Bank Profile

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

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

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

Placing a strong premium on reform and innovation and tapping into its strengths as a DFI, CDB keeps closely to national development strategies, operates on market principles with the backing of sovereign credit, and ensures principal safety and modest profitability. Its vigour, influence and risk resilience have been growing continuously, putting it on track to become a world-class DFI and a steady source of support for China’s economic and social development.
In 2018, CDB, as a DFI, aligned its operations with the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the guidelines of the 19th Communist Party of China (CPC) National Congress and aimed for the goals of building a moderately prosperous society in all respects and high quality development. Following the new development philosophy, we helped to fight the three critical battles against major risks, poverty, and pollution. We promoted sustainable business growth while delivering national strategies, honored our social responsibilities by enhancing operations and management, and helped to make development more sustainable in China and beyond.

In the past year, we played a leading role in serving the real economy and the interests of the people, fulfilling social responsibilities, and invigorating sustainable development.

To sustain economic prosperity, we actively played a countercyclical role, focusing our strength on the priority areas, major programs and projects and stepping up support for the development of railway, road, urbanization, and strategic emerging industries. Our financing to the real economy in 2018 topped RMB3 trillion. We made steady progress in international cooperation and, under the BRI, explored new financing models that are open, transparent, and consistent with international rules, to the benefit of China and other partner countries. Following the new development philosophy, we helped to fight the three critical battles against major risks, poverty, and pollution. We promoted sustainable business growth while delivering national strategies, honored our social responsibilities by enhancing operations and management, and helped to make development more sustainable in China and beyond.

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To improve public well-being, we continued to provide institutional, financing, and intellectual support and financed programs of relocation, infrastructure, industrial development, and education at various administrative levels. By the end of 2018, we had issued RMB1.45 trillion loans to eradicate poverty in a more targeted way, covering 1,118 poor counties in the country. We also issued RMB4.5 trillion loans to the renovation of shanty towns, improving housing conditions for over 23 million households. To clean up the environment, we committed resources to the prevention and control of pollution. By the end of the year, our balance of green loans was more than RMB1.9 trillion, the largest in China's banking sector. Through innovative models, we issued an accumulative RMB25 billion green bonds and USD500 million and EUR1 billion international green bonds to provide financing for environmental protection efforts.

Our contribution to sustainable development was widely recognized. We were awarded the “People’s Social Responsibility Award” by people.cn for the 13th consecutive year, “Most Socially Responsible Financial Institution” by China Banking Association for the seventh consecutive year, “Leading Enterprise in Achieving Sustainable Development Goals” by the United Nations Global Compact (UNGC) Network China for the third consecutive year, and “Best Bank of the Year for Promoting Quality Development” by the Financial News and the Institute of Finance and Banking of the Chinese Academy of Social Sciences.

As China’s all-round reform cuts deeper and the global economic landscape becomes more complex, efforts to implement the 2030 Agenda for Sustainable Development by the UN and the Paris Agreement on climate change are also confronted with multiple challenges. CDB as a DFI will work more actively to facilitate supply-side structural reform in the financial sector, make finance a more effective and targeted tool for high quality development and China’s reforms and opening-up. We will put into use our important experience in promoting sustainable development. This includes the following five points:

First, upholding the CPC’s leadership over development finance. We will continue to follow the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, exercise strict Party discipline to strengthen corporate governance, and effectively implement the decisions of the CPC Central Committee and the State Council.

Second, keeping to our mandate as a DFI. We will stay committed to national development strategies, operate on market principles with the backing of sovereign credit, and ensure principal safety and modest profitability. We will explore sustainable development practices that work in the Chinese context, comply with international standards, and meet medium- and long-term financing needs.

Third, anchoring our growth in sustainability. We will make sustainability an integral part of our development strategy and business policies from project planning and evaluation, credit management to risk control.

Fourth, strengthening the foundation for sustained growth. We never underestimate the importance of preventing and mitigating financial risks and always implement the major strategies of the CPC Central Committee in this area to ensure our own steady and sustained growth.

Fifth, conscientiously fulfilling our obligations to various stakeholders. We effectively responded to the goals of national strategies, the interests of shareholders, regulatory rules, client needs, and the aspirations of our employees and maintain communication with all stakeholders.

Great accomplishments require ambition and tireless efforts. In 2019, the 25th anniversary of CDB, we will stay committed to the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and implement the strategic plans and decisions of the CPC Central Committee and the State Council. Guided by our mission, we will act in line with the requirements of supply-side structural reform in the financial sector, provide better and more sustainable medium- and long-term investment and financing services, and deliver excellent results to celebrate the 70th anniversary of the founding of the People’s Republic of China.
In 2018, CDB acted on its mission of supporting national development and delivering a better life for the people. In a proactive yet prudent manner, we explored new pathways and models for promoting high quality growth and achieved good results across the board. By the end of 2018, our total asset was RMB16.2 trillion, balance of loans RMB11.68 trillion, capital adequacy ratio 11.81%, and non-performing loan (NPL) ratio under 1% for the 14th consecutive year. We effectively served China’s high quality development on the back of our own sustainable growth.

Strong support for the real economy. We provided effective and efficient services for the real economy with a focus on infrastructure gaps, including roads, railways, water projects, and public infrastructure. We issued RMB72.9 billion loans to the railway sector, RMB83 billion to water works, and RMB217.5 billion to urbanization. To support private enterprises, we set up an RMB100 billion special loan program for private enterprises in November 2018 and issued RMB8.7 billion in the first month after its inception.

Encourage new sources of growth. We stepped up support for strategic emerging industries to upgrade the industrial chain, issuing RMB366.3 billion to this sector. We supported balanced development across different regions with RMB1.3 trillion loans to the Yangtze River Economic Belt, the Beijing-Tianjin-Hebei Integration, and the Guangdong-Hong Kong-Macao Greater Bay Area. We also provided services to the high-standard development of the Xiongan New Area.

Improve people’s lives. We increased financing for poverty reduction, issuing RMB166.3 billion to this sector. We supported balanced development across different regions with RMB1.3 trillion loans to the Yangtze River Economic Belt, the Beijing-Tianjin-Hebei Integration, and the Guangdong-Hong Kong-Macao Greater Bay Area. We also provided services to the high-standard development of the Xiongan New Area.

Promote green development. Keenly aware of the value of a good environment, we further developed our green financial service system to facilitate the green transformation of the economy. Over the year, we issued RMB166.3 billion loans to programs for environmental protection, energy saving and emissions reduction as part of the national endeavor to fight air, water, and soil pollution and meet the people’s aspirations for a better environment.

Belt and Road cooperation. We delivered the Belt and Road special lending scheme of RMB250 billion equivalent to support a number of major projects in infrastructure, industries and finance, providing long-term and sustainable financing support while carefully managing the risks. We initiated the China-Arab Countries Inter-Bank Association and the China-Africa Inter-Bank Association (CAIBA) to foster global partnerships for financial cooperation.

Strengthen the foundation for sustainable development. Acting on the strategic decision of the central authorities to prevent and defuse financial risks, we formulated a three-year plan and an annual plan to strengthen risk management in key areas and ensure our bottom line would not be challenged. We improved compliance management by developing robust institutions and intensifying auditing and oversight. We constantly improved our management, increased our capacity for capital protection, and enhanced balance between assets and liabilities to ensure safe levels of liquidity.

In this New Era, we have embarked on a new journey under the guidance of new thinking. In 2019, CDB will stay committed to its founding mission and make focused efforts to promote high quality development, deepen supply-side structural reform in the financial sector, and leverage development finance for the purposes of steady growth, reform, structural readjustment, people’s well-being, risk control, and general stability. This way, we will make renewed contribution to sustained economic, social, and environmental progress.
About 40 years ago, China launched its reform and opening-up policy. Historic changes have since taken place in the country. And the world economic history witnessed a “China miracle”. Many are looking to benefit from China’s ideas and experiences on development. As China transitioned towards a socialist market economy and reformed its investment and financial system, conditions came together for the creation of CDB. With a founding mission of supporting national development and delivering a better life for the people, we have been part of China’s reform and opening-up endeavor from the very beginning. We support major projects in infrastructure, basic industries, and pillar industries; provide financing to urbanization and social welfare programs as well as the BRI; break development bottlenecks; and work in sync with macroeconomic regulation and supply-side structural reform to promote high-quality development. CDB is with the reform and opening-up policy every step of the way. As we fulfill our founding mission, we also blaze a new trail for development finance to work under China’s conditions. We have made a positive difference in China’s economic and social progress.

Support major national strategies

CDB helps to stabilize, accelerate and realign development for the real economy through many mega-projects such as major infrastructure projects in places like the central region, the Yangtze River Delta, the Beijing-Shanghai high-speed rail, the Beijing-Tianjin-Hebei region, and the Yangtze River Economic Belt. We implement the “Belt and Road” concept by promoting global infrastructure development with local financial institutions. We promote balanced development between regions, a better industrial system and a new stream of growth. We join the efforts to develop the country in poverty-stricken areas, support education and healthy children, and improve services of elderly care, education, and social work, so that more people can benefit from China’s progress. We also focus on green finance to build a beautiful China.

Contribute to macroeconomic regulation

We direct our medium- and long-term investment and financing toward the goals of macroeconomic policy and play a counter cyclical role in economic regulation. During times of rapid growth, we examine our loans with extra caution to avoid blind expansion and redundancy; when there is downward pressure, we scale up funding to boost market confidence. Our ultimate goal is to ensure the steady and sustained growth of the Chinese economy.

Add diversity to China’s financial system

Development finance is an important part of China’s financial system; we add diversity to China’s financial sector and contribute to its good health, strength, and stability, so that it better meets the diversely financing needs of China’s economic and social development.

Engage in international financial cooperation

We provide financing and intellectual support for infrastructure connectivity and industrial cooperation, financial cooperation, construction of industrial parks and development of small and medium enterprises (SMEs) in partner countries, which contributes to better living conditions and sustainable development in the local communities. We initiated six inter-bank associations, including the Shanghai Cooperation Organization Inter-Bank Association, to foster a global community of financial cooperation and facilitate sustained world economic growth.
How We Understand Sustainable Development

Driven by its mission of supporting national development and delivering a better life for the people, CDB taps into its potential in development finance; upholds a set of core values including responsibility, innovation, green growth, prudence and win-win development; and strives to become a world-leading DFI. Guided by national development strategies, we draw on the state’s credit support, follow market principles, and ensure our focus on financial inclusion and inclusion under market conditions to promote economic and social development. We run on a governance structure where areas, such as welfare projects, environmental protection and innovation, to make up for the imperfections of market mechanisms and increase medium-and long-term strategies of the country and support the priority areas, programs and projects that bear on national security and special tool and a financial backbone in building the long-term capacity for national economic development. We act in line with major strategies and high quality development and services at the primary level so as to be a more effective supporter of national strategies.

How We Pursue Sustainable Development

Strengthen the Party’s Leadership

CDB follows the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Guiding the Party’s political building first, we are keenly aware of our political responsibilities, stay on the right political course, stick to the right political direction, and enhance our political ability. We exercise strict self-government to improve the governance of the Bank and provide strong political guarantee for reform and development.

Put the Party’s political building first. The Party exercises leadership over development finance. We enforce strict political discipline and rules. Party members in CDB maintain political integrity, think in terms of the big picture, follow the leadership core, and keep in alignment with the central Party leadership; they have full confidence in the path, theory, system, and culture of socialism with Chinese characteristics; they uphold the authority of the Central Committee and the central, unified leadership, and faithfully implement the policies of the Central Committee and the State Council.

Enhance theoretical study. Party members of CDB engage in theoretical study regularly to gain a good command of the Party constitution, Party regulations, and related major policy addresses; they held themselves up to Party standards. Real in-depth understanding of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era is fostered through multi-formed, multi-leveled learning schemes that cover each and every Party member, and with increased discipline.

Strengthen primary-level Party organizations. According to the Party Constitution, Party branches are the basic organizations of the Party. We continuously raise awareness of Party rules and standards, strengthen the organizational ability of Party branches, improve Party members’ understanding of political theories and policies, and make sure they see their dual responsibilities as a Party member and a staff member at the same time and discharge them properly.

