诚信立业
稳健行远

中国农业银行
AGRICULTURAL BANK OF CHINA

Address: No. 69 Jianguomennei Street,
Dongcheng District, Beijing, China
Service hotline: 95599
Postcode: 100005
www.abchina.com

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2018 Agricultural Bank of China Corporate Social Responsibility Report

中国农业银行
AGRICULTURAL BANK OF CHINA







2018
Corporate Social Responsibility Report

Preface

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

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

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

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

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

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

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

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Message from the Chairman



Chairman

Zhou Mubing

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

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

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

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

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

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

Preventing and defusing risks with high standards

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

The Bank conscientiously implemented the new development concepts, served the supply-side structural reform, and vigorously supported national strategies and actively promoted the five major tasks of capacity reduction, destocking, deleveraging, costs reduction and improving underdeveloped areas, we guide the flow of funds to the real economy and to the industries

and weak fields most needed by China, such as "the Belt and Road" Initiative, the coordinated development of Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, Xiong'an New Area, and the Guangdong - Hong Kong - Macao Greater Bay Area. ABC is determined to support economic transformation and upgrading, prevent funds breaking away from the real economy, and accelerate the new growth drives, thus boosting stable and healthy social and economic development.

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

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

Ensuring high-quality targeted poverty alleviation

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

We established a working mechanism "with the Head Office as the core, provincial and municipal branches as promoters, and county-level branches as implementers". Focusing on targeted poverty alleviation, we set up the profit linking mechanism where "the bank surrenders profits, enterprises play a leading role, and poor households benefit". Industry development has been our fundamental strategy for poverty alleviation. Based on the key enterprises of the characteristic industrial chain, we endeavored to realize the goal of "supporting an industry, prospering a region, and increasing the incomes of the local people". We have always mobilized and united the efforts of the whole society to participate in poverty alleviation. The innovative poverty alleviation model of "credit enhancement by government + joint management of banks and financial businesses", a cooperation with government departments at all levels, effectively tackled the financing difficulty of poor people, and reduced credit risks and operating costs as a whole.

It is our unshirkable duty to serve the fight against poverty. We focused on targeted poverty alleviation, areas hit hardest by poverty, and fixed-point poverty alleviation, continued to increase the supply of credit, manpower, financial resources as well as donations to poor areas, and innovated in and promote effective models of poverty alleviation through financial inclusion, so as to help people increase confidence in their own ability to lift themselves out of poverty and see that they can access the education they need to do so, which also integrated the social responsibility fulfillment with promotion of sustainable business.

Securing a quality fight against pollution through collaboration

The fight against pollution concerns people's livelihood and prosperity, as well as the future of the country. The Bank paid attention to the use of their own resources and put more efforts into strengthening ecological civilization and solving environmental problems, and took tough steps to prevent and control pollution so as to promote the ecological progress in China to a new level.

With the innovation spirit of "thinking differently, being aggressive and being the trailblazer", we strived to build a domestically advanced and world-class green financial service system, and further consolidate its advantages in the green finance field. Strictly abiding by green credit standards, we actively developed innovative green finance solutions covering the whole industrial chain, endeavoring to make green finance a new business card for ABC and build a world-class green bank.

Focusing on the three major fights against atmosphere, water and soil pollution in China, we used the function of credit in leading industry development and screening customers to the fullest, thus attracting more quality customers and eliminating bad loans as much as possible. Centering on the four aspects of "farmland irrigation and water conservancy, green agriculture, beautiful villages, green towns", we highlighted green financial services for "Sannong". We also strengthened the support for green consumption by providing customers with more convenient financial services of lower costs for purchasing NEVs, green-certified residential houses and other green consumption behaviors. Besides, we deepened the cooperation with environmental exchanges to establish a mechanism of tie connecting personal carbon credits.

Undertaking the great responsibility of supporting rural vitalization

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

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

The Bank continued to deepen the reform of "Sannong" financial services, and improved the management system of business departments and the "six-single management" operation mechanism, promoted the "No.1 Project" of internet financial service for "Sannong", and formulated a set of policies and systems that are compatible with internet finance. Besides, ABC built an operation platform of internet financial service for "Sannong", making fresh progress in the financial service for "Sannong".

Supporting the development of private enterprises through reform

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

We supported the healthy development of private enterprises with practical actions, and established nearly 800 inclusive financial institutions. In order to guarantee abundant credit resources for the private sector, we issued the *Opinions on Strengthening the Support for the Healthy Development of Private Enterprises*, and proposed 22 targeted measures centering around 8 aspects.

We treat all business ownerships equally in terms of supporting policies. We gave full play to the advantage of sufficient funds to increase the underwriting and investment of bonds issued by private companies, so as to help them expand their financing channels. Furthermore, we leveraged technology to accelerate service model innovation, and established a featured product system for small and micro enterprises that includes more than 130 products, combines both online and offline channels, and covers multiple levels.

We added assessment indicators for the support offered to private enterprises, implemented the "top leader in charge" responsibility system, so as to fully mobilize and maintain the enthusiasm of branches and sub-branches for serving private enterprises with enhanced incentives.

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

No pains, no gains. 2019 marks the 40th anniversary of the reestablishment of ABC. Holding high the great banner of President Xi's Thought on Socialism with Chinese Characteristics for a New Era, the Bank will take great responsibilities and pioneer great causes. Following the management concept for commercial banks of "effective services, controllable risks, sustainable business", ABC will strive to improve services, prevent risks, conduct reforms, pursue innovation, improve weaknesses and promote transformation", ABC forges ahead with sheer endeavor, and will be tributes with distinction to the 70th Anniversary of the Founding of the People's Republic of China.

Marching forward with the reform and opening up

Difficult tasks are tackled from where it is easy, and great undertakings have small beginnings. As a large-scale state-owned enterprise in the financial sector, the Bank has been standing together with the country through thick and thin, and sharing the destiny of the times in the past 40 years of reform and opening up. ABC has been a "dream chaser" and "practitioner" along the path of reform and development. While providing power for national economic development, the Bank has achieved rapid development through its own reform and innovation.



1978

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

1989

1990

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

1999

2000

- In 2007, the Bank conducted the shareholding system reform, further enhancing its capacity of serving "Sannong".
- In January 2009, the Agricultural Bank of China Limited was established along with a governance structure with the general meeting of shareholders, board of directors, board of supervisors and senior management.
- In July 2010, A shares and H shares of Agricultural Bank of China were listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and ABC successfully completed the reform of the shareholding system for large state-owned banks.

2010

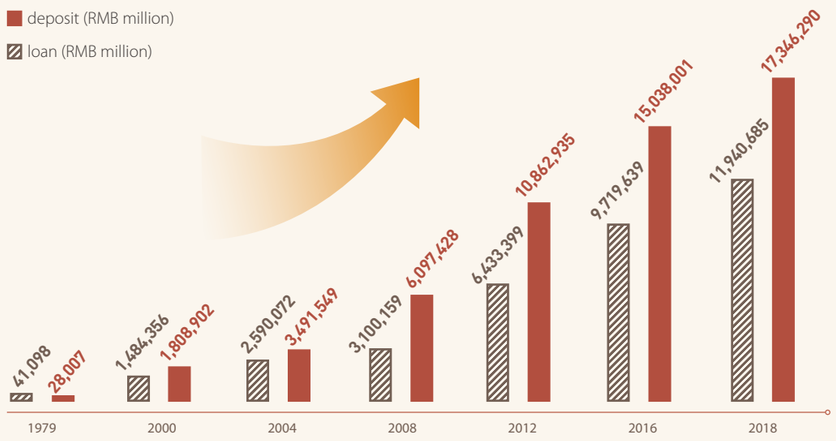
2011

- Proposing "Six Dimension Strategy" to indicate the development direction of the new era.
- Proposing the goal of "promoting digital transformation and rebuilding ABC".
- Initiating the two-wheel drive mechanism of "'Sannong' Financial Business Department + Inclusive Financial Business Department".
- Increasing the reform of technology, personnel, auditing, risk, directly-administrated operating institutions, branches in provincial capital cities.

