Time measures the progress of pioneers, and witnesses the dream of strivers. Time elapses in sweat and gains, and renews in yearning and hope.

For China, 2018 is the 40th anniversary of the reform and opening up. For Agricultural Bank of China, 2018 is a year for deepening its reform and development, and the first year for comprehensively implementing the guiding principles of the 19th CPC National Congress. Standing at a new starting point, we held high the great banner of socialism with Chinese characteristics, firmly implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and spared no efforts to embark on a new journey of reform and development for ABC in the new era.

Efforts never fail and dreams have never been closer. In 2018, we adhered to the philosophies of "giving priority to CSR, benefiting the general public, shouldering responsibilities, and promoting the well-being of society." We seized the trend, led the future, set forward and never stopped. With wisdom and perseverance, we composed a beautiful song of "Sannong" service. With sweat and struggle, we drew a gorgeous painting of promoting the high-quality development of the real economy. With performance and responsibility, we vigorously answered to the call of "The Three" tough battles with efforts and pioneering spirit.

We keep young in the elapsing time. In 2018, we held fast to the objective of "being a responsible bank", further improved the social responsibility image, and continued to polish the social responsibility culture, to forge social responsibility into the beacon, the flag, the culture, and the source of motivation for ABC, and the soul leading and propelling ABC's reform and development.

Greatest truths are the simplest and practice is the key to the truth. In 2018, we fully improved the social responsibility management system, truthfully fulfilled political, economic, social and environmental responsibilities, and constantly strengthened our CSR practices, thus winning good reputation and recognition, and unswervingly served as a "contributor" to a beautiful China and a "booster" of the Chinese dream.

We never stop and move forward to achieve more. In 2018, we stayed true to our original mission, spared no efforts to provide investors with acquisition and happiness through deepening reform and development. Our CSR performance was integrated in inclusive finance, finance for frontier areas, people-oriented finance and green finance, and contributed to the abundant, happy and harmonious life of Chinese people.

"Go with the wind and look at the gorgeous motherland from above." Our way forward doesn't end, nor do our dreams. Our great cause is a relay race. Generation after generation, year after year, we are always striving to deliver best performance. We are stars, and together we are the Milky Way. We are rocks, and together we are the highest mountains. We are shining and we are singing! There are no limits for aspirations, and no boundaries for the future!
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Message from the Chairman

The seasons are changing, and the days are flying by. Time echoes the sound of history and also sculpts the forward-moving footprints. 2018 is the 40th anniversary of China’s reform and opening up, and it is also the year for the reform and development of the Agricultural Bank of China. Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank thoroughly implemented the guiding principle of the 19th CPC National Congress and the Second and Third Plenary Session of the 19th CPC Central Committee, the policies made at the Central Economic Work Conference, the Central Rural Work Conference, and the National Poverty Alleviation and Development Work Conference to satisfy various regulatory requirements. By furthering the “Six Dimension Strategy”, we strived to serve the real economy, help fight against “The Three” tough battles, and deeply promote the reform of internal systems and mechanisms. In the past year, we made new achievements in various undertakings.

Accelerating the in-depth integration of Party leadership building with practices

The Bank always considers the overall situations while making every move. In 2018, under the leadership of the CPC Central Committee headed by General Secretary Xi Jinping, the Bank comprehensively implemented the general requirements for Party building in the new era, remained true to our original aspiration and kept our mission firmly in mind. We promoted all employees to do well according to the following criteria: to maintain political integrity, think in terms of the big picture, follow the leadership core, and keep in alignment with the central Party leadership and to have full confidence in the path, theory, system, and culture of socialism with Chinese characteristics; we worked harder to safeguard the core role of General Secretary Xi Jinping in the Party Central Committee and the entire Party, and safeguard the authority of the Party Central Committee and its centralized, unified leadership. We insisted on the guidance of the political work of the Party when exercising full and rigorous governance over the Party and the Bank. Firmly upholding the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we strived to comprehensively grasp its essence and deep connotation, and implemented the thought throughout the entire process of the Agricultural Bank of China reform and development.

The Agricultural Bank of China is a centrally managed financial institution led by the Communist Party of China. The Bank had 27,800 Party organizations and 249,000 Party members. This basic political standing determines that the Bank must always adhere to and strengthen the leadership of the Party in the process of deepening the reform.

We always adhere to General Secretary Xi Jinping’s requirements on enterprise development, namely, to integrate upholding Party leadership into establishing a modern enterprise system. In the process of deepening the reform of the modern banking system with Chinese characteristics, the Bank highlighted the significant position of the Party organizations in corporate governance. The Bank kept improving the leadership system of “two-way entry, alternative employment”, clarifying the responsibilities of each governance body to form a consensus governance mechanism featuring effective checks and balances where each staff performs his or her own functions within their respective responsibilities.

While deepening the reform of the talent selection and employment, we adhered to combine the Party supervising officials with the selection of administrators by the board of directors according to laws, so as to cultivate and create clean, upright, innovative, and competent Party official teams who are loyal to the Party.

Preventing and defusing risks with high standards

“Practice enriches knowledge and more knowledge leads to better practice.” Among “The Three” tough battles, preventing and defusing financial risks is of primary significance. The key to securing a success of the fight against major risks, in accordance with the requirements of the central authorities, is preventing and controlling financial risks. We have always highlighted risk management, and continued to improve the comprehensive risk management system and control the capital flow. Insisting on high credit quality and the focus of risk prevention and control, we strive to continuously achieve in all areas of the work.

The Bank conscientiously implemented the new development concepts, served the supply-side structural reform, and vigorously supported national strategies and actively promoted the five major tasks of capacity reduction, destocking, deleveraging, costs reduction and improving underdeveloped areas, we guide the flow of funds to the real economy and to the industries
and weak fields most needed by China, such as "the Belt and Road" Initiative, the coordinated development of Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, Xinjiang New Area, and the Guangdong - Hong Kong - Macao Greater Bay Area. ABC is determined to support economic transformation and upgrading, prevent funds breaking away from the real economy, and accelerate the new growth drives, thus boosting stable and healthy social and economic development.

We strictly controlled case risks in four aspects: first, enhancing basic and grassroots management, focusing on strengthening the prevention and control effect of the system, and preventing the personnel from triggering risks to consolidate the basis of case prevention; second, implementing the "three line and one grid" management model by integrating Party building, discipline inspection, operation management and employee behavior management to eliminate hazards from the source; third, applying the power of science and technology to improve the accuracy, forward-looking and comprehensiveness of case risk prevention by using big data and other technologies; fourth, enhancing "two-line management" accountability and strengthening the risk compliance management of various departments.

In this way, the effectiveness of risk identification and risk control was greatly improved, and high-quality development of the program was promoted by the Bank's steady progress in 2018.

Ensuring high-quality targeted poverty alleviation

Fortune rewards the diligent and times are changing fast. Targeted poverty alleviation is taken as a battle that must be won by the 19th CPC National Congress among “The Three tough battles. We have always taken poverty alleviation as a major political mission and firmly pioneered poverty alleviation through financial inclusion. ABC endeavored to play as a member of the national team and major force in poverty alleviation through financial inclusion, and contribute to the battle against poverty.

We established a working mechanism “with the Head Office as the core, provincial and municipal branches as promoters, and county-level branches as implementers”. Focusing on targeted poverty alleviation, we set up the profit linking mechanism where "the bank surrenders profits, enterprises play a leading role, and poor households benefit". Industry development has become our fundamental strategy for poverty alleviation. Based on the key enterprises of the characteristic industries, beautiful villages, green towns", we highlighted green financial services for "Sanning". We also strengthened the support for green consumption by providing customers with more convenient financial services of lower costs for purchasing NEVs, green-certified residential houses and other green consumption behaviors. Besides, we deepened the cooperation with environmental exchanges to establish a mechanism of far connecting personal carbon credits.

Undertaking the great responsibility of supporting rural vitalization

The 19th CPC National Congress proposed to implement the strategy of rural vitalization and accelerate the modernization of agriculture and rural areas. As the national team and main force of providing "Sanning" financial services, ABC took "rural vitalization" as an unstoppable political responsibility.

The Bank developed the Opinions on Comprehensive Improving Financial Services for Rural Vitalization. Centering on key tasks during the implementation of the rural vitalization strategy, ABC, implemented the requirements of "prospering agriculture with high quality and green development" and introduced the "Seven Actions" plan in a timely manner, namely the integration of rural industries, the reform of rural property rights system, the national food security strategy, the fight against poverty, beautiful and livable village initiative, county-level happiness industries, and "Sanning" green development. The Bank also improved relevant credit policies to ensure that every key area of rural vitalization has corresponding products, service plans and policy guarantees.

The Bank continued to deepen the reform of "Sanning" financial services, and improved the management system of business departments and the "six-single management" operation mechanism, promoted the "One Project" of internet financial service for "Sanning", and formulated a set of policies and systems that are compatible with internet finance. Besides, ABC built an operation platform of internet financial service for "Sanning"; making fresh progress in the financial service for "corporate".

Supporting the development of private enterprises through reform

The private economy developed rapidly in the reform and opening up, and has become an important driving force for the high-quality development of China’s economy. The development of the private economy is inseparable from the support of financial services. We incorporated serving the real economy into our own development mission, and continuously improved financial services for private enterprises or private enterprises, thus providing strong support for China’s economic development.

We supported the healthy development of private enterprises with practical actions, and established nearly 800 inclusive financial institutions. In order to guarantee abundant credit resources for the private sector, we issued the Opinions on Strengthening the Support for the Healthy Development of Private Enterprises, and proposed 22 targeted measures centering around 8 aspects. We treat all business ownerships equally in terms of supporting policies; We pave full play to the advantage of sufficient funds to increase the underwriting and investment of bonds issued by private companies, so as to help them expand their financing channels. Furthermore, we leveraged technology to accelerate service model innovation, and established a featured product system for small and micro enterprises that includes more than 150 products, combines both online and offline channels, and covers multiple levels. We added assessment indicators for the support offered to private enterprises, implemented the "top leader in charge" responsibility system, so as to fully mobilize and maximize the enthusiasm of branches and sub-branches for serving private enterprises with enhanced incentives.

We are actively building a consumer financial service system that focuses on providing financial services for consumers in terms of information, medical care, senior care, culture, tourism, education, etc. By innovating in and promoting internet financial products such as Internet Quick loan, we endeavor to deeply integrate financial services into resident' lives and consumption.

No pains, no gains. 2019 marks the 40th anniversary of the reestablishment of ABC. Holding high the great banner of President Xi’s Thought on Socialism with Chinese Characteristics for a New Era, the Bank will take great responsibilities and pioneer great causes. Following the management concept for commercial banks of “effective services, controllable risks, sustainable business”, ABC will strive to improve services, prevent risks, conduct reforms, pursue innovation, improve the awareness of risk prevention and control, forge ahead with their endeavor, and will be tributes with distinction to the 70th Anniversary of the Founding of the People’s Republic of China.
Difficult tasks are tackled from where it is easy, and great undertakings have small beginnings. As a large-scale state-owned enterprise in the financial sector, the Bank has been standing together with the country through thick and thin, and sharing the destiny of the times in the past 40 years of reform and opening up. ABC has been a “dream chaser” and “practitioner” along the path of reform and development. While providing power for national economic development, the Bank has achieved rapid development through its own reform and innovation.

In March 1979, ABC was reinstated to assume the heavy responsibility of developing rural financial services and serving the rural commodity economy.

The Bank successively separated its business from that of Agricultural Development Bank of China, disconnected with Rural Credit Cooperatives, and stripped off bad assets to Great Wall Asset Management Corporation, realizing the transformation from a professional bank to a commercial bank.

In 2007, the Bank conducted the shareholding system reform, further enhancing its capacity of serving “Sannong”.

Proposing “Six Dimension Strategy” to indicate the development direction of the new era.

Proposing the goal of “promoting digital transformation and rebuilding ABC”.

Initiating the two-wheel drive mechanism of “Sannong/Financial Business Department + Inclusive Financial Business Department”.

Increasing the reform of technology, personnel, auditing, risk, directly-administrated operating institutions, branches in provincial capital cities.

In January 2009, the Agricultural Bank of China Limited was established along with a governance structure with the general meeting of shareholders, board of directors, board of supervisors and senior management.

In July 2010, A shares and H shares of Agricultural Bank of China were listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and ABC successfully completed the reform of the shareholding system for large state-owned banks.

ABC’s balances of deposits and loans from 1979 to 2018

ABC’s assets from 1980 to 2018

ABC’s operating profits from 1983 to 2018

ABC’s revenue from 1983 to 2018
Reform has always been the commitment of determined people, development of ABC.

Reform and innovation has always been the genetic code for further lines and one grid“ comprehensive risk management. Deepening deposit receipts, passbooks, and Kins cards, to withdrawal through remittance, to integrated and international operations; from "funds" and "iron abacus" , to super counters and A.I. robots; from after the shareholding system reform; from "iron accounts" , "iron from a professional bank, a commercial bank, to a listed company assets to Great Wall Asset Management Corporation; developing disconnecting with Rural Credit Cooperatives, and stripping off bad business from that of Agricultural Development Bank of China, from supporting countryside and cities, to separating its establishments and restablishments and three disassemblements"), in 1951, ABC has experienced "four ups and three downs" (or "four establish the Inclusive Financial Business Department, to focus on the development of "Sannong" business. In the past 40 years, serving "Sannong" , the new "Sannong" and the featured "Sannong" , to the "Sannong" Financial Business Department, serving the large and revitalizing rural economy; from promoting the reform of the “Sannong” Financial Business Department, serving the large “Sannong”, the new “Sannong” and the Featured “Sannong”, to serving “Sannong” with the internet. In the past 40 years, serving “Sannong” has been the commitment of ABC. As early as 2008, the Bank has established the Sannong Financial Business Department to focus on the development of “Sannong” business:

At the end of 2016, International Institute for Management Development (IMD) in Lausannem, Switzerland, which is famous and built the inclusive financial service system covering urban and rural areas driven by the “Sannong Financial Business Department = Inclusive Financial Business Department”. At present, all tier-1 and tier-2 branches of the Bank have established the Inclusive Financial Business Department, and a total of 799 inclusive financial institutions have been set up among these branches.

40 years of hard work leads to fruitful achievements, “leave no one behind” is the commitment of the CPC and the key to securing a decisive victory in building a moderately prosperous society in all respects. More success with poverty alleviation through financial inclusion is the duty of the Bank, and it is also where the focus and difficulties lie. As the only commercial bank among members of the State Council Leading Group Office of Poverty Alleviation and Development, it is the Bank’s political responsibility to achieve poverty alleviation through financial inclusion. In response to the needs of the 832 state-level poverty alleviation counties across the country, the Bank has developed innovative ideas and classified policies, and tailored credit plans and work programs for poverty alleviation through financial inclusion, so as to guarantee poverty alleviation by direct financial support “to poverty alleviation by self-sufficient development” as well as poverty reduction by strengthening the people’s will to raise above poverty “Shuangjian Loan”, “Photovoltaic Loan”, “Targeted Poverty Alleviation Loan”, “Forest & Orchard Loan” “Sugarcane Loan”, “Pepper Loan”, “Tea Farmer Loan” Diversified and effective credit products have born fruits on the land of China and benefited the people. This shows ABC’s deep love for the national land and the poor population.

How things have changed and how rapid such changes have been in the past 40 years. Standing at a new historical point, ABC will forge ahead and write a new chapter that lives up to people’s expectations in the new era. Rural revitalization is a great strategy of China which brings development opportunities for the Bank. The Bank formulated the "Seven Actions" plan to serve the rural revitalization in a timely manner and put forward the seven actions, including to serve the integration of agricultural industries, serve the reform of the rural property rights system serve national food security, fight poverty, serve beautiful and livable villages, serve the reform of the rural property rights system serve national food security, fight poverty, serve beautiful and livable villages, serve county-level happiness industries, and serve the “Sannong” green development. The Bank also improved the relevant credit policies and contributed wisdom and strength to the rural revitalization strategy:

Decades have come and gone, time keeps forging ahead, and ABC has been overcoming all obstacles along the way and marched forward bravely. As a large-scale state-owned commercial bank, ABC has been exploring approaches to cope with climate change through financial efforts, and established a domestically leading world-class green financial system in terms of mechanisms, products and capabilities, endeavoring to become a leader in the field of green finance. In October 2015, the Green Bond of the Agricultural Bank of China was successfully listed on the London Stock Exchange, becoming the first international green bond issued
by a Chinese financial institution and the first RMB green bond issued by an Asian issuer. In February 2016, the Green Bond Pioneer Awards (GBPA) co-hosted by the London Stock Exchange and the Climate Bonds Initiative was held at the London Stock Exchange. ABC won first Green Bond in China and became the only Chinese commercial bank winning the award.

The new era is an era of the strivers to fight for happiness. All their hard work is engraved with unshakable deals and convictions, demonstrating the absolute loyalty to the Party’s financial undertakings. Since the establishment of the new Party Committee of the Bank, ABC has resolutely implemented the new concepts, thoughts and strategies of the Party Central Committee on governing the country with Comrade Xi Jinping at its core. Focusing on fundamental issues, such as “Who leads ABC and whom does it serve” and “where does ABC come from and where is it heading to?”, ABC has been exploring the development path that integrates business management with Party building, and the management principles of modern commercial banks with the reality, and gradually forming the “Six Dimension Strategy” for the management and development of the Bank. The strategy stipulates that the Bank should uphold the Party’s leadership and encourage branches at all levels to build the “One Center”, build and strengthen the “two pillars” of business and Party building, insist on serving “luminaries” and focus on the three “positions” of strengthening county-level business, improving business in cities with clear focuses, and endeavoring to realize high returns through cooperation with enterprises; strengthen the “four footholds” of risk management, H.R. team cultivation, technological system and corporate governance; enhance the “five capabilities” of serving the real economy, accident prevention and risk control, value creation, market competition and further development; promote the “six major transformations” of business philosophy, organizational structure, profitability, business processes, dynamic mechanisms and business models. This has drawn a new blueprint and provided a new direction for the Bank to deepen the reform and sustainable and healthy development.

Smart people adapt to the times, and wise people take corresponding measures by case. ABC endeavors to release the energy of financial and technological innovation, cultivate the endogenous power for promoting high-quality development, and continuously promote the improvement of total factor productivity. At present, the average daily trading amount of ABC’s core business is 539 million, with the highest number of transactions reaching 660 million, electronic channel financial transactions accounts for 99%. At the 2018 China Banking Development Forum and the 15th Banking Comprehensive Selection Awards Ceremony sponsored by Sina Finance, ABC’s smart mobile banking APP stood out among over 20 competitive products and won the award of Most Popular Mobile Bank, receiving wide attention among the industry and the media.

At 8 p.m. on October 29, 2018 (U.S. Pacific Standard Time), the first session of Call for Code Global Prize Competition was held in San Francisco, U.S.A, where “Green Coder - UAN” submitted by ABC stood out among more than 2,500 submissions, designed by more than 100,000 software developers from 156 countries. ABC’s submission was rated top five in the competition, demonstrating ABC’s great sense of responsibility and technological innovation in the international arena. The work applies cutting-edge technologies such as AI, blockchain, cloud computing, etc., and is based on ABC’s “withdrawal by face recognition” technology and other existing products. It innovatively proposes cross-account, cross-border international emergency withdrawals, and provides more global and convenient financial solutions to post-disaster reconstruction.

Diligent cultivation guarantees great harvest, and ABC keeps growing stronger as time flies by. As of the end of September 2018, the Bank’s balance of personal deposits had exceeded RMB 10 trillion, ranking top among global commercial banks. On November 6, 2018, the number of credit cards issued by ABC had exceeded 100 million, making the Bank the fifth commercial bank in China with more than 100 million of credit cards. By the end of 2018, the total assets, deposits and loans of ABC had reached RMB 22.6 trillion, RMB 17.3 trillion and RMB 11.9 trillion respectively; and the ROE and ROA of the Bank ranked top among the industry. Since 2014, the Bank has been included in the list of global systematically important banks (S-SIBs) by the Financial Stability Board for four consecutive years. In 2018, it ranked fourth in the top 1,000 global large-sized banks and 49th in the Fortune 500 list. On January 22, 2019, the British brand value research institute Brand Finance released the list of the world’s 500 most valuable brands in 2019 in an UK magazine called The Banker, in which ABC’s rank was elevated raised from the sixth to the third with a brand value increase of 47% from the previous year.

One must be strong to forge iron and be deft to do embroidery. During the reform, ABC has continued to streamline its business. With an accurate judgment of the internal and external economic situations and a profound understanding of the development rules of the banking industry, the Bank launched a number of major reform plans concerning the organizational structure of the Head Office, operational departments directly under the Head Office, integrated subsidiaries, branches in provincial capitals, talent development, performance appraisal, talent distribution, auditing, and the reformation of the internal control compliance mechanism. Besides, by using “planning maps” and “construction drawings”, the Bank established reform accounts with clear tasks and detailed requirements, promoting various reforms to take root and strengthen the operation of the whole bank.

Opportunities and challenges coexist. ABC insists on strengthening its confidence with consistent “forms” and “situations”, gaining the initiative by turning “risks” into “opportunities”, balancing “reform” with “tradition”, mastering the right moments for “keeping stable development” and “focusing ahead” in face of obstacles. The Bank firmly grasps the strategic initiative, striving to achieve high-quality development and earnestly implement the decisions of the Party Central Committee and the State Council. In the new era of rapid changes, ABC will uphold the six management concepts for commercial banks, namely “quality service, risk prevention, focusing on the reform, seeking innovation, making up for gaps, and promoting transformation”, and complete the 24 key tasks.

For forty years, ABC has experienced great changes and achieved much. At present, China’s economic development has entered the new normal, and the economic and financial situations at home and abroad remain complex and full of changes. Under the strong leadership of the Party Central Committee and the State Council, the Bank will forge ahead, insist on reforming and innovating, and draw a new blueprint for the prosperity of the Bank based on the “Six Dimension Strategy”. Joining hands with and leading 100,000 employees of the Bank, ABC will overcome all obstacles to fight for a more brilliant future.


**About Us**

**Company Strategy**

The Bank has formulated a complete strategic plan for corporate development, and issued the *Agricultural Bank of China Reform and Development Plan 2016-2020 (Mid-term Revision)* in 2016. In 2018, the Bank conducted the medium-revision of its strategic plan in the light of the new internal and external situation, to clarify the guiding thought and main objectives of its reform and development during the 13th Five-Year Plan period, providing the working direction, focus and the points of action.

**Corporate Governance**

The Bank has been committed to promoting the modernized corporate governance by continuously optimizing corporate governance structure, mechanisms and systems, so as to constantly consolidate the governance basis for resisting risks, improving returns and achieving sustainable development.

