



中国农业银行
AGRICULTURAL BANK OF CHINA

2014

Corporate Social Responsibility Report





服务城乡 耕耘幸福



中国梦 农行情



Introduction

In 2014, "the new normal" characterized by the economic slow-down and restructuring has brought about new challenges and opportunities to the reform and development of the Agricultural Bank of China ("ABC").

As a large State-owned financial enterprise, ABC shoulders the responsibility and mission of serving the real economy, especially "Sannong" (agriculture, rural areas and farmers), playing a pillar role in the rural financial system of China.

In terms of business orientation, we steadfastly adhere to the essence of serving the real economy and closely revolve around the orientation of serving "Sannong" to support the construction of new rural areas, the development of modern agriculture and farmers' efforts to get rich, assist in energy saving, emission reduction, and improvement of people's livelihood.

In terms of internal management, we run the Bank according to law, operate in compliance with relevant rules and regulations, intensify total risk management, safeguard the legitimate rights and interests of consumers, integrate the idea of social responsibility into institutional development, and apply the tenet of social responsibility in our staff management processes.

In terms of culture shaping, we strengthen the corporate culture of accountability, value the expectations and appeals of our stakeholders, and improve the image of ABC that features the courage to bear and fulfill responsibilities.

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Messages from the Board Chairman



New Normal, New Responsibility

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At any time and in any place, all enterprises built to last focus on people's livelihood. Bearing more social responsibility has now become the consensus of global governments, enterprises and the public. Only those enterprises that show care for employees, serve customers, protect environment, repay the society and create value can win social respect and consolidate the foundation for sustainable development.”

Active fulfillment of social responsibility is the main vein of the corporate culture of ABC; Our CSR philosophy of “giving priority to responsibility, benefiting the general public, taking the lead in fulfilling responsibilities, promoting the wellbeing of the society” is the marrow of the corporate culture of ABC; Taking root in and serving “Sannong” are the historical heritage of ABC and the call of times; Loving the country and the Bank, dedication and professionalism have always been the self-expectation of ABC people; Prudent operation and creating wealth are the indefatigable pursuit of ABC people.

Since the 18th National Congress of CPC, the CPC Central Committee headed by Xi Jinping as general secretary has accurately grasped the trend, made overall planning, come up with the scientific judgment of the new normal in economic development, firmly stuck to the general keynote of making progress while ensuring stability and made the strategic deployment of “four overalls”. The new normal gestates the new opportunities and new mission for the development of ABC and, even more, implies the new responsibilities of ABC. During the past year, while creating more wealth for shareholders and the society, we were more concerned about supporting stable growth and restructuring, promoting employment, making a success of poverty alleviation, pushing forward green development, enhancing the quality of employees and balancing the interest articulations of all sides to fulfill social responsibility more diligently, strive to become an outstanding corporate citizen, and assist in the realization of the Chinese dream of great rejuvenation.

Devoting ourselves to the development of “Sannong” and serving the development-

oriented poverty reduction. “Strong agriculture, beautiful countryside, rich farmers” is a basic sign in the all-round construction of a moderately prosperous society. We always regard serving “Sannong” as our eternal mission and greatest social responsibility and provide financial services for “Sannong” under a burning sense of mission. In 2014, most of the deposits absorbed by ABC at county level or below were used as credit to support the development of the local economy and communities; we provided great support to the leading enterprises in agricultural industrialization and new business entities, and supported the scale expansion of agriculture and high-standard farmland improvement; and we made innovations in the form of guaranteed mortgage for the loans given to farmers to develop inclusive finance. We promoted diversified forms of credit for poverty alleviation in 14 national-level contiguous poverty-alleviation development zones and regions inhabited by ethnic groups; the balance of such loans topped RMB 840 million yuan, reaching another all-time high.

Serving economic transition and boosting employment. We firmly adhere to the essence of serving the real economy and use all types of financial instruments, including credit to serve the big picture of stabilizing growth, promoting reform, restructuring, improving people's livelihood and preventing risks. In 2014, we continued to step up the credit support for infrastructures, such as water conservancy works and railways, and the key projects for the construction of affordable housing and rebuilding of shantytowns; increased credit supply to new growth engines, such as education, medical care, healthcare and old age care; actively served the major national strategies, including the “Belt & Road” initiative, the coordinated development of Beijing, Tianjin and Hebei, and the expansion of the Yangtze River economic belt and the free trade zones. We paid more attention to increasing the financial service for small and micro enterprises, supporting start-up businesses and making innovations, providing more financial support for business-pioneering women, youngsters, unemployed people and the disabled, and actively creating more job opportunities.

Boosting green environmental protection and the development of a beautiful China.

We are keenly aware of the significance of air, water and environment for a good life and deem green development as one of our most urgent social responsibilities; continuously give play to the hatching effect of finance, establish and improve a long-term mechanism that supports energy-saving, emission reduction and elimination of outdated capacity; rely on service innovations to guide financial resources in shifting toward industries of technological R&D and ecological environment protection; and foster the new growth engines of the low-carbon economy

and ecological civilization, promoting the integrated development of economy, society and ecological environment.

Caring for the growth of employees and fostering a sense of belonging. Employees are the power source for the sustainable development of an enterprise and the foundation whereby the enterprise bears more social responsibilities. We deem each and every employee as the most precious capital and the care for them as the most direct social responsibility. We uphold the HR development strategy of “putting people first and developing the Bank by its talents” and the corporate culture highlighting the care for employees, safeguard the legitimate rights and interests of employees, intensify the vocational education and training for them, build multiple passages for career development, focus on humanistic care and the physical and mental health of employees, provide a platform for them to fully display their capability, and work hard to achieve concurrent value improvement for both the Company and its employees.

Persisting in prudent operation to create more value. Prudent operation is the cornerstone for creating a lasting enterprise and the precondition of continuous repayment for shareholders and the society. Under the increasing pressure of an economic slowdown, we continuously strengthen risk anticipation and judgment, focus on risk prevention, reinforce internal control and hold fast to the baseline of no major risks; further improve business processes, tone up product innovations, improve services, and constantly enhance the ability to create value. In 2014, ABC saw an increase of 12.1% in new loans, 11.6% in tax payment and 8% in net profits from a year ago.

In 2015, we will face even more complex international and domestic economic environment, fiercer market competition and faster financial innovations. Under the correct leadership of the CPC Central Committee and the State Council and under the care and support of shareholders and people from all walks of life, we will be even more confident and place even more focus on running the Bank according to law and in a strict manner. The 500,000 employees of ABC, including 250,000 CPC members, will certainly write a new chapter in the fulfillment of social responsibility and take a major step toward the goal of becoming an international first-class large-scale commercial bank.

Liu Shiyu, Chairman

Message from the President



New Responsibility, New Undertaking

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Under the new normal, it is an inherent requirement of realizing the dreams of China and ABC to achieve the consistency and balance between social responsibilities and commercial interests. As a large state-owned financial enterprise, and faced with the complex economic and financial situations in the “superimposed three periods”, ABC finds it an important task to correctly handle the pros and cons, deepen reform and innovations, accelerate the enhancement of value creation capability, and provide maximum support for economic transformation and sustainable social development.

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Assuming responsibility in business development. Responsibility originates in mission and starts with strategy. In the past year, we always regarded serving “Sannong” as our maximum social responsibility, kept on pushing ahead with the innovations in mechanism and service modes, triggered the vitality of county sub-branches and reinforced the backbone and leading role of ABC in rural financial service system. In the year, we issued 1153.75 billion yuan of loans for rural urbanization, an increase of 82.24 billion yuan from the beginning of the year, registering a growth rate of 7.68% and covering 1,000 counties (county-level cities) across the country. While providing good service to “Sannong”, we persist in “two-wheel driving”. Against the background of the economic new normal and the noticeably accelerated process of national opening to the outside world, the vigorous acceleration of the development steps of urban business and international business is our countermeasure and necessary for development. Over the

year, the income of handling charges and commissions reached 80.123 billion yuan and a considerable optimization was achieved in operational transformation, customer structure and income mix.

Assuming responsibility in management innovations. Responsibility is incorporated into the process of management and fulfilled based on constant innovations. In the past year, to keep with the needs of the market, we reformed the organizational framework to facilitate innovations in management mode and system, continuously improved the credit policy, optimized business processes, established a more flexible operating mechanism, and worked hard to enhance our development vigor and market competitiveness. Secondly, we strengthened product innovation and rebuilt the product R&D management system of all-round coordination, all-process management and all-member participation that has customers at the center to enhance the comprehensive competitiveness of products and continuously develop new products. Thirdly, to keep pace with the times, we set up the Leading Office of Internet Finance to speed up innovations in Internet finance, and the “Pan Yun” platform formally went live for all-round enhancement of the use of Internet finance in customer service. Fourthly, we improved the functions of the electronic channel and successfully introduced the “Super Counter” to broaden online investment and financing, promote the sales of wealth management products (“WMP”) and payment settlement service, enhance the comprehensive service capability of the online platform.

Assuming responsibility in risk prevention. We always persevere in the core values of “underlying integrity and sound operation”. In the past year, we kept on improving “basic management and grassroots management” to provide a stable support for business development and a stable power for transformation development. Secondly, we accelerated the building of flow banking and fulfilled the key tasks of the “three reforms and three items of management” to obtain productivity from efficient management through whole-process optimization, control and management. Thirdly, we strengthened risk

control by holding tight to the “comprehensive risk management” philosophy and sticking to the risk bottom line, defusing credit risks in key fields, accelerating recovery and disposal of NPL, preventing market risks and liquidity risks, and strengthening accountability on problem loans.

In 2015, we will strengthen strategic studies, earnestly analyze the opportunities and challenges brought to ABC by the new normal and the national strategies of “Belt & Road” and free trade zones. Led by the idea of “placing responsibility above everything to benefit the general public; and undertake to benefit the whole society”, we will fulfill the social responsibility of “cultivating a beautiful China, and realizing the dream of ABC” so that ethics and responsibility can become the development foundation and value source of ABC. We will be brave to assume the mission to achieve the prosperity of the Chinese economy and society and attain the two “100-year” goals of the Chinese nation.

Zhang Yun, President

Message from Chairman of the Board of Supervisors



New Undertaking, New Spirit

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The power of spirit is intangible, but it prevails over tangible factors. Given the new normal of China's economic development, the new responsibility under the new situation can be assumed only by implanting the corporate culture of ABC into daily operation so that it can guide our development.

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The spirit of ABC lays the cornerstone of responsibility. ABC is a large bank with a large scale and large influence. To maintain its backbone position in the financial system of China and its leading advantages in the field of social responsibility, it is necessary to give play to the powerful role of corporate spirit. Led by the responsibility-assuming spirit of serving “Sannong”, one of the top 10 corporate spirits in the new China, ABC has fostered its own spirit system that features a similar disposition and uniform origin despite the difference in regions to suit the characteristics of numerous outlets, widespread distribution and long management chain: The first is the dauntless fighting spirit of the ABC people in developed regions, who exert pressure upon themselves and always strive to become the best; they will never be satisfied with a second place if they can seize the first place. The second is the striving spirit of the ABC people in regions of harsh conditions, who fear no hardships. The third is the contribution spirit of the ABC people in regions of high elevation, who lack oxygen, but not spirit. The fourth is the enterprising spirit of the ABC people in underdeveloped regions, who rouse themselves to catch up. Plus, the professional dedication spirit of the martyr heroes of ABC who sacrificed

their precious life for national interests and the Bank's own undertakings in more than 60 years since its establishment. These spirits constitute the cultural cornerstone whereupon ABC practices its social responsibility and are kept in mind by generations of ABC people.

The spirit of ABC has shaped a business card of responsibility. To present a splendid business card of responsibility to the large number of customers, the public and the stakeholders around the world, ABC tells stories about its responsibilities at the height of building a world-class national financial enterprise and polishes the first-class national signboard of “ABC”; commits itself to assuming the responsibility of acting as the backbone and pillar of the rural financial system of China by using the “Kins Hui Nong Tong” (Kins Farmers Benefit Project) as a means to build up a brand of rural financial services that has worldwide influence; exerts itself to build a brand of modern integrated urban-rural services according to the outlet distribution characteristic of covering urban and rural areas as well as overseas markets.

The spirit of ABC guides its development. Striving to be a responsible bank has become the consensus of ABC people. Although ABC may not be the largest or the most profitable bank, the market orientation toward “Sannong” decides that ABC must be a responsible bank for the 900 million farmers of China. ABC not only maintains institutions and outlets in Alpine-cold regions and near the borderlines, but also provides financial products for the large number of farmers, vast rural areas and modern agriculture as well as financial support for people's “rice bags” and “vegetable baskets”. “I have my share of responsibility in economic development and will feel proud if the society is prosperous.” This has become a resounding slogan with which ABC people communicate with local governments and the ordinary people. Such a positioning means both assumption of responsibility and business opportunity. ABC's kindness of putting itself in the shoes of the State, the nation, the society and common people has also enabled it to seize hold of business opportunities and reap gains, thus promoting its own development and expansion.

To assume the responsibility of a large bank, ABC people need resolute responsibility spirit and the ability to steer the overall situation.

To realize the Chinese dreams of becoming a major power in the international arena, ABC people need to have firm homeland feelings and strive indefatigably.

Che Yingxin, Chairman of the
Board of Supervisors

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About **us**

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About us



Company Profile

Since its establishment in 1951, ABC has gone through “4 rises and 3 falls”. Over the 60 plus years, it has completed the historic transformation from a national specialized bank to a wholly State-owned commercial bank and then to a joint-stock commercial bank; from an initial undertaker of the mission of developing rural finance conferred by the State to a present competitor on the financial market; from the initial exclusive focus on rural market to the present new market pattern that features considerations given to both rural and urban areas and the distribution of outlets and customer both at home and abroad. The extraordinary journey of development is rarely seen in the financial community of the world.

As one of China’s leading providers of comprehensive financial services, ABC commits itself to building a large first-class bank that features the “services for ‘Sannong’, presence in both urban and rural areas, integration with the world, diversification of services” to provide customers with all-round products and services of wide coverage and through multiple channels by leveraging full-scale business portfolio, huge distribution network, leading technological platform and differential competitive advantages.

In 2014, on the list of *Global Systemically Important Banks (G-SIBs)* published by the Financial Stability Board (FSB), ABC for the first time became the third bank from China, proving that the international community highly recognizes the reform achievements of China’s financial industry and ABC.

In *Fortune 500* 2014, ABC ranks 47th, moving up 17 places from 2013. In the top 1000 global banks of *The Banker*, ABC ranks 9th, moving up 1 place from 2013.

In Fortune 500 2014, ABC ranks 47th, moving up 17 places from 2013.

47th

Scope of Business

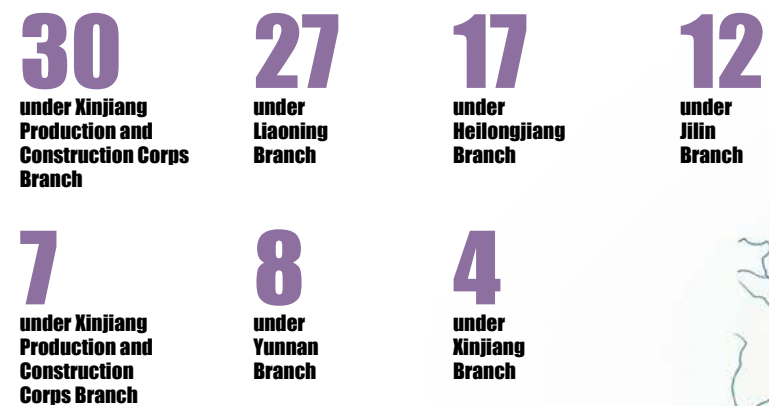
ABC is mainly engaged in business operations as outlined below:

Absorbing public deposits;	Foreign exchange loans;
Issuing short-term, medium-term and long-term loans;	Foreign exchange remittance;
Transacting domestic and foreign settlement;	Foreign exchange borrowings;
Handling bill acceptance and discount;	Issuing, issuing as agent, trading or trading as agent foreign currency securities other than stocks;
Issuing financial bonds;	Acceptance and discount of foreign exchange bills;
Issuing, cashing and underwriting government bonds as agent;	Trading in foreign exchange as proprietor or agent,
Trading government bonds and financial bonds;	Foreign currency exchange;
Engaging in inter-bank lending and borrowing;	Foreign exchange guarantee;
Trading or trading as agent in foreign exchange;	Credit investigation, consultancy and testimony business;
Settlement and sales of foreign exchanges;	Financial consultancy service for enterprises and persons;
Pursuing bankcard business;	Transaction settlement funds depository business for customers of securities companies;
Providing letter of credit service and guarantee;	Custody business for securities investment funds;
Conducting collection and payment as agent;	Custody business for enterprise annuities;
Providing safe deposit box service;	Custody business for industry investment funds;
Settling funds as agent;	Custody business for the domestic securities investment of qualified foreign institutional investors;
Remittance and cashing business;	Acting as agent in open-end fund business;
Acting as agent for the loan business of policy-related banks, foreign governments and international financial institutions;	Telephone banking, cellphone banking and online banking business;
Loan commitment;	Financial derivative product trading business;
Organizing or taking part in syndicated loan;	Other business approved by the relevant regulatory authority, e.G. The banking regulatory body under the state council;
Foreign exchange deposits;	Insurance agency business

Distribution of Branch Organizations

By the end of 2014, ABC had 23,612 domestic branch organizations, including the head office ("HO"), the HO Business Department, 3 HO franchise agencies, 37 tier-one (directly subordinate) branches, 353 tier-two branches (including the business departments of provincial branches), 3,515 tier-one sub-branches (including the business departments of the directly subordinate branches in the municipalities directly under the Central Government and the business departments of tier-two branches), 19,647 grassroots operating agencies and 55 other organizations. Additionally, ABC has 8 overseas branches, 2 overseas representative offices and 9 domestic subsidiaries where it is the controlling shareholder.

105 outlets within 2km of borderline:



514 outlets in places with an elevation of >3000m:



436 outlets in places with an elevation of >3500m:



2 outlets in places with an elevation of >5000:



There is a "population geographical boundaries" from Heilongjiang Heihe to Yunnan Tengchong, this line is bounded in southeast regions accounted for 42.9% of the land area, the population accounted for 94.4%, northwest area accounted for 57.1% of the population accounts for only 5.6%.

The Agricultural Bank in this line in the northwest to set a large number of institutions, for the vast majority of China's ethnic and border areas to provide inclusive financial services, in Xinjiang, the Agricultural Bank is a financial institution with only one and two provincial branch of Xinjiang corps. In China, the Agricultural Bank has more than ten thousand institutions in the county, 220000 employees working in the county and rural and remote areas in the long-term.



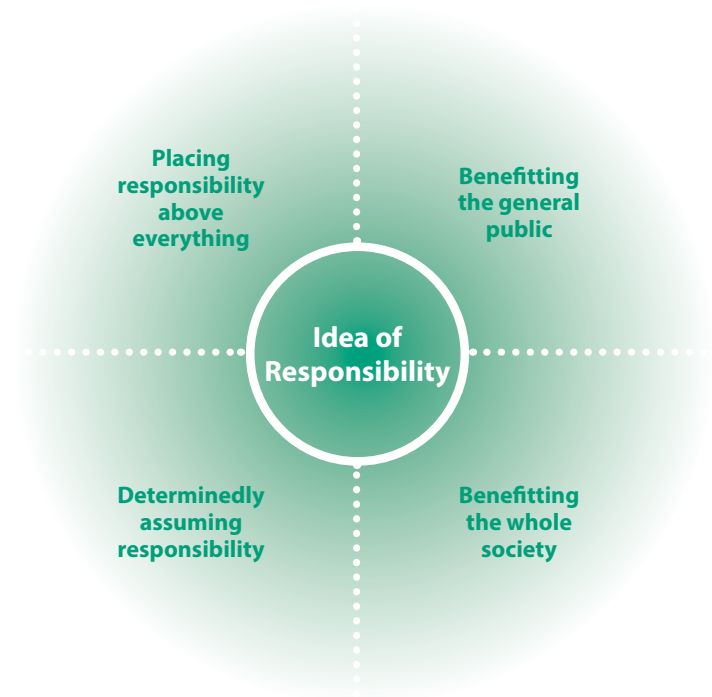
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Responsibility Management

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Idea of Responsibility



Placing responsibility above everything

As a G-SIB that is “oriented toward Sannong”, ABC does not pursue enormous profits. Instead, it pursues enormous righteousness only, for it has always acted as the implementer and defender of national macro-economic policies, always regarded the provision of good services to “Sannong” as its maximum social responsibility and always focused on the creation of value for shareholders as the cornerstone for fulfilling its social responsibility.

Benefitting the general public

In addition to creating value for shareholders and making a success of its own affairs, ABC strives to become a considerate bank of common people that continuously plays its due part and works for the coexistence of both righteousness and profits in supporting the economic transformation, narrowing urban-rural gap, improving people’s livelihood, protecting the green environment, achieving financial inclusion and assisting the disadvantaged groups.

Determinedly assuming responsibility

Given the fierce competition involving commercial banks, ABC itself is also faced with many challenges. But, instead of focusing only on its own affairs, ABC conscientiously plans its own social responsibility by putting it into the big picture of the State, the society and the economy to assume its due responsibility in all aspects of promoting all-round social progress.

Benefitting the whole society

ABC is a cell of the society and can thrive only if the State and the society are prosperous. It has been the long-term pursuit of ABC to contribute to the realization of the Chinese dream and the joint construction of a moderately prosperous society through financial power.

Responsibility Management System

Architecture of Corporate Governance

ABC earnestly meets the requirements of the State policies and the regulatory authority, continuously improves the mechanism of corporate governance, continuously strengthens the “3+1” governance structure (General Meeting of Shareholders, Board of Directors, Board of Supervisors + senior management) (as shown in the chart below) and solidly pushes on all endeavors, thereby ensuring the healthy, sustained and stable development of all business lines.

As of the end of 2014, the Board of Directors was composed of 13 directors, including 3 executive directors, 5 non-executive directors and 5 independent non-executive directors; the Board of Supervisors comprises 7 supervisors. In the year, the Board of Directors held 14 board meetings and 25 meetings of special committees.

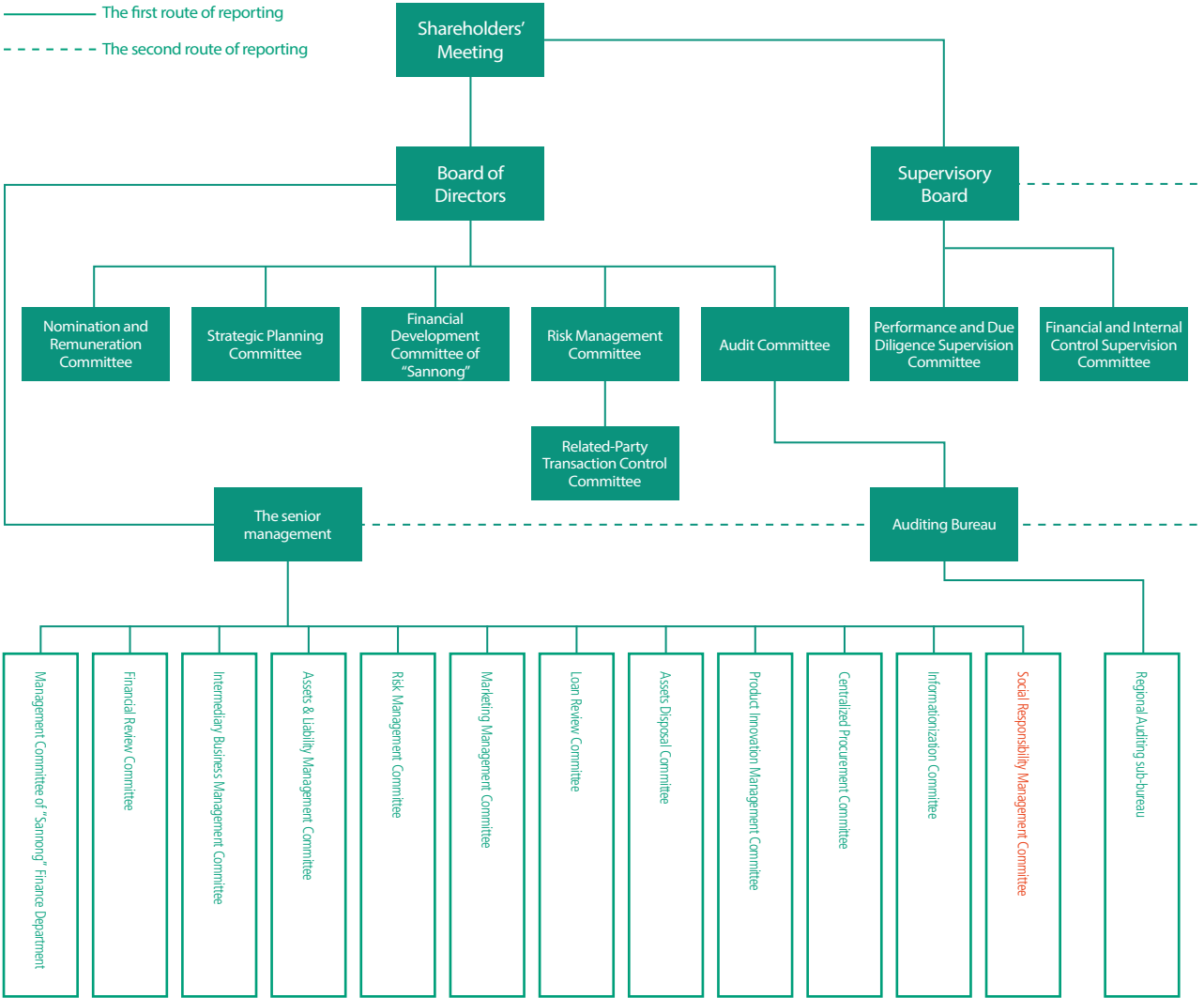


Chart: Structural Chart of Corporate Governance of ABC

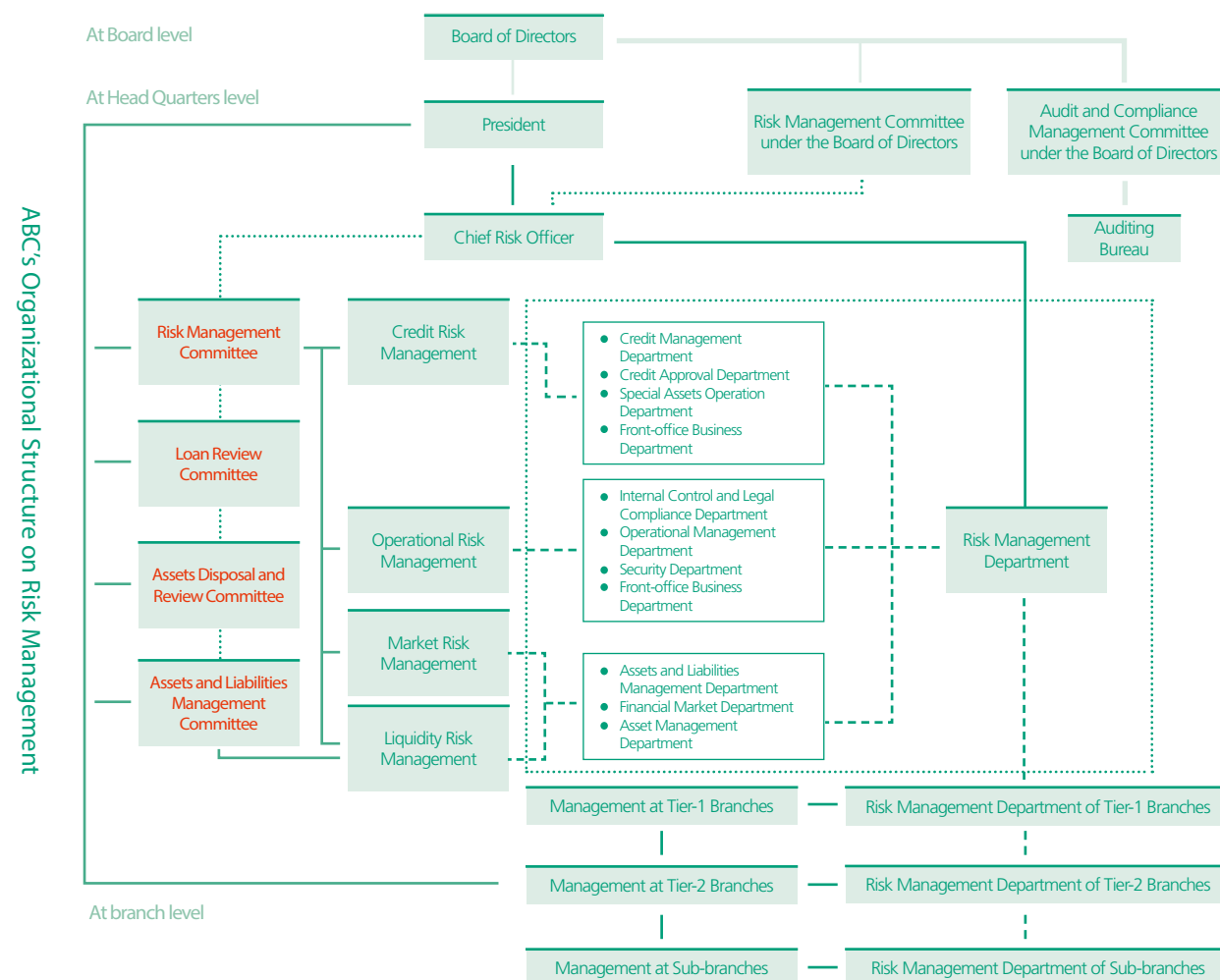
Organizational System of Responsibility

ABC attaches great importance to the promotion of social responsibility and continuously optimizes the organizational management system of social responsibility. Under the direct guidance of the Board of Directors, the senior management of the head office has under it the Social Responsibility Management Committee. At the level of branches, the Executive Committee of Social Responsibility is set up to promote the fulfilment of various tasks. The Corporate Culture Department of the head office is the department in charge of social responsibility with the assistance of the commissioners in other departments of the head office and the branches, who are responsible for supervising the daily work related to social responsibility.

Internal Control of Risks

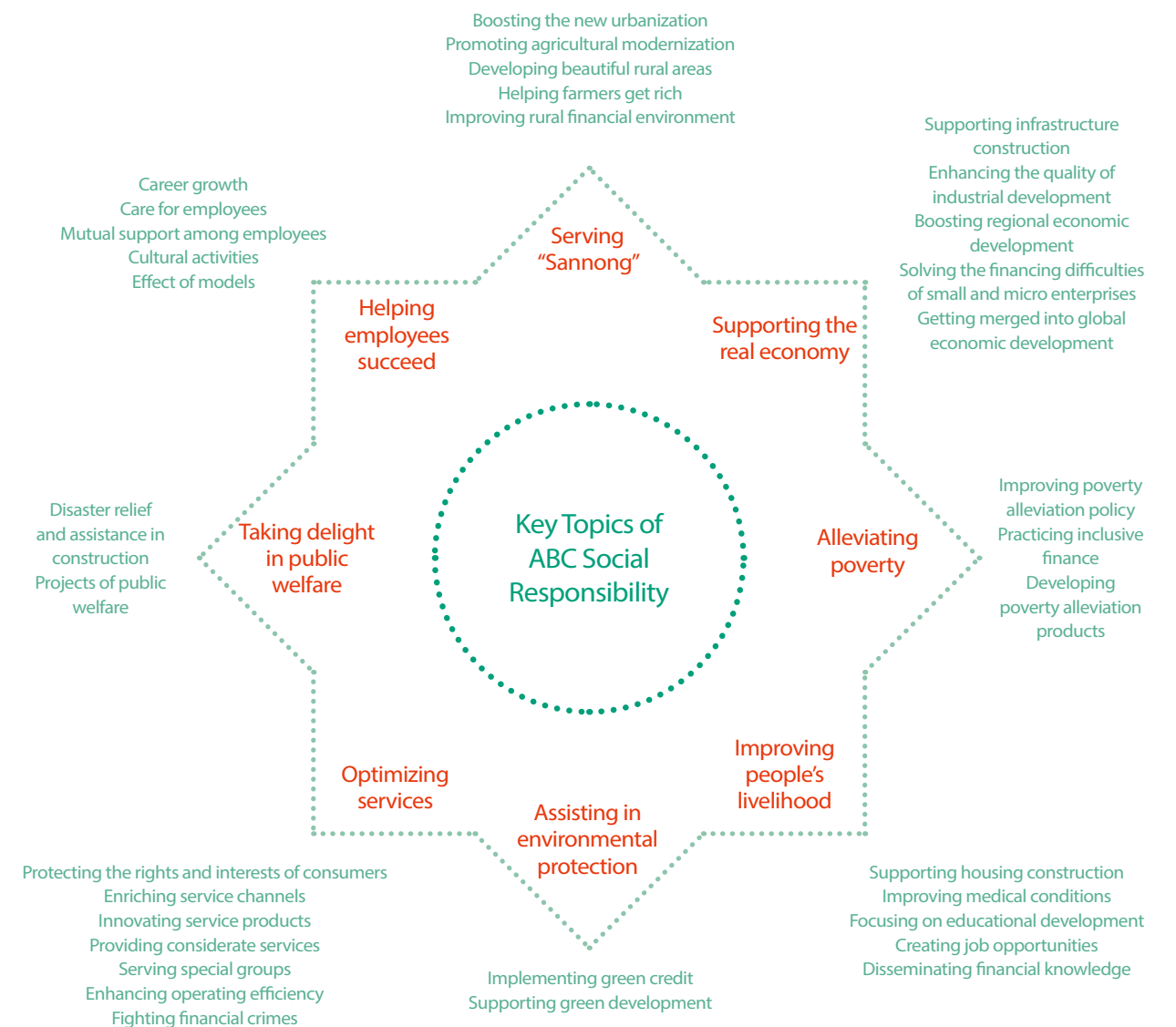
Risk prevention and control are the foundation that ensures the sustained and stable operation of an enterprise. In 2014, ABC continued to optimize the comprehensive risk management system, further enhanced its risk management capability and effectively maintained its stable operation by perfecting the organizational structure of risk management, drawing up special rules for risk management and taking measures for the examination, supervision and evaluation of risk management.

ABC conscientiously implements *The Basic Standard for the Internal Control of Enterprises* together with the guidelines associated therewith, strictly meets regulatory requirements, focuses on improving working mechanism, enhancing duty performance capability and carrying out the screening of case risks, continuously intensifies the internal control compliance system, pushes all the members to abide by laws and regulations of their own accord, constantly improves the quality of internal control and provides support for the prudent operations of the Bank. In 2014, the NPL of ABC was 1.54% and the provision coverage ratio was 286.53%.



Selected Key Topics of Social Responsibility

ABC pays great attention to the requirements of the policies of the government and the regulatory authority and has finally identified the Key Topics of ABC Social Responsibility by collecting the key expectations and appeals of stakeholders, the opinions of departmental heads and experts, and the hot issues of the banking industry that the public is concerned about on the basis of taking into account its own development strategy.



Participation of Stakeholders

By sorting out the characteristics of its own business and operations, ABC has classified the major stakeholders into government, regulatory authority, shareholders and investors; customers, employees, suppliers and partners; and public, communities and environment. ABC identifies stakeholders through scientific methods and steps up the communication and exchanges with them to find out about their appeals in the field of social responsibility and use responsibility practices to actively respond to their concerns, promote their participation and join them in creating a beautiful future.



Stakeholders	Government	Supervisory Authority	Shareholders and Investors	Customers	Employees	Suppliers and Partners	Public and Community	Environment
Expectations & Appeals	Enhance the capability of providing financial service for "Sannong". Support national industrial restructuring. Support the development of small and micro businesses. Increase the financial support for people's livelihood. Achieve the steady growth of taxes.	Operate in good faith and comply with laws and regulations. Maintain financial stability. Strengthen the comprehensive risk management system.	Create sustainable returns on value. Improve corporate governance. Strengthen the management of investor relations. Disclose information in a complete, true and accurate way.	Continuously enhance service quality. Intensify the capability of electronic services. Carry out the campaigns on financial knowledge publicity. Maintain the rights and interests of customers.	Safeguard the legitimate rights and interests of employees. Create diversified passages for career development. Improve salary, incentive and benefit system.	Fair cooperation. Good faith performance of contracts. Establish a long-term and smooth communication mechanism.	Provide quality financial services. Jointly construct the environment of civilized communities.	Support green development Persist in green operations Implement green public welfare
Communications & Responses	Increase the issuance of credit. Launch the "Kins Hui Nong Tong" project. Support the fields of people's wellbeing, e.g. medical care, education and housing. Drive employment through the support for industries and the development of enterprises.	Strictly abide by laws and regulations. Prevent financial crimes. Improve the major risk management system.	Continuously enhance service quality. Intensify the capability of electronic services. Carry out the campaigns on financial knowledge publicity. Maintain the rights and interests of customers.	Protect the legitimate rights and interests of customers. Strengthen the development of service channels. Promote the innovation in services and products. Improve the services for special groups.	Push on the construction of the ABC University. Establish and improve the salary management system. Build the performance management system and platform.	Sign agreements on strategic cooperation with local governments, enterprises and universities. Carry out all-round and in-depth business cooperation with the international financial institutions of multiple countries. Hold discussions on supplier management.	Spread financial knowledge. Carry out events like "bringing financial knowledge to millions of households" and "a long march for financial knowledge". Develop guiding documents and launch volunteer activities.	Issue <i>The Opinions of the Agricultural Bank of China on Implementing Green Credit</i> Intensify the comprehensive environmental treatment of climate and water resources

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Responsibility Practices

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Overview of Results

The predecessor of ABC is the Agricultural Cooperative Bank set up in 1951. Then, ABC went through different stages of development as a national specialized bank, a wholly State-owned commercial bank and a joint-stock commercial bank. The glorious history of more than 60 years has placed ABC under diversified and extensive social responsibilities.