2018

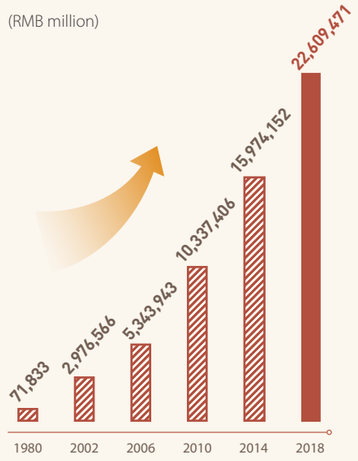
CSR performance in the past forty years of reform and opening up

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



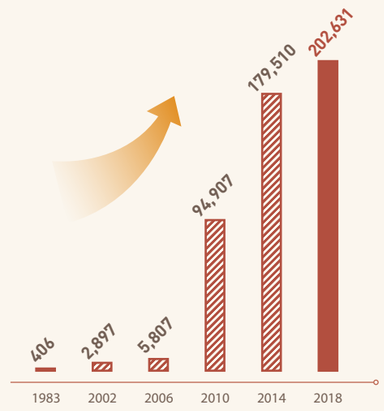
ABC's assets from 1980 to 2018

(RMB million)



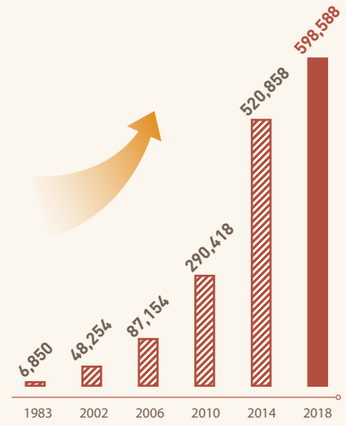
ABC's operating profits from 1983 to 2018

(RMB million)



ABC's revenue from 1983 to 2018

(RMB million)



Forty extraordinary years leads to the harvest of prosperity

The tide of the times rolls on, and the footstep of history is stoppable. On the road map of the new era, the road signs are sharp and clear. The 19th CPC National Congress established Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as a guide for the whole Party, and described the grand blueprint for securing a decisive victory in building a moderately prosperous society and a great modern socialist country in all respects.

New ideas guide the new era, and new missions begin embarkment of a new journey. As a large state-owned commercial bank, Agricultural Bank of China(ABC) has always followed the process of China's reform and opening up. Since its establishment in 1951, ABC has experienced "four ups and three downs" (or "four establishments and restablishments and three disassemblements"), from supporting countryside and cities, to separating its business from that of Agricultural Development Bank of China, disconnecting with Rural Credit Cooperatives, and stripping off bad assets to Great Wall Asset Management Corporation; developing from a professional bank, a commercial bank, to a listed company after the shareholding system reform; from "iron accounts", "iron funds" and "iron abacus", to super counters and A.I. robots; from traditional basic businesses such as depositing, loan service and remittance, to integrated and international operations; from deposit receipts, passbooks, and Kins cards, to withdrawal through facial recognition; from single credit risk management to "three lines and one grid" comprehensive risk management. Deepening reform and innovation has always been the genetic code for further development of ABC.

Reform has always been the commitment of determined people, the cause of strivers, and the battlefield of fighters. In 2010, ABC raised USD 22.1 billion in its initial public offering in Shanghai and Hong Kong respectively, becoming the biggest IPO in financing scale globally. It marked the completion of the shareholding reform of the four major state-owned commercial banks, and was another important achievement in China's banking reform. Since then, ABC has achieved a historic transformation from a state-controlled commercial bank to a large publicly-owned bank, which created a new starting point for the Bank's reform and development.

The Bank was born because of agriculture, it prospers and becomes stronger because of agriculture. The Bank has shifted from unified management of agriculture-aiding funds and centralized handling of rural credits to the development of rural financial undertakings; from supporting commodity production in rural areas and helping farmers to serving town-level and township-level enterprises and revitalizing rural economy; from promoting the reform of the "Sannong" Financial Business Department, serving the large "Sannong", the new "Sannong" and the featured "Sannong", to serving "Sannong" with the internet. In the past 40 years, serving "Sannong" has been the commitment of ABC. As early as 2008, the Bank has established the Sannong Financial Business Department to focus on the development of "Sannong" business.

At the end of 2016, International Institute for Management Development (IMD) in Lausannem, Switzerland, which is famous for training senior management, sent a team of experts to China to inspect ABC's practice of inclusive finance. The practice is regarded as a classic case for teaching "large-scale commercial banks to serve'Sannong'". This vividly reflects China's institutional advantages and characteristics in the financial industry. In July 2017, the Head Office established the Inclusive Financial Business Department,



and built the inclusive financial service system covering urban and rural areas driven by the "'Sannong' Financial Business Department + Inclusive Financial Business Department". At present, all tier-1 and tier-2 branches of the Bank have established the Inclusive Financial Business Department, and a total of 799 inclusive financial institutions have been set up among these branches.

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

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

Decades have come and gone, time keeps forging ahead, and ABC has been overcoming all obstacles along the way and marched forward bravely. As a large-scale state-owned commercial bank, ABC has been exploring approaches to cope with climate change through financial efforts, and established a domestically leading world-class green financial system in terms of mechanisms, products and capabilities, endeavoring to become a leader in the field of green finance. In October 2015, the Green Bond of the Agricultural Bank of China was successfully listed on the London Stock Exchange, becoming the first international green bond issued









by a Chinese financial institution and the first RMB green bond issued by an Asian issuer. In February 2016, the Green Bond Pioneer Awards (GBPA) co-hosted by the London Stock Exchange and the Climate Bonds Initiative was held at the London Stock Exchange. ABC won First Green Bond in China and became the only Chinese commercial bank winning the award.

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

The banner defines the direction, and the belief is the power. Finance has been the flesh and blood of the real economy. Since China's reform and opening-up 40 years ago, ABC has taken serving national strategies and the real economy as its own responsibility, and provided comprehensive financial services to more than 4 million small and micro enterprises, demonstrating the great sense of responsibility as a state-owned bank. The prosperity of industries helps prosper the financial industry. As one of the important implementors of national financial policies, ABC has earnestly studied the "pain spots" and the needs of private enterprises, and developed various effective solutions correspondingly. The Bank has not only launched the first tool to support private enterprises in terms of bond financing, but released the Opinions on Strengthening the Support for the Healthy Development of Private Enterprises, which proposed 22 measures for increasing credit investment in private enterprises, deepening financial cooperation along the industrial chain, broadening financing channels, and assisting companies to tackle difficulties, providing more comprehensive, meticulous and considerate financial services for private enterprises.

Hard work leads you to the top of the highest mountain and the farthest destination. In face of the greatest change in the past century, ABC has conscientiously implemented the new development concepts, served the supply-side structural reform, and vigorously supported "the Belt and Road" Initiative, the coordinated development of Beijing-Tianjin-Hebei region, Yangtze River Economic Belt, Xiong'an New Area, Guangdong-Hong Kong- Macao Greater Bay Area and other state-level strategies and decisions. The Bank saved no efforts in supporting economic transformation and upgrading, accelerating the new growth drives, and promoting the stable and healthy economic and social development.

