carry out "Long March for Financial Knowledge Popularization", "Little Banker" and other financial knowledge popularization activities to spread currency counterfeiting prevention, individual credit investigation, telecommunication & network fraud prevention as well as other financial knowledge to the different groups of consumers for the sake of helping the broad masses of consumers to enhance their financial knowledge and strengthen their risk prevention awareness & level. Meanwhile, in order to expand the financial knowledge propaganda channels, attract the broad masses of consumers, especially, the young consumers who are habituated to surf the internet, to participate in the financial knowledge learning and enlarge the audience of propaganda activities, we will also compile and release the financial knowledge micro magazine which are close to life and easy to be understood and learned via WeChat public ID of China Merchants Bank.

The all-purpose "Zhaoxiaobao", the service expert around you.

We have set up "Zhaoxiaobao", an educational brand for financial consumers, developed the original financial knowledge education and risk prevention contents, and taken the following methods to promote the high-interactive financial knowledge to the broad masses of financial consumers on a regular basis, such as, paper folding, cartoon, H5, interactive game, microcinema, human live broadcast and so on, besides, we have also organized the questionnaire in the aspect of financial knowledge, ability, tendency and behaviors, and actively guided financial consumers to change the inherent behavioral characteristics and avoid the following behaviors, such as, blind confidence and risk consideration absence.



In the "Long March for Financial Knowledge Popularization" activity in 2016:

- 1,300 branches participated in 6,809 activities across the whole bank.
- 26,000 employees and 29,000,000 clients participated in the foregoing activities, meanwhile, 3.6 million propaganda materials were distributed.

Jinzhou Branch: Deliver anti-counterfeit money knowledge to the home and prevent the counterfeit money circulation on the spot.

In order to help Jinzhou citizens to understand the counterfeit money knowledge and avoid losses caused by counterfeit money, Jinzhou Branch carried out multi-field anti-counterfeit money propaganda activities throughout the city, such as, they walked into hospitals, troops, campuses, plazas, business circles and other places to popularize the anti-counterfeit money knowledge to the public, answer the questions of citizens with patience and carry out the prize-giving answering activities, as a result, more than 2,100 citizens participated in the prize-giving answering activity during that period.

Nanning Branch: Walk into campus and watch out for the campus online lending risks.

As the internet finance is increasingly prosperous, the network installment loan platform which is specifically aimed at university students becomes popular in campus and sweeps the university campus rapidly. The various online lending platform is extremely attractive to the cash-strapped university students, however, the criminals also have an opportunity.

In Nov. 2016, Nanning Branch joined hands with Guangxi China Banking Regulatory Commission to walk into campus and popularize the financial knowledge to university students for the sake of helping them to look out for the campus online lending risks, In the four propaganda points of Guangxi University, such as, the east and west campus, the bank staff interpreted the online lending risks professionally and passionately, as a result, the university students not only got in-depth understanding of the campus online lending, but also deeply know the correct financial ideals.



"Bring Financial Knowledge into Thousands of Households" lecture activity
Financial knowledge popularization and propaganda of Guangzhou Branch



Foshan Branch holds financial knowledge lecture in Foshan Huaying Middle School
Nanjing Branch holds "Sunflower Future Elites Practice and Growth Camp".

Beijing Branch: Golden Sunflower "Little Financier" activity of future elite plan

The main purpose of Sunflower Future Elite Plan lies in establishing adolescents' attitudes towards money and value, and cultivating their investment awareness and methods & skills about wealth management in the teaching through lively activities way, therein, the foregoing plan which includes financial quotient, emotional quotient, health and other salon lectures, is mainly aimed at the children of sunflower clients. Beijing Branch launched "Little Financier" course about financial quotient in 2016. With the main topic of parent-offspring financial quotient education, the foregoing course can configure the annuity insurance products for clients' children education and help clients to make the comprehensive financial plan about children and family, as a result, nearly 1,000 clients and their children participated in the 14 activities.

Feelings of sunflower clients' children:

"I have understood how to manage my New Year's money through the activity, moreover, I have my first bank card to make my first investment- Automatic Investment Plan, know that the investment is risky, and we shall share with others when we spend money. Thanks for the activity which is organized by uncles and aunts of China Merchants Bank. I have increased my knowledge and broadened my outlook, therefore, I hope to join this activity in the future."

---Xu Xiyuan

"I know that the New Year's money is shared by my parents, therefore, we shall not spend them at will, instead of making plans and dispersing them in different financial products, so that, our New Year's money will be increased safely every year."

---Liu Xinmeng

Feelings of sunflower clients:

"The activity participation date is my child's birthday. I have learned many financial knowledge which are absent in my previous education from the entertainment. China Merchants Bank not only makes considerate arrangement for me in the financial aspect, but also becomes my good helper in the children education."

---Wang Jun

"This activity has taught our children how to plan their after-class time and money. The result will have a far-reaching influence on their life and study in the future."

---Yue Xuemei



3 Support enterprise development

Scene story

Mr. Liu, is a Financial Manager of certain stone materials company in Shanghai.

Due to the small enterprise scale, Mr. Liu shall raise a mortgagee from the bank by right of his real estate if he wants to make financing, as a result, the financing costs are extremely expensive. However, it is unnecessary for him to make credit and mortgage when he uses "Payment Agency" business of China Merchants Bank, in such case, he can obtain RMB 1 million ("accounts receivables") from the downstream firms in advance at the extremely low interest rate.

"It is very difficult for our small companies to borrow such cheap loans from the bank. The "Payment Agency" business of China Merchants Bank is very mighty."

Background of sustainable development

The financial and real economy are closely contacted and mutually promoted each other. Under the pressure of economic downturn, the financial institutions shall take the following measures to effectively solve the difficult and expensive financing problems of small & micro enterprises, and increase the supporting for the real economy, namely, stabilize the growth, adjust the structure and innovate the service pattern. The entrepreneurial and innovative activities can't do without the financial service. In order to encourage financial enterprises to inject the new vigor into "entrepreneurship and innovation" activity, the State Council has raised the clear requests during the "entrepreneurship and innovation" activities of financial industry in the aspect of optimizing the capital market, innovating bank supporting pattern and enriching the new modes of start-up financing. It is doubtless that we are faced with challenges and opportunities during our development.

What we do

- Innovate the financial products for the small and micro enterprises.
- Expand the scientific and technological finance service fields.
- Serve "Qianyi Zhanyi" clients
- Innovate venture loan mode
- Build "One-way Finance" comprehensive service

Performance highlights

- The "two small" loan balance as specified in the industry standards is RMB 466.333 billion, therein, the small-sized enterprises loan balance and small loans balance are RMB 184.68 billion and RMB 281.653 billion respectively.
- 24,185 clients have been registered in the "Qianying Zhanyi" Plan, meanwhile, 3,604 clients have opened account in the National Equities Exchange and Quotations.
- 387 agreements have been signed for the small equity selection rights and RMB 2.971 billion credits have been provided.
- 83 "One Belt and One Road" projects have been put into practice, as a result, USD 37.351 billion has been settled for the related countries.

Response to the SDG objective



On the basis of our resources and advantages in the financial field, we will make great efforts to support the entrepreneurship & innovation and the growth & development of various enterprises, provide the financial analysis, risk management and other trainings for the small and micro enterprises, as well as help them to provide the stable employment posts for their employees and promote the local economy development.



We will actively develop the innovation business and intensify the investment and credit supporting efforts for the strategic emerging industries and scientific & technological enterprises with the purpose of driving the supply-side reform and industry structure upgrading & transformation.

3.1 Foster small and micro enterprises and stimulate creativity vigor

As the foundation of the real economy, the huge amounts of small and micro enterprises will put extremely influence on the stability and development of economic society. In order to support the sustainable and benign development of small and micro enterprises continuously, we will strengthen the financial innovation, improve the financial service and optimize our service procedures.

Innovate the high-quality products

- When it comes to the "non-credit output 1+N" supply chain clients, we have innovatively launched the supply chain self-service loan products for the small enterprises.
- As for the "Qianying Zhanyi" clients, we have launched the "Toudaitong" products for the small enterprises and provided loans or credits which is attached to priority equity admission/equity transferring selection right.
- Moreover, we have also launched the mortgage loan products for the small enterprises when the small-enterprise clients which have stable operation and comparative advantages raise a claim.
- We have innovatively launched "Payment Agency" business to help the upstream suppliers of the core enterprises to make financing at a low cost. The "Payment Agency" business has lent RMB 27 billion loans.
- Nanjing Branch has innovatively developed "Tax Preferential Loan" products to provide the credit supporting for the high-quality small enterprises.
- Chongqing Branch has innovatively launched the low-cost and high-efficient financing product (namely, "Government Purchasing Loan") to serve the suppliers of small enterprises in the government.

Shenzhen Branch: The "Buddy System" can provide the all-round service for small enterprises.

In consideration of the products and service demands of small and micro enterprises during different development period, Shenzhen Branch has launched "Buddy System" service system for small enterprises during their full life cycle and "Small Loan" 3.0 products to provide the high-quality and convenient service for the small and medium-sized enterprises, and help them to realize the win-win cooperation with our bank.

- Shenzhen Branch will provide the simple and rapid registration and account opening service for enterprises during their establishment stage.
- When the enterprise has developed into incubation and start-up stage, Shenzhen Branch will lay emphasis on providing the preferential settlement package for enterprises, exclusive E-banking for small enterprises and the individual service for entrepreneurs.
- Considering that the enterprise is extremely short of expansion capitals from the start-up stage to the growth stage, Shenzhen Branch will provide "Small Loan" and other credit financing products to help enterprises to apply for government interest subsidy and recommend venture capitals for them.
- During the rapid growth period, Shenzhen Branch will provide mortgage portfolio loan, "Investment Combination Loan" and other financing services to help the well-grounded enterprises to get the higher credit supporting.
- When enterprises have developed into the mature stage, their financing ability will be greatly strengthened with abundant demands, at this moment, Shenzhen Branch will provide the personalized solutions for them.

Improve the small and micro enterprises' service

After expanding our service channel, we have greatly improve our service coverage for small enterprise clients, and enhanced our financing service efficiency for the small and micro enterprises according to the pre-loan survey, credit materials combing and credit approval procedures. Moreover, we launched and operated the bran-new financing system function in 2016, namely, "Self-help Loan Through", to provide the standard, self-service, convenient and low-cost financial service for small enterprises.

Small loan O2O self-service application channel

In order to solve the financing demands of clients in time, we have established O2O small loan self-service application channel on the basis of mobile banking, WeChat public ID and other online platforms. First of all, the client shall make the online one-key application by themselves, then, the offline Customer Manager will contact with the client in first time, as a result, the shortest and average service time can reach up to 15 minutes and less than 24 hours respectively. In order to shorten the client's waiting time from application to loan lending, we have also provided PAD platform operation service for clients in the whole process. In the year 2016, RMB 360 billion small loans were lent.

Shanghai Branch: Clients can deal with the small loan automatic on-lending business on the mobile banking.

Considering that the client's capital utilization will be affected by a period of limbo from the loan recovery to the on-lending, we have launched the renewal lending function for the small enterprise loan since 2014, namely, automatic on-lending. The clients can deal with automatic on-lending on the mobile banking in 2016, therefore, it is unnecessary for them to come to the bank for deal with procedures again as long as they have passed through the automatic on-lending qualification, instead of making direct login via the received short message inter-linkage, and pressing "one-key confirm" to finish the automatic on-lending. In the year 2016, 69 clients applied for the automatic on-lending on the mobile banking, as a result, the total loans reached up to RMB 113 million.

3.2 Arrange scientific and technological finance and enhance innovation value

When we serve the innovative enterprises, we will find a foothold and make use of our characteristics and advantages to create the "scientific and technological finance" service brand and make contributions for the innovative enterprise development and innovation-oriented society.

Build service system and support collaborative innovation

In consideration of the strong uncertainty, light assets, large development potentials and high risks of technology-based enterprises, we have built service system for the innovative enterprises according to our practical experience for many years for the sake of helping them to overcome difficulties and realize the great-leap-forward development.

Help Shenzhen to build the innovation-oriented city

- When it comes to the local technology-based enterprise clients in Shenzhen, we will carry on the continuous trial to build the scientific & technological and financial center and the professional service and make the strategic layout in advance.
- We will interpret the related policies, build the scientific & technological and financial credit cooperation relationship with the regional governments, as well as deeply innovate the new enterprises' incubation base to provide service for the park operation and entrepreneurial enterprise development.
- After deeply analyzing the characteristics of innovation-oriented enterprises, we have launched a series of blockbuster financing products to specifically help the innovative enterprises to make

financing, such as, "Increased Credit Loan", "Order Loan", "Factoring Pool", "Investment Combination Loan", etc.

- Make great efforts to build the star brand which can serve the micro, small and medium-sized enterprises, namely, "Qianying Zhanyi" Plan.

Help Tianjing to build the maker space

In order to respond to the "public entrepreneurship, mass innovation" and support entrepreneurs to make continuous entrepreneurship, we will support the entrusted loan project of Tianjin Maker Space Seed Fund to specifically design the exclusive service scheme for Tianjin Maker Space in the whole process.

- For example, we will provide fund trusteeship, settlement and reconciliation service for Maker Space operators, and build an information promotion platform for these operators to enhance their brand influence and continuously attract the high-quality entrepreneurship teams.
- We will customize the co-branded card for the settled makers, namely, Maker Space "Maker Card", and we will not only exempt account management fees and production costs, but also embed the personal identity identification, expenses deduction and other functions according to the actual demands of the Maker Space operators.
- We will build the exclusive "Qianying Zhanyi" maker information database to classify the maker teams according to their industry and research & development progress, then, make visiting and investigation at regular intervals to integrate the outside investment organizations and seek for the strategic capital partners for maker teams.

Until the end of 2016, 38 maker spaces had accepted the trusteeship service of Seed Fund from Tianjin Branch.



Cultivate the characteristic enterprises and promote "Qianying Zhanyi" Plan

We will keep on carrying out "Qianying Zhanyi" Plan to build the comprehensive financial service scheme for innovative growth enterprises, cultivate and support these enterprises to gradually accumulate their advantages in the brand, patent, team, service, commercial mode and other aspects via innovating credit policies, financial products, private equity cooperation and other six affairs, then, strengthen their competitiveness in their industry, provide a whole set of financial consultant service before, during and after the listing, as well as help these enterprises to break through the financial bottlenecks.

Until the end of 2016, 24,185 clients had registered in our "Qianying Zhanyi" Plan, as a result, the credit balance reached up to RMB 265.824 billion, therein, 42 listed companies had opened IPO accounts to raise RMB 8.2 billion trusteeship amount. 3,604 clients had opened account in the National Equities Exchange and Quotations, accounting for 35% in the total listed clients.

"Qianying Zhanyi" Plan has supported China Innovation and Entrepreneurship Competition for 5 consecutive years.

As the unique bank supporting unit of China Innovation and Entrepreneurship Competition, we will set up non-profit foundation, provide entrepreneurship teachers, match the special credit amount, establish "Qianying Zhanyi" Plan service system and take other measures to continuously support the innovative enterprises development.

- As for the newly-established enterprises, we will provide the diversified settlement and capital operation value-added services which can combine the public and private business to enhance its

financial operation efficiency.

- In terms of the budding enterprises, we will innovate the investment and credit linkage financing mode and customize the comprehensive financial solution to enhance their management level and solve the capital problems.
- When it comes to the enterprises during the maturity stage, we will not only innovate the debt financing, but also make use of the high-quality enterprise resources to provide and merge the matching service, or help them to seek for the strategic investors from the listed companies, or offer the equity investment via the "Qianying Zhanyi" Fund of China Merchants Bank.

As a result, we have established the direct cooperation relationship with more than 8,000 participating enterprises in the past five years, therein, more than 1,200 enterprises have obtained the credit supporting, and the total credit amount can reach up to RMB 20 billion. Moreover, we also launched the special financial service action for more than 58,000 national small and medium-sized high-tech enterprises in 2016. Until Dec. 2016, we had provided credit supports for 4,573 high-tech enterprises with the total credit balance of RMB 84.9 billion.

Innovate investment and credit linkage and stimulate the development force.