Improve Party conduct. We implement the central Party leadership’s triple-point decision on improving Party and government conduct and push back against formalities for formalities’ sake and bureaucratism. In our “year of better Party conduct”, we established standing mechanisms for improving Party conduct and raising the quality and efficiency of services at the primary level so as to be a more effective supporter of national strategies.

Enforce Party discipline. We make sure the Party supervises its own conduct and enforces strict discipline. We carried out our first Group-wide political inspection. Breaches of discipline were handled in strict accordance with Party regulations and discipline and the constraints of Party discipline were reinforced. We enhanced supervision, discipline execution, and accountability, supervised positions with high corruption risks, and made steady progress in joint supervision to ensure the integrity of our Party members.

The Party supervises officials. Following the standards for a qualified Party official in the New Era, we select officials who demonstrate good political performance, ability, and moral integrity. We continuously reform the mechanism for the personal development of officials, improve the supervision system to establish permanent mechanisms for daily supervision, and develop a high-caliber, professional team of Party officials.

Our Goals

We are committed to the goals of China’s major medium-and long-term development strategies and high quality development and the goals of the UN set out in Transforming our World: The 2030 Agenda for Sustainable Development. We seek to develop CDB into a DFI that operates with sufficient capital and healthy assets, follows market principles, exercises robust internal management and control, and provides reliable and quality services, so as to give strong financial support to the sustained and sound growth of the national economy.

Our Vision

We keep improving our capabilities and efficiency in advancing national strategies to make development finance a strategic, necessary, and special tool and a financial backbone in building the long-term capacity for national economic development. We act in line with major medium-and long-term strategies of the country and support the priority areas, programs and projects that bear on national security and economy in order to give the economy sustained impetus for moving forward. We provide much-needed financial support for the vulnerable areas, such as welfare projects, environmental protection and innovation, to make up for the imperfections of market mechanisms and increase the sustainability of socioeconomic development. We play a counter cyclical role at critical times to be a financial supporter and use medium- and long-term investment and financing to support macroeconomic policies, boost market confidence, and mitigate economic volatilities.

CDB pursues its own high quality development by enhancing its capacity for market operations and exploring new ways of thinking, new methods, and new channels under market conditions to promote economic and social development. We run on a governance structure where responsibilities are clearly delineated and different functions coordinate with and balance against one another. We make every effort to innovate financing models, management systems, financial products, and technologies of risk management to strengthen our overall capacity for innovation. With strong risk awareness, we have built a complete, scientific, rules-based, and effective risk management and internal control system. We carry out precision and compact management to ensure stability in our business operations.

Enhance Corporate Governance

In line with relevant laws and regulations, the CDB Articles of Association of the Party and the corporation is an integral whole, with the Party’s governance exercised in all parts of corporate governance, which is in turn realized by a number of operating mechanisms. In line with relevant laws and regulations, the CDB Articles of Association approved by the State Council, the Board of Directors has 13 members: three directors (including the chairman), four government agency directors, and six equity directors. Government agency directors each come from the National Development and Reform Commission (NDRC), Ministry of Finance (MOF), Ministry of Commerce, and the People’s Bank of China (PBOC). The Board of Supervisors are appointed by the State Council in accordance with relevant laws and regulations, such as the Provisional Regulations on the Board of Directors of Key State-owned Financial Institutions; they report to the State Council.

Guided by laws, regulations, the CDB Articles of Association, and various rules of procedures, CDB continuously improves its corporate governance structure and enhances its corporate governance capacity and performance. It is the first financial institution owned by the Chinese central authorities to make the Party’s leadership and governance part of the Articles of Association. In 2018, the Articles of Association was revised to devote a special chapter to the Party Committee to deal with Party building. The Board drew up the Plan for Authorization of the President (Executive Management) by the Board of Directors to better manage authorization matters. It updated the Rules of Procedures of the Board of Directors, the Committee of Strategic Development and Investment Management, and the Committee on Human Resources and Remuneration to improve the procedure and working methods of deliberations.

In 2018, the Board of Directors continued their approach to make progress while maintaining stability, focusing their efforts on priority fields of work, such as supply-side structural reform and the three critical battles against major risks, poverty and pollution. Over the year, the Board continued six meetings and adopted 54 proposals. Their efficiency and sound judgment ensured the good health of CDB business. Responsibilities are clearly laid out for the five special committees under the Board, the Committees on Strategic Development and Investment Management, Audit, Risk Management, Related Party Transaction Control, and Human Resources and Remuneration, so that they can effectively advise on the decision-making of the Board.

The UN Sustainable Development Goals (SDGs)
Strengthen Risk Management and Control

In response to the call of the central authorities to prevent and mitigate major risks, CDB established the goals of “supporting national strategies, managing risks, and ensuring safety of principal and modest profits” and the principle of “everyone is equal when facing risks and everyone is responsible for risk management”, which is part of our corporate culture. A comprehensive risk management system suited to the specificities of development finance is taking shape, with innovative thinking and methods and enhanced control over all business links and sectors. We manage and grow our business in a prudent way so as to fend off systemic financial risks. At the end of 2018, our NPL ratio was 0.92%, an end-of-year figure lower than 1% for the 14th consecutive year. This provides solid support for development finance to grow with high quality.

A better macro-plan for a strong network of overall risk management

The risk governance structure of CDB is composed of four levels: the board of directors and board of supervisors, senior management, headquarters departments, branches and subsidiaries. There are three lines of defense: business, risk management, and internal audit. Its risk management accountability system covers all business sectors and management procedures, making sure that all levels and links of business understand clearly their responsibility in risk management and work with and check against one another.

We formulated a three-year program and annual plans for preventing and mitigating major risks. A steering group for comprehensive risk management headed by the chairman of the board was created. With a strong macro-plan and good progress across the whole system, we got off to a good start in fighting major risks. We improved our overall risk management framework, kept to our prudent risk appetite, and formulated the 2018 risk appetite statement to better dis-aggregate risk management goals. We laid down rules for consolidated supervision to strengthen our capacity and make the whole group better integrated and interconnected in risk management. We built stronger incentives and restraints for risk management and continuously increased the whole team’s awareness and capabilities in risk prevention and control.

Effective risk management in key industries and under-developed sectors

We made systematic efforts to enhance risk management. We identified major categories of risks and evaluated the levels of all types of risks to make our response more targeted, strengthened risk monitoring and early-warning, carried out thorough risk examinations in priority areas, located lurking dangers and vulnerabilities in management, and took more precise measures. We strengthened client management by putting in place a dual-structured client management system, in which the headquarters take the overall responsibility and the branches look after their own geographical areas. We better evaluated clients’ eligibility and shifted our management system from being program-centered to client-centered.

We improve credit management by formulating a three-year credit risk management plan to intensify systematic efforts in mitigating risks. Focusing on priority programs with a host of targeted measures, we wrote off and transferred RMB1.3 billion non-performing assets. During our “year of enhanced credit management”, we improved credit management capacity in a number of branches and in this process enriched our experience, practices and toolbox, making our credit management more refined.

Stronger internal control and compliance to ensure laws and rules-based operations

To develop the functions of internal control and compliance and make it more professional, we set up the Legal and Compliance Department. We formulated a two-year work plan, setting out the goals and priorities for internal control and compliance management. We laid out and upgraded 30 rules to enrich an internal control system that takes into account the characteristics of a DFI. We identified five main indicators for internal control evaluation—internal environment, risk assessment, information and communication, internal supervision, and control—and launched the first bank-wide campaign to evaluate internal control performance across all business sectors and branches of CDB. We stood vigilant against money laundering, carrying out a sweeping examination over the whole group and made our anti-money laundering system more compact, professional, and interconnected.

To ensure effective supervision through auditing, we formulated CDB Internal Audit Rules, with a focus on seven areas: policy implementation, major risks, compliance, returns on assets, management loopholes, fulfillment of individual responsibilities, and correction of problems. For this purpose, we completed audits of 279 items. We evaluated and audited the effectiveness of internal control of the year 2017 at the headquarters and branches, and strengthened auditing of the subsidiaries controlled by CDB to make sure effective auditing is carried out group-wide.
Engage All Stakeholders

CDB respects and responds to the expectations and demands of various stakeholders and is committed to building the capacity for sustainable development. With an improving mechanism for engaging different stakeholders, we strengthen communication and fulfill our responsibilities to different parties. In 2018, CDB was given the People’s Social Responsibility Award by the people.cn for the 13th time in a row and won a number of titles, such as Best Bank of the Year for Promoting High Quality Development, Ten Most Valued Financial Brands over 40 Years of Reform and Opening-up, 2018 China Corporate Social Responsibility Summit Award for Targeted Poverty Alleviation, Best Practices Awards on Sustainable Development Goals 2018, and Special Contribution Award of the Green Credit Expert Committee.

Sustainable development management

- We send surveys to governments, clients, employees, and partners to understand their expectations of CDB’s role in sustainable development, and identify, based on evaluations, priority areas of poverty elimination, sustainable infrastructure, sustainable towns, scientific innovation, quality education, job creation, clean energy, and global partnerships.
- “One Kindergarten for Every Village to Provide Good Education for Young Kids” and “Using Local Resources to Help Rural Women Shake off Poverty”. These two programs have been selected by the UNGC as representative examples of CDB’s effort in providing quality education and supporting gender equality, which improved our global image.
- Our sustainable energy supply program is identified by UNGC as one of the best Chinese business practices in 2018 for SDGs, highlighting our contribution to the clean energy sector.

Capacity-building

- We organize special training sessions on sustainable development. Experts from the PBC School of Finance of Tsinghua University and the China’s Center for International Knowledge on Development spoke on the modern concepts, theories and practices of sustainable development. These CDB branches were also selected to share their experience at the sessions, which helped to improve the capabilities and performance of the whole group in promoting sustainable development.
- We build a platform to intellectually support sustainable development. CDB joined the UNGC as the invitation of its executive director, which gives us access to its global network, database and events. We joined two action platforms of the UNGC, i.e. Reporting on the SDGs and Financial Innovation, leveraging the resources to better guide and influence sustainable development through development finance.
- We train talents with an international vision for partner countries to build sustainable development capacity. We provided CDB scholarships for the study in China of 86 persons from 20 countries, official awards to 63 excellent foreign students from 21 countries studying in China.

Communication

- We publish annual sustainability report, dedicate a special column to corporate social responsibility on the CDB official website, disclose information on sustainable development in multiple ways, such as through social media tools WeChat and Weibo, and better communicate with shareholders, regulatory authorities, investors, industry associations, other financial institutions, and international organizations.
- We increase exchanges with the UNGC, Global Reporting Initiative (GRI), China Banking Association and foreign experts on social responsibility, take part in the 2014 High-level Forum on Corporate Social Responsibility, 2018 China Social Responsibility Award Ceremony and the 11th High-level Meeting on Corporate Social Responsibility in China to raise public awareness of CDB’s effort in undertaking social responsibilities and promoting sustainable development.
- We create platforms for exchange with partners on sustainable development experience, hold workshops such as China-Kyrgyzstan Financial Cooperation for Poverty Reduction and Sustainable Development to share with partners China’s experience in pursuing reform and development and using development finance to support infrastructure, production capacity cooperation, and poverty alleviation, building a knowledge base for international practical cooperation.
Urgent and concrete policy action is needed to reduce risks to the global economy and secure the foundations for stable and sustainable economic growth. A dynamic and inclusive global economy is central to delivering the ambitious targets of the 2030 Agenda for Sustainable Development.

World Economic Situation and Prospects 2019 by the UN

We must stay focused on supply-side structural reform and use market-based and rules-based methods to shore up weak sectors such as infrastructure. Market players should be allowed to be more active, and there should be more excellent enterprises. We should better build the industrial chain and rely on technological innovation and scale effect to gain new competitive strengths and develop new industrial clusters.