The new era and the new journey require hard work. This should not be a meaningless slogan, but down-to-earth practice. On March 19, 2018, Xiong'an Branch of ABC in Hebei was opened in Rongcheng County, making ABC the first among the top four state-owned commercial banks in China to officially launch a branch in Xiong'an New Area after being approved. Subsequently, the Head Office, Hebei Branch and Xiong'an Branch, through joint marketing, issued a loan of RMB 500 million to the Ordos-Anping-Cangzhou natural gas pipeline project of Sinopec Group, which was the first loan issued by Xiong'an Branch since the establishment.

Smart people adapt to the times, and wise people take corresponding measures case by case. ABC endeavors to release the energy of financial and technological innovation, cultivate the endogenous power for promoting high-quality development, and continuously promote the improvement of total factor productivity. At present, the average daily trading amount of ABC's core business is 530 million, with the highest number of transactions reaching 660 million, electronic channel financial transactions accounts for 98%. At the 2018 China Banking Development Forum and the Sixth Banking Comprehensive Selection Awards Ceremony sponsored by Sina Finance, ABC's smart mobile banking APP stood out among over 20 competitive products and won the award of Most Popular Mobile Bank, receiving wide attention among the industry and the media.

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

Diligent cultivation guarantees great harvest, and ABC keeps growing stronger as time flies by. As of the end of September 2018, the Bank's balance of personal deposits had exceeded RMB 10 trillion, ranking top among global commercial banks. On November 6, 2018, the number of credit cards issued by ABC had exceeded 100 million, making the Bank the fifth commercial bank in China with more than 100 million of credit cards. By the end of 2018, the total assets, deposits and loans of ABC had reached RMB 22.6 trillion, RMB 17.3 trillion and RMB 11.9 trillion respectively, and the ROA and ROE of the Bank ranked top among the industry. Since 2014, the Bank has been included in the list of global systemically important banks (G-SIBs) by the Financial Stability Board for four consecutive years. In 2018, it ranked fourth in the top 1,000 global large-sized banks and 40th in the Fortune 500 list. On January 22, 2019, the British brand value research institute Brand Finance released the list of the world's 500 most valuable brands in 2019 in an UK magazine called The Banker, in which ABC's rank was elevated raised from the sixth to the third with a brand value increase of 47% from the previous year.

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

Opportunities and challenges coexist. ABC insists on strengthening its confidence with consistent "forms" and "situations"; gaining the initiative by turning "risks" into "opportunities"; balancing "reform" with "tradition"; mastering the right moments for "keeping stable development" and "forging ahead" in face of obstacles. The Bank firmly grasps the strategic initiative, striving to achieve high-quality development and earnestly implement the decisions of the Party Central Committee and the State Council. In the new era of rapid changes, ABC will uphold the six management concepts for commercial banks, namely "quality service, risk prevention, focusing on the reform, seeking innovation, making up for gaps, and promoting transformations", and complete the 26 key tasks.

For forty years, ABC has experienced great changes and achieved much. At present, China's economic development has entered the new normal, and the economic and financial situations at home and abroad remain complex and full of changes. Under the strong leadership of the Party Central Committee and the State Council, the Bank will forge ahead, insist on reforming and innovating, and draw a new blueprint for the prosperity of the Bank based on the "Six Dimension Strategy". Joining hands with and leading 500,000 employees of the Bank, ABC will overcome all obstacles to fight for a more brilliant future.



About Us

Company Strategy

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

Strategic goal

ABC is committed to building an international commercial bank group with professional operations, efficient and convenient services, diversified functions, and outstanding value-creation capabilities.

Agricultural Bank of Chin's Reform and Development Plan 2016-2020 (Mid-term Revision)

Strengthening business ideas

The Bank devotes great energy to promoting the transformation from "self-centered" to "customer-centered" principle, from a single credit intermediary service provider to a comprehensive financial service provider, and from "capital-intensive business" to "capital-light business".

Highlighting strategic positioning

The Bank further highlights the three business "three positionings" of serving "Sannong" and strengthening county-level business, improving business in cities with clear focuses, and endeavoring to realize high returns through cooperation with enterprises.

Accelerating business transformation

The Bank accelerates business restructuring, innovates in product and service models, and succeeds in providing financial services for key areas and weak links of the real economy. It also accelerates the transformation of bank V. 4.0 and the layout of financial technology, aiming to realize the transformation of financial services from "everywhere" to "anywhere".

Strengthening risk control

The Bank continues to improve comprehensive risk management system, and resolutely guards the bottom line against systemic financial risks.

Improving corporate governance

The Bank strengthens compliance management and audit supervision by internal control, and enhances H. R. team building. Deeply rooted in the new corporate culture, it explores to establish a modern corporate governance system with ABC characteristics.

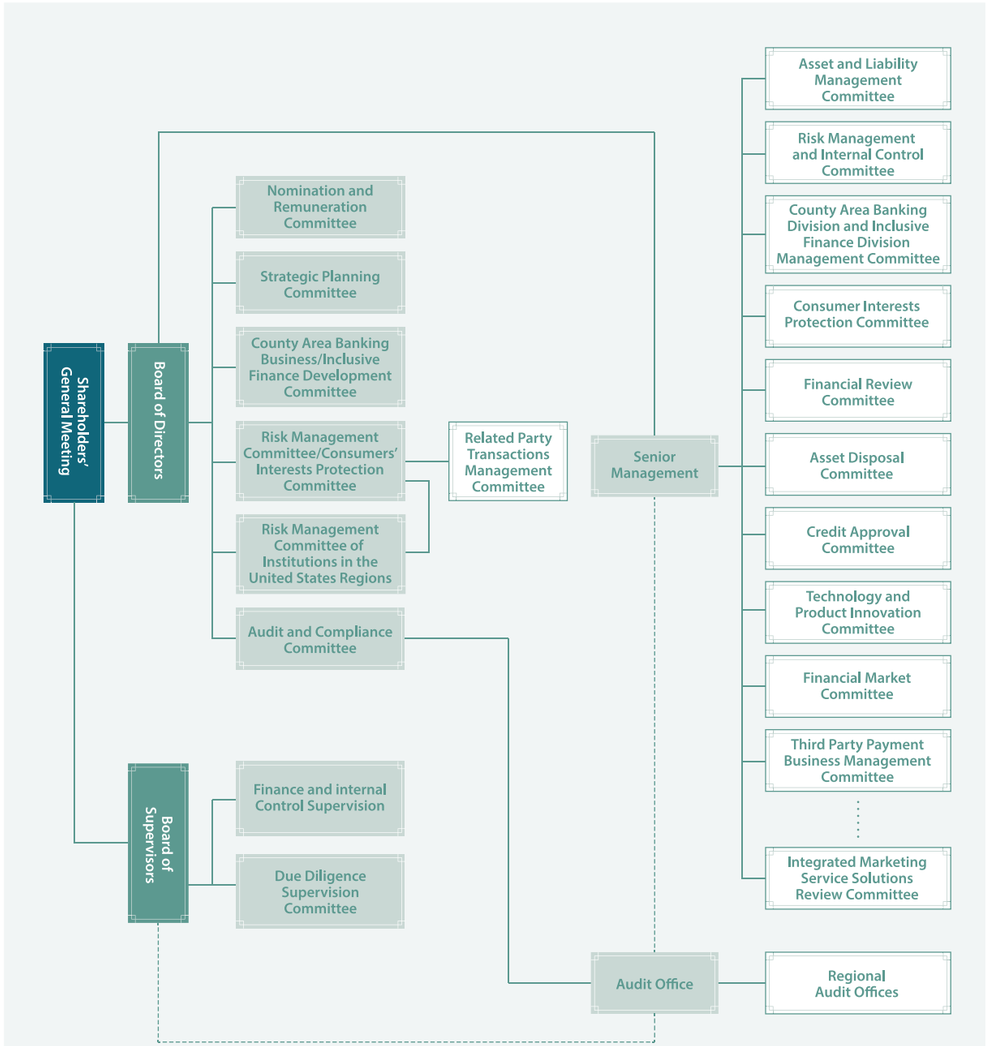
Corporate Governance

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

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

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

Corporate Governance Structure



Note: Responsibilities of the Risk Management Committee of Institutions in the United States Regions are concurrently assumed by the Risk Management Committee/Consumers' Interest Protection Committee