We will make great efforts to promote the investment and credit linkage business, research and formulate the new-type business mode, as well as make use of the wholly-owned subsidiary, namely, China Merchants Bank International, to make the equity investment to the high-quality cooperative partners who have the equity financing demands. Until Dec. 2016, we had signed 389 small-amount equity selection agreements and provided RMB 2.971 billion credit amount, meanwhile, China Merchants Bank International made the direct equity investment to 2 clients who joined in the "Qianying Zhanyi" Plan, as a result, the total amount reached up to RMB 23 million.

New York Branch: Expand the linkage mode between commercial firms and investment bank

In order to help scientific-and-technology enterprises to solve the difficult and expensive financing problems, and promote the innovative development of technological enterprises, New York Branch has tried its best to expand the characteristic scientific & technological financial service, such as, which will provide the traditional direct financing and try to carry out the investment firm linkage. In Jan. 2016, New York Branch supported CITIC Capital and Hua Capital to purchase OmniVision Technologies, a listed company about chip in America, as a result, which helped the domestic chip industry funds to break through the following channel, namely, get the advanced semiconductor industry technology from foreign countries. As a result, New York Branch provided hundreds of millions of dollars credit to the technology-based enterprises throughout the year, therefore, it can be said that New York Branch had played the positive role to upgrade Chinese semiconductor industry and promote the domestic technology-based enterprises to march towards the international market.

3.3 Expand cross-border finance and connecting one belt and one road

In order to comply with the national strategy requirements, we have built the cross-border financial platform which can integrate overseas agency, offshore financial center and domestic branches to vigorously promote the overseas institution layout and offshore financial business development and support the "walk out" and "bring in" of enterprises.

Offshore "Hundreds for One Client" business

In order to satisfy the small currency exchange demands of offshore "walk out" clients and help them to enhance their currency exchange and remittance efficiency, we have cooperated with Deutsche Bank, INTL FCStone and other financial institutions to carry out "Hundreds for One Client" business since the year 2016. The customers can deal with 114 kinds of currency transfer-out business and 24 kinds of currency transfer-in exchange business in the world as long as they have opened dollars accounts in our bank. By the end of 2016, we had realized USD 7.8 million foreign currency exchange trading volumes for customers.

In the year 2016, we launched "One-road Finance" comprehensive financial service brand to provide the global trade and supply chain financial service, global project financing service, global cash and treasury management service, global foreign exchange transaction service, global investment bank service as well as the employees customized financial service for the "walk-out" enterprises on the "One Belt and One Road", therefore, our bank can satisfy the exchange rate hedging and other demands of "walk-out" enterprises during their trade financing, project financing, small currency settlement in the less developed countries.



Our Service Customer, namely, Mongolia Coal-fired Power Plant Project was Successfully Established.

As an important supporting point in the north line of "the Belt and Road Initiatives", Mongolia had not established the new large power plant in its capital, namely, Ulan Bator, in the recent 30 years. Our certain customer successfully signed the coal-fired power plant project contract with Mongolia in the year 2015. In order to help him to get the start-up capitals for building the project in the early stage, we had issued and raised USD 0.2 billion for him, and joined hands with CMB International to design the bond issuing scheme which corresponded with the project capital flow; as a result, USD 0.7 billion was issued to the overseas countries to repay the loan principals and interests under the compassionate loans within the preliminary stage of the project, and the capitals as required by the engineering construction, production and management. In addition, we had signed Interbank Cash Management Agreement (CBS) and reached cooperative intention with regard to the cross-border cash pool according to the overseas capital management demands.

Until the end of 2016, we had reserved 139 "the Belt and Road Initiatives" projects, including 83 landing projects; The international settlement reached up to USD 37.351 billion on the basis of the related countries on the "the Belt and Road Initiatives"; meanwhile, USD 1.212 billion of factoring financial services were also provided for the goods, exported equipment and overseas engineering in the "One Belt and One Road" countries; As a result, our overseas platform had issued USD 3.188 billion loans to the projects and customers in the "the Belt and Road Initiatives" countries.

4 Boost the people's livelihood improvement

Scene story

Mr. Zhou, 31 years old, works in a foreign company.

Having both son and daughter, Mr. Zhou are always smiling when he talks to others that he has both son and daughter. The illness cannot be avoid due to children's weak immunity. He always wake up to line up before dawn when he and his wife send his baby to check to the children hospital; when they get the appointment, his wife and baby have been sleep, which makes him worried. However, Mr. Zhou is able to make a hospital appointment register, check examination result and copy with other procedures by cellphone, what's more, the deposit's payment, payment and return can be completed on cellphone since the "WIT120" established by the China Merchant Bank for hospital.

"I am OK for lining up, but I am concerned that my wife and my baby will suffer. But now problems are solved because many things can complete on cellphone, which is convenient for hospital,too."

Background of sustainable development

The people's livelihood refers to the daily life matters of people and citizens, including the basic necessities of life, employment, entertainment, medical service and other aspects of people. As the backbone financial industry which can support the national economy, the bank industry has innumerable links with people's livelihood, and undertakes the important responsibility to serve the people's livelihood and boost the social development. Under the downward macro economy, the bank industry shall actively promote the real economy, innovate the benefiting method and perfect the people's livelihood continuously.

What we do

- Make all efforts to support the shantytown transformation project.
- Promote the "smart healthcare" project construction.
- Make collaboration to promote the cooperative (PPP) mode between government and social capitals.
- Boost the regional infrastructure construction.
- Innovate the benefit farming products and service pattern.

Performance highlights

- We issued RMB 12.88 billion loans to transform the shantytown areas in 2016.
- We signed "smart healthcare" project with 108 hospitals with the year-on-year growth of 107%.
- The annuity funds scale under the trustee management had reached up to RMB 61.1 billion, which provided the high-quality annuity funds service for 1.64 million employees.
- The agriculture-related loans reached up to RMB 213.612 billion.

Response to the SDG objective



We have provided financial service for the "Agriculture, Rural Areas and Farmers" field, help agriculture-related enterprises to improve operation and expand production when we deeply support the key modern agricultural projects, as well as offer the financial planning service for the small and medium-sized farmers, in summary, we have made great efforts to promote the agricultural production.



As for the medial treatment, pension and many other fields, we have continuously expanded the financial pension service, create "smart healthcare" solution and help governments and medical institutions to promote the health and well-being of the public.



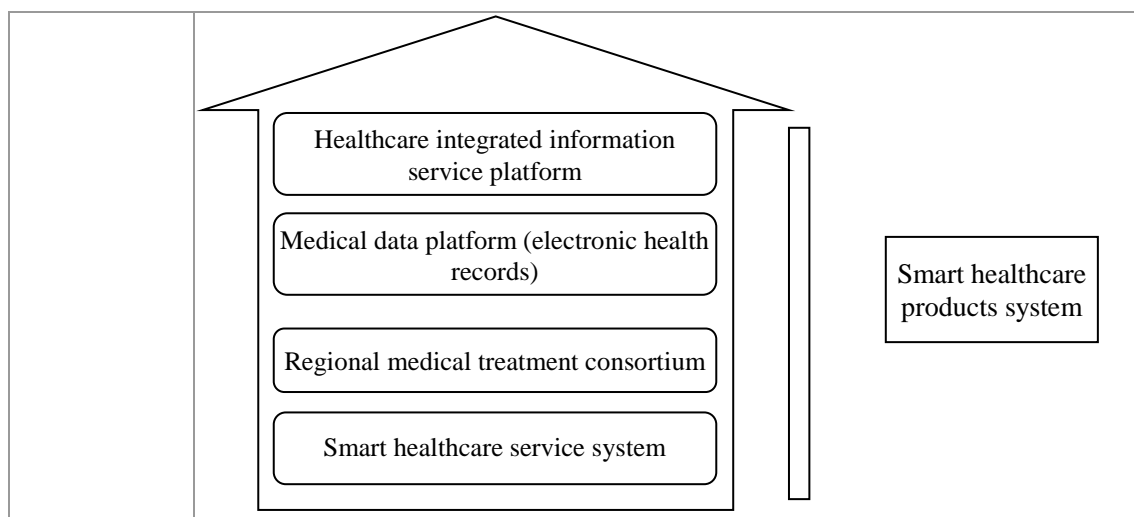
We have paid more attention to the hot spots of people's livelihood, build the major transportation engineering, transform the shantytowns and carry out other livelihood projects to enhance our financial supports for transportation, residence, infrastructure and public service projects, therefore, it can be said that we are trying hard to make contributions for building the inclusive and livable urban and community environment.

4.1 Provide financial support and serve people's livelihood hotspot

We pay special attention to the people's livelihood demands in different fields, and carry out the expanded and innovative financial service scheme to provide financial power for livelihood career and make more people share the livelihood development achievements.

Promote people's livelihood security

<p>Have living places.</p>	<p>Support shantytown transformation and realize the family contentment dream.</p> <p>As an important morale project which can transform the old and dilapidated buildings in cities and towns and improve the housing conditions of poor families, the shantytowns transformation is directly related to the contentment dream of millions upon millions of families. Given this, we have actively provide credit service for the important shantytowns transformation projects in Wuhan, Beijing, Changchun, Hangzhou, Tianjin, Beijing and Chongqing, then, joined hands with China Development Bank to carry out the special cooperation with regard to the shantytown transformation loans for the sake of providing shantytowns loan agent settlement, individual demolition account service and other comprehensive financial service schemes, and making contributions to accelerate the national shantytowns transformation schedule.</p> <p>For example, we had issued RMB 12.88 billion loans for the shantytown transformation project in 2016, as a result, we helped ten thousands of families to share the good results of urban development.</p>
<p>Looking after the elderly</p>	<p>Innovate pension finance and help them to enjoy retirement life.</p> <p>According to the remunerations and benefits demands of individuals and enterprises, we have developed "Xinfu Finance", high-yield financing and other products for the annuity customer groups to provide the comprehensive remuneration & benefits service scheme for enterprises and individual customers. In the year 2016, we had promoted "Jinyi Pension" and other financial products for the elder customers who had the stable investment demands for long period, as a result, we can provide the monthly dividends for elder customers and satisfy the cash flow demands of daily pension expenditures.</p> <p>By the end of 2016, the annuity funds scale had reached up to RMB 61.1 billion under our enterprise annuity trustee management, in such case, we can provide the high-quality annuity service for 1.64 million employees. Meanwhile, we also developed into one of the four basic pension insurance funds trustee agencies in China during the tendering selection which was held by the National Council for Social Security Fund.</p>
<p>Cure the sick people</p>	<p>Create the smart treatment and update the medical experience.</p> <p>Owing to the in-depth integration between financial service and hospital treatment service, we have made use of information technology to integrate the offline medical service mode and created the smart treatment service system which can integrate diagnosis service, settlement service and financing service, as a result, we can not only alleviate the registration and queuing difficulties, but also enhance the patients experience and optimize the medical environment, what's more, we will promote the equalization and high-efficient utilization of medical resources when the digital health city is built in the future.</p> <p>In the year 2016, 108 hospitals had signed agreement with our bank with regard to the smart healthcare service system, therefore, more and more ordinary people can share the high-quality and informationalized medical & health services.</p>



Shanghai Branch: Put forward "internet+ finance+ medical treatment" service system

We had cooperated with the International Peace Maternity & Child Health Hospital to create the leading outpatient department and the mobile-terminal financial service platform in the whole process of hospitalization in China, as a result, it can be said that we took the lead in realizing the online hospitalization procedures. Customers can make appointment, registration and payment, inquire the inspection results, and prepay the hospitalization deposits via mobile phone, therefore, the following problems had been greatly alleviated in the traditional hospitals, such as, long registration time, long waiting time, long queuing time and short see-doctor time. Meanwhile, patients and their family members can use our "All in One Net" or the third-party payment platform to make the mobile payment for the sake of greatly enhancing the medical experience of patients.

Expand transportation network

As the backbone device in the modern transportation system, the railway is considered to be essential in Chinese social and economic development. In the year 2016, we considered railway industry as the priority supporting field of credit policies to actively support the following national trunk railway projects' construction and operation, such as, Beijing-Shenyang High-speed Railway, Shanghai-Kunming High-speed Railway, Wuhan-Jiujiang High-speed Railway, Harbin-Dalian High-speed Railway and others, as a result, the living travel of the public was greatly improved.

Hohhot Branch: Extend the new thoroughfare which can connect with the autonomous region development.

With the purpose of supporting the major transportation engineering construction, Hohhot Branch had invested RMB 1.144 billion loans to build and support the Ulanhot-Xilinhote Railway and the railway construction in Inner Mongolia on the Baotou-Xi'an Railway until the end of 2016; Meanwhile, the foregoing bank had also invested RMB 5.356 billion in the highway construction and supported Beijing-Urumchi Highway, Qingshan-Baigeda (in the border between Inner Mongolia and Gansu) Highway and other projects, as a result, the solid foundation was laid for driving the local economic development and fostering the innovative industry.

Build the smart city

With the prosperous development of "internet +", we had built data cloud platforms and developed mobile APP in the urban management and service process to help people to integrate various information resources, get through the vertical and horizontal links in the industry and between different industries, as well as realize the mobile and internetized public service.

Jinan Branch: Support to build ecology in smart cities

Under the "internet + smart city" mode, Jinan Branch also took an active part in expanding the smart service in education, medical treatment, transportation and other public service fields, fostering the new ecology about urban smart development as well as creating more convenience for people's life according to the smart city development planning of the local government.

- Smart campus: Assist universities to build alumni cloud platform.
- Smart medical treatment: Join hands with Jinan to promote the citizen healthcare platform and share the citizens healthcare files in 29 municipally-owned hospitals in Jinan.
- Smart traffic: Launch recharging business for "Shandong Account Card" in Qilu Expressway, and support "Easy Illegal Payment" APP launched by Shandong Province's Public Security Department to realize the inter-bank payment business in Shandong Province.
- Smart community: Help property management community APP launched by Chambroad Group to realize the "All in One Net" payment and greatly facilitate the charge of property management party and payment of owners.

4.2 Support regional economy and injecting financial power

We focused on the national "13th Five-year Plan", Beijing-Tianjin-Hebei Coordinated Development and Yangtze River Economic Zone Development Strategy, strengthened the financial supply-side innovation, actively promoted PPP mode, made great efforts to promote the urban infrastructure construction, as well as supported the regional economic development in all directions. Meanwhile, we took an active part in promoting the regional industry transformation and upgrading, effectively increasing the resource investment in the advanced manufacturing industry, strategic emerging industry, modern service industry and traditional industry transformation as well as reviving the real economy development.

Capital raising +smart raising, boost the funds guided by governments.

We had fully mastered the opportunity when government deepened the investment and financing system reform to carry out cooperation with governments at all levels actively, and establish urban construction funds, urban development funds, industry development funds and other different kinds of funds guided by governments. During the cooperation, we had given full play to the advantages of financial institutions, such as, we not only supported the financing action of funds guided by government, but also participated in the following links, namely, fund establishment, development, expansion, investment, withdrawal and so on, therefore, we can provide the comprehensive financial service for the fund-invested enterprises or projects in the full life cycle and the whole process, and boost the healthy and sustainable development of funds guided by governments.

Beijing-Tianjin-Hebei Economic Zone**We applied financial capitals to help the infrastructure construction of "Integration in Beijing-Tianjin-Hebei Economic Zone".**

We had cooperated with Beijing Shougang Foundation to build "First Phase of Caofeidian Foundation" and invest RMB 1 billion to Tangshan Tangshan-Caofeidian Expressway Co., Ltd. in the capital increment way for the sake of building the unique expressway which led to Caofeidian, namely, Tangshan-Caofeidian Expressway, and helping Caofeidian District to undertake the industry transferring from Beijing preferably.