2018 Central Economic Work Conference

CDB will follow the guidance of the Party and the decisions of the Central Committee and the State Council. We are part of the nationwide effort to promote political, economic, cultural, social, and environmental progress and the “four-pronged strategy” to build a moderately prosperous society in all respects, deepen all-round reform, promote the rule of law, and improve Party self-governance. We must find our right position in this blueprint, stick to the right direction in development, focus our efforts on the strategic goal of high quality development and the main task of supply-side structural reform. We should support national strategic priorities and use valuable financial resources in a way that is consistent with the laws of finance and generates the maximum impact in the key industries and under-developed sectors and at critical moments.

Zhao Huan, Chairman, CDB
Step up Support for the Real Economy

Infrastructure as the foundation

Infrastructure is the basis for economic prosperity and sustainable development. In 2018, holding ourselves to high standards, we scaled up support for the most vulnerable areas in infrastructure, such as transport, electricity, and water projects, to promote unimpeded transport and the efficient use of energy and resources, giving the economy sustained power for growth.

Jinan Urban Rail
CDB Shandong Branch provided a total of RMB16.4 billion of financing and underwrote RMB1.4 billion medium-term notes (MTN) to support the project which adds diversity to Jinan’s transport network and makes daily travels easier for local residents and expands the transport network in the city.

Nanchang-Ganzhou Passenger Rail
CDB Jiangxi Branch provided an accumulative RMB1.75 billion for the project which is important for developing a network of high-speed railways in China composed of eight horizontal and eight vertical lines.

Yaoshan-Luanchuan-Xixia Section of West Zhengzhou-Xixia Motorway
CDB Henan Branch provided RMB2,969 million loans for the project which is good for the tourism sector and economic growth in the region.

Master Yanchi Wind Farm, Ningxia
CDB Ningxia Branch provided RMB172 million loans for the project which improves the local energy mix and supports growth.
Shore up the Weak Links in Energy and Transport Infrastructure

Shoring up the weak links is an important part of supply-side structural reform. The improved fixed asset investment structure in China gives us strong support in enhancing the sustainability of growth, reinforcing the vulnerable areas, creating jobs, and lifting living standards. However, with the overall investment growing at a slower pace this year, and in particular the significant drop of the growth of infrastructure investment, there remain considerable investment gaps in some areas and projects. It is imperative that we maintain an effective amount of investment in the vulnerable areas in infrastructure to expand domestic demand and promote restructuring, enhance our medium- and long-term supply capacity, and encourage supply and demand to reinforce each other, thereby keeping economic indicators within the appropriate range.

Guiding Opinions on Maintaining Investment in the Weak Infrastructure Sectors by the General Office of the State Council, 2018

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<tr>
<th>Development Needs</th>
<th>Main Target Areas and Results</th>
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<tr>
<td><strong>Railway</strong></td>
<td>◦ Support main lines of the 8+8 High-speed Rail Grid, inter-region railway, inter-city rail in the Beijing-Tianjin-Hebei Integration Region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, railways for underdeveloped regions, railways for ports, special railway lines and renovation of hubs</td>
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<td>◦ Financed the construction of a total of 26,000 km of high-speed railways in service, 90% of the country’s total</td>
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<td><strong>Roads</strong></td>
<td>◦ Support development of the national motorway network, regional motorway projects important for the BRI, Beijing-Tianjin-Hebei Integration, Yangtze River Economic Belt, Guangdong-Hong Kong-Macao Greater Bay Area, and integration of the Yangtze River Delta, and roads along borders</td>
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<td>◦ Supported about 80,000 km of motorways in service, 60% of the country’s total</td>
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<td><strong>Urban Rail</strong></td>
<td>◦ Support approved urban rail transit lines</td>
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<td></td>
<td>◦ Supported a total of 45 urban rail projects</td>
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<td><strong>Airports</strong></td>
<td>◦ Support construction, relocation and expansion of international airport hubs, new regional airports and old airports in China’s central and western regions</td>
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<td></td>
<td>◦ Supported 110 airports, nearly half of the country’s total</td>
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<td><strong>Electricity</strong></td>
<td>◦ Support major hydropower projects, major trans-region and trans-province power transmission projects, main structure of provincial power grids, super-high voltage power transmission, rural power grid upgrades, coal-burning power units retrofitting for reduced emission and energy consumption</td>
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<tr>
<td></td>
<td>◦ Supported electricity projects with a total installed capacity of 950 gigawatts and contributed to 18.2% of total investment in clean energy projects in the form of medium- and long-term loans</td>
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As China’s railway network expands into eight vertical and eight horizontal ones, railway is becoming a more prominent means of passenger transport for its massive scale and extensive connections. The construction of railway, especially high-speed rail, will continue to grow fast.

With roads taking up a smaller share in the transportation of goods, the future focus in road construction will be on breaking the bottlenecks, expanding the functions of road network, and connecting roads with other means of transport.

The State Council has approved the construction of over 11,000 km of urban rail projects, equaling the total length of the lines currently in service and under construction. The market outlook remains positive.

Demand for civil aviation is growing faster. China is building new airports and upgrading old ones at a fast pace, which will increase market potential.

By the end of 2017, only 20% of China’s total energy consumption was supplied by natural gas, hydropower, and wind power. This is much lower than the global average of 38% and leaves significant space for China to improve its energy mix.

In 2018, China began to pursue high quality development. Transitioning from rapid expansion to high quality growth, the Chinese economy has come to a critical period when it needs to transform the growth model, improve its structure, and shift to new engines of growth. It is imperative to build up the weak links in infrastructure and other key sectors so that high quality development will enjoy sustained momentum. Energy and transport pass the way for economic development. In light of the considerable potential and challenges in these sectors in the New Era, CDB continuously stepped up efforts to improve the quality of infrastructure supply for the economy to grow in a healthy and steady way.
Foster a good financing environment for the private sector

The private sector is important for the steady, sustained, and healthy development of the economy. In 2018, following the decision of the State Council to support private enterprises, we set up a special loans program to meet their demand, innovated financing models to expand the sources of financing, and made development finance more accessible to private businesses so as to unleash their potential for promoting economic growth and job creation. By the end of 2018, our balance of loans to private enterprises was RMB67.1 billion.

Support logistics hubs for private enterprises

CDB Shenzhen Branch issued RMB240 million loans for the cargo fleet program of SF Express to increase its air transport capacity and the speed and efficiency of goods delivery in southern China. By the end of 2018, this branch had issued RMB7,183 million loans to the company.

Invigorate private enterprises for regional industrial development

CDB Fujian Branch provided RMB135 million loans to help Fujian Ningde Nanyang Industrial Co., Ltd diversify itself from pig-raising to a modern agricultural company with a complete line of business. It also contributed to job creation by involving local communities in raising pigs and helped to reduce poverty.

Support the private sector

We supported private enterprises whose main businesses are conducive to infrastructure development, economic restructuring, and industrial upgrading in order to facilitate supply-side structural reform and the real economy.

We released the Guideline on the Management of Credit Extension to Private Enterprises.

We improved credit extension, assessment, pricing and performance evaluation methods.

In November, we set up an RMB100 billion special loan scheme and disbursed RMB8.7 billion in the first month.

We worked out the Plan of Action for Giving Loan Support to Increase Liquidity of Private Enterprises and its rules of implementation.

We were the main underwriter of RMB3 billion private corporate bonds of TCL Group, HEC Group, and Zhejiang Hengyi.

We provided liquidity support for BYD Company, Hengli Petrochemical, Hengyi Petrochemical, and Jiangsu Shenglong New Materials Group.

CDB Securities issued two series of TCL 2018 corporate bonds with a total proceeds of RMB3 billion; at a reduced interest, it helped to save TCL tens of millions of RMB in financing costs.

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Provided sustained impetus for urbanization

China’s new model of urbanization amplifies the radiating impact of economic growth centers and increases public access to welfare services. In 2018, we focused on this urbanization drive and supported a number of priority areas, including underground pipeline networks, sponge cities, themed towns, expansion of development zones, and better infrastructure in urban areas. We supported a people-centered approach to urbanization and the formation of city clusters, increasing the supply of public goods and services, and unleashing the potential for greater domestic demand generated by urbanization.

Yichun City is part of the national pilot program for a new model of urbanization. CDB Heilongjiang Branch is a strong supporter of Yichun’s modernization, providing a total of RMB24,876 million loans by the end of 2018 for a better economy and environment in the city.

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The city enjoys a high urbanization rate, but its functions are underdeveloped. CDB Heilongjiang Branch provided RMB2,111 billion loans for projects in the supply of water, power and heating, raising the coverage rate to 88%, 82% and 85% respectively.

Supported green development in the area, helping to decommission 104 small boilers. The number of days with excellent air quality account for 94.2% of the whole year.

Provided RMB1,519 million loans for urban infrastructure development, such as illumination, property management and public transport, to strengthen the supply of public services.

Provided RMB1,177 million loans, supported the construction of roads and railways in the city, greatly improving the transport conditions in the region and giving a boost to economic and social development.

Provided RMB75 million loans to provide quality elderly care services for seniors who migrate seasonally between the north and south every year.

New life in the “city of forests”

Our actions:

- Together with the NDRC, we established a strategic cooperation mechanism for developing the digital economy, using market tools to support big data, the internet of things, cloud computing, a new model of smart cities, and giving support to a number of priority projects in digital economy.
- We established a mechanism for cooperation on major scientific and technological programs with the Ministry of Science and Technology to make progress on the major demonstrative projects and advance scientific and technological innovation.
- Following the lead of the Ministry of Industry and Information Technology (MIIT), we helped to establish a state fund for the transformation and upgrading of the manufacturing sector to tighten the link between industry and finance and combine forces to drive the growth of the manufacturing industry.

Diversified financing support

- We carried out a pilot program to use development finance to support SMEs in the field of science and technology. In 2018, we issued RMB46,7 billion loans to science and technology programs. The investment and loans combination financing program benefited 45 technology companies. All this contributed to industrial growth and independent innovation.
- CDB Securities issued Brilliance Auto Bond, the first corporate bond of an advanced manufacturing company in China, raising RMB14.6 billion. It was a boost to the upgrading of the manufacturing sector and the bond market in Northeast China.
Promote balanced development between regions

Balanced development between regions improves the geographical layout of the economy and makes its growth more balanced and sustainable. In 2018, with the goal to implement national strategies, we supported Beijing-Tianjin-Hebei Integration, Yangtze River Economic Belt, Guangdong-Hong Kong-Macao Greater Bay Area, development in central and western regions and in the northeast, and Xinjiang and Tibet to promote balanced development across different regions and foster new areas of growth. Over the year, we issued RMB1.3 trillion loans to key areas such as Beijing-Tianjin-Hebei Integration, Yangtze River Economic Belt, and Guangdong-Hong Kong-Macao Greater Bay Area.

Xinjiang and Tibet

Issued RMB69.4 billion loans to Xinjiang to support the development of modern transport systems, major water projects, modern energy system centered on electricity, and industrial development for poverty reduction.

Issued RMB3.2 billion loans to protect the ecological environment along the Yangtze River and RMB2.9 billion loans to green development.

Read connection for building a transport corridor for the Yangtze River Economic Belt

A priority project in the Development Plan of Yangtze River Economic Belt Transport Corridor is the Xiaogan-Shiyan section of the Wuhan-Shiyan railway. CDB Hubei Branch took the lead to put together a syndication of RMB25.5 billion loans, with RMB8.24 billion already disbursed. Upon completion, the project will help to invigorate the local economy.

Guangdong-Hong Kong-Macao Greater Bay Area

Issued RMB549.4 billion loans to support the relocation of non-capital functions out of Beijing and high-standard development of Xiongan New Area.

To work in concert with regional development plans, we completed the report Development Finance Support for Greater Bay Area and developed a mechanism for consultation and joint efforts to build this area.

Helped with the NDRC’s endeavor to establish a financial cooperation mechanism for the rejuvenation of northeastern China.

Completed the Development Plan of Hohhot-Baotou-Erdos-Yulin City Cluster in support of the development of major city clusters.

The balance of loans newly issued in 2018 was RMB354.2 billion.

Central, western, and northeastern China

To work in concert with regional development plans, we completed the report Development Finance Support for Greater Bay Area and developed a mechanism for consultation and joint efforts to build this area.

Issued RMB184.6 billion loans to improve infrastructure connectivity.