Prudent operation

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

Strengthening internal control management

Improving internal control system
- Revising *Basic Regulations on Internal Control of Agricultural Bank of China*
- Revising *Internal Control Evaluation Method* and *Measures for Defect Recognition of Internal Control*

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

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

Improvement of Compliance Policies and Measures

Promoting the cultural advancement of rule of law and compliance

- Organizing to carry out the learning on constitution, initiating legal knowledge contests among employees by digesting the Textbook *on Laws for Leaders*
- Studying the compliance basis of the Board Of Directors and the management to develop a programmatic document
- Launching the revision of the *Code of Conduct for Employees*, organizing the formulation of regulations for linear behavior

Improving the Group's legal risk management system

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

Strengthening legal support services

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

Promoting the litigation management

- Issuing *Guidance Opinions on the Work of Clearing and Protecting Rights in Litigation Management Services*
- Issuing *Notice on Further Strengthening the Management of Prosecuted Cases*

Strengthening compliance risk management

- Promoting "one defense" to implement risk compliance responsibilities
- Regularly carrying out case risk investigation
- Steadily Promoting the development of compliance risk monitoring platform, internal control data mart, ICCS system and other information systems

Strengthening the compliance management of overseas branches and outlets

- Deeply promoting the implementation of regulatory requirements
- Constantly enhancing anti-money laundering compliance management
- Continuously strengthening information communication reporting, monitoring and evaluation
- Continuously strengthening the compliance team building
- Improving the compliance management mechanism of overseas branch outlets

Risk management

The Bank combines risk preference, policy system, organizational structure, tool model, data system and risk culture in accordance with the principles of full coverage, whole-process management and all staff involved, so as to identify, measure, monitor, control and report all kinds of risks in business operation timely and ensure the effective operation of risk management in the whole bank from decision-making, implementation to supervision.

By the end of 2018, the non-performing loans (NPLs) of ABC was

1.59%

0.22% lower than that of 2017

The provision coverage was

252.18%

showing a high level of resilience to risks and strong ability to absorb losses

Major risk management policies and systems

Financial management and risk management of inter-bank business

Formulating the *Measures for Risk Management of Personal Financing Business of Agricultural Bank of China*, and revising the *Measures for Risk Management of Financial Interbank Business of Agricultural Bank of China*

Comprehensive risk management system

ABC formulated *Rules of the Committee on Risk Management and Internal Control for Senior Management*

Market risk management

ABC revised *Regulations on the Division of Transaction Accounts and Bank Accounts, Measures for the Management of Risk Value Measurement*



Credit risk management

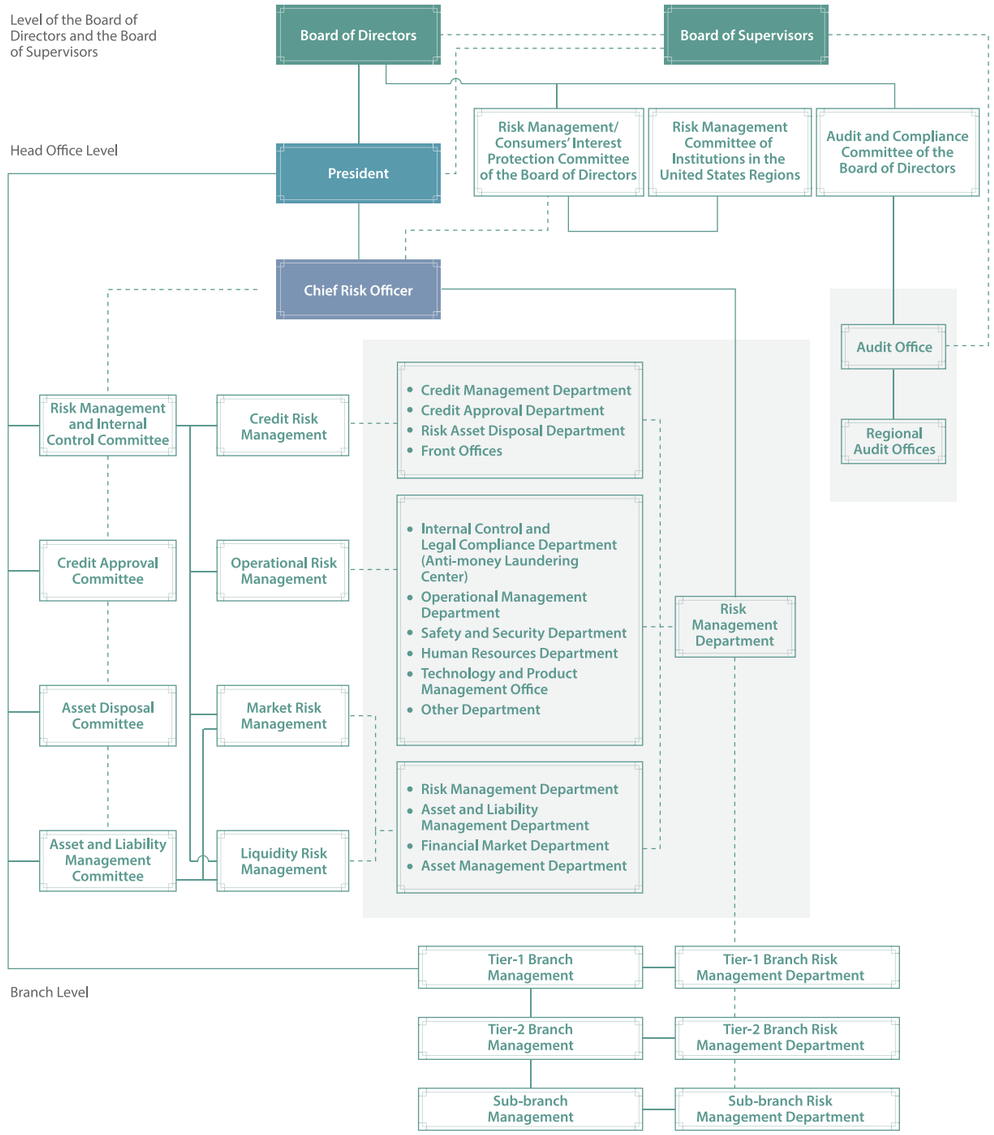
The Bank has formulated the *Measurement and Management Methods of Large Exposure of Agricultural Bank of China*, revised the *Rules for the Administration of Credit Granting by Foreign Financial Outlets of Agricultural Bank of China*, *Rules for the Administration of Credit Granting in Capital Transaction and Investment Business of Agricultural Bank of China*, *Measures for Management of Business of Commercial Acceptance Bills of Agricultural Bank of China*, and *Measures for Business of Discount of Commercial Bills of Agricultural Bank of China*

Operational risk management

ABC revised *Management Measures for the Continuity of China Business, Operational Risk Management Policy of Agricultural Bank of China, Management Measures for Operational Risk Assessment of Agricultural Bank of China*, and *Management Measures for Operational Risk Monitoring and Reporting of Agricultural Bank of China*

Structural Chart of Risk Management

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



Responsibility Management

Core ideas of our corporate culture

Our Mission

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

Our Vision

Forging a first-class international commercial bank group.