<p>Yangtze River Economic Belt</p>	<p>Create equity investment funds and make great efforts to support modern industry</p> <p>We cooperated with Jiangsu Provincial Government to set up CMB modern industry equity investment funds and make investments in the advanced manufacturing and strategic emerging industry which had regional industry advantages in Jiangsu Province in the equity way, such as, equipment manufacturing, new energy, new materials, energy saving and environmental protection, medical treatment and health as well as other fields, so that, we can enhance the market competitiveness of related industries and support the transformation and upgrading of regional economy.</p>
<p>Silk Road Economic Belt</p>	<p>Boost expressway construction in Yunnan Province</p> <p>We had joined hands with Yunnan Highway Development & Investment Co., Ltd. to set up "Qusheng Highway Vehicle Tolls Earning Capitals Supporting Plan" and Yunan Referendum Yuxi-Yuanjiang Highway Vehicle Tolls Earning Capitals Supporting Plan to strongly support the highway construction in Yunnan Province.</p>

4.3 Dedicate to financial benefit farming and drive the development of "Agriculture, Rural Areas and Farmers"

We will consider the modern agriculture as the critical field, deepen the financial innovation, expand credit investment fields, strengthen the financial supporting efforts about "strengthen agriculture, benefit farmers and raise rural living standards", innovate agriculture-related financial service and support farmers to build up their family wealth via the characteristic loans.

Harbin Branch: Support modern agriculture development

Harbin Branch took active part in innovating the product service and supporting Heilongjiang Province to build the characteristic agriculture. In the year 2016, Harbin Branch provided RMB 2.9 billion of credits for the agricultural leading enterprises in Heilongjiang, as a result, the total agriculture-related loans reached up to RMB 1.872 billion throughout the year; Moreover, the total agriculture-related loans were RMB 21.8 billion within the recent five years.

- **Innovate agriculture-related credit products**

Such as, Harbin Branch made efforts to develop "batch loans of pasture", promote "supply and marketing flow loans" and issue RMB 0.56 billion small loans to the agricultural products processing and seeds selling industry.

- **Expand rural financial service**

Harbin Branch launched the first "Fu Nong Tong" product which was specially used for the grain collection, storage & settlement in China, as a result, the one-card deposit, mobile payment and real-time appropriation will be realized, meanwhile, RMB 25 billion had been paid for 50,000 grain farmers in three years to effectively solve the unsafety, low efficiency and other problems caused by grain purchasing in cash.

Changchun Branch: Apply online "payment agent" to boost the food processing leading enterprises.

As the largest fresh corn and other foods production & processing enterprise in China, Tianjing Company had cooperated with our bank for many years, meanwhile, which was one of the second-batch national debt project construction units during the revitalization of Northeast China Old Industrial Base. Considering that there are many suppliers and the settlement mode applies the sell on account, the enterprise shall launch its credit to make payment in the working capital loans way when the accounts payable expired, as a result, the financing costs were high and the financing procedures were relatively complicated.

When we knew the service demands of Tianjing Company, we completed the customers approval work in high efficient, established the client platform and taught customers to recommend suppliers, submit agent payment schedule and apply for financing work on the internetbank. In Dec. 2016, our bank had handled "online payment agency" business (RMB 60 million) successfully.

5 Practice green finance

Scene story

Mr. Zhou, 54 years old, serves as the responsible person of certain environmental protection enterprise.

The main business of his working company lies in providing the sewage treatment, solid waste cycling and other services for the medium and small towns and industrial parks. In his words, this is the "sunrise industry" which is strongly supported by the state. However, the company fails to be strongly supported by bank due to its asset-light operation and collateral absence. China Merchants Bank gives RMB 8 million credits to the foregoing company in the guarantee way for the sake of helping the green enterprises to grow rapidly in the sunrise industry after fully evaluating its operation conditions.

"As an environmental protection enterprise, our mission is 'improve the environment and benefit the public", therefore, the strong supports of China Merchants Bank has enhanced our development steps."

Background of sustainable development

The resource and environment problems are considered as the common challenge which is faced by the human beings at present. China is paying high attention to the green development concept and actively guiding the global development and transformation towards low-carbon pattern for long period. Meanwhile, China is in a critical stage of economic structure adjustment and development pattern transformation, therefore, its financial service demands for supporting green industry and economic & social sustainable development are increasingly expanded. In such case, the bank industry and financial institutions in China have reached a consensus to promote the green finance.

What we do

- Revise green credit policies
- Support green economy, low-carbon economic, recycling economy, energy-saving and environmental protection industry development.
- Implement the paperless transformation of service outlet.
- Advocate the green and low-carbon office
- Spread environmental protection concepts to the public

Performance highlights

- The green loan balance is RMB 143.664 billion
- The project of green credit and loan achieves the energy conservation and emission reduction: 7,960,200 tons, 162,700 tons and 5,942,100 tons of carbon dioxide, sulfur dioxide and water respectively
- The customers who use the electronic billing of credit card account for 93.35% in the current customers with 3.35% growth rate than 2015
- The electronic billing saves 2.138 billion papers with more 1.446 billion papers than 2015
- The average PUE of data center is 1.76 with 4.86% growth rate of energy efficiency than 2015

Response to the SDG objective



We will carry out financing loan service to support the administrative water affairs project and water affairs environmental enterprises, help them to carry out water supply and sewage treatment projects in towns, decrease water pollution and increase water supply guarantee.



We will consider green finance as the important development field, strongly support new energy and other energy-saving and environmental industries in the aspect of credit policies and loan direction, strictly control the newly-added loans for industries which have high pollution and energy consumption, as well as promote

the energy transformation.



We will continuously perfect the green financial product system, pay close attention to the environmental influence of green loan project, as well carry out green and low-carbon investment to promote the energy conservation and emission reduction. Meanwhile, we will widely carry out environmental protection education projects and enhance the environmental protection concept of the public.

5.1 Optimize credit structure and supporting green industry

We will insist on the sustainable development concept, fully respond to the Guiding Opinions about Building Green Financial System which is jointly printed and issued by People's Bank of China and other seven ministries, promote the green credit continuously from the strategic perspective, carry out national energy conservation, emission reduction and green financial development requirements, as well as support the green, environmental and high-quality industry development.

Strictly control "high-tech and high-growth" loans

According to the latest environmental protection laws and regulations, we have revised the green credit policies in the whole bank to strictly control the newly-added loans in the industry which has high pollution and high energy consumption, and withdraw the stocked business.

- The newly-added production projects which have not got the legal formalities or the iron & steel and coal enterprises which have increased their productivity illegally. The enterprises which fail to satisfy the environmental protection, quality, safety production and technology requirements with hopeless rectification.
- The re-developed residence and commercial projects which are built in the original location of the high-polluted industrial enterprises which fail to pass through the site environmental survey and risk evaluation. The small enterprises which go against the national industry policy, have the laggard production technology, low equipment level and poor environmental protection devices, waste resources severely and pollute the environment seriously, such as papermaking, leatherworking, printing and dyeing, dye, coking, smelting sulfur, arsenic refining, oil refining, electroplating, pesticide and other "ten small" enterprises.
- The enterprises which produce or operate radioactive isotope products, dangerous chemicals as well as other highly toxic pollutants which are unable to be degraded in the natural environment or accumulated in the living organism, and the enterprises which produce carcinogenic, teratogenesis and mutagenesis products. The medium and small-sized enterprises in the petrochemical engineering, coating, printing ink, adhesive, package printing, rubber products (the tire), furniture, shoemaking, pesticide preparations and other industries which fail to satisfy environmental standards and have the serious pollution caused by volatile organic compound (VOCs), especially the enterprises which are close to the residential area, farmland and water source to put obvious influence on the residents' life and health. The enterprises or projects which import and use the technology and equipment which fail to satisfy our environmental protection requirements.

Loans to High Pollution, Energy Intensive Industries

Unit: RMB 100 million	2014		2015		2016	
	Balance	Percentage in domestic corporate loans	Balance	Percentage in domestic corporate loans	Balance	Percentage in domestic corporate loans
High pollution, energy intensive industries						
Petroleum processing, coking and nuclear fuel processing	90.51	0.76	111.23	0.9	98.35	0.79
Chemical raw materials and products manufacturing	236.51	1.98	185.18	1.49	179.95	1.45

Unit: RMB 100 million	2014		2015		2016	
Non-metallic mineral products manufacturing	159.72	1.34	156.23	1.26	110.45	0.89
Ferrous metal smelting and processing	135.44	1.13	134.5	1.09	153.45	1.23
Non-ferrous metal smelting and processing	128.34	1.07	128.67	1.04	118.55	0.95
Coal-fired power generation	198.52	1.66	213.21	1.72	226.22	1.82
Subtotal	949.04	7.94	929.03	7.5	886.98	7.14

Support green industry

When we reduce the credit business for the "high-tech and high-growth" industry, we will also list the following green industries in the supportive range, such as, strategic emerging industry, enterprise transformation, upgrading and technical transformation, energy conservation and emission reduction field, recycling economy field, cleaning energy field, green ecology field, green building field and cleaning development mechanism project, in summary, we are trying to input the credit sources in the green field for the sake of creating the green value.

Capital investment conditions of green loan project

- The loan balance of industrial energy-saving, water-saving and environmental-protection projects is RMB 6.141 billion with the year-on-year growth rate of 15.98%
- The loan balance of building energy conservation and green building is RMB 1.269 billion with the year-on-year growth rate of 119.17%
- The loan balance of green transportation projects is RMB 24.914 billion with the year-on-year growth rate of 27.4%
- The loan balance of energy conservation and environmental protection is RMB 1.095 billion with the year-on-year growth rate of 48.58%

Tianjin Branch: Support river governance and strengthen disaster prevention & control

Tianjin Branch will provide RMB 192,160,000 fixed assets loans for Tianjin Water Affairs Investment Group Co., Ltd. to serve as the engineering construction expenditures of Zuodiban Bridge-Mengjiuwo Section in the upriver of Jiyun River in Yanzhuang Village.

Considering that the non-governance dyke body in Zuodiban Bridge-Mengjiuwo Section in the upriver of Jiyun River in Yanzhuang Village is relatively thin, and the dyke elevation is inferior to the design flood level with unsatisfactory floodwater drainage ability, the local economic development and the people's living standard are seriously affected. The surrounding areas will be endangered as long as Jiyun River suffers from flood, therefore, it is extremely necessary to govern the river section.

When the engineering is put into practice, the floodwater drainage ability of the downstream river channel will be greatly enhanced, such as, the flood control standard, drainage standard and automatic drainage standard can reach up to 20 year return period, 5 year return period and 10 year return period respectively, as a result, the economic life on both sides of Jiyun River will have healthy and rapid development.

Xiamen Branch: Support municipal solid waste incineration power generation project of Liupanshui

With the accelerated urbanization process, the urban household garbage output is unceasingly increased, therefore, the household garbage treatment has developed into the hot spot for governments at all levels in recent years, similarly, Liupanshui Government is also faced with the increasingly severe and urgently solved livelihood problem, namely, household garbage treatment.

The urban household garbage incineration power plant project can not only save a large number of land resources, but also utilize household garbage to generate power and turn waste into wealth, therefore, which is a kind of effective means of comprehensive resources utilization. When it comes to the household garbage incineration power plant project in Liupanshui, the competent unit will offer the franchise right to the bid winner, namely, Guizhou Xinyuan Construction in the tendering way, therein, the franchise right will last for 30 years (including 2-year construction period), and the engineering investment reaches up to RMB 0.63 billion.

After the project investment estimation and capital raising evaluation, Xiamen Branch is inclined to establish the internal syndicated loan with Liupanshui Branch after the full communication with the enterprises and Liupanshui Branch, such as, which shall offer RMB 0.42 billion loans to Guizhou Xinyuan Project for the sake of building the household garbage incineration power generation project in Liupanshui within 12 years.

Energy Conservation and Emission Reduction Conditions of Green Loan Project China Merchants Bank in 2016

Index	Unit	Data
Water	Ten thousand tons	594.21
Standard coal	Ten thousand tons	321.21
Carbon dioxide	Ten thousand tons	796.02
Chemical oxygen demand	Ten thousand tons	53.5
Ammonia nitrogen	Ten thousand tons	4.61
Sulfur dioxide	Ten thousand tons	16.27
Nitrogen oxides	Ten thousand tons	1.8

5.2 Focus on energy conservation and environment protection, promoting green operation

We will pay enough attention to our influence on the environment during the service, office and other links, take the following measures to realize energy conservation and emission reduction, such as, deepen the environmental management, promote paperless and energy-saving technology, etc.

Promote green service

We will make efforts to implement and guide customers to accept the environment education on the basis of guaranteeing the experience and perception of customers, then, provide the enterable environmental financial service for customers, as a result, we have gradually accepted and recognized by customers.

When the paperless platform has been promoted in the whole bank, we start to comprehensive boost the paperless transformation for the existing counter service, in other words, change all mainstream businesses on the existing counter into paperless businesses. Except for special reasons, the new business receipts will be paperless, and the corporate business will also try to import the paperless treatment. Our final purpose is realizing the paperless business in the counter.

Until the end of 2016, we had realized 80 million retail paperless businesses in the whole bank, covering more than 130 kinds of retail businesses, as a result, our business volume had accounted for 90% and above in the retail counter businesses in the whole bank.

Encourage green office

In our daily work, we also make efforts to advocate green office concept, reduce resources and energy utilization, decrease operating costs and create the green, low-carbon and cleaning office atmosphere for employees.

Carry out comprehensive energy-saving projects and create the green data center.

We have carried out comprehensive energy-saving projects in Shenzhen Data Center and take multiple energy-saving means to enhance the energy efficiency index of data center;

- Deploy SDC pump circulation energy-saving air conditioners and make use of natural cooling resources to reduce the energy consumption
- Transform EC draught fan of air conditioner in the machine room and reduce the energy consumption of air conditioner fan
- Optimize the air distribution of machine room and enhance the air distribution efficiency in the data machine room
- Apply intelligent energy-saving lighting system and reduce the lighting energy consumption.
- Transform the double cooling function of air conditioner external unit, change the air-cooled dissipation into water-cooling dissipation, and reduce the power consumption of compressor

When the project is put into practice, PUE index of data center has been improved obviously, such as, which has reduced to 1.76 (2016) from 1.85 (2015); The energy efficiency has been obviously enhanced, such as, the year-on-year power consumption has been reduced for 2 million Kw/h.

Tianjin Branch: Take many measures to support energy conservation and emission reduction.

Clean energy: The gas boiler system is applied to reduce the greenhouse gas emission during the heating supply in winter. Meanwhile, the frequency converters are also installed to adjust the water outlet temperature along with the temperature changes, as a result, the gas loss and electric energy loss are greatly reduced. Besides, 10,000 m³ greenhouse gas has been reduced throughout the year.

Save electricity: Replace LED lamps in the parking lot, staircase and office area of the branch building. The circulating pump of air conditioner refrigerating system shall be equipped with frequency converter startup system to save electric energy and air conditioner water. Comparing that 2015, 32,000 Kw/h electricity and 3,000 tons have been saved.

Bus travelling: Set up bus travelling system, such as, bus parking in branch during legal holidays, vehicle flameout waiting during the bus traveling, vehicle traveling path planning in advance, as a result, 3,000 liters petroleum has been saved than 2015.

5.3 Implement environmental public welfare and spreading a green idea

We will begin with ourselves, make efforts to protect environment, actively expand "make afforestation in one hundred years for China Merchants Bank" and other public-benefit projects, and spread the environmental-protection concept to the public. Since the establishment, we have built several hundreds of "afforestation of China Merchants Bank" on a national scale, then, apply the building, cultivation, joint building and donation means to combine the voluntary forestation, ecological ornamental forest building, urban & rural roads greening, and industrial park, as a result, plant, survive and beautify a large field of places.

China Merchants Bank promotes "green campus" construction.

The National Center for Schooling Development Program joined hands with the Architectural Design and Research Institute of seven well-known universities in 2016 to launch China Green Campus Design Alliance and give out China green campus development initiative. As the advocator and practitioner of green finance, we have not only undertaken China Green Campus Design Alliance and the First Term China Green Campus Development Seminar, but also signed the cooperative agreement with the National Center for Schooling Development Program. In the future, we will focus on industry-education integration to build the green finance co-melting cooperation mode with government, bank, school and enterprise, then, boost the green transformation and development of universities.



"Make afforestation in one hundred years for China Merchants Bank" tree planting activity

6 Promote public welfare

Scene story

Wang Wei, serving as the customer manager in Beijing Branch of China Merchants Bank.