According to the latest Chinese and international regulations, ABC has completed the revision of corporate governance documents, such as Articles of Association. The Bank also has completed the preparation and disclosure of periodic reports and interim announcements in accordance with the law and regulations, effectively strengthening its voluntary information disclosure and constantly improving the transparency and effectiveness of information disclosure. It continuously improves the information disclosure system by dynamically optimizing the operating procedures of information disclosure, thereby continuously improving the level of institutionalized, standardized information disclosure. In 2018, the Bank disclosed more than 320 information disclosure documents on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.

Premised on legitimate compliance, the Bank tries to make our governing bodies operate independently, with effective counterbalance, cooperate and coordinate efficiently. We constantly re-evaluate decision-making of the Board of Directors, thoroughly promote the effective performance of senior management, and empower our Board of Supervisors. At the end of 2018, the Board of Directors was comprised of 11 directors, including 2 executive directors, 4 non-executive directors and 5 independent non-executive directors. The Board of Supervisors comprised of 8 supervisors, including 2 shareholder representative supervisors, 3 employee representative supervisors, 3 external supervisors and 4 senior managements.

**Strategic goal**

ABC is committed to building an international commercial bank group with professional operations, efficient and convenient services, diversified functions, and outstanding value-creation capabilities.
Improving internal control system
- Revising Basic Regulations on Internal Control of Agricultural Bank of China
- Revising Internal Control Evaluation Method and Measures for Offshore Recognition Internal Control

Strengthening management requirements of subsidiaries
- Promoting the development and implementation of compliance system
- Publishing and issuing the Suggestion Letter on Internal Control and Compliance Management During Integrated Management of Subsidiaries
- Integrating subsidiaries into the internal control evaluation program of the whole bank
- Revising the measures for internal transaction management
- Issuing Suggestion Letter on Operational Risk Management Of Integrated Management Subsidiaries

Strengthening management requirements of subsidiaries
- Carrying out eight aspects of content renovation and forming 128 key remediation points
- Adhering to the remediation principle of “five unifications” to standardize the work flow
- Continuing to promote targeted and differentiated authorization
- Revising Management Measures for Rectification Work

Promoting the cultural advancement of rule of law and compliance
- Organizing to carry out the learning on constitution, enhancing legal knowledge contests among employees, digesting the Textbook on Legal for leaders
- Studying the compliance basicity of the Board Of Directors and the management to develop a programmatic document
- Launching the revision of the Code of Conduct for Employees, organizing the formulation of regulations for linear behavior

Promoting the Group’s legal risk management system
- Formulating the Management Measures for Legal Advisers; Drafting the Legal Risk Management Measures
- Incorporating legal risk management into risk management system
- Revising and issuing the Management Measures of Lawyer Employment
- Issuing Suggestion Letter on Legal Risk Management During Integrated Management of Subsidiaries

Strengthening legal support services
- Completing the optimization upgrade of LAMS Trial Of Law module
- Organizing the post-evaluation research of contract management in the whole bank
- Regularly carrying out risk monitoring and assessment on intellectual property

Strengthening the compliance risk management of overseas branches and outlets
- Deeply promoting the implementation of regulatory requirements
- Steadily promoting the development of compliance risk monitoring platform; internal control data mart, ICTS system and other information systems
- Deeply promoting the implementation of regulatory requirements
- Deepening the development of compliance risk monitoring platform; internal control data mart, ICTS system and other information systems
- Continuously improving the compliance management of overseas branch outlets

Improvement of Compliance Policies and Measures

Financial management and risk management of inter-bank business

Comprehensive risk management system
- ABC formulated Rules of the Committee on Risk Management and Internal Control for Senior Management

Market risk management
- ABC revised Regulations on the Division of Transaction Accounts and Bank Accounts, Measures for the Management of Risk Value Measurement

Credit risk management

Operational risk management

By the end of 2018, the non-performing loans (NPLs) of ABC was 1.59 % showing a high level of resilience to risks and strong ability to absorb losses

The provision coverage was 252.18 % 0.22% lower than that of 2017

Prudent operation
Upholding the principle of risk aversion and prudent internal control at all levels, we strive to put risk factors in a controllable range and always put risk prevention at first place.

Steadily Promoting the development and implementation of compliance system
- Integrating subsidiaries into the internal control evaluation program of the whole bank
- Revising the measures for internal transaction management
- Issuing Suggestion Letter on Operational Risk Management Of Integrated Management Subsidiaries

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- Steadily promoting the development of compliance risk monitoring platform; internal control data mart, ICTS system and other information systems
- Continuously improving the compliance management of overseas branch outlets

Improvement of Compliance Policies and Measures
### Structural Chart of Risk Management

The Bank further improved its risk management structure. The Risk Management Committee under Board of Directors was renamed the Risk Management/Consumer Rights Protection Committee, and the Senior Management Risk Management and Internal Control Committee was established.

### Core ideas of our corporate culture

#### Our Mission

Providing “Sannong” banking services, serving both urban and rural areas, maximizing shareholders returns, and assisting employee development.

#### Our Vision

Forging a first-class international commercial bank group.

#### Our Core values

- Integrity, Stability and Sound Operation.
- Responsibility Management

#### Relevant philosophies under the guidance of core values

- **Operation philosophy**
  - Market-oriented and customer-centered and value-oriented.
- **Management philosophy**
  - Details determine success or failure, compliance creates value and responsibility delivers achievements.
- **Risk philosophy**
  - Non-compliance poses risks and safety brings benefits.
- **Risk philosophy**
  - Non-compliance poses risks and safety brings benefits.
- **Human resources philosophy**
  - Besides ability, employee’s integrity should be highly valued and their performance should be fairly assessed.
- **Integrity Philosophy**
  - Be honest, upright, and disciplined, with moral fortitude and principle, selflessness, consideration, devotion and loyalty.

#### Philosophy on CSR

- **Giving priority to CSR**
- **Shouldering responsibilities**
- **Philosophy on CSR**

As a large state-owned commercial bank serving “Sannong”, ABC has always been an executor of national macro-economic policies, views to serve “Sannong” as its biggest social responsibility, and regards creating value for shareholders as its core goal.

Apart from creating values for shareholders and providing the best service for customers, ABC has made efforts in promoting economic transition, reducing the gap between rural and urban areas, improving people’s livelihoods, fostering environment protection, promoting inclusive finance and supporting vulnerable groups, which highlights both social awareness and profitability.

ABC considers social responsibility fulfillment within the context of the whole nation and economy, and shoulders responsibilities in all aspects to promote comprehensive social progress.

It has been our long-term responsibility and pursuit to promote the realization of the “Chinese Dream” and to build a prosperous society in all respects with our strength in financial services.
Responsibility governance

The Bank has established and improved the social responsibility management system, and continuously implemented the management systems, such as Guidelines for Social Responsibility Work of Agricultural Bank of China, Social Responsibility Indicators System of Agricultural Bank of China, Guidelines on Public Welfare Projects of Agricultural Bank of China. The social responsibility work is led by the Department of Corporate Culture of the Head Office. CSR commissioners are designated in all departments of the Head Office and branches to take charge of the social responsibility routine.

CSR topics

ABC has made analysis about material topics and identified sustainable topics.

Collecting feedback through various means:
Feedback from senior management of the Head Office
Feedback from domestic and overseas branches
Feedback from external stakeholders
Review of relevant social responsibility standards
Analysis from internal and external experts

ABC summarizes and analyzes the implementation of the sustainability topics over the year, and determines the goals and implementation plans for the next year, so as to constantly improve its sustainability.

The Board of Directors, with the help of professional third-party organizations, is responsible for reviewing sustainability topics, adjusting and deciding the priority of topics.

Following the Agricultural Bank of China Guidelines for Social Responsibility, ABC ranks the topics by studying their importance to the sustainable development of ABC and their importance to stakeholders.

The Board of Directors, with the help of professional third-party organizations, is responsible for reviewing sustainability topics, adjusting and deciding the priority of topics.

- 1. Poverty alleviation through financial inclusion
- 2. Poverty alleviation through charitable actions
- 3. Serving agriculture
- 4. Serving rural areas
- 5. Serving farmers
- 6. Supporting national strategies
- 7. Serving people’s livelihood
- 8. Serving the development of emerging industries
- 9. Boosting inclusive finance
- 10. Green finance
- 11. Green operation
- 12. Environmental protection activities
- 13. Protecting the rights and interests of customers
- 14. Improving service quality
- 15. Protecting the rights and interests of employees
- 16. Promoting the development of employees
- 17. Caring for the employees
- 18. Popularizing financial knowledge for the public
- 19. Contributing to a better life
Stakeholders

- **Government**
  - **Key expectations**
    - To support national strategies
    - To serve "Sannong" development
    - To support the real economy
    - To provide financial services related to people’s livelihood
    - To provide inclusive finance services
    - To pay taxes in full according to the law
    - To promote employment
  - **Responses**
    - To observe the laws and regulations
    - To support coordinated regional development
    - To serve rural revitalization
    - To support the structural supply-side reform
    - To proactively pay taxes
    - To continue providing inclusive financial services

- **Regulatory authorities**
  - **Key expectations**
    - To operate according to the law
    - To maintain financial stability
    - To prevent risks effectively
  - **Responses**
    - To realize stable operations
    - To create value for shareholders
    - To perform comprehensive risk management

- **Shareholders and investors**
  - **Key expectations**
    - Sustainable investment return
    - To improve corporate governance
    - To protect the rights and interests of shareholders
    - To strengthen information disclosure
  - **Responses**
    - To realize the protection of consumers’ rights and interests
    - To comprehensively improve service quality
    - To accelerate product innovation
    - To establish informatization

- **Customers**
  - **Key expectations**
    - To safeguard consumers’ rights and interests
    - To improve service quality
    - To continuously promote product innovation
  - **Responses**
    - To abide by national labor laws and regulations, and international practice
    - To provide diversified training programs
    - To create practical career development channels
    - To advocate for healthy work-life balance

- **Employees**
  - **Key expectations**
    - To protect the legitimate rights and interests of employees
    - To promote the improvement and career development of employees
    - People-focused
  - **Responses**
    - To improve procurement management
    - To innovate cooperation models

- **Suppliers and partners**
  - **Key expectations**
    - Fairness and transparency
    - Integrity and honoring agreements
    - Mutually beneficial cooperation
  - **Responses**
    - To carry out diversified popularization and education on financial knowledge
    - To actively participate in public welfare and charity

- **The public and communities**
  - **Key expectations**
    - To improve corporate governance
    - To protect the rights and interests of shareholders
    - To strengthen information disclosure
  - **Responses**
    - To safeguard consumers’ rights and interests
    - To improve service quality
    - To continuously promote product innovation

- **Environment**
  - **Key expectations**
    - To support the green industry
    - To innovate green finance products
    - To practice green operations
  - **Responses**
    - To support the green industry
    - To innovate green finance products
    - To practice green operations
### Economic performance

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (RMB trillion)</td>
<td>19.57</td>
<td>21.05</td>
<td>22.61</td>
</tr>
<tr>
<td>Total loans and advances to customers (RMB trillion)</td>
<td>9.72</td>
<td>10.72</td>
<td>11.94</td>
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<tr>
<td>Non-performing loan ratio (%)</td>
<td>2.37</td>
<td>1.81</td>
<td>1.59</td>
</tr>
<tr>
<td>Capital adequacy ratio (%)</td>
<td>13.04</td>
<td>13.74</td>
<td>15.12</td>
</tr>
<tr>
<td>Net profit (RMB billion)</td>
<td>184.06</td>
<td>193.13</td>
<td>202.63</td>
</tr>
<tr>
<td>Return on average total assets (%)</td>
<td>0.99</td>
<td>0.95</td>
<td>0.93</td>
</tr>
</tbody>
</table>

### Environmental performance

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic channel financial transactions as proportion of total transactions (%)</td>
<td>96</td>
<td>97</td>
<td>98</td>
</tr>
<tr>
<td>Balance of green credit (RMB billion)</td>
<td>649.43</td>
<td>747.63</td>
<td>1050.40</td>
</tr>
<tr>
<td>Water consumption per capita in Head Office (m3/person)</td>
<td>42.99</td>
<td>42.70</td>
<td>44.31</td>
</tr>
<tr>
<td>Electricity consumption per capita in Head Office (kw/h/person)</td>
<td>5,919.38</td>
<td>5,724.90</td>
<td>5,866.87</td>
</tr>
<tr>
<td>Gas consumption per capita in Head Office (m3/person)</td>
<td>63.62</td>
<td>61.18</td>
<td>63.04</td>
</tr>
</tbody>
</table>

4. Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Compilation and Disclosure of Return on Net Assets and Earnings
5. Figures were calculated by adjusting the average balances of total assets at the beginning and the end of the period.
6. Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Compilation and Disclosure of Return on Net Assets and Earnings (Yin Jian Fa [2013] No. 7) — Earnings per share
7. Figures were calculated in accordance with the balance of total loans and advances to customers
8. Proportion of administrative villages covered by Huinong Tong electronic devices (%)
9. Balance of farmer loans (RMB trillion)
10. Number of farmer households benefiting from Huinong Cards (million households)
11. Number of loans to rural households, including the balances of general loads to Comfortable Housing Project for farmers and herdsmen, loans for farmers going abroad to work, house building loans for the farmers in quake-hit areas, loans for farmers purchasing or building houses, loans for farm machines, personal loans to production and businesses in rural areas, petty loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, loans to other production and businesses for individuals, poverty alleviation loans, to Comfortable Housing Project for farmers and herdsmen, personal soft loans for poverty alleviation, personal general loans for poverty alleviation, and “Kins Quick Agricultural Loan”
12. In accordance with the Opinions of China Banking Regulatory Commission on Statistical Scope of Poverty Alleviation Loans for Small and Micro Enterprises (Yin Jian Fa [2013] No. 7), ABC has adjusted its statistical scope of these loans for small and micro enterprises to include the loans for individual businesses and the loans for owners of small and micro-enterprises
13. Total amount of donations (RMB million)
14. The amount of donations means the amount donated by the Bank (domestic), and does not include the amount donated by its employees
15. Western regions include Inner Mongolia, Gansu, Qinghai, Sichuan, Guizhou, Yunnan, Tibet, Xinjiang and Yunnan (including Yunnan Comfortable Housing Project and Construction Corps)
16. Ethnic minority areas include Inner Mongolia, Gansu, Qinghai, Yunnan and Xinjiang (including Xinjiang Comfortable Housing Project and Construction Corps)
From Heihe of Heilongjiang Province to Tengchong of Yunnan Province, there is a geo-demographic demarcation line. The south-eastern side of the boundary covers 42.9% of China’s territory and its population accounts for 94.4% of China’s total population, while the north-western side of the boundary covers 57.1% of China’s territory and its population only accounts for 5.6% of the country’s entire population. ABC has set a large number of branches in the regions on the north-western side of this boundary to provide inclusive financial services for the majority of China’s minorities and border areas. In Xinjiang Autonomous Region, ABC is the only financial institution that has set up two provincial level branches: the Xinjiang Branch and the Corps Branch. In China, ABC has 12,622 branches and organizations in rural areas, and over twenty thousand six hundred employees work in undeveloped, rural and remote areas.
Supporting Poverty Alleviation with Solidarity

The 19th CPC National Congress determined poverty alleviation as one of "The Three" tough battles (preventing financial risks, reducing poverty and tackling pollution) for securing a decisive victory in building a moderately prosperous society in all respects. As one of the national teams and major forces of financial poverty alleviation, the Bank actively explores the ten poverty alleviation models with more targeted measures, more optimized structure and more reasonable business forms, while expanding its financial services according to local conditions to help tackle problems caused by scattered poor farming households, remote impoverished areas, insufficient branch offices, etc. The Bank has transformed the traditional "poverty alleviation promoted through financial support" to "poverty alleviation by self-sufficient development" aiming to enhance the sustainability of targeted poverty alleviation.

By the end of 2018, 832 key poverty alleviation counties had issued a total of RMB 373.9 billion of loans which supported 2.71 million registered low-income people throughout the year.

The loan balance of 832 key poverty alleviation counties was RMB 923.9 billion, an increase of RMB 108.8 billion and up 13.3% over the beginning of the year.
The Bank has strengthened the innovations of financial products and policy for poverty alleviation, developed and improved relevant organizational mechanisms, and prioritized the resource allocation. The Bank has also continued to support the poverty alleviation in China by doing a good job in the top-level design of poverty alleviation through financial inclusion and consolidating fundamental guarantees.

**Enhancing the Guarantee of Policies and Mechanisms**

The Bank has strengthened the innovations of financial products and policy for poverty alleviation, developed and improved relevant organizational mechanisms, and prioritized the resource allocation. The Bank has also continued to support the poverty alleviation in China by doing a good job in the top-level design of poverty alleviation through financial inclusion and consolidating fundamental guarantees.

**Supporting policies**


**Resource allocation**

The Bank allocated the special credit program worth RMB 80 billion to branch offices in 832 key national poverty-stricken counties, and an extra RMB 100 million to cover business expense and RMB 100 million for wages for special incentives; and provided branch offices located in poverty-stricken areas with preferential policies on employment plans, recruitment policies, and training resources, etc.

**Organizational mechanism**

The Bank establishes a leading group responsible for poverty alleviation through financial inclusion, special poverty alleviation organizations or teams, and the working mechanism featuring “overall planning by the Head Office, advancement by provincial and municipal branches, and implementation by sub-branches in counties.”

By the end of 2018, the loan balance in the deep poverty-stricken areas was RMB 332.5 billion, an increase of RMB 38.5 billion indicating 13.11% increase compared with the end of last year.

**Enhancing Poverty Alleviation in Areas in Extreme Poverty**

The “Three Regions and Three Prefectures” includes Tibet, the Tibetan inhabited regions in Qinghai, Sichuan, Yunnan and Gansu provinces, the four regions in southern Xinjiang (including Kashi Prefecture, Hotan Prefecture, Kizilsu Kirghiz Autonomous Prefecture and Aksu Prefecture), Liangshan Yi Autonomous Prefecture in Sichuan Province, Nujiang Lisu Autonomous Prefecture in Yunnan Province, and Linsiu Prefecture in Gansu Province. Poor natural conditions, weak economic base and extreme poverty make fighting against poverty in the above regions even more challenging. With strong determination, great efforts and practical measures, the Bank strongly supports these key areas and weak parts in economic and social development of areas in extreme poverty, endeavoring to lift these areas out of poverty and thus enhancing ethnic solidarity and national progress.

The four regions of Kashi Prefecture, Hotan Prefecture, Kizilsu Kirghiz Autonomous Prefecture and Aksu Prefecture in southern Xinjiang have the largest area and widest distribution of deserts, and face the most serious hazards of sand storms in China. These are also contiguous poor areas listed by the national government. Xinjiang Branch regards the four regions as the key areas for financial poverty alleviation. Relying on local resources-endowment and industries with local characteristics, the branch concentrates its efforts on key points to help all ethnic groups get rid of poverty as early as possible.

In view of the actual situation of registered low-income households, the Xinjiang Branch focuses on innovating micro-loans for farmers, and uses product innovation and process optimization as a means to customize new products for poor households, thus helping them get rid of poverty in a faster manner. By the end of 2018, the branch had given the “two-exemption” micro-loans to a total of 56,900 households in poverty, totaling RMB 2.53 billion.

In Hotan Prefecture, a region in extreme poverty in southern Xinjiang, the Xinjiang Branch implemented the poverty alleviation coordination mechanism that integrates “poor households + village committees (working teams stationed in local villages) + township (town) government + county poverty alleviation leading group”, and increased the credit for targeted poverty alleviation. By the end of 2018, the branch had issued RMB 2.41 billion of micro-loans to registered low-income households.

The Xinjiang Branch earnestly promoted the “Kins Hui Nong Tong” project in poverty-stricken areas and installed more electronic devices to improve the basic financial service environment in areas hit hardest by extreme poverty. By the end of 2018, the branch had set up 1,587 Hui Nong service points in the four regions. The service points of the “Kins Hui Nong Tong” project now cover 61% of local townships.
The customer manager of Gannan Branch in Gansu Province investigates the operation of cooperatives (Photo by Ding Piqing)

Gansu Branch takes a package of measures to benefit thousands of households

The 58 sub-branches located in poverty-stricken counties have actively provided replacement service for loans that have reached maturity for farmers, and offer guarantees for various “Sannong” personal loans. With featured products such as the farmer resettlement loan, the branch has increased the supply of credit for agriculture, rural areas, and farmers, and given full play to the role of its products in poverty alleviation. In 2018, the Gansu Branch issued a total of RMB 9.37 billion of loans to farmers, benefiting 215,100 households.

The Gansu Branch has actively promoted the construction of water, electricity, road, gas, and network infrastructure, improved the social environment of education, health care, culture, etc., and further supported projects such as hydropower, exploitation of mineral resources, and poverty alleviation through the photovoltaic industry, so as to enable more poverty-stricken households to share the benefits generated by resource development. In 2018, the branch issued a total of RMB 12.58 billion of “Sannong” loans to county-level corporate clients.

The Gansu Branch has promoted the model of poverty alleviation through “credit enhancement by government”, while accelerating innovation on products and services such as the special loan for industrial poverty alleviation and the guaranteed loan for farmers in Gansu, acting as an agent for the new rural cooperative medical system and the new rural social endowment insurance for rural residents, as well as the collection of public utilities bills, the branch has accelerated the development of channels including rural financial self-service points, Hu Nong service stations and internet service points, etc.

Liangshan Prefecture is the largest settlement of the Yi people in China, where there are still 11 state-level poverty-stricken counties, among which Zhaqi County has 75,000 poor people accounting for 15.9% of the total poor population in Liangshan. The Zhaqi potato is grown in the alpine mountainous area with an altitude of over 2,000 meters. It is far away from pollution and of great quality, and is one of the staples and the main source of income for locals.

In order to broaden the sales channel of Zhaqi potatoes, Zhaqi County Branch in Sichuan, relying on the internet and logistic’s network, integrated e-commerce into poverty alleviation and actively promoted Zhaqi potatoes on the “Hui Nong e-Tong” platform. In August 2018, the branch co-sponsored the ABC online sales activity of Zhaqi potatoes through the “Hui Nong e-Tong” platform with the Liangshan Prefecture E-Commerce Association. Under the theme of “placing donations with purchasing to facilitate targeted poverty alleviation”, the branch effectively promoted the sales of Zhaqi potatoes through the “Hui Nong e-Tong” e-commerce platform, making the integration of e-commerce and poverty alleviation, and helping poor households in Zhaqi County to get rid of poverty and increase income.

As the only province-level contiguous poverty-stricken area and an area of overall extreme poverty, Tibet faces an arduous task of fighting against poverty. In order to meet the financial needs of the 590,000 registered low-income households in the Tibet Autonomous Region, the Tibet Branch launched a special loan service for them. By the end of 2018, the branch had issued a total of RMB 2.21 billion of loans, benefiting more than 84,900 registered low-income households. At the same time, according to the characteristics of county-level resources, the branch has strongly supported the development of pillars industries such as breeding, processing and tourism in local counties. By the end of 2018, the branch had offered a total of RMB 1.37 billion of industrial poverty alleviation loans, covering all 74 county-level sub-branches in Tibet; in addition, the branch has supported national key projects in Tibet and local investment attraction projects, and actively helped registered low-income households in surrounding areas increase their incomes. The branch has also helped the development of moderately prosperous demonstration villages in 12 poverty-stricken counties on the Chinese border such as Longzi and Milin.