By the end of 2014, ABC had total assets of 15,974,152,000,000 yuan, the balance of total deposits of 12,533,397,000,000 yuan and the balance of total loans of 8,098,067,000,000 yuan, brought in 179.51 billion yuan of net profits and paid 96.512 billion yuan of taxes. During the reporting period, the social contribution value per share was 2.02 yuan, up 10.4% from a year ago.

By the end of 2014,
the social contribution value
per share was
2.02
yuan

brought in
179.51
billion yuan of net profits



In 2014, ABC properly assumed responsibility in serving “Sannong”, improving people’s livelihood, supporting frontier regions and reducing poverty. The electronic devices for “Kins Hui Nong Tong” covered 75.2% of the administrative villages and the balance of loans extended to the regions inhabited by ethnic minorities was 526.611 billion yuan. The number of outlets within 2 kilometers of borderline reached 105 and the number of outlets in places with an elevation of above 3000m reached 514.

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In 2014, ABC continued to strive in economic responsibility, social responsibility (narrow sense), environment responsibility and legal responsibility, made greater progress in the fulfillment thereof, further exhibited its image of a bank ready to shoulder responsibility and won the trust of common people through its creditability.



Always placing ecological development in a prominent position, ABC supports the development of environmental protection enterprises, cuts back the loans for industries of high pollution, high energy consumption and excess capacity (“HHE”) and works hard to become a green bank. By the end of 2014, the balance of green credit loans issued by ABC was 472.447 billion yuan, chalking up an increase of 142.026 billion yuan from the beginning of the year and a growth rate of 42.98%, 32.96 percentage points higher than the growth rate of the Bank’s corporate loans on average. In contrast, the balance of the loans for HHE industries was 521.611 billion yuan, a decrease of 10.341 billion yuan from the beginning of the year.

By the end of 2014,
32.96
percentage points higher than
the growth rate of the Bank’s
corporate loans on average.

the balance of the loans
for HHE industries was a
decrease of
10.341
billion yuan from the
beginning of the year



ABC abides by laws and regulations, protects the legitimate rights and interests of related parties, e.g. customers and employees, prevents financial crimes, and strengthens internal control management. In 2014, ABC held 7,005 sessions of anti-corruption campaigns, which involved the participation of 556,000 person-times, and 2,500 lectures in law-abiding operations, which benefited 300,000 people.

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7,005
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2,500
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operations

Serving "Sannong"

Committed to becoming a responsible bank that narrows urban-rural gap
——Agricultural Bank of China



Data · Stories

75.2%:
"Kins Hui Nong Tong" benefiting
tens of thousands of households

Agriculture must be strengthened, if China is to become strong; its rural areas should be beautiful, if China wants to become beautiful; farmers has to get rich first, if China wants to be a wealthy country. Over the years, ABC has done a lot in the field of serving "Sannong". The extensive presence, rich and diversified service experience and highly targeted financial products have laid a solid foundation for ABC to support "Sannong" in the era of "new normal" economic situation.

In 2014, ABC continued to further the reform of the "Sannong Financial Department" based on the philosophy of "beautiful rural areas, modern agriculture and rich farmers". In doing so, the Bank increased credit supply, accelerated product innovations and provided technological support for rural finance so that it can become a mainstay of ABC in serving the integrated and coordinated urban-rural development.

The unbalanced regional distribution of financial institutions has always been a problem existing in the rural payment environment of China. *The Report on the Financial Development in Chinese Rural Areas 2014* shows that there is 0.77 bank outlet on average around each village where the Chinese rural families are located, which compares to 2.63 on average in the urban areas. *The Opinions of the General Office of the State Council on Providing Financial Services to Boost Sannong Development* released in 2014 points out the need to continuously optimize the layout of rural financial outlets, promote the full coverage of remote rural areas by basic financial services and launch the "Linking Villages" project in those administrative villages with necessary conditions.

This is by no means easy. The use of traditional physical outlets to achieve the full-scale coverage incurs so high a cost that the financial institutions could hardly bear. This problem has been solved through the electronic devices installed in rural cooperatives, agricultural materials stores, small shops and other channels, the service points of "Financial Hui Nong Tong" project have been set up to bring door-to-door financial services to every farmer's home. By the end of 2014, ABC set up 649,000 "Kins Hui Nong Tong" service points and 1.228 million electronic devices in the rural areas around the country, covering 75.2% of the administrative villages.

"Financial Hui Nong Tong" project is gradually changing the traditional payment habit of "cash on delivery" in rural areas. Farmers' acceptance of electronic channels is rising gradually thanks to the rational layout of service points, provision of technical guidance and maintenance, introduction of preferences for card-swiping consumption. Nearly 171 million Huinong (Kins Farmers Benefit) cards have been issued throughout the country, including 21.252 million in 2014, so that more farmers have begun to enjoy the convenience brought by modern finance.

Concerns of Stakeholders



What has ABC done to promote the new urbanization in China?



In December 2013, the Central Government held the "Centralized Meeting on Urbanization", which pointed out the need to push on people-oriented urbanization, enhance the quality of urban residents' life and regard it as a top priority to grant citizenship in an orderly manner to those who have the ability to find employment and live stably in cities and towns.

Over the years, ABC has always considered it a focus of its social responsibility and business development to promote and support urbanization and formed institutionalized, systematized and modularized products and services, exhibiting an ABC mode and advantages in the services for urbanization. In 2014, ABC adjusted and optimized the relevant systems in light of the latest urbanization requirements and plans of the Central Government to provide unprecedented support intensity and product categories. In particular, ABC carried out the campaign of "green homes in 100 cities and 1000 towns" by selecting no less than 100 counties (including county-level cities) and 1000 key towns across the country to provide them with support in their urbanization in the upcoming three years, including 150 billion yuan of new loans that ABC will try to issue.

Boosting New Urbanization



Picture: Panoramic view of Huayuan Village in Dongyang, Zhejiang

New urbanization is a strategic vision that coordinates the urban-rural “binary” structure and addresses the issues related to “agriculture, rural areas and farmers” (“Sannong”). In 2014, ABC sorted out 27 urbanization financing products and services and rolled out innovative products including urbanization loans, land reclamation loans and loans for construction of commodity markets, covering the whole process of urbanization, e.g. infrastructure, public service facilities and land reclamation.

By the end of 2014, the balance of the ABC loans for rural urbanization was 1153.75 billion yuan, representing an increase of 82.24 billion yuan from the beginning of the year and a growth of 7.68%, and covering 1,000 counties (county-level cities). 8.84 billion yuan of loans were extended to support the construction of commodity markets.

Case: 402 million yuan: Hubei Branch boosting local urbanization

Urbanization is a new engine that propels China’s economic development in the new period. The promotion of people-oriented new urbanization is a key task that draws national attention. Under the guideline of “taking into account regional reality, and promoting the local urbanization of farmers”, Sanxia Branch in Hubei Province continuously innovates its mode, gets effectively involved, drives employment in supporting industrial development, promotes the improvement of infrastructure and pushes forward the process of new local urbanization, thus achieving an all-win outcome.

Take the support given to Daohuaxiang Group for example. By the end of 2014, the branch cumulatively issued 402 million yuan of loans to it and processed 420 million yuan worth of bank accepted drafts and 100 million yuan worth of domestic letters of credit. The group, which has become strong, now has 58 member enterprises. It has not only provided jobs for over 30,000 farmers in the surrounding areas, but also invested some 100 million yuan in the infrastructure construction of local towns and villages.

Case: 17.15 billion yuan: Tianjin Branch supporting the construction of small towns through comprehensive financial services

In recent years, Tianjin Branch has provided a package of comprehensive financial services for the urbanization of the city, including financing support, settlement service, wealth management service and channel layout, finding a way of supporting the construction of small towns that has its own distinctive characteristics. By the end of 2014, the branch cumulatively provided 17.15 billion yuan of loans to support 31 model town projects and 3.3 billion yuan of loans to support 15 model industrial park projects.



Case: Loans for rural communities: Qingdao Branch supporting the shift from traditional rural areas to modern communities

The project “Jiaonan Shangqiangou Community Construction” project of Longhai Group is a typical project marking the shift from traditional rural areas to modern communities. The project involves the resettlement of 341 farmer households from 4 administrative villages and the construction of a blueberry park of 8,000 mu around the community.

Shandong Qingdao Branch reached out to the project, set up a green passage, conducted joint investigation and evaluation involving both the branch and its sub-branches, carried out concurrent operations of both the front and back offices, completed all the credit process in just two weeks of time and successfully issued the first loan for new rural community, providing 100 million yuan of loan support for the project to solve its financing difficulty.

Case: 2.15 billion yuan: Guangdong Branch supporting the construction of county-level commodity markets

The loan for construction of county-level commodity markets is a characteristic product designed by Guangdong Branch to expedite the development of commodity circulation industry in counties. Since it was introduced in 2011, the product supported the construction of the new markets, the upgrading of old markets and building of condos affiliated therewith, effectively satisfying the financing needs of county-level commodity circulation industry and construction of urban wholesale and retail markets for farm and sideline product, forming numerous large circulation markets covering both urban and rural areas. By the end of 2014, 2.15 billion yuan of loans had been issued cumulatively under the product, with a credit balance of 1.64 billion yuan.

Promoting Agricultural Modernization

By the end of 2014, ABC provided a balance of **168.2** billion yuan

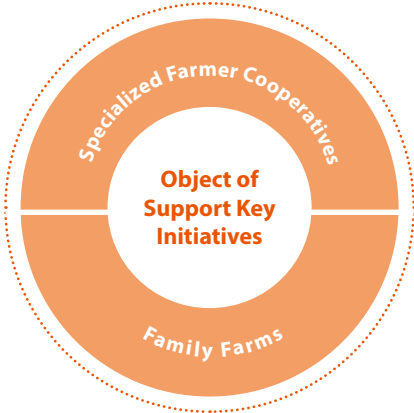
ABC is committed to building a modern agricultural financial service system, creating the service mode that supports new business players and making attempts at differential ways of guaranteed mortgage, e.g. mortgage on the proceeds from land transfer and mortgage on forest ownership. The Bank assists the farmers on the industrial chain to expand production by providing financial support to the leading enterprises of agricultural industrialization. By so doing, the Bank is dedicated to helping China's agriculture to embark upon a road of modern development that features “efficient output, safe products, economized resources and environmental friendliness”.

By the end of 2014, ABC provided credit support for 5,066 leading enterprises through loans with a balance of 168.2 billion yuan, an increase of 13.4 billion yuan from the beginning of the year, registering a growth rate of 8.66%. The Bank served 1,036 national-level and 7,216 provincial-level leading enterprises, with a service coverage rate of 84% and 58.5% respectively. ABC supported 140,400 new agricultural operating entities, including large specialized growers and family farms, with 87,400 existing customers and a loan balance of 17.398 billion yuan, an increase of 6.614 billion yuan from the beginning of the year.

Case: 12.6 billion yuan: Service innovations of Heilongjiang Branch supporting new agricultural entities

Benefiting the new operating entities, e.g. specialized farmer cooperatives and family farms, Heilongjiang Branch intensified financial support to boost the transformation and upgrading of the agricultural production on Sanjiang Plains and Songnen Plains. In 2014, the branch cumulatively extended 12.6 billion yuan of loans for agricultural purpose on the two plains.

Promulgated the “Management Measures for Circulating Fund Loans for Specialized Farmer Cooperatives”, which allows such cooperatives to apply for loans by means of guarantee, mortgage and pledge and provides them with exclusive financial services.



Raised the limit of loans for single household; developed multiple forms of guarantee, e.g. mortgage on the right to the contracted land and guarantee of direct financial subsidies; introduced a number of innovative loan modes, including “assistance in purchasing large farm machines”.



Picture: Fujian Zhangpu Sub-branch supporting the construction of an orchid center

Case: Pilot financial leasing of farm machinery: supporting cotton picking by leasing

The pilot financial leasing of farm machinery facilities launched jointly by the ABC Financial Leasing Co., Ltd. and the Ministry of Agriculture was conducted in Xinjiang first. The cotton picking machines obtained by 3 farm machinery service cooperatives through the mode of financial leasing were all put into cotton picking operations, marking a substantive breakthrough made in the regard.

Taking into account the natural laws of cotton production and the cash flow characteristics of lessees, ABC Financial Leasing Co., Ltd. designed personalized leasing products, rationally leasing term, arranged a lower leasing interest rate, prescribed flexible rent payment and used multiple risk control measures, thus meeting the financing needs of lessees, reducing their financing cost and effectively controlling business risks.

Case: Direct management and direct loans: Anhui Branch exploring new mode of supporting family farms

Starting from April 2014, Anhui Branch launched the experiment of “direct management and direct loans” for family farms as part of the efforts made to explore new modes of financial support for family farms. “Direct management” means that the provincial branch guides and manages the experiment; “direct loans” means the design of financial products that fit the production and operation characteristics of family farms.

By the end of 2014, the branch supported 66 family farms to take part in the experiment by cumulatively providing 27.09 million yuan of loans, with a balance of 14.39 million yuan.

One experiment for each sub-branch	Each county-level sub-branch selected at least 1 pilot family farm, amounting to 76 family farms under the mode
Classified calculation	The family farms were classified into large, medium and small ones for calculation of the investment and output based on their production process, which is used for reference in the operation thereof.
Secured loans	Broadened the forms of guarantee to make flexible use of guarantee company, mortgage on real estate and guarantee of public servants.
One plan for each farm	A personalized financial service plan was provided for each family farm to provide comprehensive services, including credit, settlement and wealth management.

Case: A growth rate of 11.75%: contributing to the protection of grain safety

By the end of 2014, the balance of the ABC loans for the counties was 1.31 trillion yuan

Only by relying on the basic self-sufficiency in grains is it possible for a country to achieve food security and then control the big picture of economic and social development. In 2014, ABC continued to intensify the support and focused on farmland water conservancy construction projects, such as the hydro-junction projects of large farm agricultural product bases and new water-saving irrigation technology, and served 800 large grain-producing counties and 13 major grain producing areas nationwide, providing a driving force for China to achieve an increase in grain output for the 11th consecutive year.

By the end of 2014, the balance of the ABC loans for the counties in the 13 major grain producing areas was 1.31 trillion yuan, an increase of 144.4 billion yuan from the beginning of the year, at a growth rate of 11.75%.



Case: Paying attention to food security and supporting the R&D of native seeds

China is a traditional large agricultural country, but imported seeds have gradually occupied its vast land. Therefore, it is a significant task of the nationals to develop independent seed brands and protect food security. Nankai Sub-branch adheres to the idea of serving “Sannong” and attaches great importance to the financial support for domestic seed companies.

In 2014, the sub-branch supported Tianjin Kerun Agricultural Technology Co., Ltd., which is a “national-level leading enterprise for agricultural industrialization” and has powerful strength in scientific researches. Under the strong support of the sub-branch loans, the enterprise is expected to provide 580,000 kg of high-quality vegetable hybrid seeds each year, achieve application thereof in more than 3 million mu and create over 1 billion yuan of economic benefits each year.



Picture: Shandong Laiwu Branch bringing financial knowledge into the fields

From the strategic height of protecting national food security, ABC provides all-round and whole-process financial services for grain production from sowing in spring to harvest in autumn.

In 2014, ABC continued to increase the financial services for ploughing preparations and intensified the supply of credit in the major grain producing areas, e.g. Jilin and Henan, to meet the financial needs of the key links of grain production.





Picture: The "industrial chain loans" of Shandong Yantai Branch solved the financing difficulty of fruit enterprises and growers

Case: ABC Equity Director Survey Team in Zhongning County, Ningxia for investigations

On July 16, 2014, ABC Equity Director Survey Team visited the Medlar Trading Center and Zhouta Medlar Sightseeing Park in Zhongning County, Ningxia to gain a detailed picture of scale and development status quo of local characteristic agriculture. The team members listened carefully to the need of the county in the development thereof and the difficulties and problems encountered in industrial development and promised that ABC would provide more financial support for the development of the medlar industry and other characteristic industries in Zhongning through new service ideas and modes to contribute its bit to pushing on the agro-industry there.

Case: Boosting the development of the characteristic industrial chain of agriculture

Taking the opportunity of using leading enterprises to drive the booming development of the local agriculture, ABC strengthens the support for the downstream farmers of the leading enterprises and promotes the deep-going development of the agricultural industrial chain.

47 leading enterprises: spearheading the development and expansion of the tea industrial chain To push forward the large-scale development of the characteristic agricultural industrial chain, Fujian Branch actively innovated the modes of financial services to provide the customers of the chain with diversified and comprehensive financial services that integrate "loans, financing, payment settlement, wealth management planning". For the leading enterprises of deep processing, distributors and large operators of agricultural materials with a large scale and powerful strength, the branch uses the mode of "leading enterprise + sales terminal" to extend its financial services toward both ends of the industrial chain.

By the end of 2014, the branch cumulatively loaned over 10 billion yuan in the field of agricultural industrialization, supported 312 provincial-level leading enterprises, registering a coverage rate of 78%, 150 specialized markets and cooperatives, enabled 20,000 farmer households to increase income.

25 million yuan: solving the financing difficulty of fruit enterprises and growers Yantai in Shandong Province is the largest apple cultivation area and export base of China. Every September and October are the golden period for the marketing of apples and also the period when the enterprises for the deep processing of apples are under the heaviest pressure. Yantai Branch focuses on processing enterprises, purchasing contractors and growers to introduce credit products in a targeted manner for the entire "apple industrial chain".

Take Shandong Longteng Fruit and Vegetable Technology Co., Ltd. for example. Qixia Sub-branch under Yantai Branch loaned to it 15 million yuan against mortgaged real estate and 10 million yuan against pledged apples, effectively satisfying its monetary need for purchasing high-quality apples.

"With the 25 million yuan and diversified services provided by ABC, our apple business this year has become smoother in both domestic sales and export."

— Manager Zhuang of Shandong Longteng Fruit and Vegetable Technology Co., Ltd.

Case: 340,000 mu: Hebei Branch driving the increase in potato growing area

Located in a dam area, Guyuan County, Hebei Province is one of the important potato supply bases in China. Zhangjiakou Hongji Agricultural Technology is the largest local potato processing enterprise. In 2014, Hebei Branch issued to it 50 million yuan of fixed asset loans for use in constructing a potato protospecies project. When completed, the project can turn out 50 million potato seedlings, 100 million micro potatoes and 40000 tons of detoxicated potatoes each year, basically covering the supply of improved protospecies to local potato growing.

Under the support of the branch, the local potato growing area increased from 230,000 mu to 340,000 mu at a growth rate of 47.8% and the total output from 600,000 tons to 1 million tons at a growth rate of 66.7%, leading to the establishment of 5 new large-scale processing enterprises of potato chips and starch and benefiting more than 60,000 people in the region.

Case: 80 million yuan: Chongqing Branch going all out to support the construction of the "Flower & Tree World" base

This is a comprehensive, modern and specialized flower and tree trading market that integrates the sales of flowers and trees, property, trade and tourism.

To fully support the construction of the base, Banan Sub-branch under Chong Branch has actively cooperated with the company and provided all-round financial services for the company and the merchants in the base over the years by leveraging e-business platform, cash management platform and other modern financial tools to support the expansion of the base. By the end of 2014, the balance of loans was 80 million yuan.



Picture: Workshop of potato processing enterprise under the support of Hebei Branch



Picture: Harvest of kiwi fruits in Mei County under the support of Shaanxi Baoji Branch

Constructing beautiful rural areas

In 2014, ABC introduced the Opinions on the Financial Support for Constructing “Beautiful Rural Areas” to intensify the credit for rural development, improve rural service channels and focus on the fields of human habitation environment, infrastructure and public services in boosting the construction of new rural areas that feature “scientific layout, tidy rural environment, sound life with increased income, and beautiful countryside with civilized customs and improved qualities”.

Case: 41,000 households: Farmers and herdsmen moved into new homes under the support of Tibet Branch

With the cooking smoke rising in the sunlight, every house of unique Tibetan characteristics came to life. This is the result achieved by Tibet Shannan Branch through participation in driving the “construction of the socialist new rural areas” to create a “model village of ecological civilization and moderate prosperity”.

Shannan Branch first carried out a number of investigations and held meetings involving heads of the Village Committee, members of the Villagers Committee and general farmers and herdsmen to brief them on the people-benefiting policies and guided them in the construction of the socialist new rural areas. Since 2005, it has issued 557.36 million yuan of housing project loans, an average of 24,400 yuan per household, helping 41,000 households move into new homes. This has played a positive role in promoting “Model Village of Ecological Civilization and Moderate Prosperity” in Tibet.

Case: 15 billion yuan: Guizhou Branch supporting the construction of beautiful rural areas

Guizhou Branch supports Guizhou Province in carrying out 6 infrastructure construction projects, including the project of building beautiful rural areas inhabited by farmer households that are rich, eager to learn, happy and beautiful.

In 2014, the branch drew up the “Special Credit Service Plan for Supporting Guizhou Guimin Investment Co., Ltd. in Implementing the Construction of Beautiful Rural Areas”, under which 15 billion yuan of credit was granted to the infrastructure construction projects covering water, electric power, roads and gas.



Picture: beautiful rural areas in Zunyi, Guizhou



Picture: Beautiful west Hunan

Case: Beautiful rural areas: Zhejiang Branch strongly supports the construction of beautiful rural areas

Since ABC selected Zhejiang Province as the site for the pilot construction of beautiful rural areas, Zhejiang Branch has made determined innovations, broken the bottleneck of the credit system and intensified the preferences in credit resources to support the province in creating beautiful rural areas.

Breaking the credit bottleneck and supporting the optimization of village appearance

Jiangnan Town, Tonglu County, Zhejiang Province succeeded in applying for title of “Famous Historical and Cultural Village of China” in 2007, which led to the quick emergency of local tourist industry and attracted 300,000 tourists each year. To further enhance its image and improve the tourist quality of the area, the locality is committed to the reconstruction of the villages. However, the investment needed by just one village exceeded 10 million yuan for a wide range of works, from road building to laying sewage pipeline. Just as the town worried itself about funds, Tonglu County Sub-branch broke the system bottleneck in industry access and guarantee form in May 2014 and provided it with 20 million yuan of special loans for construction of beautiful rural areas, which were used toward further improvement of local infrastructure and rebuilding of the image of the villages.

“For such a large project, funds are an obstacle that cannot be dodged. Luckily, ABC issued 150 million yuan of loans, providing a strong support for the project.”

— Project owner of resettlement housing project for farmers in Yinjiayu

Credit resources providing farmers with beautiful homes

The southern part of Balidian in Huzhou, Zhejiang Province is the first pilot zone for system innovations in the construction of new rural areas, where the resettlement housing project for farmers in Yinjiayu demolished 63 residential areas and transformed them into 5 new rural communities. In early 2014, Zhejiang Huzhou Branch introduced an 18-clause policy for supporting “Sannong” development in light of regional characteristics and its own reality, which highlighted three fields of key support: construction of residential community, construction of industrial parks and transformation of farmers toward citizenship, and made it clear that support be given to the farmers in concentrated habitation, construction of resettlement housing and business pioneering by farmers.

“The credit support for the clusters of ancient villages in the south of the Yangtze River is a breakthrough made by ABC and a form not present in the existing credit system. To address the difficulty of such business in industry access and guarantee form, we made active efforts to win the support of all parties and provided the loans after finally breaking the bottleneck.”

— Head of Business Department of Zhejiang Branch



Picture: Autumn Scenery of Mountain Villages

Assisting farmers in becoming better off



Picture: Qinghai Branch supporting Xianhong Pepper Plant

By the end of 2014, the balance of the ABC loans for farmers was an increase of

7.756
billion yuan

To better meet the financial needs of farmers and support them in becoming better off, ABC introduced the catalogue of loans for farmers in 2014, which includes 18 loan products for farmers that are in nationwide application or meant for a particular region.

By the end of 2014, the balance of the ABC loans for farmers was 154.609 billion yuan, an increase of 7.756 billion yuan from the beginning of the year at a growth rate of 5.28%.

Case: Farmer Benefiting Mobile Service Team: Liaoning Branch enables farmers to get on the money-making “express bus”

Nanguo pear cultivation in Liaoyang County, Liaoning Province has a history of more than 300 years. In recent years, Liaoning Liaoyang Branch worked with the government in setting up a Farmer Benefiting Mobile Service Team to fully meet the fund demand of fruit growers who buy farm machinery, chemical fertilizer and pesticides.

Because of the seasonal nature of fruit tree growing, the Branch promptly organized personnel to calculate the quarterly and annual lending programs and implemented the method of each bank leader linking up with a region, each outlet director linking up with a township and each customer manager linking up with a village to meet the farmers’ need for funds and enable the farmers to receive timely and effective financial services.

Case: 392 million yuan: Shaanxi Branch supporting farmers in sericulture

“Ankang silk” is acclaimed far and wide and constitutes one of the local dominant industries. Shaanxi Ankang Branch supports farmers in sericulture through the “company + farmers” mode.

Since 1998, the branch invested 392 million yuan of credit funds to support Bashan Tiffany Company in setting up purchasing bases in 39 villages, which signed the “Contract for Protected Purchase of Fresh Cocoons at Minimum Price” with the silkworm breeders of the bases to surrender part of the profits to them so that they can grow mulberry trees and raise silkworms at ease. The initiative helped over 70,000 farmers increase income.

Case: Loans secured by mortgage on the right to the contracted management of land: Hubei Branch makes land “realizable”

“Under the background of accelerated reform of the property right of rural land, land transfer loans will better meet the needs of new agricultural operators, promote the large-scale and intensive development of agriculture and enable farmers to increase both yield and income.”

— An insider

The 2014 “No. 1 Document” of the CPC Central Committee “allows the right to the contracted management of land to be mortgaged to financial institutions for financing”. In April, the General Office of the State Council issued the “Opinions on the Finance Serving the Development of ‘Sannong’”, which requires the People’s Bank of China to join the Ministry of Agriculture and China Banking Regulatory Commission in formulating the management measures for loans secured by the mortgage on the right to the contracted management of rural land and conduct experimentation.

ABC responded quickly and was the first in the financial industry to introduce the Management Measures for Loans Secured by Mortgage on the Right to the Contracted Management of Rural Land (For Trial). It held a site meeting in Xiangyang, Hubei Province to start the experimentation with the loan business in 85 cities (counties) under 7 branches in Hubei and Jilin provinces. By the end of 2014, a total of 579 million yuan of such loans were provided to 3,292 households, of which 1,120 are now existing with a loan balance of 307 million yuan.

Hubei Xiangyang Branch implements the experiment with the loans secured by the mortgage on the right to the contracted management of rural land.

Strengthening information publicity

Provided training in business knowledge, issued product publicity manual, sent financial knowledge to the rural areas, spread product knowledge in grassroots outlets, villages, teams and large growers.

Paying attention to demand survey

Set up a special survey team composed of a business backbone member from the city branch and 2 customer managers designated by every sub-branch to make a concentrated investigation into the business needs.

Optimizing business management

The service customers of the branch and sub-branches worked together to set up a special catalogue of the customer of loans secured by the mortgage on the right to the contracted management of rural land in the whole city

Multi-dimension control of risks

Exercise good control from 5 dimensions, including the form of contracting and customer objects, to implement strict post-loan dynamic management, thereby ruling out any overdue repayment and NPL

Case: Direct subsidy loans: tangible benefits brought by Jilin Branch to farmer households

Through explorations, Jilin Branch worked out the service mode of “government providing guidance, financial department setting up a platform, farmers participating on a voluntary basis, and financial institutions providing follow-up services”, and provided farmer households with loans secured by direct financial subsidies. All the outlets of the branch have opened the special counter for the loan to provide “one-stop” service.

By the end of 2014, 3.11 billion yuan of “direct subsidy loans” had been issued, accounting for 27.30% of the farmer loans of the branch, amounting to 14,800 yuan per household. According to the calculation of the Department of Finance of Jilin Province, the loans secured by direct subsidy funds provided by the branch can reduce 300 million yuan worth of burden for the farmers of the province each year.



Picture: Jiangsu Xuzhou Branch supports the development of local farmer households.

Improving rural financial environment

Case: Officials on secondment in townships: Zhejiang Branch assisting “Sannong” financially and intellectually

ABC formulated the “Opinions on All-round Reinforcement and Improvement of Rural Basic Financial Services” to push forward the building of rural credit system, send backbone employees to rural areas on secondment, further develop the rural financial autonomy and provide intellectual support for the improvement of rural financial environment; further expand the coverage of rural financial services, continuously intensify the service functions of physical rural outlets, press on with the “Kins Hui Nong Tong” project, relay on IT to create new channels of using the Internet to serve “Sannong”, and take an important step toward the goal of enabling readily-available financial services in rural areas.

The status quo is that the officials in rural townships relatively lack financial knowledge and do not know much about financial supervision and bank credit policy, while some agricultural enterprises and farmer households are in urgent need of guidance in financing and wealth management. In response thereto, ABC Zhejiang Branch took an innovative initiative in April 2014 with the approval of the provincial Department of Organization --- sent 301 selected officials to key townships on secondment, where they would assist the main leaders of the townships in overseeing financial work and support “Sannong” both financially and intellectually. This is the first time that such an initiative was taken in the financial history of Zhejiang and in the national financial sector.

A large number of ABC officials having profound expertise and abundant social resources went to the townships on secondment and added new vigor to the ranks of grassroots officials. They shifted roles, gave play to their professional edges, found the focuses and footholds in the financial services for “Sannong”, were brave to take on heavy responsibilities especially in crucial and difficult tasks, such as defusing the risks of enterprises, and excelled in five aspects:

Publicity. They popularized the fundamental knowledge about rural finance, publicized the national policy designed to make farmers strong, benefited and rich and explained the financial products and services for rural areas;

Consultancy. They worked hard to connect the Bank, the government and the enterprises in respect of the financing for key projects of people’s livelihood, e.g. new urbanization, regulation of five rivers and construction of beautiful rural areas, as financing consultant;

Service. Considering the economic characteristics of the local township and their needs for rural finance, they innovated the “farmer-benefiting” financial products and services, assisted in the development of modern agriculture, the fostering of new agricultural operators and the business expansion and pioneering by farmers;

Implementation. They focused on promoting the peculiar mode of inclusive finance of ABC, i.e. “Huinongtong project + rural financial autonomy” to further improve the ecological environment of rural finance.

Management. They lent a hand in conducting pre-loan due diligence and management of all types of loans for their local townships.

In the half year, the officials on secondment regarded the townships as a base and held face-to-face exchanges with farmers and small and micro enterprises to forward their financial needs promptly to ABC, which set up financial service teams that went into the villages to provide a wide range of “Sannong” financial services. By the end of 2014, they succeeded in helping 203 projects get registered, benefiting 305 enterprises and 3,580 farmer households, and cumulatively supplied 11.2 billion yuan of credit funds, strongly supporting the development of modern agriculture, the fostering of new agricultural operators and the business expansion and pioneering by farmers.

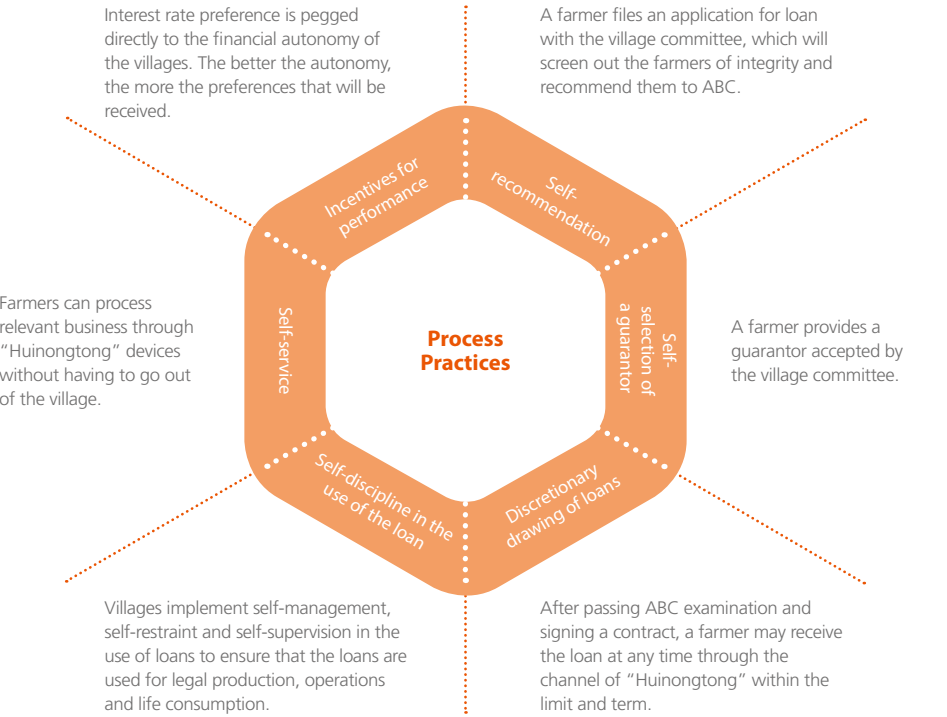
Case: Bidirectional secondment: Innovative “dual-grassroots and win-win” cooperation mode of Hunan Branch

To strengthen rural financial services, Hubei Huanggang Branch further explored the route of agriculture-supporting services by relying on the “dual-grassroots and win-win” cooperation mode of Hubei Banking Regulatory Bureau, which means that the bidirectional secondment of the personnel of grassroots banks and grassroots Party organizations --- with bank credit people acting as Party branch secretary or director assistant in a pilot village and a villager official familiar with villagers’ life acting as credit supervisor, who will work together in the publicity of rural credit and the services related thereto. Take the family farm of Feng Ji’an in Xishui County for example. After learning about the difficulty of the farm in getting loans, the president of Huanggang Branch personally came to the farm in April 2014 to issue a loan of 1 million yuan, which could be used for 3 years on a revolving basis. Under the support of the branch, the business of the farm became more and more brisk, with 1,500 pigs, 5,000 chickens, 30,000 kilograms of fish and an output value of 12 million yuan each year, providing jobs for more than 80 villages near their homes.

Case: Rural financial autonomy: Go to the village head instead of the president to obtain loans from Zhenjiang Branch

--- “Why didn’t you apply for loans in the past?”
--- “I felt at that time that the formalities would surely be very cumbersome. I have no acquaintance in the Bank and nothing that can be mortgaged to the Bank. How could I get the loan when I wanted it? So I went to the relatives for borrowings whenever I was in urgent need of money. ”
--- “But why did you apply for loan this year?”
--- “It has become convenient. When you need a loan, you just go to the village head for it. ”

Those who need loans go to the village head instead of the president. This change originated in the experimentation with the mode of “rural financial autonomy” conducted by ABC in Zhejiang Province. The core of the mode is to implement a 6-step process. Meanwhile, ABC spurred the building of rural credit system, which turned the intangible assets, e.g. behavior, credit and personal capability, of a farmer in the village into the social capital that can support financing, thus effectively solving the difficulty in finding guarantee and providing farmers with more convenient and faster loans. By the end of 2014, the number of villages implementing rural financial autonomy in Zhejiang Province increased from 1 to 230 and the balance of loans was 846 million yuan, benefiting some 6,000 farmer households. The number of farmer households receiving loans from Zhejiang Branch reached 62,800, the balance of loans was 9.4 billion yuan and the amount of loans issued to farmer households cumulatively was 44.1 billion yuan. In terms of interest rate preference alone, more than 75 million yuan was saved compared with the high interest rate of private lending or the loans borrowed from some other financial institution, if the calculation is based on the 846 million yuan of loan balance of the villages of financial autonomy.



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——Agricultural Bank of China

Data · Stories

974.92 billion yuan: creating a “big future” with “small customers”

Our economy is going through a historic change from high-speed development to conventional development and has got into “new normal of three superimposed periods”. Such “new normal” tests the judgment and execution of the financial industry and also tests the big picture idea and sense of responsibility of commercial banks. As a large State-owned bank and a G-SIB, ABC carries responsibility upon itself. In 2014, ABC issued *The Notice on Furthering the Financial Services for the Real Economy*, which includes 15 measures in 4 aspects designed to serve the real economy that respond to the general keynote of the State about “stabilizing growth, promoting reform, and adjusting the structure”.

Small and micro credit is an undertaking that benefits both the country and the people. Over the years, ABC has continuously sorted out and improved the system of credit services for small and micro enterprises from such aspects as customer rating, credit process, allocation of resources, product innovation and outlet construction, innovatively rolled out a series of characteristic financial products and services, markedly streamlined the formalities of loans for small and micro enterprises and achieved a steady rise of loan coverage.

By the end of 2014, ABC had, for 4 years running, achieved a growth not lower than the average growth of all loans and an amount increase no less than what it was in the same period of the previous year in the loans for small and micro enterprises, giving an effective play to the pillar role of the Bank in serving small and micro enterprises.

In 2014, the number of customers receiving loans for small and micro enterprises was 254,000, an increase of 28,500 from the beginning of the year; the loan balance was 974.92 billion yuan, an increase of 161.619 billion yuan from the beginning of the year.

Concerns of stakeholders



The Chinese economy is getting into the “new normal”. As an important pivot that transmits national macro-economic policies, how can ABC adapt itself to and serve such “new normal”?



ABC is a G-SIB and one of the major channels that transmit currencies, creates currencies and guides the flow of capital. For ABC, the “new normal” is both opportunity and challenge and must be taken seriously:

1. We will strengthen the strategic study of the new normal, make an all-round analysis of the major impact of the new normal on ABC and steer the trend of development;
2. We will intensify reform and innovations to focus all the production elements of ABC on the “new normal” through the innovations in system, mechanism, organization and culture;
3. We will clarify and straighten out our credit policies to ensure that the credit funds flow to the industries encouraged by the State and share the great achievements of growth together with the Chinese economy while adjusting the customer mix;
4. We will leverage the “new normal” to make early arrangement and speed up the transformation of operations and income structure.