Acted as the lead underwriter of RMB12.5 billion bonds for enterprises in Guangdong, such as China General Nuclear Power Corporation (CGNPC), to encourage private funding towards cross-regional cooperation and development.

Build main lines of railway for Guangdong-Hong Kong-Macao Greater Bay Area

Jiangmen-Maoming section of the Shenzhen-Maoming railway is the first express line connecting the core cities in the Pearl River Delta with western Guangdong. CDB Guangdong Branch put together a syndication to provide RMB14.5 billion loans, with RMB11 billion disbursed, making it the top source of finance for the project which formed an important part of the railway network in Guangdong.
Five Years of Support for Beijing-Tianjin-Hebei Integration

Beijing, Tianjin, and Hebei are like the petals of one flower: they may each look slightly different, but they belong to the same corall. To integrate these regions, we must follow the new development philosophy and hold it to high standards, setting a good example of high quality development in the New Era.

General Secretary Xi Jinping at the meeting on Beijing-Tianjin-Hebei Integration 2019

The Beijing-Tianjin-Hebei Integration is a principal national development strategy aimed at creating an economic circle around the capital, innovating the methods of promoting regional development, finding new ways to improve the layout and form of city clusters, and producing a paradigm for regional development initiatives. It is also an effort to pursue development in a way that balances between population, economy, natural resources, and the environment. A strong champion of the project, CDB focuses on helping to relocate the non-capital functions out of Beijing, making breakthroughs in the promotion of transport integration, environmental protection, and industrial upgrading and relocation. Our work contributed to a better economic environment. A strong champion of the project, CDB focuses on helping to relocate the non-capital functions out of Beijing, making breakthroughs in the promotion of transport integration, environmental protection, and industrial upgrading and relocation. Our work contributed to a better economic environment.

Over the past five years, we implemented government policies such as the Beijing-Tianjin-Hebei Integration Plan and played the pioneering role of development finance in helping turn the region into a prominent source of quality growth. Between 2014 and 2018, we issued RMB2.63 trillion loans.

Build Beijing Sub-center

When the sub-center project was launched in 2015, CDB Beijing Branch was among the first to act, issuing RMB14 billion loans to the Lucheng renovation project in Tongzhou District, the first financial institution to support the relocation of non-capital functions.

In 2018, CDB Beijing Branch signed an RMB160 billion development finance cooperation agreement with Beijing Investment Group to support the development of the sub-center.

Over the five years, CDB Beijing Branch has provided a total of RMB37.6 billion loans to the sub-center project.

Support the Xiongan New Area

In 2017, we signed a Memorandum of Understanding with the government of Hebei on providing development finance for Xiongan.

In 2018, we pledged RMB32.7 billion loans for priority projects in the first phase of the Xiongan New Area and issued the first batch of loans. We were the main underwriter of the Xiongan Bond, the first on the inter-bank market, in support of infrastructure development in the New Area.

In 2018, CDB Beijing Branch signed strategic cooperation agreements with major Tianjin state-owned enterprises (SOEs) to support the transformation and upgrading of high-quality manufacturing, introducing the investment and loan combination financing model to Tianjin. It also supported the Tianjin Free Trade Zone, contributing to the high-quality development of Tianjin.

CDB Hebei Branch gave strong support to priority enterprises for international cooperation on production capacity and new materials manufacturing projects, facilitating the transformation and upgrading of traditional industries in Hebei.

CDB worked in partnership with the NDBC on Innovating the System of Agricultural Products Circulation among Beijing, Tianjin and Hebei, tackling the biggest challenges in order to develop a more efficient system.

A better regional layout of “one core and two wings”

Focus on key areas to promote Beijing-Tianjin-Hebei Integration

Build Beijing Sub-center

Promote industrial development

- CDB Beijing Branch carried out in-depth cooperation with state-level innovation demonstration zones, such as the Zhongguancun Science Park, signing investment and loan combination agreements and helping with the emergence of a number of innovation enterprises and projects.
- CDB Tianjin Branch signed strategic cooperation agreements with major Tianjin state-owned enterprises (SOEs) to support the transformation and upgrading of high-quality manufacturing, introducing the investment and loan combination financing model to Tianjin. It also supported the Tianjin Free Trade Zone, contributing to the high-quality development of Tianjin.
- CDB Hebei Branch gave strong support to priority enterprises for international cooperation on production capacity and new materials manufacturing projects, facilitating the transformation and upgrading of traditional industries in Hebei.
- CDB worked in partnership with the NDBC on Innovating the System of Agricultural Products Circulation among Beijing, Tianjin and Hebei, tackling the biggest challenges in order to develop a more efficient system.

Deepen environmental protection

- CDB Beijing Branch issued RMB1.344 billion loans to water projects aimed at cleaning up the water environment in Beijing.
- CDB Tianjin Branch supported the development of national reserve forests, relocation of coal-fired power plants, sewage treatment, and environmental-protection industrial parks to improve the environment in Tianjin.
- CDB Hebei Branch supported projects under the South-North Water Transfer project, roads to Zhangjiakou and Chengde, and green, environment-friendly industries in Hebei.

- CDB Beijing Branch issued RMB45.6 billion loans to build transport links among Beijing, Tianjin and Hebei, mainly funding the Beijing Daxing International Airport, Beijing-Xiongan railway, Beijing-Shenyang railway, Beijing-Beijingyuan passenger railway, and 16 subway projects.
- CDB Tianjin Branch issued RMB7.2 billion loans to transport integration projects, supporting the integration railway between Beijing and Harbin, and between Beijing and Tangshan and eight overpass projects including Beijing-Tianjin, Beijing-Qinhuangdao, Tianjin-Chengde, Tianjin-Dangshan, and No.112 National Road.
- CDB Hebei Branch issued RMB1.7 billion road construction loans and RMB3.2 billion railway loans in support of Zhangjiaokou-Chengde railway, Tangshan Mountain railway, Shijiazhuang-Fuji passenger railway, and Beijing-Tianjin-Huang railway.

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In our world of plenty, more than 700 million people are unable to meet their basic daily needs. Eradicating poverty in all its forms and dimensions remains one of the greatest global challenges and a major priority for the UN.

António Guterres, Secretary General, the UN (2018)

We should provide stronger social security and better living conditions. We should make economic growth better serve the people, address people’s difficulties in life, and ensure that their basic living needs are met. Our aim is to help people feel more satisfied, happier, and more secure.

Report on the Work of Government 2018

We should direct our new funds, programs, and measures towards regions deeply trapped in poverty, build platforms for the banks, governments, and enterprises from China’s east and west to communicate and pool strengths to do the most difficult jobs, and take multiple measures to help our partner regions get rid of poverty and become fine examples of CDB’s efforts to tackle poverty through finance.

Zhao Huan, Chairman, CDB

Inclusive finance can help solve the most difficult challenges facing people’s daily life. We must provide market-based financing support for the rebuilding of shanty towns and promote progress in industries such as education, child care, elderly care, health care, culture, and tourism so as to unleash the vitality and demand potential in our domestic market.

Zhao Huan, Chairman, CDB
Targeted Measures for Poverty Reduction

We still need to lift 30 million people in rural areas out of poverty between 2018 and 2020. Following the Guiding Opinions on the Three-Year Action Plan for Winning the Crucial Battle against Poverty by the State Council, CDB offered institutional, financing and intellectual support for poverty alleviation. We made efforts on four fronts: provincial programs of relocating the poor, county programs for infrastructure development, villages/household programs for industrial development, and student loans. We focused on the “three campaigns” of fighting poverty in extremely poor regions, east-west partnership, and targeted poverty alleviation, making dedicated efforts to fight the tough battle against poverty.

Financing support for poor regions

- **Provincial programs of relocating the poor**
  - By the end of 2018, we had issued RMB113.3 billion loans to relocation programs (including RMB5 billion to the relocation of unregistered poor population), covering about 3.12 million registered poor people.
  - In 2018, we issued RMB6.338 billion special financial bonds in four batches for relocation programs and was the principal underwriter of seven special debt financing vehicles, raising RMB4.8 billion, directing private funds towards priority programs in poverty reduction.

- **County programs for infrastructure development**
  - In 2018, we issued RMB6.18 billion loans to fund roads, safe drinking water projects, school safety projects, environmental protection programs, and the overall improvement of poor villages.
  - In 2018, we issued RMB1.34 billion loans to major infrastructure projects of transport, water, and electricity.

- **Villages/ Household programs for industrial development**
  - We supported partnerships between leading businesses, east-west industrial cooperation for poverty reduction, and on-lending.
  - By the end of 2018, we had issued RMB131.1 billion loans to industrial programs for poverty reduction (including RMB5.3 billion on-lending).

- **Student loans**
  - By the end of 2018, we issued a total of RMB164.7 billion student loans to 26.22 million students, meeting the demand of over 85% of students from economically challenged families.

Knowledge support to enhance self-capacity for fighting poverty

- **Planning and advisory**
  - We completed 31 advisory reports for local governments to make informed decisions.
  - We drafted 12 plans for combating poverty in extremely poor areas, such as the Advisory Report for Poverty Eradication in Nujiang Prefecture, and two plans for east-west partnership, such as the Financing Plan for Ningbo-Yanse Industrial Cooperation.

- **Training**
  - In 2018, we organized 23 training sessions with a total capacity of 3,653 trainees.
  - We organized the first group of government officials from our partner regions to receive training at the Party School of the CPC Central Committee and used the training resources of provincial/ministerial-level officials to conduct case studies and structured discussions.
  - We extended training to the village level to include Party secretaries posted to the village-level CPC branches and local party secretaries in poor villages, owners of village start-ups that help to lift the village out of poverty, and technical professionals; in 2018, the total participants in our programs reached 3,305.

- **Human resources support**
  - We selected over 200 financial professionals, officials, and Party secretaries to work in the upper-level governments (municipality/prefecture) that oversee the poor counties on the national list to raise policy awareness and assist in planning for poverty alleviation.

Concentrate resources on the “three campaigns” in poverty alleviation

- **Fighting poverty in extremely poor regions**
  - In 2018, we provided more preferential credit policies and pricing, streamlined approval procedures, and the best resources allocation and services; we issued RMB41.1 billion loans to 6 extremely poor regions in Tibet, Xinjiang, Qinghai, Gansu, Sichuan and Yunnan.

- **East-west partnership**
  - We joined hands with local governments in eastern China to run a program named “Development finance in action for the east-west poverty alleviation partnership”, encouraging businesses in the eastern parts to invest in the western poor areas, which involved 200 companies and over 50 cooperation agreements.

- **Targeted poverty alleviation**
  - In 2018, we issued RMB1.2 billion loans to four poor counties paired with CDB, Zheng’an County, Wuchuan County, and Daqishen County, Guiyang, and Guizhou. In 2018, the total participants in our programs reached 3,305.
Education lays the foundation for poverty reduction. Until 2018, CDB had been offering student loans for ten years. With devotion and a caring heart, CDB has gradually shaped a sustainable student loan model that suits China’s realities. Our loans cover different types of students, with sufficient supply of financial resources and priority support for three types of students in particular, to help students in economic difficulties get a chance to work for a better life.

Helping Lianghui County get rid of poverty

Lianghui is a poor county in Mount Luoxiao, Jiangxi. Situated in a generally poor area, the local economic conditions are particularly difficult and it is identified as a priority by the government in the fight against poverty. CDB Jiangxi Branch helped the county build infrastructure in the registered poor villages with RMB330 million loans, improving transport conditions and the working and living environment of the local community.

Support ecological migration in deeply poor counties

Tianzhu Tibetan Autonomous County in Zhaoji City, Gansu is on the national list of regions in deep poverty. CDB Gansu Branch provided RMB498 million loans to the relocation project of the county, moving 14,230 registered poor people from 3,672 households from the fragile natural environment in the mountains to plains. Their living and working conditions were fundamentally improved, giving strong support to poverty alleviation in Tibetan areas and ecological protection in the Qinian Mountain.

