

The realities of doing business in China

Sustainability in Chinese banks

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Association for Sustainable & Responsible Investment In Asia

Top ten global financial institutions

		Market Cap. (\$bn)
1	ICBC	195
2	Berkshire Hathaway	193
3	Bank of America	173
4	HSBC Holdings Plc	171
5	Wells Fargo & Co.	171
6	JPMorgan Chase	166
7	China Construction Bank	164
8	Bank of China	120
9	Banco Santander	96
10	China Life	93

* as of 11/5/2010

Catalysts for change – government policy

“Money overrides morality can no longer be tolerated in China.”



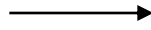
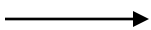
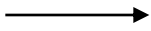
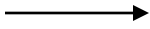
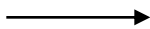
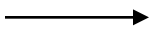
**Cheng Siwei,
Vice Chairman,
National People's Congress Standing Committee**

“... balance between social responsibilities and business interests.”



**Xiao Gang,
Chairman,
Bank of China**

Catalysts for change – external pressure



Catalysts for change – competitive positioning

“As we enter the twenty first century, the concept of corporate citizenship has become an important aspect of economic globalisation.”



**Gao Jianping,
Chairman,
Industrial Bank Co. Ltd.**

“Corporate governance is an important tool for maximising shareholder value.”



**Jiang Jianqing,
Chairman,
Industrial and Commercial Bank of China**

“Liang Gao” industries

14 industries identified by MEP as particularly energy intensive, polluting and excessive in production capacity

thermal power	iron and steel	cement
aluminium	coal	metallurgy
building materials	mining	chemicals
oil	pharmaceuticals	light industry
textiles		leather

Challenges remain

“Overall, Chinese banks still lag behind international best practice for environmental credit risk management systems, public reporting, and stakeholder engagement.”



“.. still not easy for many banks to figure out an effective mechanism for green leading.”



“.. a vital factor for the success of the “green credit” policy depends on the attitude and commercial practices of banks”



Chinese banks lending abroad

	<p>Bui dam, Ghana Kafue Flats dam, Zambia Merowe dam, Sudan Belinga iron ore mine, Gabon Ramu nickel mine, Papua New Guinea</p>
	<p>Sasan power project, India Coal fired power plants, PLN, Indonesia</p>
	<p>Belinga iron ore mine, Gabon</p>
	<p>Ramu nickel mine, Papua New Guinea</p>

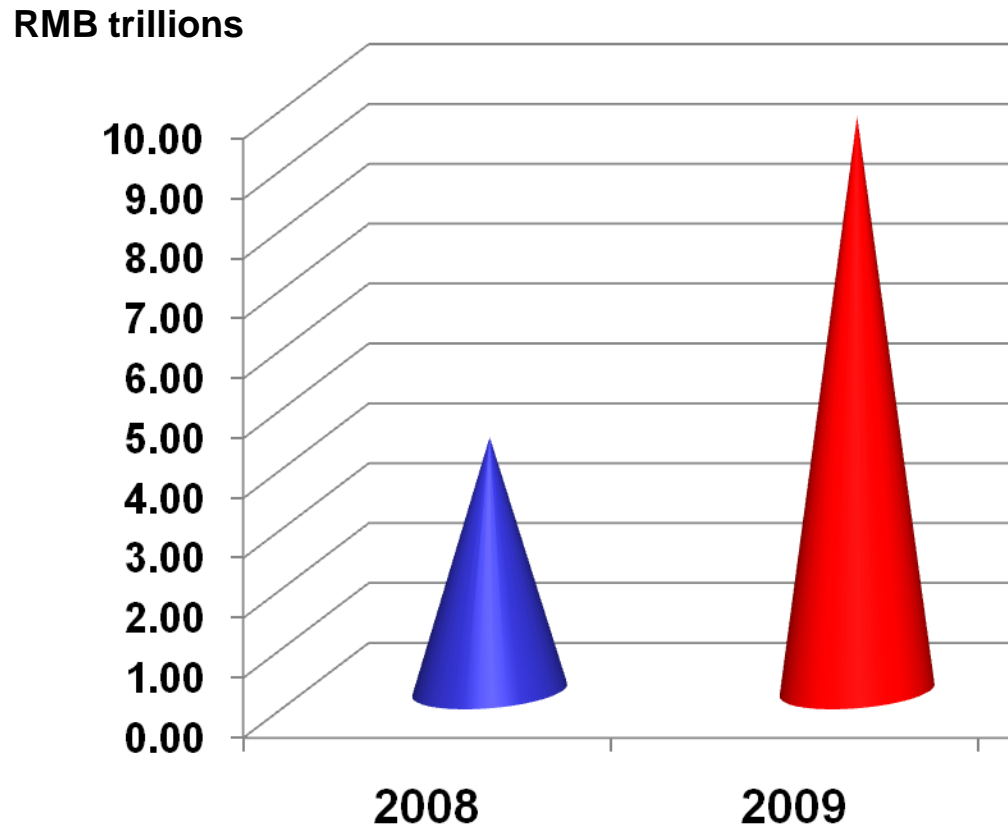
* Selected projects in the news

Participation in international conventions

* as at 20/1/2010

Unprecedented growth in bank lending



Environmental concerns downplayed

“Not only are pollution and ecological degradation becoming ever more serious, but also people are more and more unsatisfied about the situation.”



**Pan Yue,
Vice Minister,
Ministry of Environmental Protection**



“The Chinese government’s most strident defender of the environment, Pan Yue, has been pushed out of the political limelight as policymakers ramp up plans to bolster the faltering economy.”

The Guardian, 12th March 2009

Sustainability “with Chinese characteristics”





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**Association for Sustainable & Responsible
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