Numerous
products

Rapid
approval

Highly
convenient

Supporting infrastructure construction



Picture: Metro projects in Beijing supported by Beijing Branch

Currently, the well-developed traffic conditions enable convenient travel, which involves the participation of ABC as well. In 2014, ABC continued to intensify the support for the construction of infrastructure in cities and rural areas, formulated special credit policies, innovated financial products and broadened service channels to ensure the smooth progress of national and regional key projects.

In 2014, ABC issued 95.84 billion yuan of new loans to the infrastructure construction projects that included highways, railways, urban rail transit, and power grid reconstruction.

Case: 19.054 billion yuan: supporting the construction of urban rail transit

In 2014, to rationally guide credit resources to urban rail transit industry, ABC set *The Credit Policy for Urban Rail transit Industry*, which clarifies the support for urban rail transit and poses requirements for credit market shares and form of guarantee. By the end of 2014, ABC had cumulatively supplied 19.054 billion yuan of loans to support the construction of urban rail transit in various places.

1 billion yuan: Alleviating pressure through flexible financing In September 2014, Shaanxi Branch joined hands with the Bank of China Financial Leasing Co., Ltd. to sign with Xi'an Metro Company a financial leasing contract of a leaseback nature, which has a total amount of 1 billion yuan and a term of 10 years. The first installment of 300 million yuan has now been duly issued. Simplified in formalities and flexible in mode, the leasing can help the company start the investment in the project first by utilizing the existing assets, thus greatly mitigating its financing pressure and promoting the smooth implementation of the project.

1.4 billion yuan: Building a comprehensive traffic system Shijiazhuang rail transit project is the No. 1 project of the city and one of the key construction projects of Hebei Province and, as such, plays an important role in building a comprehensive traffic system and enhancing the overall functions and quality of the city. As the assistant leading bank and guarantee agency bank, Hebei Branch and Shijiazhuang Rail Transit Co., Ltd. jointly signed a syndicated loan agreement for the projects of Metro Lines 1 and 3. The branch set up a specialized service team for the projects and was the first in the participating banks to complete the examination and approval of the loans for the projects. By the end of 2014, the balance of loans for rail transit projects was 1.4 billion yuan, accounting for 35.76% of all the syndicated loans and ensuring the smooth progress of the projects.

Case: 212.4 billion yuan: Boosting the extension of railways

In recent years, through comprehensive financial services, ABC has provided a strong financial support for the reform of railway investment/financing system and the construction of major railway projects. By the end of 2014, the balance of the ABC railway loans was 212.4 billion yuan and the balance of the investment in railway bonds was 107.4 billion yuan, ranking first in the four largest banks.

In 2014, under the railway development plan, ABC provided more than 100 billion yuan under the commitment letter for conditional loans to focus on supporting 23 key projects on the sections from west Inner Mongolia to central China and from Yinchuan to Xi'an.

As a major underwriter, ABC cooperated with China Railway in successfully issuing 20 billion yuan of the first batch of short-term financing bonds through tendering at Shanghai Clearing House and took part in launching the China Railway Development Fund.

7.1 billion yuan: Building the railway network in central-south Shanxi Through internal syndicated loans, Shanxi Branch provided financial support for the railway passage project in central-south Shanxi. As an important part of the national medium and long-term railway plan, the project starts in Watang Town, Lüliang, Shanxi Province and ends in Rizhao Port, Shandong Province, with a main line that is 1,260km long and runs through 12 cities in 3 provinces. By the end of 2014, 7.1 billion yuan of loans had been provided for the project cumulatively (including 5.32 billion yuan provided by Shanxi Branch, 100 million yuan by Shandong Branch and 1.68 billion yuan by Henan Branch). In the year alone, 3.2 billion yuan was provided (including 2.4 billion yuan by Shanxi Branch and 800 million yuan by Henan Branch), effectively ensuring the smooth construction of the project.

12.224 billion yuan: Ending the history of no train service In 2014, Jilin Branch supplied the first sum of 20 million yuan of syndicated loans to the Changchun-Liaoyuan project of Jilin Central-West Railway Co., Ltd., which will end the history of no train accessing Yitong Man Nationality Autonomous County. Since 2009, Jilin Branch has regarded the support given to the financing for the railways within the province as an important route of supporting the revitalization of the old industrial base in the northeast. By the end of 2014, it has cumulatively provided 12.224 billion yuan of credit for the customers of the railway industry, with a balance of 7.632 billion yuan, ranking the first in terms of the balance of railway construction loans.

10.782 billion yuan: Creating a "one-hour living circle in the Pearl River Delta (PRD)" The PRD Urban Rail Company plans to construct 15 inter-city rails, including the one from Guangzhou to Zhuhai by 2020 to form a "3-ring and 8-branch" network architecture and create a "one-hour living circle" in PRD. As the basic account bank of the company, Guangdong Branch provided it with a credit of 10.782 billion yuan, which is an important financial backup for the inter-city rail construction in PRD.



Highway from Dali to Lijiang supported by Yunnan Branch



Shanxi South Central Railroad supported by Shanxi Branch

Case: 13 branches:
Going all out to
support national
water conservancy
construction

ABC responds actively to national calls and commits itself to supporting the water conservancy construction projects around the country. After signing a strategic cooperation agreement with the Ministry of Water Resources in 2011 and setting up 500 billion yuan credit line, ABC issued *The Opinions of the Agricultural Bank of China on Strengthening the Financial Support for Water Conservancy Construction*, the *“Credit Policy for Hydropower Industry and The Loan Management Measures for Small Hydropower Projects* to ensure the financial support for water conservancy construction projects from system and policy and provide efficient, convenient, safe and quality comprehensive financial services for national water conservancy projects, including hydropower, urban supply, sewage treatment and water conservancy management.

By the end of 2014, 13 branches of ABC had signed agreement for all-round cooperation with the local Department of Water Resources, provincial-level water affairs companies and water conservancy investment companies.

Construction of major water conservancy projects	“South-to-North Water Diversion” project, “Jiaodong water diversion” project and “central Yunnan water diversion” project
National-level hydropower development projects	Supported the relevant projects of enterprises such as Huaneng Lancang River Hydropower Co., Ltd., Guizhou Wujiang River Hydropower Development Co., Ltd. and Three-Gorge Jinsha River Chuanyun Hydropower Development Co., Ltd.
Development of small hydropower projects	Focused on 8 top provinces of small hydropower projects, including Sichuan and Yunnan, and 15 national-level small hydropower bases.
Projects of improving urban use of water	Supported the construction of water supply, drainage and sewage treatment projects in Beijing, Tianjin, Guangdong, Jiangsu, Shandong, Yunnan and Sichuan.
Farmland water conservancy projects	Supported agriculture-related water conservancy management and water supply/drainage projects; gave priority to ensuring the needs of farmland water conservancy construction for financial services.

By the end of 2014,
ABC set up
500
billion yuan
credit line to supporting
the water conservancy
construction projects
around the country



Picture: Farmland water conservancy shed project supported by Guizhou Branch

Case: 74.933 billion
yuan: Writing a
new chapter in the
construction of local
highway projects

Highways play a positive facilitating role in developing the logistics and resources along the lines, attracting investment, adjusting industrial structure and realizing horizontal economic unity. Through its special policies, ABC intensified support and provided adequate funds and all-round financial services. So far, ABC has cumulatively directed 74.933 billion yuan of loans to 30 provinces/municipalities in full support of the construction of expressways and national or provincial trunk line highways in various places, especially rural highways, to improve regional highway network.

11.56 billion yuan: All for a connecting rural highway network in Tibet As the lender for the construction projects of rural highway network in the whole Tibet, Tibetan Branch drew up *The Credit Financing Plan for Rural Highway Construction Projects in the Whole Region* and decided to provide the projects with 11.56 billion yuan of loans with a term of 8 years. By the end of 2014, it had cumulatively issued 198,400 of loans, with a balance of 31.561 billion yuan, including 7.34 billion yuan of loans for rural highway construction, strongly boosting the smooth implementation of the key projects in all parts of the region.

2.335 billion yuan: Filling the gap of expressway in west Shaanxi Baoji-Hanzhong Expressway is one of the sections planned to be constructed as part of the Yinchuan-Kunming Line of the national expressway network. After completion, the project will fill the gap caused by absence of a south-north expressway in west Shaanxi and effectively accelerate regional economic and social development. By the end of 2014, Baoji Branch had provided the project with 2.335 billion yuan of fixed assets loan and all-round quality services.



Picture: Yantai new airport supported by the loans from Shandong Yantai Branch



Picture: Guizhou Branch supporting Goupitan Hydropower Station of the west-east electricity transmission project



Picture: Beijing Branch supporting the Capital New Airport (design drawing)

Enhancing the quality of industrial development

Balance of loans for strategic emerging industries:

129.13 billion yuan

By the end of 2014, ABC had introduced credit policies for 43 industries, with a customer coverage of more than 65%.

Only by taking the initiative to slow down the economic growth rate and speeding up economic transformation and upgrading is it possible for the Chinese economy to do better and go farther. By adjusting customer structure and revising credit policy, ABC actively guides credit resources toward the industries encouraged by the Chinese government, thereby indirectly boosting the quality development of Chinese industries. In 2014, ABC adjusted its policies by closely revolving around the national macro regulation and industrial restructuring and responded actively to the national call for economic restructuring and changing development mode to promote industrial adjustment and revitalization; formulated and issued the credit policy for the industries of rubber products, press and publication, radio and TV and revised the credit policies for the industries of iron and steel, nonferrous metal and polysilicon; guided credit resources toward the industries of science, technology and culture, continuously intensified the financial services for the national industrial restructuring to boost the quality development of Chinese industries through financial means.

Case: Boosting the development of the blue economy

Balance of loans for marine industry (fishery and fishery service industry):

5.719 billion yuan (remarks: classified extraction based on the national economic industries of the loans)

An increase of 1.02 billion yuan from the beginning of the year

The 21st century is a century characterized by ocean development and utilization. The development of ocean economy and ocean undertakings has great significance for the nation's economic development and also an inevitable road for building a sea power. Through all-round financial services, ABC boosts the development of seaside cities, innovates financial products to support the stable growth of fishery, strengthens the outlets on sea islands, extends the radius of financial services and uses financial forces to promote the sustainable development of our ocean economy.

Fujian Branch: Innovating products to expedite the development of seaside cities

Surrounded by the sea on three sides, Shishi in Fujian Province has a sea area of 968km2 and 7 national-level fishing ports and is a city with a concentration of sea elements. Shishi Sub-branch takes into account the features of local ocean industries, made innovations in loans against mortgaged sea area use right and has cumulatively issued 2 billion yuan of loans to support modern port logistic industry; uses the self-service revolving loans for small enterprises to foster and expand leading ocean enterprises; made innovations in portfolio loans for vessels and introduced the product portfolio of "short-term circulating fund loans + loans against mortgage on ships" to meet the financing needs of ship enterprises to the greatest possible extent in terms of fund term structure and purpose and support the local ocean economy in getting bigger and stronger.

Qingdao Branch: Supporting the development of shipbuilding industry

Qingdao Wuchuan Heavy Industry Co., Ltd. is one of the leading enterprises in the shipbuilding base of the new district on the western coast of Qingdao. With the increase of orders, the enterprise has seen a further expansion of the need for credit. In 2014, Shandong Qingdao Development Zone Branch learnt about its need for circulating fund, activated an emergency process and completed the delivery of loans, winning the high recognition through the enterprise. By the end of 2014, the Branch had cumulatively provided it with 2 billion yuan of credit, with a loan balance of 720 million yuan, strongly supporting its development.

Shandong Branch: Pledged marine products solving financing difficulty

In Penglai, Shandong Province, mariculture is a characteristic cutting-edge industry. Seasonal deep-sea fishing and purchase of marine products need a lot of money, while some enterprises and most dealers cannot provide sufficient guarantee assets. This has a direct bearing on the expansion of operation scale and development of the enterprises. Shandong Penglai Sub-branch became aware of the loan need of the enterprises and innovatively started the business of loans against pledged marine products according to the relevant regulations, thus solving their difficulty of insufficient collaterals. By the end of 2014, 56 million yuan of such loans had been issued.

"I had no idea that the marine products in the freezer can be used to borrow loans. This could not be imagined in the past," a dealer who received a loan commented excitedly.



Picture: Deep diving mother ship built under the support of Qingdao Branch



Picture: Port construction under the support of Shandong Yantai Branch



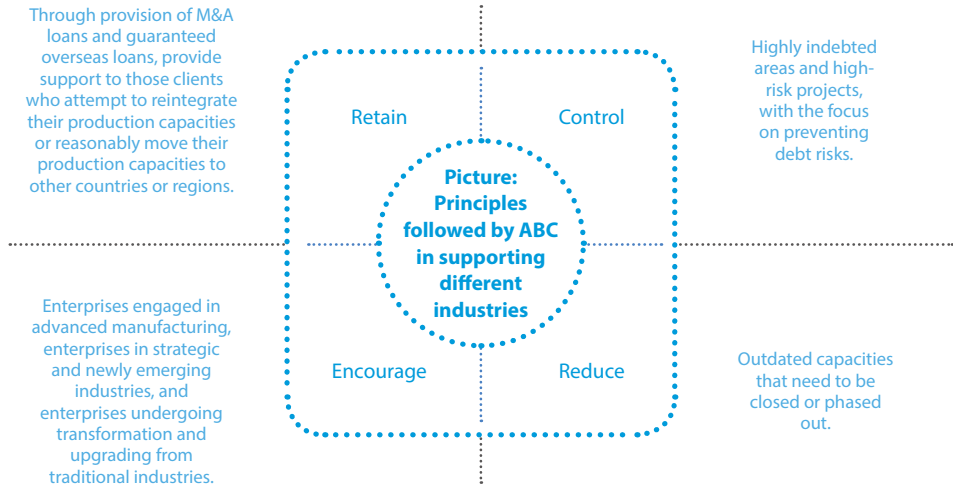
Picture: Guangxi Qinzhou Branch supporting the development of local oyster farming industry

Case: 10 billion yuan of Shanghai Branch boosting science and technology

Technology enterprises are the main force driving the development of strategic emerging industries. Shanghai Branch, on its own initiative, catered for the construction of three national-level technology parks, including Shanghai Zhangjiang High-tech Park, set up a center of financial services for small and medium-sized technology enterprises, intensified online/offline interaction, made innovations in service process and products to provide considerate and high-quality services for technology enterprises.

To suit the asset-light characteristics of technology enterprises, Shanghai Branch developed the proprietary product --- "Ke Dai Tong" to satisfy the funding needs of small and medium-sized technology enterprises in the commercialization of scientific and technological achievements and in industrialized production, and made innovations in setting up credit line, form of guarantee and handling process; promoted innovative credit products such as Ke Dai Tong, performance loan, IPR pledge, pledge of accounts receivable and order financing to meet their diversified financing needs.

By the end of 2014, the three centers of Shanghai Branch had opened 2,200 new deposit accounts and cumulatively provided over 10 billion yuan of credit for technology enterprises.



Case: All-round services support the development of the tourist industry

With social development, the tourist industry has become one of the industries with the strongest development momentum and the largest scale in the global economy. Tourism plays a more important role in local industrial mix, contributing more to local GDP, creating more jobs and promote local cultural activities as well as environmental protection. ABC cooperates with local tourism authorities and uses its outlets and professional advantages to focus on supporting the development of county-level tourism, providing more convenient channels and services and boosting the development of the local tourism industry.

2.863 billion yuan: Supporting the development of county-level tourism Guangdong Branch provides special financial services for the local tourism industry and, in 2010, introduced loan products for the development and construction projects of county-level tourism, including tourist attractions, tourism projects and hotels for tourists. The purpose of the loans covers the development of natural resources in scenic zones and infrastructure construction. It has cumulatively issued 2.863 billion yuan of loans to support the development and construction of local tourist attractions, e.g. Yannanfei in Mei County and Danxia Mountain in Shaoguan, effectively meeting the funding needs of the local county-level tourism industry.

600,000 cards for tourists: Trouble-free card swiping for tourists In November 2012, Guilin Branch became a cooperation unit of the national tourist trouble-free card use project. After two years of efforts, more than 600,000 cards have been issued to tourists, more than 220 merchants have been brought into the tourist card alliance and more than 11,000 sets of electronic devices have been installed in 17 counties (districts) under the jurisdiction, averaging 15.92 in every township and 1.56 in every village, achieving trouble-free card use by tourists. These "micro banks" have filled the service blank in places that the physical banking outlets cannot cover and enabled the 40 million tourists swarming into Guilin to swipe cards for consumption in every village.

The owner of Jinkeng "Dayaozhai Hotel" in the alliance of merchants said proudly: "POS machines of ABC not only have provide consumption convenience for tourists, but also have raised the image of my restaurant in this small town and brought many repeat customers."

Case: Ningbo Branch: Professional sub-branch boosting the development of cultural creative industry

On June 6th, 2014, the first bank in Ningbo that supports cultural creative industry --- ABC Ningbo Cultural Creative Sub-branch opened for business formally. It works with the departments of science-technology and economy and IT of the district to provide excellent cultural creative projects with preferential business-pioneering loans and provide cultural creative enterprises with financial services featuring no pledge, no guarantee and low interest rate. 6 months after the establishment of this branch, it has supported 16 such enterprises, with a loan balance of 105 million yuan.

Balance of loans for culture and the related industries:

66.17
billion yuan

An increase of
2.186
billion yuan
from the beginning
of the year



Picture: Fenggang Ponton in the rain in Nankang



A Beautiful View in Anhui Yi County

Case: 200 million yuan: Supporting the construction of a beautiful "Titanium Valley of China"

Baoji in Shaanxi Province is sub-central city of Guantian Economic Zone and the city cluster in central Shaanxi. Reputed to be the "Titanium Valley of China", the city is home to over 400 enterprises that conduct scientific research, production, processing, trade and circulation. By bringing its professional advantages into play, Baoji Branch customized a package of financial services for the leading enterprises of the "Titanium Valley of China", including Baotai Group, Baotai Co., Ltd. and Baotai Special, and opened a "green passage" to simplify business procedures to boost the development of the industry through quality and efficient financial services.

By the end of 2014, the Branch provided some 200 million yuan of loans for the customers of the Titanium Industrial Group, plus some 15 million yuan through bank acceptance drafts and letter of guarantee. Under the support of Baoji Branch, the titanium industry has maintained the momentum of sustained and rapid development. "Baotai" brand titanium and titanium alloy processed materials won the title of name-brand product of China and have become the synonym of "Chinese titanium" in the world market.

Case: Gansu Branch: Setting the shadow play of Huan County to "In Motion"

The shadow play of Huan County in Gansu is in the first batch of national-level intangible cultural heritage. The shadow play products of Huan County Longying Cultural Industry Co., Ltd. won prizes repeatedly at China (Shenzhen) International Cultural Industries Fair and Lanzhou Investment & Trade Fair, while its shadow play performing artists put on some 100 shows in more than 30 countries and regions, including Italy, Russia and the United States.

"I really thank ABC for the enormous help it gave us when we were in lack of funds." Li Yaping, General Manager of the company said emotionally when recollecting the early days of its development. "For some large companies, a loan of 3 million yuan may be no big deal, however, for us at that time, it was a life-saving sum." In addition to the credit support, the sub-branch also provided a variety of financial services for the company, including commissioned payment of wages and annuity, corporate wealth management.

In the past few years, under the support of more than 10 financial products and services of Huan County Sub-branch, the company had grown from a small workshop into a leading enterprise in cultural industry that integrates training in shadow puppets carving, processing, sales and performance. "The reason why I am so fond of shadow play is that I want the good things left by the older generation to be passed on. I believe that, under the support of ABC and all walks of life, the shadow play culture of Huan County can surely develop and expand." Li is full of confidence in the future of shadow play culture.

Boosting regional economic development



Picture: New look of ancient city

By the end of 2014, the loans for the central and western regions increased from a year ago at a growth rate of

14.19%

From the coordinated development of Beijing-Tianjin-Hebei to the reliance upon the “golden waterway” for construction of the Yangtze River economic belt and then to the deepened Pan-PRD regional economic cooperation, regional development in China is gaining speed. The growth poles that support the sustained and healthy development of Chinese economy are taking shape gradually from east to west, from coastal areas to the hinterland, along the large rivers and land traffic arteries, with the key ports as highlight.

In 2014, ABC actively responded to the national requirement for pushing forward coordinated regional development and took measures such as differential regional credit policies and strengthened cooperation with local governments to further intensify credit supply to key regions and continuously optimize the regional structure of credit. By the end of 2014, the loans for the central and western regions increased from a year ago by 351.532 billion yuan at a growth rate of 14.19%.

Preferential policy supporting economic development in western China	Formulated and issued a number of regional credit policies Full support for the key projects in Tibet, Xinjiang and Guizhou	Loans increased by 225.839 billion yuan from a year ago at a growth rate of 14.26%
Differential policy supporting the rise of the central regions	Implemented differential policy measures Supported the construction of infrastructure in Hunan and Hubei and the development of cutting-edge industries	Loans increased by 135.483 billion yuan from a year ago at a growth rate of 13.82%
Multiple products supporting the innovations and development in Easter China	Introduced policies designed to support the eastern regions in their financial innovations, serve small and micro enterprises, give impetus to urbanization. Innovative special products supporting the development of Shanghai Free Trade Zone (“FTZ”), Qianhai New District and Tianjin New District	Loans increased by 394.075 billion yuan from a year ago at a growth rate of 9.31%

Case: 9.7 billion yuan: Contributing to the integrated development of Beijing-Tianjin-Hebei

With the introduction of the national strategy for Beijing-Tianjin-Hebei integration, Hebei Branch set up a special Beijing-Tianjin-Hebei Coordinated Development Team and made early deployment and plans to ensure the financial support to relocate the industries from Beijing and Tianjin to Hebei. In 2014, the Branch supplied 9.7 billion yuan of loans to the customers related to the coordinated development of Beijing-Tianjin-Hebei.

Wang Yuan is a wholesaler of Dahongmen Apparel Market in Beijing and has worked hard in Beijing for 8~9 years. Each year, he sells hundreds of thousands of clothes and maintains a flow of funds that reaches nearly 10 million yuan. One month ago, he reserved a stall in Hebei Baigou Dahongmen International Garment Mall and intends to move all the business of garment wholesale and production there. After receiving an affirmative reply from Hebei Branch that personal business assisting loans can be provided, he was very excited: “Thanks to ABC, I won’t worry about fund turnover after my stall is moved over.”

For the merchants who have moved from Beijing Dahongmen Market and started trial operations in Baigou, Hebei Branch provided centralized collection and MIS bill collecting service; sent its staff members to visit each of the merchants for popularization of online POS devices, Huimintong all-in-one devices, online banking and other settlement tools; extensively solicited their comments and suggestions; drew up corresponding financial service plan to meet their differential financial needs.

Case: Financial Support leading the new development of national new zones

The new national zones, e.g. Shanghai FTZ, Tianjin Binhai New District and Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Qianhai New District, Shenzhen, play a very good demonstration role in leading the economic opening-up, development and advance of China. ABC takes the lead in providing innovative services to push forward leapfrog development of the new zones.

Innovations: Supporting the development of Shanghai FTZ

In the year since the establishment of Shanghai FTZ, Shanghai Branch has processed 110 innovative business transactions, amounting to RMB 4.728 billion yuan. Focusing on innovation as breakthrough point, Shanghai Branch implements strict institutional management, strengthens internal synergy and has made innovations in business and products by achieving a cross-border bidirectional RMB funding pool, voluntary forex capital settlement and cross-border RMB letter of credit. It participated in the completion of two major financial innovation projects in FTZ, i.e. the commissioning and testing of the system related to crude oil futures in Shanghai International Energy Trading Center and the business system of the international board of Shanghai Gold Exchange, and issued the first cross-border RMB loan of the Bank for an FTZ enterprise, setting up a convenient platform for the enterprises to go global.

Leading: Supporting the development of Tianjin Binhai New District

In 2014, Tianjin Binhai Branch was the first in Tianjin to introduce medium-term note business, which solved the financing difficulty encountered by the large enterprises in Tianjin Binhai New District in key construction projects; took the lead in activating online TV banking project in Binhai New District to realize the change from “watching TV” to “using TV”, making financial service accessible to common people; was one of the first testers for the cross-border RMB innovation project of Sino-Singapore Tianjin Eco-city. Through high-quality financial services, the branch has effectively lowered the financing cost of the enterprises in the district and leveraged the practices of financial innovations to support the rapid development of the enterprises located therein.

Cross-border: Supporting the internationalization in Qianhai District

Shenzhen Qianhai Branch focuses on the characteristic development of “connecting Shenzhen and Hong Kong, building an integrated platform, giving play to the functional advantages of Qianhai and creating a bridgehead of domestic banks”. In 2014, the branch used cross-border RMB loans as its core product, where 8.43 billion cross-border RMB loans were approved and among which 1.86 billion yuan were released to clients. It opened accounts for 1,545 Qianhai customers and established cooperation relation with 22 banks for cross-border loans. The initiatives helped the enterprises mitigate exchange rate risks and lower financing cost, thus propelling the internationalization of Qianhai District.

Case: Belt & Road:
Opening “spaces for
dreams”

In ancient China, the Silk Road extended in the world, telling touching stories about friendly exchanges and mutual benefit among the peoples of the countries along the route. Now, a new strategic concept is unfolding calmly on the world political and economic map --- joint development of the “Silk Road Economic Belt” and the “21st Century Maritime Silk Road”.

The “Belt & Road” initiative will tap into the potentials of China for cooperating with the countries along the route, promoting the opening of China’s central, western and coastal regions, helping the trade-oriented eastern coastal regions to take the lead in economic transformation and upgrade. Externally, the initiative will involve the economies and countries of the Shanghai Cooperation Organization, the Eurasian Economic Union, and China-ASEAN; internally, it will involve the participation of 9 provinces in the west, including Henan, Shaanxi, Gansu, Qinghai and Ningxia, and 5 provinces in the east, including Guangdong and Fujian. The fulfillment of the concept needs to be supported by large amount of funds. ABC gives play to its advantages in outlets and professional services, supporting the all-round economic and social development of the provinces/municipalities along the route, accelerating the internationalization of RMB business to help ensure the development of the “Belt & Road”.

China White: Reproduction of the glories of the “Silk Road”

Dehua in Fujian is hailed as the “cradle of porcelain art and the native place of China White (white porcelain of Dehua)” and is the largest production and export base of China for art ceramics. In recent years, the outstanding enterprises of the local ceramic industry actively push “China White” onto a “road of revival”. The prominent representative is Fujian Jiamei Group Company (“Jiamei”), which invented three patented technologies, including the “Manufacturing Process of Variable Glaze Porcelain”, which blazed a new trail for Dehua County to economize mineral resources, lower cost, save energy, reduce emission and change development mode.

What has accompanied the changes in the processes and technologies of “China White” is the innovations made by Dehua Sub-branch in financial services. In July 2014, the sub-branch became the first in ABC to “encash” invention patent and provided Jiamei with a loan of 20 million yuan secured by its pledged patent right, which accelerated the change of traditional processes to smart manufacturing and turn Dehua white porcelain into one of the major physical carriers for the “Maritime Silk Road”.



China White: Reproduction of the glories of the “Silk Road”

Guangxi Branch: Launching China-ASEAN Cross-border RMB Business Center

On April 25, 2014, ABC held a seminar on China-ASEAN cross-border RMB business and a ceremony inaugurating the China-ASEAN Cross-border RMB Business Center in Nanning, Guangxi.

The Center is intended to create a professional platform that serves ASEAN, further deepen the cooperation in the cross-border bidirectional flow of RMB, ASEAN currency trading exchange, building of cross-border clearing system and personal cross-border finance, boost the innovations in the border experimental area for comprehensive financial reform and lay a foundation for increasing the trade between China and the ASEAN countries and expedite the building of the “Belt & Road”.

Case: Hubei Branch:
Supporting major
projects to boost the
development of Yangtze
River economic belt

Extending along the golden waterway of the Yangtze River, the Yangtze River economic belt starts in Shanghai in the east and ends in Yunnan in the west, with Shanghai as head, Wuhan as the waist and Chongqing as the tail. Wuhan is an extra-large city in the middle reaches of the Yangtze River, hence its important place and role in the opening up and development of the basin of the Yangtze River. Hubei Branch serves the plan of the city for big urban construction and big traffic development by increasing credit and making innovations in the mode of financial services to support major projects.

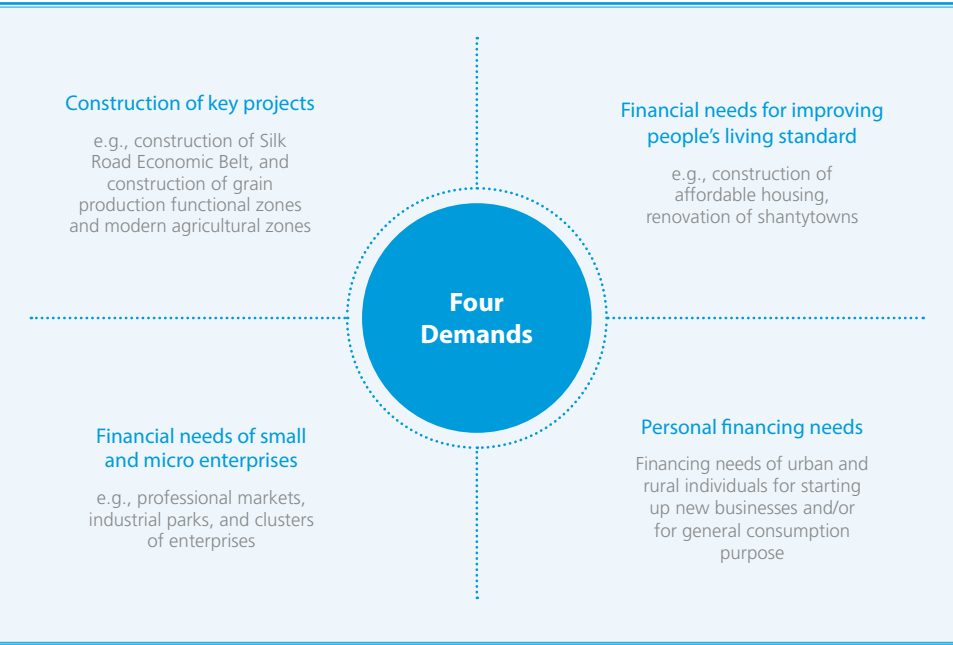
The branch provides sufficient funding resources and a wide range of financial products and services for Tianhe International Airport, the only hub airport and the largest aircraft overhaul base in central China, including the 220 million yuan of loans that have been supplied so far. The branch also has cumulatively provided Wuhan Metro Group with 5.716 billion yuan of loans to support the construction of local transport.

On October 30, 2014, Hubei Branch signed an agreement of intent for financing cooperation with Hubei Provincial Transport Investment Co., Ltd. to provide 4 billion yuan credit line for Sanjiang Port Project in Ezhou. After completion, the project will become a new functional district that integrates frontage, warehousing logistics, industrial parks and ecological residence and a new engine driving the economic development of Ezhou.

Case: Meeting four
demands: Supporting
the economic and social
development in Ningxia

In 2014, Ningxia Branch issued 5.11 billion yuan of new loans to local places to meet the economic restructuring and direction of industrial transformation of Ningxia, focused on county-level Sannong, investment attracting projects, small and micro enterprises as key to highlight the “four demands” and continuously intensify the support given to the all-round development of the local economy and society.

While increasing credit, Ningxia Branch promptly adjusted its pricing strategy to address the temporary difficulties that appear in the economic development of Ningxia on the basis of no withdrawal of loans, no markup and tiding over the difficulties with the enterprises. For two consecutive years, it has lowered funding price and reduced or remitted service charges to help remove the burdens on enterprise operations and small businesses.



Solving the financing difficulties of small and micro enterprises

By the end of 2014, the number of credit customers of small and micro enterprises was

254,000

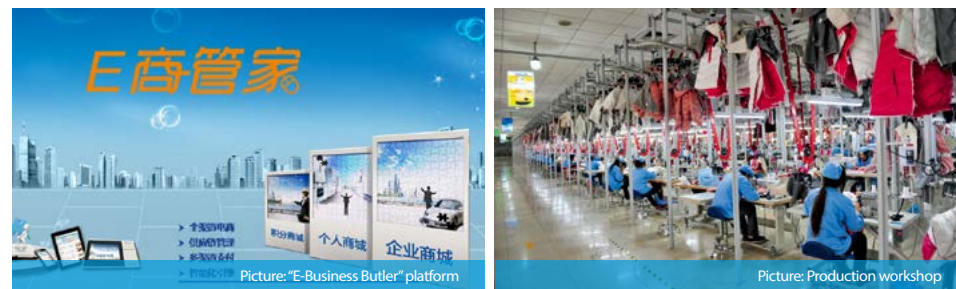
As the main force of serving small and micro enterprises, ABC has innovated its service mode by taking into account the financing characteristics of small and micro enterprises, properly handled the gap and contradictions of credit resources, optimized the occupation of economic capital through separate credit planning, set up a differentiated credit evaluation system and a stable long-term funding supply mechanism for small and micro enterprises.

By the end of 2014, the number of credit customers of small and micro enterprises was 254,000, an increase of 28,500 from the beginning of the year, and the loan balance was 974.92 billion yuan, 8.48 percentage points higher than the bank average, enabling ABC to lead the large commercial banks in terms of the speed and volume of increase.

Case: "E-Business Butler": Building e-business platform

With the booming development of e-business, the cross-boundary fusion between finance and e-business is becoming more and more frequent. The "E-Business Butler" created by ABC provides the core enterprises of the industrial chain and the specialized markets with a package of financial management plans for financing, settlement and wealth management, which is well-received by the enterprises. In 2014, Hubei Branch improved and upgraded the "E-Business Butler" in light of the actual conditions of the specialized markets in Wuhan and introduced the flagship version of it, which has added the service modules such as online marketing, community operations and cross-boundary logistic management to become a model of new development that marks the in-depth fusion between e-business and finance and serves small and micro enterprises.

By the end of 2014, 600 small and micro enterprises or self-employed businessmen have become members of the flagship version of "E-Business Butler", which has a cumulative turnover of 10 billion yuan. "By doing business on the E-Business Butler platform of ABC, you can stay at home to receive orders. The platform can also make scientific analysis on the basis of data to generate financial statements. That's equivalent to a computer CFO I have hired," stated Mr. Wang, a dealer in a garment mall on Hanzheng Street. His garment business has run for merely 4 months on the "E-Business Butler" platform and the turnover has already topped 100 million yuan.



Picture: "E-Business Butler" platform

Picture: Production workshop

Case: Zhejiang Branch: Providing circulating funds for mold industry

On October 30th, 2014, a ceremony was held to mark the inauguration of Yiwu Mold City that involves a total investment of 340 million yuan. Of the 170 million yuan of credit provided by Zhejiang Yiwu Branch to support the mold city construction project, 112 million yuan has already been issued and the project has already attracted the settlement of more than 300 small and micro enterprises engaged in mold manufacturing and processing, which employ some 5,000 people.

After the mold city started business, to boost the development of small and micro enterprises, Yiwu Branch stepped up the support to the mold industry by providing the members of the industry association with a credit line of 1 billion yuan as personal loan and providing all-round financial services, including deposits, loaning and settlement, for the customers who have settled in the mold city. "For us engaged in this industry, most of the money is invested in equipment. Once a large order is received, we can only borrow the circulating funds from relatives and friends. Now, everything is ok now. With ABC as backing, we can go all out free of any worry," commented a business owner.

Case: Supply chain finance: No need to pledge factory buildings

Wenzhou, Zhejiang Province is renowned all over the country for its private economy represented by a large number of small and micro enterprises. In all places, there have formed industrially clusters of distinctive characteristics, in which the cluster of low-voltage electric appliances in Liushi Town, Leqing County is the most famous. Zhejiang Zhengtai Group ("Group") is one of the enterprises having the largest output and sales in the electric industry of China, with hundreds of upstream or downstream suppliers and distributors that are all small and micro enterprises. Following the regional financial turmoil that hit Wenzhou in 2011, these small and micro enterprises found it even more difficult to obtain financing.

For the effective solution of the financing difficulties of small and micro enterprises, Wenzhou Branch communicated with the Group in 2014 to experiment with supply chain finance business and came up with an innovative holistic credit service plan for 162 selected upstream suppliers of the Group. The 162 small and micro enterprises may apply for financing by right of the accounts receivable derived from the transactions with the Group, without the need to mortgage their factory buildings. The batch credit, batch approval and factory-like operation have effectively enhanced the efficiency of credit service.

By the end of 2014, 885 million yuan of holistic credit had been provided for the 162 enterprises and the interest rate was lowered by 15% for the customers within the plan, effectively solving the financing difficulties of small and micro enterprises.

Case: Intensive service for industries: Introducing chamber of commerce guarantee company

Daye, Hubei Province has more than 2,000 medium, small and micro enterprises, including more than 1,000 engaged in resource extraction, processing and trade. In recent years, with the weakening effect of the preferential policies granted by the government, the prices of resources have fallen and the economy has slid so that many of these enterprises are bogged in operational plight.

To intensify the services for these enterprises, Hubei Daye Branch innovatively introduced the mode of intensified service for industries by leading the establishment of a chamber of commerce. Then, the branch signed an agreement for strategic cooperation with the chamber of commerce to promote the intensive services for the small and medium-sized enterprises of resources. The chamber of commerce set up its guarantee company to provide financing guarantee for the members that joined the chamber voluntarily. Daye Branch and the chamber jointly examine and investigate the credit application filed by the members. After the application is approved by both sides, the guarantee company will provide guarantee for Daye Branch, the latter will issue loans to the members. This approach has both broadened the service coverage, and satisfactorily prevented credit risks.