Ten years of student loans for greater personal fulfillment

- Giving help when most needed
  - CDB voluntarily started its scheme of student loans and solved the problems of limited single amounts, low returns, and high risks.
- Loans at students’ doorsteps
  - Students apply for CDB loans from the agencies in their hometowns without having to travel long distances for it.
- Stopping poverty from holding back the younger generation
  - We lifted the limits of loans to students studying for a bachelor diploma or degree and a master’s degree and extended the loan period and the grace period for paying back the principal, thus implementing national policies in a thorough and immediate manner.
- Loans at students’ doorstep
  - Student apply for CDB loans from the agencies in their hometowns without having to travel long distances for it.
- Integrity at the heart of our scheme
  - We carried out events in over 700 colleges to raise integrity awareness among three million students, helping to foster a good campus culture of integrity and encourage students to fulfill their obligations and commitments.
- Making our loans sustainable through institutional building
  - We developed the IT cluster for student loans to provide a one-stop, paperless solution for students at their doorstep. The management system covers counties, townships, villages, and colleges.

Total of RMB 164.7 billion student loans

- Covered 2,309 counties in 26 provinces
- Supported 26.22 million students
- Covered 1.9 million registered poor students
- Covered 96% of districts and counties nationwide
- Held 56 job fairs for students with financial difficulties
- Over 430,000 graduates took part in job fairs
- 76,000 reached preliminary agreements with employers
Entering a New Era

To win the crucial battle against poverty is essential for completing the building of a moderately prosperous society in all respects and realizing the two centenary goals. It is important that we step up support for targeted poverty alleviation as the battle against poverty enters a decisive stage in the 13th five-year period. According to the Notice on Further Improving the Work of Directional Poverty Alleviation by the State Council, targeted poverty alleviation is an important part of poverty reduction with Chinese characteristics and a critical method for alleviating poverty in old revolutionary bases, ethnic minorities regions, border regions and poor regions.

Taking various measures

CDB acts in line with the decisions of the State Council and the arrangements of relevant work conferences of the government. We regard targeted poverty alleviation as an important political and social responsibility. In 2018, we drew up the 2018 Work Plan for Targeted Poverty Alleviation, intensified resources and policy support, innovated our ways of thinking and actions, taking a package of measures to help the four counties and disbursed RMB9.1 billion by the end of 2018. With these efforts, Wuchuan County and Daozhen County were officially declared out of poverty in 2018.

More financial support

- Disbursed RMB1.52 billion loans to relocation projects covering 64,000 persons
- Disbursed RMB78.36 billion loans to poor villages development scheme, covering 323 poor villages with a population of 222,000
- Disbursed RMB460 million loans under “CDB Small Agricultural Loans” program to Zhang’an County, Wuchuan County, and Daozhen County, supporting the white tea, sheep raising and herbal medicine industries in these counties, respectively
- Disbursed RMB330 million student loans to 59,000 students from poor families; issued for the first time student loans for students receiving secondary vocational education in Gulin County

More intellectual support

- Produced the Advisory Report on Financing Key Areas of Rural Vitalization for Zhang’an County, Wuchuan County, and Daozhen County, and helped Gulin County draw up the Three-Year Action Plan for Fighting Poverty
- CDB employees worked for 13 terms as poverty relief official or in-village secretaries in the four poor counties to help with poverty alleviation.
- Trained for government officials in the four counties totaling 2,108 individuals; trained for 81 village officials on capacity building in the Central Party School; trained for 631 village-level first Party secretaries and officials in 330 poor villages; special training for 1,396 village Party secretaries, owners of village start-ups that help to lift village out of poverty and technical professionals

Work as a group

- Provided comprehensive financial services in innovative ways
- CDB Capital and Gulin Government jointly set up Development Fund for Erlang Themed Town, complemented by RMB400 million loans from CDB Sichuan Branch, using investment and loans combination financing to support pair counties.
- CDB Securities designed and underwrote Luzhou City Relocation Program Proceed Bond, raising RMB2.6 billion.

More donations

- Donated RMB73,522 million to industrial development, road construction, school safety, eco relocation plans, and public welfare in the four counties
- Field studies in Zhang’an County, Wuchuan County, and Daozhen County; first purchase worth RMB118,000; set up a stand in CDB cafeteria for selling agricultural products from the pair counties
- Encourage bank staff to purchase RMB180,000 worth of oranges and plums from poor counties

Consumption for poverty reduction

- Produced the Tea Plantation in Zhang’an County, Guizhou
- Produced the Advisory Report on Financing Key Areas of Rural Vitalization for Zhang’an County, Wuchuan County, and Daozhen County, and helped Gulin County draw up the Three-Year Action Plan for Fighting Poverty
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Affordable Housing Improves Living Standards

Housing is of fundamental importance to people’s everyday life. In 2018, guided by the national goal of full housing coverage for the entire population, CDB gave strong support to the construction of affordable housing. We worked with government agencies to design good policies and mechanisms to ensure financing for renovation of shanty towns and implement them in accordance with laws and regulations. We financed affordable rental housing schemes to help put a roof over more city dwellers. In 2018, we disbursed RMB698 billion loans to the renovation of shanty towns over the year, with over 65% of it given to the less developed regions in China’s central, western, and northeastern parts, helping more than 23 million households improve their housing conditions.

We should better address the people’s housing needs. A new three-year renovation plan should be launched in shanty towns, starting with the construction this year of 5.8 million units.

Better housing in Huining County

CDB Gansu Branch issued RMB900 million loans to the 2018 renovation project in Huining County, which will move 1,471 households away from the shanty towns into new apartments. Housing conditions will be greatly improved, urbanization will be given a strong boost, and the county will be a more comfortable city for its citizens.

New homes for residents in Qingshan

The shanty area in Qingshan in Wuhan City, Hubei is the largest urban shanty area in the country. CDB Hubei Branch followed the government’s lead and worked in partnerships with businesses in a market-based way, issuing a total of RMB2 billion medium- and long-term loans to support the renovation of Qingshan, helping to realize the dream of 40,000 people for better housing conditions.
Support elderly care, education, and healthcare

Everything we do is for the ultimate goal of making life better for the people. Elderly care, education, and healthcare are critical to their happiness. In 2018, CDB adopted a top-down approach in designing the right plans to support elderly care services and industry with development finance and promoted supply-side structural reform in education and the development of the healthcare system, making breakthroughs in the three areas to make people’s life better.

Support rural vitalization

Rural vitalization means upgrading the agricultural sector, improving rural environment, and increasing villagers’ incomes. To help build rural areas with thriving businesses, pleasant living environments, social etiquette and civility, effective governance, and prosperity, CDB sought to promote supply-side structural reform in agriculture and upgrade rural and agricultural infrastructure. With new models of financing, we supported agricultural infrastructure construction, helped improve the quality and efficiency of the agricultural sector, improved the social safety net for villagers, and supported comprehensive land improvement and international agricultural cooperation. In 2018, we issued RMB75 billion loans to rural vitalization projects, delivering real results across the country.
To realize a future of sustainable development, we need to work together to change our model of consumption and production.

Joyce Msuya, Acting Executive Director, the UN Environment Programme (2019)

We are facing multiple pressures and burdens in building an ecological civilization. In this critical period, our job is to provide better ecological products to meet the people’s growing need for a better ecological environment. We have the means and capacity to solve the most outstanding ecological problems. We must intensify our efforts to clean up the environment and fight the tough, decisive battles to create a good environment for people to work and live in.

Opinions on Comprehensively Strengthening Ecological Protection and Fight Against Pollution by the State Council

We must promote green finance to support green development, environmental protection, and an ecological civilization. With enhanced awareness of green and sustainable development, we should consistently increase our support for programs of ecological protection, energy saving, and emission reduction. We should also innovate bond-issuing models to secure more funding for ecological initiative.

Zhao Huan, Chairman, CDB
Build a Comprehensive Green Finance Service System

Amid China’s economic restructuring and the change of growth model, green finance expedites China’s transition towards a greener economy and technological progress in environmental protection, new energy, and energy conservation. New growth potential will be unleashed to transform the growth model and realize quality growth at a faster pace.

Green finance is an important part of green development and supply-side structural reform. We need innovative financial arrangements to encourage and direct more social capital towards the green industry.

Guiding Opinions on Establishing Green Finance System by the PBOC and six other government agencies

Under the overarching goal of building a beautiful China, CDB makes efforts to achieve three targets at the same time: promoting ecological civilization, green development of industries, and the sustainable development of CDB itself. We established a system of institutional guarantee for green finance, green projects, green financial products, and green financial risk management. Our green financial services system enjoys international competitiveness and facilitates green development.

Green finance eco-system

- Green Finance
- Green industry development
- Green pilot project
- Green financial products and comprehensive financial services
- Environmental protection and rehabilitation
- Ecological Civilization
- Low-carbon and smart cities

System of institutional guarantee for green finance
- Set up “Green Finance Steering Group” to coordinate overall arrangements
- Develop a green finance system by formulating CDB Guidelines on Green Finance, CDB Provisional Regulations on Overseas Green Bonds, and CDB Regulations on RMB-denominated Green Financial Bonds
- Support a number of demonstration projects, including 52 major green projects listed in the 13th Five-Year Plan, with a focus on green infrastructure, including underground pipelines, sponge city, environmental and city infrastructure
- Support international cooperation on infrastructure for sustainable development and clean energy

System of green projects
- Focus on building a green industrial system, low-carbon and smart cities, environmental pollution treatment and ecological damage repair, green transport and green agriculture; promote green development in important areas, such as the Beijing-Tianjin-Hebei Integration Area and the Yangtze River Economic Belt
- Support a number of demonstration projects, including 52 major green projects listed in the 13th Five-Year Plan, with a focus on green infrastructure, including underground pipelines, sponge city, environmental and city infrastructure
- Support international cooperation on infrastructure for sustainable development and clean energy

System of green financial risk management
- Make environmental and social risk management part of credit management; establish clear classification standards for these risks
- Conduct and roll-out environmental stress tests
- Strengthen prevention and control of risks in key areas, reporting of major risks, and fast response
- Manage information disclosure in line with regulations, international practices, and CDB regulations on green bonds; regularly produce self-assessment report on green credit

System of green financial products
- Develop credit products for energy conservation and environmental protection, green products manufacturing, green trade, energy efficiency, and environmental rights and interests
- Explore the issuance of domestic and overseas green financial bonds, including green bonds linked to environmental impacts; support international business for green credit, such as trust, factoring, and sub-lease to upgrade technologies and develop a circular economy
- Provide clients in green industry with medium- and long-term notes and other green debt financing tools; carry out intermediate business for green credit, such as trust, factoring, and sub-lease to upgrade technologies and develop a circular economy
- Expand the scope of green asset pledging; carry out pilot projects of innovative guarantee and compensation mechanisms for cross-province water environment

Green Finance Service System

- Planning & research for green development
- Green project review
- Green credit support and innovative investment and financing models
- Evaluation of environmental impacts of green finance
- Information sharing and international cooperation on green finance
Green Credit for Green Economy

Green economy brings environmental protection and economic growth together and plays an important role in China’s development of a stronger economy, society, and ecological civilization. CDB gives strong green credit support to projects in the treatment of water and air pollution and urban environment to improve the ecological environment and promote green development for the purpose of building a beautiful China. By the end of 2018, our balance of green credit was more than RMB1.9 trillion, leading the banking industry in China.

- Worked with NDRC to carry out research on key green industries, green financial policies and developing an eco-economic belt in western China, supported the compiling of the Green Industries Catalogue (2019).
- With priorities industries as our focus, we completed a study on providing comprehensive financial services for building a country with maritime strengths and another report on financing the smart electric vehicles industry, and so on.

Planning

- Worked with industry peers in green credit research and share experience within the framework of the Green Credit Special Committee of China Banking Association to improve the CDB policy system for green credit.
- Signed a strategic cooperation agreement with NDRC to promote ecological protection and green development in the Yangtze River Economic Belt.

Institutional building

- Innovated structural financing models and explored new models of compensation for the value of ecological resources.
- Ran pilot programs of market-based financing to realize the first issuance of RMB130 million loans and conduct market-based extension of credits for afforestation projects in Xiongan New Area.