By the end of 2018, the balance of poverty alleviation loans of the Tibet Branch had reached RMB 15.03 billion, accounting for 38% of the total balance of such loans of all financial institutions in the Tibet Autonomous Region. The branch has helped registered low-income households to increase their annual income by more than 5,000 yuan on average, and supported the autonomous region in lifting more than 200,000 poor people out of poverty. It has basically realized the full coverage of financial services on people in poverty-stricken areas with labor capacity to work in Tibet.
The Ningxia Hui Autonomous Region has both the irrigation districts along the Yellow River known as the “Land of Abundance along the southern frontier”, and the Xihaigu region (including six counties, namely, Xiji, Haiyuan, Guyuan, Longqiao, Jingyuan, and Pengyang) which is known for its extreme poverty. The Ningxia Branch takes initiative to take the responsibility as the 'main force' in offering financial services to rural areas, thereby supporting the development of local poverty-stricken areas.

The Ningxia Branch has taken the lead in innovating the exclusive credit products registered low-income households - the “Poverty Alleviation Loan”, which contains a series of preferential policies such as lowered threshold, implementation of the benchmark rate, and flexible guarantees. It issued 59,000 loans to 34,000 registered low-income households with total RMB 2.6 billion to support their development and production.

The branch has launched the “company + farmer” and “cooperative + farmer” guarantee models to help more people get rid of poverty through industry development in local areas. By the end of 2018, the branch had issued a total of RMB 1.8 billion of loans to local featured industries, directly creating jobs for 40,000 poor households, and enabling 100,000 households to share the fruit of industry development.

Actively promoting the integration of Internet finance and the needs of agriculture, rural areas, and rural residents, the branch was the first to launch the ‘Golden Harvest Fast Farmer’s Loan’, an Internet financial product customized for farmers, realizing the online application, online approval, and online lending of farmers’ loans. Instead of “waiting for users to come to the Bank”, the branch is now able to “make loans to users directly via the Internet”.

By the end of 2018, the balance of poverty alleviation loans of the Ningxia Branch had reached RMB 4.44 billion, the branch has supported 59,000 registered low-income households in fighting against poverty, accounting for 27.6% of all registered low-income households in Ningxia.

Meanwhile, poverty was successfully eliminated in Xishan County in Chongqing and Raoyang County in Hebei Province. The Bank has implemented 11 supporting policies, including fully guaranteeing the credit quota, establishing project pre-audit mechanism, opening up green channels for loan applications, promoting financial product innovation, assisting government with investment attraction, and increasing donation and aid etc., to spare no effort to help four targeted poverty alleviation counties, including Ruiyang County and Wujiaoping County in Hebei Province, Xishan County in the city of Chongqing, Huangping County in Guizhou Province, eliminate poverty fundamentally and ensure the concrete results can be achieved in poverty alleviation.

In 2018, a total of 29,700 people from four targeted poverty alleviation counties were successfully relieved of poverty, and the number of people living in poverty dropped by 45.5% compared with the beginning of the year.

In 2018, four targeted poverty alleviation counties received RMB 3.32 billion of loans and six key poverty alleviation counties received RMB 1.97 billion in loans accumulatively.
Huangping County in Guizhou Province is a targeted county of the branch for poverty alleviation. The Huangping County Sub-branch is dedicated to the economic and social development of Huangping County through various means such as poverty alleviation through project and industry development, micro-loans for farmers, and the development of beautiful demonstration villages, etc.

"Major poverty alleviation" through industry development. The branch issued RMB 150 million of Huinong Credit and supported the construction of projects of the modern commodity concrete processing industry and other industries in rural areas, helping 1,500 poor people to increase income. Besides, the branch issued a total of RMB 2.56 million of loans for tourism infrastructure, such as the loans to the Huangping Jiuzhou Ancient Town.

Target poverty alleviation through financial innovation. The branch introduced the "financing guarantee company + loan recipient" model, effectively helping loan recipients overcome difficulties in mortgaging and financing, thus expanding channels for new types of agricultural business entities such as family farms to get loans.

Development with "Sannong" featured businesses. Actively responding to the 13th Five-Year Plan and priorities of industry development, the branch addressed the shortage of funds for industry development. By the end of 2018, the branch had issued a total of RMB 67.59 million of loans to support the development of 600 households of professional large-scale businesses and family farms.

Rural development with information technology. The branch promoted the "ABC e-manager" platform to provide convenient services, and established the Guolong Miaoyin national supply e-commerce service platform which enables the online and offline ordering and sales of products of Miaoyin brand, thus boosting the rural commodity economy and increasing the income of farmers in Guolong Town.

Xiushan Tujia and Miao Autonomous County in Chongqing is located in the borders of four provinces and city, Chongqing, Hunan, Guizhou, and Hubei. There are 24 key poverty alleviation villages in the county, which is one of the four national key poverty alleviation counties supported by the branch. Xiushan County Sub-branch in Chongqing fights against poverty among the mountains according to local conditions to try the best to lift Xiushan County out of poverty.

The branch created the tailor-made Targeted Poverty Alleviation Loan to local registered low-income households to help develop local industries and reduce poverty. By the end of 2018, the branch had issued 2,395 Targeted Poverty Alleviation Loans, benefiting 8,394 poor people from 208 administrative villages.

In order to enhance the role of service in driving industry development, the branch strongly supports the development of industries with local characteristics, such as supporting local specialized cooperatives to develop the gold chrysanthemum industry. By the end of 2018, the project had provided more than 50 jobs, alleviated 46 poor households out of poverty and helped 1,427 villagers in 427 families to increase income.

Due to the location of Xiushan County in the mountains, local agricultural products were not easily sold to the outside market. To solve the problem, the branch actively supports "targeted poverty alleviation through e-commerce". By the end of 2018, the branch had issued a total of RMB 697 million of loans to support the construction of infrastructure and professional markets of Xiushan County Logistics Park.

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Planting the Seeds for Targeted Poverty Alleviation

The Bank has increased loans for farmers, and actively developed differentiated credit support policies for poor households to accurately help registered low-income households and enable them to increase income and get rid of poverty. At the same time, the Bank regards targeted poverty alleviation through industry development as a fundamental solution, and taps into the resource and industry endowments of poverty-stricken areas. Focusing on the key enterprises in the local industrial chain, the Bank is committed to helping poverty-stricken farmers increase their incomes and realizing “supporting an industry, making an area be prosperity, and helping the people in a region become rich” by creating exclusive products and providing comprehensive services.

- Providing targeted support for industries and projects with poverty alleviation capabilities

  The Bank provides strong support for the leading enterprises and core customers with industry-leading and poverty alleviation capability, and supports new agricultural operators and characteristics SMEs upstream and downstream.

- Accurate connection drives income increase of poor people

  In key national poverty alleviation counties, the Bank regards the ability of customers in poverty alleviation as an important part of credit investigation. Preferential loan conditions are implemented according to their performance of poverty alleviation, and the profit linking mechanism where “the bank surrenders part of its profit, enterprises play a leading role, and poor households are beneficiaries” is established. The Bank determines that the poverty alleviation loans can be adjusted to 10% below the benchmark interest rate minimally, and encourages loan customers to establish interest linkage mechanism with poor households.

- Supporting the infrastructure construction and public services

  Starting from improving regional development conditions, the Bank actively supports infrastructure projects and livelihood projects that can benefit the poor population.

Measure for targeted poverty alleviation through industry development

As of the end of 2018, the balance of targeted poverty alleviation loans had reached RMB 341.5 billion. The balance of targeted poverty alleviation projects was RMB 218.3 billion, an increase of 17.3% over the beginning of the year, and the Bank helped a total of 480,000 poor people increase their income. The balance of targeted poverty alleviation loans for industries and other individuals was RMB 100 billion, an increase of 25.9% over the beginning of the year.

- The cotton industry is the pillar industry of Xinjiang’s agriculture. Relying on local industrialized leading enterprises, Xinjiang Branch has adopted the “company + base + farmer” management model to integrate financial services into the whole process of cotton planting, purchase, production and transportation.

- Thanks to the support of loans provided by Xinjiang Branch, Xinjiang Lu Tai Harvest Cotton Industry Co., Ltd., a leading poverty alleviation enterprise in the autonomous region, signed contracts with 1,750 local cotton farmers, providing 1,500 jobs for the local surplus labor force and people in poverty, and more than 90% of them were ethnic minorities. This realizes the family of those employees have also been lifted out of poverty, effectively eliminating poverty in the local area.
In order to boost local animal husbandry development to promote poverty alleviation, Jilin Branch launched a credit product exclusive to local animal husbandry - “Jilin Animal Husbandry Loan.” The loan is also packed with the poverty alleviation function, and six poverty alleviation models, including mortgage loans or joint guarantees for animal agriculture enterprises, large professional businesses, family farms, professional cooperatives, general households (individuals), loans directly made to poor households through mutual guarantees, effectively giving full play of “competent people” and enabling large animal husbandry businesses to help poverty-stricken households lift out of poverty.

As of the end of 2018, a total of 15 counties (cities, districts) in Jilin Province had participated in the pilot project. The branch supported a total of 2,598 livestock raisers with RMB 1.53 billion of loans. In addition, the branch promoted the application of “Jilin Animal Husbandry Loan” in 5 poverty-stricken counties in the province, benefiting 6,026 registered low-income households.

The Inner Mongolia Branch has increased targeted poverty alleviation loans to support registered low-income households with labor capacity, income-increasing channels, credit enhancement by government, and basic conditions for loan application, aiming to help them solve the problem of financing bottleneck. By launching products such as “Wei Yi Dai” and “Wei Jie Dai”, the branch has offered strong support to the mutton processing industrial cluster in Hulunbuir and the camel wool processing industrial cluster in Alxa. By the end of 2018, the balance of targeted poverty alleviation loans of the Inner Mongolia Branch had reached RMB 9.86 billion, helping 357,000 registered low-income households to increase their income.
Through the implementation of “one bank, one policy, one product and one feature” model, Hunan branch has developed customized products for local customers, so as to make sure that its poverty alleviation efforts can generate real results and fundamentally bring benefits to people.

Based on the characteristic and advantageous industries in poor counties, Hunan Branch innovatively launched Huinong Guarantees - “Grain Loan”, “Oil-tea Loan”, “Pig Loan”, “Characteristic Loan” and other series of products. The branch created a Huinong model where “agricultural (forestry) departments recommend customers, farmer households can apply with financial discount, agricultural guarantee companies provide guarantees and ABC issues credit”. Totally, RMB 2 billion of loans was issued with RMB 1.65 billion in balance. The branch thus won the first prize in the financing innovation selection by the Financial Office of Hunan Provincial Government in 2018. It also innovatively promoted farmers’ senior care loans and support them to get the insurance. A total of RMB 1.40 billion of loans was issued, covering 232,000 farmers, of which RMB 124 million was issued to 1,936 registered low-income farmers.

Focusing on “three major action plans” including infrastructure construction, relocation of poor people in poverty-stricken areas to other places and featured industry cultivation, Shaanxi branch has increased support for key infrastructure projects such as roads, water conservancy and projects for people’s livelihood, and has offered RMB 6.89 billion of loans to expressway projects in more than 20 national targeted poor counties such as Mian County, Shanxiang, Zhashui, etc. Meanwhile, in 51 key poverty alleviation counties, the financial service model of “bank-government cooperation, government credit enhancement and collaborative poverty alleviation” was promoted. The coverage rate reached 91%, and the total micro-credit loans for poverty alleviation was RMB 544 million. In addition, the branch has paid attention to the demonstration effect of rural “competent people” on development and production, and supported a total of 2,390 family farms (large and specialized family businesses) in poverty-stricken areas, with the purpose of enabling them to support surrounding poor households to embark on poverty alleviation through planting and breeding.

By the end of 2018, the branch’s balance of targeted poverty alleviation loan had reached RMB 11.36 billion, increasing by RMB 3.5 billion compared with the beginning of the year, helping a total of 106,000 registered low-income households get rid of poverty.
By the end of 2018, the balance of farmer loans had reached RMB 249.99 billion. The balance of agriculture-related loans had reached RMB 3.37 trillion.
Focusing on System Design

Revitalization service.

The Bank has actively implemented national plans and deployment by introducing targeted guiding opinions and improving supporting policies. The Bank took the lead to propose the “six product lines” by deepening the top-level design, providing a strong guarantee for rural revitalization service.

Focusing on System Design Promoting Agricultural Transformation and Upgrading

Formulating the Opinions on Comprehensively Revitalizing Financial Services in Rural Areas to clarify the objectives, priorities and measures for rural revitalization from 2018 to 2020

Launching the Guidelines on 2018 Sannong and County-level Credit Policy of Agricultural Bank of China and Credit Policy on Supporting the National Rural Revitalization Strategy of Agricultural Bank of China to provide targeted and competitive differentiated credit policies focusing on supporting facilities for key areas

Formulating “Seven Actions” of rural revitalization implementation plans to clarify the tasks, priorities and advancing measures for the seven areas

Focusing on the integration and development of rural industries, the reform of rural property rights system, the construction of agricultural and rural infrastructure, the “Sannong” green development, the “Sannong” happiness industries, rural inclusive finance and other financial needs, providing a variety of financial products of the “Six Major Series” covering multiple functions and with distinctive features to serve the rural revitalization.

Promoting Agricultural Transformation and Upgrading

The Bank has formulated a number of guiding opinions such as the Action Plan to Serve the Integration and Development of Rural Industries, and jointly released the Notice on Launching Innovation Pilot Projects of Supporting Policies on Agricultural Industrialization with the Ministry of Agriculture and Rural Affairs and the Ministry of Finance.

Supporting the development of modern agriculture

By the end of 2018, the balance of loans for leading enterprises of agricultural industrialization had reached RMB 149.45 billion

an increase of RMB 4.79 billion from the beginning of 2018

covering 3.5 percentage points from the previous year

the balance of loans for specialized farmers’ cooperatives and their members had reached RMB 27.69 billion

an increase of RMB 4.79 billion from the beginning of 2018

Supporting the development of featured agriculture

Based on the “Top 180 Featured Agriculture Production Areas” and specialized action guiding opinion, the Bank encourages innovation in financial services with a focus on “Seven Zones and Twenty-Three Areas”, aiming to strengthen the support for the development of advantages agricultural products and local featured agriculture. By the end of 2018, the balance of loans for 80 featured agriculture production areas had reached RMB 17.59 billion.

Supporting the development of modern agriculture

The Bank thoroughly implements the national strategy of prospering agriculture with good quality, and continues to strengthen the support for advantageous agricultural products, agriculture with distinctive local features, leading enterprises of agricultural industrialization, specialized farmers’ cooperatives and other new-type production and management entities, thus better enabling farmers to increase their incomes.

Supporting special action plans

The Bank continues to promote the special campaigns of “Ten Billion Financing for a Hundred Companies” and “Promotion of Ten Thousand Cooperatives”, and support the development of new agricultural operation entities such as leading enterprises and specialized agricultural cooperatives with clear focuses. By the end of 2018, 81 customers had been added in the “Ten Billion Financing for a Hundred Companies” campaign with the balance of loans of RMB 37.84 billion, an increase of RMB 277 million from the beginning of 2018; for the “Promotion of 10 Thousand Cooperatives” campaign, the balance of loans reached RMB 27.69 billion, an increase of RMB 4.79 billion compared with the beginning of 2018 and 2,118 new cooperatives had received financial services.

Promoting the integration and development of the primary, secondary and tertiary industries

Given the trend of diversification of agricultural functions, the Bank increases the support for every link of the agricultural industry chain to promote the integration and development of rural industries; ABC focuses on supporting large agricultural groups that cover the whole-industrial-chain integration, including agricultural production, manufacturing, circulation, marketing, etc., and actively explores effective models for the integration and development of industries such as leisure agriculture, characteristic town, pastoral complex and so on; meanwhile, the Bank supports the development of agricultural industrialization complexes and facilitates pilot regions to innovate in financial services for complexes.

Helping agriculture “Going Global”

The Bank provides financial service packages for international investment and cooperation in agriculture as a response to “the Belt and Road” Initiative. Besides participating in the organization of interministerial joint meetings for international agricultural cooperation, it participates in the targeted matchmaking meetings between the “10+10” banks and businesses, and makes efforts to study approaches for supporting the “going global” of agriculture through financial means.
In light of the development plan and status quo of Xinhui Dried Citrus Peel National Modern Agricultural Industrial Park, Guangdong Branch has specially formulated the Financial Service Plan for Xinhui Dried Citrus Peel National Modern Agricultural Industrial Park, which provides support for large-scale leading enterprises and brand enterprises in the industry, tangerine planting specialized cooperatives and tangerine production farmers in Xinhui District through multiple guarantee models, such as credit extension, credit enhancement by government, collateralization, and “standard storage box Dried Citrus Peel commission + Guarantee”.

By the end of 2018, Dried Citrus Peel loans had reached 419 farmer households with a total of RMB 203 million, and the market share of Dried Citrus Peel loans had exceeded 40%. This has effectively promoted the integration and development of the cultivation by farmers, the manufacturing by enterprises, the upgrade of sales channels and the tourism industry within the industrial park.

Wanning City in Hainan Province is known as the “Hometown of Betel Nuts” and the “National Betel Nut Demonstration Base”.

To better serve the local betel nut industry chain, Hainan Branch has strengthened cooperation with the municipal government of Wanning City, based on the “risk compensation fund” set up by the municipal government of Wanning City with RMB 20 million, Hainan Branch issued a loan ten times higher than the fund. Through the “credit enhancement by government” model, the branch and the local government effectively solved the difficulty to find guarantees and high-cost loans for the betel nut industry, thus helping improve the efficiency of the agriculture industry and increase incomes of farmers. In addition, Hainan Branch has formulated the Wanning Betel Nut Industry “Credit Enhancement by Government” Financial Service Program, which introduces the special financial services targeting the characteristic betel nut industry chain. Besides, the program innovates in credit products to provide targeted support for large manufacturers, privately or individually-owned businesses, specialized farmers’ cooperatives and SMEs of betel nut industry.

In 2018, Hainan Branch issued RMB 511 million of loans to support betel nut industry development in Wanning, effectively supporting the optimization and upgrading of the industry.

Focusing on the characteristics of Fujian’s agricultural industry, the Fujian Branch comprehensively promoted and implemented the policy of one Quick Agricultural Loan for one county, and one Quick Agricultural Loan for one characteristic industry in Fujian Province, to vigorously support the development and growth of characteristic industries. “Quick Agricultural Loan” relies on the big data technology. By adopting the way of “systematic connection, batch collection” and “data collection + field investigation + multi-dimensional verification”, the target customers are selected. Customers can apply online, and get automatic approval. The process for issuing each loan only takes 5 minutes, and farmers can repay their loans at any time during the loan period, which reduces the interest expenditure to the greatest extent and really benefit the farmers. By the end of 2018, “Quick Agricultural Loan” covered 9 prefecture-level cities, 76 counties (cities, districts) and 70 characteristic agricultural products, with a balance of RMB 8.12 billion, supporting 76,300 farmer households.
1. Tibet Branch supports the development of Yigong Tea Plantation in Linzhi City, Tibet (Photo by Chen Shunxi)

2. Baguai Sub-branch in Hezhou, Guangxi helps the harvest of vegetables (Photo by Huang Fan)

3. Qixing farm in Jiansanjiang supported by Heilongjiang Branch (Photo by Yuan Bin)

4. Guizhou Branch supports the development of animal husbandry (Photo by Ye Yikun)
Serving food safety and the supply of agricultural and subsidiary products

The Bank chooses to follow the national food security strategy, and has formulated the Implementation Plan for the Action on National Food Security. Focusing on the seven key areas of high-standard farmland construction, farmland water conservancy projects, the reform of grain collection and storage system, transformation and upgrade of food industry, promotion of agricultural scientific and technological innovation, seed industry innovation projects, and agricultural mechanization, the Bank aims to continuously strengthen credit support for the development of food industry and help realize the green, quality, specialized and branded production of agricultural products, thus promoting the supply-side structural reform of agriculture.

COFCO Group and CCOOP Group are the leading “Sannong” enterprises in China who are the main force that serves the agriculture industry, and they also play an important basic role in safeguarding national food supply and food security. The Bank actively supports the basic industry development that are of great concern to the national economy and peoples livelihood by COFCO, including the procurement of grain and cotton in summer and autumn, also the trade, processing and sales of rice, flour, sugar, oil and other bulk agricultural products, pig breeding, and bio-energy projects; it vigorously supports CCOOP’s off-season storage and import and export of chemical fertilizers, development of renewable resources and other sectors related to rural industries. In 2018, the Bank had issued a total of RMB 20 billion of loans to COFCO and CCOOP accumulatively. The balance and increment of loans of ABC occupied the largest market share among all peer enterprises.

Tiandong County in Guangxi is a national commodity grain base. To support the economic development in the rural area and increase the incomes of farmers is the focus of "Sannong" service for the Tiandong County Sub-branch in Guangxi. The branch vigorously raises credit funds to support local grain production. In 2018, the branch issued a total of RMB 25.56 million of loans to farmers to help 488 local households purchase agricultural machinery, chemical fertilizers, pesticides and other agricultural production materials. These loans met farmers' needs for production funds, fully mobilized farmers to grow grain, and stabilized the rice planting area in the county for a great harvest.

Lanling and Shouguang City are two "Vegetable Gardens" respectively located in the south and north of Shandong Province. Lanling County mainly targets the markets of Yangtze River Delta and the Pearl River Delta regions, while Shouguang City mainly supplies vegetables to Beijing and its surrounding areas. As a product with geographical indication of Lanling County, "Cangshan garlic" is an important economic source for local farmers to generate higher incomes. Linyi Branch in Shandong innovatively launched a self-service online product - "Garlic Farm loan" for garlic planters. By the end of 2018, 70 "Garlic Farm loan" had been issued with total RMB 6.9 million, benefiting 70 garlic farmer households.

To support the vegetable cultivation of farmers in Shouguang City, Shouguang Sub-branch in Shandong launched the "Rural Land Contracted Management Right + Greenhouse" mortgage loan model based on the previous experience of "Greenhouse Mortgage Loan" business. After the model was implemented, it was welcomed and appreciated by the majority of vegetable farmers. By the end of 2018, RMB 153 million of "two rights (the management rights over the contracted land and the right of use over the homestead lots)" mortgage loans had been issued to help 916 farmer households get richer.
Supporting the Villages to be Beautiful and Prosperous

The Bank actively supports the new-type county-level urbanization, the construction of characteristic towns, and beautiful villages. It has carried out extensive cooperation with the tourism authorities, and studied and drafted the Action Plan on Implementing the Rural Revitalization Strategy and Promoting the County-Level Tourism Development. By continuing to carry out the “100 Counties of Tourism” special campaign, the Bank has provided quality financial services for rural urbanization to guide the flow of financial resources to rural areas and further boost the overall rural development.