Picture: Shandong Yantai Branch supporting the accelerated development of small and medium-sized enterprises

Integration into global economic development



A world vision is essential for success. Under the new normal, China has even more need to make good use of domestic and international markets and resources and must join hands with the world to face challenges for common development. With its domestic business as foundation, ABC closely follows the “go global” steps of enterprises, pushes forward the establishment of a global financial service system, studies the trade finance product that covers entire trade process, strengthens the interaction between the domestic and international markets, opens up the financial service passage for domestic and foreign trade and assists in beefing up the comprehensive competitiveness of the Chinese enterprises “going global”.

By the end of 2014, ABC set up 15 overseas affiliates (including 5 overseas subsidiaries) in 13 countries and regions. Its domestic and overseas institutions collaborate in response to customer needs and have provided funding together with the matching services for the “going global” enterprises, e.g. Sinopec, CNOOC and CEC. In the meantime, ABC has intensified its marketing toward “inbound” customers in an effort to better cater to the needs of the multinationals in making investments in China. In 2014, the Bank realized an international business volume of US\$154.19 billion.

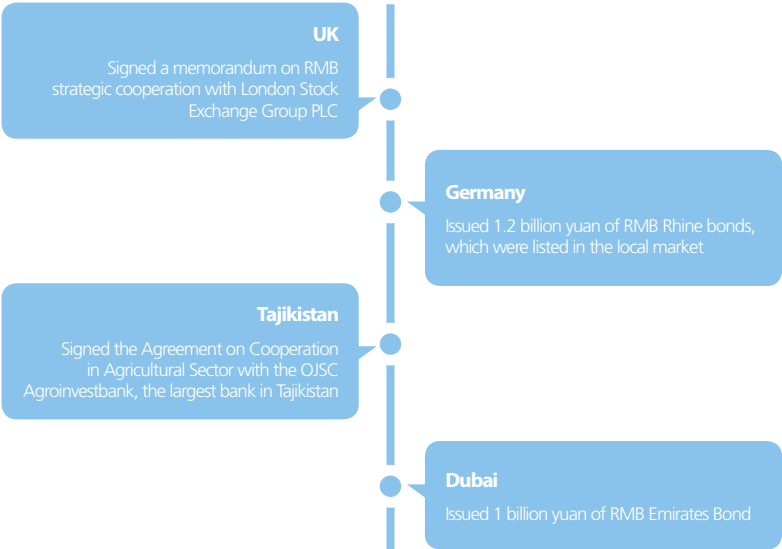
Case: Cross-border e-business forex payment going live successfully

On June 16, 2014, the cross-border e-business forex payment business of ABC successfully went online. Since it was commissioned, the system has run stably on the whole and enabled a trading volume of nearly 100,000 per day on average, with an average daily transaction value of 5.58 million yuan.

The system is the outcome of the top-down concerted efforts of both the head office and the branches, which overcame all difficulties and completed demand analysis, system development and business testing within the shortest period of time before its online operation without a hitch, creating a good start for the development of the cross-border e-business business of ABC.

Case: Creating offshore RMB market

In 2014, ABC signed cooperation agreement with a number of countries and successfully issued RMB bonds, becoming the first Chinese bank to issue RMB bonds on the European continent and the first Chinese institution to issue RMB bonds in the Middle East. As a leader in the offshore RMB bond market, ABC works with its counterparts in various countries to jointly promote the use of RMB in the fields of cross-border trade, investment and financing to better serve the “going global” RMB and Chinese enterprises and stimulate the trade exchange between China and the rest of the world.



Case: Suzhou Branch: Providing Suzhou Industrial Park with cross-border RMB loans

June 19, 2014 witnessed the formal commencement of the cross-border RMB loans for Suzhou Industrial Park as Suzhou Branch successfully handled the business of issuing 49 million yuan of such loans of one-year term to Suzhou Chunxing Precision Mechanical Co., Ltd., becoming one of the first banks issuing Sino-Singapore cross-border RMB loans. Suzhou Branch and Singapore Branch acted respectively as the domestic lead bank and overseas loaning bank of the business. Through domestic and overseas joint action, ABC made innovations in its Sino-Singapore cross-border RMB business, widened the financing channels of domestic enterprises, effectively lowered their financing cost and innovatively supported the economic transformation and upgrading of Suzhou Industrial Park.

Case: US\$700 million: Supporting the business expansion of CEC

In November 2014, ABC's New York Branch provided US\$700 million of financing for CEC for the strategic acquisition of Montage Technology Group Co., Ltd., a company listed in NASDAQ, and became the account management bank of the new company after the merger. This is the first acquisition of CEC in the American market, which laid a foundation for its business expansion in the country.

Case: 60 million yuan: Driving the tea export

Suizhou in north Hubei Province is the native town of “Tea Ancestor”. However, tea production here is small in quantity and low in quality. Starting from 2013, a change took place: Suizhou exported over US\$ 30 million worth of tea products, accounting for 60% of the provincial total tea export so that the place turned from a small market into a large market of tea export. The change originated in a native enterprise fostered by ABC Hubei Branch --- Suizhou Zhongxing Food Company. To support the expansion of its tea export business, the branch increased its credit line from 9 million yuan at the beginning to 60 million yuan in 2014.

The emergence of Suizhou teas has changed the traditional tea marketing mode and expedited the export of teas of the whole province. The tea enterprises in the production areas of Enshi, Yichang, Xiangyang and Yingshan within the province all teamed up with the company so that Hubei teas are exported to over 40 countries and regions, including Viet Nam, Czech, Spain and Canada, fulfilling the long-cherished dream of exporting Hubei teas all over the world.

Poverty alleviation

To become an inclusive bank of the widest coverage

——Agricultural Bank of China

Data · Stories

840.77 billion yuan:
Poverty alleviation loans
reaching a record high again

As the only commercial bank in the member units of the Poverty Alleviation and Development Leading Group of the State Council, ABC always regards “narrowing the gap between the poor and the rich” as its own mission in the explorations of a commercialized and sustainable mode of financial poverty alleviation. It is committed to improving the financial environment of remote areas, concentrated and contiguous destitute areas and backward old revolutionary base areas so that the fruits of development can benefit more people.

No matter you are in a rich or poor place; no matter you are in a noisy or quiet environment; no matter how far away you are, our agencies are omnipresent and our services know no boundary. This is the unsurpassable pride of ABC. The pride comes from the determination to beat poverty, the push on every bit of work for all inclusive finance, the precise planning for financial poverty alleviation and the sincere service of every grassroots employee.

In 2014, the balance of the poverty alleviation loans provided by ABC for national-level and provincial-level poor counties was 840.77 billion yuan, including the 252.56 billion yuan of loans provided cumulatively for concentrated and contiguous poor regions, placing ABC in the forefront of national commercial banks. This may enable people to understand why ABC can become the only commercial bank in the member units of the Poverty Alleviation and Development Leading Group of the State Council.

In 2014, ABC had more than 500 outlets with an elevation of more than 3,000m and more than 100 outlets within 2km of the borderline. This may enable people to understand why there is the saying of “financial boundary marker”. In 2014, Gansu Branch issued 7.636 billion yuan, Inner Mongolian Branch 6.2 billion yuan and Tibetan Branch 17.366 billion yuan of poverty alleviation loans. This may enable people to understand why the three branches won the title of National Advanced Collective in Social Poverty Alleviation awarded by the leading group on the first Poverty Alleviation Day of China.

Concerns of stakeholders



What contributions has ABC made to narrowing the gap between the poor and the rich and pushing forward poverty alleviation?



The CPC Central Committee and the State Council have always attached great importance to poverty alleviation. It is our shared wish to make a success of the work in a solid manner to achieve a constant improvement of the people's life in the poverty-stricken areas. As the only commercial bank in the member units of the Poverty Alleviation and Development Leading Group of the State Council, ABC is keenly aware of its heavy responsibility. Over the years, ABC has worked with the related State departments, introduced a series of documents, including the “Opinions on Doing Well the Financial Services for Farmer Households in Concentrated and Contiguous Destitute Areas” and done a lot in credit policies, credit products and enhancement of the financial quality of the poverty-stricken areas, making some achievements. In 2014, at the meeting held by the State Council to commend poverty alleviation, ABC branches in Gansu, Inner Mongolia and Tibet won the title of National Advanced Collective in Social Poverty Alleviation. But, we know very well that poverty alleviation is not a short-term endeavor and needs prolonged persistence.

Improving poverty alleviation policy

By the end of 2014,
252.6
billion yuan of loans were made available cumulatively in the concentrated and contiguous areas

ABC adheres to the principle of policy guidance and commercialized operation. In 2014, as required by the Chinese policies for poverty alleviation, ABC issued the “Opinions on Doing Well the Financial Services for Farmer Households in Concentrated and Contiguous Destitute Areas”, established the mechanism of organization and promotion and studied and implemented differential credit policy to strongly push the economic and social development in the poverty-stricken areas. By the end of 2014, 252.6 billion yuan of loans were made available cumulatively in the concentrated and contiguous areas.

Name	Description	Content
“Opinions on Strengthening the Financial Services for Concentrated and Contiguous Exceptionally Impoverished Areas”	Clarify the overall requirements, promotion objectives and working measures for the financial services for the farmers in the areas	Strongly promote basic financial services, intensify the credit support for the farmers to become better off and establish the mechanism of ensuring the financial services for the farmers in the areas
“Notice on Setting Up the Leading Group of Financial Services for Concentrated and Contiguous Destitute Areas”	Intensify the organization and coordination of the financial services in the areas, with the head office setting a leading group and the provincial branches of the areas setting promotion groups.	Separately draw up differential financial service plans in light of the resources and poverty alleviation planning of the 14 such areas across the country.

Making sure that the loans increment in the poverty-stricken areas each year will not be less than

100
billion yuan



Picture: Poverty alleviation carried out by Henan Branch in the fields

Case: 1 trillion yuan: Poverty alleviation targets set by the “Agreement for Cooperation in Financial Poverty Alleviation”

On October 15, 2014, ABC and the Poverty Alleviation Office of the State Council signed the “Agreement for Cooperation in Financial Poverty Alleviation” in Beijing to further strengthen the cooperation with the Office, increase the supply of credit, ensure that the annual loan increment for the poverty-stricken areas will not be less than 100 billion yuan and the loans cumulatively provided will not be less than 1 trillion yuan by 2020.

On October 21, ABC signed a *Framework Agreement for Strategic Cooperation* with Guotou Chuangyi Industrial Fund Management Co., Ltd. to establish strategic partnership on the basis of mutual benefits, give play to their respective advantages, promote the economic and industrial development in the poverty-stricken areas and start cooperative experiment in selected old revolutionary base areas and poverty-stricken areas with mature conditions and great development potentials.

Case: 544 villages: Resident assistance in poor villages

ABC incorporates the promotion of resident assistance in villages as an important part of the education and practice activity of the Party’s mass line, carefully formulates assistance policy, continuously refines assistance measures and issued the “Notice on Furthering the Resident Assistance in Villages”, which requires every tier-1 and tier-2 branch to select 1-2 poor villages to assist. The number of such villages included in the working plan of the Bank is 544. By the end of 2014, 483 ABC employees were already resident in the villages for assistance to find out about the local economic and social development and provide financial service in light of the reality. In future, ABC will focus on making the resident assistance a regular and long-term effort to really give play to the functions of financial poverty alleviation.



Implementing inclusive finance



Picture: Herdsman's Home in Winter

ABC takes the initiative to shoulder the heavy responsibility of “inclusive finance” and provides financial services in the relatively underdeveloped areas where the number of financial institutions is on the low side, e.g. frontiers, destitute areas and old revolutionary base areas, to extend the most basic financial services to the weakest places. By setting up physical outlets, installing self-service devices and erecting financial service platforms, ABC strongly supports the development of competitive industries and characteristic industries, serves the revitalization development of these areas and contributes to the happy life of the local people.

Case: Micro bank on Xiaodeng Island

Under the jurisdiction of Xiamen, a city on the southeastern coast of China, Xiaodeng Island has an area of only 0.8 square kilometers and over 3,000 households of residents. In the past, they had to spend 20 minutes on a boat ride to Dadeng Town for financial service such as account transfer, wealth management and payment. Therefore, the residents on Xiaodeng Island might have to spend half a day to complete even a simple payment transaction.

In September 2014, Xiamen Branch installed the first self-service terminal in the Cultural Activity Center of Xiaodeng Community, becoming the first commercial bank of so doing. The micro bank set up to serve the residents of the entire island enables them to complete common financial business here, including inquiry, reporting loss, account transfer, remittance and investment in wealth management. The employees of the branch also used after-work time to get on the island to teach the residents how to use the terminal and answer their questions.

Case: “Mobile bank” in plateau Tibetan areas

“Shage! Shage! (Very convenient! Very good!) The business handling vehicle of ABC came right to my door. Things have been made very convenient for us!” Shepherd Nanmu Kasangjie said happily in not very fluent Mandarin after completing his business at a “mobile bank” in Mamusuona Village, Lexiu Town, Gannan Prefecture, Gansu Province.

The vehicle he talked about is the “Mobile Banking Service Car” of ABC, a new initiative adopted by Gansu Branch to address the shortage of financial channels in Tibetan areas. To really extend rural financial services, Gansu Branch purchased 9 such vehicles for the county-level sub-branches in the Tibetan areas of the whole province, including 8 delivered to Gannan Tibetan Autonomous Prefecture and 1 to Tianzhu Tibetan Autonomous County, so that it became the first financial institution in the province to dispatch mobile banking vehicles to Tibetan areas. The customized vehicles are equipped with GPS and have a high matching attribute and safety. The well-furnished devices include counter, monitoring and power source. Each is manned by 2 clerks, 1 hall manager and 1 security guard and can independently complete basic financial business, such as depositing and withdrawing, inquiry, account transfer, remittance and repayment of loans.

Case: Jiangrang: A snow lotus on 5,000m mountaintop

Snow lotus is a rare plant growing on snow-clad mountaintops of 5,000m high or above. It grows tenaciously in crevices and between ice layers, blooms beautifully and emits a chilly fragrance despite the cold wind and snow it faces all year round. Her existence interprets a spirit, a state and an integrity to people. Jiangrang Business Office of Cuoqin County Sub-branch in Tibet is such a snow lotus that holds out quietly.

Jiangrang Business Office is located on northern Tibetan plateau with an elevation of 5,100m, where the oxygen content of air is less than 40% of that in the hinterland, plus a dry climate and strong sandstorm. It is in such an inclement environment that ABC employees in Jiangrang Business Office have worked quietly for tens of years to serve the farmers, herdsmen and people in the 14 natural teams of 5 administrative villages within the jurisdiction. By the end of 2014, the office has made available over 2 million yuan of loans for affordable housing projects.

A deep-rooted grass on the plateau. The office now has 3 employees. One of them has lived and worked here for 13 years. As they put it, they felt a huge disappointment when they first arrived. But, they chose to stay finally after seeing how backward the place was and how the farmers, herdsmen and people here wanted to become better off.

A patient policy narrator. Due to historical issue and natural environment, the place has been kept far away from the modern market economy. The families there still use livestock as the unit in calculating their properties and barter remains deep-rooted exchange mode. In such an environment, the top priority of successful modern financial service is to publicize and popularize the favourable financial knowledge and policy of the State, the autonomous region and ABC. For this purpose, the office overcame the difficulties arising from shortage of hands, outdated means of transport, long distance and hard-to-travel roads. The employees went into villages and households for face-to-face communications with local people. Sometimes, they had to travel for tens of kilometers on mountain road just to reach a single household. In the publicity and explanations, the employees not only briefed the people on modern financial knowledge, but also acquainted them with the favourable policies of the Party and the State as well as legal knowledge.

Wholehearted support for development. Helping the masses to develop business and become better off is the maximum value of Jiangrang Business Office and the ultimate conviction that enables its employees to hold on. To maximum help, the employees provided flowing financial services for rural residents to suit their characteristics, i.e. dispersed residence and difficulty in getting concentrated. According to statistics, in 2012 alone, the employees of the office traveled nearly 5,400km to provide up-to-door services for 2,926 farmers and herdsmen in 678 households divided into 14 operation teams in 5 villages of the whole township. To avoid any delay in meeting their needs for production and living funds, the employees followed the sheep flocks of shepherds and set up “office” in sheepfold and at mowing point to provide timely funds for development and business pioneering.

In spite of the harsh natural conditions, the spirit of remaining in the plateau to serve the people there is never to be rubbed out. The employees of the office are just like the snow lotus on the high mountain, where it takes root, sprouts and breeds in the untrodden snow land. As the local economy develops and the people's desire for more income gets increasingly stronger, they are confident that more young friends will choose to stay on the plateau that is desolate, but full of love.



Picture: Tibetans in Gannan processing business at a “flowing bank”

Developing poverty alleviation products

ABC has provided up-to-door poverty alleviation loans issued

15.292 billion

yuan of such loans in the two years since, with a balance reaching

9.234 billion yuan

In 2014, considering the requirements of the poverty alleviation efforts in various places and the regional characteristics, ABC drew up the financial service plan to meet the needs of the poverty-stricken areas, took part in the issuance of subsidized loans for poverty alleviation, rolled out a number of characteristic products on poverty alleviation and continued to increase the injection of credit resources. Innovations were made in Kins poverty alleviation farmer-benefiting loan products. Efforts were focused on standardizing and promoting new poverty alleviation mode of government-backed credit for farmers in concentrated and contiguous destitute areas and the areas inhabited by ethnic minorities. By strongly supporting the economic, people's livelihood and environment improvement projects in the poverty-stricken areas, ABC tried hard to help local people get rid of poverty and become better off quickly.

Place	Products	Effect
Gansu	"Shuang Lian" Hui Nong loans	Since 2012, ABC has provided up-to-door poverty alleviation loans in 58 poverty-stricken counties of the province and issued 15.292 billion yuan of such loans in the two years since, with a balance reaching 9.234 billion yuan, supporting 226,300 poor farmer households.
Inner Mongolian	"Kins Fu Nong Dai" and "Kins Qiang Nong Dai"	As the first partner bank of the local "Financial Poverty Alleviation Project", Inner Mongolian Branch introduced special products in November 2013, and, in one year of time, the branch cumulatively supplied 6.21 billion yuan of dedicated loans to support 110,607 poor farmer household and 92 impoverished enterprises; the branch also expanded the scope of support from 57 counties to 80, realizing the full coverage of the counties in the Autonomous Region.
Anhui	"Huinong Xingye" loans for poverty alleviation of farmer households	In August 2014, ABC worked with the financial department and Poverty Alleviation Office of the province to issue the first "Huinong Xingye" loan of 300,000 yuan in Jinzhai County, an old revolutionary base area, with the two departments providing 5% interest discount in proportion to the amount of loan. By the end of 2014, 1.2 million yuan of the loan had been issued cumulatively to 4 households for poverty alleviation.
Jiangxi	Projects composed mainly of the "Two Tong Projects", i.e. "Ciayuan Xindaitong" and "Caizheng Huinong Xindaitong"	In compliance with the requirements of the policy for the "revitalization development of the Central Soviet Areas in Gannan and other places", the products were sponsored by the local governments under a new financing guarantee mode that used financial funds as guarantee and lever. The main objects of support were the small and micro enterprises in relevant industrial parks and the new agricultural operators, such as farmer cooperatives. The amount of loan may reach 5 million yuan and 3 million yuan respectively, without the need for the borrower to provide mortgage.

Case: Multiple policies adopted to push forward poverty alleviation in concentrated and contiguous destitute areas

Yunnan Branch compiled the 5-year plan for implementing regional development and poverty alleviation in the border area of west Yunnan, Yunnan part of Wumeng Mountain, Diqing Tibetan area in Yunnan, Yunnan part of the Yunnan-Guangxi-Guizhou rock desert areas. As required by the plan, the branch increased the delivery of credit resources, enhanced the level of financial service, accelerated the innovations in financial products and strengthened risk control capability to help the poor people in 91 counties of 4 concentrated and contiguous destitute areas to shake off poverty and become better off as soon as possible.

By the end of 2014, the balance of the loans made available by Yunnan Branch in the 91 counties reached 98.037 billion yuan and electronic devices covered 76.58% of the administrative villages there, gradually solving the absence of basic financial services there.

Sichuan Branch prepared and issued the "Implementation Opinions on Strengthening the Financial Services in Concentrated and Contiguous Destitute Areas" to support the accelerated development and construction in the 4 contiguous destitute areas of Qiba Mountain area, Wumeng Mountain area, plateau Tibetan area and the Yi areas in Daliang and Xiaoliang Mountains. It promised to provide 30 billion yuan under intentional financing amount for the areas in the forthcoming 3 years, make sure that the annual loan increment in the 60 counties of the areas will be higher than the average level of the whole bank, the annual loan increment will not be less than 3.1 billion yuan and attain the goal of doubling the loan balance of the areas by the year 2020.

By the end of 2014, Sichuan Branch had launched 51 new key projects of poverty alleviation in the areas, completed 23 projects and provided 10.6 billion yuan of financing; the loan balance of the 60 counties in the national contiguous destitute areas was 47.55 billion yuan, 3.48 billion yuan, an increase of 3.48 billion yuan from the beginning of the year.

Ningxia Branch sped up the construction and function expansion of "Kins Hui Nong Tong" service points to address the absence of rural basic financial services in Liupan Mountain concentrated and contiguous destitute areas. By the end of 2014, the branch had built 1,399 such service points in the concentrated and contiguous destitute areas of the whole autonomous region, basically covering all the administrative villages so that the common people there can all enjoy convenient nearby services except those in some very remote administrative villages.



Picture: Financial services benefiting people in the remote areas of Guizhou

Poverty alleviation



Committed to being a considerate bank of common people

——Agricultural Bank of China

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43.374 billion yuan: Housing for all

In 2014, ABC continued to intensify the support for the field of people's livelihood, including the shantytown reconstruction projects and improvement of people's living environment. Meanwhile, ABC made innovations in the mode of financial service and cooperated with the institutions of other industries to provide improved financial services for more people in areas such as education, medical care, employment, people's livelihood and consumption.

With the population flowing into cities, the exacerbation of the contradiction between people and land resources and the constant rise of real estate prices in recent years, the issue of urban housing has become even more acute. A "humble abode" in an urban village has become the helpless choice of many low-income earners in cities. In July 2013, the State launched a new round of shanty town transformation and set the goal of transforming all types of shanty towns for 10 million households in 2013-2017. However, it is very expensive to transform the shanty towns and there is a shortage of construction funds.

Under the precondition of effectively controlling risks, ABC actively provided credit services and pushes forward the smooth transformation of shantytowns. By further improving the related policies, ABC lowered the requirement for the proportion of project capital, optimized business authorization management and operation flow; introduced special credit products for the transformation of shanty towns, and explored more financing channels and modes thereof by using investment banking, funds, leasing and insurance, etc.

2014 is the first year of implementing *The Agricultural Bank of China Guidelines for Credit to Shanty-town Transformation*. By the end of 2014, the balance of ABC's loans for shantytown transformation projects was 43.374 billion yuan, an increase of 26.203 billion yuan from 2013. From cities to State-owned mines, from forests to reclamation areas, a large number of low-income families in Anhui, Beijing, Heilongjiang and Guangdong have moved or will move into their new homes to start a new life.

In the years to come, ABC will intensify credit support to shantytown transformation and arrange special credit of a certain scale for shantytown transformation each year so that the balance of such loans will not be less than 100 billion yuan by the end of 2017.

Concerns of stakeholders



The basic expectation of common people is proper education, labor income, medical service, old-age care and housing. What breakthrough did ABC make in 2014?



Nothing of the common people is trivial. Over the years, ABC has been working quietly in the field of improving people's livelihood.

Although many projects involving people's livelihood make no money or have high potential risks, ABC has never shrunk back, nor reduced the support in the regard. On the contrary, the Bank has redoubled efforts as required by the State. While considering the profit pursuit of commercial banks, the Bank supports people's livelihood on the basis of strengthening risk management.

In 2014, we made breakthroughs in supporting the construction of affordable housing, transformation of shantytowns, meeting the rigid demand of residents, providing assistance in education and medical facilities, thereby making further contributions to the enhancement of the well-being of common people.

Supporting housing construction



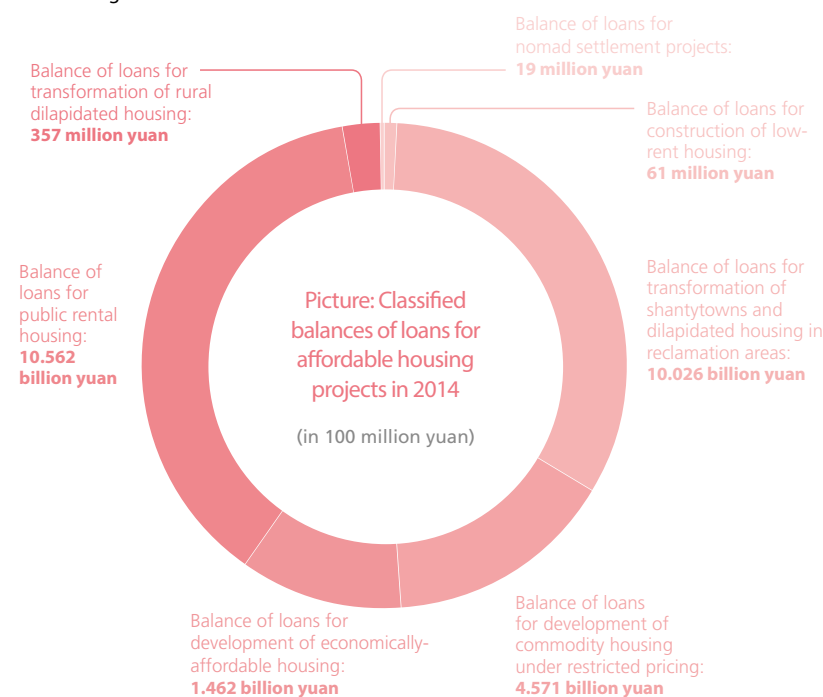
Picture: Farmers' resettlement housing constructed under the support of Zhejiang Branch

By the end of 2014, the balance of loans for affordable housing projects was

27.058
billion yuan.

increase of
9.63
billion yuan from 2013

Housing is the top priority for people in China. In 2014, on the basis of improving relevant support policies, ABC identified the focal points of support, threw in special funds, carried out financial innovations according to actual conditions, and provided financial support for shanty town transformation, construction of low-rent housing and reconstruction of rural dilapidated houses under the precondition of ensuring controllable risks. Meanwhile, ABC provided more preferential policies on personal housing loans and help more people to fulfill their dreams about comfortable housing.



Case: "Anju Haoshidai": For the happy life of the people in Shenzhen

"Anju Haoshidai" is among a series of products introduced by ABC entitled Golden Key "Haoshidai" Personal Credit Loan, which is designed to lighten the housing purchase pressure on residents, including the loans for first-hand and second-hand personal housing, loans against combined housing and provident fund, loans for replacement of personal housing.

Shenzhen Branch cooperated with the local government to expand "housing accumulation fund loans" and has taken a series of measures, e.g. technological support intensification, dedicated credit scale establishment, preferential loan rate granting and property purchase bills collection reinforcement, thereby improving operational efficiency and enhancing the speed and quality of the service for the local residents applying for the loan.

By the end of 2014, Shenzhen Branch supplied 19.027 billion yuan of housing loans and 758 million yuan of consumption loans, benefiting 15,400 households; 1.402 billion yuan of housing accumulation fund loans and 643 million yuan of commercial loans were issued, benefiting 27.32 million Shenzhen residents.



Picture: "Sunshine New Town" affordable housing constructed under the support of Jiangxi Ji'an Branch



Picture: Liancheng Sub-branch in Longyan, Fujian Province supporting the construction of new rural housing in Xicheng New District

Case: Loans for purchase or construction of housing: For the comfortable housing of the common people

In response to the financial needs of farmers in the process of their citizenization, including purchase of resettlement housing, Zhejiang Shaoxing Branch provided financial products and services on its own initiative to help farmers improve living environment so that they can enjoy the happy life of urban residents.

"I really should thank ABC for solving my fund difficulty in purchase of resettlement housing," said Xing Zhongda, a farmer in Changle Town, Shengzhou city after fulfilling the formalities of 115,000 yuan loan for housing-purchasing farmers. He is a villager of Dakun Village in the mountains. Under the plan implemented by the local government for construction of new rural areas, mountaineers like him will be relocated down the mountains and he hopefully can move from his earth house in the mountain village into a building planned and constructed by the town. But the temporary shortage of funds obstructed the realization of the wonderful dream. Fortunately, the "loan for farmers purchasing or building housing" newly introduced by ABC met the urgent needs of 13 farmer households like him. The timely availability of funds led to the timely start of the construction of the housing project, enabling the villagers to ease off their tension. The town chief also said gladly: "ABC has solved our fund shortage problems in rural urbanization and contributed a lot to the construction of beautiful rural areas."

Case: 8,481 households moved into new housing

Wu Gang is the Party secretary of Wuyang Village, Dongyang City. He said: "In the past, it was something unimaginable that farmers could borrow money from the bank to buy housing." But, this "something unimaginable" as he put it has become a reality in many rural areas of Shandong Province. ABC Shandong Branch introduced the "loan for the new housing of farmers", which specially supports the construction of rural housing. Villagers may receive loans of different amounts for purchase of new housing without the need for any mortgage. By the end of 2014, 8,481 farmer households in Shandong Province had moved into new housing through the loan, which left a balance of 1.365 billion yuan.

The above projects of supporting rural housing are too numerous to mention in the province: The project of constructing new rural community in Maqiao Town, Hengtai County involves 130 million yuan of funds and 56,000m² of resettlement residences; the project of the same nature in Wendeng involves 310 million yuan of funds and will benefit the villagers in some 1,100 households.

Improving medical conditions

In 2014, ABC intensified financial support to the field of medical care environment improvement and digital service upgrade, on the basis of strengthening efforts to better understand the needs of medical institutions and the common people for medical care, helped enhancing social security, improving healthcare service capability and promoted the healthy development of population.

By the end of 2014, the balance of the ABC loans to medical care undertaking was 36.038 billion yuan, an increase of 2.858 billion yuan in the whole year.

Case: Supporting the improvement of hospital infrastructure

In recent years, ABC branches have obtained a deep understanding of local hospitals' needs for expansion and improvement of medical equipment, and intensified credit support to improvement of the local medical environment.

In 2014, Guizhou Bijie Branch drew up a plan of supporting the "one county, one hospital" medical project to increase credit support to the county-level medical institutions within the jurisdiction. Through reinforced communication and cooperation with medical institutions, the branch further developed medical care related credit business. By the end of 2014, the branch had cumulatively issued 85 million yuan of loans to these hospitals through circulating fund loans and factoring, with a balance reaching 137.7082 million yuan, which was used to support three local hospitals.

Xi'an Children's Hospital is the only one with class-III grade-A rating in Xi'an, Shaanxi Province that integrates medical care, teaching, scientific research, illness prevention, healthcare and rehabilitation. In light of its development status, backward equipment and urgent need to supplement and update its hardware, ABC Xishaomen Sub-branch provided the hospital with credit support and, since 2010, has cumulatively issued 90 million yuan of loans, accounting for about 90% of its total loans, which were used mainly to improve its infrastructure, including the construction of a comprehensive building, expansion and repair of the outpatient department, introduction of advanced large medical devices and purchase of drugs.

"ABC has made noticeable contributions to the rapid enhancement of the medical service of Yulin City in recent years."

--- Director of Yulin No. 1 Hospital (In 2014, Shaanxi Yulin Branch supplied 160 million yuan of loans to support construction of the hospital.)



Picture: Tianjin Beichen Sub-branch supporting the expansion of Beichen Hospital



Picture: Employee of Jiangxi Nanchang Dieshan Sub-branch teaching patients the use of self-service machine for registration and payment in the children's hospital.

Case: "Bank-Hospital Card" providing convenience

By the end of 2014, ABC had cooperated with hospitals in Tianjin, Inner Mongolian, Anhui and Hubei, etc. rolling out the "Bank-Hospital Card", which made it more convenient for patients to access to medical service.

"Bank-Hospital Card" seamlessly linked up the banking system with the hospital system to integrate financial and medical services so that patients need not have a hospital attendance card and may use the debit card of ABC for all purposes in a hospital, including registration, inquiry, payment and printing.

"Bank-Hospital Card" has effectively solved the problems that concerns patients, i.e. long queues for registration, long queues waiting to see a doctor, long queues for payment, and short time of doctor's service. It has not only provided convenience for patients, but also lowered the management cost of hospitals, bringing "win-win" results to the bank, hospital and patients.

"After the 'Bank-Hospital Connect' system of ABC put in place, it has simplified the long medical consultation process that perplexed the hospital for years, enhanced the satisfaction of patients and accessed the entire hospital to the quality and fast services of ABC."

--- A doctor of the No. 1 Hospital Affiliated with Xi'an Medical School



Picture: Social security card bringing more convenience.

Case: Financial social security card bringing convenience to common people

Tianjin Branch cooperated with Tianjin Municipal Bureau of Human Resources and Social Security in introducing the project of issuing social security card on the spot. With a financial IC card as carrier, those who apply for a social security card or report the loss thereof for issuance of a new one only need bring the relevant information to the counter of the outlet designated by ABC to receive the card on the spot. The simple, timely and fast formalities have saved time for customers, and provided convenience for them in seeking medical help promptly, without any impact on the payment and collection of social security funds.

In Shunde, Guangzhou, there were over 1.5 million residents eligible for new social security cards, covering all age segments. They lived in 202 villages and the change from old to new card took about 2 years. It can be imagined how difficult the job would be. To facilitate the application for and receipt of the card by the residents, Shunde Branch decided to bring services to the villages and enterprises. 12 sub-branches set up 12 teams composed of nearly 100 people, and they visited the villages 7 days a week to provide residents with services like consultancy, application acceptance and issuance of card. By the end of 2014, the branch had activated over 1 million new social security cards.

Case: Over 2.5 million residents: Information public service platform benefiting common people

On July 31, 2014, Fujian Sanming Branch signed an agreement with Sanming Bureau of Finance, Bureau of Human Resources and Social Security, Bureau of Public Health and Medical Security Fund Management Center for cooperation in the construction of the project --- Sanming People's Livelihood Information Public Service Platform. The term of cooperation is 20 years. After completion of the platform, the basic public services of the government will cover the 12 districts/counties, 134 townships, 1,735 administrative villages of the city through information network, and benefit over 2.5 million residents. Under the financial support of Sanming Branch, the city has gradually achieved the coordinated management of medical insurance funds, lowered drug prices for the urban-rural residents and effectively enhanced the digitalization level of their medical security and medical insurance services.

Focusing on educational development

Education carries the dream of a student, the hope of a country and the ambition of a nation. In 2014, ABC made full use of its financial service capability, supported institutions of higher learning in improving campus environment and assisted in building “smart campus”; explored the new mode of student loans and introduced the student-aid loan product and service system.

Since 1999 when the State launched student loan business, ABC had provided full-scale financial services to nearly 1,000 institutions of higher learning throughout the country and cumulatively issued 1.34 million student loans amounting to 8.1 billion yuan, which helped some 400,000 undergraduates to complete studies.

Case: More convenient online payment of tuitions

Gansu Branch successfully launched Online Tuition Payment System for Gansu Agricultural University, using the “online trading market + B2C” dual-product mode. The forms of payment include book transfer, inter-bank transfer, K code and online payment via credit card. The system made it easy for the students of Gansu Agricultural University to make online payment of their tuitions, incidental expenses, CPC Party membership dues, housing rent collected on campus merchants and utility fees.



Picture: Children studying in spacious and bright classroom



Picture: Guangdong Branch lending a hand to students

Case: Assisting in fulfillment of the dreams of 6,000 students in Mianyang, Sichuan

On a morning in April 2014, Southwest University of Science and Technology Sub-branch of Sichuan Mianyang Branch opened its door to usher in the first customer of the day, a handsome young man from Xinjiang. He went up directly to the Customer Manager Mr. Jiang, bowed deeply to him and then continuously saying thanks.

It turned out that the young man, Ayiben Jianghabule, was a sophomore of the Department of Mining Engineering of the university and lived in Xinyuan County, Yili, Xinjiang Uygur Autonomous Region. His parents are farmers and he has two younger brothers. To support his university studies, the family sold everything that could be sold and gave all the proceeds to him. But, facing the high tuition and living costs, several times he wanted to drop out and return home to work and help reduce the burden on his parents. It happened that Customer Manager Mr. Jiang went to the Student Employment Department of the university to talk about the business related to “e-banking in campus” and saw the worried young man hesitated outside the door. Out of curiosity, Mr. Jiang chatted with him for a while, learnt that he was worried about his tuition and talked about the student loan product. The young man became hopeful instantly and anxious to know whether he was eligible so as to continue the fulfillment of his own university dream. After investigation and examination, Mianyang Branch provided him with a student loan of 18,000 yuan and arranged a part-time job for him through the university.

Thus, the student loan once again helped a common student to realize his uncommon dream. In the 15 years of cooperation with the university, Mianyang Branch issued 101 million yuan of student loans, which helped 6,397 needy students complete their studies.

Case: Boosting the construction of “smart campus”

Using financial IC card as carrier, Fujian Branch launched a new mode of bank-university cooperation to construct “smart campus” and “digital campus” jointly with Wuyi College. By the end of 2014, it has issued more than 90,000 “Campus Financial IC Cards” and developed more than 4,400 merchant customers with the College as center, building a business circle around the campus that used financial IC cards for non-contact petty payment and enabled the teachers and students to use the card for consumption, with the card usage environment further optimized. The college has become a “demonstration campus for obstacle-free card swiping”.