Our Core values

Integrity, Stability and Sound Operation.

Relevant philosophies under the guidance of core values

Operation philosophy
Market-oriented and customer-centered and value-oriented.

Management philosophy
Details determine success or failure, compliance creates value and responsibility delivers achievements.

Service philosophy
Customers First and Always.

Risk philosophy
Non-compliance poses risks and safety brings benefits.

Human resources philosophy
Besides ability, employee's integrity should be highly valued and their performance should be fairly assessed.

Integrity Philosophy
Be honest, upright, and disciplined, with moral fortitude and principle, selflessness, consideration, devotion and loyalty.

Philosophy on CSR

Giving priority to CSR

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

Benefiting the People

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

Shouldering responsibilities

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

Promoting societal prosperity

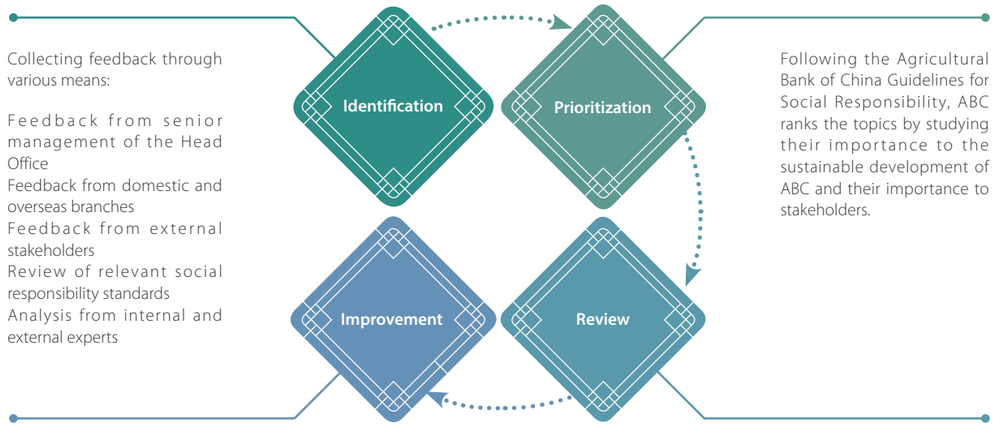
It has been our long-term responsibility and pursuit to promote the realization of the "Chinese Dream" and to build a prosperous society in all respects with our strength in financial services.

Responsibility governance

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

CSR topics

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



Collecting feedback through various means:

Feedback from senior management of the Head Office
Feedback from domestic and overseas branches
Feedback from external stakeholders
Review of relevant social responsibility standards
Analysis from internal and external experts

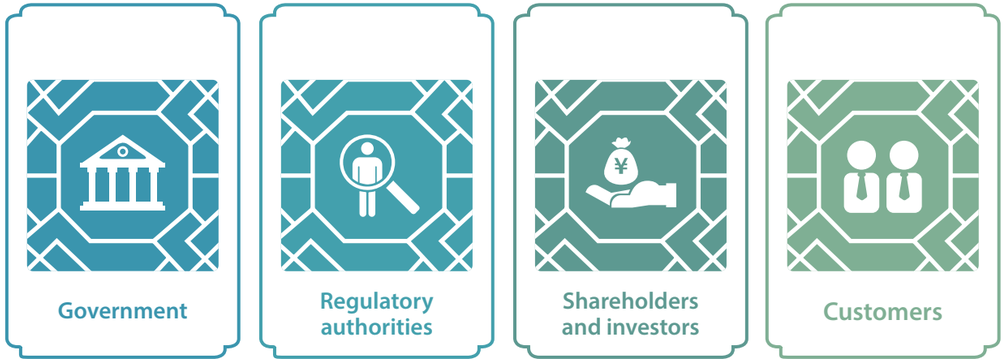
Following the Agricultural Bank of China Guidelines for Social Responsibility, ABC ranks the topics by studying their importance to the sustainable development of ABC and their importance to stakeholders.

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

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



Stakeholders



Government

Key expectations

To support national strategies

To serve "Sannong" development

To support the real economy

To provide financial services related to people's livelihood

To provide inclusive finance services

To pay taxes in full according to the law

To promote employment

Responses

To observe the laws and regulations

To support coordinated regional development

To serve rural revitalization

To support the structural supply-side reform

To proactively pay taxes

To continue providing inclusive financial services

Regulatory authorities

Key expectations

To operate according to the law

To maintain financial stability

To prevent risks effectively

Responses

Compliance management

To receive supervision and evaluation

To perform comprehensive risk management

Shareholders and investors

Key expectations

Sustainable investment return

To improve corporate governance

To protect the rights and interests of shareholders

To strengthen information disclosure

Responses

To realize stable operations

To create value for shareholders

Full transparency

Customers

Key expectations

To safeguard consumers' rights and interests

To improve service quality

To continuously promote product innovation

Responses

To strengthen the protection of consumers' rights and interests

To comprehensively improve service quality

To accelerate product innovation

To establish informatization



Employees

Key expectations

To protect the legitimate rights and interests of employees

To promote the improvement and career development of employees

People focused

Responses

To abide by national labor laws and regulations, and international practice

To provide diversified training programs

To create practical career development channels

To advocate for healthy work -life balance

Suppliers and partners

Key expectations

Fairness and transparency

Integrity and honoring agreements

Mutually beneficial cooperation

Responses

To improve procurement management

To innovate cooperation models

The public and communities

Key expectations

To popularize financial knowledge to the public

To promote the development of communities

To participate in public welfare

Responses

To carry out diversified popularization and education on financial knowledge

To actively participate in public welfare and charity

Environment

Key expectations

To safeguard consumers' rights and interests

To improve service quality

To continuously promote product innovation

Responses

To support the green industry

To innovate green finance products

To practice green operations

Key Performance Indicators

Economic performance

Indicators	2016	2017	2018
Total assets (RMB trillion)	19.57	21.05	22.61
Total loans and advances to customers (RMB trillion)	9.72	10.72	11.94
Non-performing loan ratio[1](%)	2.37	1.81	1.59
Capital adequacy ratio[2] (%)	13.04	13.74	15.12
Net profit (RMB billion)	184.06	193.13	202.63
Return on average total assets[3]	0.99	0.95	0.93
Return on weighted average net assets[4]	15.14	14.57	13.66
Taxes[5] (RMB billion)	90.40	67.72	83.83
Shareholders' equity (RMB trillion)	1.32	1.43	1.67
Shareholder's dividends[6](RMB billion)	55.22	57.91	60.86

Environmental performance

Indicators	2016	2017	2018
Electronic channel financial transactions as proportion of total transactions (%)	96	97	98
Balance of green credit (RMB billion)	649.43	747.63	1050.40
Water consumption per capita in Head Office[7] (m3/person)	42.99	42.70[8]	44.31
Electricity consumption per capita in Head Office (kwh/person)	5,919.33	5,724.99	5,866.87
Gas consumption per capita in Head Office (m3/person)	63.62	61.18	63.04

1. Figures were calculated by dividing the balance of NPLs by the balance of total loans and advances to customers.

2. Figures were calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* and other relevant regulations.

3. Calculated by dividing net profit by the average balances of total assets at the beginning and the end of the period.

4. Calculated in accordance with the Rules for the *Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision)* issued by the CSRC and International Accounting Standard 33 – Earnings per share.

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

6. Dividends of ordinary shareholders (tax included).

7. The Head Office includes the Southern and Northern Building of ABC Plaza, Fengtai Science and Technology Plaza, Office Building in Gongzhufen, Chemsunny Plaza and Glorious Oriental Plaza.