Models searching

- Three water-related projects: water pollution treatment, water environment repair, and water resources protection; issued RMB71.2 billion loans for the Yangtze River Economic Belt.
- Increased support for new and renewable energy; helped build a modern energy system that is clean, low-carbon, safe and efficient; supported 115 new energy projects in 2018.
- Supported the marine economy, maritime infrastructure development and protection of the marine environment. By the end of 2018, our balance of marine economy loans was RMB395.152 billion.

Focus areas

- Worked with NDRC and the MIIT to identify projects of corporate energy saving and emission reduction and technology upgrading; work with ministries, CIECC, and other third-parties to select and evaluate projects.

Risk management

- Huber has the longest section of the Yangtze River; it is also a crucial part of the dam area of the Three Gorges Dam and a critical water source of the South-North water transfer project. CDB worked with agencies of Hubei government on a financing plan for ecological protection and green development in the Yangtze River Economic Belt in Hubei. With repairing the ecological environment along the river being the top priority, CDB created a cluster of financing projects totaling RMB1.14 trillion. CDB Hubei Branch extended RMB191.6 billion of credit lines to 55 projects aimed at protecting the Yangtze River, contributing to a better environment along the river and encouraging new sources of growth.

Environmental impact of our green credit

- Energy saving equivalent to standard coal 59.03 million tons per year
- Reduction of the emissions of carbon dioxide 140.55 million tons per year
- Reduction of the emissions of sulfur dioxide 1.68 million tons per year
- Reduction of the emissions of nitrogen oxides 890,000 tons per year
- Reduction of chemical oxygen demand 440,000 tons per year
- Reduction of the emissions of ammonia nitrogen 50,000 tons per year
Help to Deliver a Better Life to the People
Support Ecological Conservation
Opening-up and International Cooperation
Benefits for Multiple Stakeholders
Boost High Quality Development

Green Financial Products Add to Financial Supply

Green financial products effectively meet the multi-layered, diversified investment and financing needs of green industries and make up an important part of the green finance system. CDB rolled out a whole series of green financial products and improved its capacity to provide package financial solutions and strengthen green financial services for an ecological civilization.

- Issued social responsibility concept OTC bond to integrate inclusive, poverty-reducing, and green finance in one.
- Underwrote CGNPC green MTN, the first green notes on the market of Guangdong-Hong Kong-Macau Greater Bay Area, and RMB1.5 billion green MTN of Wuhan Metro.
- CDB Securities issued green renewable corporate bonds of HBIS Group, the first of its kind on the market, to support technological upgrading; issued green renewable corporate bonds of Xinhua Hydropower, the first for an SOE under the central government, to support the development and use of clean energy; issued the first corporate bonds by a leading private enterprise, BYD, to develop new energy vehicles.
- CDB Securities underwrote the first Green Panda Bond for sustainable development to support Beijing Enterprises Clean Energy Group.
- CDB Capital invested RMB14 billion over the year to support PV, wind power, and urban environment treatment.
- CDB Securities issued Kaiyuan 2018 Phase 2 ABS, the first green credit ABS on the inter-bank market. Valued at RMB3.14 billion, it raised funds for green investments.
- CDB Leasing provides leasing services for clean energy, energy efficient equipment and new energy vehicles. By the end of 2018, it leased 24,600 new energy vehicles.
- Factored new energy subsidy receivables for the first time and provided RMB4.4 billion financing support for new energy businesses.

 Loans for a beautiful Changchun

Yitong River on Changchun Plain, Jilin is the source of life in the region. In response to the hope of the local community for a more beautiful environment in the river basin, CDB Jilin Branch disbursed RMB4.2 billion loans to make it greener.

To improve energy mix and fight against pollution, CDB Inner Mongolia Branch disbursed RMB10.979 million loans to 45 wind power projects, such as the Bayin Hanggai 200MW project in Urad Middle Banner, to increase the use of renewable energy in Inner Mongolia and thereby improving the power mix of the whole country.
Supporting the Belt and Road to achieve the 2030 Agenda for Sustainable Development.

the UN Development Programme (UNDP) (2018)

We should work together through dialogue and consultation for win-win results, learn from each other, and maximize potential for cooperation with BRI countries. We will promote greater political mutual trust, economic integration, and cultural ties by taking solid steps forward. The BRI must promote in-depth cooperation and deliver tangible benefits to the peoples, so as to help shape a human community with a shared future.

General Secretary Xi Jinping at the conference marking the 5th anniversary of BRI

We will carry out international cooperation and build a circle of friends for global financial cooperation, paving the way for BRI projects.

Zhao Huan, Chairman, CDB

CDB follows the principles of inclusive development, common benefits, and risk sharing in carrying out cooperation, continuously deepens its strategic and financial coordination with various parties, and offers robust support to the BRI’s high quality development.

CDB
Common Development and Prosperity

We stepped up our presence in the key regions, fields, and projects under the BRI to provide financial services. In 2018, we issued USD18.5 billion BRI loans, giving full support as the initiative produced win-win results.

- Increased financing
  - We made real progress in providing RMB250 billion equivalent of special loans; by the end of 2018, we had pledged RMB466.5 billion equivalent loans.

- Greater service network
  - We set up four new representative offices in Astana, Minsk, Jakarta, and Sydney respectively, extending our global network which now includes one branch in Hong Kong and ten representative offices abroad.

- Deeper financial cooperation
  - We continued to carry out credit extension cooperation with overseas financial institutions, including the Brazilian Development Bank, National Bank of Egypt, African Export-Import Bank, and Qatar National Bank.

Support China-New Zealand industrial cooperation

Dairy industry is an economic pillar of New Zealand. CDB Shanghai Branch issued USD55.08 million loans to its Mataura Valley milk factory. Upon completion, it will provide fine and safe dairy products for consumers, adding to the momentum of China-New Zealand business cooperation.

Protect Angkor Wat for tourism industry in Cambodia

Angkor Wat, the world’s biggest temple, is the national treasure of Cambodia. Yet located only five kilometers away from Siem Reap International Airport, it is threatened by the frequent takeoffs and landings. Responding to the call of the UN Educational, Scientific and Cultural Organization to protect world historical heritages and meeting the growing need of tourists, Cambodia decided to relocate the airport. After communicating with the Cambodian government and the businesses involved, we put together a loan syndication to provide USD660 million to finance construction, helping to speed up the development of the tourism in the country.

Join the fight against Idai

In mid-March 2019, the intense tropical cyclone Idai ravaged Mozambique, Zimbabwe, and Malawi. On March 27, witnessed by the Chinese Ambassador to Mozambique and officials from the disaster response agencies of Mozambique, China-Africa Development (CAD) Fund joined hands with China-Portuguese Speaking Countries Cooperation and Development Fund and Wanbao African Agriculture Development Company to donate 100 tons of rice to Mozambique to help the affected regions tide over the difficulties.
Since we proposed the BRI in the autumn of 2013, more and more countries are joining in. China is more deeply involved in global cooperation. This initiative is China’s solution to improving global economic governance, promoting common development and prosperity across the world, and building a human community with a shared future.

General Secretary Xi Jinping at the conference marking 5th anniversary of BRI

CDB is deeply involved in government-sponsored research and planning of bilateral and multilateral cooperation under the BRI. Drawing on the strengths of each other, we worked with various partners to formulate cooperation plans, enhance synergy between our respective state strategies, and pursue common development and interests.

**Cooperation on planning**

- Multilateral planning: focus on economic corridors among China, Mongolia, and Russia; China and Pakistan; and Bangladesh, China, India, and Myanmar; promote interconnectivity between countries along the Lancang-Mekong River and countries along the Adriatic Sea, the Baltic Sea and the Black Sea;
- Bilateral planning: deepen research in inter-governmental cooperation between China and Kazakhstan, the Laos, Cambodia, Tajikistan and Kuwait; promote steady progress in cooperation in research between China and Sri Lanka, Saudi Arabia, Qatar, and Indonesia;
- Topical planning: bilateral production capacity cooperation between China and Kazakhstan, Mozambique, Tanzania, Republic of Congo and Jamaica; China-Indonesia cooperation; China-Vietnam land-based infrastructure, China-Indonesia regional comprehensive economic corridor; Suez Canal Corridor

**Chinese solutions**

- Research in BRI financial innovation and financing models; publish works such as *Report on Legal Risks in BRI Countries*; work with the UNDP and Peking University to produce *Economic Development along the Belt and Road Report*; work with China Center For International Economic Exchanges to release BRI Trade and Investment Index;
- Committed to BRI’s sustainable development; work with the UNDP on the report of *Harmonizing International Standards in Financing and Investment Towards Sustainable Development along the Belt and Road*, release the *Report on BRI’s Sustainable Development (2018)* together with University of International Business and Economics;
- Committed to BRI’s sustainable development; work with the UNDP on the report of *Harmonizing International Standards in Financing and Investment Towards Sustainable Development along the Belt and Road*, release the *Report on BRI’s Sustainable Development (2018)* together with University of International Business and Economics;

To build mutual trust, share experience and knowledge, and realize common development, we engaged in capacity building cooperation with BRI countries, supporting their education and healthcare schemes so that more will be able to benefit from the development generated by the BRI.

**Connect hearts and minds**

- Share ideas and experience in various way with governments, financial institutions, and enterprise and create platforms for communication and dialogue; between 2013 and 2018, held 120 communication events covering 3,304 people from 58 BRI countries;
- Set up BRI scholarships for outstanding young persons from BRI countries to study in China and build a reservoir of young talents with an international vision; between 2013 and 2018, sponsored and awarded 353 students;

**Healthcare and education support**

- Support the construction of schools and hospitals where the projects are located and help BRI countries improve their education and healthcare facilities to better provide public services;
- Projects invested by CAD Fund brought four hospitals and nine schools to the local communities in Africa.

**Infrastructure**

- Support water, land, and air infrastructure projects, such as Vientiane-Yang Viang motorway in the Laos, Colombo South Terminal in Sri Lanka, Siem Reap Airport in Cambodia;
- Support electricity infrastructure; between 2013 and 2018, supported a total installed capacity of 59,000 MW of electricity projects under the BRI;
- Support BRI countries upgrading their water, hydropower, wind power, and solar power systems; by the end of 2018, issued an accumulative USD6.4 billion loans to BRI clean energy projects

**Production capacity cooperation**

- Support economic and trade zones, such as the Egypt TEDA Suez Economic and Trade Cooperation Zone, Great Stone Industrial Park and Indonesia Merwani Industrial Park, which have become fine examples of cooperation;
- Create special lending scheme for Lancang-Mekong River production capacity cooperation

**Financial cooperation**

- Work through bilateral and multilateral financial cooperation arrangements, loan syndications, inter-bank credits, BRI Bonds to encourage private funding towards BRI;
- By the end of 2018, put in place a global network composed of a Hong Kong Branch and ten representative offices abroad, laying a good foundation for greater financial cooperation.

**Shared outcomes to the benefit of the people**

- Shared development vision and consensus;
- Shared development for self-development capacity;
- Concerted efforts in priority areas for self-development capacity

**Projects invested by CAD Fund brought four hospitals and nine schools to the local communities in Africa.**

**Projects invested by CAD Fund brought four hospitals and nine schools to the local communities in Africa.**
Develop Global Partnerships for Financial Cooperation

To promote bilateral and multilateral financial cooperation, we advocated the establishment of inter-bank associations between China and Arab states and China and Africa in 2018. We integrated investment and financing cooperation with capacity building and at the same time made real progress under the frameworks of inter-bank associations of the Shanghai Cooperation Organization, between China and Association of Southeast Asian Nations countries and between China and Central and Eastern European Countries (CEEC). With this global circle of friends, we pooled together the financial strength of different countries in support of the sustainable development of BRI countries.

- We initiated China-Arab Countries Inter-Bank Association in July 2018 and earmarked USD$7 billion special loans for financial cooperation with the goal of establishing long-term, stable, and mutually beneficial financial partnerships to support China-Arab countries cooperation across the board.
- President Xi Jinping announced at the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) the establishment of a USD$10 billion CAD fund.
- In September, on our initiative, CAIBA was formally established. This is the first multilateral financial cooperation mechanism between China and Africa. It will make contribution to building a community with a shared future for China and Africa.