Heilongjiang Daqing Branch teamed up with Heilongjiang Bayi Agricultural University to build the “All-in-one Campus Card” system, which integrated the functions of card-swiping consumption, on-campus payment and entrance pass control. The card can replace all or part of the functions of previous certificates (including library card, medical card, entrance pass, canteen card, attendance card and computer-access card). Through a wide range of information service channels (service counters, terminals, portal websites, voice platforms and multimedia machines), the teachers and students could easily check their consumption records, deposit balance and utilization of school resources at any time to better facilitate arranging their own studies, teaching, scientific research and life.

Creating job opportunities



Picture: Guangxi Branch supporting pseudo-ginseng planting base

Employment is an important channel to increase people's income and promote social stability. ABC not only helps increase job opportunities by supporting the development of enterprises, but also continuously introduces new initiatives, and preferential policies through business pioneering loans and personal business-assisting loans to increase the financial support for business beginners, including women, youngsters, the unemployed and the disabled.

By the end of 2014, ABC had cumulatively issued 418 million yuan of loans to 6,300 women and 1.873 billion yuan of loans to rural youths starting their business, benefiting 28,200 young people.

Case: 18.3 million yuan: Supporting rural youths to start their own business

In 2014, Hunan Linxiang Sub-branch issued *The Notice on Continuing to Promote Petty Loan Programs for Business-Starting Youths in Linxiang* and issued 18.3 million yuan of such loans, with a balance of 9.6 million yuan, which covered 245 administrative villages in all the 19 townships of the city and benefited 386 rural youths. On the basis of existing guarantees of all forms, including credit lines, joint guarantee, mutual guarantee, guarantee of natural persons, guarantee of economic functional organizations, the sub-branch supported rural youths in securing petty loans with direct grain subsidies and comprehensive direct subsidies for agricultural materials and introduced the characteristic credit product of "petty loans + guarantee of Guarantee Funds + financial interest discount".

Case: 2,600 disabled people getting employed

Shandong Liangshan County Sub-branch intensified the credit assistance to the disabled, gave full play to the service functions of Kins cards in settlement, consumption and wealth management and provided them with priority in account opening, settlement and acceptance of drafts. To help the disabled solving the difficulties they encounter in getting loans, the branch provided business starting funds to more than 1,800 disabled people and fostered more than 300 "small entities in diversified businesses areas, including catering, animal farming, fruit trees, repair of home appliances, manufacturing of trailers and technical training, offering jobs to over 2,600 disabled people and bringing some 2.9 million yuan of profits and taxes each year. More importantly, a route was formed for the disabled to do their bit and create social value.

Case: 12.8 million yuan: Pseudo-ginseng returning home to retain mothers

In 2014, Guangxi Baise Branch joined Baise Women's Federation and the Office of the Leading Office of Baise for Developing the Pseudo-ginseng Industry in issuing *The Financial Implementation Plan of Baise for "Pseudo-ginseng Returning Home to Retain Mothers"*. Under the plan, 12.8 million yuan of loans for pseudo-ginseng industry were issued to 256 qualified female business starters, which benefited more than 23,000 women, met their demand for funds in starting business and expanding production and increased their income.

Pseudo-ginseng, also known as "San Qi", is a renowned specialty and rare Chinese herbal medicine in Guangxi and Yunnan province. In 2013, Baise launched the "Pseudo-ginseng Returning Home" project to help local residents to increase income through the development of the characteristic industry. Baise Branch took advantage of the opportunity and acted on the basis of the policy of secured petty loans with financial interest subsidies for women to provide convenience for women in receiving business starting loans, raise their employment rate and increase their income.

Meanwhile, Guangxi Branch provided women with training in the use of financial products to help master the operation skills of modern financial tools so that they could conduct most of the financial transactions without going out of home, e.g. repayment of petty loans and settlement.

Case: 35 million yuan: Small workshop became a leading enterprise

Yongkang in Jinhua, Zhejiang Province is hailed as a "City of Hardware". Yongkang Rongliang Metal Product Factory is a leading local enterprise and is specialized in manufacturing, processing and marketing of the metal products for daily use. With a staff of more than 100, it achieved over 65 million yuan of output value in 2014 and an annual growth rate of over 40% in both sales income and profits for three consecutive years. Who would have thought that such a thriving local flagship enterprise with a certain scale was only a small family workshop of over 10 workers 5 years ago?

In 2010, to resolve the difficulty of the workshop's funds circulation, Yongkang Sub-branch released its first personal business assisting loan of 1 million yuan. In 2012, the factory decided to expand its production scale by adding new production lines. The sub-branch promptly issued to it 4.2 million of such loan, meeting its urgent need. By the end of 2014, 35 million yuan of the loan had been made available cumulatively to the factory.



Picture: Zhejiang Branch supporting the development of small enterprises to promote the employment of women.



Picture: Jiangxi Jiujiang Branch boosting the business pioneered by women.

Spreading financial knowledge



Picture: Guangdong Foshan Branch spreading anti-counterfeit money knowledge

In 2014, ABC extensively carried out the activities of “bringing financial knowledge into myriad homes” and “a long march of spreading financial knowledge”. By bringing financial knowledge into communities, schools, enterprises and rural areas, ABC has effectively propelled the popularization of financial knowledge, provided financial service to the people and enabled financial knowledge to really play the part of providing convenience and benefits for the people.



Case: Xiamen Branch: 6,000 participants

In 2014, Xiamen Branch set up a leading group for the activity of “bringing financial knowledge into myriad homes” to spread financial knowledge throughout the jurisdiction. During the activity, the Branch used the LED screen of its building and the resources of the outlets, e.g. LCD TV sets and self-service devices to repetitively present the themes, slogans and the publicity videos made by Xiamen Banking Regulatory Bureau for the activities of “bringing financial knowledge into myriad homes” and “financial knowledge publicity month”. Concurrently, financial knowledge was also popularized and spread through multiple channels, including TV, broadcast network, newspapers, magazines, outdoor ads, WeChat and Weibo.

During the activity, 16 feature articles and news reports were published in newspapers and magazines, plus 416 times of coverage by radio and TV, 400,000 short messages, 5 large publicity activities and a participation of 6,000 people.

Case: Services round the corner

In 2014, the branches in all places carried out a wide range of publicity activities to spread financial knowledge among consumers of different groups, thereby realizing the positive interaction between the public and the financial institutions and promoting the progress of the financial ecological environment.

Tianjin Branch scrolled publicity slogans on the LED screens of all business outlets, set up information desks, exhibited publicity foldouts, arranged designated people to explain the financial knowledge about credit cards, wealth management products and e-banking, and sent people into communities, enterprises and schools for publicity activities, receiving unanimous social compliments. To meet customers’ need for financial knowledge, ABC held customer saloons to explain financial knowledge, spread relevant laws, regulations and financial policies; The Bank also sent its people into some institutions of higher learning to explain the importance of honesty and creditworthy, provide training in the knowledge about national student loans and popularize financial knowledge in light of the characteristics of the undergraduates.

Heilongjiang Branch interacted positively with media and actively publicized the products, services and corporate culture of ABC, thus ensuring inclusive finance, enhancing consumers’ understanding of ABC and increasing their awareness about ABC. For the large consumption group of undergraduates, the publicity personnel gave them free copies of *Guide to Protection of Undergraduates’ Right as Consumers* while spreading financial knowledge to share the relevant knowledge and enabled them to feel the services of ABC just round the corner.



Case: Jilin Branch: Carrying out the “Hundred-Thousand-Ten Thousand” activity

In 2014, Jilin Branch carried out the “Hundred-Thousand-Ten Thousand” financial knowledge popularization activity, meaning 100 outlets spreading and publicizing financial knowledge among young farmers; 1000 customer managers bringing financial services into 10,000 homes.

In the “One Hundred” activity, each of the 44 county-level sub-branches in Jilin selected 2~3 grassroots outlets, amounting to 100 outlets selected in the whole province. The director of every selected outlet was responsible for contacting the CYLC Committee of a township to invite 20~30 local young farmers as representatives with need for project funds for concentrated training and popularization of financial knowledge. The level-2 branches and the county-level sub-branches formed teaching teams that focused on publicizing the farmer-benefiting policies, characteristic products, loan process and Huinongtong program of ABC as well as relevant financial knowledge.

In the “Thousand-Ten Thousand” activity, the sub-branches worked with the local CYLC organizations to organize 1,000 employees and undergraduate volunteers, who selected 10,000 farmer households and visited the villages to carry out a wide range of publicity activities, trying hard to develop rural credit environment and guide the youths in starting business by relying on honesty and creditworthy.

Boosting environmental protection

Committed to becoming a leading bank in ecological civilization building
——Agricultural Bank of China



Data · Stories

472.447 billion yuan: Making a difference in the field of green credit

Ecological civilization is a long-term issue that concerns social well-being and the future of the nation. ABC continuously gives play to the incubation role of finance and has established a long-term mechanism that supports energy saving, emission reduction and elimination of outdated capacity. Relying on service innovations, it guides the shift of financial resources toward technology R&D and industries related to the protection of ecological environment and fosters the new growth points of low-carbon economy to set up financial landmarks on the road leading to ecological civilization.

All along, ABC has energetically implemented green credit policies and made a difference in 12 green credit fields, including green travel, renewable resources and clean energy. By the end of 2014, the balance of the green credit loans of ABC was 472.447 billion yuan, an increase of 142.026 billion yuan from the beginning of the year, registering a growth rate of 42.98%, 32.96 percentage points higher than the growth rate of legal person loans of the whole bank.

Project	Balance of Loan (In 100 million yuan)
The balance of loans for green agricultural development projects	32.56
The balance of loans for development of green forestry projects	54.93
The balance of loans for projects of industrial energy saving, water saving and environmental protection	308.66
The balance of loans for projects of natural protection, ecological repair and disaster prevention	105.79
The balance of loans for resources recycling projects	38.79
The balance of loans for projects of garbage disposal and prevention of pollution	92.44
The balance of loans for projects of renewable energy and clean energy	1,856.26
The balance of loans for rural and urban water projects	32.62
The balance of loans for building energy efficiency and green buildings	4.97
The balance of loans for green transport projects	2,195.44
The balance of loans for energy-saving and environmental protection services	2.00

Concerns of Stakeholders



“APEC Blue” has deeply impressed us. What efforts has ABC made to make such “blue” last forever?



In recent years, the continuous smog has caused much inconvenience in people's lives so that environmental protection has again become the focus of people's discussions. The formation of smog has various factors and its treatment is not something that can be done overnight and needs the concerted efforts and participation of all social sectors.

As a member of the society, ABC pays a lot of attention to its own “environmental protection”, e.g. green office work, green travel and green procurement in addition to the credit policies adopted to support enterprises of environmental protection, restrict pollution enterprises to eliminate outdated capacity. With its own practices, ABC supports the short-lived “APEC Blue” in becoming lasting “normal blue”.

Implementing green credit



Picture: Zhejiang Branch issued 270 million yuan of loans to Anji County for construction of new rural

By the end of 2014, the balance of its loans to the above mentioned industries was 521.611 billion yuan, a decrease of

10.341 billion yuan from the beginning of the year

By taking credit management measures such as industry credit policy, customer list management and limits on industries, ABC has effectively controlled the increase of loans to high energy consumption, high pollution and excess capacity industries. By the end of 2014, the balance of its loans to the above mentioned industries was 521.611 billion yuan, a decrease of 10.341 billion yuan from the beginning of the year.

ABC continuously pushes forward the green credit system and mechanism innovations. In 2014, ABC released *The Notice on Establishing the Green Credit Indicatory System and Revising the Credit Policies for Industries of High Pollution, High Energy Consumption and Excess Capacity*. The green credit indicator system was established with a seamless integration of green credit with industry policies. Since then, green credit indicators have become an important decision-making basis for the multiple links of credit management, guiding Chinese industries to gradually achieve a green transformation and upgrading.

Field	Measures
Keep the total amount of loans under strict control	Made month-by-month monitoring of the increase of loans for high energy consumption, high pollution and excess capacity industries and implemented zero annual increase for industries of serious excess capacity, e.g. steel and cement, to ensure that the proportion of loans taken up by the 15 such industries drop from the beginning of the year.
Strengthen project management	Issued <i>The Notice on Strengthening the Management of Project Credit for Industries of Excess Capacity</i> , requiring any new involvement in the projects of such industries to meet relevant regulations of Ministry of Industry and Information Technology (MIIT) on capacity replacement and prohibiting those projects started without approval, completed without approval or constructed while approval is pending.
Strengthen risk screening	Made risk screening according to the first and second list of enterprises for elimination of backward capacity announced by MIIT to form <i>The Report on Customers Risks Screening for Elimination of Backward Capacity in 2014</i> and notified the screening results.

Case: 20 billion yuan: Jiangsu Branch contributing to a more beautiful Taihu Lake

The first morning light on Lihu Lake starts a wonderful life of the day in the beautiful Wuxi, which is partly thanks to the support that ABC has been providing silently all along. The green credit implemented by Wuxi Branch debuted after the “Taihu Lake blue-green algae” incident. In the past 7 plus years, the branch has actively supported the comprehensive regulation of environment in Wuxi area, with focus on promoting the remediation of agricultural pollution sources in Taihu Lake, Lihu Lake, Xibei Canal and Jiulihe River, riverway improvement, centralized sewage treatment, rainwater and sewage separation works. Cumulatively, it has made available over 20 billion yuan of loans.

To further beautify the water environment of Taihu Lake and its inner lake --- Lihu Lake, Wuxi Branch further delivered a loan of 1 billion yuan for desilting and greening on 39km of banks along Taihu Lake dam. The desilting, widening, bank building and greening in 261 inland river water system added charm to the bright pearl of Taihu Lake.

Case: Coal-related technological transformation: Supporting the green transformation of coal industry in Shanxi

Shanxi is a big province in terms of energy and coal resources. Years of resource development has resulted in substantial carbon emission and environmental damage. Shanxi Branch introduced the business philosophy of “green credit” to support the M&A and technological transformation of coal enterprises in light of the provincial government policy on integration of coal resources.

In 2014, Shanxi Branch focused on the two industrial chains of “coal-electricity-materials” and “coal-coking” of the 7 largest coal groups and approved an M&A loan of 500 million yuan for Zezhou Tian'an Coal Co., Ltd. under Shanxi Jin Coal Group, of which 200 million yuan has been issued; a technological transformation loan of 500 million yuan for Yangcheng Jinsheng Rundong Coal Co., Ltd. also under Shanxi Jin Coal Group, of which 100 million yuan has been issued, contributing to the smooth progress of the projects.



Picture: Full view of the factory buildings of Hongshi Cement Group after energy-saving technological transformation under the support of Zhejiang Branch

Supporting green development

ABC injected financial vigor into environmental protection through responsible services. In 2014, ABC strengthened control over the loans for high pollution, high energy consumption and excess capacity industries, supported industrial structure shift toward resources-saving and environment-friendly by means of credit, focusing on the fields of energy saving and environmental protection, e.g. clean energy, recycling economy and environmental governance, as important foothold, ABC strongly supported the Chinese economy in the continuous transition toward “green development, recycling development, low-carbon development”.

By the end of 2014, the balance of the ABC loans for energy saving and environmental protection field stood at 34.566 billion yuan.

Case: 1.3 billion yuan: Boosting the green transformation of power plant

Upholding the idea of green credit, Guangdong Meizhou Branch played a crucial role in the transformation of core business by Mei County Heshuyuan Power Plant. The branch targeted its development direction of the comprehensive utilization of clean energy and renewable energy and alone provided it with a credit of 1.3 billion yuan to support its technological transformation project for the comprehensive utilization of resources and the construction of subsequent projects so that the power plant can use coal gangues and inferior coal for power generation. Meanwhile, the branch makes full use of such business varieties as recyclable loans for circulating funds, banker's acceptance bills and domestic letter of credit to meet the daily fund needs of the enterprise. By the end of 2014, the total installed capacity of the power plant reached 1.47 million kw, turning the plant into a leading generating unit of the industry in terms of continuous and stable operation time and economic benefit.



Picture: Full view of Heshuyuan Power Plant in Mei County supported by Guangdong Meizhou Branch

“I have installed ETC, which is convenient, fast and affordable. I don't have to stop my car to go on and off an expressway. I also get a 0.3% discount for tolls. You had better find time to get one from ABC as well.”

--- Customer Wang

Case: 58,000 vehicles: ETC card enabling low-carbon travel

In 2010, Chongqing government called for implementation of the ETC project for expressways. As the only bank to support the project at its initial stage, Chongqing Branch spent two years of hard work on R&D and activated the entire bank's efforts to ensure the project's success. By the end of 2014, the branch had cumulatively signed up 58,000 ETC vehicles benefiting 50,000 expressway users, and donated some 60,000 on-board units (OBU) to citizens totaling at 21 million yuan of subsidies.

Case: 35 million yuan: Energy performance contracting (EPC) leading to remarkable benefits in energy saving and emission reduction

EPC is an important initiative to push forward energy saving and emission reduction during the 12th Five-Year Plan. Wuxi Huazhao Hongguang Technology Co., Ltd. is engaged in light emitting diode (LED) business. Over half of its sales income is derived from EPC service.

Jiangsu Branch Wuxi Technology Sub-branch went into long-term cooperation with the company. By the end of 2014, it had cumulatively supplied 35 million yuan of loans. Over the years, under the support of the sub-branch, the company has earned 82 million yuan from EPC sales, equivalent to saving 35,000 tons of standard coal and achieving obvious benefits in energy saving and emission reduction.

Case: 450 million yuan: Supporting the development of recycling economy

Shaanxi Black Cat Coking Co., Ltd. is the largest independent coking enterprise of the province. Shaanxi Branch actively expands the cooperation with the company and strongly supports the development of recycling economy.

At the initial stage, the branch extended 450 million yuan of fixed asset loans with a “package” of matching financial services to support the company to successfully put into operation the first demonstration project of recycling economy in the west China, which started the mode of recycling economy that integrates cokes, chemical engineering, electricity and building materials and formed the industrial strengths of “comprehensive utilization of resources, leading position in energy saving and emission reduction, extended industrial chain”. Then, the branch explored and developed financial leasing business and cumulatively processed 730 million yuan of equipment leasing business to support the company in building a project for the comprehensive utilization of cokes with a capacity of 4 million tons, effectively meeting the urgent need of the company for project construction funds.



Picture: Beautiful scenery of terraced fields in Guizhou

Optimizing services

Committed to becoming a bank that
customers are satisfied with and trust
——Agricultural Bank of China

Data · Stories

1,320 outlets: “Super Counter” providing better and faster services

ABC boasts the largest customer base in all commercial banks and a network connecting both urban and rural areas. In every 3 domestic residents, 1 is the customer of ABC. Therefore, it is a special and significant responsibility for the bank to provide good services and create value for its customers.

When Smart City became a new topic in the development of China, ABC paved the way for the nationals toward higher life quality through the explorations made in the field of smart bank. In 2014, ABC inaugurated the “Super Counter” operation mode it had developed in 37 branches across the country and, in the whole year, installed 899 hall-mounted Super Counters and 957 desktop Super Counters in 1,320 outlets.

The greatest characteristic of “Super Counter” is that it has broken away from the traditional processing flow of bank business to replace it with a new business processing mode that integrates hardware equipment with software system and features “on-site guidance in the hall, DIY processing by customers, professional back-office verification”, thus realizing quick processing of the non-cash business of most personal customers. The card-opening business of personal customers that tends to take tens of minutes on a counter now needs only 3~4 minutes on the “Super Counter”.

A customer processing outbound cross-border remittance said: “In the past, many documents needed to be completed for remittance. Through the ‘Super Counter’, all you need to do is to enter the information. It’s very convenient.” Mr. Zhang who was buying a wealth management product also praised: “In the past, the receipt and product description generated from wealth management business often had as many as 8 ~ 9 pages. The pages carry personal information and are troublesome to keep and handle. Through the ‘Super Counter’, the information is converted to electronic data, which are concise and safe, relieving people of any worry.”

Concerns of Stakeholders



What new service price standard did the banking industry implement in 2014? What are the changes that have taken place in the charging standard of ABC?



The “New Regulations on Prices” that started to be implemented on August 1, 2014 cover 17 settlement expenses, 7 commitment expenses, 12 consulting expenses and 14 expenses involving enterprises.

ABC introduced a number of rules and measures to clear up service charges and persist in collecting fees strictly according to rules and regulations without “overstepping the line” to ensure that the products and services are consistent between quality and prices. To ensure customers’ right to know and select, all the operation outlets of ABC make public the prices strictly as required by the regulatory authorities for open, transparent, complete and detailed fee scale to provide customers with tangible benefits.

In 2014, ABC exempted small and micro enterprises from tens of service charge items, including financing service charges, amounting to reduced collection of about 10~11 billion yuan, thereby making its due contributions to lowering social financing cost and financial consumption cost.

Protecting the rights and interests of customers



Picture: Employees of Shanxi Changzhi Branch introducing the service price standard of 2014 version to a customer

Initiatives Taken in 2014 to Promote New Price Standard

Field	Initiative	Content and Effect
Standard System	Sorted out the price standard of 2014 version under the principle of "reducing fee-charging projects and fee scales"; Carried out the sorting out and revision of the texts of standard contracts of the whole bank	Lowered prices of some settlement business and expanded preferential policy for some investment bank business Canceled fee-charging items of some business categories and integrated the charging standard Optimized and improved the structure and content of some price standards to facilitate customers' search and use; The texts of 119 standard contracts were revised at the level of the head office, followed by the matching revisions made by 37 branches.
Publication	Formulated publication plans and texts; identified "4 unifications", i.e. unified publication form, unified publication template, unified publication manual, unified price standard	Publication through the platforms of official website, official twitter, official WeChat, mobile banking, hall advertising of outlets and publicity information
Supporting facilities	Transformed the system, including the overall optimization of the interface processes for counter service and self-service devices (including self-service cash terminals and self-service terminals) Opened 24-hour hotline for customer service and complaint	Point out service prices in all service channels to ensure their right to select the relevant services Properly handle customers' questions about fee scales, which shall be answered and responded to within a given time limit.

Case: Jiangxi Branch: Answering customers' questions

In 2014, to implement the new version of *The Measures for Management of the Service Prices of Commercial Banks* and *The Catalogue of Government Guide Prices and Government Pricing for the Services of Commercial Banks* ABC systematically sorted out its price standards and carefully announced the same to ensure customers' right to know and transparent pricing. To further strengthen the management of information security, ABC formulated the "Measures of the Agricultural Bank of China for Management of Credit Card Business Risks" to intensify the protection of personal financial information and applied to NDRC for the pilot project of online banking secure application to enhance the capability of protecting the information and trading behavior of customers through the application transformation of native cipher algorithm of personal online banking, corporate online banking, e-business and mobile banking.

"50 yuan is the ceiling of the handling fee for personal inter-bank account transfer and remittance on the counter? Does it mean that I need only to pay 50 yuan if I remit 400,000 yuan of housing purchase funds to my son in another place?" At the business hall of Jiangxi Xinyu Branch, a middle-aged customer with a service charges publicity foldout in hand asked the hall manager on duty.

"Hi, I am a part-time service fee administrator here. I am glad to serve you. Starting from August 1, ABC started to implement a more preferential new standard of 2014 version for service fee. For personal inter-bank account transfer and remittance of more than 50,000 yuan on the counter, the fee will be collected at the rate of 0.03% for every remittance and will not exceed 50 yuan at maximum. In your case, if you remit 400,000 yuan to another bank in another place, the fee to be collected will not exceed 50 yuan." The hall manager pointed to *The 2014 Version List of the Agricultural Bank of China for Service Prices* hung on the wall and explained it to the customer warmly.



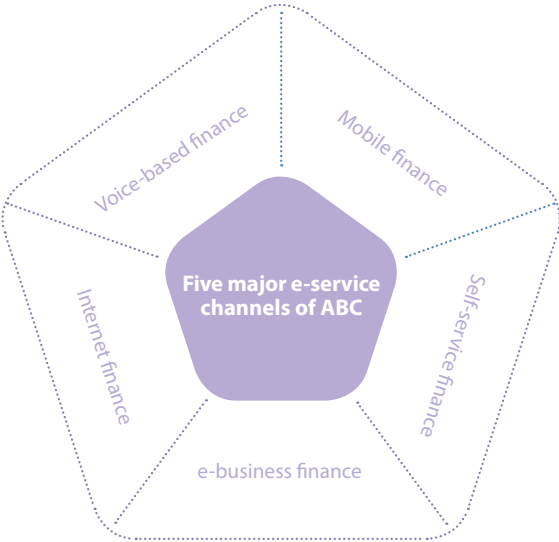
Picture: Employee of Shanghai Branch introducing the service price standard of 2014 version to a customer

Enriching service channels

By the end of 2014, ABC's electronic channel transactions accounting for **72.56%** of the total number of transactions

By the end of 2014, the outlets of ABC had covered all the provincial-level administrative regions, all the prefecture-level cities except Sansha city and 100% of the county-level administrative regions, with the number of electronic channel transactions accounting for 72.56% of the total number of transactions.

“Physical outlets + virtual outlets” are the two wings of modern service mode. In 2014, ABC focused on promoting the optimization and adjustment of outlet layout, carried out the pilot construction of community banks, set up financial convenience shops or farmer-benefiting stations primarily for self-service to expand service coverage. On the basis of optimizing the online financial service system, ABC took into account the trend of Internet financial development, set up the Internet financial promotion office, conducted forward-looking researches and expanded the building of electronic channels to accelerate the transformation from the e-banking with basic financial services to the Internet-enabled finance enriched with commercial services, aiming at creating a first-rate provider of online financial services.



Internet financial products at mobile terminals that went online in 2014

Name	Site of Experiment	Characteristics	Function
Yin Xun Tong	Sichuan Branch	Supports characteristic services like new rural old-age insurance, financial subsidies for rural areas, utility bills, tobacco and agriculture-related e-business.	To Upgrade village-level financial service mode and enhance county-level financial service
Jin Yi Tong	Beijing Xinfadi Vegetables and Fruits Wholesale Market	Provides merchants with card swiping collection and payment, collection of cash, bill management, inquiry, statistics and relevant services; also supports mobile card swiping payment or mobile phone payment.	A wide field of application, with low cost, more convenient, fast, safe and stable

Case: Convenient and safe: New version of mobile banking

On September 4, 2014, ABC released a new version of its mobile banking. Upholding the idea of safe, convenient, free and mobile finance, ABC carried out upgrading and transformation in response to customer needs and went all out to create a mobile financial portal of high security level, strong product functions and excellent customer experience.

Safer financial transactions with “Tongyong K Bao”

The new client of mobile banking can support “Tongyong K Bao”, a new authentication tool, and has realized a breakthrough in transactions at the level of mobile banking certificate through video and Bluetooth technologies. Featuring a high security level, strong universality and convenient use, it can be used for both mobile banking and personal online banking to become the “accompanying guard” of customers.

K Code making it more convenient to trigger payment

The new mobile banking has introduced the function of payment via K Code. Compared with the original payment via mobile phone, operation is more convenient; payment is not limited to a certain type of card; no security medium is necessary. When making payment on a mobile phone, a customer needs only to enter card number, mobile phone number and SMS verification code to complete payment, thereby meeting customers’ needs for petty cash payment in any place and at any time.

E-Purchase Tianjie enabling easier shopping

The new mobile banking has incorporated E-Purchase Tianjie by integrating merchant resources to create a service platform and provide customer with resources of quality goods. The life services and rich online applications included therein can be added at will and managed easily to fully cover all aspects of daily life and make available to customers a mobile, free and fashionable way of life.

Case: Interactive Experience Center of smart outlets

To enhance the channel service capability of the outlets and meet the needs of the local people for financial services, Fujian Branch set up the Interactive Experience Center in outlets, which is equipped with self-service card issuing machines, electronic poster machines, LED screens, PC all-in-one and mobile banking and supported by WIFI environment. The center can demonstrate uses, conduct marketing, enable transactions and exhibit services to create excellent service experience for customers.



Picture: Interactive Experience Center of Fujian Branch

Case: Services available at fingertips: “Smart Bank” leading citizens in enjoying modern finance

While sitting in a sofa for a rest, you can click the tea table to find the business you want to process; while waiting to transact your business, you can amuse yourself on the financial recreational experience module On September 28, Hubei Sanxia Branch unveiled its first “Smart Bank” in its Fortune Center, which provides integrated smart and personalized financial services and attracted the customer present, who stopped to experience such financial services “at fingertips”.

Customer Zhang Ning got into the module of “Financial Supermarket”, where she opened the interface to find out the products she was interested in, finally selected a WMP and subscribed to it online. A wealth management manager of the Fortune Center immediately came to her and told her: “The system has sent the information of your subscription to my mobile IPAD. Please come with me to the Wealth Management Room for the follow-up.” Zhang Ning was impressed: “Such convenient and fast services are in keeping with the trend of intelligent technology development!”

Case: Community bank: Providing round-the-corner services for common people

In 2014, Hubei Branch and Shandong Dongying Branch respectively built and commissioned 20 and 15 community banks, initially forming an innovative mode of community bank services that integrates staff-provided services and self-service devices.

“If I go to an outlet to transact my business, I need to get a number and queue up and it will take at least 15 minutes to get the card. In the community bank, however, it takes only 5 minutes.” Ms. Wang who was opening a card noted: “In future, I just need to step out of my home to deposit or draw money, pay my utility bills and telephone fees and buy WMP.”

Shandong Dongying Branch attempted at setting up the manned self-service bank of “staff site guidance + customer self-service” and issued publicity foldouts to residents to explain financial knowledge, answer customers’ questions and continuously expand the radius of community services.

To highlight the “community” characteristic, community banks also provide local residents with self-service express delivery boxes, blood pressure monitors, inflators, newspapers and magazines in addition to traditional banking services and cooperates with third parties to provide value-added services, e.g. Lakala, release of housing leasing information, commissioned receipt of faxes and commercial discussion rooms, to meet the personalized needs of community residents.



Picture: The self-service money changer installed by Guangdong Branch can convert some 20 foreign currencies.



Picture: Publicity of financial knowledge

Case: 1,120 taxis accept card-swiping payment for convenient and safe ride

To improve the management of taxi industry of Tianjin, reduce the operation cash flow of taxis and lower the personal and property risks of drivers, Tianjin Branch cooperated with Tianjin Urban All-in-one Card Co., Ltd. and terminal manufacturers to carry out the transformation of the card-swiping terminals of the taxis in the city. By the end of 2014, the installation of the terminal had been completed in 1,120 taxis. After the transformation, the card-swiping terminals of the taxis can accept electronic cash payment via urban card and IC cards reaching UnionPay standard. The terminals are connected with the fare meters of the taxis for passengers to pay fare through card swiping. The settlement funds will be available on the next day. The mode is safe, convenient and fast.

Case: WeChat bank service number: Integrating service blocks

In 2014, “ABC” WeChat banking service number integrated three major service blocks, including “Smart e-station”, “Financial e-station” and “Life e-station”, to provide customers with all-round services such as marketing information, financial transactions via debit and credit cards, credit recharging, purchase of game coins and other value-added services. ABC is the first in financial sector to provide “Yi Gui Tong” business pre-processing service, greatly saving the time of customers and the resources of outlets; originated the management mode of branch characteristic business to provide customers with a succinct operation interface through the “unified management” of the head office, “unified views”, “concerted development” of branches and “personalized exhibition”; established the mechanism of sharing the development results of both the head office and the branches; became the first within the sector to transform its service mode into a browser go-to mode with better customer experience and higher data confidentiality.

Innovative services and products



Picture: Citizens in Sanya, Hainan Province experiencing "Kins Sanya Citizen Card"

By the end of 2014, the number of innovative products of the head office reached 408, including 10 characteristic products for "Sannong", and that of the branches reached 548, including 5 for "Sannong".

ABC persists in the innovation-driven approach, enthusiastically promotes the innovations in products, functions and services, provides customers with convenient and efficient products and services, and continuously introduces new products that meet customers' personalized needs.

Case: 689,000 transactions: More convenience thanks to personal online loan platform

In pace with the development trend of Internet finance, ABC innovated the service mode of its personal loans and developed and promoted personal online loan platform to provide customers with convenient personal online loan services.

By the end of 2014, the total number of personal loan transactions for which the application was filed through the platform had reached 689,000, involving an amount of 238.2 billion yuan, of which 151 billion yuan had been issued cumulatively, including 492,000 applications filed in the year, involving an amount of 162.5 billion yuan and an increase of 103.8 billion yuan of newly issued loans, up 249%, 215% and 219% from the beginning of the year respectively.

Case: Full-featured e-business payment platform of a new generation goes live

To meet the requirements of the rapid development of e-business, ABC successfully commissioned phase I of its full-featured e-business payment platform of a new generation in September 2014 and started to run it on a trial basis with merchants like Apple for installment payment and China Railway Corporation for freight payment. The platform is a unified platform of ABC for e-business payment and settlement and also an important basic platform for Internet and mobile finance.

The platform uses a new technological architecture and has achieved 6 unifications, i.e. the unification of product models, merchant management, order management, fee charging models, channel access, security control.

Case: 9,121 Kins Sanya Citizen Cards bringing more convenience

As a famous tourist city of China, Sanya attracts large numbers of tourists with its pleasant climate and beautiful landscapes. To provide its citizens with convenient financial services and assist the city government in attaining the goal of building a "digitalized and informationized" international tourist city, Hainan Branch joined Hainan Smart City Company in introducing the "Kins Sanya Citizen Card", which has turned the financial IC cards of ABC into an intelligent city card for business, travel and life. By the end of 2014, 9,121 such cards had been issued.

In addition to all the functions of financial service of general debit cards, the card is compatible with the standards of UnionPay and the Ministry of Housing and Urban-Rural Development. After interconnection was achieved between the city and 35 domestic cities in October 2014, its citizens may hold the card to take local buses in 35 cities, such as Ningbo, Lanzhou and Fushun, and enjoy a preference of a 10~40% discount of the base price when they travel around the country.

Case: Tibetan Branch: First Zhi Fu Tong of Tibetan version went live

Since Tibetan Branch launched Zhi Fu Tong business in October 2009, its county coverage rate has reached 70% and the amount of delivery ranks first among peers of the region, effectively filling the gap of financial services in key townships and villages of Tibetan region. In 2014, it introduced the function of services in Tibetan language, which is the first of its kind in the region in terms of the navigation functions of Tibetan language. The introduction of the Tibetan operation pages of Zhi Fu Tong has effectively removed the linguistic barriers encountered by ethnic minority customers in the course of transaction. The easily understandable language tips and the plain operation instructions have further enhanced customer experience, thus erecting a bridge for Tibetan farmers and herdsmen to transact financial business.

Case: Payment via cell phone WAP: Ending the 54-year history of on-shore payment

Located at the western gate of Nantong, Nantong Lock is a major water transport throat between the Yangtze River and inland rivers and also an important passage for the water transportation of bulky cargoes. Within the jurisdiction, there are a number of locks and the large number of boat people had to get on shore for payment by queuing up for 1~2 days normally or even 5~6 days, reflecting very low efficiency.

To change such a traditional mode that wastes both time and energy, Jiangsu Gangzha Branch and Nantong Waterway Department jointly developed the innovative lock video registration and e-payment system by concentrating their technological resources and relying on the cell phone WAP payment system of ABC, in light of the characteristic that most of the boat people are youngsters who have a high rate of using smartphones. The system has replaced traditional mode of payment for passing through the locks and changed the 54-year history Nantong Lock Management Station of going on shore for payment.

"In future, I need only to make a phone call on my ship to pass the lock in 1 minute. The 'one-stop' service is indeed true to its name!"

--- Ship owner Zhang Qin



Picture: The popularization of financial knowledge

Providing considerate services

Providing customers with high-quality services is always the unchangeable pursuit of ABC people. In 2014, ABC pushed on the transformation of outlets, propelled their 6S management, continuously enhanced their comprehensive management capability and services; issued the “Notice on Implementing the Plan for Standardized Service Language and Standardized Service Flow of Bank Outlets” to promote the “two standards” required by CBRC and continuously improve service quality in outlets.

Ordinary customer	Customer complaint->instant handling->track->feedback and summary
Difficult customer	Customer complaint ->written report->coordination by head of Customer Service Center to address the complaint->any problem arising in coordination to be reported to the deputy general manager in charge for the follow-up->track and handle complaint according to written instructions before reporting the results to deputy general manager in charge and related departments
Major complaint	Customer complaint ->preliminary verification->report it to leadership->draw up a formal solution->communicate with customer to make explanations->report the result of handling

Case: Classified processes: Carefully handle the complaints of customers

When handling complaints, the Customer Service Center of ABC follows the three principles of instant response, “you first receive it, you follow it up”, timely reporting. The complaining customers are classified to strengthen the timeliness and pertinence of the handling mechanism through an all-round complaint processing mechanism.

- Formulated the relevant rules and regulations; established or improved the mechanism of appraising, processing and responding to claims;
- Optimized and improved the relevant processes to ensure true and objective appraisal and processing as well as timely and effective response to customers;
- Strengthened early warning about complaint and after-event management;
- Counted relevant data and cases; sorted out the improvement measures and suggestions, which were reported to the related departments of the head office and branches



Picture: Employees of Hubei Enshi Branch serving the Selenium Expo

Case: A story about “reviving” 10,000 yuan of fragmented notes

In June 2014, the story about the employees of Hui’an Sub-branch in Quanzhou, Fujian spending 6 hours “rescuing” 10,000 yuan of notes for an old woman became a favorite topic in the local area.

Granny Li aged more than 70 lives in Xiaozha Town, Hui’an Town, Fujian Province. By doing chores for others, she has saved some money, about 10,000 yuan, which she wrapped up with a plastic cloth and tucked into a wall crack beside a coop, for she feared that she might lose the money and had no idea how to deposit it in a bank. Unexpectedly, the pack was pecked by the chicken flock that mistook it for food. When what happened was found, the 10,000 yuan saved so painstakingly had already become so tattered that not a single note was intact. On the day, Granny Li took a bag of dirty and shattered notes to a bank for conversion. She went to several banks, but was turned away by all.