8. The statistical data of water consumption per capita, electricity consumption per capita and gas consumption per capita in 2016 and 2017 disclosed in last report was calculated based on the number of registered employees in the Head Office, which was adjusted to be the actual number of employees working in the office building of the he Head Office.

Social performance

Indicators	2016	2017	2018
Social contribution value of each share[9] (RMB)	1.98	2.00	2.06
Total county area loans and advances (RMB trillion)	3.18	3.57	4.01
Balance of farmer loans[10] (RMB billion)	191.77	206.04	249.99
Number of county-level branch outlets	12,736	12,728	12,622
Total Huinong Cards issued (million)	194.07	206.27	216.01
Number of farmer households benefiting from Huinong Cards[11](million households)	94	95	96
Proportion of administrative villages covered by Hui Nong Tong electronic devices (%)	75.10	74.40	74.20
Balance of loans to small and micro businesses[12] (RMB trillion)	1.20	1.36	1.43
Balance of loans of village & township banks (VTBs) [13] (RMB billion)	1.40	1.57	1.50
Total amount of donations[14] (RMB million)	37.71	44.11	66.86
Total loans and advances to western regions[15] (RMB trillion)	2.16	2.41	2.64
Total loans and advances to ethnic minority areas[16](RMB billion)	600.92	688.55	736.69
Balance of loans for affordable housing projects (RMB billion)	70.33	141.58	200.12
Total number of employees	496,698	487,307	473,691
Total number of county-level employees	214,366	208,530	200,556
Proportion of female employees (%)	46.70	46.60	46.10
Proportion of ethnic minority employees(%)	8.12	8.13	8.29
Total number of employee trainings (10,000 person/times)/(hour / person)	169.05	161.37	97.95
Number of employees overseas	788	812	961
Total number of domestic branch outlets	23,682	23,661	23,381

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 loans to rural households: including the balances of general loads to Comfortable Housing Project for farmers and herdsmen, loans for farmers going abroad to work, house building loans for the farmers in quake-hit areas, loans for farmers purchasing or building houses, loans for farm machines, personal loans to production and buisnesses in rural areas, petty loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, loans to other production and buisnesses for individuals, poverty alleviation loans to Comfortable Housing Project for farmers and herdsmen, personal soft loans for poverty alleviation, personal general loans for poverty alleviation, and "Kins Quick Agricultural Loans".

11. Number of farmer households benefiting from Huinong 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. 6 village and township banks (VTBs).

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

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

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

Responsibility Map

From Heihe of Heilongjiang Province to Tengchong of Yunnan Province, there is a geo-demographic demarcation line. The south-eastern side of the boundary covers 42.9% of China's territory and its population accounts for 94.4% of China's total population, while the north-western side of the boundary covers 57.1% of China's territory and its population only accounts for 5.6% of the country's entire population. ABC has set a large number of branches in the regions on the north-western side of this boundary to provide inclusive financial services for the majority of China's minorities and border areas. In Xinjiang Autonomous Region, ABC is the only financial institution that has set up two provincial level branches: the Xinjiang Branch and the Corps Branch. In China, ABC has 12,622 branches and organizations in rural areas, and over twenty thousand six hundred employees work in undeveloped, rural and remote areas.



71 branch outlets
within 2 kilometers from the borderline

558 branch outlets
above altitude of 3,000 meters

483 branch outlets
above altitude of 3,500 meters

18 branch outlets
above altitude of 4,800 meters



18 branch outlets
within 2 kilometers from the borderline

1 branch outlets
above altitude of 3,000 meters



18 branch outlets
above altitude of 4,800 meters

452 branch outlets
above altitude of 3,500 meters

494 branch outlets
above altitude of 3,000 meters



10 branch outlets
within 2 kilometers from the borderline



26 branch outlets
within 2 kilometers from the borderline



19 branch outlets
above altitude of 3,500 meters

28 branch outlets
above altitude of 3,000 meters

12 branch outlets
above altitude of 3,500 meters

35 branch outlets
above altitude of 3,000 meters



8 branch outlets
within 2 kilometers from the borderline



9 branch outlets
within 2 kilometers from the borderline

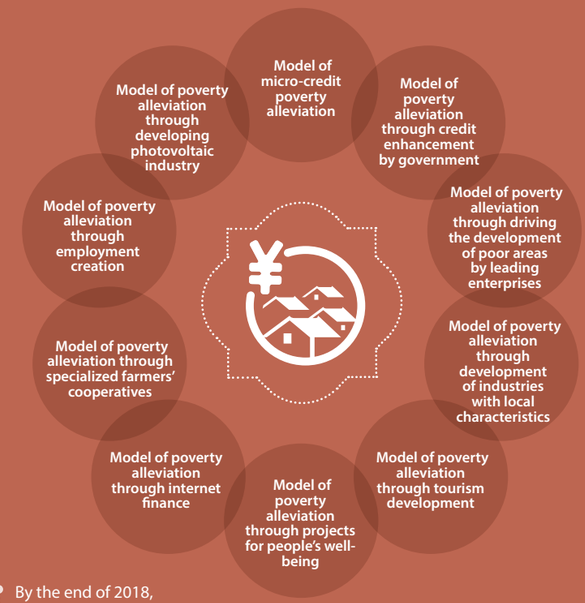


Photo by Leng Qizhen

CSR Focus

Promoting Ten Models of Poverty Alleviation by Finance Inclusion

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



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

The loan balance of 832 key poverty-alleviation counties was RMB **923.9** billion an increase of RMB **108.8** billion and up 13.3% over the beginning of the year

Enhancing the Guarantee of Policies and Mechanisms

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

Supporting policies

The Bank formulated the *2018 Action Plan on Serving Poverty Alleviation* and *Three-Year Action Plan on Financial Support for Poverty Alleviation (2018-2020)* for the overall planning for poverty alleviation through financial inclusion.

Resource allocation

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

Organizational mechanism

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



Enhancing Poverty Alleviation in Areas in Extreme Poverty

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

By the end of 2018, the loan balance in the deep poverty-stricken areas was RMB

332.5 billion

an increase of RMB

38.5 billion

indicating 13.11% increase compared with the end of last year

Case

Xinjiang Branch helps areas in extreme poverty "blossom" through financial support

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

In view of the actual situation of registered low-income households, the Xinjiang Branch focuses on innovating micro-loans for farmers, and uses product innovation and process optimization as a means to customize new products for poor households, thus helping them get rid of poverty in a faster manner. By the end of 2018, the branch had given the "two-exemption" micro-loans to a total of 58,900 households in poverty, totaling RMB 2.53 billion.

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

The Xinjiang Branch earnestly promoted the "Kins Hui Nong Tong" project in poverty-stricken areas and installed more electronic devices to improve the basic financial service environment in areas hit hardest by extreme poverty. By the end of 2018, the branch had set up 1,687 Hui Nong service points in the four regions. The service points of the "Kins Hui Nong Tong" project now cover 61% of local townships.



Xinjiang Branch supports rose plantation in Yutian County, Hotan (Photo by Guo Zhonghui)

Case

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

Gansu Province is located in the northwest of the country. It is one of the most barren regions in China. The Gansu Branch has actively strengthened products innovation, increased credit supply, and optimized basic financial services to improve farmers' lives and their production activities. The branch has brought the light of hope to more poverty-stricken farmers in Gansu.