In April 2018, CDB held a China-CEEC BRI and regional financial cooperation seminar, bringing together officials from the Foreign Ministry and Commerce Ministry and senior managers from 13 foreign banks that joined the inter-bank association, for example the Bulgarian Development Bank. Participants had an in-depth discussion on institutional building of the inter-bank association, addressing the priority areas and the development concerns of member states and banks. The interaction enhanced mutual understanding and identified opportunities for bilateral and multilateral cooperation, moving forward our practical cooperation.

"CDB has been in Africa for many years, giving huge support to the African economy. We are confident the newly established inter-bank association will bring more funding for Africa’s development.”

Wendy Lucas-Bull, Chairman, Amalgamated Banks of South Africa

"CDB has an excellent cooperative relationship with Egypt by working with SMEs and through sub-loans. I believe the association will further deepen the exchange and cooperation between Chinese and African financial institutions, expand areas of cooperation, and target more closely the development needs of African countries.”

Mohamed Eletreby, President, Banque Misr

“CDB supports projects in Africa that have Africa’s future in mind and offer a bright prospect. I hope CDB will increase its support for infrastructure development in the Democratic Republic of the Congo (DRC) and work with our local commercial banks in projects and financial cooperation to support the growth of our country.”

Benoît de Carbonnières, Southern Region Manager, Rawbank of DRC
The economic, social and environmental dimensions of sustainable development call for a fully integrated approach that engages everyone. Partnerships are critical for achieving progress across the full 2030 Agenda for Sustainable Development.

Amina J. Mohammed, Deputy Secretary General of the UN (2019)

We must conduct serious studies to know our clients in order to tailor our financial products and services to the needs of the real economy and use our financial resources with greater precision.

Notice on Providing Quality Support for a Stronger Performance of the Real Economy by the China Banking and Insurance Regulatory Commission (CBIRC)

Our corporate culture is the source of energy of our employees and development finance as a whole.

Zhao Huan, Chairman, CDB

CDB is committed to its social responsibilities and sustainable development; it leverages its financial resources to advance SDGs in the economy, society, and environment and delivers benefits to all stakeholders.

CDB

We must put in place a new mechanism for the management of group clients and shift our whole management system from project-centered to client-centered.

CDB
Serve Clients to Meet Diversified Needs

Package financial solutions

We are committed to being a provider of package financial solutions for our clients. Our headquarters work in close coordination with our branches in client management to manage the different lines of business of the same client in a cohesive way; our parent company and subsidiaries work as an integrated whole on the market to provide quality financial products and services.

Better customer experience

In 2018, we streamlined the procedures for companies to open accounts with us and ensured compliance with a common set of standards in our OTC services, putting in place a layered service system composed of counters, online banking, and smart devices. Our client service was improved, offering better customer experience.

- Following Guidance on Streamlining Services for Businesses to Open Bank Accounts by the PBOC, we launched an online platform for making appointments which increased our efficiency in opening accounts.
- We formulated Standards for a Better Image of CDB Service Offices to help develop our own brand of counter service.
- We prepared plans for bettering the services at our branches, under which professional uniforms were worn by employees in banking operations across our branches for the first time, and our branches and counter services became more professional.
- We enabled our clients to print out receipts by themselves to free up resources at the counter and make our services smarter.
- To improve client service, CDB Shanxi Branch created flexible account service windows, enabled self-printing of receipts, streamlined review procedures, and shortened the time needed for opening an account to take care of our clients’ needs more efficiently.
People’s longing for a better life is our enduring responsibility. We contributed to charity programs in the social sectors in most urgent need of help, such as elderly care, education, and healthcare, providing dedicated and continued support and establishing partnerships with charity groups to innovate and enrich the forms of charity events and spread the benefits to more people. In 2018, CDB was awarded One of Ten Best Charity Enterprises of the Year at the “Action League Charity Program 2018 Ceremony”.

Charity programs for communities improve lives for everyone, enhance social stability and harmony, reflect the essence of our national heritage, and foster a positive social environment.

Opinions on Government Transparency in Promoting Charity Programs by the State Council

Devoted to Public Welfare

CDB worked with China Youth Development Fund on a “Happy Music Classroom” program, and building “CDB-Hope Project Happy Music Classrooms” equipped with musical instruments and facilities and organized training courses for music teachers to improve their capabilities. Students in poor regions can thus access better music education resources and develop their musical talents. In 2018, we donated RMB2 million, covering 66 schools, 65 music teachers, and nearly 10,000 students.

CDB’s support for the creation of the Warm Winter Stand in Wuchuan County, Guizhou, has helped local residents with disabilities to earn a living and improve their living standards.

CDB worked with the China Population Welfare Foundation on the “Yellow Wristband” program, supporting the research and development of yellow wristbands with Global Position System functions and organizing health lectures for seniors. In 2018, we donated RMB2 million, handed out 3,700 wristbands, carried out 31 offline training sessions, and benefited more than 5,000 seniors.

CDB and the ‘New Great Wall’ helped me in my most difficult times and made me warm in heart. I cherish the opportunity to study in my university and will live up to the expectations of those who helped me. I hope one day I will also be able to extend a helping hand to others.

Chao Jing, Student, Kashgar University

It has been a dream of mine to receive training in the capital city. Thanks to the ‘Colored Candle Project’ funded by CDB, I realized this dream in Beijing Normal University. Now I have a clearer vision about how to manage my school. I am confident, as long as we work hard, children in poor regions can also enjoy good education.

Lan Jun, Principal, Huanghua Primary School in Gulin County, Sichuan
Volunteer Services for Harmonious Communities

Devoted to volunteering

Our staff members are happy to extend a helping hand to communities. We joined initiatives aimed at reducing poverty, giving financial assistance to poor students, and caring for the elderly, instilling a sense of social responsibility in our team and contributing our share to social progress.

- **Over 1,500 registered volunteers**
- **97,200 hours volunteer services**

Consumption for poverty reduction

Consumption is an effective tool to mobilize private actors in the fight against poverty. CDB Jiangsu Branch drew on the philosophy and toolkits of development finance and worked with online platforms for the sales of agricultural produce in innovative ways to develop long-term mechanisms for poverty alleviation. We helped to expand the distribution channels for poor areas, upgrade their industries, increase individual incomes, and involve members of the public in fighting poverty.

Marketing oranges to increase income

Quannan County, Jiangxi is paired up with CDB for joint poverty reduction in the local community. In April 2018, Yang Fan, a CDB staff member, came here to work on the poverty challenges. After learning about local conditions, he decided to promote the fine agricultural produce of the county. He helped to develop and roll out the “Orange Bank”, a solution to engage consumers to support local orange growers financially. This scheme effectively expanded the distribution channel and increased local incomes.

Help for students

CDB organized “Hand in Hand, We Are Family” summer camps for young students from Xinjiang to appreciate the natural beauty and cultural heritage of the country. The 27 students who joined the program learned about China’s history and culture and raised their awareness of environmental protection and low-carbon development.

Happy families

In 2018, CDB organized staff donations for poor mothers raising over RMB400,000 and visited poverty-stricken areas to bring medicine and daily necessities to poor mothers.
Spread financial knowledge

We introduced initiatives, such as “Financial Knowledge for Everyone”, “Financial Knowledge for Students”, and “Financial Knowledge Month” to educate the public about anti-money laundering, CDB student loans, and the dangers of Peer to Peer loans targeting students. Our staff members volunteered 432 times in these events with a direct audience of over 10,000, thus increasing public awareness of financial safety.

“Protect Your Purse and Your Integrity” events on campuses

In June 2018, acting in line with Notice on Spreading “Financial Knowledge and Protecting Individual Financial Safety” in 2018 by the PBOC, CDB set up booths on campuses to offer free booklets on how to access our student loans and give lectures on financial knowledge, raising student’s awareness of financial safety and personal integrity.

“Financial Knowledge for Everyone”

To educate the public about financial safety and risks, CDB Xiamen Branch worked with Xiamen Financial Working Committee of the Municipal Youth League to hold an event for a local community in the city.

Staff Caring and Career Development

CDB protects the lawful rights and interests of its staff members and promotes their individual development. By the end of 2018, we had a total staff of 9,607; 98.27% of whom hold a bachelor’s degree and above and 41.04% of whom are female.

Measures to protect staff rights and interests

- Held the third employee’s congress and handled 153 proposals
- Staff representatives examined three basic documents, such as CDB Provisional Measures for Ensuring Accountability, CDB Staff Code of Conduct, CDB Special Group Contract for Protecting Female Employees’ Rights; staff members’ rights to inform, participate, express, and supervise were effectively protected.
- Awarded as National Demonstration Financial Institution for Employee Representative Meeting System
- Improved performance evaluation system and remuneration system to provide effective incentives and restraints
- Provided quality and convenient healthcare assistance and held regular health lectures and physical examinations to protect employees’ physical and mental well-being

Training for female employees

CDB trade union held training events for female employees through interactive role plays to teach skills in handling psychological issues.
Career development

We offered Party-school training and professional training in and outside CDB in various forms and at different levels to cover the entirety of our staff. We opened up multiple paths for employees’ career development, honing their professional skills and strengthening their character, developing a team of high-caliber professionals.

- All members of middle and junior management are trained in different groups on the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.
- CDB leadership gave lectures in Party schools on fighting poverty and innovations of financial technologies.
- 25 training sessions were provided for a total of 1,800 participants.
- We provided training for different groups, such as customer managers, overseas employees, accountants, and those who work on capital, market, and investment.
- To broaden employees’ international horizon, we organized five short-term training programs in universities such as Massachusetts Institute of Technology and the University of Michigan.
- We provided training on a number of key topics, such as case on risk management and training sessions on evaluation, credit and legal compliance.
- We engaged in exchange with the Asian Development Bank and Mizuho Bank and sent 30 outstanding staff members to Barclays and the Amalgamated Banks of South Africa for a short term on-the-job training.
- We started Development Finance Classroom to hold lectures on the macroeconomic situation and cutting-edge technologies to improve the knowledge structure of our staff.

Caring for employees

- Renewed CDB Special Group Contract for Protecting the Rights and Interests of Female Employees
- Regularly updated information about female employees in difficulties
- Put together Compilation of Laws and Regulations for Protecting Female Employees’ Well-being by Trade Unions
- Carried out reading contest for female employees
- Improved facilities in lactation rooms
- Extended assistance on New Year’s Day and Chinese Spring Festival to a total of 873 employees
- 18,460 daily home visits

Green office

CDB advocates a strong environmental awareness and carries out office work in a green and low-carbon way. In 2018, CDB innovation in electronic document management system was awarded the prize of Best Digital China Practice. Our student loans system is completely run in a paperless way which increased our efficiency and saved resources.

- Raise awareness of environmental protection by using WeChat, display boards, and booklets
- Held 995 video-conferences, reducing 8,650.3 tons of carbon emission
- Electronic management of student loans across the country, saving 40 million pieces of paper over the year
- Strict garbage sorting, beautify working environment
- Psychological evaluation and one-on-one counseling
- Special funds for fitness programs
- Organized relaxing tours for 77 outstanding employees and their families and visited to poverty alleviation and urban renovation projects
» Develop corporate culture

CDB promotes a culture of “Happy Work, Healthy Life”. The CDB trade union and youth league organize various cultural and sport events to enrich the life of employees and increase their devotion to work.

Organized a series of events entitled “Growing with Reform and Opening-up”, such as youth league event, writing contest, speech contest, and “Reform and Development” youth forum.

Ten Best CDB Employees shared their moving personal stories of devotion.
Outlook

In 2019, the People’s Republic of China celebrates its 70th anniversary and makes the final push towards a moderately prosperous society in all respects and the first centenary goal. It also marks the 25th anniversary of CDB and witnesses our renewed efforts in support of China’s high quality development. CDB will keep to its mandate as a DFI, act on the new development philosophy, and leverage our strengths to holistically supply-side structural reform in the financial sector, strengthen the real economy, and improve people’s lives. To better facilitate development, we will make our efforts more focused and step up support in key industries and under-developed sectors to enable sustained progress in the economy, society, and environment.