By the end of 2018, the balance of loans for county-level urbanization had achieved RMB 662.68 billion, an increase of RMB 100.16 billion from the beginning of the year. The balance of loans for county-level tourism was RMB 43.62 billion, up by RMB 14.69 billion as compared to the beginning of the year.

The Fujian Branch actively cooperates with the “Refreshing Fujian” brand. Relying on rich mountain and sea resources and profound cultural accumulation, the branch strives to support “four-color” tourism financial service brand - with the “sacred place of the revolution” standing for red tourism, “Dama landscape” for orange tourism, “the starting point of Maritime Silk Road” for blue tourism and “beautiful villages” for green tourism. By the end of 2018, the balance of loans for county-level tourism was RMB 4.23 billion, an increase of RMB 2.83 billion compared with the beginning of the year. Loans of the branch reached all AAAAA tourists attractions of Fujian Province.

Located at the starting point of the Maritime Silk Road in ancient China, Quanzhou Branch in Fujian, aiming to serve the “World Maritime Silk Road Culture Leisure Tourism Destination”, provides strong support for county-level characteristic tourism projects, including Changle Ancient Town, stone carving culture in Huian, Aries tea, Dehua ceramics, and Yongchun county-level tourism, with an aim to promote county-level characteristic tourist attractions, leisure tourism, ecological agriculture and beautiful village construction. By the end of 2018, the balance of loans for county-level tourism of Quanzhou Branch in Fujian was RMB 1.91 billion, an increase of RMB 1.51 billion compared with the beginning of the year.

Yili of Xinjiang, famed as “Land of Abundance in the northern frontier”, is the “hometown of lavender” in China. Xinjiang Branch actively supports the development of lavender industry in Yili, motivates and helps the large number of villagers to develop tourism lodging, catering, and characteristic products, and promotes the integration of the primary, secondary and tertiary industries in the rural area at a faster speed, thus creating a new picture of beautiful villages for the “Land of Abundance in the northern frontier”. By the end of 2018, Xinjiang Branch accumulatively issued loans of RMB 42 million for developing Yili’s lavender industry.

Measures for promoting rural urbanization

Conducting urbanization business investigations

The Bank conducted business investigations in Sichuan, Anhui, Guizhou, Chongqing and so on to study business development of characteristic towns and beautiful villages.

Supporting the development of beautiful villages

The Bank introduced the Action Plan on Financial Service for “Beautiful and Livable Village Construction” to promote the development of beautiful villages.

Innovating in the loan products for urbanization

The Bank studied the financial needs, innovated in regional products, and developed effective promotion and application plans.

Carrying out the “Green Homes for Hundreds of Cities and Thousands of Towns” initiative

The Bank supported urban infrastructure construction and provided financial services that integrate financing and collaborative intelligence. By the end of 2018, the financial service newly extended to 132 counties (including county-level cities) and 275 towns, and a total of RMB 100.16 billion of loans were newly issued.
Based on Guizhou’s rich and high-quality natural resources and ethnic cultures and customs, Guizhou branch provides support for developing 11 national-level tourism demonstration zones including Zunyi City and Anshun City, and help promote the development of the “two relics and one park”, AAAAA tourist attractions, some rural tourism and red tourism projects, as well as other medium-sized and small tourism attractions. By the end of 2018, 26 reserve tourism projects have been developed, and the amount of approved projects reached RMB 2.4 billion.

Sichuan Branch, centering on the theme of “Beautiful Sichuan, Livable Village”, highlights the local characteristics of “green and eco-friendly development”, and endeavors to play the symphony of “Mountains, Waters, Farmlands, Roads and Towns” perfectly.

Singing the “song of mountain” to serve the development of the tourism industry. The branch provides support for 25 tourist attractions of AAAA level and above, such as Huanglong in Jiuzhaigou and 10 key tourism projects in the province. With innovative products targeting tourism hotels, rural inns and other scenic spots based on tourists’ needs, Sichuan Branch has reached the whole tourism industry chain, and promoted the construction of smart tourism facilities such as the “integrated scenic spot acquiring project”.

Playing the “tune of water” to serve the construction of rural water conservancy projects. Focusing on rural production and domestic water use, flood control and disaster reduction, and rural water resources development, the branch has supported key water projects such as Shangqingshong Irrigation Area, Wuda Water Diversion Project and Huaqianggou Reservoir.

Reading the “scriptures of farmland” to serve the rural land consolidation. Sichuan Branch has supported the collectively-operated construction land project in Pidu District, the “Homestead reform and land planning” project, and the project that links the amount of land used for certain purpose to that of land returned to cultivation, and promoted poverty alleviation and intensive use of rural land in Butuo County, Liangshan Prefecture.

Composing the “music of road” to unblock the “last kilometer” of the country road. Sichuan Branch has supported local rural traffic construction projects, including the 952 kilometers of roads leading to villages under the poverty-alleviation rural road network project of Huili County, Liangshan Prefecture, which cover 45 townships and 184 administrative villages.

Dancing the “dance of town” to serve the construction of rural towns. Sichuan Branch has increased loans issued to the local area to support urbanization projects such as urbanized infrastructure construction in the rural area, and construction of public service facilities and characteristic towns.
Helping Farmers Increase Income and Get Richer

The Bank has deepened the improvement of rural financial infrastructure by distributing Hui Nong Cards to farmers, setting up financial service points in rural areas, and deploying electronic machinery. Targeting the financing needs of professional large farms and family farms in key areas, including ordinary farmers, modern agricultural industrial parks, science and technology parks, entrepreneurship and innovation parks and pastoral complexes, Sichuan Branch has continued to enhance credit support for farmers to help farmers increase their incomes.

By the end of 2018, the balance of loans for professional large farms and family farms had reached RMB 82.03 billion, an increase of RMB 16.36 billion from the beginning of the year.

It issued loans to 158,000 households

Issued 216 million Hui Nong Cards

And also set up 602,000 “Kins Hui Nong Tong” service points in the rural areas.
Sharing Modern Financial Services

The Bank promotes the breakthrough and upgrading of the “No.1 Project” of internet financial service for “Sannong” and makes full use of the technology of mobile internet, blockchain and big data to continuously improve the platform of “Hui Nong e-Tong”, promote the comprehensive breakthroughs in “Hui Nong e-loans”, raise extensive coverage of “Hui Nong e-payment”, and improve the quality of “Hui Nong e-merchant”. The Bank also promotes the all-round construction of “Hui Nong Tong service points” and “Hui Nong e-Payment”, and builds a new service mode of “Machinery + Hui Nong e-Tong + Aggregation Code”, so that the majority of farmers can “use the APP of ABC, scan the QR code and obtain loans from ABC” and enjoy the convenient and efficient online and offline integrated modern financial services.

### By the end of 2018

- **“Hui Nong e-loans”** had covered 819,000 farmers, with a balance of loans of RMB 101.8 billion, an increase of RMB 8.6 billion compared with the beginning of the year.

- **“Hui Nong e-payment”** the number of online “Hui Nong e-merchants” reached 7.16 million, whose transaction amount reached RMB 586.3 billion.

- **“Xins Hui Nong Tong”** project were launched by 523,000 “Hui Nong e-payment” service points.

- **“Hui Nong e-merchants”** reached 2.67 million, whose transaction amount reached RMB 471,000 service points were connected to the internet.

### Case studies

#### Zhejiang Branch creates four scenarios for “Sannong” internet financial services

Sales and payment scenario for agricultural materials. In collaboration with www.114nz.com, an e-commerce platform for agricultural means of production in Zhejiang Province, the branch has opened a mall of agricultural materials on Hui Nong Tong Machinery. The mall supports various “Hui Nong e-payment” products, including “Loan Payment”, “Card Payment”, “WeiChat Pay” and so on, meeting various payment needs in the sales of agricultural materials.

Financial service scenario. A financial service sales channel has been set up on the “Hui Nong e-Tong” platform, which provides different rewards, such as bonus points and increased credit, for customers who purchase financial products and pay fees through the “Hui Nong e-Tong” WeiChat official account on the transaction type, number of transactions and transaction amount. It enriches the application scenarios of “Hui Nong e-payment”.

Payment scenario for agriculture-related agencies. The scenario covers multiple payment items of agriculture-related agencies, and supports ten agency service items such as mobile recharge and paying utility bills. A total of 546 agency service items have been put online, constantly enriching payment scenarios based on “Hui Nong e-Tong” WeiChat official account and the farmer-version “Hui Nong e-merchant”, etc.

Scenario of rural consumption. Hui Nong Tong card swiping devices have reached all administrative villages of the province, and all Hui Nong Tong service points have adopted QR code payment. In line with the payment demand of the rural market, the branch has launched many aggregated payment products, such as WeiChat Pay, QR code scanning on mobile bank, etc. By collaborating with upstream suppliers of Hui Nong Tong service points, the branch regularly provides discounts and other promotional activities.

#### Anhui Branch innovates in “Xing Nong Loan” to support “three changes”

Anhui Branch, relying on the “Hui Nong e-loan” platform and based on the reform practices of “three changes” (from resources to assets, from capital to shares, and from farmers to shareholders) in Anhui, has developed the first innovative financial product to serve the “three changes” — “Xing Nong Loan”.

“Xing Nong Loan” changes the traditional model of credit enhancement by government, and realizes the joint risk prevention and control of ABC, government agencies for credit enhancement and collective enterprises, and has achieved innovation in guarantee management. With “Xing Nong Loan”, collective enterprises of the village undertake farmers’ stock rights and other collateral, for which the government agencies for credit enhancement provide guarantees. Farmers can obtain loans without providing traditional collateral. “Xing Nong Loan” solves farmers’ problem of “difficult to get guarantees” when applying for loans. The collective enterprises in turn provide counter-guarantees for guarantee companies, which reduce the risk of guarantee companies, and thus increase their willingness of guarantee companies to provide guarantees for these enterprises. Collective enterprises of the village, by participating in risk sharing, enhance the initiative for customer access, thus effectively eliminating potential risks for customers.

#### Heilongjiang Branch innovates in the “Reclamation Area IoT e-Loan” to improve the financing efficiency of farmers

Based on the Internet of Things (IoT) platform of the reclamation area, Heilongjiang Branch has developed a special product for the reclamation area — “Reclamation Area IoT e-Loan”. The operation mode of the product is the farm pushes basic information on land contracting of farmers to ABC through the IoT platform, and the “Hui Nong e-loan” platform automatically generates a White List and completes the credit extension; the farmers use the APP and WeiChat program for self-service loaning, and farmers’ loans are approved and issued collectively, conveniently and in a standardized manner, which greatly improves the financing efficiency of farmers.
Supporting Real Economies with Heart

The Bank earnestly implements the government’s decisions on supporting the healthy development of private enterprises, and has issued the Opinions on Strengthening the Support for the Healthy Development of Private Enterprises. Twenty-two targeted measures were developed focusing on eight aspects, aiming to solve the problem of high-cost and difficult financing for private enterprises, and promote the high-quality development of the private sector.

- Increasing credit supply
- Improving the policy and system
- Strengthening organizational leadership and positive incentives
- Helping enterprises ease difficulty and solve problems
- Ensuring sustainable commercial development
- Broadening financing channels
- Innovating in products and service models
- Strengthening the reduction of fees and discounts

Scan the QR code to learn more about Opinions on Strengthening the Support for the Healthy Development of Private Enterprises.
Serving the Implementation of National Strategies

The Bank provides all-around and multi-faceted support for the coordinated regional development strategy of China. Following “the Belt and Road” Initiative, we continue to promote the collaborative development of Beijing-Tianjin-Hebei region, assist the development of Yangtze River Economic Belt (YREB), serve the construction of the Xiong’an New Area, and support the development of Guangdong-Hong Kong-Macao Greater Bay Area.

Since the “the Belt and Road” Initiative was proposed five years ago, Adhering to the concept of “friendship, good faith, mutual benefit, and inclusiveness”, we have expanded overseas business, promoted the circulation of capital, strengthened support in key areas, and attached great significance to cooperation with peers of the industry, aiming to create financial drive for the common development and prosperity of China and the world.

Promoting strategic communication through expanded business coverage

The Bank has established branches in Macao, Hanoi and London, initially developing an overseas business network covering major international financial centers and the neighboring countries and regions in close cooperation with them. By the end of 2018, 22 overseas branch outlets and one joint-venture bank have been established in 17 countries and regions, 6 of which are located in the countries along “the Belt and Road”.

In 2018, ABC completed 84.87 billion US dollars of international business in 62 countries along the “the Belt and Road”.

By the end of 2018, ABC had been among the first batch of listed regional banks to provide the service of currency exchange between RMB and seven border currencies, including VND and Mongolian Tugrik. Also, the Bank is among the first banks to get the qualification of transferring RMB cash between China and Mongolia and Vietnam, as well as the cross-border transfer of the cash of five border currencies, including VND, Tugrik and KZT.

Deepening the service for the connectivity of facilities

The Bank provides support for “Going Global” enterprises, and has launched wide cooperation with foreign countries in the fields of port, railway, highway, aviation, communications, etc. The Bank supports the public infrastructure construction, transportation, development of key shipping enterprises and key ports in the region, thus greatly improving the hardware facilities in the western region and contributing to the shipping capacity improvement of coastal areas.

By the end of 2018, in the six northwest provinces and regions covered by “the Belt and Road Economic Belt” the balance of corporate loans amounted to RMB 515.3 billion, an increase of RMB 17.2 billion from the beginning of the year.

In the five provinces and regions covered by “the 21st Century Maritime Silk Road” the balance of corporate loans amounted to RMB 957.1 billion, an increase of RMB 25.2 billion from the beginning of the year.

In the four southwest provinces and regions covered by “the Silk Road Economic Belt”, the balance of corporate loans reached RMB 1.72 trillion, an increase of RMB 184.2 billion from the beginning of the year.

Lianyungang Branch in Jiangsu supports “the Belt and Road” Initiative (Photo by Sun Jinsong)
On May 16, 2018, Xinjiang Branch and the Halyk Savings Bank of Kazakhstan completed the cross-border transportation of 425 million of Tenge cash at the China-Kazakhstan Horgos International Frontier Cooperation Center, fully opening up the national currency settlement channel between the two countries and filling the gap in cross-border transportation of Tenge cash. It is of great significance for deepening the currency settlement between China and Kazakhstan, facilitating the RMB “going global”, and supporting the construction of the core area of “the Silk Road Economic Belt” in Xinjiang.

Relying on its special advantages in serving “Sannong” and mature technological models, the Bank has vigorously supported comprehensive agricultural development projects, international trade of agricultural products, overseas agricultural production and processing, as well as the construction of processing and transportation bases of neighboring countries, which has promoted international agricultural cooperation. Since 2013, ABC had provided financial support for COFCO Group, New Hope Group, Yuan Longping High-Tech Agriculture Co., Ltd., and other national leading agricultural production enterprises to help acquire international agricultural projects, establish overseas production, processing and transportation bases, and promoting the improvement of the international industrial chain and trade, promoting the distribution of global industrial chains and trade networks.

The branch actively innovates in financing products for overseas and domestic interaction, supports the construction of key projects of industrial parks such as Malaysia-China Huarisan Industrial Park (MCHIIP) and Cross-Border Economic Cooperation Zones (CBEZ) at the China-Vietnam Border, and expands new lending models such as cross-border lending and export credit, with an aim to effectively meet the diverse needs of “going global” enterprises.

Guangxi Branch unblocks financing channels

Promoting agricultural projects through advantageous resources

Relying on its special advantages in serving “Sannong” and mature technological models, the Bank has vigorously supported comprehensive agricultural development projects, international trade of agricultural products, overseas agricultural production and processing, as well as the construction of processing and transportation bases of neighboring countries, which has promoted international agricultural cooperation. Since 2013, ABC had provided financial support for COFCO Group, New Hope Group, Yuan Longping High-Tech Agriculture Co., Ltd., and other national leading agricultural production enterprises to help acquire international agricultural projects, establish overseas production, processing and transportation bases, and promoting the improvement of the international industrial chain and trade, promoting the distribution of global industrial chains and trade networks.

The Agricultural and Textile Industrial Park project invested by our company is the largest agricultural and textile investment project in Tajikistan since its independence 25 years ago. It has provided jobs for 350,000 locals. The promotion of the project is inseparable from the support of the Agricultural Bank of China. The Bank issued a project loan of RMB 200 million for our company.

— Chairman of Khatlon Agricultural Company in Tajikistan

Serving the construction of the “Southern Transport Corridor”

The branch has established a comprehensive strategic relationship with Guangxi Xiangxi Development & Investment Group Co., Ltd to support the “Southern Transport Corridor” project of the group. By the end of 2018, the branch had reviewed and approved 41 fixed assets loans for railway, highway, port and aviation projects under the “Southern Transport Corridor”, with a total of RMB 41.12 billion.

Guangxi Branch supports the construction of Datengxia Gorge Dam Project

The branch has pioneered the model of “Agricultural Bank of China Frontier Trade Settlement”. Through the frontier trade settlement platform, the data of the customs, settlement centers and banks can be shared in real time, which ensures the closed operation of trading funds and the effective control of capital outflow channels. Guangxi Branch has initiated the cross-border two-way transfer of RMB/VND between China and Vietnam. Since the launch of the cross-border RMB business, over RMB 150 billion of cross-border settlement transactions have been completed.

Guangxi Branch supports the construction of Datengxia Gorge Dam Project (Photo by Chen Lijun)
Beijing-Tianjin-Hebei Collaborative Development.

The Bank has formulated the Guiding Opinions on Supporting Beijing-Tianjin-Hebei Collaborative Development.

The Bank has established special service teams to formulate specific implementation opinions and assume main responsibilities.

The new-built Beijing-Zhangjiakou High-speed Rail (hereinafter referred to as Beijing-Zhangjiakou Railway) is a key transportation infrastructure project of Beijing and Hebei Province’s successful for the 2022 Winter Olympics, which is a national key transportation infrastructure project. The Beijing-Zhangjiakou Railway is an important part of the inter-city railway network linking Beijing-Tianjin-Hebei region, which reduces the travel time between Yanqing to Beijing to 30 minutes and the time from Zhangjiakou to Beijing within one hour. Beijing Branch and Hebei Branch have set up an internal bank consortium to actively provide credit support for the project. The consortium for the project is the highest among all industry peers.

ABC supports the construction of Qingyanggou bridge in the Beijing-Zhangjiakou high-speed railway

The branch won the bid for the syndicated loan project of Beijing Daxing International Airport with a total of RMB 4.204 billion, ranking first among all banks in terms of market share.

The branch obtained the qualification as the major financing bank of Beijing New Urban Green Development.

The branch issued RMB 2 billion of loans to China Railway Corporation for the purchase of locomotives.

The branch supported the Winter Olympic project by providing RMB 1.26 billion of fixed-asset loans for Xingyan Expressway, thus fully promoting the construction of infrastructure facilities of the 2022 Winter Olympics.

The branch supported the construction of infrastructure facilities of the 2022 Winter Olympics project by providing RMB 1.5 billion of loans, effectively guaranteeing timely completion of the project and greatly alleviating the pressure of ground traffic in urban districts of Beijing.

The newly-built Beijing-Zhangjiakou High-speed Rail (hereinafter referred to as Beijing-Zhangjiakou Railway) is a key transportation infrastructure project of Beijing and Hebei Province’s successful for the 2022 Winter Olympics. The branch supported the construction of the Beijing urban rail transit system. It provided over RMB 30 billion of loans for more than 10 subway projects such as the Line 85 Phase II project, Line 16 project, and Changping Line project, continuously meeting subsequent financing needs of projects related to Beijing urban rail transit system.

The branch supported the construction of the underground direct line project connecting Beijing West Railway Station and Beijing West Railway Station, and provided the project team with a total of RMB 1.5 billion of loans, effectively guaranteeing timely completion of the project and greatly alleviating the pressure of ground traffic in urban districts of Beijing.
The Bank continues to enhance the credit support for the Yangtze River Economic Belt (YREB) in terms of infrastructure construction, people's livelihood, 'Sannong', transportation and other fields. As of the end of 2018, the balance of domestic and foreign currency corporate loans for the 11 provinces of the YREB was RMB 3,060 billion, a year-on-year increase of RMB 364.2 billion.

Chongqing Orchard Port is located in the core area of Liangjiaqiao New District of Chongqing, which is one of the key projects of the Yangtze River Economic Belt (YREB) project and "the Belt and Road" Initiative, as well as the largest inland hub for water, railway and highway integrated transport.

By the end of 2018, the basic accounts of the five project subsidiaries of Orchard Port had been opened in Chongqing Branch, in which an average of RMB 220 million is deposited per day. Chongqing Branch has accumulatively extended RMB 3.48 billion of credits to the Orchard Port project with a balance of RMB 1.98 billion. Both the extended and used credits of the Bank for the project are the highest among all banks.

Chongqing Branch supports Orchard Port with RMB 1.60 billion and the Orchard Port Area Commodity Vehicle Transportation and Allocation Base Project with RMB 1.30 billion, becoming the first bank to approve loans for the Chongqing Orchard Port projects.

Guizhou Branch provides RMB 3.35 billion of loans to the Guizhou Bridge project of Qianxi County (the bridge is 1,450 meters long, 434 meters high and spans 800 meters, which makes it one of the longest cable-stayed bridges in the world). The Bank has served the construction of bridges in Guizhou, thus effectively strengthening the coordination of development within the province, with the outside world, and made Guizhou's economic development smoother (Photo by Ye YiKuai).

Hubei Branch supports the construction of the Chepboard Island Yangtze River Highway Bridge (Photo from Chongqing Port Group).

Jiangsu New Area Branch in Jiangsu issues RMB 800 million of loans to support the construction of Fuying Mansion and Tengfei Mansion in the Nanjing Jiangbei New Area Industrial Technology Research and Innovation Park with a total of RMB 800 million. These industry carriers, after being put into use, will focus on IC design, intelligent manufacturing and big data computing. By the end of 2018, there were nearly 500 registered enterprises and more than 2,500 employees, the Jiangbei New Area Branch has extended more than RMB 5 billion of credits to Jiangbei New Area.

Hubei Provincial Communications Investment Group Co., Ltd. (hereinafter referred to as "Hubei Communications") is the main builder of the Yangtze River Economic Belt (YREB) 'three-dimensional traffic corridor', who is responsible for the construction and operation of more than 40% of expressways in the province. Hubei Branch, with Hubei Communications as the medium, actively supports the construction of expressways, railways and ports in Hubei Province. It has helped improve the transportation infrastructure of the YREB, facilitated the creation of the "three-dimensional traffic corridor" in the YREB. By the end of 2018, Hubei Branch had developed a total of 44 expressway, railway and port projects with Hubei Communications, issued RMB 30.06 billion of loans to the company, and supported the construction of 3.011,54 kilometers of expressways.