Poverty Alleviation through Financial Products

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

Poverty Alleviation through Industry Development

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

Poverty Alleviation through Innovation

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



The customer manager of Gannan Branch in Gansu Province investigates the operation of cooperatives (Photo by Ding Piqing)

Case

The Sichuan Branch helps promote local potatoes go nationwide

Liangshan Prefecture is the largest settlement of the Yi people in China, where there are still 11 state-level poverty-stricken counties, among which Zhaojue County has 75,000 poor people, accounting for 15.3% of the total poor population in Liangshan. The Zhaojue potato is grown in the alpine mountainous area with an altitude of over 2,000 meters. It is far away from pollution and of great quality, and is one of the staples and the main source of income for locals.

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

"The 'Hui Nong e-Tong' platform bridges the gap between local poor households with the national market. It also opens up the channel directly linking the farmland with the dining table, as well as production with consumption. That enables consumers across the country to buy authentic Zhaojue potatoes, helps poor households to increase their income, and enhances the locals' confidence in getting rid of poverty."

—— Head of Liangshan Prefecture Business and Investment



Launching ceremony of on-line sales of Zhaojue potato on the "Hui Nong e-Tong" platform by Liangshan Branch in Sichuan Province (Photo by Wu Chao)

Case

The Tibet Branch shines the light for poverty-stricken households on the plateau

As the only province-level contiguous poverty-stricken area and an area of overall extreme poverty, Tibet faces an arduous task of fighting against poverty.

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

By the end of 2018, the balance of poverty alleviation loans of the Tibet Branch had reached RMB 15.03 billion, accounting for 30% of the total balance of such loans of all financial institutions in the Tibet Autonomous Region. The branch has helped registered low-income households to increase their annual income by more than 5,000 yuan on average, and supported the autonomous region in lifting more than 200,000 poor people out of poverty. It has basically realized the full coverage of financial services on people in poverty-stricken areas with labor capacity to work in Tibet.

Case

Ningxia Branch makes great achievements in the poverty alleviation work in the Xihaigu region

The Ningxia Hui Autonomous Region has both the irrigation districts along the Yellow River known as the "Land of Abundance along the southern frontier", and the Xihaigu region (including six counties, namely, Xiji, Haiyuan, Guyuan, Longde, Jingyuan, and Pengyang), which is known for its extreme poverty. The Ningxia Branch takes initiative to take the responsibility as the "main force" in offering financial services to rural areas, thereby supporting the development of local poverty-stricken areas.

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

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

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

By the end of 2018, the balance of poverty alleviation loans of the Ningxia Branch had reached

RMB **4.44** billion

the branch has supported

59,000 registered low-income households in fighting against poverty

accounting for **27.6**% of all registered low-income households in Ningxia



Luxi Sub-branch in Yunnan supports the development of spring onions industry (Photo by Liang Zhiqiang)

Focusing on Targeted Poverty Alleviation

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

In 2018, a total of 29,700 people from four targeted poverty alleviation counties were successfully relieved of poverty, and the number of people living in poverty dropped by 43.5% compared with the beginning of the year.

Meanwhile, poverty was successfully eliminated in Xiushan County in Chongqing and Raoyang County in Hebei Province. Wuqiang County in Hebei Province has completed the third-party poverty alleviation assessment.

Bases on the experience of conducting poverty alleviation in Fuping County, Hebei Province, the Bank took the initiative to assist another five key poverty-stricken counties in 2018, including Shicheng County, Jiangxi Province, Leishan County and Taijiang County, Guizhou Province as well as Weiyuan County and Zhouqu County, Gansu Province, and helped them enjoy the same supporting policy as the previous four poverty-alleviation counties. In 2018, RMB 9.75 million of supporting funds were donated to six key counties, RMB 590 million of loans was invested in targeted poverty alleviation, and 15,184 registered low-income people were helped.

In 2018, four targeted poverty alleviation counties

received RMB **3.32** billion of loans

and six key poverty alleviation counties

received RMB **1.97** billion in loans accumulatively

Enhancing credit support

By the end of 2018, the balance of loans in four targeted counties was RMB 8.84 billion, increasing 26.7% over the beginning of the year. The Bank focused on supporting local urbanization and the development of featured industries. At the same time, the Bank vigorously promoted "Grape Loan" and "Vegetable Loan" in Raoyang, "Instrument Poverty Alleviation Loan" in Wuqiang, "Tobacco Farmer e-Loan" in Huangping, "Miaoyin e-Loan" and Xiushan targeted poverty alleviation loans and other targeted poverty alleviation products.

Improving basic financial services

The Bank's Huinong financial service points successfully covered all the administrative villages in the four targeted counties. In 2018, the Bank handled a total of 1.76 million financial transactions, equivalent to RMB 6.03 billion.

Increasing funding for poverty alleviation

A total of RMB 17.84 million was allocated to four targeted poverty alleviation counties throughout the year, of which RMB 13.65 million was allocated for targeted assistance. The Bank organized 29 targeted assistance projects for driving (serving) 1,634 registered low-income households with 6,166 poor people. The Bank helped train 1,264 grass-roots cadres and 1,544 technicians in targeted poverty alleviation counties; the establishment of the "Jinsui Makes Your Dreams Come True" Fund subsidized 763 impoverished undergraduates in 4 counties with RMB 3.82 million; the Bank also donated RMB 370,000 and worked with Beijing Normal University to help train 60 key rural teachers in Huangping County in Guizhou Province.

Case

Guizhou Branch takes multiple measures to help Huangping County eliminate poverty

Huangping County in Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province is a targeted county of the branch for poverty alleviation. The Huangping County Sub-branch is dedicated to the economic and social development of Huangping County through various means such as poverty alleviation through project and industry development, micro-loans for farmers, and the development of beautiful demonstration villages, etc.

"Major poverty alleviation" through industry development. The branch issued RMB 150 million of Huinong Credit and supported the construction of projects of the modern commodity concrete processing industry and other industries in rural areas, helping 1,500 poor people to increase income. Besides, the branch issued a total of RMB 128 million of "Beautiful Village" loans, and RMB 256 million of loans for tourism infrastructure, such as the loans to the Huangping Jiuzhou Ancient Town.

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

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



Huangping passion fruit growers supported by Guizhou Branch check the growth of passion fruit (Photo by Ye Yikun)

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



Huangping County Sub-branch in Guizhou Province learns customers' financial needs in the Huangping Bletilla striata planting base (Photo by Ye Yikun)



The herdsmen of Gannan Tibetan Autonomous Prefecture supported by Gansu Branch get a bumper harvest (Photo by Ding Piqing)

Case

Chongqing Branch reduces poverty in high mountains

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

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

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

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

Planting the Seeds for Targeted Poverty Alleviation

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

As of the end of 2018 the balance of targeted poverty alleviation loans had reached RMB **341.5** billion

The balance of targeted poverty alleviation loans for industries and other individuals was RMB **100** billion

an increase of 25.9% over the beginning of the year **25.9** %

and the Bank helped a total of **480,000** poor people increase their income

The loan balance of targeted poverty alleviation projects was RMB **218.3** billion

an increase of 17.3% over the beginning of the year **17.3** %

benefiting **4.89** million poor people

Measures for targeted poverty alleviation through industry development

Providing targeted support for industries and projects with poverty alleviation capabilities

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

Accurate connection drives income increase of poor people

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

Supporting the infrastructure construction and public services

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



Jinzhong Branch in Shanxi issues Red Dates Loan to help a bumper harvest (Photo by Zhang Dapeng)



Yuzhen Baima couple, a poverty alleviation target of ABC, sent off the staff of ABC in Laru Village, Bujiangda County, Linzhi City, Tibet (Photo by Chen Shunxi)

Case

Xinjiang Branch develops industrialized service package for the local cotton industry

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

Thanks to the support of loans provided by Xinjiang Branch, Xinjiang Lu Tai Harvest Cotton Industry Co., Ltd., a leading poverty alleviation enterprise in the autonomous region, signed contracts with 1,750 local cotton farmers, providing 1,500 jobs for the local surplus labor force and people in poverty, and more than 90% of them were ethnic minorities. This realizes the family of those employees have also been lifted out of poverty, effectively eliminating poverty in the local area.