Wang Wei returns to his busy and quiet life when he gets back to Beijing from Yunnan. During the working gap between working, getting off duty, meeting clients and talking about business, Wang Wei always recalls Yunnan under the same sky with Beijing and the deeply concerned village neighborhoods.

"The most memorable affair is the scene when children hold the big bowl and squat on the road, corridor, playground and under the tree for eating during one year when I am engaged in the poverty alleviation in Yongren, at that moment, I make up my minds to do something for these children."

Background of sustainable development

Along with the accelerated transformation of economic society under the "new normal", both the government and the public hope to alleviate the livelihood and social problems and promote the social harmonious development. The following general target is further emphasized in the "13th Five-year Plan", namely, build a well-off society in an all-round way until 2020 and make the existing impoverished people get rid of the poverty. Meanwhile, as the third power which can promote the social development, our public welfare undertakings has got the unprecedentedly wide stage, especially, the active participation of enterprises has provided more power and guarantee for the public welfare development.

What we do

- Promote the fixed-point poverty alleviation work in Yongren and Wuding County continuously.
- Expand "Kindheartedness of China Merchants Bank" e-commerce anti-poverty project.
- Encourage card holders to participate in the public welfare donation
- Enrich "small integrals • tiny charity" public donation forms
- Make use of financial platform to boost public welfare innovation
- Expand "Love Full of Sunflower Garden" and other public welfare activities.

What we gain

- We have donated RMB 10,926,800 (fixed-point poverty alleviation donation) to Yongren and Dingwu County, and helped 6,331 impoverished persons who have been included in the files to get rid of the poverty.
- The total sales volume of "Kindheartedness of China Merchants Bank" products has reached up to RMB 5.8 million, therefore, the farmers who participate in packing and sorting can get RMB 2,000 or above.
- The donation integrals of "small integrals • tiny charity" have reached up to 10,188,204 scores, then, which are converted into 20,376 courses for the autistic children.

Response to the SDG objective



We insist on carrying out fixed-point poverty alleviation work and creating the "hematopoiesis" poverty alleviation which can integrate "educational poverty alleviation, industry poverty alleviation and cultural poverty alleviation" to help citizens to start up business and take up an occupation in the counterpart poverty alleviation countries, get rid of poverty and realize well-off gradually.



Besides, we also guide the poor farmer households to carry out agricultural products breeding and planting projects according to the local conditions during our poverty alleviation work, then, take the e-commerce poverty alleviation and other measures to make the characteristic agricultural products move towards the market from the remote mountainous areas, and improve their living standards.



We will make great efforts to support the public education activities. Except for the high-quality courses which are brought by volunteers for the children in remote areas, we have offered integration courses for the autistic children via the public welfare institutions, then, we will integrate skill training in the poverty alleviation project to help them to master skills and realize the employment.

6.1 Continue to practice solemn promise and boosting poverty alleviation program

In the year 1999, our first batch of poverty alleviation cadres took a temporary post in Yongren and Wuding County, Middle Yunnan Plateau of Yunan Province to start our fixed-point poverty alleviation journal. Since the eighteen years, every employee of China Merchants Bank has hold the following solemn promise in their heart, namely, "crucial for poverty alleviation, work with perseverance, China Merchants Bank will not unhook when Wuding and Yongren County have not get rid of poverty", because the foregoing promise can stimulate us to deepen the poverty alleviation career and boost the overall well-off.

Carry out "three-in-one" and realize targeted poverty alleviation.

We insist on selecting the excellent employees to take up temporary posts in Wuding and Yongren County and realize the poverty alleviation every year, specifically speaking, we will investigate and evaluate the specific demands of the local poor householders, formulate the targeted poverty alleviation measures and gradually build the poverty alleviation mode which focuses on "educational poverty alleviation, industrial poverty alleviation and cultural poverty alleviation".

Educational poverty alleviation

- We have invested RMB 5.6111 million to improve the local educational resources and build youth activity center, computer room, student canteen and other devices.
- Organize training and exchange activities for teachers and students respectively, and enhance the local teaching level.
- The "one-to-one" pairing activity has helped 2,566 poor primary and secondary school students and undergraduates to complete their studies and build their hometown.

Industrial poverty alleviation

- We carry out bridging, road repairing, drinking water engineering and other projects to strengthen the infrastructure construction in the two countries.
- We carry out the large-scale mango planting project, vegetable planting base and other projects to develop the characteristic agriculture.
- In order to support the farmer households to expand production, we have taken petty poverty alleviation credit circulating funds and other measures to solve the following problems, such as, the farmer households are short of startup capitals for the planting and breeding activities or the working capitals are subject to difficult turnover.
- As a result, we have helped 80 poverty households to complete the vocational skills training and realize the transferring employment.

Cultural poverty alleviation

- We build "Sunflower" Yi's children chorus to sing Yi songs throughout the China.
- We hold Yi embroidery training class and embroidery competition to protect and promote the Yi embroidery culture development.
- We support the "Yi people style" photography competition and build Yi culture school to display and propaganda Yi culture.

In the year 2016, we had donated RMB 10,926,800 funds to these two countries.

Therein, we subsidized 2,651 poverty students via "1+1" pairing way by right of RMB 2,506,000.

The donated commodity value was RMB 0.28 million, as a result, 6,331 impoverished people who had been included in the files had got rid of poverty.

Since 18 years, we have invested

RMB 95,318,500 poverty alleviation funds, established 30 Hope Primary Schools and selected 70 poverty relief cadres.

Apply new e-commerce poverty alleviation mode and the caring pomegranate attracts "Kindheartedness of China Merchants Bank".

Yongren County is called as "Sun City", therefore, the sweet and succulent green husk pomegranate is produced due to the sufficient sunshine and suitable climate. However, it is difficult for Yongren County to open the market by right of its "treasure" due to the high logistics costs and market popularity absence.

After deeply understanding the factors which restrict the development of green husk pomegranate, we have provided the stable and high-price selling channels for orchardists and created the public welfare e-commerce brand, namely, "Kindheartedness of China Merchants Bank", then, apply "local high-quality agricultural products+ e-commerce platform+ employees purchasing of China Merchants Bank" mode to attach China Merchants Bank brand to the local characteristic agricultural products, besides, we also help orchardists to gradually open the market by right of China Merchants Bank's employees and customer groups, as a result, the following multi-win innovative industry poverty alleviation mode has been realized, namely, "orchardist + enterprises + employees of China Merchants Bank".

In Aug. 2016, the first batch of "Kindheartedness of China Merchants Bank" green husk pomegranate was plucked, selected, sorted, packaged and transported to all parts of the country. The total sales volume of the foregoing product was RMB 5.8 million within two months, meanwhile, the tax revenue also reached up to RMB 0.5 million. Besides, the farmers who participated in sorting and packing got RMB 2,000, therefore, it can be said that they had tasted the sweetness of green husk pomegranate.

Except for the fixed-point poverty alleviation in Yongren and Dingwu County, we had carried out "Love Full of Sunflower Garden" love teaching activities in four primary schools of Lingyuan County of Yunnan Province in 2016.

"Love Full of Sunflower Garden" love teaching activity in Yunnan Province

Our "Love Full of Sunflower Garden" love teaching activity was conducted in four primary schools of Longyuan County, Baoshan City of Yunnan Province during Oct. 16-22, 2016. The supported teaching team which included our clients and employees had donated more than 700 sport shoes for four primary schools in Jingzhuping, Xueshan, Banggong and Potoutian, moreover, more than 70 courses were also offered by them to two primary schools, such as, football, basketball, music, health, calligraphy, bandhnu, paper quilling and so on.

Located in the western Yunnan, Longling County is a national-level poverty-stricken country because its economic incomes are mainly derived from the agricultural production. Considering that the mountain area education needs to be assisted and supported, we decide to select Longling County as our supported teaching site. According to our previous market survey, every local primary school has 150-500 students, therein, 50%-80% students of every school need to live on the campus every week. What's worse, most of teachers are requested to offer 2-3 courses, therefore, all students have a strong demand for the course teaching, except for the core courses.

When we recruit teaching volunteers from our staff and clients, more than 200 registration emails are received. According to the local teaching demands, the following 6 volunteers who have the professional knowledge are invited to participate in the teaching activities, including the former professional players, entrepreneurs, medical professionals and other professionals who are bound up in education. The folk teaching courses of volunteers are well received by the local teachers, moreover, these teachers also attend the class and take notes with their students because they know that the professional sports class is good for enhancing the physical quality of students, the diversified handicraft class can make students cultivate the wide hobbies and interests, and the health and safety class is grounded in the self rescue; They also know that they have no choice but to learn these courses because they shall teach all students when volunteers get away.

As far as we know, the local students always play ball games with bare feet or slippers. Some students have only one pair of shoes, therefore, they are not willing to wear shoes at ordinary times. During the sports, they will sprain the ankle and get hurt, given this, we donate more than 700 sports shoes to these four primary schools.

Although these unsophisticated students are weak in expression, they pluck wild chestnut and flowers from mountains to express their respect for volunteer teachers. These volunteers get the affection from these students within the short one week. When they see that these students have learned to dribble, bind up and ponder their dreams, it is the largest and the most precious harvest. They hope that they can come to Longling primary schools every year. Although these volunteers have left the teaching schools, their figures are remembered by these students in the composition. Many students express their gratitude for these volunteers in their immature writing. They make up their minds to walk out of the mountains after growing up.



Football class



Basketball class



Music class



Health class



Tie-dye class



Calligraphy class



Yan paper class



After receiving shoes, the children are very happy.

[The figure of volunteers]



Cui Peng, medical worker from Beijing, the health and safety classes were prepared for the children. Looking at the student on the platform whose head was wrapped by white gauze in a circle, the children off the platform couldn't help laughing, but when they wrapped for their deskmate by their own hands, they were so serious.



Pan Kai, from Qingdao Branch, the 193cm-height did not pull him away from students, in addition to professional dribbling and pitching skills, teacher Pan explained the team spirit of unity, cooperation and equality to students.

Chengdu Branch: Expand educational poverty alleviation, help improve people's livelihood

In Sichuan, Chengdu Branch has carried out poverty alleviation in Xinlong county, Ganzi since 1912. Over the past five years, through helping villagers build village roads, transforming the irrigation canal, small hydropower and inter-village wires and drinking water projects, so that the local village appearances, environmental health, lighting and other living conditions have been significantly improved.

At the same time, Chengdu Branch also view education poverty as a key job, it donated RMB170000 in 2016, established the scholarship system of outstanding students, reward system of outstanding teachers and family support payment system of poor students, and donated some teaching facilities such as computers and so on, to help improve local education, realize the comprehensive and sustainable development.

Hefei Branch: Take root in the grass roots and apply poverty alleviation to benefit farmers.

The poverty alleviation counterpart unit of Hefei Branch is Wenqicaiyuan Village, Yingquan District, Fuyang City of Anhui Province. At present, 177 poverty households have been included in the files. Since the year 2014, Chu Guang, the employee of Hefei Branch began to serve as the poverty alleviation secretary in Qicaiyuan Village. He deeply knows that it is necessary to go to the poverty households for the sake of realizing the poverty alleviation plan and penetrating the poverty alleviation work into people's heart.

In order to help villagers to make entrepreneurship and development, Chu Guang and the colleagues have organized agricultural skills lectures for many times, invited agricultural planting experts from the outside villages to explain the planting methods of strawberry, watermelon, potato and other industrial crops, helped the poverty households to enhance their planting skills, as well as established watermelon

planting base with the large-scale growers after negotiation, as a result, they have driven the poverty households to plant 300 mu watermelon. Moreover, the farmers can get RMB 15,000 from per mu, therefore, 7 poverty households have got rid of poverty in that year.

Looking to the future, we will insist on the "six precision" requirements as specified in the national "targeted poverty alleviation" to continuously input manpower, material resources, capitals and other resources for the sake of continuously deepening the poverty alleviation mode which integrates "education poverty alleviation, industrial poverty alleviation and cultural poverty alleviation", besides, we will innovate e-commerce poverty alleviation, internet poverty alleviation and other forms to practically enhance the poverty alleviation effects and help Wuding, Yongren and other counterpart units to get the following stable guarantees, such as, have no worry about food and clothing, the compulsory education is guaranteed, and the "poverty alleviation" targets is uncapped as early as possible.

6.2 Expand platform of public welfare and collecting love power

We will actively promote the following public welfare concept, namely, "everyone can do some charity", then, cooperate with the public welfare institutions to give full play to the platform and service advantages of financial enterprises, provide "get more from monthly donation" small-amount monthly donation plan and "small integrals • tiny charity" public welfare platform for the card holders of China Merchants Bank, make efforts to explore the public welfare innovation mode and gather strength to support the public welfare undertakings.

Give a little love every month, gather them into sea

After opening our mobile banking APP, you will enter "monthly donation plan" page to select your supportive public welfare project and monthly donation amount. When you have input the simple information, you can accomplish the monthly donation signing and receive our project progress feedback in time. Maybe, RMB 10 can buy a cup of coffee every month, but we will make contributions for the public welfare programs as a sweet trickle.

<p>Monthly donation plan of We Are Family</p> <p>Race against time and reserve emergency relief supplies for the disaster areas.</p> <p>Shenzhen One Foundation</p>	<p>Hope Project Library</p> <p>Aid mountain village education and boost the comprehensive development of children</p> <p>China Youth Development Foundation</p>	<p>Happy Home for Children</p> <p>Support primary school education in the poverty villages and help stay-at-home children to grow happily</p> <p>China Children and Teenagers' Fund</p>
<p>Care for veteran plan-salute the cash gifts</p> <p>One donation can provide one-day living subsidy for one anti-war veteran.</p> <p>China Foundation for Poverty Alleviation</p>	<p>Great Green Wall Lockrand Plan</p> <p>Prevent desert expansion towards the east and do something for the blue sky and white cloud.</p> <p>China Green Foundation</p>	<p>Charity Federal Plan</p> <p>Donate RMB 10 every month to support the poverty areas to carry out preschool education activities.</p> <p>China Red Cross Foundation</p>
<p>Hope Kitchen</p> <p>Children are the hope for the future. Please give them health and offer a hope to the world.</p> <p>China Youth Development Foundation</p>	<p>Sunflower Children Growth Foundation</p> <p>Assist poverty areas education and transmit the positive energy.</p> <p>China Children and Teenagers' Fund</p>	<p>One Philippine Project</p> <p>Hold the sand dune to provide a sense of security for citizens who are threatened by desert.</p> <p>China Environmental Protection Foundation</p>

Accumulate small integrals and dedicate the big love.

Since the year 2012, we joined hands with One Foundation to launch "small integrals • tiny charity" platform, therefore, the credit card holders can change their daily consumption integrals into investment in the charity. If you want to do something warm trifle, please open your Handheld Life APP and find "small integrals • tiny charity" homepage to exchange a warmth for the needful children by right of your small integrals.

<p>99 integrals</p> <p>Exchange one healthy and safe "free lunch" for the children in mountainous areas.</p>	<p>199 integrals</p> <p>Donate a Yangfan public welfare book to the children and help them to gain confidence from reading.</p>	<p>500 integrals</p> <p>Donate one-hour autistic children integration course and walk with "sons of stars".</p>
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When the ninth Autism Awareness Day was coming in 2016, we had creatively combine the "small integrals • tiny charity" with WeChat platform to create "integrals crowd funding", "integrals auction" and other new charity modes, as a result, our customers can have the more abundant and interactive charity experience.

Penny warmth, great love.

- **Go to donate:** Open WeChat scanning QR code to enter "small integrals • tiny charity" homepage, then, click "go to donate" to participate in the "integrals crowd funding" and dedicate a love to the autistic children.
- **Go to auction:** Do you want to get the artistic work of the little lonely genius painter or the limited credit card souvenir card copies from China Merchants Bank? Click "go to auction", you can participate in the public products auction by right of your "integrals".

We have raised 10,188,204 integrals for the autistic children from 35,225 card holders who participate in the "integral crowd funding+ auction charity" activity within a month, therefore, we can provide more than 20,000 hours of autistic children integration courses for them.

Promote financial innovation and assist the charity.