Cherishing a last bit of hope, she came to our Hui’an Sub-branch in Quanzhou, Fujian for assistance. After over 6 hours of meticulous work, the employees receiving her finally recovered a whole table of broken notes into pieces of red notes of 100 yuan, which were counted to result in 9,600 yuan of notes that can be converted and used, excluding those that had been turned into dust by the chickens or so deformed as to be unrepairable.

“Thank you so much! I will deposit the money with ABC. In future, I will save all my money with you,” Granny Li said gladly after seeing how the shattered money was “revived” by the clever fingers of the employees of the sub-branch.



Picture: Employees of Hui’an Sub-branch spent 6 hours “rescuing” the 10,000 yuan of notes of Granny Li.

Case: Commitment: Complete your business in 15 minutes

Shenzhen Longgang Sub-branch serves over 260,000 customers and receives over 500 customers each day. How to provide them with good and fast services has become an issue that the employees of the outlet often think about. The branch has continuously optimized its hardware and software and finally realized no more than 15 minutes of wait for VIP customers and no more than 30 minutes of wait for ordinary customers. The per capital business volume of the tellers has risen from 90 to 110, up 22%.

The commissioning of self-service devices and Super Counter has greatly increased the diversion of on-site customers for non-cash business. In 2014, the diversion rate rose to 75%. Meanwhile, the branch promotes electronic products and the diversion rate of personal e-channels has exceeded 95%.

It is because of these bits of efforts that the branch dares to bear responsibility and make the commitment “to completing your business in 15 minutes” personally signed by the president to the customers.

Service special groups



Picture: Happy smiling faces

By the end of 2014,
it has issued

71.96

million of cards to the
old people participating
in "Xin Nong Bao"

By the end of 2014, it has issued 71.96 million of cards to the old people participating in "Xin Nong Bao" (new rural social endowment insurance) and cumulatively paid 10.686 million yuan of pension.

Special customers, e.g. the old, the sick and the disabled, have special financial needs. Only by adjusting the system and changing the mode is it possible to warm their hearts. ABC has always persisted in solving difficulties for the customers of the special groups by providing services that are as considerate and humanized as possible.



Picture: Courtesy Seats

Case: Serving the old people participating in "Xin Nong Bao" (new rural social endowment insurance) in the mentality of children

As the only agent bank for "Xin Nong Bao" of the whole county, Anhui Lai'an County Sub-branch overcame many difficulties and issued some 80,000 cards by working hard for 15 consecutive days, 12 hours a day. It set up 150 payment points throughout the county to ensure that all the old people qualified for receipt of pension will receive it in time without the need to go out of home. By the end of 2014, the branch had cumulatively paid 116.17 million yuan to local old people.

The "Xin Nong Bao" pension is paid to old people aged 60 or above. It often occurs that some of them forgot their password or lost their card. Some old people living in remote villages find it very difficult to report the loss to an outlet, let alone those staying in bed for long due to serious disease. To better serve such old people and ensure that they can receive their pension in time, Lai'an County Sub-branch set up a team providing free up-to-door acceptance of loss reporting for them under the precondition of meeting the requirements of the system. By 2014, the sub-branch had provided the service for 640 times, covering 130 administrative villages and 8 communities throughout the county, with a total mileage of more than 8,000km.



Picture: Employees of Weinan Branch in Shaanxi Province practicing gesture language to provide obstacle-free services

Case: Old man Wang Zhengzhi: What a surprise that you have come so far away for my business

In Haoyi Village, Miaoshang Town, Linyi County, Yuncheng, Shanxi Province, 99-year-old Wang Zhengzhi tightly held the hands of an employee of Xi'an Shangpu Road Sub-branch to thank them for coming from Xi'an to process insurance business for him.

It turned out that Wang used to work in Xi'an. After retiring, he returned to his native place to live with his family. Not long ago, when using his ABC card to receive his pension, he was told that his business could not be processed because his bankcard had been demagnetized. As the bankcard was received in Xi'an when the old man retired, the remagnetization must be done by the holder or his agent at the place where it was first issued according to regulations. Considering the long distance and the fact that both his son and daughter-in-law were above 70, Wang and his wife were really worried.

After learning about his situation, the sub-branch sent two employees on its own initiative to provide up-to-door service, who made a 5-hour trip to the old man's home and solved his problem in time.

Case: Tianxin District Sub-branch: Serving a special customer

On December 21, 2014, at 3 pm, a ragged old man came into the business hall of Gangcheng Sub-branch of Tianxin District with a woven bag in his hand. Hesitantly, he timidly took a heap of smelling changes out of the bag and asked in a low voice: "This is what I got through begging. Can I save them?" The hall manager answered without any delay: "Of course." The director of the outlet even personally brought him a cup of hot tea. When departing, the beggar mumbled repeatedly: "Thank you,," with the hand holding the passbook shaking.

Enhancing operation efficiency

Accelerating the construction of the modern operation system

In 2014, in keeping with the reform theme of “macro operation, macro back office”, ABC steadily pushed forward provincial-level concentration, further tamped basic management, continuously enhanced concentrated operation capability of the back-office, accelerated reform of key projects, strongly optimized counter flow, consistantly improved the capability for payment settlement and business clearing, further consolidated the operation management foundation of the whole bank for reform, development and operation transformation. In the year, the daily turnover of the bank’s core production system increased by 21% from last year, with a peak daily turnover that reached 297 million transactions.

Case: Multiple measures taken to enhance efficiency

The branch have further enhanced business operation and processing efficiency by optimizing workflow and improving back-office business handling speed.

Tianjin Branch: Integrating and optimizing credit process

Tianjin Branch started with the classified access process to implement the combined submission of multiple matters to approval for customer classification and credit matters. For the branches that concurrently hold the power of examination and approval for fixed asset loans, customer classification and project access, the approval of a fixed asset loan by a branch is deemed as the approval of project access and the customer is deemed as the customer to be supported. This has reduced repeated operation and boosted the integration and optimization of credit business process. To gradually implement “unified submission, sharing of information, separate approval”, the branch has gradually optimized and integrated the rating of legal person customers, classification of customers and other business under the support of the function of C3 system for submission of multiple matters to reduce the links of information circulation.

Guangdong Branch: Concentrated operations of back office

Guangdong Foshan Branch strongly propels the concentrated operations of back-office business. On the one hand, it strengthens the building of a concentrated operation center, mans it with professionals of high business quality and a strong sense of responsibility, improves management, intensifies supervision and further enhances operation quality. On the other hand, it regularly sends business backbones to the outlets for investigation and making targeted implementation plans, concentrates the back-office business of the largest business volume and highest consumption of time in the outlets to the center and erects a concentrated operation module that features the acceptance of business in the front office and the collaboration of multiple people in different places. The concentrated operation of business in the back office has reduced the work pressure of the tellers of the outlets, enhanced the efficiency of the counter business of the front office and greatly improved business processing efficiency in the back office.

In 2014,the daily turnover of the bank’s core production system increased by

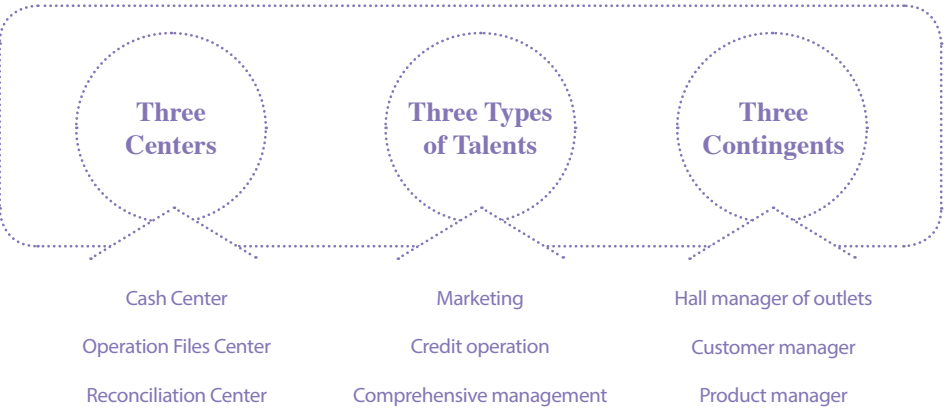
21%
from last year



Picture: Modern operation and management office

Case: Hainan Branch: Enhancing the efficiency of outlets through “3-3”

In 2014, Hainan Branch went all out to reduce the burden of its outlets, stimulated their vigor and boosted the enhancement of their efficiency by creating “three centers”, “three types of talents” and “three teams” and taking the measure of focusing on management, process, contingent and examination. Through the acceleration, the queuing time for the authorization business of the Branch has been reduced from 20 seconds to around 3 seconds and the success rate of authorization has stabilized at above 95%. Besides, the operation efficiency of the outlets has also improved noticeably and the average time consumption of all links related to outbound remittance business of the outlets has been reduced from 1 hour to 15 minutes, while that of account business from 1 hour and 20 minutes to 40 minutes.



Promoting the construction of the disaster recovery system

Disaster recovery system is a vital defense line that protects business continuity of financial institutions and an important measure that safeguards the security of their information and network. In 2014, ABC furthered the construction of its disaster recovery system and improved disaster recovery management mechanism; carried out security education and training by holding 24,800 sessions of security education and training 349,000 employees; formulated *The Emergency Plan Guidance Template*, which includes the drills designed to dispose of 12 emergencies, such as explosion and fire. In the year, ABC carried out 28,500 drills of all plans, which involved the participation of some 341,000 people.

Case: Major breakthrough made in business-level disaster recovery drills

On August 21, 2014, the Data Center of ABC successfully held a business-level disaster recovery drill for its information system. The drill consisted of 5 stages: response to event, early-warning preparation, system recovery, business authentication, summary and rollback, and successfully recovered 9 types of core businesses, including public applications, internal accounting, treasury cash, off-balance sheet, bankbook, bankcard, customer information, sister bank, cash management. The success rate of business authentication was 100% for 542 business outlets under 36 level-1 branches across the country.

Case: Security capability of self-service equipment enhanced by technology

In 2014, Henan Xinxiang Branch put great efforts to control the risks of self-service devices, intensified use of technology in the field of security and became the first among ABC branches of the province to install tear gas device with remote control function in the money replenishing room of self-service equipment to enhance its security capability.

The tear gas device is composed of the central control software, front-end tear gas device, tear bombs, door magnetic detector, infrared detector and alarm horn. For purpose of the device, the existing internal video monitoring network technology of ABC is used to enable the central software to control the front-end machine and the tear bombs. By the end of 2014, the Branch had invested 650,000 yuan in phase I to add the device to 50 sets of self-service equipment.

Fighting financial crimes



Case: Continuously advancing anti-money laundering initiatives

Enhancing anti-money laundering management

ABC explored the reform of the anti-money laundering work mode, intensified the effectiveness of the monitoring of suspicious transactions, enhanced technological support capability for anti-money laundering, strongly carried out anti-money laundering publicity and training, assisted judicial departments in making anti-money laundering and anti-terrorist financing investigations, thus playing an important role in safeguarding social stability and national security. In 2014, ABC maintained a professional anti-money laundering contingent of 37,730 people (on both full-time and part-time basis) and assisted in 4.4894 million anti-money laundering investigations.

In 2014, Hunan Zhangjiajie Branch organized the activity of anti-money laundering publicity month under the themes of "Prevent money laundering, maintain financial security" and "2014—Protect yourself, stay away from money laundering", which effectively enhanced the public awareness about anti-money laundering and risk prevention, further advancing the anti-money laundering efforts. During the activity, over 12,000 copies of materials were distributed and the number of people receiving onsite consulting topped 5,000.

Case: Continuously tamping anti-money laundering management

Since it started business, New York Branch has strictly abode by all the provisions of domestic and overseas regulatory authorities, continuously strengthened the building of its own system and personnel training, adopted a "zero tolerance" attitude toward compliance risks. In 2014, the branch built and commissioned the anti-money laundering automatic monitoring system and customer due diligence system, basically realizing the automatic processing of the daily tasks related to anti-money laundering, including customer due diligence, anti-money laundering risk rating, and real-time filtration of OFAC sanction list. Meanwhile, the branch used cases where the regulatory authority took enforcement against and imposed fines on foreign banks to provide the employees of the whole bank with annual training in compliance with anti-money laundering provisions and strengthen its compliance culture. In the joint inspection by New York Federal Reserve Bank and New York Department of Financial Services, New York Branch received the comment of overall "Satisfactory" for the second time, leading its Chinese counterparts in the local place.

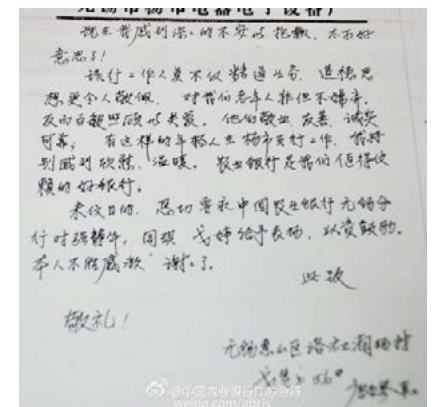
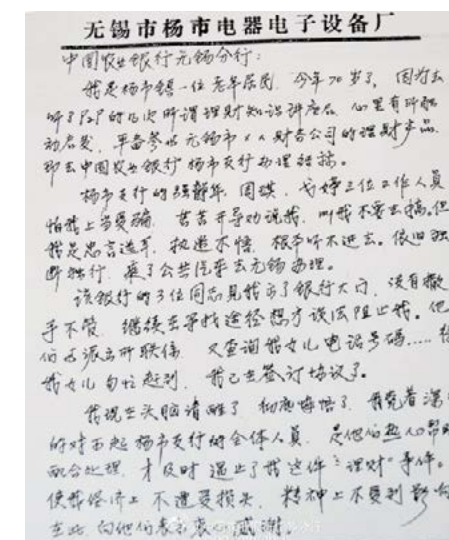
Strengthening anti-corruption drive

The anti-corruption drive concerns the survival and development of ABC itself. In 2014, ABC persisted in both reform/development and the anti-corruption drive in strict compliance with the relevant requirements and deployment of the CPC Central Committee and in light of its own reality, vigorously promoted the building of the system for punishment and prevention of corruption and solidly advanced all efforts in the regard, achieving positive results.

Case: Setting up part-time disciplinary inspectors of outlets

To further strengthen the ranks of disciplinary inspection, Hubei Branch issued *The Opinions on Setting Up Part-time Disciplinary Inspectors of Grassroots Outlet* in early 2014 to establish the system of part-time disciplinary inspectors, making it clear the inspector shall generally be the director or deputy director of an outlet. These part-time disciplinary inspectors are responsible for the specific fulfillment of relevant tasks, e.g. reinforcement of incorruptness, case prevention and control, special treatment of cases, building of a safe and sound ABC. Their performance will be examined at year end by the outlets. By the end of 2014, all the 922 outlets under Hubei Branch had appointed such inspectors.

Customer's thank-you letter





Picture: Activity of "Telecommunication Fraud Prevention Publicity Day" held by Tianjin Dongli Sub-branch

Building an anti-information fraud system

To fulfill its social responsibility, maintain the safety of customer's funds and effectively curb the occurrence of telecommunication fraud cases, ABC guided business outlets under its jurisdiction in conducting publicity about preventing telecommunication fraud to enhance customers' ability to recognize and identify telecommunication fraud. In 2014, the counters of the whole bank blocked 9,321 external fraud incidents that involved nearly 2.6 billion yuan of funds.

Case: Maintaining the security of network information

At the public experience exhibition of the first National Network Security Publicity Week, the booth of ABC was composed of the exhibition area, learning area and interaction area.

The exhibition area served to show the major achievements made by ABC in recent years in protecting the safety of customers' funds and information as well as maintaining the stability of financial services.

The learning area served to introduce knowledge about financial security risks including the most common fraud, Trojans and Phishing sites, and the needs for customers to develop a good habit when using online banking for payment, bankcard for card-swiping consumption and other financial services.

The interaction area had simulation equipment that gave the audience a direct experience of the process whereby Trojan softwares were used to steal account password in the absence of security measures for online banking.

Meanwhile, for customers who could not come to the scene to take part in the Publicity Week activity, ABC organized its 37 branches across the country to conduct publicity through their outlets as required by the People's Bank of China and issued over 1 million publicity manuals to customers.

Case: The judicial inquiry system (JIS) of ABC going live successfully

In 2014, ABC organized the development of the judicial inquiry system (JIS). Compared with data inquiry systems that runs independently among ABC branches, JIS features more precise design and stronger capability of ensuring compliance inquiry and customer's information security. Additionally, the system has integrated the information on the ABC cards in respect of their opening and transaction details from the different channels and territories of the Bank. It can display the counterparties of intra-bank or inter-bank account transfer and names of POS consumption merchants to provide instant output of inquiry results, thereby basically meeting requirements of judicial authorities for "inquiring about the whole bank in a province".

In merely 45 working days of trial operation, the system already assisted 246 judicial authorities across the country in completing the inquiries about 4,576 case-involved card numbers or ID cards and generated about 2.1 million of information feedbacks, providing huge convenience for judicial authorities in case handling and winning their praises.

Case: Protecting the safety of customers' funds

In 2014, Shenzhen Branch further strengthened the fight against anti-information fraud, took multiple measures to build an anti-information fraud system, stepped up cooperation with the Internet Monitoring Branch of the Public Security Bureau of the city, printed foldouts for anti-information fraud publicity and distributed them to the business outlets for customers to take away and read; urged the sub-branches to dispatch guards to business outlets and require business hall staff to intensify the interruption of information fraud; provided fast inspection and freezing of the funds in bank accounts according to the agreement for joint prevention.

By the end of 2014, the sub-branches reported 31 telecommunication frauds to the protection information system and avoided monetary loss reaching RMB 518,500 yuan. The branch assisted public security entities in freezing 1,160 accounts with 22.8 million yuan of funds involved in telecommunication fraud.

Case: 980,000 yuan: Successful interruption of a telecommunication fraud

In June 2014, an old woman aged over 80 came into Shanghai Dapu Sub-branch and took out 980,000 yuan in bundles out of an old-fashioned travel bag, requesting to remit the cash. The large amount immediately raised the alert of the teller, who soon found something suspicious by asking about the information and transaction record of the payee. Then, the teller joined the hall manager in delaying the process and cooperated with policy in finally thwarting this case of telecommunication fraud involving a large amount, helping the customer to retain the 980,000 yuan of cash.



Picture: Anti-fraud effort recognized by customers

Taking delight in public welfare

Committed to becoming a harmonious bank promoting social progress

——Agricultural Bank of China



Data · Stories

30 “Mothers’ Health Express” delivering both love and health

As a member of the society, ABC never forgets to repay the society, lend a hand of hope to the groups that need help the most and works for the sharing of its own development results with the entire society. In 2014, ABC continued to do its bit in supporting the reconstruction of the areas affected by disasters as it had always done and kept working on its own public welfare programs, which are named “Mother’s parcel” and “Mothers’ health expresses”. ABC’s effort continues to benefit more crowds and contribute to the construction of a harmonious society.

In 2014, ABC again joined hands with China Women Development Foundation and donated 3.6 million yuan toward the purchase of 30 “Mothers’ Health Express”, which were delivered to Nanjing, Shanghai, Guamanian and Huber to provide local women with medical services, including physical examination, treatment of diseases and health care for pregnant and lying-in women.

As mobile medical vehicles, the Health Express rely on the hospitals and medical workers of the recipient areas to provide services. In 2014, the 30 vehicles supported by ABC went to the above four provinces to provide medical services in response to their needs, gaining favorable comments from the locals wherever they went.

By the end of 2014, the hospitals implementing this project had cumulatively trained 2,735 grassroots medical personnel, gave free medical consultation to 11,592 people, provided health check for 32,002 people, assisted 2,015 people in poor conditions, transferred 1,686 pregnant or lying-in women and issued 1420.87 million yuan worth of free drugs, benefiting 100,000 women. At the end of the year, ABC won the 2013-2014 “Model Award”, the highest honor of the “Award of Charity Work for Chinese Women”.

“We villagers have a lot of house chores to do and need to look after the kids at home. We really cannot spare time to receive a checkup in the hospital of the town. Now, everything is fine. The hospital has a “Mothers’ Health Express”, which can be driven by the doctors to our homes for the checkup. That’s really a tangible benefit for us in the rural areas.”

— A service recipient from the rural area

Concerns of Stakeholders



Does charity mean donations only?



Donation is a part rather than the whole of charity. The report made at the 18th CPC National Congress calls for “improving the social assistance system and supporting the development of charities”. ABC holds that doing charity is by no means as simple as just taking a tiny portion of annual profit and donating it. Instead, the undertaking must find its way into the core value system and business mode of the enterprise so as to go far.

Over the years, ABC has given full play to the advantages of its diversified product portfolio, a service network covering urban and rural areas and advanced technology in financial infrastructure to provide charities with quality services.

ABC bears the cost of the financial products and services on its own initiative to build up the image of a large State-owned commercial bank that is responsible to the society and repays the society in a persistent manner.

Disaster relief and assistance in reconstruction



Picture: Full view of the new city reconstructed in Yushu, Qinghai Province after the disaster

ABC strives to be a vanguard of disaster relief and assistance in reconstruction. In 2014, to ensure the continuation of the financial services for the areas affected by disasters, e.g. Ludian in Yunnan Province, ABC quickly activated the emergency disaster relief mechanism, opened a “green passage” through the counters of the outlets and e-service channels and reached the earthquake area at the first opportunity to set up a “mobile bank”. ABC opened up a “green passage” to fast track loan approval and delivery for post-disaster reconstruction and provide full support for the residents in the areas to carry out production for self-rescue and housing reconstruction. In addition, ABC established a long-term mechanism of providing financial assistance for the areas affected by disasters.

Case: Mobile bank: Vanguard of financial assistance

On August 3, 2014, a 6.5 magnitude earthquake hit Ludian County, Yunnan Province. Yunnan Branch managed to sent its employees to carry the business equipment manually to Longtoushan Town, the frontline of post-disaster rescue, after overcoming the difficulties of blocked roads and intermittent aftershocks on the day immediately after the event. Despite the breakdown of telecommunication services, Longtoushan mobile bank finally started business on August 5 at 15:00 after repeated tests involving cooperation between multiple parties. The mobile bank is the first such bank set up by the financial institutions of Yunnan in the earthquake area and is a vanguard of meeting the financial service demand of the locals.

During its presence in the disaster area, the mobile bank handled 420 deposit transactions involving over 27.8 million yuan, over 700 withdrawal transactions involving over 3.6 million yuan, over 80 account transfer transactions involving 1.3 million yuan, over 20 credit card repayment transactions involving 170,000 yuan, over 400 inquiries, over 1,300 customer consultations, over 160 new bankcards issuance and 27 SMS service initiation. Acting as the “Hui Nong program” payment points, the mobile bank conducted over 70 transactions.

Case: Project specific loans: Supporting the residents of disaster areas in home reconstruction

Gansu Branch: “Rural residential benefit” project home loans for farmers in the earthquake area

Gansu Branch introduced the special innovative product of “rural residential benefit home loans for farmers in the earthquake area” to fully meet the financing demand for house reconstruction in the earthquake area of Min County.

The product was customized for the 93,000 victims there. The limit of the loan is generally from 10,000 to 15,000 yuan and the upper limit of a single household is either 50% of the total investment in the house construction or 50% of household income during the loan terms, whichever is less. The maximum term of the loan is 5 years and can be extended upon expiration in case of repayment difficulty. The loan charges standard borrowing rate and is insured by state-owned loan insurance company under joint guarantee arrangement. By the end of 2014, the project loan amounts to 65.6 million yuan and reaches 1,183 households in the affected area.

Sichuan Ya'an Branch: House building loans for the farmers in the disaster areas

In April 2013, a strong earthquake of magnitude 7.0 slammed Lushan. After over a year of recuperation, the area is showing scenes of a general prosperity. In the period, Sichuan Ya'an Branch provided strong support for its recovery.

To support the reconstruction of rural housing in the disaster area, ABC promptly introduced *The Management Measures for House Building Loans for the Farmers in Lushan Earthquake Disaster Area* to implement a better rate for home reconstruction loans in the disaster area. ABC did its best to provide low-cost funding by forfeiting its profit. Ya'an Branch actively took part in the “new home” and “warm winter” programs for reconstruction of rural housing in the area. By the means of “devide and delegate”, ABC formed joint groups together with the civil servants of the townships to provide “one-stop” services for the farmers in their housing reconstruction. Providing that the documentations are complete, it would take only 2 hours to issue a loan, thus ensuring the efficient supply of the loan. By the end of 2014, Ya'an Branch had issued 74.2 million yuan of the loan to 1,629 households.

“In post-disaster Lushan, reconstruction has been going on smoothly and all people's livelihood projects are adequately supported. This is inseparable from the wholehearted support of ABC, which Lushan won't do without in the past, present or future.”

— Head of Ya'an Urban Planning Bureau



Picture: Mobile Bank in Longtoushan, Yunnan Province

Case: 500 million yuan: Assisting the post-disaster reconstruction in Hainan

On July 18, 2014, a force 17 super typhoon “Ramasoon” swept across Hainan Province. The strong wind encountered once in tens of years brought with it substantial rainfall and raged through the whole island. Faced with the disaster, ABC immediately took part in the local relief efforts and reconstruction by donating 5 million yuan, urgently increasing the credit limit by 1.005 billion yuan to support the local enterprises in their production for self-rescue and opening a green passage to examine and approve the loans for post-disaster reconstruction so as to fast track loan application acceptance, approval and delivery, thereby providing funding support for the victims.

Public welfare projects

Repaying the society has been a consistent reflection of ABC's responsibility. In 2014, ABC continued to push the implementation of *The Guide of the Agricultural Bank of China to Public Welfare Projects* and carried out volunteer activities under the themes of caring for special groups, advocating social civilization and environmental protection by using young volunteers as backbone strength. ABC donated 34.5 million yuan to public welfare in the year, with focus on supporting the public welfare projects of "Mothers' Health Express" and "Mother's Parcels" to contribute its bit to the improvement of social well-being.

Case: Co-branded Card "Showing Love through Pieces of Paper"

On December 1, 2014, ABC released the ABC-CCF (China Charity Federation) Co-branded Card named "Showing Love through Pieces of Paper" and became the exclusive financial service provider of the product.

Sponsored by CCF, the project calls on the society to raise funds by donating used paper. The fund would go to treatment for children from poor families who are suffering from congenital cardiovascular disease and leukemia and toward the setup of "Emergency Aid" fund. For the purpose of the project, ABC introduced personal and corporate co-branded cards, with which the card holders can donate the proceeds from selling used paper.

Besides, the cards are connected with the information platform of the project so that the donors can promptly access the information on the use of the funds by the benefactors. It ensures that the whole process is transparent and in turn helped promote public participation.

"After ten rounds of screening, our project has been finalized as 'Status quo of Special Education in Fujian Province'. Our team scaled mountains and forded streams to carry out the investigations, just because we want special children to receive better education. We weighed every word when writing the report, which contains our understanding of and expectations for special education. We tried to think out of the box and will carry the cause of love through to the end."

— Zuo Yuhong of "Think out of the Box" Practice Team of Xiamen University



Picture: "Sannong" public welfare activity held by Guangdong Branch

"1 industry, 2 policies, inspection of 3 places, going into farmland 4 times, 5 enterprises, 6 links, 7-day trip, 8 weeks of preparation, 9 team members, and a report of 100 thousand words. Looking back at the entire process of preparation and investigation, we paid our sweat and harvested experience, wisdom and a sense of being touched."

— Guo Chaofan of School of Economics and Management, Tsinghua University who went to Dafeng, Yancheng, Jiangsu Province for investigations



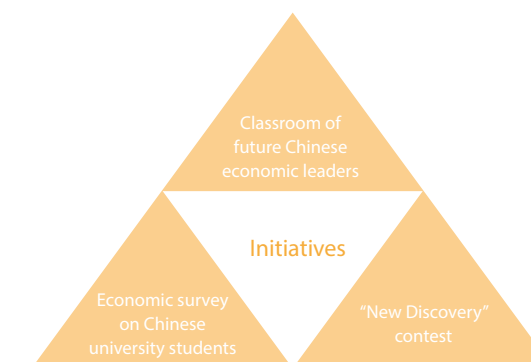
Case: "Aid your growth · undergraduate fostering program"

To cater for the tens of millions of Chinese undergraduates, ABC and the *First Financial Daily* jointly launched the public welfare activity entitled "Aid your growth · undergraduate fostering program 2014". This public welfare platform was created in 2011. It is to become a beacon-like platform of public welfare for helping the young. Through indefatigable efforts, it has attracted over 14,000 undergraduates from some 200 institutions of higher learning throughout the country.

In 2014, three sub-programs were introduced under the program: Classroom of future Chinese economic leaders, economic survey on Chinese university students and "New Discovery", a micro documentaries contest among Chinese university students.

Held class and interactive activity in 25 universities across the country; academic and business celebrities were invited to the campuses to hold talks and interact with students. The subjects included Chinese economic trends, the life experience of the speakers, the essential traits of economic leaders. The talks are to pass on the speakers' experience and to help the students to set lofty goals in life and positive values and world outlook.

Provided funding for nearly 100 students in carrying out the economic survey summer project. The survey topics are the economy, environmental protection, public welfare and mid-to-micro business development issues in remote areas. Purpose of the summer project is to encourage undergraduates to better understand the economy, so as to gain a personal contact with and understanding of the details of the Chinese society.



With "discover the new power of personal growth" and "discover the new power of economic life" as its themes, collected micro documentaries among university students to foster their vision and perception in using cameras to record the society. Received nearly 200 pieces of work and drew the online attention of more than 2 million undergraduates.

Case: 2.25 million yuan:
Supporting “Kins Project”
for spreading financial
knowledge in rural middle
schools

If the middle school students in the poverty-stricken western regions can master modern financial knowledge that is highly integrated with the modern social life before they step into the society to start work and independent life, that will not only effectively spread financial knowledge through the family bond and influence the financial decisions made by their parents, but also enhance their capability and confidence in future economic activities.

Starting from 2012, ABC donated 2.25 million yuan to Chinese Financial Education Development Foundation to support it in launching the project of “Spreading Financial Knowledge in Rural Middle Schools” and providing training in basic financial knowledge for rural middle school students in the national-level impoverished counties in central and western regions. In 2014, the project had been promoted to 44 rural middle schools in 11 counties of 6 provinces in central and western regions; 17,261 students had been trained; a course package entitled “Financial Knowledge Accompanying My Growth—Popular Reader of Financial Knowledge for Rural Middle School Students” was composed, winning the title “National Outstanding Science Popularization Works of 2014” awarded by the Ministry of Science and Technology.

Case: “5-1s” activity
helping students

On the International Volunteer Day falling on December 5, 2014, 20 young volunteers of ABC went to Juncheng Town Middle School in Tang County, Hebei Province to the “5-1s” voluntary service activity. In the form of “1 class, 1 activity, 1 batch of donations, 1 focus of help, 1 revolutionary education”, the activity upholds the volunteer spirit of “dedication, mutual help, fraternity, progress” and is well received by the teachers and students of the school.

Tang County is an old base of the Revolution and a national-level poor county. Limited by local economic conditions, Juncheng Town Middle School is relatively backward in basic teaching facilities and the per capita teaching resources of students. On the trip, the young volunteers of ABC went into the classrooms and held the class meetings under the theme “Hometown in my heart” to awaken the students’ love for families, the school and the society.

The volunteers also donated money and goods to the school, including 777 gym suits bearing the logos of ABC and the school, 298 sets stationery and sporting goods, 20 sets of amplification devices. Additionally, the volunteers also formed a “hand-in-hand help” group with three students from poor families, donated 3,000 yuan as education funds and promised to provide each of them with 2,000 yuan of living cost subsidies each year at the stage of compulsory education.



Picture: “Kindling hope, transmitting care” activity held by Shenzhen Branch for children with autism.

“The ‘Red Candle’ of
ABC has a pair of wings.
Wherever it flies, it kindles
the ‘loving heart’ there!”

— Headmaster Gao
Jinshan of Shanhe Central
School, Shanyin County,
Shuozhou city,
Shanxi Province

Case: “Red Candle”:
Illuminating village-level
primary school with love
and care



Shanhe Central School in Shanyin County, Shuozhou, Shanxi Province is the only village-level primary school existing in the county and bears the task of providing general education for the children in the surrounding 14 administrative villages, with over 230 pupils enrolled. With the expansion of its scale, the school has encountered many difficulties, including severe shortage of funds, crowded dormitories and insufficient classrooms. Daily operation becomes increasingly difficult.

After learning about the situation, Shanxi Shuozhou Branch reached out to the school, sent its young volunteers to hold the “Red Candle” pair-up assistance activity and donated some 20,000 yuan worth of goods, effectively solving the living difficulties of the pupils and giving the school the confidence and strength for development.

Case: Lending a helping
hand to pupils: charity
activity of VIP customers

2014 is the third consecutive year when Guangdong Branch organized the charity activity of VIP customers entitled “Lending a helping hand to pupils”. In the activity, the families of VIP customers went to visit some impoverished areas to experience the poor-rich gap through the communications between the families in the two places so that urban children can learn the tenacity and simplicity of rural kids, while the rural kids can witness the future hope and face up to life in a staunch and positive manner.

Donated books, stationery and sports equipment to help the school improve its teaching conditions and enrich its teaching means



Organized the families of VIP customers to visit the families of very poor pupils to experience their living state on the spot and send their care and sympathy

Organized the children of VIP customers to interact with rural kids in a wide range of activities

Case: “Persuasions about civilized traffic”: Volunteers in action

Guangdong Heyuan Branch has persisted for long in holding the volunteer service of “persuasions about civilized traffic in urban areas”. In the activity, the volunteers held signs bearing reminders like “Civilized traffic, part with bad habits” and “Civilized travel can ensure safety” to direct traffic, explain basic traffic knowledge to passersby and persuade jaywalkers.

Since the activity was held for the first time in 2013, the volunteers of the branch guided the stream of more than 15,000 people.

Case: “Love · you + me + him”: Students aiding program in Ejina Banner

Since it set up a volunteer team in 2011, Hong Kong Branch joined the famous charity groups of Hong Kong and carried a series of volunteer service activities, such as “Student aiding volunteer project” and “Holiday charity visit”.

In 2014, Hong Kong Branch made donations to the “Love · you + me + him --- students aiding program in Ejina Banner” sponsored by the Youth Committee of Hong Kong Association of Chinese Enterprises. The program raised a total of RMB 700,000 yuan and donated school supplies, e.g. learning machines, schoolbags and stationery, and stipend for nearly 100 pupils of poor families in the Mongolian School and Wanquan Primary School of Ejina Banner. Hong Kong Branch donated HKD 50,000, the largest amount in all the donating enterprises.

Case: “Same dream, same home”: Xinjiang Teenager Summer Camp Activity

In August 2014, ABC successfully held a Xinjiang teenager summer camp activity entitled “Same dream, same home”, which aims to help the teenagers from Xinjiang to learn about the economy and culture of the capital, enhance their love for the motherland, increase the friendship between the teenagers of the two places and strengthen national fusion and unity.

The summer camp lasted 5 days. 46 teenagers and teachers from Hetian, Xinjiang climbed the Great Wall and visited the Forbidden City, the Summer Palace and the Winter Palace accompanied by volunteers from ABC to experience the glories of the Chinese civilization. They watched the flag-raising ceremony at Tian’anmen Square and had a close look at the Monument to the People’s Heroes to recall the revolutionary martyrs and inspire their patriotism. They also visited China Science and Technology Museum and the Capital Museum to explore the mysteries of science and sow the hopes and dreams about national rejuvenation.



Picture: Scene of “Urban Farmer” activity of Shenzhen Branch

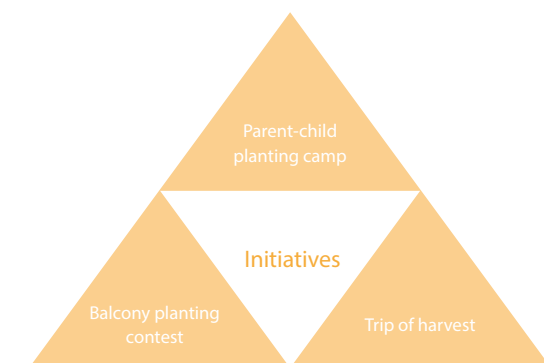


Picture: Charity sale for Ya’an — Young volunteers of Jiangsu Jiangyin Branch contributing to disaster relief

Case: Brand of responsibility: “Go Green ABC”

In 2014, Shenzhen Branch continued to deepen the “Go Green ABC” CSR brand and carried out a series of environmental protection activities under the theme of “Urban Farmers”. The public can sign up through the official WeChat account of the branch. The activities include “parent-child planting camp”, “balcony planting contest” and “trip of harvest”. The activities covered the whole year, highlighted the “green” style and pass on the ideas of “LOHAS”, public welfare and low carbon.

Parents are encouraged to take their children to the urban planting camp to gain the knowledge about plants and environmental protection and plant the greens themselves. This is a helpful experience of educating children to cherish green life and environment.



Provide training in planting, issue seeds and encourage participants to cultivate plants on their own balconies and then bring the mature plantation to the contest.

Organize the public to go to the planting camp to harvest vegetables and fruits, experience a green life style and disseminate the idea of environmental protection.

Helping employees succeed

Committed to becoming a happy bank with
a dense atmosphere of home culture

——Agricultural Bank of China

Data · Stories

216 units of temporary housing: Warm home for employees

ABC deems every employee as the most precious resource. All along, ABC has upheld the HR development strategy "people-oriented and talent-based bank". The bank protected the legitimate rights and interests of employees, provided intensified vocational education and training, actively built a multiple-channel career passage, improved the multi-dimensional performance evaluation mechanism, paid attention to humanistic care and the physical and mental health of employees. The policies has effectively enhanced the employee's sense of mission, sense of responsibility, sense of achievement and sense of identity.