Chongqing Orchard Port supports major port projects of YREB

Hubei Branch supports the construction of the Orchard Port (Photo from Orchard Port Group)

Chongqing Branch supports the construction of the Orchard Port (Photo from Orchard Port Group)

Yunnan Branch supports the project in the middle reach of the Embankment Bay, and has provided it with a total of RMB 17 billion of loans to the project (Photo by Huang Rong).
SERVING THE DEVELOPMENT OF XIONG’AN NEW AREA

The Bank regards supporting the construction of Xiong’an New Area as a major political mission and serve it by providing better financial services.

ABC has always insisted on building a “innovative, intelligent, green, inclusive and open” financial service system with ABC characteristics, striving to become the main bank to serve the development of the new area.

ABC, in order to serve the Xiong’an to be an “innovative city”, takes the lead to apply financial technology and works with hundreds of enterprises to boost the development of Xiong’an New Area. By the end of 2018, ABC had reached cooperation with more than 300 central state-owned enterprises and key private enterprises, and had included China Xiong’an Group in the list of core customers at the Head Office. The Bank is the sole sponsor or pioneer in supporting the construction of major projects such as Beijing-Xiong’an High-speed Railway and Beijing Daxing International Airport.

To serve the “green city” construction of Xiong’an, the Bank gives full play to the advantages of its green finance. ABC innovates in block chain technology and builds a support platform for “Millennium Forest” project, achieving the No.1 market share in the industry; it also provides financing for local natural gas pipeline projects to ensure the use of clean energy in the new area.

ABC also provides guarantee for the people’s livelihood and finance so as to facilitate the “better city” construction of Xiong’an. The Bank has set up a large number of “Xin Hong Tong” service points in Xiong’an New Area and taken some innovative measures, like issuing Xiong’an theme debit cards, to provide convenient, safe and practical comprehensive financial services for Xiong’an residents.

According to the planning outline of Xiong’an New Area, the blue (wetland) and green (forests) areas should take up 70% of the total in order to achieve the “ecology-priority for green development,” the new area has started a 100,000-mu afforestation project. China Xiong’an Group, the project management company, proposed to use transparent and closed-loop management of funds for afforestation in the area. Considering the above appeals, the Bank took the initiative to conduct researches at China Xiong’an Group, and communicated face-to-face with the clients to develop solutions for them there. ABC’s financial service platform has realized a successful connection with the 100,000-mu afforestation blockchain management platform of Xiong’an New Area, providing 12 enterprises with all-around fund appropriation service.

Supporting the Development of Guangdong-Hong Kong-Macao Greater Bay Area

With a forward-looking vision, the Bank develops major projects concerning the development planning of Guangdong-Hong Kong-Macao Greater Bay Area by vigorously supporting railway, highway, civil aviation, water conservancy and security housing projects, etc., so as to serve the integrated development of the Greater Bay Area. In 2018, our Macao Branch opened, dedicated to utilizing its geographical advantages, it is committed to providing comprehensive cross-border services to its customers and boosting integration of Greater Bay area of Guangdong-Hong Kong-Macao.

Guangdong-Hong Kong-Macao Greater Bay Area

Agricultural Bank of China

Corporate Social Responsibility Report 2018
Supporting the Development of Emerging Industries

The Bank took the initiative to deepen the supply-side structural reform, and continued the financial service for the five major tasks of capacity reduction, destocking, deleveraging, cost reduction and improving underdeveloped areas. Besides, the Bank cut structural overcapacity to improve the quality of supply, set up new business forms for the cultivation of new development engines, and reduced business cost to enhance the momentum for development. Highlighting credit supply for high-end manufacturing, modern service industry and other emerging industries and real economies, we have served a batch of enterprises with great capability for innovation, to fully support the transformation and upgrading of the industrial structure.

Supporting advanced manufacturing industries

In 2018, the balance of loans for the manufacturing industry was RMB 1,195.67 billion and the balance of loans for advanced manufacturing accounting for more than 40%.

The Bank reduced RMB 147.8 billion of loans for 13 industries with excessive capacity and high risks, including the steel industry and coal industry.

Measures for serving the advanced manufacturing industry

口 The Bank formulated guiding opinions on supporting the manufacturing industry, revised 16 industry credit policies, and hired industry experts to conduct special training on new energy vehicles and industrial internet, in order to guide the whole bank to grasp the development direction of advanced manufacturing industry.

口 The Bank provided special services for key customers, selected and established a key customers database of more than 500 enterprises in the fields of intelligent manufacturing, high-end equipment innovation, projects that make the foundation of industry development more solid, etc. Based on the list of pilot demonstration enterprises of the Ministry of Industry and Information Technology (MIIT), and organized branches to carry out special services for each enterprise with the support of credit resources and preferential policies.

口 The Bank participated in the establishment of the national fund for the transformation and upgrading of manufacturing. With the rich experience in fund-related services as the strength, we actively conducted researches and developed the Plan of Service for the National Fund for the Transformation and Upgrading of Manufacturing Industry and submitted it to the MIT, aiming to support the transformation and upgrading strategy.

口 The Bank actively joined the trilateral cooperation for technical transformation, and was listed in the first batch of pilot banks. We signed the Memorandum on Trials of the Trilateral Cooperation in Key Projects for Technical Transformation with the MIT.

口 The Bank formed a guiding opinion on supporting the manufacturing industry. The Bank realized full coverage of inclusive financial organizations in 31 cities (district), including 11 financial service demonstration sub-branches for small and micro enterprises, 14 technology sub-branches, 14 credit projects, 18 “Made in China 2025” professional service sub-branches and 12 other service organizations.

口 In 2018, the branch issued RMB 71.9 billion of loans for strategic emerging industries.
Yantai CIMC Raffles Ocean Engineering Co., Ltd. (CIMC Raffles) is an ocean engineering company integrating design, construction and commissioning of ocean engineering equipment and other special-purpose vessels. Qingdao Branch and CIMC Raffles have launched all-round cooperation in loans, guarantees, acceptance bills, and international settlements. Qingdao Branch signed a bilateral strategic cooperation agreement with CIMC Raffles and Shandong Ocean Shipping International Trading Co., Ltd. to promote strategic cooperation, so as to support ecological, professional, standardized and intelligent construction of the “Sea Granary” and “Ocean Farm”.

In addition, Qingdao Branch strengthened the support for new marine technologies, new marine industries, new marine business forms, and new marine models. It provided integrated financial services for research institutions and universities such as the National Deep Sea Base Management Center and the First Institute of Oceanography, State Oceanic Administration in terms of clearing, public wealth management and international business, providing financial momentum for the promotion of the marine economy and accelerating the new growth drives.

By the end of 2018, Qingdao Branch had provided RMB 5.35 billion line of credits for blue economy-related projects, supporting more than 20 companies.

In addition, Qingdao Branch supported the development of blue economy...
The Bank took the initiative to switch its business focus to new economies such as new industries, new formats and new models, and also shift to industries that concern all-round development and people’s happiness, in order to support the cultivation of new economic growth points, develop new engines, and promote economic transformation and upgrading.

In 2018, total loans issued to enterprises of strategic emerging industries had been RMB 322 billion, up 152% from the beginning of the year; the balance of loans to happiness industries had been RMB 140.6 billion, up 23% from the beginning of the year.

**Supporting new economies**

Guangdong Branch supports the construction of Chikan Ancient Town (Photo by Situ Qingbo)

**Case**

Guangdong Huochebang Technology Co., Ltd. is a “unicorns enterprises” of “Internet + Logistics”. The newly established company faces financing difficulties of low pledge of asset, slow cash flow, and high asset and liability ratio. Guangzhou Branch extended RMB one billion line of credit by breaking systematic restrictions. In response to the financing demand of 5.2 million drivers to buy vehicles, the branch designed the “Truck Loan” based on the internet and big data, enabling nationwide “online application, online approval and online loan making”. By giving full play to the advantages of the Group, ABC International participated in the A Round financing of Truck Alliance, the leading online road logistics platform in China and invested USD 5 million. It is the only investment institution in the investment banks.

Mr. Lin, Chairman of Quanzhou Jiale Electronic Appliance Co., Ltd., Fujian

Guangzhou Branch supports the construction of Chikan Ancient Town (Photo by Zhou Bojun)

Hubei Branch supports the highway construction for rural tourism (Photo by Tian Hui)

Fujian Sub-branch in Quanzhou, Fujian, as the first pilot branch of “Technological Innovation Loan”, introduced Quanzhou High-tech Enterprise Development Fund as the government credit enhancement and risk compensation, providing financing support and comprehensive financial services for many technological SMEs in Quanzhou. By the end of 2018, the sub-branch visited 116 tech enterprises, opened 14 settlement accounts for tech enterprises, and extended RMB 18 million line of credits for three tech enterprises.

Tech SMEs are hailed as a new force for cultivating new economic growth points and promoting sustainable and steady economic growth, but they require large investments at the initial stage of startup and for R&D, and the risk of survival is high. Tech SMEs like us are asset-light in terms of the composition of assets. Such enterprises face difficulties in financing by intangible assets such as ‘patents’, ‘new technologies’ and ‘H. R. teams’. It is like an invisible wall between them and the banks. ABC’s “Technological Loan” solved the big problem in the operation of funds during the production and operation of my company.

—— Mr. Lin, Chairman of Quanzhou Jiale Electronic Appliance Co., Ltd., Fujian

Fujian Branch supports the development of “unicorns enterprises”

Guangzhou Branch designs “Truck Loan” for Huochebang (Photo by Zhou Bojun)
Focusing on Improving National Welfare

The Bank is committed to supporting the improvement of people’s livelihood. We strengthen our financial service’s contribution to engagement in and integration with industries related to people’s livelihood and tackle difficulties in the service process with new financial service concepts, aiming to fully satisfy the people’s yearning and pursuit for a better life.

Promoting the development of culture and education industries

By the end of 2018, the Bank’s loan balance of cultural industry was 95.46 RMB billion. The loan balance of education industry was RMB 19.84 billion, cooperating with 285 units on Yinxiu-Tong business.

 Hunan Branch actively explores the financial service mode in the cultural field, takes the cultural industry and cultural undertakings as the focus of credit support of the whole bank, and injects new momentum into Hunan’s cultural industry through innovation. The Bank establishes characteristic sub-branches and professional service teams to serve cultural industries, provides special supporting service in financial, human and credit resources, increases staff performance incentives, and also focuses on supporting a number of characteristic cultural enterprises.

The Bank conducts in-depth study of the law of cultural industry development, initiatively introduces “beautiful village”, “PPP” and other credit products. It also focuses on supporting a number of cultural industry projects such as the Ningxiang Tanhe Ancient City, the ancient Yongcheng City in Zhangjiajie, the Taohuayuan Ancient Town, and the construction of stadiums in Jingzhou County.

The Bank leverages the strong technological strength to create online financial services, and innovatively introduces the “Internet + Culture” financial service model. It also takes the lead in introducing the smart Zhangjiajie financial service model in Hunan, and introduces the smart culture, smart tourism and other service models.

By the end of 2018, Hunan Branch had supported and served more than 280 cultural and tourism enterprises, and had issued more than RMB 25 billion of loans to support cultural and tourism and related infrastructure construction, with a loan balance of more than RMB 44 billion, which has greatly promoted the prosperity and growth of Hunan’s cultural industry.
The Bank keeps livelihood-oriented principle to support the affordable housing projects and shantytown renovation and introduces businesses on legal person rental housing and homes with joint property rights. ABC further improves the differentiated credit policy in strict compliance with regulatory requirements and focuses on supporting loans for first-time homebuyers to provide housing financial services for the home buying by non-registered floating population in cities, truly implementing the CPC Central Committee’s promise of “houses are built to be inhabited, not for financial speculation”.

**Launch the “legal person rental housing loan”**

The loan recipients include rental housing developers, constructors, purchasers, M&A initiators, professional operators and other rental entities. By the end of 2018, we have signed strategic cooperation agreements on legal person rental housing with 32 governments and enterprises, and a total of 19 legal person rental housing loans were made with a total amount of RMB 11 billion.

**Launch the “loan of homes with joint property rights”**

This loan focuses on meeting the financing needs of customers in the development and sales of homes with joint property rights. By the end of 2018, the Bank approved 10 loans of homes with joint property rights, amounting to RMB 8.5 billion.

**Attach importance to personal housing loan business**

The Bank continued to optimize the loan structure and access policies, with an aim to improve the efficiency of review and approval, and meet the resident’s reasonable demand on purchasing houses. As of the end of 2018, the balance of personal housing loans was RMB 3,660.57 billion up RMB 527.1 billion from the beginning of the year.

**Serving housing security**

As of the end of 2018, the Bank issued RMB 200.12 billion of loans for affordable housing project an increase of RMB 58.54 billion compared with the beginning of the year and an increase rate of 41.35%.

Located to the west of Shanghai International Tourism and Resorts Zone, Hengmian Old Street is adjacent to the skyway of the zone and is the “bridgehead” connecting to the entrance of Disneyland. Houses on the old street were dilapidated, waterways were silted, migrants crammed the street. The living condition was harsh, fire hazards were prominent, and the overall environment was poor. Therefore, local villagers had a strong desire to improve their living environment, and hoped to renovate the shantytown. Shanghai Branch offered preferential interest rates to the project, optimized business processes, and promoted the smooth progress of the reconstruction of the urban village. By the end of 2018, Shanghai Branch extended a total of RMB 5.04 billion line of credits, which had a positive impact on improving the overall image of Hengmian Old Street, bettering the living environment of residents, and maintaining social harmony and stability.

Henan Branch earnestly implemented the provincial government’s policy of supporting farmers to purchase houses in the city, launched the “Farmer’s Home Loan”, and signed the Strategic Cooperation Agreement on Farmer’s Home Loan with the Henan Housing and Urban-Rural Construction Department and Henan Provincial Finance Department, actively supporting farmers to purchase houses in the city. In 2018, a total of RMB 14.2 billion of “Farmer’s Home Loan” were issued, helping 34,700 farmers realize the dream of “settling in the city.”

As of the end of 2018, the Bank issued RMB 200.12 billion of loans for affordable housing project an increase of RMB 58.54 billion compared with the beginning of the year and an increase rate of 41.35%.

The demolishing old street (Photo by Ni Chenlai)

Zhumadian Branch in Henan launches “Farmer’s Home Loan” business (Photo by Li Haifeng)
In response to the national plan for the medical and health industry, the Bank has upgraded the Bank-hospital One-card system, increased the credit supply for medical institutions, and innovated in the “Smart Hospital” service model to serve the establishment of the basic medical service system, ensuring proper treatment of diseases for citizens. By the end of 2018, the Bank’s balance of medical loans was RMB 6.20 billion, and it has launched collaborated with 683 organizations with the Bank-hospital One-card business.

The bank promotes to construct the organizational guarantee for inclusive finance, and focuses on inclusive finance in terms of product innovation, approach innovation and service innovation, to strongly support SMEs, poor people, laid-off workers, college students and other vulnerable groups, and has increased the credit supply to SMEs.

By the end of 2018, the balance of supervised inclusive financial loans was RMB 493.7 billion, an increase of 28.9% over the previous year, which was significantly higher than the other loans in the Bank with an increase of 17.4 percentage points over the previous year, the number of borrowers was 2.45 million, an increase of 284,000 borrowers over the beginning of the year. The loan balance of SMEs was RMB 1.43 trillion, an increase of 4.0% over the same period of last year, and the growth rate is in the forefront of the same industry.

The Bank continuously improve the two-wheel drive mechanism of “Sannong” Financial Business Department + Inclusive Financial Business Department. All first-level and major second-level branches of the Bank established the Inclusive Financial Business Department, ABC has set up 799 inclusive financial organizations and 100 demonstration branches of financial services for Small and Micro Enterprises (SMEs). In addition, we implemented the reform of the technology and product innovation management system to match resources for inclusive finance and established “Sannong” and inclusive financial product R&D center to provide guarantee for the innovation of financial products for SMEs.

Measures of serving SMEs

- The Bank strongly supports SMEs that are in line with requirements of national innovation-driven strategies as well as industry and environmental protection policies. It is good at exploring SMEs with huge growth potential, and provides support for them especially.
- For advanced manufacturing SMEs in the developing stage, the Bank provides innovative guarantees and financing methods with diverse categorized, collateral-free, reasonable mortgage rate and interest rate for SMEs that meet the requirement of credit extension but have temporary operational difficulties, the Bank does not stop providing financial support suddenly.
- The Bank continuously improve the two-wheel drive mechanism of “Sannong” Financial Business Department + Inclusive Financial Business Department. All first-level and major second-level branches of the Bank established the Inclusive Financial Business Department, ABC has set up 799 inclusive financial organizations and 100 demonstration branches of financial services for Small and Micro Enterprises (SMEs). In addition, we implemented the reform of the technology and product innovation management system to match resources for inclusive finance and established “Sannong” and inclusive financial product R&D center to provide guarantee for the innovation of financial products for SMEs.

Measures of serving SMEs

- The Bank has always adhered to the principle of voluntary, open and transparent business, as well as transparent supply and price, and discloses the list of fees and standards for service prices to customers openly, promptly and comprehensively.
- The Bank actively reduces financing costs, and exempts all service charges related to loans to SMEs except for the syndicated loan service fee, which shall be negotiated with industry peers.
On November 9, 2018, the Bank held the “Integration· Innovation· Development - ABC Facilitates the Promotion Conference on Bond Financing of Private Enterprises” in Ningbo, aiming to implement the requirements of the CPC Central Committee and the State Council to broaden the financing channels for private enterprises and support the development of real economy, and also publicize the creation and issuance of bond-financing support tools for private enterprises.

This conference promoted the guiding principle of “using market-oriented methods to support the development of the real economy.” ABC established a “five special” operating mechanisms in Inclusive Financial Business Department, such as special assessment and evaluation mechanism, special resources allocation mechanism, special comprehensive service mechanism, special statistical accounting mechanism and special risk management mechanism. By the end of 2018, the branch issued a total of RMB 45.26 billion of loans to 28,000 SMEs, increasing by RMB 4.94 billion compared with the beginning of the year, among which RMB 14.15 billion were issued to entities related to key areas and key industries.

In January 2018, ABC issued a total of RMB 45.26 billion of loans to 28,000 SMEs, increasing by RMB 4.94 billion compared with the beginning of the year, among which RMB 14.15 billion were issued to entities related to key areas and key industries.

Innovative serving channels for SMEs

1. The Bank holds the “ABC Facilitates the Promotion Conference on Bond Financing of Private Enterprises” in Ningbo (Photo by Dui Suping).
2. Dalian Branch, together with enterpreneur, tax authorities and enterprises, holds the “Support Tax Reduction for Private Enterprises and Inclusive Finance for the Realization of Dalian Financial Forum” (Photo by Li Zhaolin).
3. Xiamen Branch continues to strengthen credit support for private enterprises and SMEs (Photo by Huang Cheang).

Creating innovative inclusive financial products

Catering to customers’ needs, the Bank continues to strengthen the financial services and product innovation of SMEs, and innovates in online SME-centered financing products by making full use of internet thinking and big data technology, thereby realizing a breakthrough in internet services for SMEs. The Bank actively develops new government credit enhancement business, and has effectively solved the problem of guarantee for SMEs by making full use of risk compensation funds, industry guidance funds, financial discount funds, working capital funds for renewal and other mechanisms.

Shandong Branch earnestly serves SMEs and inclusive businesses.

Case

World-famous glass manufacturer Sunny Group and MedicalSystem, which lays a solid foundation for strengthening support for high-quality private enterprises, thus laying a solid foundation for the Bank to serve private enterprises. Ningbo Branch signed strategic cooperation agreements with five outstanding private enterprises in Ningbo, such as YOUNGOR, AUX, JOYSON ELECTRONICS, Sunny Group and MedicalSystem, which lays a solid foundation for strengthening support for high-quality private enterprises and supporting the healthy development of the real economy.

“...it took us only several days from submitting materials to getting the RMB seven million of loan. Agricultural Bank of China solved our urgent need. The loan can help us achieve more and let Zhiying be available to more organizations and families!”

— Wang Lingjun, Chairman of Shandong Zhiying Window & Door System Co., Ltd.

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3. Xiamen Branch continues to strengthen credit support for private enterprises and SMEs (Photo by Huang Cheang).

Innovative serving channels for SMEs

The Bank developed credit rating, cloud credit extension and cloud monitoring models based on massive credit data, and realized the approval of loans in seconds.

The Bank continues to strengthen the financial services and product innovation of SMEs, effectively meeting the diversified financial needs of SMEs.

1. The Bank holds the “ABC Facilitates the Promotion Conference on Bond Financing of Private Enterprises” in Ningbo (Photo by Dui Suping).
2. Dalian Branch, together with enterpreneur, tax authorities and enterprises, holds the “Support Tax Reduction for Private Enterprises and Inclusive Finance for the Realization of Dalian Financial Forum” (Photo by Li Zhaolin).
3. Xiamen Branch continues to strengthen credit support for private enterprises and SMEs (Photo by Huang Cheang).
Hebei Branch regards and promotes "Data Network Loan" as a key product for serving SMEs along the supply chain. By the end of 2018, Hebei Branch had issued RMB 91.2 million of loans to 34 downstream SMEs of Hengshui Laobaigan, which guaranteed the collection of payments.

Zhejiang Branch accelerates the promotion of inclusive finance and spares no effort to serve SMEs. For nine consecutive years, the branch has been rated as "Advanced Company of Financial Service for SMEs" and "Excellent Company of Supporting the Agricultural Industry and Small Enterprises".

Case

Hebei Branch supports SMEs along the supply chain with the innovative "Data Network Loan" model. In the "Data Network Loan" model, Dealer transaction data is used to provide loans to downstream SMEs. The payment of principal and interest is made through self-service channels such as WeChat and mobile banking.

Case

Zhejiang Branch serves SMEs with innovative products. The branch took the lead to set up the Inclusive Financial Business Department, launched credit business of SMEs at 675 eligible outlets within the jurisdiction of the branch, and assigned more than 1,500 customer managers to all counties, cities and major towns and townships.

Changzhou Branch in Jiangsu starts from the source to develop innovative mechanism, optimize process and provide prioritized credit policy and resources to fully support the cultivation of "professional, lean, featured and novel" SMEs. In 2018, Changzhou Branch invested nearly RMB 200 million to support 46 enterprises to upgrade their equipment and help them become bigger and stronger.

Case

Xiachu Town, located in the northwest of Changzhou City, Jiangsu Province, has a history of more than 2,500 years. Known as "China's Tool Town", it is the largest industry cluster of high-end cutting tool industry in China. Its market share of cemented carbide milling cutters is over 60% and its products are widely used for spare parts processing in automobile, aerospace, rail transit, marine engineering and other industries.

Changzhou Branch in Jiangsu starts from the source to develop innovative mechanism, optimize process and provide prioritized credit policy and resources to fully support the cultivation of "professional, lean, featured and novel" SMEs. In 2018, Changzhou Branch invested nearly RMB 200 million to support 46 enterprises to upgrade their equipment and help them become bigger and stronger.