When the whole society pays increasingly more attention to the charity and the public is increasingly enthusiastic in the charity activities, China Merchants Bank is actively exploring the integration path between charity activities and financial service with the purpose of promoting the charity and re-feeding the charity by right of our professional wealth management and consulting services.

Shanghai Branch: Support "No. 1 Blue Sky Favorite" charitable trust project

When the national Charity Law was put into practice on Sept. 5, 2016, the first single sustainable-type charitable trust project, "No. 1 Blue Sky Favorite" project which was built by Shanghai Branch and Anxin Trust for Shanghai Charity Foundation was formally established. As the project trustee, Shanghai Branch will consider the project as its own responsibility, therefore, which will make high-efficient cooperation with all parties involved to establish and operate the project trust within less than one week. According to the plan, the preset fundraising scale of RMB 0.1 billion will be collected from the charitable organizations at all levels, charitable enterprises and individuals in Shanghai,

therefore, the trust assets and proceeds will be used for the charitable projects as specified in the Charity Law.

Dongying Branch: Promote "CMB-young volunteer" all-purpose card

In order to help Dongying to build the volunteer service management mode and enhance its service concern for volunteers, Dongying Branch joins hands with Dongying Municipal Party Committee of Communist Youth League to issue the exclusive co-branded debit card for the registered young volunteers in Dongying, namely, "CMB-young volunteer" all-purpose card.

As the bank card, the all-purpose card can not only record the individual materials and voluntary service duration of volunteers, but also provide the insurance service, medical service, traffic convenient service, tourism service, etc. As a result, the above-mentioned activity has not only provided the all-directional services for the broad masses of young volunteers, but also effectively enhanced the following social atmosphere throughout the city, namely, "everybody strives to be volunteer, and everybody respects for volunteer".

6.3 Encourage volunteer service and boosting community harmony

China Merchants Bank has established nearly 800 employee volunteer teams in 80 cities across the country since the date when it launched Care for Children Volunteer Action which held the theme of "Love Full of Sunflower Garden" in 2013. They make actions to display their elegant demeanour, such as, caring donation, free voluntary workers, free teaching and so on, meanwhile, the public also feel the enthusiasm for the charity of "China Merchants Bank's employees".

Wuxi Branch: Establish "Sunflower Is Acting" Young Volunteer Platform

In order to deliver the positive energy of China Merchants Bank and systematically carry out volunteer service, Wuxi Branch established "Sunflower is Acting" young volunteer platform. Until the end of the year, more than one hundred young volunteers had registered in the platform.

During the "June 1" Children's Day, more than twenty volunteers who come from Wuxi Branch went to Wuhexincun Primary School of Wuxi City to send schoolbags, pencil cases, notebooks, calligraphy and painting tools as well as other stationery and sporting goods for nearly one hundred children, besides, they also organized the following interesting expansion games to make all children have an unforgettable and happy holiday, such as, "concentric drums", "wind-wire rings", "12 students with 13 feet" and so on. Meanwhile, the volunteers also participated in various public activities spontaneously. For example, they sent birthday cake, milk, cooking oil, rice and other living goods to Qian Jianmin, an anti-war veteran who was a member of Chinese Expeditionary Force when he celebrated his 95-year-old birthday.

Chongqing Branch: One Yuan Charity-Take Care of Female Sanitation Workers

Jiefangbei sub-branch of Chongqing Branch joined hands with Yuzhong District Women's Federation to plan and carry out "One Yuan Charity" charitable project. Specifically speaking, they launched a thematic public welfare action every quarter and made use of the client platform and outlet resources to make propaganda and donation for the sake of helping the vulnerable groups.

- Take Care of Empty-nest Elderly: They raised RMB 4,291 within 5 days to purchase New Year gifts and make spring cleaning for 42 empty-nest elderly in Yuzhong District, thus, they can celebrate the spring festival in their clean home.
- Take Care of Female Sanitation Workers: They raised RMB 6,472 to purchase sunstroke prevention goods and condole with 50 female sanitation workers in Yuzhong District.
- Take Care of Hard-pressed Children: They contacted with charitable enterprises to provide reunion dinner and grand theatre tickets for 10 poverty children and families.



Guangzhou Branch: "Sunflower Garden Full of Love---Take Care of Children Volunteers" Action

During the Children's Day in 2016, Guangzhou Branch organized "Sunflower Garden Full of Love--Take Care of Children Volunteers Action", such as, the "Caring Station" was established in all bank branches and wealth centers, then, which was widely advertised via the official WeChat ID and other channels. The final purpose was advocating clients and their children to collect and donate their idle toys to the autistic children who came from Guangzhou Tianhe District Little Angel Rehabilitation Training Center. The children who participated in the donation can not only get a toy from "Caring Station", but also obtain our *Caring Little Angel* certificate, therefore, these children will be awarded when they conveyed their loving heart.

7 Grow with employees

Scene story

Wang Fanghui, an employee of Taiyuan Yingxi Branch of China Merchants Bank, served as the Financial Manager for distinguished guests.

After taking lunch and getting back to the office, Wang Fanghui opened "China Merchants Bank University" WeChat platform on mobile phone to research the learning contents pushed today. In case of any unstudied content, she consulted "Question & Answer Small Superman" on the platform. During these three years since she came to China Merchants Bank, Wang Fanghui has insisted on "one lesson every day" to witness her rapid growth.

"What China Merchants Bank gives me is not only my undertaking, but also a pathfinder on my life road because I firmly believe that I can make extraordinary achievements from my common job."

Background of sustainable development

The talent cultivation and development are considered as the permanent propositions for the organizational strategy development. Considering that the commercial banks are facing with the following comprehensive challenges, such as, the interest rate marketization reform is marching towards in-depth, the risk characteristics are mixed with complication, the emerging industry pattern is springing up rapidly, and so on. The talent can bear the development hopes of commercial banks, in such case, which is considered as the "trump card" which can make the commercial banks bigger and stronger. The pragmatism and innovation can play a connecting link between strategy and performance, which is considered as the key measure during the talent cultivation and development for banks in the future.

What we do

- Carry out "YOU Bole" talent recommendation plan and expand talents recruitment channel.
- Launch the sequence reviewing work comprehensively and reward the labor contributions of employees with rational salary and welfare mechanism.
- Apply reserve talent pool system to provide the autonomous planning opportunity about career development for employees.
- Optimize cloud learning platform and make trainees learn on PC and mobile terminal at any moment.
- Join hands with JoyRun to launch the running activity with the title of "Running, China Merchants Bank" for the sake of creating a positive, optimistic and progressive enterprise culture and advocating employees to take a healthy and green lifestyle.

What we gain

- We have received more than 6,000 employee resumes from our talent exchange platform.
- Carry out 7,615 phases of training project, therein, 3 million persons accept the training and the total learning duration can reach up to 4,406,000 credit hours.
- 3.11 million employees are learning on the "Cloud Learning Platform".
- 67,566 employees participated in the activities through JoyRun and the total running mileage reached up to 25,590,000 kilometers.

Response to the SDG objective



We will convey the positive and healthy life concept to employees, encourage them to participate in the running activities to strengthen their physique and promote the physical & mental health, besides, we will also provide omnibearing health care for employees and help them to devote themselves into their life and work.



We always insist on the following human-oriented ideology of "respect, care and share" to give full respect to and protect the interests and the rights of every employee. Our ultimate purpose lies in ensuring that their interests and rights will not be affected by gender and other factors.



We always pay high attention to the career development and happiness of employees. To do so, we provide the high-quality career platform and training system for employees to enhance their capability and quality and realize the mutual growth of employees and enterprise.

7.1 Set sail for career dream and optimizing career platform

We deem every employee as the solidarity business partner, take many measures to carry out talent cultivation, open employee development channel, motivate the vitality and wisdom of employees, as well as help employees to realize the career dream.

Reserve excellent talents

When it comes to the career dream of young students, we carry out diversified intern programs and recruitment activities to provide the development stage for the university students who enter the workplace for the first time. We select 86 university students from "Dreamworks-Start the Heart Journal" intern plan, and then they will go to Shenzhen, Beijing, Shanghai and other cities to exercise themselves and feel the workplace culture.

Moreover, we build the targeted talents pool to carry out telephone interview for more than 80 management trainees who fail to sign contract during the campus recruitment within recent 3 years, and then provide selection opportunities for these excellent candidates; We hold IT special campus recruitment and apply air propaganda, online written examination and other novel communication means to attract IT students who are inclined to join in the financial industry, as a result, we receive 2,700 resumes and 572 students participating in the online written examination.

Guangzhou Branch: Join hands with "Jianzhimao" APP to help university students to take part-time job and obtain employment.

Guangzhou Branch joined hands with "Jianzhimao", a mobile part-time job recruitment platform for university students, to hold the strategic cooperation conference on Aug. 23, 2016, therefore, Guangzhou Branch can provide post experience, business training, on-the-job internship and other practice opportunities for the university students who are willing to join in the financial industry for the sake of helping them to get the career skills in advance and convoy university students when they move into the society.

We also launched "YOU Bole" talent recommendation plan in 2016, making use of WeChat platform, China Merchants Bank's micro magazine and other propaganda channels to encourage employees to recommend talents who had not found suitable job and foster the following favourable atmosphere in the industry, namely, "love talents, cherish talents and recommend talents".

Optimize career path

In order to support employee growth and excavate excellent talents, we build the reserve talent pool system to help employees to plan their career development path and clarify their career coordinates. Meanwhile, we reply on the talent exchange platform and release post demands of different fields on the platform for the sake of encouraging the suitable employees to submit resumes and apply for their matching posts.

When it comes to the employees incentive and career growth, we comprehensively launch the sequence evaluation work, of which the evaluation index shall include employees' career development, the external fairness of remuneration and the growth range of the overall remuneration, therefore, we can reward employees' labor contributions by our rational salary and welfare mechanism.

Chongqing Branch: "One Man, One Card" evaluation system indicates development direction.

Considering that Chongqing Branch makes use of "Staff Performance Evaluation System" and establishes "One Man, One Card" evaluation mode, the relationship allocation, performance filling, performance marking, grade evaluation and other affairs can be conducted on the online system, and then we feed the performance results back to employees and help them to get clear understanding of their advantages to indicate their career growth direction.

Zhengzhou Branch: Create "one verticality & one horizontality" career development system for

employees

The Human Resources Department of Zhengzhou Branch builds "one verticality & one horizontality" career development system: In terms of the horizontal career development, we break the post restrictions, provide multi-post selection for employees, establish management post backup talents pool for the leadership development of employees, as well as pay attention to cultivate professional teams, including 21 professional posts backup talents pool for Customer Manager, Product Manager and others. At present, 1,478 employees have been registered and 439 employees can satisfy the backup state after training; As for the horizontal development space, we get through the upward development space of employees, in such case, both management layer and common employees have opportunities to be promoted, and many excellent young employees can embark on the management jobs after competitive employment.

7.2 Innovate training system and supporting integrated development

As the educational brand which is elaborately established by our bank for the general staff, China Merchants Bank University continuously focuses on the talents development strategy and start with enterprise development and employees growth demands to build the light-duty learning development system and support the management promotion of employees and the team construction.

<p>Perfect knowledge resources system</p>	<ul style="list-style-type: none"> · Energize the administrative talents: The foregoing university also pays attention to cultivate the leadership of administrative talents, import the high-quality course resources from the first-class business colleges, domestic universities and the professional training institutions, as well as apply the "one-to-one" evaluation interpretation, group practice guidance, team experiential learning, O2O online operation, case lecture and studying, and other learning styles · Professional talents innovation: The foregoing university will start with the competency mode and business practice of professional talents to customize and develop the standard courses, and expand the seed lecturer training and business characteristics training · Career development system of new employees: The foregoing university will build the "four-in-one" ecological system which includes study resources development, learning management system platform, training class implementation and new employees examination; Besides, it has also innovatively launched the game breakthrough courses development, set up checkpoint questions answering according to the new employees examination requirements, as well as increased the learning enjoyment and initiative of new employees
<p>Expand automatic learning platform</p>	<ul style="list-style-type: none"> · Cloud learning platform: We have applied the mobile APP of China Merchants Bank University to make employees learn on PC and mobile terminal at any moment, moreover, we can record, inquire and look back the individual learning information; We have increased the new social contact and study sharing module to encourage employees to share their knowledge, experience and viewpoints in real time, build the online interest group and build alumni circle in the bank · Public WeChat ID of China Merchants Bank University: It includes 8 columns of "happy broadcast", "happy review", "happy new knowledge", "happy sharing", "happy classroom", "happy broadcast" and "happy morning and evening", etc. to release the latest dynamics of industry training, hotspot information and professional articles at regular intervals every week, as a result, we can guide employees to walk into China Merchants Bank University

The year of 2016:

Carry out 7,615 phases of training project, therein, 3 million persons accept the training and the total learning duration can reach up to 4,406,000 credit hours

Wherein:

296 stages of new employee training have been offered in all branchess, therefore, 18,937 employees have benefited from it

3.11 million employees have made automatic learning on the "Cloud Learning Platform"

Dongguan Branch: YOUNG Community New Employees Club

In order to enhance the vitality, cohesiveness and belongingness of new young employees, Dongguan Branch established YOUNG Community Club to put the gamification management on employees via "task+ integrals+ props" mode and encourage employees to learn knowledge actively, enhance their skills and participate in the cultural activities; Besides, Dongguan Branch also imported "crowdsourcing" management mode to encourage new employees to undertake the joint tasks and exercise their organizing ability and team cooperation capacity; What's more, Dongguan Branch carried out a series of competition activities which focus on the professional ability, elaborate courses and working manual, as a result, a batch of new employees who stand out in the aspect of professional knowledge and skills came out from the competition.

Urumqi Branch: New Employees Are Busy for Showing Ability and Sharing Their Little Growth

In order to make new employees adapt to the working post, Urumqi Branch carried out "Kitty Hawk Wings" learning competition and advancement cultivation plan for new employees. With the purpose of participating in the 3-month learning competition, the new employees learned the financing, loan, credit card, electronic bank and other business knowledge to get the comprehensive understanding of their working contents; Next, they accepted the counter training for 31 days to master the basic skills during actual operation and strengthen the customer service consciousness and individual compliance consciousness; Then, the new employees shall take the service qualification examination and learn the communication and exchange methods with customers on the first-tier posts under the teaching of tutors, then, formulate learning plan with the help of tutor, as a result, the new employees will master the basic working skills, learn the abundant financial knowledge and form the career planning consciousness during the systematic training plan.

7.3 Balance work and life and advocating sports and health

Considering that employees are deemed as the most precious wealth, we take a series of measures to make employees realize their career dream on their posts with confidence by protecting the health and safety of workplace, respecting the rights and demands of employees, carrying out a rich mixture of employee activities, taking care of employees' life, etc.; Meanwhile, we also advocate the balance between life and work, and encourage employees to take exercise for the sake of promoting their physical and mental health.

Start with heart and show warmness & solicitude

We respect and take care of every employee who works like a horse on his working post, and provide our manageable concern for them from the perspective of employees' work and life.

Dongguan Branch: Build "Love Life Club" for Female Employees

Dongguan Branch built the exclusive exchange platform for female employees and hold various activities with the title of taking care of female to satisfy female employee's self-improvement demands and enrich their life;

- **Virtuous series:** In order to make employees have more placid and happy mentality and increase

their emotional interaction with their family members, Dongguan Branch will invite florists and bakers to carry out the systematic floriculture course and happy baking course for female employees at regular intervals;

- **Elegance series:** Dongguan Branch invited the professional dance teachers to hold the interest-oriented class and help female employees to build the better gesture language; Moreover, it made use of WeChat group to establish reading fans cluster, distributed books at regular intervals and organized book friends to share their feelings; Make female employees become more confident;
- **"Love•Family" series:** With the purpose of helping female employees to balance the relationship between family and work, and realize their own value, it invited experts to carry out health regimen, career development, family relationship health and other lectures for female employees.

Beijing Branch: Take Care of Employees Life and Pay Attention to Health

Beijing Branch started with the daily work and life of employees to provide health care for employees in all aspects.