In Qinghai Province, many employees have their homes in Xining, while they themselves work in faraway counties. For the employees whose workplace is relatively close to home, they can return home once every 2~3 months to stay for 7~8 days; for those whose workplace is far away, however, they can return home only once every half a year or even once a year. The two issues of housing and distance have been nagging the employees in Qinghai and, to an extent, have dampened their work enthusiasm.

To improve the living conditions of the employees in high and cold pasturing areas and solve the accommodation issue of the employees working on a cross-regional basis, in 2014, ABC invested 33.52 million yuan building staff temporary housing (intended to meet the need for temporary housing of the employees having no housing in the workplace) for 12 county-level sub-branches under Qinghai Branch in Huangnan Prefecture, Guoluo Prefecture and Yushu Prefecture, which have an elevation of 3,500m or above. The units were built according to a uniform standard and 18 of them were built for every county-level sub-branch. Total cost amount to 2.9 million yuan. The residents layout for management and clerical employees is the same. Each suite is 45m² and contains 1 kitchen, 1 lavatory and 1 sitting room, with fully furnished facilities. Employees need only to pay the utility bills, property maintenance and heating fees to move in with their belongings. Their dependents can also live here while visiting the employees. Each building of the temporary housing is also equipped with an oxygen bar, fitness equipment, small canteen and small bathroom. By the

end of 2014, 216 units had been built, with a total building area of 12,000m². Except those of Chengduo County Sub-branch in Chengduo County, Yushu Prefecture that have not yet been completed, the units of all the other 11 county-level sub-branches have passed the final acceptance check and the employees have all moved in.

Concerns of Stakeholders



How to increase the "happiness index" of employees?



Employees are our precious wealth and also the power of our business development. We believe that the type of employees we hire decides the type of our bank. Only when the employees have vigor and a bright prospect will an entire enterprise have hope.

In reality, bank employees are not as happy as they are rumored to be in the society. They often have to bear the pressure from family, performance evaluation and society. Therefore, one of our top priorities is to use our best efforts to enable our employees to lead an easygoing and happy life. This is essential for ABC, which has 500,000 employees.

The "6 practical means for humanistic care" program is one of the measures taken by ABC to increase the "happiness indexes" of its employees. The 6 means are striving to reduce the burden and pressure of grassroots employees, providing further preferences in salary for the grassroots, carrying out the "home building activity" project, setting up ABC loving heart fund, nurturing the career development of the employees and attending to the physical and mental health of grassroots employees. The above measures have become the solemn commitment of the head office to the grassroots employees.

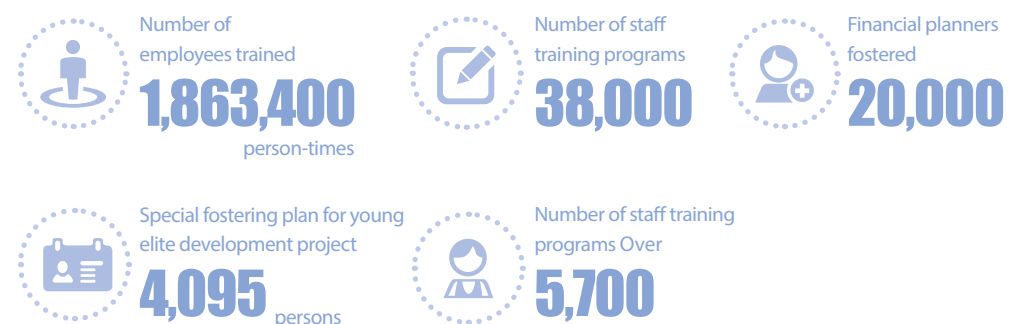
Career development



Picture: Refresher class of advanced degree courses for equivalent educational level

Enhancing the comprehensive quality of employees

ABC has three major streams of career paths, which are management, professional and technical skills. Guided by the goals of fostering “4 contingents” and “10 types of talents”, ABC has set different focus of training subjects according to the varies skill set demand of business development and line of work. The training programs relies on the platform of the Agricultural Bank of China University and its E-college to provide the employees with catogorized and layered professional training, enhances the employees' skills and efficiency at work. To serve its internationalization strategy, ABC improved the foreign language talent database and expatriate reserve talent database in 2014 to speed up the selection and fostering of international talents.



Case: County level young elite development project

To improve the quality and structure of county-level talent contingents that serve “Sannong”, ABC started in 2013 to select around 2,000 outstanding employees who were recruited from campus or were former college-graduate village officials from county-level sub-branches each year for special training. The goal is to train around 6,000 young backbone members by 2015 who love the “Sannong” undertaking, take root in the counties and are urgently needed to serve “Sannong”. This is the first such project of ABC and also the first major project of the financial industry that focus on training county-level young elite. It has created a “fast lane” for aspiring youths to grow in counties and provided a stage for them to display their capability. Hence it is strategically significant in building county-level work force that serve “Sannong”.

By the end of 2014, more than 4,000 young talents had been selected into the talent database. For the first batch of 2,000 selected young elite, their growth has begun to show an initial success: 68 have been promoted to the position of deputy president (including president assistant) of county sub-branch; 161 have entered the list of potential leadership of county sub-branch; 332 have been appointed as outlet director.

Case: Implementing the enhancement training project for excellent talents

In 2014, Hebei Zhangjiakou Branch implemented the enhancement training project for excellent talents and held a refresher class of advanced degree courses for equivalent educational level. In the year, it held three sessions of such training and 1 subject survey activity. The content of training included the professional quality, Internet finance and sinology --- history of the Chinese culture etc. In the activity, 344 research reports were received.

Case: “Dream tutors” helping new employees get oriented

To accelerate the training of newly recruited university graduates and help the new employees adapt themselves to job needs and get merged into their teams as soon as possible, Qingdao Bei'er Sub-branch implemented the “Management System of Induction Tutors for Newly Recruited University Graduates” and selected the employees with a high theoretical quality and professional skills to act as their induction tutors for “on-on-one” coaching.

Case: Wuhan Training College: Conducting training in the comprehensive quality of employees

In 2014, Wuhan Training College conducted the training in the comprehensive quality of employees and regards it as an important part of staff performance evaluation to spur the employees to continuously update their knowledge base, enhance the overall quality of the workforce, boost its own transformation and development, and assist in the building of the Agricultural Bank of China University.

In June of the year, the college held a 5-day face-to-face training class involving courses on the comprehensive quality of employees. The training included more than 10 courses involving 5 components, such as integrity and resistance against corruption, staff performance management etc. The trainees attended the online studies and training through the E-college and were encouraged to take into account their work reality in selecting the course subjects among training education theory, theories on modern economy and finance, operation and management of commercial banks, risk management, marketing and “Sannong” business.



Picture: Etiquette training in the Business Department of Shenzhen Longgang Sub-branch

Opening up career development passage

ABC attaches great importance to the career development of employees, continuously optimizes career paths management and provides a broad career passage for the promotion, flow, multi-dimensional development and dynamic adjustment of employees, makes available a wide stage for the career development of employees to achieve the mutual growth of both the employees and the enterprise.

Case: Shanxi Branch: Creating a platform for young employees to grow

In recent years, Shanxi Jinzhong Branch has continuously strengthened the care for young employees to create a platform for them to grow. Specifically, it carried out career guidance activities for the young employees and held regular youth symposiums to find out about the mental state of the young employees and guide them in establishing a positive and healthy state of mind; provided a variety of activities involving young employees, e.g. the "Aspired youth, let your dream fly" debate competition; the essay soliciting activity entitled "Meet your future self"; the micro-blog contest of "Looking for the young model beside you", to encourage the youths to take ownership of their jobs, look forward to the future, foresee their own future and become young models with "virtue, love, aspiration and responsibility".

Case: Henan Xinxiang Branch: Menu-like training

In 2014, Henan Xinxiang Branch innovatively took the service flow of the catering industry to its product training design. The training procedure including steps such as "menu planning", "selection of chef", "meal delivery service" and "after-meal comment". The branch used training tours as carrier, including "sub-branch director explaining cases, departmental head getting on the rostrum, business experts passing on experience". While giving "menu" training a profound connotation, it sent a "feast" to the grassroots outlets to fully meet their training needs and assist in the marketing of new products.



Picture: Marketing skill contest carried out by Hunan Branch



Picture: Interest class of calligraphy and painting held by Guangdong Shunde Branch

Case: Shandong Branch: Dreams setting sail

Shandong Branch used four activities, including "Youth Navigation", "Youth Growth", "Youth Making Contributions" and "Youth Fulfilling Dreams", as carrier to push forward the "Dreams Setting Sail" project of young employees.

Youth Fulfilling Dreams

Establish the mechanism of recommending, utilizing and retaining talents; strengthen the effective management of young employees; provide broad development opportunities and space for their personal growth.

Youth Making Contributions

Make scientific adjustment to the system and mechanism of CYLC work; stimulate the hard work spirit and creation potentials of young employees; give play to their role of main force

Youth Growth

Open up channels for communications and exchanges; encourage young employees to learn; meet the needs of young employees for growth, success and physical and mental health; enhance the service capability and performance of the CYLC organization

Youth Navigation

Deeply cultivate the corporate culture of ABC; foster and implement the socialist core values; guide young employees in forming correct world outlook, outlook on life and values

Caring for employees

Reflecting its care for the success, life, physical and mental health of employees, ABC provides them with annual medical examination, holds lectures on health knowledge, distributes health-related e-journals to help them prevent occupational diseases; paying special care to female employees by holding lectures on feminine health issues.

Case: Providing psychological counseling of EAP mode

In 2014, Hebei Langfang Branch introduced the “EAP Employee Help Plan” that meets the purpose of training and the needs of new employees for all-round psychological counseling, including solution to pre-job anxiety and stress, psychological confusion settlement, and self-confidence improvement. The purpose is for the new employees to learn about how to trust and communicate with each other and how to handle contradictions through teamwork. The program provided guidance to employees to explore their own strengths and weaknesses, and plan their career path. The whole process of counseling was guided by the counselor to focus on the experience of the trainees. Team activity was extended to the level of psychology to gain experience in practice and reap harvest in experiencing. The counseling received satisfactory results. The trainees generally stated that their self-confidence and team awareness had increased obviously and their direction of growth had become clearer.



Picture:Guangdong Branch organizing staff activities to promote their physical and mental health



Picture: Meals being prepared for the employees of the outlets of Guangdong Branch

Case: Care for female employees

Guangdong Branch cares for the quality enhancement of female employees and uses various routes to boost their growth and encourage them to take an active part in certified academic education programs and professional and technical charter examinations. By the end of 2014, Guangdong Branch appointed 1,088 females to the positions above deputy section chief, accounting for 34% of the total, and had 74 female civilization demonstration posts.

To promptly solve the difficulties encountered by female employees, the branch perfected the files of female employees in poor condition, held lectures on the physical and mental health of females, purchased Ankang insurance, hospitalization supplementary medical insurance and maternity insurance for them to enhance their medical security.

Case: Staff home: Building a home culture

In 2014, the branch in various places took initiatives of caring for employees and focused on the building of “Staff Home” as the breakthrough of people's livelihood projects, thus really increasing the happiness indexes of the employees and received their high praises.

Shanghai Branch set up the “6-must system”, i.e. must bless an employee on his/her birthday; must congratulate an employee getting married; must visit a child-bearing employee; must call on a hospitalized employee; must express sympathy to a bereaved employee; must take part in the labor dispute involving any employee. The branch promoted the infrastructure construction of “staff home” and built 61 small canteens, 230 small restrooms and 114 activity rooms.

Ningxia Branch allocated 1.71 million yuan of subsidies for preferential installation of facilities in the canteens and staff dormitories of the outlets in remote townships; the lunch facilities of the outlets in urban areas of the county level, the staff dormitories and canteen facilities of county-level sub-branches.

Xinjiang Bo'ertala Branch invested 1.1 million of construction funds for the comprehensive transformation of the “staff home” of 4 sub-branches and 1 rural outlet within the jurisdiction. The project involves 1,750m² of renovation, and construction of the exhibition of corporate culture, realizing the full coverage of staff home construction.

Chongqing Qijiang Branch complete the construction of the staff homes of the business offices under level-2 Dongxi, Datong and Ganshui Sub-branches, repaired and improved the staff canteens, bathrooms and activity rooms for the employees in remote mountainous areas. Meanwhile, the branch purchased facilities and equipment, e.g. furniture, air conditioners and gas ranges, which improved the life quality of the employees of the outlets in rural areas, created a comfortable work environment for them and enhanced their sense of belonging.

Helping employees

In 2014, ABC continuously improved the long-term mechanism of helping employees in need of support, carried out the activity of visiting such employees and increased the aid offered to them. In the year, the institutions of ABC at all levels altogether helped 34,750 employees.

Case: Over 300,000 yuan: “Peer Help” donations

Shi Chuanchang is an ordinary employee of Guanyang County Sub-branch under Guangxi Guilin Branch. In November 2013, his daughter was diagnosed with acute lymphocytic leukemia. By May 2014, she had received 5 courses of treatment, costing over 340,000 yuan. Fortunately, through the hospital, a match was found in China Bone Marrow Bank for a bone marrow transplant operation. But, the operation would incur a huge medical bill of at least 500,000 yuan, which was a tremendous pressure on the family.

After learning about the incident, Guangxi Branch immediately activated the green passage to draw 50,000 yuan as aid fund out of its “Beneficent Fund” and issued a donation proposal in its headquarters to mobilize all the employees to lend a hand and help him tide over the difficulty. In merely days of time, 529 employees of the headquarters of Guangxi Branch donated 109,800 yuan; the employees of the headquarters of Guilin Branch donated 23,400 yuan; the employees of the affiliates donated 147,310 yuan. Altogether, Guangxi Branch raised over 300,000 yuan, which was given to Shi Chuanchang, providing financial support in time and bringing his family enormous warmth and hope.

Case: Enable to university dream of for the students of the staff with financial problems

Xinjiang Branch pays high attention to the 2014 “Autumn Student Aid” activity and has made it one of the work focuses of the trade union this year. The branch made timely deployment, carried out extensive investigation into the schooling of the children of the financially challenged employees in all sub-branches and decided on the specific standard for financial aid according to the financial status of the families of destitute employees reported by the sub-branches as well as the actual tuitions of their children and the different degrees of difficulty of each family. In the activity, 51,000 yuan was given to 32 children of the employees of 11 level-2 sub-branches within the jurisdiction to ensure their enrollment in school and enable their university dreams.



Picture: Hubei Jinzhou Branch carries out a wide range of recreational activities to ease up work pressure and enrich the life of its employees.



Picture: Yoga training class of Guangdong Shaoguan Branch



Picture: Employees of Shanghai Branch wrapping rice dumplings to observe the Dragon Boat Festival

Cultural activities



Picture: Badminton competition of Shanghai Zibo Branch

ABC holds a variety of recreational and sports activities, such as cooking contest, reading clubs, PEN club, storytelling and sports competition, to create an optimistic and positive corporate culture, thus further enriching the cultural life of the employees and strengthening their cohesion and centripetal force.

Case: New York Branch: Promoting the cultural exchanges between Chinese and American employees

New York Branch is the only operation body set up by ABC in America and employs both local Americans and recruits from China. The two culture interacts closely at the workplace.

To enable the Chinese employees to learn and merge into the local culture and the local employees to know more about the traditional Chinese customs, the branch organizes activities on major holidays of both countries in orders to promote the communications and exchanges between the employees and enhance team morale. During the Christmas holidays, the branch decorated the offices according to Western tradition to create a local festive atmosphere; during the Spring Festival, the branch organized a small evening party, where the local employees played guitar and sang songs, while the Chinese employees performed crosstalk, contributing to a lively scene; during the Mid-Autumn Festival, the branch organized all the employees to go on an outing, admire the moon and taste mooncakes.

Case: Vigorous youth: Dashing ahead in happiness

On May 17, 2014, Shanghai Branch held the cross-country orienteering activity of youths entitled “dashing ahead in happiness”. Sixty young employees from the 18 business units and the headquarters of the branch formed 12 teams, which completed the tripartite activity, including relay of environmental protection idea, barbecues and park orienteering competition.

The whole event went on brilliantly. Each of the 12 teams showed its skill, with the young members vying for the championship with their wisdom, physical performance and team collaboration.

Role models leading the way

Culture is the soul. In the 60 plus years, a large number of advanced models have arisen in ABC, which are the largest in number and well worthy of the title in the financial industry, providing strong spiritual power for the sustainable development of ABC.

What these advanced models reflect is the “good family style” that ABC has inherited through the 60 years and a pot of delicious “cultural soup”. We should strongly promote the “Rao Caifu spirit” of selfless contribution, the “Er Lan spirit” of fearing no sacrifice, the “Wang Xi spirit” of serving “Sannong” and the “Suzhou ABC spirit” of vying for the first forever.

Case: Role model organization: Suzhou Branch



A blueprint

Ever since its establishment, Suzhou Branch has had 8 executive presidents. Looking back at the years of steady development of the branch, we keenly feel that the key to maintain such a good momentum is to “follow one blueprint through to the end”: meaning that whether under a favorable or unfavorable circumstance, whether in a period of economic prosperity or a period of economic downturn, whether in a period of rapid development or in a period of transition and adjustment, the branch always acts in accordance with the laws of governing a first-class modern commercial bank, adapts itself to market changes, the needs of customers and economic transformation. The branch always works hard and pioneers one generation after another. The branch never changed gear just because of a change in its management.

The blueprint is to unswervingly persist in the guideline of “development, transformation, better quality, higher efficiency” so as to turn Suzhou Branch into a real bank. In different historical stages, Suzhou Branch set up different goals, including creating a “powerful, vigorous and charming ABC”; becoming “the largest, strongest and best” regional leading bank; becoming a bank that is “a regional leader, benchmark of the sector and top-class in China”; becoming a “benchmark of first-class branches, a leading bank of transformational development and a model of happy ABC”. Although the environment is changing and the teams are changing, the goal of “becoming a first-class bank” that lies at the innermost core and was set the first in the period of the shift toward commercialization has never changed and our pursuit of “a top place in the financial sector of the city, the first place among the ABC outlets of the whole province and an advanced position among the ABC institutions of the whole country” has never changed.

Firstly, we base ourselves on the core business to become first-rate. We adhere to the essence of running a bank, always regard deposits as the cornerstone of a bank and credit as its pathfinder, use international settlement as the head of forex business, hold fast to the primary business of a bank.

Secondly, we rely on operating efficiency to become first-rate. We have always persisted in the value creation idea and continuously pushed forward the “8 projects” of value management.

Thirdly, we intensify internal management to become first-rate. Suzhou Branch now has 5 level-2 branches, 6 level-1 sub-branches, 284 outlets, 45 units which reached the head office requirements for operational management in terms of system, calculation and account books, accounting for 20.4% of the total and ranking 1st within the sector of the whole country, with 100% of its loan credit reaching the standard in terms of standardization, normalization and systematization.

Fourthly, we focus on contributions within ABC to become first-rate. In 2009, Jiangsu Branch required Suzhou to take up two sevenths of the core business in the province. Right now, Suzhou Branch has achieved one third of the business contributions, and has ranked the first place for five consecutive years in the direct branch and provincial branch category in the Bank's rating and assessment process.

Fifthly, we make efforts to build our branding to become first-rate. The Bank has successively won a series of national honors, including the National May 1 Labor Award, National May 1 Labor Award for Finance, National Model Unit for Internal Auditing, and National Pace-setter for Corporate Culture Building in Finance Industry.



Picture: Exhibition hall of the new concept bank of Suzhou Branch

Suzhou Spirit

A look back at the over 30 years of history since its reestablishment in 1979 will find that the development of Suzhou branch is not always smooth sailing. The difficulties and problems it ran into during operation management are not in the least less than those of others. But, it still achieve the present position and results. The most important trump is that it has fostered, inherited and carried forward the unique corporate spirit of “exerting pressure on itself, daring to contend for the first, pursuing excellence”. “Exerting pressure on itself” means that it will seek ceaseless self-improvement, burn the bridge behind it and strive for sure success; “daring to contend for the first” means that it refuse mediocrity and has the courage to try; “pursuing excellence” means that it will never rest content and never stop its steps; instead, it will seize the day and the hour to surpass.

In the historical process of its pioneering and development, Suzhou Branch put forward two influential slogans. The first was in 1995, when ABC was separated from credit cooperatives. Faced with the operating dilemma caused by a weak foundation, the staff of Suzhou Branch shouted out the slogan of “struggling hard, exerting pressure on ourselves, daring to vie for the first”. At that time, it was because of such a spirit that the employees of the whole bank sought survival and development in difficulties without waiting, relying on others or reaching out for external help. It took various initiatives and quickly seized a favorable market position in its business development in Suzhou region with the determination and courage of “vying for the first place in every task” and with an unswerving attitude, thus changing the layout of the financial market of the city. The second was in 2009, when Suzhou Branch came up with the slogan of “exerting pressure on itself, daring to contend for the first place, pursuing excellence” after its position of a large and strong bank was established. It also produced the rich connotations of “5 spirits and 5 awareness” and the “6 behavioral cultures”.

As Board Chairman Liu Shiyu commented: It can be seen from the glorious history of Suzhou Branch that, behind the proud achievements, there is bound to be a precious spirit. Without a spirit, nothing can be done, or done well or for long. By calling on everyone to learn from Suzhou Branch, the head office means that they should learn their spirit; their intense market awareness of “taking root in the market, going with the market, serving the market and leading the market”; the inheritance spirit of its leading body that followed a single blueprint in one tenure after another for eight consecutive terms; their enterprising spirit of “refusing mediocrity, contending for the first, pioneering energetically, pursuing excellence”; their awareness about implementing the mass line of “remaining employee-oriented, caring for employees and fostering employees; being realistic, clean-handed and taking the lead”. In the course of building a first-rate modern commercial bank, ABC must value and carry forward the spirit of Suzhou Branch. All the organizations, from the head office to the branches and sub-branches at all levels should always focus on building up a leading body and the ranks that have soul, competence, guts and moral character.

“You have persisted for a dozen of years in supporting the development of local excellent enterprises and the getting-rich efforts of thousands of farmers. That’s really uncommon. You issued loans of more than 200 million yuan, with none of it going bad. You even recovered the loans granted to the former production teams. It’s uneasy to have such a strong sense of responsibility. You have made great contributions to the development of ABC and the local economy. Everyone should learn from you.”

— Xi Jinping



Picture: Xi Jinping meeting with Rao Caifu

Case: Role model: Mr. Rao Caifu

The era calls for models. In June 1998, the Central Financial Work Committee that was just established introduced the model of Rao Caifu to the national financial sector by seizing the opportune moment, which has stood erect and shone even since. On January 30, 1999, a reporter from The Financial Times of Britain specially went to Longyan to interview Rao Caifu. He was surprised by the miracle that, despite the financial crisis which was then raging across the Southeast Asia, all the loans handled by a director of one of the grassroots business offices of ABC in 18 years of time had evoked zero risks and none of them was recovered through legal means. He left a comment in awkward Chinese: “Mr. Rao, you are really remarkable.” Indeed, the results of Rao Caifu are unprecedented in the financial history of new China. Such rare performance has won innumerable honors for him. Let’s travel once again the road that took him to the fame and carefully taste the true implications of a model.

On June 7, 1998, a staff member in the office of Premier Zhu Rongji wrote the following instructions on a letter written by Zhang Yonghe, an overseas Chinese writer returned from Indonesia, on May 25 to the premier: To be transferred to Comrade He Linxiang to read and follow up. The appendix to the letter was a press release on the advanced deeds of Rao Caifu entitled *A Legend of 3000 Loans*.

Strong repercussions were caused. Rao Caifu formally got into the view of the top leadership from then on, while Zhang Yonghe was the one who discovered him with discerning eyes. Another identity of Zhang Yonghe is deputy to the 9th People’s Congress of Fujian Province. He is also the author of 12 biographies, including *The Biography of Clinton* and *The Biography of Lee Kuan Yew*. Talking about the deeds of Rao Caifu, he noted: “.....I think this is one of our spiritual atomic bombs in the prevention of financial crisis. It will be of great significance to promote it.” In his letter to Premier Zhu, he revealed that he was writing a *Biography of Rao Caifu* of 300,000 (which was later renamed “Contemporary “God of Wealth”).

The basis for his recommendations for Rao is as follows: In March 1998, the Party Committee of Xinluo District, Longyan issued *The Notice on Carrying Out the Activity of Learning from Comrade Rao Caifu*; in April, Longyan Branch and Xinluo Sub-branch responded instantly by issuing *The Notice for Further Carrying Out the Activity of Learning from Comrade Rao Caifu*; in May, the Publicity Department and the Committee of Civilization under the CPC Longyan Committee set up the “Reporting Team of the Advanced Deeds of Rao Caifu” for tours of publicity. Through the media coverage, Zhang Yonghe came to see the strong exemplary role of the model and sent a private letter to Premier Zhu Rongji.

After receive the letter transmitted by the premier’s office, ABC immediately called together the members of the Party Committee to study how to follow up upon the letter. On one hand, ABC advised Qiu Xiaoru, former president and Chief Editor of *China Urban-Rural Financial News* who was then studying in the Central Party School, to authorize the author to make an immediate trip to Longyan for an interview; on the other hand, ABC sent an investigation team twice to make an all-round verification of the work performance of Rao Caifu.

After Rao Caifu was commended by the Central Financial Work Committee, ABC further accelerated the activity of learning from Rao Caifu. On the morning of February 4, 1999, Fujian Branch held a reporting meeting on the advanced deeds of Rao and a symposium of the model workers within the ABC sector of the whole province. Xi Jinping, the then deputy secretary of the Party Committee and acting governor of Fujian Province specially came to the provincial branch to hear the report. When seeing Rao Caifu, Xi went up and held his hands closely at the center of the venue. The two walked and talked until they came to the rostrum, with their hands held together all the way.

Board Chairman Liu Shiyu said: The appreciation of the professional dedication and work performance of Comrade Rao Caifu by General Secretary Xi Jinping is his earnest expectations for the financial sector, the pride of ABC, the spiritual wealth of ABC, and the spur of the Party and the people on the officials and employees of ABC.

Case: Role model: Mr. Wang Xi

The heaps of diaries on people’s conditions, the copies of loan receipts and the cases of shaking off poverty and becoming better off truly record how an ordinary employee did practical and good things for farmer and used his actual deeds to implement the mission of financial support for “Sannong”. He is Wang Xi, former deputy director and credit officer with Aiyuan Town Office, Siyang County Sub-branch, Suqian city, Jiangsu Province.

In May 1996, Wang Xi was transferred to the present position from Zhangjiawei Business Office. On the first day, he anxiously inquired about the relevant conditions of Aiyuan Town without spending time sorting out his own luggage. When he was told that this is a provincial-level impoverished town, he felt heavy-hearted and became deeply aware of the heavy responsibility for poverty alleviation.

On the second day, he brought some food, got on an old bicycle and went to villages, farmer households, fields and chicken farms.....for extensive contact with the farmers to gain first-hand information. The thick diaries record the facts of those poor farmers who excel in farm work, are trustworthy, but have no funds. In merely 3 plus months, his footprints had covered every part of Aiyuan Town.

The farmers here uphold an outdated philosophy. No matter how poor they may be, they are willing to borrow money. A considerable number of farmers believe that it is a shame to borrow money from a bank. A family that has borrowed money from a bank would have difficulty in finding wife for their son. To address such old idea, Wang Xi visited villages to publicize the Party’s policy of enriching the people and modern financial ideas: bank loans are not social assistance payment and only those who are capable and can implement successful management can borrow money. A plain man makes money with his own money, while a clever man makes money with borrowed money.

Zhang Youliang, a farmer in Songzhang Village, Aiyuan Town, has an agile mind and once ventured in Xinjiang carrying only a small axe when he was young. He has seen the world and wanted very much to do something. But, he lacked funds and deeply felt that he had no scope for displaying his abilities. After learning about the situation, Wang Xi concluded that, if the household could grow up under financial support, it would certainly drive the development of other farmers and play the role of a pacesetter. Therefore, though a stranger, Wang Xi went up to Zhang Youliang and made clear what he had come for, giving Zhang a happy surprise. Zhang made a detailed report on his development plan. Wang Xi believed that the plan would work and have a promising market prospect. He immediately returned to study the case with the other leaders and provided Zhang with a loan of 60,000 yuan on the second day. Then, Wang Xi not only lent a hand in contacting customers for sales, but also assisted in planning comprehensive service projects, including bathrooms, hotel and marketplace. In merely 3 years of time, Zhang Youliang had grown into a large self-employed operator with nearly 600,000 yuan of assets, creating some 400,000 yuan of annual output value. He never forgot the remarks of Wang Xi about leading others in getting better off jointly and employed 15 impoverished farmers in his furniture plant. Besides, he often gives free bathing tickets to families of revolutionary martyrs and servicemen as well as the old people enjoying the Five Guarantees and donated 4,000 yuan to the primary school of the town as party of his repayment of the society. In early 2001, he contracted for 110 mu of land, where he planted 2,200 Italian poplars and interplanted cotton and rice. He also raises loaches in tens of ponds. His business is getting larger and larger, more and more brisk.

Under the leadership of Zhang Youliang, many farmers in Aiyuan Town who want to get better off became enlightened and started to find ways of making money. Wang Xi found out about the financial needs of the local farmers on the one hand and, on the other hand, spread finance knowledge so that they really can leverage modern financial means to become rich.



Picture: Wang Xi communicating with a planter

Case: 2014 role model of serving Sannong: Mr. Liu Wenping --- a close friend of farmers in old liberated areas

Since he joined ABC in 1985, he has been on a position of serving “Sannong” for 30 years and run around on the loess plateau or in the valleys of north Shaanxi despite the scorching heat in summer or the chill cold in winter. He regards farmers as his dear ones and the performance of services for “Sannong” as his responsibility. Engaged in the hardest jobs and bearing hardships with no complaints, slackness or repentance, he has devoted his youth and heart to the farmers in mountainous villages and would never stop his steps.

He is Liu Wenping, manager of Sannong Business Department, Baota Sub-branch, ABC Shaanxi Provincial Branch. Over the years, he has committed himself to the rural finance of the old liberated areas and served the farmers there, winning people's respect and praises as well as a number of honorary titles, e.g. the Advanced Worker of the Sub-branch, Outstanding Party Member of Yan'an Branch, Advanced Individual of Sannong Service and 10 Touching ABC People of Shaanxi Provincial Branch.

“In building the socialist new rural areas and getting better off through industrial development, what the farmers lack the most is funds. It's my biggest wish to meet the needs of farmers and help them solve their funding difficulty.” This is what Liu Wenping says often. His busy figure is seen everywhere on the loess plateau of north Shaanxi: in the valleys, fields, courtyards, pigsties or sheep pens of farmer households.

Since 2009, he has led the members of the Sannong service team in visiting 11 towns and 9 townships of Baota District, Yan'an, including 3 offices, 20 communities, 17 neighborhood committees and 611 administrative villages, to issue Hui Nong cards and petty loans for the development of agricultural industrialization. Cumulatively, they have issued 50,360 Hui Nong cards and some 33 million yuan of petty loans, with none of the loans going bad, which supported the farmers in developing greenhouse cultivation, breeding, distinctive industries like mountain apples, building 1,540 vegetable greenhouses, 30 cultivation farms and 11 brickyards, expanding the growing of mountain apples by nearly 500,000 mu and increasing their per capita income by 1,300 yuan.

Farmers' difficulty in obtaining loans is the difficulty of obtaining guarantee. In light of the local reality, Liu Wenping introduced multiple forms of guarantee, including the joint guarantee of farmer households, guarantee offered by civil servants, “Five Olds” (old secretary, old village head, old officials, old Party member, old villager) guarantee, “company + farmer household” guarantee, “association + farmer household” guarantee, “cooperative + farmer household” guarantee, “Party and government organs + assistant administrator + farmer household” guarantee, effectively solving farmers' difficulty in obtaining loans and finding favor with them.

Renjiayuan Village in Baota District is a national civilized village and a specialized village of mountain apples, which is now the pillar industry whereby the farmers increase income. To develop their apply industry, the farmer are in urgent need of the support of credit fund. But the trouble is that they are in shortage of effective mortgage. After making deep-going studies, Liu Wenping took the approach of rating the credit of the farmer households and provided petty loan support for the 93 households rated as trustworthy households, solving the funding difficulty of the fruit growers. Secretary Liu Baisheng of the Party branch of the village said: “Our village could not have possibly become a national civilized village without the support of Liu Wenping. Since we began to introduce apple planting, he has provided us with fund support and never stopped in so doing for more than 20 years. It is thanks to his support that the villages can grow fruits, drive cars and lead a happy life in new houses. ”



Picture: Liu Wenping providing services for a farmer

“I was born in rural areas and personally experienced the bitterness caused to farmers by the difficulty in withdrawing money. I can feel deeply the aspiration and expectations of farmers for a good financial environment. No matter how hard it will be, financial service must be extended far enough to all farmers so that they can enjoy modern financial services as like urban people.”

--- Liu Wenping

Case: Hunan Branch assisting Adili in realizing his dream “on tongue tip”



Picture:Liu Wenping sharing financial knowledge with farmers

Liu Wenping often bustles around in rural areas. He is highly familiar with the conditions of the farmers within the jurisdiction, including the exact number of pigsties, cowsheds, greenhouses and area of mountain orchard of specific households. He often says: “To make success of rural financial service, it is necessary to know the rural conditions well. Otherwise, you will have nowhere to start with.” He often goes out early and comes back late despite the hardships. Sometimes, he can stay in the rural areas for 1~2 months to visit the villages and households. Over the years, the rural financial service team he leads has been affectionately called the “mobile bank of the farmers on the loess plateau” by the local farmers.

Rural finance faces bad environment. The difficulty of farmers in withdrawing money is very common in rural areas and also an obstacle against rural financial service. Baota District of Yan'an that Liu Wenping is responsible for is located in the hinterland of the loess plateau that features crisscross high mountains and deep valleys and a big temperature difference; the temperature may reach as high as 35oC in summer and fall to as low as 28oC below zero. The district has a total population of 442,000, including an agricultural population of 220,600, in scattered residences of inconvenient traffic.

For the soonest realization of the wish, he tramped over mountains and through ravines, braved the wind and dew, endured the torment of hunger and worked hard to broaden the channels of rural financial service by focusing on Hui Nong Card and e-banking devices. In farmers' homes, rural convenient sotres, telecommunication charging points, village committees and the homes of village officials, he set up “Hui Nong Tong” equipments and electronic devices in 416 service stations to implement cards into homes, machines into villages and money into accounts, achieving the full coverage of ABC settlement channels. In the rural areas, he established a “4-in-1” new rural financial electronic network and payment settlement service channels based on Hui Nong financial service stations so that rural payment and settlement environment has been improved noticeably and farmers can have access to modern financial services, e.g. account inquiry, remittance, account transfer, purchase settlement and self-service repayment, and enjoy “Xin Nong Bao” (new rural social endowment insurance), “Xin Nong He” (new rural medical insurance) and farmer-benefiting subsidies.

Liu Wenping visits every “Hui Nong Tong” service station at least once in a month or 2~3 times for a station with large business volume to deliver consumables regularly, e.g. printing paper, maintain the “Hui Nong Tong” equipment and check its usage. Whenever a failure ocured, he is always just a phone call away for timely repair. He enjoys doing this. As he put it, every service station is the extension of the ABC outlets and the head of every farmer household shop is the off-staff “employee” of ABC that representing the image of ABC; this is something that cannot be handled carelessly. Instead, everyone should take it seriously and strengthen management to enhance service quality.

In the 30 years of standing fast and contribution, he has worked assiduously, attentively and selflessly in tough jobs. Through the selfless contributions he made, he has linked up his own life closely with the happiness of the farmers and vividly annotated a touching story of a grassroots employee of ABC who devotes himself wholeheartedly to work.

On January 25, 2015, Adili Maimaiture, the “nuts cake prince” who donate 5000 kilogram of Xinjiang nuts cakes to Ludian earthquake disaster area, won the title of CCTV 2014 Sannong Figure, just like Liu Wenping of ABC Baota Sub-branch.

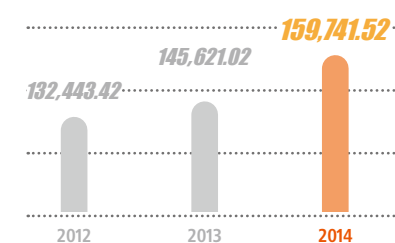
On the afternoon of June 23, 2014, in the hall of Furongzhong Road Sub-branch in Tianxin District, Hunan Province, Ardili from Xinjiang Province held a ABC Kins Card with him and said to a CCTV reporter: “It was the student loan of ABC that enabled to realize my university dream.” It turned out that he was the hero of a report broadcasted in *China News* of CCTV Channel 4, which was entitled “A Uyghur student and Han students team up to sell nuts cakes”. The report was on the self-employment of Ardili, a student from Xinjiang, and two Han students, who got admitted into the College of Automobile and Mechanical Engineering, Changsha University of Science and Technology in 2010. This time, he came to the ABC outlet to repay the 6,000 yuan of student loan before graduation.

In Chinese universities, there are many needy students like Adili who have received strong support from ABC.