Innovative models for serving SMEs

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Innovative featured products

Based on the financing needs of SMEs at different stages, the branch launched innovative products such as the "preliminary loan for enterprises in the industrial park", "auction loan" and "Jiake Tong". On the basis of "Huinong Network Loan", the branch explored and launched the "SME Network Loan", enabling SMEs to apply for loans and make repayments through self-service channels such as WeChat and mobile banking.

Agricultural Bank of China

Corporate Social Responsibility Report 2018
The Bank adheres strictly to the national green development strategies. Guided by the Development Plan for Green Finance of Agricultural Bank of China (2017-2020), the Bank has been participating in both domestic and overseas green bond market, and guiding financial resources to the green industry, so as to support the development of the green industry and promote the transformation and upgrading of the industrial structure.

- The Bank underwrote 3 issues of the Industrial Bank’s green financial bonds, raising RMB 50 billion of funds
- The Bank underwrote 4 issues of green financial bonds for Hebei Finance Leasing Company Ltd., raising RMB 2 billion of funds
- The Bank underwrote 2 issues of green financial bonds for China Huaxia Financial Leasing Co., Ltd., raising RMB 2 billion of funds
- The Bank underwrote 3 issues of green financial bonds for Bank of Beijing, raising RMB 60 billion of funds
- The Bank underwrote 2 issues of green financial bonds for Bank of Nanjing, raising RMB 2 billion of funds
- The Bank underwrote one issue of Medium Term Note (MTN) for Wuhan Metro Group Co., Ltd., raising RMB 2 billion of funds
- The Bank underwrote one issue of MTN for China Three Gorges Corporation, raising RMB 2 billion of funds
- The Bank underwrote 2 issues of the Industrial Bank’s green financial bonds, raising RMB 60 billion of funds
- The Bank underwrote one issue of ultra-short bond funds for China Three Gorges Corporation, raising RMB 3 billion of funds

In 2016-2018, the Bank underwrote 19 issues of green bonds, raising RMB 156 billion of funds.
Boosting the Development of Green Finance

The Bank adheres to the relevant policies and guidelines of the People’s Bank of China, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission, and the stock exchanges, to continuously improve the green credit system, and has applied differentiated credit approaches to guide resource allocation to green, circular, and low-carbon fields, so as to further develop the green financial services, promote the transformation of industrial structure into a resource-saving and environment-friendly direction, and support the green development of the real economy.

In 2018, the Bank’s green credit loan balances reached RMB 1,050.4 billion, equivalent to saving 27.9 million tons of standard coal, reducing 60.79 million tons of carbon dioxide and 340,000 tons of COD, reducing 30,000 tons, 1.76 million tons and 1.81 million tons of ammonia nitrogen, sulfur dioxide, nitrogen oxide emissions respectively, and saving 37.43 million tons of water.

In 2018, the London Branch, a member of “the Green Belt and Road Investor Alliance” (GBRIA), actively participated in the discussion and formulation of the Green Belt and Road Investment Principles at the City of London Corporation. The final principles were submitted to the 3rd Meeting of China-UK Green Finance Taskforce for discussion and approval on November 30th, 2018.

Green credit measures

Increasing policy guidance

Clariﬁcation of the investment and management requirements of green credit to increase the support of green credit

Strengthening research on related ﬁelds such as new energy and resource recycling, formulating credit policies for solar power industry

Revising the credit policies for the shipbuilding and steel industries, and promoting the in-depth integration of green credit indicators and the credit policies

Issuing the Notice on Implementing the Evaluation of the Green Credit Performance by the People’s Bank of China and making the annual green credit increment plan

Beijing Branch contributes to ecological improvement (Photo by Niu Botao)

Improving and standardizing the green credit labeling, improving the online collection and regular monitoring of green credit data, and timely submitting the data to regulatory agencies

Issuing the Agricultural Bank of China’s Measures on Credit Business Environment and Social Risk Management, and strictly implementing control on the whole process

Collecting business statistics

Case

London Branch participates in the formulation of the Green Belt and Road Investment Principles
The Guiyang Branch in Guizhou actively responds to the green transportation development strategy formulated by the Guiyang Municipal Government by providing financing services for the construction of the integrated transportation system of Guiyang. In 2018, 2 billion of loans was issued to support the construction of the transportation network infrastructure, injecting strong “green momentum” into the construction of “green transportation” in Guiyang.

In order to improve the ecological environment along the Yangtze River, the Jiangsu Branch and China Development Bank established a bank consortium and issued RMB 400 million of loans to support the development of ecological protection forests on the north bank along the Yangtze River to isolate chemical pollution. The green area of the project reached about 2,254.2 mu (equals to 150.28 hectares), including 1,352.9 mu of first-level protection zone, 901.7 mu of second-level protection zone, 132,000 trees of various types and 1,127.1 mu of shrubs.

Supporting green rail transit projects
- Leading the syndicated loan for the PPP projects of Line 1 and Line 2’s phase I of Wuhu Rail Transit
- Leading the syndicated loan for the PPP project of Subway Lintong Line (Line 9)’s phase I of Xian Metro
- Participating in the syndicated loan for the construction of Fuzhou Rail Transit Line 6
- Participating in the syndicated loan for the construction of Line 4 (House to Xiang’an Airport Section) of Xiamen Rail Transit Group Co., Ltd.
- Participating in the syndicated loan for the construction of Line 3’s phase I (Cangfanggou to Sangongbei) of Urumchi Rail Transit.
- Leading the syndicated loan for the 300MW offshore wind power project in Dafeng, Jiangsu
- Leading the syndicated loan for the 5# and 6# storage tank project at Xiuyu Receiving Terminal of Fujian LNG terminal and trunkline project
- Participating in the syndicated loan of the Baihetan Hydropower Project of China Three Gorges Corporation
- Participating in the syndicated loan for the renovation project of Zhuyuan No.1 and No.2 Sewage Treatment Plant in Shanghai

Supporting the new energy and environmental protection industry
- Leading the syndicated loan for the development of local photovoltaic and wind power companies

Performance of syndicated loans
The Bank has strengthened cooperation with other banks and non-bank financial institutions to support rail transit and sewage treatment projects, and new energy projects such as hydropower and wind power projects.
1. Hunan Branch supports the water system governance of Liuyehu Lake around Dongting Lake (Photo from Hunan Branch)

2. Foreign employees of the Sydney Branch visit the site of Baishi Wind Farm Project (Photo by Cian Fahey)

3. Dalian Branch launches low carbon and environmental financial campaign (Photo by Chen Kai)

4. Jilin Branch supports the relocation and reconstruction project of Jilin Fengmian Hydropower Dam (Photo by Sui Yang)

5. Guilin Branch in Guangxi builds the "Great Wall" of wind power in the north of Guilin (Photo by Xu Wenyao)
In 2018, ABC successfully issued two green financial bonds for the Industrial Bank Co., Ltd., raising a total of RMB 60 billion, and the Bank's share was RMB 9 billion. The funds raised will be used for green projects that support environmental improvement and climate change, such as environmental protection, energy conservation, clean energy and clean transportation, etc.

With the strong support of ABC, China Resources Leasing Company Limited's first issue of green asset-backed notes in 2018 was successfully issued with a registered amount of RMB 1.35 billion. All of the issued notes were used for green projects that meet the requirements of the Green Finance Committee. The green asset-backed notes won the 2017-2018 Asset Securitization Jiefu Award - "Award for Green Financial Asset Securitization Product of the Largest Scale".

The Tianjin Branch provided support for Tianjin Rail Transit Group Co., Ltd. with the issuance of the first issue of green euro bonds of 400 million euros in 2018 on the London Stock Exchange. As the first euro bond issued by a Tianjin-based company, and also the first green bond, the bond was mainly used to provide funds and refinancing service for qualified green projects in low carbon transportation, pollution prevention, energy efficiency and renewable energy.

The Bank actively innovates in green asset securitization and provides green asset securitization products with different underlying asset portfolios and structural designs based on differentiated services. In 2018, 1 issues of green asset securitization products was launched, the equivalent of RMB 1.35 billion of funds which raised RMB 10.8 billion of which the Bank’s share was RMB 4.9 billion.

In order to speed up building the green financial reform and innovation pilot zone, the Bank formulated and issued the Relevant Opinions on Supporting the Construction of Green Finance Reform and Innovation Pilot Zones in Zhejiang, Jiangxi, Guangdong, Guizhou and Xinjiang. Adhering to the principle of ‘one branch, one policy’, the Bank focuses on improving the green financial management mechanism, strengthening green financial products and service innovation and the bank-government cooperation on green finance, and enhancing the supporting measures for green financial innovation, so as to further improve the green financial service system and cultivate new advantages for differentiated competition.

The Tianjin Branch supports local companies with the issuance of green euro bonds for Industrial Bank Co., Ltd.

The Bank is committed to innovating green financial products by integrating the green development concept into the whole process of product design so as to exploit its own financial advantages to promote green and low-carbon development.

Green industry funds

The Bank continued to increase the investment of green industry funds to support the development of green industries such as rail transit, environmental protection technology and equipment, pollution prevention and waste treatment, etc.

In 2018, the Bank approved and invested RMB 15 billion green industry funds.

Green bonds

The Bank attaches great importance to the underwriting and issuance of green bonds, and continues to provide financial support for green projects such as low carbon and environmental protection, resource conservation and clean energy.

In 2018, 3 green bonds were issued which raised RMB 63 billion of funds of which the Bank’s share was RMB 10.8 billion.

Securitization of green assets

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Carrying out product innovation

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Focusing on Green Operation

Green office

The Bank adheres to the business philosophy of “green development” and “low-carbon finance” by integrating energy conservation and emission reduction into daily operation and management, so as to actively reduce office energy consumption, and promote green office.

Strengthening management

Under the leadership of a special energy leading group, the energy-saving tasks were completed in 2018.

Carefully implementing relevant management measures including The Energy Management System for the Head Office of the Agricultural Bank of China.

Carrying out centralized document printing reform and set up multifunctional printing equipment.


Optimizing the energy-saving plan for central air conditioning, lighting system and other key energy consumption equipment.

Organizing property companies to establish and improve the water-saving management system, water-saving regular meeting system, equipment inspection system, equipment maintenance system, water-saving publicity and education system and water-saving rewards and penalties system, etc.

Learning and exploring contact energy management mode, and conducting market research and contract energy management mode to further expand energy-saving fields and improve energy-saving effect.

Enhancing awareness

Actively participating in meetings and training organized by municipal development and reform commissions to keep updated on the national energy conservation and emission reduction policies and development trends.

Issuing the Energy Saving Notice to organize water-saving and power-saving training.

Publicizing water conservation know-how in a variety of ways.

Measures for green office

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microcomputer (host) processing capacity</td>
<td>sets</td>
<td>737</td>
</tr>
<tr>
<td>Display processing capacity</td>
<td>sets</td>
<td>529</td>
</tr>
<tr>
<td>Laptop processing capacity</td>
<td>sets</td>
<td>624</td>
</tr>
<tr>
<td>Printer processing capacity</td>
<td>sets</td>
<td>384</td>
</tr>
</tbody>
</table>

Carrying out technical transformation projects to reduce energy consumption.

Energy consumption data


2. The data centers of ABC are mainly in Shanghai, so the electricity consumption in Beijing is lower than that of other branches.

3. The diesel is mainly prepared for the backup generators of the Data Center.

4. The calculation of greenhouse gas is in accordance with the Greenhouse Gas Protocol — The Calculation and Report Standards for Enterprises of WRI and WBCSD, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the Intergovernmental Panel on Climate Change (IPCC).

5. The emission factor of electricity in range 1 includes the electricity consumed by Data Center and equipment backup generators of the Data Center.

6. The diesel emitted in range 2 includes the direct greenhouse gas emissions in range 1 and indirect greenhouse gas emissions in range 2.

7. We adopt the statistical and conversion method of National Bureau of Statistics.

8. The waste equals to water consumption/0.85. The waste discharge coefficient refers to the Code of Urban Waterwaster Engineering Planning (GB 18918-2002) and relevant documents of National Bureau of Statistics.

On June 11, 2018, ABC’s first “Go Green” outlet in China — Shenzhen Meilong Sub-branch officially opened (Photo by Xu Yao)
Green procurement

For green procurement, the Bank considers environmental factors while selecting suppliers, and prioritizes suppliers with small environmental impacts in the production process.

As of the end of 2018, the number of suppliers of the Head Office of ABC reached 1,249.

Requirements of green procurement

- Products and services provided by suppliers must comply with the corresponding national green certification standards, and take into account various factors such as the health and safety of users, resource conservation, recycling, environmental impact, etc.
- Under the same conditions, the Bank selects suppliers who adopt clean production and logistics models, provide environmentally friendly products and services, and advocate green corporate culture.
- The Bank promotes green procurement together with suppliers, and guides suppliers to carry out technological innovation for green products and services through centralized procurement, thereby saving energy, reducing environmental pollution and jointly fulfilling green development responsibility.

Establishing a centralized procurement e-commerce platform and continuously improving the procurement management system
- Publishing electronic purchase documents to reduce paper use
- Promoting electronic review, and using electronic materials for meetings
- Encouraging the duplex printing of purchase response documents

Measures for green procurement

- Publishing electronic purchase documents to reduce paper use
- Promoting electronic review, and using electronic materials for meetings
- Encouraging the duplex printing of purchase response documents

Participating in Environmental Protection

In order to guide employees to pay attention to green development and enhance employees’ awareness of environmental protection, the Bank actively implements the concept of environmental protection to build the green homeland together with employees.

In 2018, the Bank organized or participated in 3,483 environmental activities that involved 36,247 participants.

Case study: Inner Mongolia Branch conducts a large-scale voluntary tree planting campaign themed with “Building the Ecological Barrier and the Green Great Wall on the Northern Frontier - ABC is in action.”

1. Inner Mongolia Branch conducts voluntary tree planting activity (Photo by Zhang Qingtang)
2. The Youth League Committee of Nanning Branch in Guangxi organizes youth volunteers to participate in the clean-up voluntary activity themed with “Protecting the Mother River, ABC is in Action” (Photo by Gan Lu)
3. Heilongjiang Qiqihar Branch holds tree planting activities (Photo by Bi Ximei)
4. New York Branch cooperates with River Park Protection Association to actively fulfill environmental responsibility (Photo by Zhang Zhouyang)

Jilin Branch provides support for Baicheng Wind Power Project of China Huaneng and drives the new engine of green development in Baicheng (Photo by Xia Yuanmeng)
Providing Quality Services with Sincerity

The vast network of outlets covering urban and rural areas has always been ABC’s selling point and traditional advantage. Since 2017, through the application of science and technology, the Bank has implemented the philosophy of “improving efficiency with financial technology and operation process,” based on the new generation of super counters, the Bank will reshape the customer service process in outlets, and comprehensively promote the transformation of offline service channels to intellectualized, light mode and integration of online and offline services.

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10,988 outlets conducted the transformation and upgrade projects to make outlets more light-weight and intelligent accounting for 50% of all outlets.

CSR Focus
Transforming Outlets to Increase Service Efficiency

- Developing the multi-channel cooperative platforms in outlets
- Launching the new generation of super counter intelligent service platform
- Establishing the “Joint Fintech Innovation Lab” (building with Baidu), and putting the first phase of “ABC Financial Brain” into operation
- Putting the comprehensive improvement project of counter business into operation
- Putting the new generation of intelligent service system of outlets into operation
- Achievements of developing streamlined and intelligent outlets

10,988 outlets conducted the transformation and upgrade projects to make outlets more light-weight and intelligent accounting for 50% of all outlets.
Pursuing Quality Service

In order to continuously promote the outlet transformation in the new era, the Bank has carried out special activities for service upgrading for four consecutive years, and set 2018 as the "Year of Customer Experience Promotion", thereby striving to further enhance the service and marketing capabilities of outlets.

Management Mechanisms for Service Quality Improvement

Outlet service management evaluation mechanism
Service normalization management, service supervision and inspection, service complaint handling, etc.

Creation mechanism of model service provider
Starting the establishment of "Top 100 Outlets" and the selection of "Star Outlets with Transformed Service", launching the selection activities of 2018 "Top 10 Service Providers" and "Smiling Service Ambassadors".

Service-monitoring system
Plain-clothes staff, video and spot-inspections.

Service experience mechanism at outlets
Customer feedback on service experience; ABC's employees experience outlet service, etc.

Improving the level of management

The Bank always puts customers first, and is committed to providing better service to customers and enhancing customer service experience. At the same time, the Bank continues to strengthen product and service innovation, and enrich the variety and quantity of products and services.

Enhancing sales behavioral management

The Bank has strengthened sales behavior management from three aspects, including implementing product sales supervision regulations, improving sales behavior supervision and inspection, promptly warning the risks of sales personnel to ensure that sales personnel comply with laws and regulations.

Optimizing service processes

The Bank formulated the Implementation Plan for Optimizing Corporate Account Opening Service. Adhering to the principle of "comprehensive policy implementation with the equal attention to effectiveness, efficiency and risk prevention", the Bank continued to improve the institutional system and innovate in business models, implementing the comprehensive transformation of corporate business, starting the "no need for filling in the form" process optimization project, and applying Internet financial technology to further expand service channels and enrich online functions.
The Bank formulated the Three-Year Action Plan for Financial Technology Innovation of Agricultural Bank of China (2018-2020), and it pointed out the direction for constantly strengthening technological innovation of financial products.

### Risk Compliance Supports

<table>
<thead>
<tr>
<th>Financial science and technology service platform</th>
<th>Financial science and technology service platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artificial Intelligence</td>
<td>Mobile Internet</td>
</tr>
</tbody>
</table>

### Content interpretation

#### "Improving six basic capabilities in an all-round way"
- Comprehensive improving the application of key Fintech technologies, including artificial intelligence, mobile Internet, blockchain, big data, cloud computing, and information security

#### "Promoting the application of eight major fields"
- Gradually promoting the application of intelligent "Sannong", intelligent retail, intelligent Internet finance, smart asset management, smart credit, smart operation, smart security and protection, and smart office


- **Building one platform**
  - Fintech service platform

#### In accordance with the relevant requirements of open outlet layout, intelligent product and service, and convenient customer experience, Jangzi Branch focuses on improving the intelligence, marketing, digitization, streamlined operations, comprehensive business, and integration of online and offline services, striving to build the first exemplary outlet of transformation in the province (Photo by Xu Liang).

#### Zhejiang Sub-branch in Zhejiang gathers intelligent elements including artificial intelligence, big data, mobile Internet, blockchain, etc. to develop service models of the future featuring accurate, customized, and one-stop banking service. The sub-branch has become the first Internet-based intelligent technology bank in China (Photo by Qiu Chunxi).

#### Attaching great importance to financial technological innovations

The number of products in 2018 is 540.
On April 20, 2018, China’s first self-service DIY smart bank was opened in Chongqing, Xinfangji. Focusing on the “customer-oriented” service model, the smart bank uses financial technology, AI technology and big data analysis to redefine financial services in the new era. While meeting customers’ needs for finance, better life, social and tourism, the bank offers a brand-new service experience to them.

The Shenzhen Branch has innovated in a series of intelligent, automated functions and equipment, and continues to build streamlined banking to improve services. The branch has realized the super-counter mobile service with smart tablet devices; the bank has realized self-service for bill transfer, sale and cash withdrawal, etc., and the bank also replaced the manual counter with code scanning for collection of small fees. Nowadays, customers can close their accounts by themselves since changes can be transferred to their WeChat Wallet automatically. The branch can also realize remote introduction of products to the high-end customers through the videos on the wall-mounted touch screen.

The Shenzhen Branch (Photo by Feng Zhenhan)

The Fuze Sub-branch in Nanjing, Jiangsu Province, integrate the cultural elements of the “Fuzimiao Qinhuai Scenery Belt” into modern banking services, and creates special functional areas such as the century-old shop, sound sharing, digital reading, somatic photography, etc., becoming the first cultural tourism themed bank in China (Photo by Yu Yiqi)

The “Gao Gui Tong” independently developed by the Hebei Branch has integrated a number of services into one device, solving the disordered placement of many types of equipment, and enhancing the efficiency of customer service, and improving the image of outlets and customers’ experience (Photo by Yang Shan)

The Fuze Sub-branch opens DIY smart bank

The Bank is committed to meeting the diverse needs of customers and enhancing customer satisfaction in various ways by making full use of information technology.

Expanding customer service channels

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Mobile banking

Promoting the upgrade of mobile Internet to intelligent Internet, continuously optimizing the structure of mobile banking and enhancing customer experience.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of mobile banking clients (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>170</td>
</tr>
<tr>
<td>2017</td>
<td>206</td>
</tr>
<tr>
<td>2018</td>
<td>257</td>
</tr>
</tbody>
</table>

E-banking

Continuously innovating e-banking products and enhancing customer experience, enriching e-banking product categories, and optimizing functions of the official website to achieve full coverage of all services.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of e-banking clients (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>189</td>
</tr>
<tr>
<td>2017</td>
<td>223</td>
</tr>
<tr>
<td>2018</td>
<td>265</td>
</tr>
</tbody>
</table>

Number of personal clients

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of personal clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>189</td>
</tr>
<tr>
<td>2017</td>
<td>223</td>
</tr>
<tr>
<td>2018</td>
<td>265</td>
</tr>
</tbody>
</table>

Number of corporate clients

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of corporate clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.48</td>
</tr>
<tr>
<td>2017</td>
<td>5.32</td>
</tr>
<tr>
<td>2018</td>
<td>6.20</td>
</tr>
</tbody>
</table>
WeChat banking

Opening the “Agricultural Bank of China” WeChat official account and the “ABC micro-service” mini program to optimize customer service.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of followers of the “Agricultural Bank of China” WeChat official account</th>
<th>Page views of the “ABC micro-service” mini program</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>25</td>
<td>67.05</td>
</tr>
<tr>
<td>2017</td>
<td>67.05</td>
<td>22</td>
</tr>
<tr>
<td>2018</td>
<td>90.81</td>
<td>31</td>
</tr>
</tbody>
</table>

Outlets Wi-Fi

Giving full play to the advantages of electronic marketing information and providing customers with location-based differentiated content display, thus guiding them to learn about featured products launched by each branch and to experience online and offline collaborative local services, and improving service quality.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of registered clients of outlets Wi-Fi in 2017 - 2018 (million)</th>
<th>Number of registered clients of online customer manager service in 2017 - 2018 (thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>24.1</td>
<td>64.5</td>
</tr>
<tr>
<td>2018</td>
<td>24.3</td>
<td>77.8</td>
</tr>
</tbody>
</table>

Online customer manager

Offering customers online services through efficient and green instant messaging channels, and building an online and offline collaborative marketing system that integrates “gaining new customers through code scanning - product promotion - one-click purchase - performance attribution - service evaluation”.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of registered clients of online customer manager service in 2017 - 2018 (thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>64.5</td>
</tr>
<tr>
<td>2018</td>
<td>77.8</td>
</tr>
</tbody>
</table>

Improving complaint management mechanisms

The Bank respects the rights of customers to express their opinions and needs, and is committed to creating efficient customer complaint channels to strengthen customer complaint management. The Bank proactively responds to customer demands, and strives to improve the settlement rate of customer complaint to improve customer satisfaction:

In 2018, the settlement rate of customer complaints was 100%, among which 95 million calls were transferred to human service.