- In order to fight haze, Beijing Branch condoled with all staff and provided the anti-fog and haze products in the continuous heavy dog weather
- When the air temperature suddenly drops in winter, Beijing Branch customized and purchased the uniform down jackets for employees who work in the low-temperature business lobby
- In consideration of the second child demand of some employees, Beijing Branch signed preferential policies about doctor seeing for employees and their children with New Century Children's Hospital
- Specifically speaking, it optimized the physical examination pattern, increased the self-selection projects on the basis of the traditional package, therefore, the employees can select the newly-added and characteristic physical examination projects within the self-selection project range provided by the branch according to their actual conditions

Positive and optimistic, run out of vitality

In the running burst of the whole people, we cooperated with JoyRun to launch "Running, China Merchants Bank" healthy activity, built the positive, optimistic and continuously aggressive enterprise culture, as well as encouraged all staff to organize "running circle" to participate in the running for the sake of adjusting physical and mental state and keep the healthy vitality. Until Dec. 12, 2016, 67,566 employees had participated in the foregoing activity via JoyRun, as a result, the total running mileage had reached up to 25,590,000 kilometers.

The running circle of China Merchants Bank appears in "Shenzhen International Marathon".

On Dec. 21, 2016, 2016 Shenzhen International Marathon fired a shot for running, and more than 30,000 runners surged up on the racing track under the bright sun of winter. However, a sheet of bright red was extremely noticeable. On that day, our 238 clients and 300 employees made up a large "red running circle". They wore the uniform red and sunflower pattern running clothes and cartoon clothes issued by China Merchants Bank and shared the running happiness and health pleasure with all runners.

As the unique honorary partner of the "Shenzhen International Marathon", we not only provided souvenirs for all participating runners, but also set the special awards for Chinese runners who obtained the best achievements. Meanwhile, many citizens also participated in our small running games around the racing track, therefore, this day became the "running carnival" in Shenzhen.

JoyRun brings health and I grow with China Merchants Bank

Run for youth: Dalian Branch established 22 running circle alliances to encourage employees to participate in the hiking activity every day, and shared the activity photos about "individual running" and "group running" in the friends circle, JoyRun circle and other platforms; Besides, Dalian Branch also carried out the large-scale "JoyRun Brings Health" activity and organized nearly 800 employees to

convey the running health and positive energy to more people.

Run for environmental protection: Ji'nan Branch released the employee activity dynamics and ranking conditions which were measured by "JoyRun Circle" APP software to encourage employees to participate in the foregoing activities after work and cultivate the "energy-saving and emission-reduction" life concept, as a result, some employees started to go to work and got off work by bike, therefore, they have become the green and low-carbon runstars to spread the body building attitude and low-carbon & environmental-protection lifestyle to other colleagues.

[They have something to say]

"For me, running is a mind purification process because it can make me happy and joyful, therefore, I always mobilize my family members to join in the running team and enjoy the sports pleasure. Thanks for China Merchants Bank Binhai Branch to provide such opportunity for us."

---Participating clients

"I will keep the running up because running advocacy is consistent with the following cultural concept of China Merchants Bank, namely, work happily and live healthily".

-Full-time Deputy Director of Labor Union of China Merchants Bank-Huang Dan



"Running China Merchants Bank" Hiking Activity of China Merchants Bank Qingyuan Branch

GRI Report

CSR Strategy and management

As a financial service institution, China Merchants Bank has always pay close attention to it and customers' long-term value. Considering challenges and opportunities brought by new normal of economic and social development, we combine sustainable development with social responsibility concept of "coming from society and repaying society", establish the sunflower responsibility concept model with China Merchants Bank's characteristics as well as continuously create larger value for interested parties by continuing to deepen our social responsibility practice.

Social responsibility strategy

Sunflower represents optimism, loyalty and struggling which also unchanged characteristics of enterprise of China Merchants Bank. Facing new era, we redefine our social responsibility concept and deepen and confirm our responsibility fulfillment method and responsibility system by virtue of exploration of sunflower responsibility concept model.



Responsibility concept

- Hammer at sustainable finance
- Improve sustainable value
- Contribute sustainable development

Methods for responsibility fulfillment

- **Innovation promoting development:** Adapt to change in interested parties' appeal, improve sustainable development ability and realize sustainable development goal by continuously innovate and promote growth
- **Service creating value:** Persist in providing the society with the newest and best financial service, support steady economic growth with financial service, promote social harmony and stability, protect environmental and ecological balance and create comprehensive value furthest
- **Benefit balance and sharing** Pay close attention to interested parties' request and hopes, realize benefit sharing with interested parties and facilitate sustainable development of enterprise, economy and society together

Responsibility system

- **Customer service:** Good service experience is our unremitting pursuit. Centering on customers, we explore service upgrading, innovate service mode and customize personalized product and service
- **Value creation:** Sustainable development of enterprises and sustainable development of economy and society supplement each other. We stick to improving value creative ability and actively optimize credit structure
- **Green development:** In the face of increasingly severe environmental problems, coordinating sustainable development of economy, resources and environment is an inevitable choice in today's society. We always insist on green operation and continuously innovate green financial service
- **Employee growth:** Enterprise's sustainable development can be drive only when employees work happily. We adhere to "people first", guarantee employees' legitimate rights and interests and make career development channel unblocked
- **Social harmony:** Enterprise's sustainable development is based on the society. We cling to compliance and integrity management and continuously carry out public welfare undertakings such as fixed-point poverty alleviation, disaster rescue and caring for children

Social responsibility management

We closely integrate sunflower responsibility concept model and our development strategy and operating activities and convert our responsibility concept and promise to interested parties into concrete action by continuously transmitting social responsibility (CSR) management system to each department and branch.

CSR management infrastructure

- **Decision-making level:** Members of Board of Directors and Board of Supervisors shall participate in deliberation and decision of major social responsibility issues, including formulation of related strategies and policies and special deliberation for annual CSR report
- **Organization level:** Headquarters office shall establish a CSR management team to take charge of coordinating CSR daily management work, including CSR activities, preparation of CSR report, organizing to carry out training, propaganda and guidance, collection of performance indicators and acquisition of excellent CSR practice cases
- **Implementation layer:** Functional departments and operating departments of headquarters and branches shall be responsible for centralized management of all CSR issues, regularly submitting related management measures, performance indicators and excellent cases and organize and carry out various CSR activities in the area

Substantial analysis

Based on our substantial analysis model, we further carry out recognition, assessment and screening of CSR issues, confirm substantial issues important to us and interested parties with emphasized disclosure and response in the report on the basis of our work of last year.

Identification

- **Analysis on policy and industry hotspot:** Deeply unscramble macroscopic and industry hotspots and policies and determine policy orientation and development opportunity of responsibility fulfillment in the banking industry
- **CSR strategy:** Carry out comprehensive analysis on relevant research achievements and sunflower responsibility concept model and recognize 16 issues important to us and interested parties.

Evaluation

Invite experts and consultants in the enterprises' social responsibility field to assess importance degree of issues and gain two-dimension evaluation concerning importance of issues by combining importance degree of issues to the bank assessed by internal employee representatives at the same time.

Screening

Construct substantial analysis matrix according to issue assessment result, combine importance degree of issues to gain the ordering result of issues and emphasize disclosure of issues with high substantiality in the report



Subjects	Correspond to GRI aspect
Innovate financial technology	Indirect economic impact
Guarantee customer equity	Customer health and safety, product and service identifier, market promotion and customer privacy
Hammer at financial inclusiveness	Indirect economic impact
Assist innovation and entrepreneurship	Indirect economic impact
Develop green finance	Environment-product and service
Promote cross-border cooperation	Indirect economic impact
Grow together with employees	Employment, labor-capital relationship, training and education, diversification and equality of opportunity and arrangement for men and women
Support poverty alleviation and problem solving	Market performance, indirect economic influence and local community

Subjects	Correspond to GRI aspect
Strict corporate governance	Anti-corruption, society-compliance
Strengthen risk management and control	Anti-corruption and anti-competition behavior
Guarantee for standard operation	Anti-corruption, anti-competition behavior and society-compliance
Health and safety of staff	Occupational health and safety
Popularize financial knowledge	Customer health and safety, product and service identifier, market promotion and customer privacy
Implement public welfare	Local communities
Collaboration for industry development	Indirect economic impact
Implementation of green operation	Material, energy, water, wastewater and waste, environment-compliance, transportation and environment-whole situation

Communication of interested parties

We actively expand communication channel with interested parties, fully listen to opinions and feedback from interested parties and continuously improve efficiency of communication with interested parties by building normalized communication mechanism and applying digital communication technology in each link of daily operating service.

Interested parties	Hopes and demands	Communication channels
Government	<ul style="list-style-type: none"> • Hammer at financial inclusiveness • Assist innovation and entrepreneurship • Support poverty alleviation and problem solving 	<ul style="list-style-type: none"> • Research and execute related financial policies • Support formulation of industrial policies • Relevant investigation and council • Submit statistical statement
Regulatory authority	<ul style="list-style-type: none"> • Guarantee customer equity • Popularization of financial knowledge • Strict corporate governance • Strengthen risk management and control • Guarantee for standard operation 	<ul style="list-style-type: none"> • Implement regulatory policy • Participate in investigation and interview • Daily examination and approval and supervision • Submit statistical statement
Shareholder and investor	<ul style="list-style-type: none"> • Strict corporate governance • Strengthen risk management and control 	<ul style="list-style-type: none"> • Periodic report and information bulletin • Roadshow and reverse roadshow • Investor investigation and

Interested parties	Hopes and demands	Communication channels
		communication meeting • Shareholders' meeting
Customers	• Innovate financial technology • Guarantee customer equity • Hammer at financial inclusiveness • Guarantee for standard operation	• Customer demand investigation • Customer satisfaction survey • 95555 Customer service platform • Customer care activity • Digital platforms like WeChat and microblog
Employee	• Grow together with employees • Health and safety of staff	• Congress of workers and staff • Employee satisfaction survey • Employee recreation, sports and health activities • Appeal and accusation mechanism
Partners	• Promote cross-border cooperation • Collaboration for industry development	• Daily communication • Communication and cooperation of the same industry • Bid invitation and submission • Supplier investigation and interview
Environment	• Develop green finance • Implementation of green operation	• Implement the policy regarding energy conservation and emission reduction • Forum and meeting concerning green finance • Acquisition and disclosure of environmental performance • Green public benefit activities
Community	• Support poverty alleviation and problem solving • Implementation of public welfare	• Sign communication co-construction agreement • Participate in construction of community project • Build internet public benefit platform • Employee voluntary service • Community service activity

Corporate Governance

We always adhere to the "profit, quality and scale" balanced development approach, actively build the corporate culture of "compliant operation, scientific management and steady development", and ensure the company's "rational, effective, healthy and steady" development by continuously optimizing the corporate governance structure and improving the scientific decision-making mechanism.

As the end of 2016, CMB's Board of Directors has a total of 16 directors, including 8 non-executive directors, 2 executive directors and 6 independent non-executive directors. Under the Board of Directors, there are six special committees including Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, Risk and Capital management Committee, Audit Committee and Connected Transaction Control Committee. CMB's Board of Supervisors consists of 9 supervisors, including 3 shareholder supervisors, 3 employee supervisors and 3 external supervisors. The Board of Supervisors supervises the compliance of the convening, deliberation and voting procedures of the meetings of the Shareholder's Meeting, Board of Directors and special committees as well as the duty performance of directors.

In 2016, the Bank held a total of 61 important meetings of all kinds, deliberating 234 proposals and hearing or reviewing 60 reports. By giving play to the role of the Board of Directors, Board of Supervisors and special committees in scientific decision-making, strategic management and compliance supervision, the Bank has effectively guaranteed its compliant operation and steady development.

Risk Management

With the aim to "build a first-class risk management bank", we continuously build and improve the risk management system centering on risk-adjusted value creation, to actively respond to and prevent various risks. In 2016, the company continuously revises risk preference index and issues documents including *Methods for Risk Preference Management of China Merchants Bank (Version II)* to strengthen risk management.

To better manage credit examination and approval risk, we have built the credit examination and approval subsequent supervision mechanism to carry out subsequent supervision for company's credit examination and approval and making loans and move the risk management to examination and approval link. We examine and approve 1,366 credit projects and issue 19 management prompt letters in 2016.

In order to lead each branch to attach importance to risk management and internal control compliance work, we greatly increase corresponding proportion in the performance appraisal of branches in 2016, carry out special rewards and punishments against bad loan management and control as well as clearing & receiving and realize "double linkage" with remuneration of branches. We also intensify on-site inspection against branches and we have completed on-site inspection for credit risk of 14 branches in 2016.

Indicator	Unit	2014	2015	2016
NPL ratio	%	1.11	1.68	1.87
Capital adequacy ratio	%	11.74	11.91	12.00
Provision coverage ratio of NPLs	%	233.42	178.95	180.02

Internal control compliance

In 2016, we continue to prepare and issue internal control compliance guiding idea for the whole bank to drive the whole bank to implement requirements of internal control compliance management work as well as continuously perfect construction of internal control compliance system by formulating

Management Method for Employee Behavior, Management Method for Employees' Violation Limitation List, Management Method for Internal Control Information, etc. We also organize and carry out renovation activity for employee illegal behavior. Employee behavior checking almost covers all regular employees, labor dispatching personnel directly working on financial service with the actual effect of behavior management for all employees further improved. To intensify employee compliance awareness, we organize all employees to participate in compliance knowledge exam, actively boost hierarchy compliance education and training involving top leader of the branch and compliance officer giving a compliance class, require learning and educational training of employee behavior compliance manual, behavior prohibition, ten inexorable laws and illegal behavior renovation emphasis to be included into various trainings and make full use of various platforms such as China Merchants Bank's e newspaper, compliance communication field and legal compliance monthly magazine for extensive publicity and further improving all employees' ability of compliance risk control. We organize to carry out lookback work of "two strengthenings and two restraints" to continuously consolidate the basis of prevention and control for financial risks, promote business to healthily and steadily develop and build a long-term mechanism for internal control compliance management.

Anti-money laundering and anti-fraud: In 2016, we independently develop global anti-money laundering list filtration system, which greatly increases technological level of all overseas branches controlling anti-money laundering compliance risks; Establish an anti-money laundering management center to further perfect anti-money laundering organizational system; Add monitoring against sanction list of United Nations to the anti-money laundering and voluntarily fulfill international obligations. Carry out re-identification and overall cleaning and renovation against offshore customers, take measures of risk control such as account cancellation and investigation of identity and transaction background against risk customers and eliminate potential trans-boundary major compliance risk; Build the anti-telecommunication fraud working mechanism and organize business institutions to carry out anti-telecommunication fraud propaganda According to requirements of *Notice about Issues Related To Reinforcing Payment and Settlement Management and Preventing Telecommunication and Network New-type Crimes* YF [2016] No. 261 from The People's Bank Of China; Continuously strengthen monitoring and analysis against suspicious transactions (including cross-border fraud, terrorist financing, illegal fund-raising, illegal private bank, gambling and pyramid schemes). We takes "building a bank making customers feel relieved" as target, actively reinforce management of bank channel and customer due diligence and improve efforts and progress of carrying out anti-fraud work.

In 2016, the whole bank transacts 3.303 million anti-money laundering abnormal trading data, increasing by 15.44% compared to that of last year. 0.425 million suspicious transactions are reported and 8.9769 cross-border business messages are filtered.

For more details about corporate governance, see the *2016 Annual Report of the China Merchants Bank Co., Ltd.* or log on CMB's website <http://www.cmbchina.com>.

Economy

Economic Performance

Facing the complex economic and financial situation, we actively seized market opportunities, adhered to the strategic direction and positioning of "asset-light bank" and "one body with two wings", thoroughly promoted transition efforts, and improved our own value creation capability. At the same time, we kept a close eye on stakeholders' demands and expectations, and realized value sharing with stakeholders through value creation of products and services in the economic, social and environmental fields as well as launch of social contribution activities.