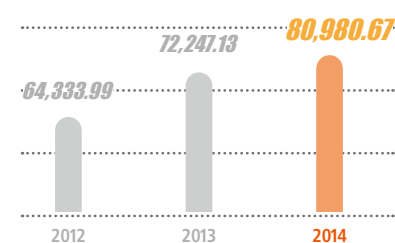
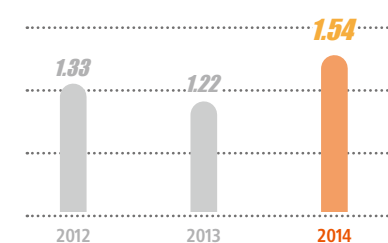
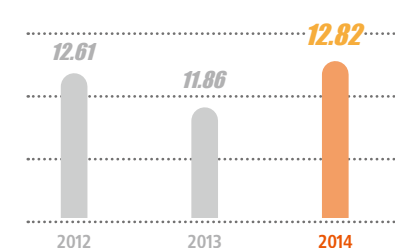
Table of Key Performance

Economic Indicators

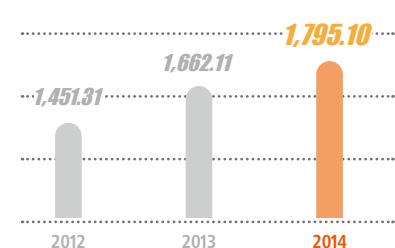
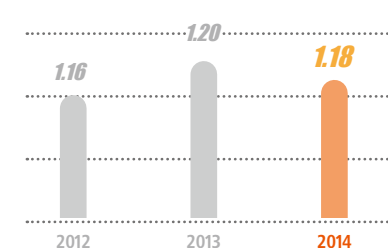
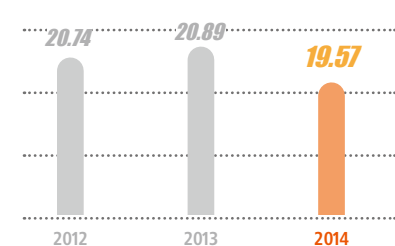
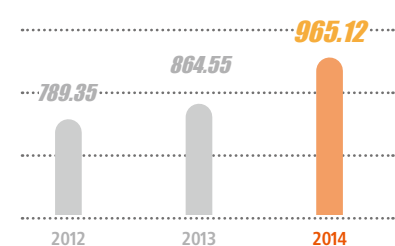
Total assets / RMB100 million



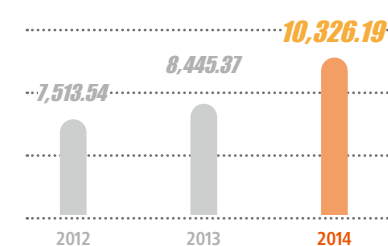
Total loans and advances / RMB100 million

Non-performing loan ratio⁴ / %Capital adequacy ratio⁵ / %

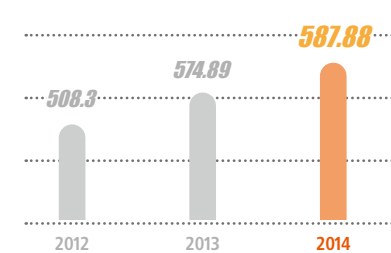
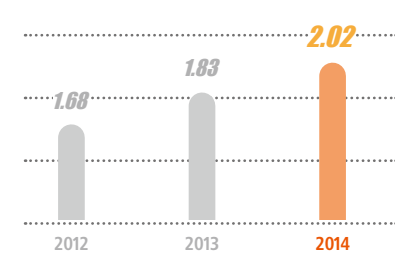
Net profits / RMB100 million

Return on average total assets⁶ / %Return on weighted average equity⁷ / %Taxes⁸ / RMB100 million

Shareholder's equity / RMB100 million

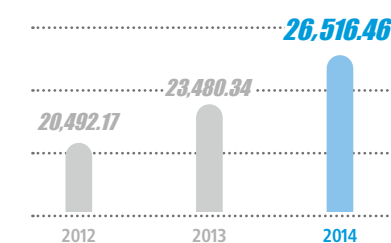
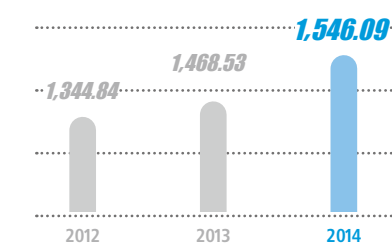


Shareholder's dividends / RMB100 million

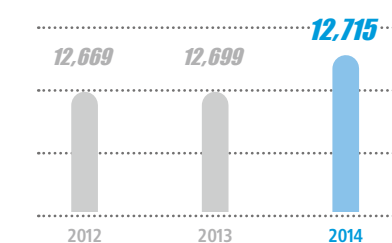
Social contribution value per share⁹ / yuan

Social Indicators

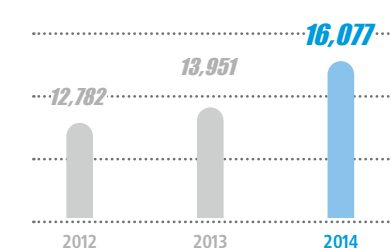
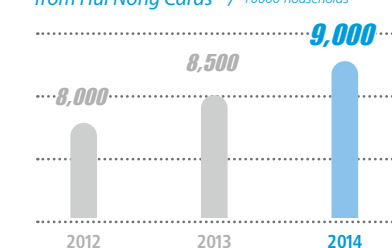
Total county area loans and advances / RMB100 million

Balance of farmer loans¹⁰ / RMB100 million

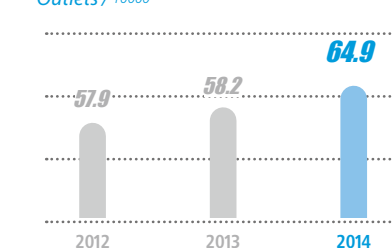
Number of county-level agencies



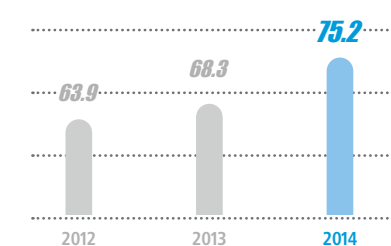
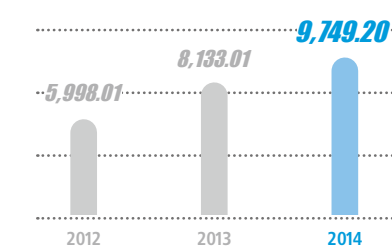
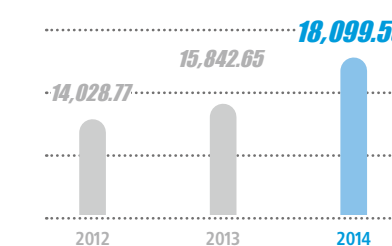
Total Hui Nong Cards issued / 10,000

Number of farmer households benefiting from Hui Nong Cards¹¹ / 10,000 households

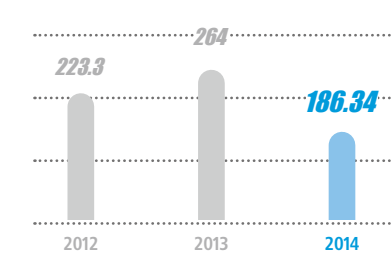
Number of Hui Nong Tong Service Outlets / 10,000



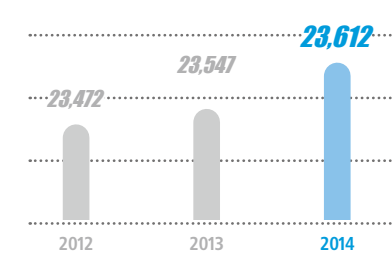
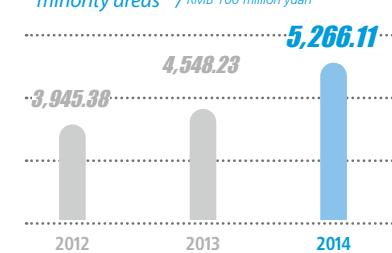
Proportion of administrative villages covered by Hui Nong Tong electronic devices / %

Balance of loans to small and micro businesses¹² / RMB 100 million yuanTotal loans and advances to western regions¹³ / RMB 100 million yuan

Employee trainings / 10,000 person/times

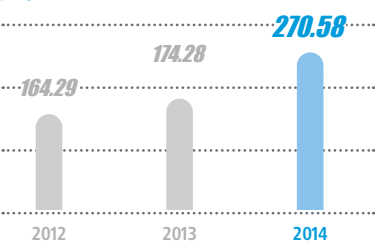


Number of domestic branches

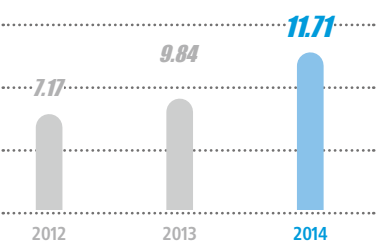
Total loans and advances to ethnic minority areas¹⁴ / RMB 100 million yuan

Environmental Indicators

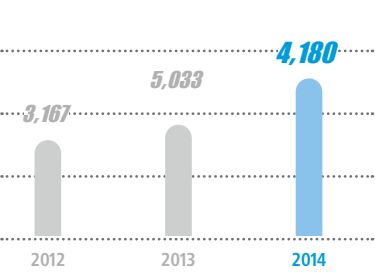
Balance of loans for affordable housing projects / RMB 100 million yuan



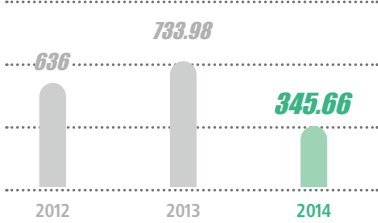
Balance of loans of village & township banks (VTBs)¹⁵ / RMB 100 million yuan



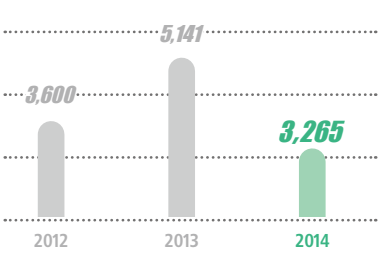
Amount of donations¹⁶ / 10000 yuan



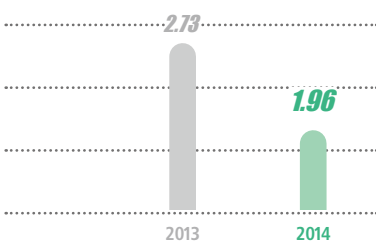
Balance of loans for environmental protection, energy conservation and emissions reduction / RMB 100 million yuan



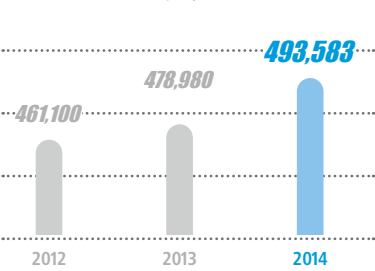
Total of recycled and reused water / reclaimed water system / ton



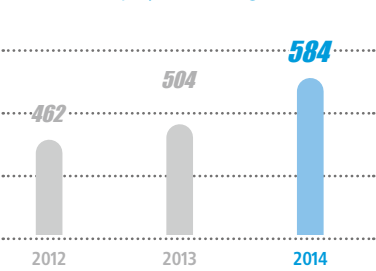
Percentage of recycled and reused water / reclaimed water system / %



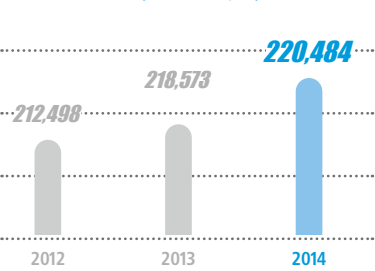
Total number of employees



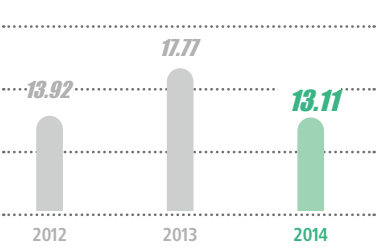
Number of employees working overseas



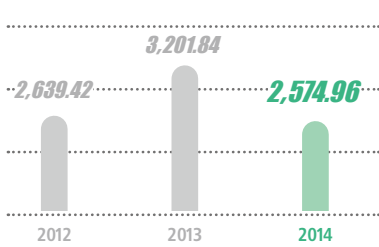
Number of county-level employees



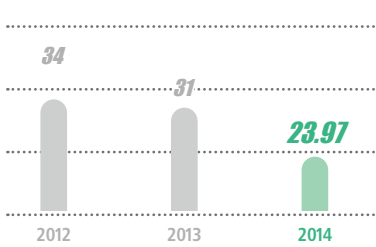
Per person water consumption in offices / m3/person



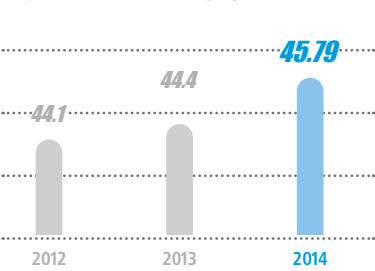
Per person power consumption in offices / kwh/person



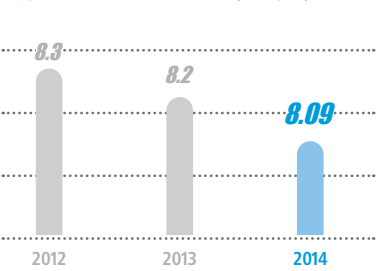
Per person gas consumption in offices / m3/person



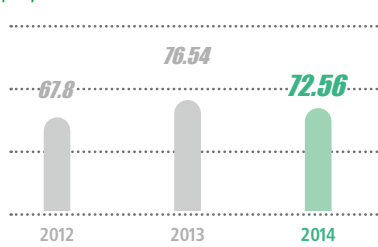
Proportion of female employees / %



Proportion of ethnic minority employees / %



Electronic channel transactions as proportion of total transactions / %



¹ On April 20, 2014, the Strategic Planning Department of ABC and the China Household Finance Survey (CHFS) of Southwestern University of Finance and Economics jointly released the Report on the Financial Development in Chinese Rural Areas 2014.

² ABC adjusted the data statistical scope of urbanization loans in 2014 to cover 11 business categories: "loans for construction of urban infrastructure, loans for construction of rural infrastructure, land development loans, loans for county land reclamation, loans for development of county commodity housing, loans for profitmaking properties in counties, loans for affordable housing, loans for comprehensive development and construction of small towns, loans for infrastructure construction in parks and zones, loans for industries closely related to urbanization and public service industry".

³ Launched by State Development & Investment Corporation, Ministry of Finance, China National Tobacco Corporation to carry out equity investment activities in the poverty-stricken areas.

⁴ Non-performing loan ratio equals the balance of non-performing loans divided by total loans and advances.

⁵ The data on December 31, 2014 are calculated according to the Measures for Management of the Capital of Commercial Banks (For Trial) and other relevant regulations. The data on December 31 of 2013 and 2012 are calculated according to the Measures for Management of the Capital Adequacy Ratio of Commercial Banks and other relevant regulations.

⁶ Return on average total assets equals the net profit divided by the average value of total assets at year beginning and total assets at year end.

⁷ Return on weighted average equity is calculated in accordance with the "Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No.9 - Computation and Disclosure of Return on Equity and Earnings per Share" (Revision in 2010) issued by CSRC. The Bank has no dilutive potential ordinary shares.

⁸ Taxes equal the total of corporate income tax (current), business tax and surcharges and other taxes.

⁹ Social contribution value per share = basic earnings per share + (taxes + employee compensation and benefits + interest expense + amount of donations)/capital stock.

¹⁰ Balance of farmer loans includes the balances of petty loans for farmers, production and operation loans for rural persons, house building loans for the farmers in quake-hit areas, loans for farm machines, loans for farmers going abroad to work, loans for farmers purchasing or building houses, other "Sannong" personal loans and other loans for production and operations.

¹¹ Number of farmer households benefiting from Hui Nong Cards = Number of cards issued per household + Number of cards issued per capita/4, and the number of cards issued per capita is converted based on 4 persons per household.

¹² In accordance with the "Opinions of China Banking Regulatory Commission on Deepening the Financial Service for Small and Micro Enterprises" (Yin Jian Fa [2013] No. 7), ABC has adjusted its statistical scope of the loans for small and micro enterprises to include the loans for individual businesses and the loans for owners of small and micro enterprises.

¹³ Western regions include Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang (including Xinjiang Corps).

¹⁴ Ethnic minority areas include Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang (including Xinjiang Corps).

¹⁵ The number of village and township banks (VTBs) was 6 in 2012-2014.

¹⁶ The amount of donations means the amount donated by the Bank (domestically) and does not include the amount donated by its employees.

Editor's Notes

Tide players are always the first to know when the river becomes warm in spring.

This is an age of onrush and even more an age that needs persistence.

Results have once again proven that the agricultural genes do not in the least impair the modern finance essence of ABC.

The down-to-earth style does not hinder its forward-looking strategic deployment.

A good harvest is due to tireless ploughing and weeding.

The rise of ABC is due to the support given by all.

ABC is doing solid work on the land where dreams can come true.

ABC is realizing its own dreams in its own way.



中国农业银行
AGRICULTURAL BANK OF CHINA



4

Appendixes

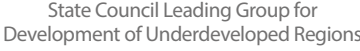
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Main Honors and Awards

 Financial Stability Board (FSB)	 Huaxia Times and Research Center of Enterprise and Company Law of Peking University	 China General Chamber of Commerce USA	 chinaHR.com	 caijing.com.cn	 China Banking Association
Global Systemically Important Banks of 2014  International Best Practice Management Alliance	2014 Golden Shield Award for Investor Relations of Chinese Listed Companies  Euromoney	Outstanding Member of the Year of China General Chamber of Commerce USA  Securities Times, securities.com and Development Alliance of Chinese Listed Companies	“Top 50” and “Best Employer of National Banking Industry” in the 11th Selection of Best Employers by Undergraduates  China Securities Journal, CSJ Jinniu	Best Online Financial Innovation Bank for Personal Loans  China Comment of Xinhua News Agency	Award for Outstanding Contributions to the Compilation and Examination of the Teaching Material “Green Credit” and Award for Professional Contributions to the Compilation and Examination of the Teaching Material “Green Credit” Advanced Unit of Legal Risk Management of China’s Banking Industry in 2013 Award for Bank of Best Trade Finance Growth Deputy Director Unit of Best Professional Committee, China Banking Association 2014 Award for Outstanding Contributions to Civilized and Standardized Services of China’s Banking Industry
Best Practice Award for IT Management in 2014  League of American Communications Professionals (LACP)	Best Managed Banking and Finance Institution in Asia  The Asset	Website of Listed Companies Most Welcomed by Investors  21st Century Business Herald	“Be Li Feng” series, “Enterprising Wealth Management Program” winning award  Credit Reference Center, The People’s Bank of China	Banking Institution Most Trusted by Common People  Beijing Rongzhi CSR Research Institute	Shanghai Securities News and www.cnstock.com  
Silver Price of “Vision Awards” for 2013 Annual Report  The Hong Kong Council of Social Service	Best Corporate Governance Award — Platinum Award  Shanghai Securities News	Award for Banks of Best Earnings Performance in 2014  The People’s Bank of China	2013 Outstanding Institution of Data Quality in Corporate Credit Reference System Media Research Center of Xinhua News Agency, Xinhua Daily Telegraph Agency, Economic Information Daily and Reference News	“Award for Public Transparency Model” in 2014 selection of top 200 Chinese enterprises of public transparency  Xinhuanet.com	“Secure Express” serial products and “Enterprising” serial products  China Daily and 21st Century English Education Media
“Caring Company” Award	Golden Wealth Management• Private Bank of Greatest Potentials in 2013 Award for Best Scientific & Technological Progress	Second Prize of The People’s Bank of China for Scientific and Technological Development of Banks in 2013	2014 Award for Best Creditability of Corporate Social Responsibility in China	Award for Best E-banking	Financial Service Institution for Overseas Studies of Highest Satisfaction

 JRJ.com	 Yinhang.com	 China Corporate Culture Institute
Award for Best E-banking Award for Best User Experience Award for Highest Customer Satisfaction	Award for Comprehensive Banking Services Satisfactory for Consumers Award for Noble Metal Business Satisfactory for Consumers	Excellent Unit of Top-level Design and Grassroots Practice of Corporate Culture
 China Development Bank	 Shanghai Stock Exchange	 Organizing Committee of China (Ningbo) Wisdom Financial Experience Exhibition
Excellent Underwriter of China Development Bank for Financial Bonds in 2014	Award for Excellent Bond Dealers in 2014	Best Idea Award
 Shanghai Gold Exchange	 Ministry of Finance	 National Interbank Funding Center
2013 Excellent Financial Member of Shanghai Gold Exchange	Award for Excellence in Underwriting Book-Entry Treasure Bonds in	Award for Highest Market Influence Award for Best Currency Swap Transaction Best Market Maker Award Award for Outstanding Contributions to Interbank Deposit Certificate Award for Best Agent of Overseas Institutions
 The Export-Import Bank of China	 AGRICULTURAL DEVELOPMENT BANK OF CHINA	 Organization Department of CPC Central Committee and Dalian Institute of Senior Managers
Concern for business exhibition Award	Excellent Underwriter of the Agricultural Development Bank of China for Financial Bonds in 2014	Best Effect Award for Characteristic Case of the Training of State-owned Enterprises in 2014

 China Financial Education and Development Foundation	Organizing Committee of Information Security Skill Competition
1st Prize for Papers, 3rd Prize for Teaching Materials and 3rd Prize for Papers of Excellent Research Results of Financial Education in 2014	2 nd Prize for Group 1 of Banks in “Zhongzheng Cup” Security Management and Maintenance Contest of 2014 Information Security Skill Competition
 State Council Leading Group for Development of Underdeveloped Regions	 China Securities Journal, “CSJ Jinniu”
Advanced Collective of Designated Poverty Alleviation of Central State Organs	Golden Bull Award for WMP of Banking Industry in 2013 (Guaranteed Earnings) Golden Bull Award for WMP of Banking Industry in 2013 (Net Value)
 Shanghai Securities News and www.cnstock.com	 Securities Times
Award for “Golden Wealth Management” ● Best WMP of Banks in 2013 Award for “Golden Wealth Management” ● Best RMB WMP in 2013 Award for “Golden Wealth Management” ● Excellent Wealth Management Brand in 2013	Award for WMP of Best Steady Earnings in 2014 Award for WMP of Best Structure in 2014 Award for WMP of Best Innovations in 2014 “Secure Express” serial products, “Enterprising” serial products, “Secure Earnings · Ruyi Stock Index” products awards
 China's Center for Information Industry Development, China Computer Industry Association, China Federation of IT Promotion and the journal Software and Information Service	 People's Daily
New e-HR system winning the Award for Best Application and Practice of Chinese IT Achievements in 2014	The product “Loans Secured by Mortgaged Right to the Contracted Management of Rural Land” winning 1st place in the National Innovation and Efficiency Contest of Financial Youths

Independent Assurance Report

To the Board of Directors of Agricultural Bank of China Limited

We have been engaged by the Board of Directors of Agricultural Bank of China Limited (the “Bank”) to perform a limited assurance engagement on the selected key data as at 31 December 2014 and for the year then ended as defined below in the 2014 Corporate Social Responsibility Report (“the CSR Report”).

We have also been engaged to gain an understanding of the Bank’s application of the G4 Sustainability Reporting Guidelines pertained to the principles of stakeholder inclusiveness and materiality.

The Board of Directors’ responsibilities

The Board of Directors are responsible for the preparation and presentation of the key data in accordance with the basis of report and the definition of key data of the CSR Report (the “basis of reporting”). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected key data and making estimates that are reasonable in the circumstances.¹

In addition, the Board of Directors is responsible for the Bank’s adherence to the G4 Sustainability Reporting Guidelines and its principles.

Practitioner’s responsibilities

Our responsibility is to express a conclusion on the selected key data in the CSR Report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected key data in accordance with the International Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected key data as at 31 December 2014 and for the year then ended in the CSR Report is not prepared in all material respects in accordance with the basis of reporting.

The selected key data of the Bank’s CSR Report that is covered by this report is as follows:

- Balance of farmer loans
- Number of county-level branch outlets
- Total number of Hui Nong Cards issued
- Total amount of donation
- Total number of employees
- Total number of county-level employees
- Proportion of female employees
- Proportion of ethnic minority employees
- Total number of employee trainings
- Total number of domestic branch outlets
- Water consumption per capita in office
- Electricity consumption per capita in office
- Gas consumption per capita in office

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner’s judgment, including the assessment of the risks of material non-compliance of the selected key data prepared in accordance with the basis of reporting.

Approach, limitation and scope of work

Our work was performed at the Head Office of the Bank and its Beijing branch. Within the scope of our work we performed the following:

- Interviews with management and personnel in the Departments involved in providing information in relation to the selected key data for inclusion in the CSR Report;
- Analytical procedures;
- Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- Recalculation; and
- Other procedures deemed necessary

Our work was limited to the selected key data as of 31 December 2014 and for the year then ended in the CSR Report. We have not performed any procedures over other data included in the CSR Report for 2014, nor have we performed any procedures on other data or data for 2013 and years before. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal controls.

Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected key data as at 31 December 2014 and for the year the ended has not been prepared, in all material respects, in accordance with the basis of reporting.

Supplementary observations

We have also gained an understanding of the Bank’s application of the G4 Sustainability Reporting Guidelines pertained to the principles of stakeholder inclusiveness and materiality by making inquiries and holding interviews with management representing the different functions in the Bank involved in the preparation of the CSR Report. Our work was restricted to gaining an understanding of the Bank’s application of the principles of stakeholder inclusiveness and materiality of the G4 Sustainability Reporting Guidelines. Hence, we do not express any assurance opinion as to whether the Bank has adhered to the principles of G4 Sustainability Reporting Guidelines.

We have the following observations:

Stakeholder inclusiveness

The Bank has a social responsibility goal of “being a responsible bank” and fulfil its responsibility in the field of serving “Sannong”, real economy, alleviating poverty, people’s livelihood, environment, services, public welfare , employees and other areas. In this respect, the Bank 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 its CSR Report. We suggest that the Bank should continuously improve the stakeholder communication mechanisms so that the Bank could further identify and analyse stakeholder expectation and disclose its response accordingly.

Materiality

The Bank took into account its own development strategy to determine key topics to be included in its CSR Report through the stakeholder engagement. We suggest that the Bank may consider further improving the criteria, process and procedures of materiality assessment and aspect boundaries definition in accordance with the G4 Sustainability Reporting Guidelines in order to facilitate the identification, assessment and reporting of significant issues that are relevant to its CSR Report.

¹ Agricultural Bank of China Limited is responsible for its website, and we do not accept responsibility for any changes that may have occurred to the reported subject matter information or criteria since they were initially presented on the website.



The Key Data Compilation

Social Performance

Balance of farmer loans (100 million):

the balances of petty loans for farmers, production and operation loans for rural persons, house building loans for the farmers in quake-hit areas, loans for farm machines, loans for farmers going abroad to work, loans for farmers purchasing or building houses, other “Three-farming”, personal loans and other loans for production and operations.

Number of county-level outlets:

the number of county branches and licenced below-county outlets under the management of the 37 tier-1 branches in mainland. County branches are the branches located within the jurisdictions of “county” or equivalent administrative divisions that are determined by the national government, including county-level city, county, autonomous county, banner, autonomous banner, special district at county-level, and forestry district. Below-county outlets are the branches that are within the jurisdictions of below-county areas or equivalent administrative divisions, or administrative unit below county level, including town, township, sumu, ethnic township and ethnic sumu. The statistics includes all licensed county branches, including the ones licensed but not yet opened.

Total number of Hui Nong Cards issued (10,000):

the number of Kins Hui Nong Cards issued. Kins Hui Nong Card is a standard Union Pay debit card issued to farmers by the ABC. Apart from its functions of cash deposit/withdrawal, money transfer and settlement, consumption and wealth management, Kins Hui Nong Card also provides small loans and fiscal subsidiaries, coupled with certain free-of-charge benefits to card holders.

Total amount of donation (10,000RMB):

amount of donations made for public welfare and other similar contributions. Donations for public welfare is 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.

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.

Total number of county-level employees:

number of employees who hold labour contracts and work at county-level branch outlets within the group level. County-level branch outlets are defined as county branches and licenced below-county outlets under the management of the 37 tier-1 branches in mainland. County branches are the branches located within the jurisdictions of “county” or equivalent administrative divisions that are determined by the national government, including county-level city, county, autonomous county, banner, autonomous banner, special district at county-level, and forestry district. Below-county outlets are the branches that are within the jurisdictions of below-county areas or equivalent administrative divisions, or administrative unit below county level, including town, township, sumu, ethnic township and ethnic sumu.

Proportion of female employees (%):

proportion of female employees is defined as number of female 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, domestic subsidiaries and rural banks. The number of female employees is defined as the number of female 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, domestic subsidiaries and rural banks. The number of ethnic minority employees is defined as the number of ethnic minority employees who hold labour contracts within the group level.

Total number of employee trainings (10,000 person times):

defined as the number of employee attending in the face to face trainings for which the ABC sends formal notices. The scope includes the headquarters, 37 tier-1 branches and 3 training colleges.

Total number of domestic branch outlets:

domestic branch outlets includes the headquarters, exclusive institutions at the headquarters, tier-1 branches (directly subordinate), tier-2 branches (operation departments of provincial branches), tier-1 sub-branches (municipal cities, operation departments of directly subordinate branches and operation departments of tier-2 branches), operation departments of local branches and other institutions. The statistics includes all licensed branches, including the ones licensed but not yet opened.

Environmental Performance

Water consumption per capita in office (m3/person):

total water consumption at the headquarters in 2014 divided by the number of employee at the headquarters.

Electricity consumption per capita in office (kwh/person):

total electricity consumption at the headquarters in 2014 divided by the number of employees at the headquarters.

Gas consumption per capita in office (m3/person):

total gas consumption at the headquarters in 2014 divided by the number of employees at the headquarters.

GRI4.0 Index of GRI Indicators

Ranking	Content	Index
Strategy and analysis		
G4-1	Provide a statement from the most senior decision-maker of the organization.	Used
G4-2	Provide a description of key impacts, risks, and opportunities.	Used
Organizational profile		
G4-3	Report the name of the organization.	Used
G4-4	Report the primary brands, products, and services.	Used
G4-5	Report the location of the organization's headquarters.	Used
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Used
G4-7	Report the nature of ownership and legal form.	Used
G4-8	Report the markets served (including geographic break down, sectors served, and types of customers and beneficiaries).	Used
G4-9	Report the scale of the organization, including: Total number of employees Total number of operations Net sales (for private sector organizations) or net revenues (for public sector organizations) Total capitalization broken down in terms of debt and equity (for private sector organizations) Quantity of products or services provided.	Used
G4-10	Report the total number of employees by employment contract and gender.	Used
	Report the total number of permanent employees by employment type and gender.	Used
	Report the total workforce by employees and supervised workers and by gender.	Used
	Report the total workforce by region and gender.	Used
	Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	Not used
	Report any significant variations in employment numbers.	Used
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Used
G4-12	Describe the organization's supply chain.	Used
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Used
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Used
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Used
G4-16	List memberships of associations (such as industry associations) and national or international advocacy	Used

Ranking	Content	Index
Identified material aspects and boundaries		
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	Used
	Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Not used
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	Used
	Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Used
G4-19	List all the material Aspects identified in the process for defining report content.	Used
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Used
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	Used
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Used
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Used
Stakeholder engagement		
G4-24	Provide a list of stakeholder groups engaged by the organization.	Used
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Used
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Used
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Used
Report profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Used
G4-29	Date of most recent previous report (if any).	Used
G4-30	Reporting cycle (such as annual, biennial).	Used
G4-31	Provide the contact point for questions regarding the report or its contents.	Used
G4-32	Report the 'in accordance' option the organization has chosen.	Not used
	Report the GRI Content Index for the chosen option .	Used
G4-33	Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	Used
	Report the organization's policy and current practice with regard to seeking external assurance for the report.	Used
	If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.	Used
	Report the relationship between the organization and the assurance providers.	Used
	Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Used

Ranking	Content	Index
Governance		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Used
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Used
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Used
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic,environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Used
G4-38	Report the composition of the highest governance body and its committees.	Used
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Used
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Not used
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.Report whether conflicts of interest are disclosed to stakeholders.	Not used
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Used
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Used
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	Not used
	Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	Used
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role inthe implementation of due diligence processes.	Used
	Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Not used
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Used
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Used
G4-49	Report the process for communicating critical concerns to the highest governance body.	Used
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Used
G4-51	Report the remuneration policies for the highest governance body and senior executives	Not used
	Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Not used
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Not used
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Not used
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Not used

Ranking	Content	Index
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Not used
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Used
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Used
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Used
Economic		
G4-EC1	Direct economic value generated and distributed.	Used
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Used
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Used
G4-EC4	Financial assistance received from government.	Used
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Used
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	Used
G4-EC7	Development and impact of infrastructure investments and services supported.	Used
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Used
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Used
Environmental		
G4-EN1	Materials used by weight or volume.	Used
G4-EN2	Percentage of materials used that are recycled input materials.	Used
G4-EN3	Energy consumption within the organization.	Used
G4-EN4	Energy consumption outside of the organization.	Used
G4-EN5	Energy intensity.	Used
G4-EN6	Reduction of energy consumption.	Used
G4-EN7	Reductions in energy requirements of products and services.	Used
G4-EN8	Total water withdrawal by source.	Inapplicable
G4-EN9	Water sources significantly affected by withdrawal of water.	Inapplicable
G4-EN10	Percentage and total volume of water recycled and reused.	Used
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Used
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Used
G4-EN13	Habitats protected or restored.	Used
G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Inapplicable
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1).	Inapplicable

Ranking	Content	Index
G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2).	Inapplicable
G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3).	Inapplicable
G4-EN18	Greenhouse gas (ghg) emissions intensity.	Not used
G4-EN19	Reduction of greenhouse gas (ghg) emissions.	Not used
G4-EN20	Emissions of ozone-depleting substances (ods).	Inapplicable
G4-EN21	Nox, Sox, and other significant air emissions.	Inapplicable
G4-EN22	Total water discharge by quality and destination.	Inapplicable
G4-EN23	Total weight of waste by type and disposal method.	Not used
G4-EN24	Total number and volume of significant spills.	Inapplicable
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention2 annex i, ii, iii, and viii, and percentage of transported waste shipped internationally.	Inapplicable
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Inapplicable
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Used
G4-EN28	percentage of products sold and their packaging materials that are reclaimed by category.	Inapplicable
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Inapplicable
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Inapplicable
G4-EN31	Total environmental protection expenditures and investments by type.	Used
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Not used
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Inapplicable
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Inapplicable
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group,gender and region.	Not used
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime,employees, by significant locations of operation.	Not used
G4-LA3	Return to work and retention rates after parental leave, by gender.	Not used
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Not used
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Inapplicable
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism,and total number of work-related fatalities, by region and by gender.	Not used
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Inapplicable
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	Used
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Used

Ranking	Content	Index
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Used
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Not used
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Used
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not used
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Not used
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Not used
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Not used
Human rights		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Not used
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Used
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	Inapplicable
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	Inapplicable
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Inapplicable
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Inapplicable
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	Not used
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	Used
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Inapplicable
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Not used
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Inapplicable
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Inapplicable
Society		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Used
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	Used
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Used
G4-SO4	Communication and training on anti-corruption policies and procedures.	Used
G4-SO5	Confirmed incidents of corruption and actions taken.	Not used
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Inapplicable
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not used

Ranking	Content	Index
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Inapplicable
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Not used
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Not used
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	Not used
Product responsibility		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Used
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Not used
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Used
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Inapplicable
G4-PR5	Results of surveys measuring customer satisfaction.	Used
G4-PR6	Sale of banned or disputed products.	Inapplicable
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Inapplicable
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Used
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Inapplicable

Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2014. To provide you and other stakeholders with even more valuable information and improve our ability to fulfill CSR, we sincerely welcome any opinions and suggestions you may offer on the report via:

Fax: 010-85107284
Mail to: 69 Jianguomennei Street, Dongcheng District, Beijing
Postcode: 100005
Attention: Corporate Culture Department, the Agricultural Bank of China Limited

Which of the following stakeholder types apply to you?

- ☐Government
- ☐Regulatory Authority
- ☐Shareholder and Investor
- ☐Customer
- ☐Employee
- ☐Supplier and Partner
- ☐Community
- ☐Environmental Science
- ☐Other

Do you think the Report has fully satisfied your expectations for the Agricultural Bank of China?

- ☐Yes
- ☐No. Which of your expectations do you think is not reflected in this Report?

Do you think the Agricultural Bank of China has responded to your expectations well?

- ☐Yes
- ☐No. Which of your expectations do you think has not been met well?

Do you think the arrangement of content and layout design of the Report provide easy ready?

- ☐Very good
- ☐Good
- ☐Average
- ☐Below average

What other opinions and suggestions do you have on our fulfillment of social responsibility and this Report?

Notes on the Report

Scope

Scope of time covered: This is an annual report that covers the period from January 1 to December 31, 2014. Part of the content is in excess of the above scope.

Scope of organization

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 (referred to as “ABC” and “Bank” herein).

Basis for compilation of the Report

This Report was prepared in accordance with the Sustainable Development Reporting Guidelines of the Global Reporting Initiative (GRI 4.0) and its Financial Service Sector Supplemental Guidelines; ISO26000 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 (CBA); 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; SEHK Environmental, Social and Governance Reporting Guide and other relevant opinions and guidelines.

Notes on data

Some financial data in this Report were originally included in the Bank’s annual financial statement for 2014 (which had been audited by PWC). Other data mainly originate from the statistics of the internal system and the affiliates of the Bank for 2014.

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 the Bank’s website (www.abchina.com). This Report is published both in Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Contact information: Corporate Culture Department of Agricultural Bank of China Limited

**Address: No. 69 Jianguomennei Avenue,
Dongcheng District, Beijing 100005, PRC**

Fax: 86-10-85108214





Welcome to the
official
website of
Agricultural
Bank of China



中国农业银行

AGRICULTURAL BANK OF CHINA

No. 69 Jianguomennei Avenue, Dongcheng
District, Beijing, PRC
Customer Service: 95599
Zip code: 100005
www.abchina.com