In addition, the customer service center received a total of 424 million phone calls from customers, among which 102 million calls were transferred to human service, achieving 99.25% customer satisfaction.

Revising the Measures for the Management of Complaints from Personal Customers of the Agricultural Bank of China (for Trial Implementation)

Printing and distributing the 2018 Joint Evaluation Plan for Customer Service of the Agricultural Bank of China

The joint system was promoted to 36 departments of the head office and introduced to outlets from secondary-level branches. The system has basically covered all levels of operational institutions of the Bank.

The Bank has launched the “Customer Inquiry and Complaint Handling Process Optimization” project to further improve the response efficiency to customer needs.

Concentrating on solving hot issues in credit card complaints, the Bank has taken appropriate measures to optimize processes and improve services.
Protecting the Rights and Interests of Consumers

Adhering to the service philosophy of "customer first", the Bank resolutely fulfills its responsibility of protecting consumers' rights and interests, improves consumers' experience, and promotes the sustainable development of all businesses.

The Bank strives to protect consumers' rights by continuously strengthening the building of consumers' rights and interests protection system and management system, and improving the level of consumer information security management.

Improving system development


Optimizing organizational structure

Focusing on clarifying the responsibilities of the consumers' rights and interests protection departments and divisions to ensure their duties, at the same time, the Bank transferred the management function of consumers' rights and interests protection to the personal finance department to promote the integration of consumers' rights and interests protection with daily operations.

Protecting information security

The Bank began to build a consumer information security protection system to comprehensively strengthen information security management, enhance the level of information security protection, and curb the risk of information leakage.

Information Security Protection System

<table>
<thead>
<tr>
<th>System</th>
<th>Technology</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Management Methods</td>
<td>Establishing a comprehensive, multi-level and three-dimensional debit card security system for all outlets</td>
<td>Improving employees' ability to prevent financial crimes through training and publicity</td>
</tr>
<tr>
<td>Credit Business Operation Procedure</td>
<td>Realizing the connection between the quantum networks and the pilot business systems of ABC and those of People's Bank of China</td>
<td></td>
</tr>
<tr>
<td>Credit Information Security Emergency Response Plan</td>
<td>Regulation of Personal Customer Information Protection of the Agricultural Bank of China</td>
<td></td>
</tr>
</tbody>
</table>

Protecting consumers' rights and interests

Yugur Autonomous County of Lanxian Branch in Zhangye, Gansu Province publicizes the protection of consumers' financial rights and interests to the local people (Photo by Li Xin)

Guangdong Branch attends the "cybersecurity week" activity (Photo by Huang Zhenye)
Creating a prevention and control system

In order to enhance the ability to prevent financial crimes, the Bank focuses on the development of a systemic prevention and control system, and enhances employees' capabilities of anti-money laundering, anti-counterfeit currency and preventing illegal fund-raising, effectively protecting the legitimate rights and interests of consumers.

Anti-money laundering

The Bank has always mapped the highest international standards and best practices in the same industry to thoroughly implement the risk-based anti-money laundering method and has established a global compliance management system to deal with anti-money laundering and sanctions with efficient management, orderly operation and strong safeguards. ABC has strengthened the development of the “Three lines of defense” and the five pillars, continuously strengthened its global anti-money laundering compliance management capacity, which has played an important role in maintaining national and social stability.

Anti-counterfeit currency

The Bank actively promoted the serial number verification to realize the traceability of counterfeit cash and materials; the Bank strictly implemented the work requirements of the People’s Bank of China on anti-counterfeit currency, and guided the implementation of cash identification and sorting at all levels of outlets at cities and countries; the Bank also established counterfeit currency monitoring and response stations at outlets with large cash flows, providing strong support for the nationwide dynamic counterfeit currency monitoring and the detection of cases involving counterfeit currency; meanwhile, the Bank encouraged branches at all levels to carry out anti-counterfeit currency publicity activities in various forms to expand social influence and stimulate the public’s enthusiasm for anti-counterfeit currency.

Preventing illegal fund-raising

The Bank regards the risk prevention and disposal of illegal fund-raising as an important task to maintain social stability and prevent financial risks. ABC has conscientiously organized and carried out prevention and disposal of illegal fund-raising according to the model of overall linkage, division of responsibilities among departments, normalized monitoring and early warning, and special investigation and management.

Specific actions to prevent and combat illegal fund-raising

Continuously improving the working mechanism

Strengthening organizational leadership to establish an anti-money-laundering compliance management committee; improving the system process, strengthening control of machines and skills and enhancing assessment and evaluation.

Developing normalized monitoring and early warning of illegal fund-raising

Establishing a long-term mechanism of risk prompt and early warning disposal and constantly improving the transaction monitoring model.

Deeply carrying out investigation and management

Carrying out special rectification on risk management such as illegal fund-raising, by using model clue analysis.
Enhancing Employee Happiness with Joined Hands

The Bank cares about model workers and thus builds a growth platform for employees to constantly improve the quality care for model workers. In 2018, ABC set up 71 Model Worker Innovation Workshops, including Marketing Management Model Worker Innovation Workshop, Skill-Imparting Model Worker Innovation Workshop and Comprehensive Model Worker Innovation Workshop, and also awarded medals for 20 model workers for the first time, as well as, 98 model workers were trained from 37 tier-1 branches.

CSR Focus
Caring for Model Workers

The Bank cares about model workers and thus builds a growth platform for employees to constantly improve the quality care for model workers. In 2018, ABC set up 71 Model Worker Innovation Workshops, including Marketing Management Model Worker Innovation Workshop, Skill-Imparting Model Worker Innovation Workshop and Comprehensive Model Worker Innovation Workshop, and also awarded medals for 20 model workers for the first time, as well as, 98 model workers were trained from 37 tier-1 branches.
Protecting Rights and Interests of Employees

ABC attaches great importance to protecting the legitimate and democratic rights of employees. We provide employees with stable jobs, remuneration and welfare treatment, and sound social security system, and provide a healthy work schedule to ensure their holiday and leave.

Establishing harmonious labor relations

The Bank strictly abides by the Labor Contract Law, and develops the Administrative Measures on Labor Contract in accordance with the national laws and relevant regulations, to sign labor contracts with employees and implement the full-staff contract management. We firmly oppose employment discrimination, forbid recruitment of child laborers and treat employees of different nationalities, religious beliefs and cultural backgrounds and of different races and genders equally and fairly.

Promoting a democratic establishment

The Bank gives priority to improving the trade union and workers' representative conference system, and strictly abides by the Work Rules of Workers' Representative Conference of Agricultural Bank of China and Implementation Rules of Workers' Representative Conference System of Basic Units of Agricultural Bank of China. Trade unions and workers' representative conference is an important part of our corporate management, decision-making and internal supervision, by which we guarantee employees' rights to participate in democratic decision-making, democratic management and democratic supervision so as to play the role of workers' representative conference in gathering employees' wisdom and safeguarding their rights and interests.

Guaranteeing the welfare of employees

ABC offers the benefits and welfare policies on compensation, social insurance, holidays and leave, and labor protection. ABC has set up a unified compensation system, improved the compensation and welfare structure and established an enterprise annuity and supplementary medical insurance system covering the whole bank. The compensation allocation gave favor to grassroots banks to ensure the income of grassroots employees. We have continued to improve the welfare system to set up a pension system and a supplemental medical insurance system. The Bank optimized the management mechanism for retirement plans so as to ensure the retirement benefits of employees.
Fostering Employee Growth via Multiple Channels

ABC firmly establishes the concept that talented personnel are the primary resources and talents should be given priority to development opportunities. The Bank attaches importance to staff growth, and is committed to providing policy guarantee, multi-tiered and multi-form talent training modes for employees’ career development and self-worth realization.

ABC organized and evaluated the implementation of the Suggestions on Deepening the Reform of Talent Systems and Mechanisms, and thus has put forward measures for further removing obstacles to talent development mechanism. ABC has improved the normalized selection of professional posts, and provides both horizontal and vertical career opportunities.

Policy guarantees for professional growth

Improving the professional post settings of primary-level branches and sub-branches by adding posts of senior managers, deputy senior managers and senior professionals, so as to open up channels for cross-promotion of professionals in branch management and broaden the career development of grass-roots employees.

Establishing platforms for the development of various high level professionals.

Optimizing the professional post settings of science and technology, products and risks in the Head Office.

Establishing the IT characteristic post rank system in R&D center and data center.

Honors in 2018

<table>
<thead>
<tr>
<th>National level</th>
<th>Industry level</th>
<th>ABC level</th>
</tr>
</thead>
<tbody>
<tr>
<td>The All-China Federation of Trade Unions</td>
<td>Chinese Financial Workers’ Union</td>
<td>Agriculture Bank of China</td>
</tr>
<tr>
<td>1 “National May 1st Labor Medal”</td>
<td>“National May 1st Labor Certificate for Financial Organizations” for 8 units</td>
<td>“May 1 Labor Certificate of Agricultural Bank of China” for 50 units</td>
</tr>
<tr>
<td>3 Titles of “National Workers Pioneer” for 3 collectives</td>
<td>55 winners of “National May 1st Labor Medal for Financial Organizations”</td>
<td>118 winners of “May 1 Labor Medal of Agricultural Bank of China”</td>
</tr>
<tr>
<td>“National Pioneers of Financial Organizations”</td>
<td>1 collective winner of “National Pioneers of Financial Organizations”</td>
<td>100 collective winners of “Pioneers of Agricultural Bank of China”</td>
</tr>
</tbody>
</table>

Multi-tiered talent training

ABC promotes the growth of high-level talents and professionals, leading the whole staff by the backbones, and developing the leading personnel team. Besides, it strengthens the training of young officials and promotes the transformation and optimization of the grass-roots backbone H. R. team so as to bring out more outstanding talents. To meet the needs of the integrated development of fintech in the new era, We will accelerate the building of a contingent of financial science and technology compound talents, international talents and emerging business talents.

Vigorously fostering inter-disciplinary financial technology talents

Focusing on the integrated development of finance and technology in the future, ABC has issued a series of supporting policies for human resources to strengthen its support for the reform of technology and product innovation.

Organizational optimization

- Implementing the optimization of technological functions and organizational adjustment, to reorganize and set up a R&D center, establish a data disaster preparedness system in the same city, and strengthen the allocation of financial technological forces

Policy support

- Issuing the Implementation Plan of Deepening the Reform of Talents Development System and Mechanism in Technological Organizations of Head Office
- Issuing the Implementation Opinions on Further Strengthening the Development of Compound Technology Talents
- To plan train 4,000 compound talents of financial technology in three years

Departmental support

- Starting “ABC Sunshine Program” in Head Office to hold special talent recruitment for financial technology
- Organizing 48 special rotational training sessions on financial technology for tier-1 sub-branch presidents to enhance the grassroots managers’ understanding of the development trend of financial technology and their ability to cope with changes
The Bank vigorously fosters and selects outstanding young leading personnel and continues to promote the upgraded development of young employees in counties. We select outstanding young employees to serve the temporary positions in the local areas and the targeted poverty alleviation areas, and serve as the “First Secretaries” of the villages to achieve full coverage of “county heads, branch presidents and village secretaries” in targeted poverty alleviation counties supported by the Head Office. The Bank also has studied to start the development of young employees in urban areas so as to set up a training and selection chain covering all grass-root employees of the whole Bank. In 2018, ABC selected 6,017 young employees from counties as training targets, 58 youth employees in counties to Head Office or provincial branches for exchanges and learning, and 1,969 youth employees in counties to branch offices, local governments, county-level league committees for work exchanges. The demonstration classes also directly trained 90 young vice presidents of branches and 1,969 youth employees in counties.

### Case
Steadily promoting the development of “County-level Young Employees V.2.0” Project

- **Guangxi Branch**: Holds a special training class for young talents at county level in 2018 (Photo from the training school)
- **Changji Branch in Xinjiang**: Vigorously trained and selected young employees in county areas and formulated the Young Employees Training Plan of Changji Branch and Method of Setting up Full-time College Students Training Posts in Top-quality Outlets, which respectively requires implementing “one-to-one training” and taking the posts of director, customer manager or operation supervisor of outlets as training posts. In 2018, 21 young employees from Changji Branch in Xinjiang worked in sub-branches or outlets. Among them, one grew into the sub-branch president, 5 were promoted to be the assistants to the sub-branch president, one was promoted to be vice sub-branch president, one was promoted to be director of the authority department and 12 were promoted to be directors of outlets.

### Multi-form staff training

ABC has improved its education and training work by innovating in its training methods, strengthening its political training with the rotation training of the guiding principle of the 19th CPC National Congress as the core, and enhancing its professional training with the focus on the training of compound talents of financial technology. The Bank promoted the improvement of employees’ knowledge structure and working ability through online video, off-line special lectures and overseas learning, etc.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number of trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>485,800</td>
</tr>
<tr>
<td>Female</td>
<td>493,700</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level</th>
<th>Number of trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grass-roots personnel</td>
<td>793,100</td>
</tr>
<tr>
<td>Middle-level or higher managers</td>
<td>186,800</td>
</tr>
</tbody>
</table>

**Case**
Steadily promoting the development of “County-level Young Employees V.2.0” Project

- **Xingtai Branch in Hebei**: Provides leadership training for Party members and cadres (Photo by Pei Boxue)
- **ABC holds the training on global management at Frankfurt University (Photo by Lei Yingying)**

**Implementing hierarchical and specialized training**

- **For managing personnel**
  - Carrying out rotational training in the guiding principle of the 19th CPC National Congress and holding overseas advanced training projects on reform management and transition, comprehensive credit risk management and globalization of large banks, etc.

- **For professional employees**
  - Strengthening the training on financial technology, emerging business and compliance risk; completing 248 training sessions on new business and “industry-university-research cooperation” special trainings in 2018.

- **For grassroots staff**
  - Carrying out menu-like course selection for all staff and organizing post qualification examinations for 178,000 participants in 38 business groups in 2018.

In 2018, ABC launched a special training course on “Global and Group Management of International Large Banks” at Goethe Business School, Frankfurt University, Germany, and conducted a two-week training for 25 supervisors of Head Office. During the period of training, special investigations on famous German banks, such as Deutsche Bank, DZ Bank, Commerzbank and Landesbank Baden-Württemberg were conducted to further enhance the quality and capacity building of managers.
In 2018, the Head Office held the first sharing activity from overseas branches. Through remote video system, German middle and senior managers from Frankfurt Branch were invited to give lectures on the development opportunities and challenges of overseas business, how to manage and evaluate risks, German culture and human resources management practices, etc.

Guangzhou Branch in Guangdong gives full play to the rich working experience and professional knowledge of senior staff to help improve the ability of new employees. The branch formulates the management method of tutorial system, develops performance archives electronic management system for new employees and tutors, and comprehensively evaluates the work performance of tutors and the learning effectiveness of new employees. In nearly two years, the one-time pass average rate of new employees’ pre-job qualification examination reached 86.34%, up 7.84% from the same period last year. All new employees qualified for their posts independently within three months.

ABC continues to implement the Guidelines on People-Focused Principle and Caring for Grass-root Staff by caring for the psychological and physical health of employees. The Bank adheres to enriching the staff’s culture life to help the staff maximize their own value, as well as providing assistance to employees in need and “heart-warming” activities. In 2018, we have helped 35,000 employees in need, the Head Office completed the physical health examinations for 5,000 employees, and provided mental health examinations for 3,000 employees and special physical examinations for 1,400 female employees.

ABC has formulated the Guiding Opinions on Strengthening Mental Care to ensure the physical and mental health of employees. The Bank provides “health umbrella” for employees and ensures that all employees devote themselves to their work in a healthy physical and mental state by carrying out first aid skills training, mental health lectures and health check-up activities, etc.

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Ensuring healthy work-life balance

ABC pays attention to the staff's cultural advancement. The Bank enriches the staff’s spiritual and cultural life by organizing book clubs, holding moral lectures, organizing to watch movies, commending excellent staff and organizing special events, etc., by which the staff’s happiness is enhanced.

ABC actively carries out the “Growing Up in ABC and Gaining Achievement in New Era” theme activity, including three parts, namely, “Growing Star Plan,” “Growth Road Sharing” and “Growth Dream Navigation.” In “Growing Star Plan,” young models in the new era will be set by selecting and commending excellent young employees with typical growth cases; in “Growth Road Sharing,” the online “Growth Discussion” and the offline “Theme Youth League Day Activity” will be combined to actively guide young employees endow with resolute determination to forge ahead; in “Growth Dream Navigation,” activities such as “Helping ABC” and “Evaluation of the Best Growth Speech” will be held to create a strong atmosphere for activities. In 2018, branches at all levels selected 5,662 young models, carried out 3,992 thematic Youth League Day activities, and nearly 10,000 young employees participated in the growth sharing. The online and offline activities involved 510,000 participants.

Case

Organizing “Growing Up in ABC and Gaining Achievement in the New Era” themed activity

Shandong Branch organized a “Growing Up in ABC and Gaining Achievement in the New Era” themed activity (Photo by Gao Zhongyi)

Hedong Branch in Tianjin conducts the theme education activities of reading Chinese Family Rituals (Photo by Li Min)

Xinjiang Corps Branch holds a moral lecture (Photo by Gui Mingfu)

Zhang Liang, an employee of Shenzhen Branch becomes the first amateur climber in China and the second climber in the world to climb to the summit of 14 mountains with an altitude above 8,000 meters, and the tallest summit in each of the seven continents, while also skiing through the north and south poles (Photo from Shenzhen Branch)

Employees of Baise Branch in Guangxi perform at the Lantern Festival Gala (Photo by Yang Shengyong)

Cheng Siyu, an employee from Xinjiang Branch becomes a competition challenger of “Chinese Poetry Quiz Show” Fourth Season (Photo from Corporate Culture Department)
Establishing a benchmark

The Bank gives full play to its typical leading role in promoting the spirit of model workers and craftsmanship to guide its employees to learn from people of virtue. In 2018, there emerged a large number of advanced pioneering collectives and individuals with dedication. They forged the solid foundation for the development of ABC, with diligence, honesty and creative work, highlighted the noble virtues of ABC staff, and provided strong spiritual impetus for the sustainable development of ABC.

The labor pioneer demonstrates the fighting spirit with wisdom and sweat

Ding Wangyang
Ding Wangyang, national “May 1” Labor Medalist senior commissioner of Shaoxing Branch and former president of Xinchang Sub-branch in Shaoxing, Zhejiang

What we have done is nothing more than the kind of responsibility that satisfies the people.
—Ding Wangyang

Taking the lead in setting an example and making the mundane legendary

He vigorously promoted the assessment and evaluation mechanism of “ranks determined by performance, income determined by contribution”, aiming to train the fresh troops who can work hard and act courageously. Thus, the Xinchang Sub-branch in Shaoxing, Zhejiang Province, has leapfrogged from a “low-income bank” with the lowest deposit and loan scale to a “big contributor” of the banking system in the city and even in the whole province. It has been ranked as an advanced collective by the Zhejiang Branch for many years and won the “Golden Prize for Financial Support to Local Economic Development” by the government of Xinchang County for five consecutive years.

Working hard during his serious illness

In 2017, he was diagnosed in late stage of colon cancer, and had to be operated at once. One day before the operation in Hangzhou, he held a staff meeting overnight and deployed the next stage of work. After the operation, he disregarded the doctor’s repeated instructions and left the hospital earlier in order to work. He was sent to the hospital again because of the intensive 24 hours of work when he was not recovered. During the second hospitalization, he existed on staying in the county hospital with poor medical conditions for chemotherapy in order to still take care of work responsibilities. During the period of chemotherapy, he was still thinking for the business of the sub-branch and won a significant business worth of RMB 1.3 billion for the sub-branch.

Still working hard after retiring

In 2018, in order to take care of his physical condition, the Bank approved his request to retire from the leading post. After that, although his work task was lightened, he adhered to the belief that “everyone is responsible for the development of the ABC”. He took the new president of the sub-branch, to visit the Party and government departments of the county and major customers one by one, and jointly planned the sustainable development strategy of the sub-branch, so as to devote his remaining energy for the development of Xinchang Sub-branch.

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The business department of Jincheng Sub-branch in Chengdu, Sichuan provides sincere, attentive and patient service to customers constantly, builds “extended counter” service, and provides door-to-door financial service for special groups, thereby offering convenient off-the-counter service and exquisite “remain within door” experience for 27 consecutive years, there has been no case or any major liability accidents occurred. The branch was honored with the title of “Youth Civilization” of the ABC by superior for many times.

The Kunshan Economic and Technological Development Zone Sub-branch in Suzhou, Jiangsu Province builds a bridge of cooperation with enterprises with its own professionalism and sincerity. The branch actively serves the development of real economy, and studies in depth the development trend of leading industries in the development zone and pillar economy. The branch connects its business with Kunshan’s six-year action plan for transformation, upgrading and innovation-driven development, and supports the local “Little Giant” enterprises to carry out technological innovation, thus winning wide acclaim from customers with professionalism and enthusiasm. For 24 consecutive years, the branch’s international business settlement volume ranked first among the secondary branches of ABC system, and won the title of “Pioneer of Agricultural Bank of China” and “National Pioneers of Financial Organizations” in 2018.
In 2018, ABC volunteer project for helping the visually impaired won the silver prize of the Fourth China Youth Volunteer Service Competition and it was named the third batch of ‘Learn to be Lei Feng’ Volunteer Service Post of the Capital by the Capital Civilization Office.

Our employees keep the joy and sorrow of the visually impaired in mind and actively promote the volunteer spirit of ‘dedication, friendship, mutual assistance and progress’. In 2013, a volunteer team was set up by ABC to launch the project of ‘My Voice and Your Eyes’, which offered film telling service for the visually impaired people to integrate into social life and make their lives colorful.

In addition, the volunteer team has gradually developed services such as recording audio books and accompanying travel to help visually impaired people better integrate into society. The volunteer team also accompanies them to participate in outdoor activities such as Beijing Marathon, Fun Games, and Walking in Olympic Forest Park. More than ten media, such as CCTV and Beijing TV, have reported the volunteer project.

By the end of 2018, over 150 volunteers had told 58 films to the visually impaired in five years, recorded nearly a million words of audio books, and provided more than 6,000 hours of volunteer services directly benefiting more than 5,000 visually impaired people.
Popularizing Financial Knowledge

The Bank has formulated the Rules for the Financial Knowledge Publicity and Education and the Financial Knowledge Publicity and Training Plan 2018 so as to organize relevant activities to popularize financial knowledge.