Robust Party building. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will maintain political integrity, think in terms of the big picture, follow the leadership core, and keep in alignment with the Central Party leadership; enhance confidence in the path, theory, system, and culture of socialism with Chinese characteristics and uphold the authority of the Central Committee and faithfully follow the Party’s theories, lines, principles, and policies. We will ensure full and strict governance over the Party, which guarantees rigorous governance of the Bank, and implements the decisions and plans of the Central Committee of CPC and the State Council to effectively fulfill our mission and duties as a DFI.

Support the real economy. To shore up the weak links in infrastructure, we will help materialize a number of major energy, infrastructure, we will help materialize a number of major energy, infrastructure, production capacity cooperation, and financial cooperation to help create jobs and improve lives. We will make sustainable development concepts an integral part of project selection, implementation and management, increase the supply of green finance, and help partner countries upgrade their industries and realize green and sustainable development.

Enhance capacity building for our own sustainable growth. Risk management will figure more prominently on our agenda. As we support steady economic growth, we will guard against risks, constantly improve our risk management systems and mechanisms, strengthen risk control in the most important areas, and take multiple steps to make our risk control more targeted and effective. We will improve business management to deliver a stronger performance with greater efficiency and lay a solid foundation for the sustained growth of the bank.

Key Data

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<td>Loans and Advances, Gross</td>
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<td>NPL Ratio (%)</td>
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<td>Allowance for Loan Losses to Total Loans</td>
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<td>Debt Securities Issued</td>
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<td>Total Equity</td>
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<td>Return on Assets (%)</td>
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<td>Return on Equity (%)</td>
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I. Economic Indicators

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<tbody>
<tr>
<td>Total Urban Renewal Loans</td>
<td>698.0</td>
<td>880.0</td>
<td>972.5</td>
</tr>
<tr>
<td>Urban Renewal Loans to Central Western and Northeast Regions as Percentage of Total Urban Renewal Loans</td>
<td>66.69</td>
<td>66.03</td>
<td>64.81</td>
</tr>
<tr>
<td>Total Education Loans</td>
<td>28.7</td>
<td>25.2</td>
<td>22.9</td>
</tr>
<tr>
<td>Students Benefiting from the Education Loans (in 10,000 Students)</td>
<td>2,622.6</td>
<td>2,219.8</td>
<td>1,854.9</td>
</tr>
<tr>
<td>Total Emergency Loans</td>
<td>0.4</td>
<td>8.5</td>
<td>13.8</td>
</tr>
<tr>
<td>Total Urban Infrastructure Loans</td>
<td>378.9</td>
<td>416.4</td>
<td>259.3</td>
</tr>
<tr>
<td>Public Welfare Donations (in RMB1,000)</td>
<td>5,478.8</td>
<td>4,607.6</td>
<td>4,463.9</td>
</tr>
<tr>
<td>Client Satisfaction (%)</td>
<td>96.5</td>
<td>96.4</td>
<td>94.2</td>
</tr>
<tr>
<td>Total Number of Employees (Personnel)</td>
<td>9,507</td>
<td>9,147</td>
<td>8,939</td>
</tr>
<tr>
<td>Proportion of Female Employees (%)</td>
<td>41.04</td>
<td>40.88</td>
<td>40.83</td>
</tr>
<tr>
<td>Employee Satisfaction (%)</td>
<td>99</td>
<td>98</td>
<td>98</td>
</tr>
</tbody>
</table>

II. Social Indicators

Sustainability Report 2018
2. This refers to total loans in both RMB and foreign currencies made by branches in central and western regions. The central and western regions include Shanxi, Hainan, Jilin, Jiangxi, Inner Mongolia, Anhui, Hunan, Ningxia, Gansu, Qinghai, Shaanxi and Xinjiang.

3. This refers to total loans made to projects located in the three provinces in Northeast China, namely, Liaoning, Jilin and Heilongjiang.

4. This represents the urban renewal loans made to central, western and northeastern regions as a percentage of urban renewal loans made to all regions in China.

5. This represents loans made within one year (included) based on rapid response decision-making as part of the Bank's scope of business, and provided to the afflicted enterprises or institutions can resume their normal productions and operations.

6. This represents the urban renewal loans made to central, western and northeastern regions as a percentage of urban renewal loans made to all regions in China.

7. This represents the amount of actual cash donations to external causes made by the head office and the branches.

8. This represents the average consumption per person of electricity, paper and water by full-status employees of the head office.

9. This represents the total amount of online banking transaction amount.

10. This represents the balance of loans to the 12 categories of projects as set out by CBIRC in the Circular of CBIRC General Office regarding the Reporting of Green Loan Statistics (CIRC [2013] No.185).

11. This represents the balance of loans to the 12 categories of projects as set out by CBIRC in the Circular of CBIRC General Office regarding the Reporting of Green Loan Statistics (CIRC [2013] No.185).
Independent Practitioner's Assurance Report

To the Board of Directors of China Development Bank

We have been engaged to perform a limited assurance engagement on the selected 2018 key data as defined below in the 2018 Sustainability Report (“the Sustainability Report”) of China Development Bank (“the Bank”).

Selected key data

We carried out limited assurance on the environmental indicators and social indicators in the table of key data in the Bank’s 2018 Sustainability Report.

Our assurance was with respect to the selected key data in the 2018 Sustainability Report only and we have not performed any procedures with respect to any other elements included in the 2018 Sustainability Report or information in 2017 and earlier periods.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2018 Sustainability Report is set out in the footnotes to the table of key data (the “basis of reporting”).

The Board of Directors’ responsibilities

The Board of Directors is responsible for the preparation of the selected key data in the 2018 Sustainability Report in accordance with the basis of reporting.

Our Independence and Quality Control

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

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

Accountant’s Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2018 Sustainability Report based on our work.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank’s 2018 selected key data in the 2018 Sustainability Report has been prepared, in all material respects, in accordance with the basis of reporting, Our work involves assessing the risks of material misstatement of the selected key data in the 2018 Sustainability Report and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk.

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

• Heilongjiang Branch
• Ningxia Branch
• Shandong Branch

We performed the following procedures:

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

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2018 selected key data in the 2018 Sustainability Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

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

Shanghai, China
26 June 2019

PricewaterhouseCoopers Zhong Tian LLP
What We Did to Deliver the Ten Principles of the UNGC

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. We comply with all applicable human rights laws and regulations in China and in regions where we operate, and maintain a 100% record in signing labor contracts with our staff. We exercise democratic management and oversight, listen to employees’ suggestions, protect the lawful rights and interests of our staff, and provide them with five insurance schemes, including endowment, medical, unemployment, work injury, and maternity. We improve the remuneration system and its method of distribution.

- Principle 2: make sure that they are not complicit in human rights abuses. We comply with all international conventions entered into or recognized by the Chinese government, and we honor the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and other conventions and declarations.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. We have a well-established system for employee representation. Trade unions are universally created, proposals made at the congress of workers and staff are handled, employees’ rights to information, participation, expression, and oversight are fully implemented, and democratic management at the lowest level is enhanced to protect the basic rights and interests of employees.

- Principle 4: the elimination of all forms of forced and compulsory labor. We prohibit all forms of forced labor, formulated CDB Code of Conduct on Employment and Occupation, and the effective recognition of the right to collective bargaining; to environmental challenges; and the removal of discrimination in respect of employment and occupation.

- Principle 5: The effective abolition of child labor; We prohibit all forms of child labor within the bank and its supply chains

- Principle 6: the elimination of discrimination in respect of employment and occupation. We select people on merit and in a fair, equal, and competitive way, and prohibit discrimination based on race, gender, nationality, age, disability, marital status, religion, culture, and language. Female employees account for 41.04%. We care for employees with financial difficulties, in poor health, retired, or female employees.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges; We develop a comprehensive green financial service system and vigorously promote green credit. Our balance of green loans by the end of the year reached RMB76.9 billion, and the proportion of green credit in our corporate and investment loans reached 23.2%. We support the implementation of the Paris Agreement on climate change and continue to increase our support for clean energy projects. We developed a set of green loan standards and practices.

- Principle 8: undertake initiatives to promote greater environmental responsibility. We support environment-friendly industries, low-carbon and smart cities, and environmental improvement projects. We also support clean and renewable energy, circular economy, energy conservation and environmental protection. We promote green office practices to improve efficiency and save resources.

- Principle 9: encourage the development and diffusion of environmentally friendly technologies. We provide strong support to priority industries including clean and renewable energy, circular economy, energy conservation and environmental protection. We issued RMB76.9 billion medium- and long-term loans to clean energy projects over the year.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. We make constant efforts to improve conduct, build stronger discipline, strengthen supervision and accountability, exercise supervision over positions vulnerable to integrity risks, develop the system for punishment and prevention, reinforce anti-money laundering management, and improve business operations in compliance with laws and regulations.
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<tr>
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<td>GRI 103 Management Approach</td>
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<td>103-3 Evaluation of the management approach</td>
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<tr>
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<td>3.1 Sustainable Development Practice: Step up Support for the Real Economy; 3.1.5 Highlight: Shore up the Weak Links in Energy and Transport Infrastructure</td>
<td>3.3.1 Green Credit for Green Economy; 3.5.5 Staff Caring and Career Development</td>
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<tr>
<td>GRI 302 Energy</td>
<td>203-2 Significant indirect economic impacts</td>
<td>3.1 Boost High Quality Development: CDB Actions</td>
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<tr>
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<td>2.1 How We Pursue Sustainable Development: Strengthen the Party’s Leadership</td>
<td>3.5.5 Staff Caring and Career Development</td>
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<tr>
<td>GRI 304 Water</td>
<td>205-2 Water source significantly affected by withdrawal of water</td>
<td>3.5.5 Green Credit for Green Economy</td>
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<tr>
<td>GRI 413 Local Communities</td>
<td>GRI 103 Management Approach 103-1</td>
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<td>3.2 Help to Deliver a Better Life to the People; CDB Actions; 3.5 Benefits for Multiple Stakeholders; CDB Actions</td>
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<tr>
<td>GRI 417 Marketing and Labeling</td>
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<td>3.5.1 Serve Clients to Meet Diversified Needs; 3.5.3 Staff Caring and Career Development</td>
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<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS1</td>
<td>Policies with specific environmental and social requirements included in agreements or transactions</td>
<td>3.4 Benefits for Multiple Stakeholders; CDB Actions</td>
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<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS2</td>
<td>Procedures for assessing and screening environmental and social issues for each business line broken down by purpose</td>
<td>3.5 Help We Pursue Sustainable Development: Strengthen the Risk Management and Control</td>
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<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS3</td>
<td>Procedures for monitoring clients’ implementation of and compliance with environmental and social requirements included in agreements or transactions</td>
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<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS4</td>
<td>Procedures for improving staff competency to implement the environmental and social policies and procedures as applied to business lines</td>
<td>3.5.3 Staff Caring and Career Development</td>
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<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS5</td>
<td>Interactions with client/venturer/business partners regarding environmental and social risks and opportunities</td>
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</tr>
<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS6</td>
<td>Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector</td>
<td>Not Applicable</td>
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<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS7</td>
<td>Monetized value of products and services designed to deliver a specific social benefit for each business line broken down by purpose</td>
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<td>G4 Financial Services Sector Supplement</td>
<td>FS9</td>
<td>Percentage of companies held in the institution’s portfolio with which the reporting organization has interacted on environmental or social issues</td>
<td>Not Applicable</td>
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<tr>
<td>G4 Financial Services Sector Supplement</td>
<td>FS10</td>
<td>Percentage of assets subject to positive and negative environmental or social screening</td>
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<td>G4 Financial Services Sector Supplement</td>
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<td>Percentage of assets subject to positive and negative environmental or social screening</td>
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<td>3.5.5 Green Financial Products Add to Financial Supply; 3.5.1 Serve Clients to Meet Diversified Needs</td>
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Notes to the Report

This Sustainability Report (the Report) presents the true state of affairs with respect to the sustainable development of China Development Bank.

Period Covered:
1 January 2018 to 31 December 2018, including certain information outside this timeframe.

Frequency of Publication:
The Report is an annual report.

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

References:

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

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

Contact:
Tian Qing
Tel: 86-10-88309375
Fax: 86-10-88309169
E-mail: csr@cdb.cn
Dear reader,

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

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

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

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

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

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

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

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