Indicator	Unit	2014	2015	2016
Total assets	RMB 100 million	47,318.29	54,749.78	59,423.11
Operating revenue	RMB 100 million	1,658.63	2,014.71	2,090.25

Indicator	Unit	2014	2015	2016
Total profit	RMB 100 million	734.31	750.79	789.63
Net profit	RMB 100 million	560.49	580.18	623.80
Total tax	RMB 100 million	278.07	289.90	229.45
Risk-adjusted return on capital before tax (RAROC)	%	23.56	21.15	20.27
Return on average assets (after tax) attributable to the Bank's shareholders (ROAA)	%	1.28	1.13	1.09
Return on average equity (after tax) attributable to the Bank's shareholders (ROAE)	%	19.28	17.09	16.27
Total contributions to public welfare funds	RMB 10,000	4,175.30	3,646.58	2,457.10
Social contribution value per share	RMB	8.88	8.57	7.98

Market Presence

We set the aim to improve and perfect the incentive constraint mechanism, implement corporate strategy, improve organizational performance and restrain management risks, follow the remuneration management principle of "strategic orientation, performance basis, risk control, internal equity and market adaptation", and adhere to the remuneration payment approach of "payment by position and performance". We always offer remuneration packages higher than local minimum wage standards and independent of gender.

Indirect Economic Impacts

We steadily promote the deployment of outlets and work hard to offer quality financial services to residents and companies in more locations. In 2016, in terms of domestic institutions, Yantai Branch (second-level branch) is approved to be upgraded to tier-one branch, three second-level branches-Nanyang Branch and Fujian Free Trade Experimental Area Xiamen District Branch and Jilin Branch are approved to start business, Guangzhou Nansha Sub-branch is approved to be upgraded to Guangdong Free Trade Experimental Area Nansha Branch and preparation for Langfang Sub-branch (second-level branch) is approved. As of Dec. 31, 2016, we had set up 136 branches and 1,672 sub-branches, 2 subsidiaries - China Merchants Lease and China Merchants Fund, and a joint venture company - Cigna&CMB in more than 130 cities in territory.

Outside mainland China, we had subsidiaries such as CMB International and Wing Lung Bank and Hong Kong Branch in Hong Kong; New York Branch and Representative Office in the U.S.; Singapore Branch in Singapore; London Branch and representative office are established in London; a representative office in Taipei is established; Luxembourg Branch in established in Luxembourg; official reply about preparation of China Merchants Bank (Europe) Co., Ltd. is given by China Banking Regulatory Commission.

Indicator	Unit	2014	2015	2016
Number of domestic and overseas branches and subsidiaries	Unit	1,431	1,717	1,819
Number of self-service banks	Unit	2,791	3,202	3,495
Number of self-service facilities	Set	10,604	12,495	11,861

Procurement behavior

We accelerate to propel normalization and standardization construction of procurement management and continuously strengthen responsibility fulfillment management against suppliers. In 2016, the whole bank procurement information system organizes and implements 825 centralized procurement projects and completes online registration of 2970 suppliers with 12,696 purchase orders of catalog products made via online supermarket and RMB 1.263 billion procurement amount involved.

At the end of 2016, we sign a procurement contract with 299 suppliers in mainland China, covering 18 provinces and cities in China.

1 supplier in Anhui Province	87 suppliers in Beijing	11 suppliers in Fujian Province	105 suppliers in Guangdong Province	1 supplier in Hebei Province
3 suppliers in Hubei Province	12 suppliers in Jiangsu Province	2 suppliers in Jiangxi Province	1 supplier in Jilin Province	3 suppliers in Liaoning Province
1 supplier in Inner Mongolia	3 suppliers in Shaanxi Province	9 suppliers in Shandong Province	42 suppliers in Shanghai	2 suppliers in Sichuan Province
1 supplier in Tianjin	1 supplier in Yunnan Province	14 suppliers in Zhejiang Province		

In terms of centralized procurement, in addition to the Head Office, our 43 domestic tier-1 branches all set up their own centralized procurement office, which centrally implements the General Centralized Procurement Catalog for Branches issued by the Head Office. Moreover, the procurement process management system is further improved through the introduction of the satisfaction evaluation mechanism for procurement projects.

Addressing possible situations and problems in suppliers' contract performance, we rely on a variety of forms including daily communication, regular meetings, information systems, special groups and post evaluation to get to know the actual needs, procurement, use and supply of the Head Office and branches, fully obtain details of contract-based suppliers, identify potential risks through analysis, and make procurement strategy proposals, to significantly improve the quality of contract-based supply.

Indicator	Unit	2014	2015	2016
Total number of centralized procurement projects	Set	—	197	247

Indicator	Unit	2014	2015	2016
Budget of centralized procurement	RMB 100 million	—	15.67	21.88
Average project cycle of centralized procurement	Day	—	32	26
Performance management coverage of listed centralized procurement projects	%	—	98.36	91.06
Coverage rate of supplier audit	%	—	—	100

In 2016, we receive and dispose 3 supplier complaint, increasing one complaint compared to last year.

Environment

Materials

As a financial services institution, CMB's material consumption mainly comes from paper consumption of various bills and documents during operations and office work. In this regard, we offer electronic information services such as bank-company balance reconciliation, which allow customers to check and verify electronic information by logging in online banking or via mobile APP or WeChat service account. In terms of office work, we rely on the use of the "all-in-one" office management system to greatly improve the level of information management and electronic process management, reduce manual operations, promote paperless office, and realize the environmental friendly green transition.

Indicator	Unit	2014	2015	2016
Total paper consumption of headquarters office	Ton	—	—	3.08

Energy

We always persist in the concept of "green operation and work", fully consider environmental sustainability in the process of design and construction of office building, actively carry out improvement for energy saving against headquarters building, research and development center, remote bank and other self-owned properties, accelerate promotion of energy efficiency of data center and reduce unnecessary energy consumption.

Indicator	Unit	2014	2015	2016
Data center average energy use efficiency (PUE)		1.91	1.85	1.76
Total power consumption of data center	Degree	23,245,660	23,488,300	23,274,400

Indicator	Unit	2014	2015	2016
Total power consumption of headquarters office	Kilowatt hour	13,346,205	13,512,858	13,474,394
Total amount of electricity saving by headquarters	Kilowatt hour	-197,424	-166,653	38,464

Indicator	Unit	2014	2015	2016
Total oil consumption of headquarters official vehicles	L	—	—	144,721.38

Water

The Bank's water consumption mainly comes from daily office work. In this regard, we launch extensive internal education on water conservation to improve employees' awareness, and rely on regular and timely inspection and maintenance of water consuming equipment to eliminate evaporating, emitting, dripping or leaking.

Indicator	Unit	2014	2015	2016
Total water consumption of headquarters office	Ton	99,835	117,589	122,134
Total water saving of the Head Office	Ton	-10,012	-17,754	-4,545

Waste and sewage

Sewage generated in the process of our daily work and service all enters municipal sewage networks in full compliance with applicable standards. For waste generated in the process of equipment update and phase-out, we take the "recycling" and "harmless" approaches, to minimize adverse effects on the environment. Wastes produced by the company's data center are mainly equipment packaging. We recycle leatheroid, plastic, timber, hardware, etc. and convert them into useful resources.

Product and service

Seizing the opportunities in the Internet finance era, we fully rely on IT technology to develop service channels including online, remote and mobile banking, to greatly reduce customers' travel costs between outlets and queuing time at outlets while delivering ultimate service experience to them.

Indicator	Unit	2014	2015	2016
Percentage of business handled via electronic channels	%	92.50	97.26	97.51

Environmental Compliance

In 2016, we neither suffered penalties for environmental violations nor received any environmental complaints.

Green Procurement

We attached great importance to related products' negative environmental impacts and suppliers' environmental performance in the process of procurement, evaluated the life cycle, energy consumption and performance in other aspects of products and facilities by calculating the total cost of ownership and other indicators, and actively communicated our support for and commitment to green procurement to suppliers.

Society

Employment

The company follows requirements of main Declaration of the Rights of Man and of the Citizen and labor laws and won't allow operating activities involving child laborer, forced and compulsory labor.

Indicator	Unit	2014	2015	2016
Total number of employees (including contract workers)	Person	75,109	76,192	70,461
Number of new employees	Person	9,339	9,693	9,178
Staff turnover	%	6.91	6.73	6.70

Labor/Management Relations

We fully respect and protect the rights and interests of employees, and promote the Bank's democratic governance by urging the establishment of the collective contract system and convening employee representative meetings. In 2016, we firstly carry out completely independent satisfaction survey against employees of the whole bank with 48,577 employees participating, which gives a chance of declaring themselves to employees as well as makes us know more about problems of management of the whole bank.

Occupational Health and Safety

We advocate the philosophy of "work happy and live healthy" among employees, provide annual physical check-up for free, and organize health seminars and various cultural and sports activities to advocate a healthy lifestyle and help employees build an optimistic attitude. In 2016, we develop an employee experience selection system to customize several hospitals and physical examination combo for employees to meet employees' personalized health management demand. We also explore employee medical benefit project innovation. Employees can directly pay at the designated medical branch with family member medical subsidies via phone APP.

To practically guarantee safety of work place, we continuously explore combination between security and protection management and new science and technology. In Jinan, we push out "video intelligent analysis system which greatly improves security efficiency of monitoring center (especially night guard); In Shanghai, we develop special "China Merchants Bank Bodyguard" monitoring phone APP to carry out prevention and control education of internal and external cases, contingency plan education, etc. with the method which is the closest to employees' life and is easiest to be accepted by employees; In Chengdu, we establish a "guard emergency and abrupt event disposal detachment" to undertake disposal of emergency and abrupt events.

Training and Education

We establish a training system covering all employees, to provide tailor-made training programs on business and product knowledge, ethics and safety, management skills, leadership, etc. for employees at different positions and levels. In 2016, we implement 7,165 training projects with learning time

reaching to 4.406 million credit hours. Among them, 3.11 million employees are learning on the "Cloud Learning Platform".

Indicator	Unit	2014	2015	2016
Number of rounds of personnel training	Person	6,992	7,546	7,165
Number of trained employees	Person	75,109	76,192	73,005
Number of employees participating in organizational learning	10,000 person/times	47.5	46.7	33.5
Number of employees participating in online learning	10,000 person/times	109	390	311
Per capita learning time	Class hour	55	61	62.5

Diversity and Equal Opportunity

With a focus on the governance structure and the diversity of employees, we have formulated related policies, according to which the Nomination Committee of the Board of Directors will review the structure, size and composition of the Board of Directors on an annual basis. By the end of 2016, the Bank's Board of Directors had four female directors, who together with other directors provided professional inputs in different fields for the Bank.

Also, we strictly follow the principle of "equal employment" in the process of recruitment, regardless of ethnicity, gender, marriage status, religion, etc.

Indicator	Unit	Male	Female
Proportion by gender, employees	%	41	59
Proportion by gender, middle/high-level management	%	61	39

Indicator	Unit	2014	2015	2016
Number of employees of ethnic minorities	Person	2,460	2,649	2,732

Equal Remuneration for Men and Women

We adhere to the "remuneration by position and performance" approach, regardless of gender.

Labor Practices Grievance Mechanisms

We formulate and encourage labor dispute mediation committee, employee mailbox and other communication channels to collect and respond to various problems put forward by employees at headquarters and partial branches. In 2016, we develop employee communication management platform whose functions cover automatic trigger, recording and tracking of 16 communication

scenarios in *Management Method for Employee Communication*. The platform can realize combination between PC terminal and mobile terminal, builds a communication channel for employees and promotes standardization, systematization and normalization of communication management.

Local Communities

In 2016, we prepare and set up three second-level sub-branches-Nanyang Sub-branch, Fujian Free Trade Experimental Area Xiamen District Sub-branch, Jilin Sub-branch in succession and further expand service coverage of central and western regions and free trade zone. In the meantime, we take the initiative to adapt to new living conditions and demands of the public, accelerate to promote construction distribution of branches with different forms such as retail professional branch and shorten the distance of general public and small and medium-sized enterprises gaining financial service. In 2016, we establish another 5 small sub-branches, 2 small enterprise monopoly sub-branches, 4 county sub-branches in order to better serve small enterprise and county economic and financial development.

Anti-corruption

We strive to create an anti-corruption atmosphere, increase employees' self-discipline, and avoid employees' law and discipline violations, to promote the sustainable development of both the Bank and the Society. In 2016, we further optimize long-range working system of clean government construction, continue to implement spirit of 8 stipulations from central government, implement walkaround inspection and rectification requirements from CBRC, solidly carry out walkaround inspection work, strongly urge rectification of walkaround inspection problems, reinforce accountability for violations, build the integrity risk prevention and control system based on comprehensive application of petition system review, employee abnormal behavior checking, organization and implementation of conversion or enquiry by letter, etc. as well as continuously and firmly build integrity thinking protection line by carrying out "strict compliance" special education activity, "ten inexorable laws" propaganda and education activities and so on.

In 2016, we implement disciplinary sanction and administrative handling against 1,178 persons (including disciplinary sanction against 1,103 and administrative handling against 75 persons) based on violations discovered in the process of walkaround inspection and auditing, service inspection and misconduct accountability.

Indicator	Unit	2014	2015	2016
Number of anti-corruption talks with cadres before their taking office	Person/time	1,977	2,609	2,339
Number of duty, anti-corruption presentation by cadres at all levels	Person/time	2,670	3,066	2,835
Number of copies of CMB's Anti-Corruption, Security and Case Prevention Commitment signed in 2016	Copy	136	198	164

Anti-competitive Behavior

As a law-abiding and compliant business entity and a member of the China Banking Association, we strictly abide by the Anti-Unfair Competition Law and the China Banking Convention against Unfair Competition, manage and constrain our own behaviors by law, prevent all kinds of acts of unfair competition, and take the initiative to maintain financial consumers' rights and interests.

Customer Health and Safety

As the wealth manager of vast customers, we firmly believe that health is the most valuable asset. In 2015, we introduced the health management part to CMB's mobile APP 3.3, which could help customers know about their physical condition through assessment in both traditional Chinese and western ways, develop exclusive health tasks such as daily walk, and master their health status in a real-time manner.

Product and Service Labeling

For our all financial products, we provide detailed, standardized statements at our official website and via various service channels, which explain the investment type, sales channels, expected rate of return, risk rating, etc. of products in a systematic manner and disclose and notify potential risks to customers.

Indicator	Unit	2014	2015	2016
Overall customer satisfaction of 95555	%	98.34	99.27	99.62
Personnel service satisfaction of 95555	%	--	99.46	99.84
Number of CSR services, remote banking	10,000 person/times	8,572	8,687	9,063
Number of online IVR services	10,000 person/times	464.95	824.65	3,274.57
Average response time of services	Second	2.37	4.25	3.42
Recognition from customers	Time	17,443	19,848	31,497

Marketing Communications

We strictly comply with industry laws and regulations, urge employees at all levels to make marketing efforts in a compliant manner, prevent behaviors including use of personal financial services in disguise to attract depositors with high interest rates and intentional confusion of wealth management products, bonus point feedback and saving, regulate market competition, and maintain the financial order.

Customer Privacy

We pay high attention to safety of customer privacy. continual optimization of data center of our bank is conducted by taking such measures as generalizing information safety management system and innovating check mode and risk screening method and the data center smoothly passes the review by ISCCC.

Addressing the Bank's internal potential risks of customer information disclosure, we study and establish an abnormal query screening model to collect bank-wide abnormal query data, and make bank-wide efforts to eliminate abnormal query of customer information at counters, to prevent disclosure of customer information.

Outlook for 2017

In 2017, business environment faced by banking industry is still complicated changeful and macro-economic situation will be characterized by "external change, internal steadiness and deep adjustment". China Merchants Bank will seek opportunities under the risk and continue to intensify innovation, practically realize risk prevention and make more contributions to sustainable development of economy, society and environment by centering on strategic target of "the best commercial bank in China with innovative promotion, leading retail and distinctive characteristics" and strategic positioning of "one body with two wings" and "Light-type Bank" as well as based on customer centricity.

Development driven by innovation. In 2017, we will focus on financial scientific and technological innovation and strive to get the advantage in the banking industry revolution led by FinTech; Continue to carry out product and business innovation on the basis of centering on customers, deal with the relationship between innovation and compliance well, improve financial service efficiency and create more value for customers. Promote business model innovation and realize all-win with cross-border cooperation; Explore system and mechanism innovation and actively drive to carry out long-term incentive for employees.