Financial Knowledge Going into Thousands of Households campaign

The Bank formulates promotion programs to educate the public about financial knowledge by targeting the differences of financial knowledge and financial needs among people of all ages and levels through online and offline channels, especially disseminating financial knowledge for the elderly, young people, migrant workers and other groups who have little financial knowledge.

In 2018, ABC organized nearly 46,000 financial knowledge publicity activities and distributed over 28 million publicity materials, involving over 50 million audiences.

Launching the “Publicity Month on Prevention of Illegal Fund-raising” campaign

ABC introduced the characteristics, manifestations and common types of illegal fund-raising in the forms of outlet publicity, online promotion, campaigns in enterprises, schools and universities and communities, fixed-point consultation, training seminars and knowledge contests, guiding the public to correctly identify illegal fundraising.

- A total of 1,679 large-scale centralized campaigns were carried out by ABC.
- And more than 10,000 centralized activities for different stakeholders were conducted.
- More than 2.66 million copies of publicity materials were distributed and more than 2.28 million consumers were benefited.

Launching the “Great Journey for Popularizing Financial Knowledge” campaign

The activities of “Great Journey for Popularizing Financial Knowledge” were held by ABC, including “Payment Safety Promotion Month”, “Telecommunications and Internet Fraud Prevention Promotion Month” and “Youth Financial Knowledge Popularization Education Promotion Month”.

In 2018, ABC disseminated online financial knowledge and sent 2.76 million text messages and 1.03 million WeChat messages and 673 media reports through offline promotion.

- Involved 18,000 outlets, and more than 397,400 employees distributed more than 20.56 million copies of promotion materials.
- 44,395 on-site campaigns were carried out and received nearly 30.64 million consumers.

Launching the “Financial Knowledge Popularization Month, Financial Knowledge Going into Thousands of Households” campaign

The activities covered more than 20,000 outlets in the whole bank.

- A total of 11,886 centralized promotion activities were carried out and the audiences exceeded 18.98 million.

An employee of Jinzhong Branch in Shanxi explains the financial knowledge to the public in the countryside (Photo by Zhang Dapeng)

The Huaian Chengbei Sub-branch in Jiangsu Province, explains the financial knowledge to the officers and soldiers (Photo by Lu Chengzhi)
Financial knowledge on campus

ABC attaches great importance to the popularization of financial knowledge among adolescent students. The Bank popularizes the knowledge of the bad online lending in campuses and basic finance to college students and primary and secondary school students respectively by carrying out the activities of “small bankers” and publicity on the bad online lending in campus.

In order to protect the legitimate rights and interests of students, Beijing Branch took the opening season as an opportunity to pair up with China University of Geosciences, China University of Mining and Technology, China Agricultural University, Beijing University of Technology and other universities, to distribute financial knowledge folders and comic books loved by student groups, and to put forward “the initiative to resist illegal campus loans” in a relaxed way. In 2018, Beijing Branch educated more than 10,000 college students on financial knowledge, helped them establish correct consumption concepts, and strengthened their ability to identify and resist harmful online lending business.

In accordance with the Articles of Youth Volunteer Association of Agricultural Bank of China and The Management Measures of Young Volunteer Registration of Agricultural Bank of China, we give full play to the backbone of young volunteers, and encourage employees to actively participate in public welfare voluntary activities, promoting public welfare ideas among the general public with practical actions.

Engaging in public welfare and volunteer activities

In 2018, the total volunteer service of our bank exceeded 240,000 hours and more than 94,000 young employees participated in volunteer activities.

By the end of 2018, the total amount of donations was RMB 66.86 million (only from domestic banks and excluding employee donations) including RMB 54.61 million for public welfare donations.

Poverty alleviation donation projects benefit about 5,252 military personnel, veterans and their families including 1,707 registered low-income households.

The Bank has worked with the China Youth Development Foundation to carry out the “Small Bonus Points for Big Dreams” public welfare activity for four years. In order to support public welfare undertakings, the activity transforms the bonus points of the credit card holders of ABC into public welfare funds through the bonus point donation platform. In 2018, the Bank raised RMB 2.57 million of public welfare funds, benefiting 37 provinces, municipalities and autonomous regions. The Bank supported 516 Hope Primary Schools throughout the country to build “Happy Book Corner”, supported 600 left-behind children to complete their studies, and supported the construction of 500 mu of green ecological forest, benefiting more than 10,000 people.

Contributing to Harmonious and Better Social Life

ABC actively participates in volunteer service and engages in public welfare activities by helping communities, impoverished military families, caring for demolished servicingmen and their families to help them get out of poverty and improve their lives, disaster-stricken areas and rebuilding their lives with its own professional advantages, thus contributing to a harmonious society and creating a better life for the people.
In 2018, the Shanghai Branch participated in the preparations for the First China International Import Expo (CIIE) and various service guarantees inside and outside the venues. Shanghai Branch set up 10 “Youth Shanghai” volunteer service stations, 17 “Youth Shanghai” volunteer service teams, 5 business backbones were selected to participate in the long-term volunteer work of the CIIE and volunteers from Shanghai Branch provided high-quality services of CIIE for exhibitors from all over the world. The number of volunteer stations and service teams from Shanghai Branch was ranked first in the system of Financial Work Committee of Shanghai.

Participating in disaster relief

In 2018, many provinces, municipalities and autonomous regions in China suffered from natural disasters, among which Shandong, Guangdong, Sichuan, Henan and Gansu provinces suffered serious natural disasters. The Bank timely carries out rescue for the people and actively participates in disaster relief and post-disaster assistance for helping resume production and life in disaster-stricken areas as soon as possible and rebuild their homes.

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During the 10 years from 2008 to 2018, the Bank signed a strategic cooperation agreement with the provincial government, to give targeted support for the construction of a series of post-disaster infrastructure and key projects, a total of more than RMB 30 billion of credit funds have been invested to support the construction of major projects in disaster-stricken areas by ABC.

The Bank strictly implemented the “Four Nos Policies” for those units and individuals who fail to repay all kinds of loans on time in disaster areas, namely, no press for money collection, no extra interest collection, no bad records and no impact on their continued access to other credit support.

Thus, a balance of individual customer was included in the policies is 1.07 billion RMB. A balance of company was included is 15.22 billion RMB.

Sichuan Branch reduced and exempted RMB 8.27 million of various financial services fees and RMB 790 million of preferential interest rate to 139 disaster-stricken areas, as well as, invested RMB 450 million in 625 restoration/relocation outlets in 139 disaster-stricken areas.

Sichuan Branch actively supported urban house and rural house reconstruction in the disaster areas. It granted nearly RMB 800 million of loans for rural housing construction in the disaster areas, which fulfilled the dream of house reconstruction of more than 25,000 farmers after the disaster.

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CSR Honors and Awards

- **Group’s First Place in Network Security Attack Defense Competition for the Financial Industry**
  - 2017 Independent Controllable Big Data Platform

- **Company under Hong Kong Stock Connect Scheme**
  - Top 10 Transactions Award
  - Top Investment House
  - Top 50 Best Service Providers
  - Most Innovation Data Analytics Project
  - Top 100 Most Valuable Listed Companies

- **First Prize in Banking Technology Development**
  - 2018 Junding Award for Best Universal Investment Services
  - 2018 Junding Award for Best Wealth Management Services
  - 2018 Junding Award for Best Financial Consultation in the Financial Industry
  - 2018 Junding Award for Best Bank Financing Brand in China
  - 2018 Junding Award for Best Project in Syndicated Loans
  - 2018 Best Performance Award in Syndicated Loans Business
  - 2018 Best International Settlement Bank
  - Best RMBS Award of the Year
  - The 14th Golden Round Table Award (Directors & Boards Magazine)

- **Outstanding Corporate Social Responsibility**
  - The 13th People’s Corporate Social Responsibility Honors and Awards
  - The 14th People’s Corporate Social Responsibility Honors and Awards

- **Innovative Wealth Management Excellence Award of China Women’s Development Foundation in 2018**
  - “Golden Wealth Management” Asset Management Excellence Award of the Year
  - “Golden Wealth Management” Annual Excellence Award for Innovative Wealth Management

- **Innovation in China’s Financial Technology**
  - China Gold Coin Incorporation
  - New Finance World magazine
  - China National Radio
  - Securities Daily
  - United Nations, American Red Cross, IBM, and Linux Foundation
  - Interbank Market Clearing House Co., Ltd.
  - China Information Technology Industry Federation
  - China Business Journal & Chinese Academy of Social Sciences

- **Outstanding Contribution to the Belt and Road Initiative**
  - The 13th People’s Corporate Social Responsibility Honors and Awards
  - The 14th People’s Corporate Social Responsibility Honors and Awards

- **Outstanding Settlement Agent Award**
  - China Women’s Development Foundation’s “Maternal Health Express” program
  - Best Corporate Citizenship Award in Asia

- **Outstanding Case Application of Financial Technology Innovations**
  - China Gold Coin Incorporation
  - New Finance World magazine
  - China National Radio
  - Securities Daily
  - United Nations, American Red Cross, IBM, and Linux Foundation

- **Best Corporate Social Responsibility**
  - China Gold Coin Incorporation
  - New Finance World magazine
  - China National Radio
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  - United Nations, American Red Cross, IBM, and Linux Foundation

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2019 marks the 70th anniversary of the founding of the People’s Republic of China, the 40th anniversary of the reestablishment of ABC and the 10th anniversary of the shareholdership system reform of the Bank. Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank will thoroughly implement the guiding principle of the 19th CPC National Congress and the Second and Third Plenary Session of the 19th Central Committee of the CCP, the Central Economic Work Conference, the Central Rural Work Conference, and the National Poverty Alleviation and Development Work Conference, uphold the underlying principle of pursuing progress while ensuring stability, adopt a new vision for development, and promote high-quality development. The Bank will pursue “serving supply-side structural reform as our main task, and focus on the work to take tough steps to forestal and defuse major risks, carry out targeted poverty alleviation, and prevent and control pollution. ABC will also prioritize the deployment and stabilizing employment, finance, foreign trade, foreign investment, investments and expectations, firmly carry out the “Six Dimension Strategy” and promote Party building and all kinds of work to another new level in an all-round way.

Supporting poverty alleviation
- Increasing the credit for targeted poverty alleviation
- Highlighting the work to aid areas in extreme poverty and poverty-stricken populations
- Aiming at the pillar industries in poverty-stricken areas to provide special credit policies, and innovate in a number of targeted financial products and models for poverty alleviation

Supporting real economies
- Implementing the priority development requirements of agriculture and rural areas by promoting the implementation of “seven Actions” and “Six Major Series” product lines to serve rural revitalization, and promoting the “Sannong” financial services to another new level
- Deepening the innovation of internet financial service model and bettering “his I Project”

Building a beautiful China
- Further improving the green financial service system and supporting the development of green financial reform and innovation experimental zone
- Strengthening green operation, reducing office energy consumption and promoting green procurement
- Consolidating the basic work of reforming the management system of technology and product innovation in an all-round way
- Innovatively promoting the retail business and branch outlet transformation
- Further promoting process innovation
- Using “four sharp swords” to prevent and control crime accurately

Promoting quality services
- Comprehensive protecting the rights and benefits of employees
- Helping employees to achieve diversified career development and stimulating the initiative of them in entrepreneurship
- Adhering to employees’ humanistic care and enhancing employees’ spiritual life
- Enhancing the publicity of financial knowledge and improving public financial literacy
- Actively engaging in social public welfare to help people realize a better life

Appendix

Basis of Reporting

Total amount of donations: amount of donations made for public welfare and other contributions. Donations for public welfare are made to the public welfare, as defined in the law of the People’s Republic of China on Donations for Public Welfare, through public welfare organizations or governments at county-level or above.

Balance of farmer loans: including the balances of general loans to Comfortable Housing Project for Farmers and herdsman, loans for farmers going abroad to work, house building loans for the farmers in quaker-hit areas; loans for farmers purchasing or building houses, loans for farm machines, personal loans to production and businesses in rural areas; micro loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, loans to other production and businesses for individuals, poverty alleviation loans to Comfortable Housing Project for farmers and herdsman, personal soft loans for poverty alleviation, personal general loans for poverty alleviation, and “jinhuikuainong” loans.

Total number of employees: number of employees who hold labour contracts within the group level, including those working in domestic and overseas branches and domestic subsidiaries, but excluding labour dispatch.

Total number of county-level employees: number of employees who hold labour contracts or who work as labour dispatching at tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the foundation-level establishments under their administration listed in the directory of County Area Banking Division.

Proportion of female employees: proportion of female employees is defined as number of female employees divided by the number of total employees. The number of employees is defined as the number of employees who hold labour contracts within the group level.

Proportion of ethnic minority employees: proportion of ethnic minority employees is defined as number of ethnic minority employees divided by the number of employees. The number of employees is defined as the number of employees who hold labour contracts within the group level, including those working in domestic and overseas branches and domestic subsidiaries, but excluding labour dispatch.

Number of county-level branch outlets: number of county branches including tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the foundation-level establishments under their administration listed in the directory of County Area Banking Division.

Water consumption per capita in the Head Office in 2018 divided by the number of employees in office in the buildings of the Head Office.

Electricity consumption per capita in the Head Office in 2018 divided by the number of employees in office in the buildings of the Head Office.

Gas consumption per capita in the Head Office in 2018 divided by the number of employees in office in the buildings of the Head Office.
Independent Practitioner's Assurance Report

To the Board of Directors of Agricultural Bank of China Limited

We have been engaged to perform a limited assurance engagement on the selected 2018 key data (the “key data”) in the 2018 Social Responsibility Report of the Agricultural Bank of China Limited (“the Bank”).

Key data

We carried out limited assurance procedures on the following key data of the Bank’s 2018 Social Responsibility Report:

- Total amount of donations (RMB million)
- Balance of farmer loans (RMB billion)
- Number of employees
- Number of county-level employees
- Proportion of female employees (%)
- Proportion of ethnic minority employees (%)
- Total number of employee trainings (10,000 person times)
- Total number of domestic branch outlets
- Total number of outlets per capita in the Head Office
- Total number of domestic branch outlets per capita in the Head Office
- Water consumption per capita in the Head Office (m³/person)
- Electricity consumption per capita in the Head Office (kwh/person)
- Gas consumption per capita in the Head Office (m³/person)

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 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner’s Responsibilities

It is our responsibility to express a conclusion on the key data in the 2018 Social Responsibility Report based on limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements 300 (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 on any matter that would materially affect the key data in the 2018 Social Responsibility Report. Our work involves assessing the risks of material misstatement in key data in the 2018 Social Responsibility Report. We do not perform assurance work in other branches. The procedures we performed comprised:

- Interviews with management and personnel in the departments involved in providing information in relation to the selected key data for inclusion in the Social Responsibility Report;
- Analytical procedure;
- Sampling of selected key data in the Social Responsibility Report;
- Recalculation;
- Other procedures deemed necessary.

Inherent Limitation

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

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected key data in the 2018 Social Responsibility Report are 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 Bank and for no other purpose. We do not assume responsibility towards any acceptability to any other person for the content of this report.

Supplementary Observations

We have also gained an understanding of the Bank’s application of the GRI Sustainability Reporting Standards pertaining to the principles of stakeholder inclusiveness and materiality by making inquiries and holding interviews with the Bank’s social responsibility management team. Our work was restricted to gaining an understanding of the Bank’s application of the principles of stakeholder inclusiveness and materiality of the GRI Sustainability Reporting Standards. Hence, we do not express any assurance opinion as to whether the Bank has adhered to the principles of the GRI Sustainability Reporting Standards.

We have the following observations:

Materiality

The Bank took into account its own development strategy, and engaged stakeholders to determine the key topics disclosed in the Social Responsibility Report. We suggest that the Bank should further improve the current standards and procedures for materiality assessment and the organization’s boundary identification in accordance with the GRI Sustainability Reporting Standards, so as to facilitate the identification, assessment and reporting of significant issues that are relevant in the Social Responsibility Report.

Stakeholder inclusiveness

The Bank has a social responsibility goal of “Being a Responsible Bank”, takes the social responsibility principles of “Giving Priority to Responsibility and Benefiting the general public; Shouldering responsibilities, and Promoting the well-being of society”, and has established a social responsibility management framework. The Bank has identified its key stakeholders and established various communication channels to understand their expectations and needs as the basis for determining the key topics to be included in the Social Responsibility Report. We suggest that the Bank should continuously improve the stakeholder communication mechanisms so as to further identify and analyse stakeholders’ expectation and to respond accordingly.

Responsibilities of the Board of Directors

The Board of Directors of the Bank is responsible for the preparation of the key data in the 2018 Social Responsibility Report. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the key data of the Social Responsibility Report that is free from material misstatement, whether due to fraud or error.

Criteria

The criteria of the preparation of the key data in the Bank’s 2018 Social Responsibility Report are listed in the basis of reporting of the 2018 Social Responsibility Report or information in 2017 and earlier periods.

Other observations

Shanghai, China

March 29, 2019
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<td>The percentage of employees trained by gender and employee category (e.g. senior management, middle management). P123</td>
</tr>
<tr>
<td>B1.4</td>
<td>The average training hours completed per employee by gender and employee category. P123</td>
</tr>
</tbody>
</table>

### Aspect A2: Use of Resources

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Disclosure status</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2.1</td>
<td>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and, where appropriate, intensity (e.g. per unit of production volume, per facility). P22, P99</td>
</tr>
<tr>
<td>A2.2</td>
<td>Water consumption in total and intensity (e.g. per unit of production volume, per facility). P22, P99</td>
</tr>
<tr>
<td>A2.3</td>
<td>Description of energy use efficiency initiatives and results achieved. P98-99</td>
</tr>
<tr>
<td>A2.4</td>
<td>Description of whether there is an issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. P98-99</td>
</tr>
<tr>
<td>A2.5</td>
<td>Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. No applicable</td>
</tr>
</tbody>
</table>

### Aspect A3: The Environment and Natural Resources

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Disclosure status</th>
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<tbody>
<tr>
<td>B3.1</td>
<td>The percentage of employees trained by gender and employee category (e.g. senior management, middle management). P123</td>
</tr>
<tr>
<td>B3.2</td>
<td>The average training hours completed per employee by gender and employee category. P123</td>
</tr>
<tr>
<td>B3.3</td>
<td>Description of steps taken to eliminate such practices when discovered. P123</td>
</tr>
</tbody>
</table>

### Aspect A4: The Environment and Natural Resources

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Disclosure status</th>
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<tbody>
<tr>
<td>B4.1</td>
<td>Description of measures to review employment practices to avoid child and forced labor. P123</td>
</tr>
<tr>
<td>B4.2</td>
<td>Description of steps taken to eliminate such practices when discovered. P123</td>
</tr>
</tbody>
</table>

### Aspect A5: Supply Chain Management

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Disclosure status</th>
</tr>
</thead>
<tbody>
<tr>
<td>B5.1</td>
<td>The percentage of products sold or shipped subject to recalls for safety and health reasons. P123</td>
</tr>
<tr>
<td>B5.2</td>
<td>Number of products and service related complaints received and how they are dealt with. P123</td>
</tr>
<tr>
<td>B5.3</td>
<td>Description of practices relating to observing and protecting intellectual property rights. P123</td>
</tr>
<tr>
<td>B5.4</td>
<td>Description of quality assurance processes and recall procedures. P123</td>
</tr>
<tr>
<td>B5.5</td>
<td>Consumer data protection and privacy policies, how they are implemented and monitored. P123</td>
</tr>
</tbody>
</table>

### Aspect A6: Product Responsibility

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Disclosure status</th>
</tr>
</thead>
<tbody>
<tr>
<td>B6.1</td>
<td>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. P123</td>
</tr>
</tbody>
</table>

### Aspect A7: Anti-corruption

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Disclosure status</th>
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</thead>
<tbody>
<tr>
<td>B7.1</td>
<td>Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. P123</td>
</tr>
<tr>
<td>B7.2</td>
<td>Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. P123</td>
</tr>
</tbody>
</table>

### Aspect A8: Community Investment

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Disclosure status</th>
</tr>
</thead>
<tbody>
<tr>
<td>B8.1</td>
<td>Focus areas of contribution (such as education, environment, labor, needs, health, culture and sport). P123</td>
</tr>
<tr>
<td>B8.2</td>
<td>Resources contributed to focus areas (such as money and time). P123</td>
</tr>
</tbody>
</table>
About the Report

Reporting scope
The Report covers the Head Office, tier 1 (directly subordinate) branches within the territory, the training colleges, directly subordinate organizations and overseas organizations of the Agricultural Bank of China Limited. This is an annual report that covers the period from January 1 to December 31, 2018 Part of the content is in excess of the above scope.

Compilation Conformance
This Report was prepared to comply with relevant standards and guidelines, including GRI Standards and GRI Financial Service Sector Supplemental Guidelines; ISO 26000 Social Responsibility Guidelines (2010); The Opinions on Strengthening Social Responsibilities of Banking Institutions issued by the China Banking Regulatory Commission (CBRC), The Guidelines on Corporate Social Responsibility of Banking Institutions of the China Banking Association (CBIA); The Guidelines of the Shanghai Stock Exchange on Environmental Information Disclosure of Listed Companies and The Guidelines for the Preparation of Reports on Performance of Corporate Social Responsibilities of the Shanghai Stock Exchange; SDM Environment, Social and Governance Reporting Guide and other relevant opinions.

Data
Some financial data in this Report were originally included in the Bank’s annual financial statement for 2018 (which had been audited by PWC). Other data mainly originates from internal system statistics and the affiliates of the Bank for 2018.

Assurance method
To ensure its truthfulness and reliability, this Report is submitted to PWC for limited assurance of the key data disclosed therein in accordance with The International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Publication
This Report is released both in hardcopy and electronic form. The latter is available at our official website (www.abchina.com). This Report is published in Simplified Chinese, Traditional Chinese and English. If there is any conflict or inconsistency between the three versions, the Simplified Chinese version shall prevail.

References
For readability, the “Agricultural Bank of China,” “ABC” and “the Bank” in this report refer to the Agricultural Bank of China Limited.

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Address: No. 69 Jianguomennei Street, Dongcheng District, Beijing, China Postcode: 100005 Fax: 86-10-85108214

Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2018. To provide you and other stakeholders with more valuable information and improve our ability to fulfill CSR, we sincerely welcome any opinions and suggestions you may offer on the report.

In 2018, we have selected 18 key CSR topics by studying their importance to the sustainable development of Agricultural Bank of China and importance to stakeholders. We will report on these key topics in future reports. Please select five topics that you are most concerned about. We will prioritize these topics according to the feedback and respond in future CSR fulfillment and report compilation.

Which of the following stakeholder types apply to you?

- Government
- Regulatory Organizations
- Shareholder and Investor
- Customer
- Employee
- Supplier and Partner
- The Public and Community
- NGO
- Others

Do you think the report covers all that you expect to see about the CSR work of Agricultural Bank of China?

- Yes
- No, what else do you expect to see in the report

How do you think the content and layout design of the Report in readability?

- Very good
- Average
- Poor

What other opinions and suggestions do you have on our social responsibility work and this CSR Report?