Be brave to shoulder the responsibility and realize social harmony. In 2017, we will continue to give back to society and explore more approaches combining our professional ability and public benefit to create more sharable value for the society on the basis of fixed-point poverty alleviation, employee public welfare volunteer activities and encouraging card holders to donate. We will cherish employees more, facilitate occupational development and balance of work and life of employees, listen to the employees and walk together with the growth of employees.

Green development and beautiful environment In 2017, we will continue to energetically develop green finance and support green, low-carbon and environmentally friendly economic development with all our professional abilities, manage environmental influence through development of new technology, improvement of employees' awareness of environmental protection, etc. and share environmental protection concept with the public at the same to time in order to build a more beautiful environment.

Looking forward to the future, China Merchants Bank will continue to adhere to social responsibility concept of "coming from society and repaying society", seek an approach to more closely combine own development and fulfillment of social responsibility and create more sharable value for interested parties.

Independent Limited Assurance Report

China Merchants Bank Company Limited

Corporate Social Responsibility Report for 2016

Independent Limited Assurance Report

To the Board of Directors of China Merchants Bank Company Limited:

I. Scope

We have been engaged by the management of China Merchants Bank Company Limited (the "China Merchants Bank"), to perform a limited assurance engagement on the information The 2016 Corporate Social Responsibility Report (the "CSR Report").

II. Management's Responsibility

The CSR Report has been prepared by management of China Merchants Bank (the "Management"), who are responsible for the collection and presentation of the information within the Report in accordance with the reporting criteria as set out in AA1000 Accountability Principles Standard 2008 (the "AA1000APS(2008)") issued by AccountAbility, the "Core Option" of the G4 Sustainability Reporting Guidelines (the "GRI G4") issued by the Global Reporting Initiative, and Appendix 27: Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, and for maintaining adequate records and internal controls that are designed to support the corporate social responsibility reporting process.

III. Assurance Practitioner's Responsibility

Our responsibility is to carry out limited assurance procedures in accordance with (1) "AA1000 Accountability Principles Standard 2008" ("AA1000") and (2) International Standard on Assurance Engagements 3000 ("ISAE3000"): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Federation of Accountants, on 16 Assurance Indicators and issue the assurance statement for the year ended 31 December 2016 in accordance with the Management's instructions.

Our work was limited to these stated above and our report is made solely to you, as a body, and for no other purpose. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the CSR Report is entirely as its own risk.

IV. Work Performed

Our review has been planned and performed in accordance with AA1000 and ISAE3000. In order to form our conclusions, we carried out the following procedures:

According to the Management's instructions, we performed limited assurance procedures in:

- Head Office of China Merchants Bank in Shenzhen

We did not perform limited assurance procedures on other sites. The limited assurance procedures were performed over the following key performance indicators and assurance indicators in the CSR Report for the year 2016:

GRI Report Content:

- (1) Materiality analysis

(2) Stakeholder communication

16 Assurance Indicators:

- Total number of centralized purchase
- Average duration of centralized purchase (days)
- Total electricity reduction in head office (kilowatt- hours)
- Total volume of water reduction in head office (tonnes)
- Business diversion rate of electronic channels (%)
- Total number of employees (including dispatched personnel)
- Total number of New hires
- Employee turnover (%)
- Number of participants in staff training
- Number of participants in online staff training (ten thousand)
- Gender ratio of employees (%)
- Gender ratio of employees in senior management (%)
- Total number of ethnic minority employees
- Number of cadres who had anti-corruption conversation before commencement of work
- 95555 customer satisfaction rating (%)
- Number of clients served by online interactive smart robot service (in ten thousand)

V. Limitations of Our Scope

Our scope of work did not include:

- Assessing the accuracy or fairness of information (including financial information) other than the selected key performance information.
- Reviewing the forward-looking statements made by the Management.
- Reviewing and consequently providing assurance on historical data.

VI. Level of Assurance

Our evidence gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE 3000) on which to base our conclusion. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable assurance opinion or an audit opinion. While we considered the effectiveness of the Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

VII. Our Conclusions

Subject to the limitations of scope and based on the procedures specified above for this limited assurance engagement, we provided the following conclusions:

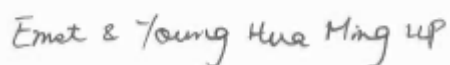
Nothing has come to our attention that causes us to believe that the selected indicators were not presented fairly in all material respects in the 2016 Corporate Social Responsibility Report of China Merchants Bank Company Limited.

VIII. Our Independence

We are in compliance with the Ernst & Young Global Independence Policy which was designed to comply with the requirements of the IFAC Codes of Ethics for Professional Accountants (the IFAC Code). We believe that there were no events or prohibited services provided which could impair our independence.

IX. Our Assurance Team

Our assurance team has been drawn from our sustainability assurance service network, which undertakes similar engagements to this with a number of domestic or international businesses. Our assurance team has met the requirements of competence and work experience of this engagement.



Ernst & Young Hua Ming LLP

Beijing, China

20 March, 2017

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G4-EN8	Total water withdrawal by source	84
G4-EN9	Water sources significantly affected by withdrawal of water	--
G4-EN10	Percentage and total volume of water recycled and reused	84
G4-EN22	Total water discharge by quality and destination	--
G4-EN23	Total weight of waste by type and disposal method	--
G4-EN24	Total number and volume of significant spills	--
G4-EN25	Weight of transported, imported, exported or disposed hazardous wastes based on articles of Appendix I, II, III and VIII of <i>Basel Convention 2</i> and percentage of hazardous wastes in the waster transported to overseas countries	--
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	--
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	83-84
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	84
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	85
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's	84

Specific Standard Disclosures		
S/N	Content	Location disclosure
	operations, and transporting members of the workforce	
G4-EN31	Total environmental protection expenditures and investments by type	--
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	--
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	85
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	85
Labor practices and decent work		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	85
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	85
G4-LA3	Return to work and retention rates after parental leave, by gender	--
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	--
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	--
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	--
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	--
G4-LA8	Health and safety topics covered in formal agreements with trade unions	--
G4-LA9	Average hours of training per year per employee by gender, and by employee category	12, 86
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	67, 69-71
G4-LA11	Percentage of employees receiving regular performance and	69-70

Specific Standard Disclosures		
S/N	Content	Location disclosure
	career development reviews, by gender and by employee category	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	12, 86
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	86
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	85-86
Human Rights		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	--
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	--
G4-HR3	Total number of incidents of discrimination and corrective actions taken	86
G4-SO1	Proportion of operating points which implement participation by local community, impact assessment and development plan	--
G4-SO2	Operation points which have significantly actual and potential negative effects on local community	--
FS13	Points accessed in the areas which is sparsely populated or underdeveloped based on explanation category	81, 86-87
FS14	Proposal for improving disadvantage groups' accessibility to financial service	32-33
G4-SO3	Total number and percentage of operating points where the corruption risk assessment has been done and recognized major risks	--
G4-SO4	Communication and training for anti-corruption policies and procedures	87
G4-SO5	Confirmed corruption and actions taken	87
G4-SO7	Total number of and result of legal action involving anti-competition behavior and anti-trust	87

Specific Standard Disclosures		
S/N	Content	Location disclosure
G4-SO8	Amount of significant fine due to violating the laws and regulations and times of non-economic punishments	--
G4-SO11	Number of social influence appeal submitted, disposed and solved by official appealing mechanism	--
Product liability		
G4-PR1	Explain percentages of important products and services accepting health and safety impact assessment for the sake of improving current situation	--
G4-PR2	Explain total number of events violating regulations regarding health and safety impact of products and services and voluntariness criterion based on consequence category (products and services are within the life cycle)	--
G4-PR3	Institution's product and service information categories regarding requirements of product and service information and marking procedure and percentages of important products and services needing to comply with such information requirement	87-88
G4-PR4	Explain total number of events violating regulations regarding product and service information and marking and voluntariness criterion	--
G4-PR5	Investigation result of customer satisfaction	12, 88
G4-PR6	Sales of products whose sales is forbidden or disputable products	
G4-PR7	Classify total number of events violating regulations regarding product and service information and marking and voluntariness criterion	80, 88
G4-PR8	Total number of complaints infringing customer privacy and losing customer data which have been verified	88
G4-PR9	In case of violating related laws and regulations with respect to provided and used products and services, explain gross amount of relevant significant fine	--
Specific aspects of the industry		
FS6	Proportion of business divided based on regions, scale and industry	15, 25, 35, 42, 48, 84
FS7	Value of products and services designed for realizing specific social goal are divided based on goals	35-40, 42-47
FS8	Value of products and services designed for realizing specific environment goal are divided based on goals	51-53

Specific Standard Disclosures		
S/N	Content	Location disclosure
G4-FS	Coverage and frequentness of auditing for environment, social policy and risk assessment procedure	--
G4-FS	Policy of report organization applying environment and social issue to voting right or voting and suggesting right	--
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	44-47, 51-53
FS11	Percentage of assets subject to positive and negative environmental or social screening	42, 51

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Level	Main performance indicators		Corresponding report content
A. Environment			
Level A1: Emission			
General disclosure	Policy pertaining to emission of flue gas and greenhouse gases, pollution discharge to water and land and generation of harmful and harmless wastes and data about observing relevant laws and regulations having significant impacts on the issuer.	●	53-54, 83-84
A1.1	Emission category and related emission data.	●	84
A1.2	Total emission load and (if applicable) density of greenhouse gases (calculated based on ton)	●	The Company has not yet established greenhouse gas emission statistical system and plans to establish gradually in the future.
A1.3	Amount and (if applicable) density of generated harmful wastes (calculated based on ton)	●	84
A1.4	Amount and (if applicable) density of generated non-harmful wastes (calculated based on ton)	●	84
A1.5	Describe measures for reducing emission load and gained achievements.	●	52-53, 82-84
A1.6	Describe methods for disposing harmful and harmless wastes, measures for reducing output and gained achievements.	●	84
Level A2: Resource utilization			
General disclosure	Policies about effectively using resources (including resources, water and other raw materials)	●	53-54, 83-84
A2.1	Total consumption and density of direct and/or indirect energies (such as electricity, gas or oil) divided based on category.	●	84
A2.2	Total water consumption and density	●	84
A2.3	Describe energy service efficiency plan and gained achievement.	●	53-54

Level	Main performance indicators		Corresponding report content
A2.4	Describe any questions applicable to getting applicable water, plan of improving water use efficiency and gained achievement.	●	84
A2.5	Integral dose of packing materials used for finished products and amount per production unit.	●	The Company is a financial service enterprise which is not applicable to this indicator
Level A3: Environment and natural resources			
General disclosure	Policies about reducing issuer's significant impact on environment and natural environment.	●	48-54
A3.1	Describe significant impact of operational action on environment and natural resources and actions taken for managing relevant impacts.	●	51-53
B. Society			
Employment and labor routine			
Level A1: Employment			
General disclosure	Policies regarding remuneration and dismissal, recruitment and promotion, working hours, vacation, equal opportunity, diversification, anti-discrimination and other treatments and welfares and data about following relevant laws and regulations having significant impact on the issuer.	●	69, 85-86
B1.1	Total number of employees divided based on gender, employment category, age group and region.	○	85
B1.2	Loss ratio of employees divided based on gender, age group and region.	○	85
Level B2: Health and safety			
General disclosure	Policies concerning providing safe working environment and protecting employee from occupational risks and data about observing relevant laws and regulations having significant impacts on the issuer.	●	71-73, 85
B2.1	Number and ratio of people dying due to work.	○	The Company plans to gradually disclose in the future
B2.2	Number working days lost due to injury.	○	The Company plans to gradually disclose in the future

Level	Main performance indicators		Corresponding report content
B2.3	Describe adopted occupational health and safety measures and relevant implementation and monitoring methods.	○	73-75, 85
Level B3: Development and training			
General disclosure	Policies about improving employees' knowledge and skill for fulfilling working responsibilities. Describe training activities.	●	73-75, 85-86
B3.1	Percentage of trained employees divided based on gender and employee category (such as senior management and middle management).	○	70, 86
B3.2	In case of division based on gender and employee category, average hours of each employee completing training.	○	12, 86
Level B4: Labor standard			
General disclosure	Policies regarding preventing child laborer or forced labor and data about observing relevant laws and regulations having significant impacts on the issuer.	●	85
B4.1	Describe measures for reviewing recruitment practice to avoid child laborer and forced labor.	○	85
B4.2	Describe steps taken for eliminating related situations when violations are discovered.	○	The Company has no circumstances of child labor or forced labor
Operating routine			
Level B5: Supply chain management			
General disclosure	Policies of managing supply chain environment and social risks.	●	85
B5.1	Number of suppliers divided based on region.	○	82-83
B5.2	Describe the convention about hiring suppliers, number of suppliers implementing related conventions and implementation and monitoring method of related convention.	○	82-83, 85
Level B6: Product liability			
General disclosure	Policies regarding health and safety, advertising, label and privacy of products and services provided and means to save the situation and data about following related laws and regulations having significant impacts on the issuer.	●	87-88

Level	Main performance indicators		Corresponding report content
B6.1	Percentage of those needing to be taken back due to safety and health in the sold and transported amount.	<input type="radio"/>	The Company is a financial service enterprise which is not applicable to this indicator
B6.2	Number of complaints about products and services and coping approach.	<input type="radio"/>	30-31
B6.3	Describe conventions in respect of maintaining and guaranteeing intellectual property right.	<input type="radio"/>	The Company maintains and protects the intellectual property rights according to provisions of Chinese law
B6.4	Describe quality verification process and product recovery procedure.	<input type="radio"/>	The Company is a financial service enterprise which is not applicable to this indicator
B6.5	Describe policies regarding customer data guarantee and privacy and related execution and monitoring methods.	<input type="radio"/>	88
Level B7: Anti-corruption			
General disclosure	Policies concerning prevention of bribery, blackmail, fraud and money laundering and data about observing relevant laws and regulations having significant impacts on the issuer.	<input checked="" type="radio"/>	81, 87
B7.1	Number and litigation outcome of corruption lawsuits filed against the issuer or its employees which have been concluded within the report period.	<input type="radio"/>	87
B7.2	Describe precautionary measure, reporting procedures and relevant execution and monitoring methods.	<input type="radio"/>	87
Community			
Level B8: Community investment			
General disclosure	Policies regarding knowing about demand of the community where the operation activity is conducted based on communication participation and ensuring community interest is considered in operational action.	<input checked="" type="radio"/>	55
B8.1	Focus on contribution scope (such as education, environment, labor demand, health, culture and sports)	<input type="radio"/>	35, 42, 48, 55

Level	Main performance indicators		Corresponding report content
B8.2	Resources used within the focus scope (such as money or time)	○	35, 42, 48, 55

Remarks: ● refers to the indicator of [explanation if failure in compliance] and ○ refers to the indicator of [disclosure being suggested].

Reader feedback

Dear readers:

Thank you for reading this report. To continuously improve our social responsibility work and increase our social responsibility fulfillment ability and management level and optimize quality of preparing social responsibility report, we heartily hope you to assess the report and take time out of your busy schedule to put forward valuable opinions and suggestion.

Please make assessment by combining the following questions:

1. Do you think the report have provided the information you need to know?	Yes___ Just so-so___ No___
2. Do you think the report has fully reflected economic, social and environmental performances of China Merchants Bank?	Yes___ Just so-so___ No___
3. Do you think the report can comprehensively respond to expectations and demands of China Merchants Bank's interested parties?	Yes___ Just so-so___ No___
4. Do you think quantitative information disclosure of the report is positive, true and effective?	Yes___ Just so-so___ No___
5. Do you think verbal expression of the report is well organized and popular and easy to understand?	Yes___ Just so-so___ No___
6. Do you think format design of the report can help you understand relevant information?	Yes___ Just so-so___ No___
7. You more detailed assessment and feedback recorded is welcomed: _____ _____	

You can give your opinion to us with the method below:

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The English version is the translation of Corporate Social Responsibility Report of China Merchants Bank Co., Ltd. for 2016(Chinese version). Should there be any inconsistencies between Chinese and English versions, the Chinese version shall prevail.