The customer manager of Xinjiang Branch conducts research in Xinjiang Lutai Fengshou Cotton Industry Co., Ltd (Photo by Li Dongfang)

Case

Jilin Branch innovatively launched industry specific loan to promote development of local animal husbandry industry

In order to boost local animal husbandry development to promote poverty alleviation, Jilin Branch launched a credit product exclusive to local animal husbandry - "Jilin Animal Husbandry Loan". The loan is also packed with the poverty alleviation function, and six poverty alleviation models, including mortgage loans or joint guarantees for animal agriculture enterprises, large professional businesses, family farms, professional cooperatives, general households (individuals), loans directly made to poor households through mutual guarantees, effectively giving full play of "competent people" and enabling large animal husbandry businesses to help poverty-stricken households lift out of poverty.

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



Case

The Inner Mongolia Branch focuses on targeted poverty alleviation to help poverty-stricken people increase incomes

The Inner Mongolia Branch has increased targeted poverty alleviation loans to support registered low-income households with labor capacity, income-increasing channels, credit enhancement by government, and basic conditions for loan application, aiming to help them solve the problem of financing bottleneck. By launching products such as "Wei Yi Dai" and "Wei Jie Dai", the branch has offered strong support to the mutton processing industrial cluster in Hulunbuir and the camel wool processing industrial cluster in Alxa. By the end of 2018, the balance of targeted poverty alleviation loans of the Inner Mongolia Branch had reached RMB 9.86 billion, helping 357,000 registered low-income households to increase their income.



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3 4

1.The customer manager of Laixian Sub-branch in Baicheng Town, Jilin Province visits Shuangfeng breeding plant supported by the branch's "Jilin Animal Husbandry Loan" (Photo by Huang Yingzi)

2.The "Sannong" customer managers of Qidong Sub-branch in Jiangsu Province help paired villager harvest crops in autumn (Photo by Tang Weiwei)

3.Lingyun County Sub-branch in Guangxi supports the poultry industry to help poor people get rid of poverty and become rich (Photo by Yang Shengyong)

4.Hubei Branch issues cattle-raising loans for poverty-stricken households in Zhuyuandong Village (Photo by Yu Shengqin)





Case

Hunan Branch dedicates efforts to targeted poverty alleviation

Through the implementation of "one bank, one policy, one product and one feature" model, Hunan branch has developed customized products for local customers, so as to make sure that its poverty alleviation efforts can generate real results and fundamentally bring benefits to people.

Based on the characteristic and advantageous industries in poor counties, Hunan Branch innovatively launched Huinong Guarantees - "Grain Loan", "Oil-tea Loan", "Pig Loan", "Characteristic Loan" and other series of products. The branch created a Huinong model where "agricultural (forestry) departments recommend customers, farmer households can apply with financial discount, agricultural guarantee companies provide guarantees and ABC issues credit". Totally, RMB 2 billion of loans was issued with RMB 1.65 billion in balance. The branch thus won the first prize in the financing innovation selection by the Financial Office of Hunan Provincial Government in 2018. It also innovatively promoted farmers' senior care loans and support them to get the insurance. A total of RMB 1.40 billion of loans was issued, covering 232,00 farmers, of which RMB 124 million was issued to 1,936 registered low-income farmers.

Case

Shaanxi Branch changing lives through targeted poverty alleviation

Focusing on "three major action plans" including infrastructure construction, relocation of poor people in poverty-stricken areas to other places and featured industry cultivation, Shaanxi branch has increased support for key infrastructure projects such as roads, water conservancy and projects for people's livelihood, and has offered RMB 6.89 billion of loans to expressway projects in more than 20 national targeted poor counties such as Mian County, Shanyang, Zhashui, etc. Meanwhile, in 51 key poverty alleviation counties, the financial service model of "bank-government cooperation, government credit enhancement and collaborative poverty alleviation" was promoted. The coverage rate reached 91%, and the total micro-credit loans for poverty alleviation was RMB 554 million. In addition, the branch has paid attention to the demonstration effect of rural "competent people" on development and production, and supported a total of 2,390 family farms (large and specialized family businesses) in poverty-stricken areas, with the purpose of enabling them to support surrounding poor households to embark on poverty alleviation through planting and breeding.

By the end of 2018, the branch's balance of targeted poverty alleviation loan had reached RMB 15.36 billion, increasing by RMB 3.5 billion compared with the beginning of the year, helping a total of 106,000 registered low-income households get rid of poverty.



Hunan Branch gives "Loan for Women" in areas inhabited by the Yao people (Photo by Xiong Dejun)



Jiangxi Branch offers financial services for targeted poverty alleviation in a local village (Photo by Xu Liang)

The Bank launched the student subsidy activity "Jinsui Makes Your Dreams Come True" for registered low-income college students. Through donations by subsidiaries and units of CNNC and voluntary contributions from employees, a total of RMB 51.78 million was raised for 3,996 freshmen from poverty-stricken families in the "Three Regions and Three Prefectures" and deep poverty-stricken counties in 2018, providing RMB 5,000 for each student (Photo from "Sannong" Corporate Banking Department)





Heshun Sub-branch in Jinzhong, Shanxi organizes Party members to help poverty-stricken people harvest crops in autumn (Photo by Wang Ruibin)

II

Serving Rural Revitalization with Devoted Mission



Photo by Liu Weiqing

CSR Focus

Seven Actions to Serve Rural Revitalization

Serving "Sannong" and rural revitalization is both the strength and the mission of the Bank, and also the guiding principle and fundamental purpose of the "Sannong" financial service in the new era. The Bank closely follows the central government's major deployment and key tasks in implementing the rural revitalization strategy, and has comprehensively launched the "Seven Actions" program to promote rural revitalization, aiming to open up a new chapter of "Sannong" service in the new era with a new look and new accomplishments.



By the end of 2018
the balance of farmer loans
had reached RMB
249.99 billion

The balance of agriculture-related
loans had reached
RMB **3.37** trillion

Focusing on System Design

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

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

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

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

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



Jiangyan Sub-branch in Taizhou, Jiangsu supports local grain planting (Photo by Huang Shurong)

Promoting Agricultural Transformation and Upgrading

Supporting the development of modern agriculture

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

149.45 billion

covering **63.6**%
provincial level or higher
up 3.5 percentage points from the previous year

the balance of loans for specialized farmers' cooperatives and their members had reached

RMB **27.69** billion
an increase of RMB 4.79 billion from the beginning of 2018

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

Improving financial service policies

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

Supporting special action plans

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

Supporting the development of featured agriculture

Based on the "Top 100 Featured Agriculture Production Areas" specialized action guiding opinion, the Bank encourages innovation in financial services with a focus on "Seven Zones and Twenty-Three Areas", aiming to strengthen the support for the development of advantageous agricultural products and local featured agriculture. By the end of 2018, the balance of loans for 80 featured agriculture production areas had reached RMB 17.59 billion.

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

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

Helping agriculture "Going Global"

The Bank provides financial service packages for international investment and cooperation in agriculture as a response to "the Belt and Road" Initiative. Besides participating in the organization of interministerial joint meetings for international agricultural cooperation, it participates in the targeted matchmaking meetings between the "10+10" banks and businesses, and makes efforts to study approaches for supporting the "going global" of agriculture through financial means.



Guangdong Branch supports the development of Dried Citrus Peel industry (Photo by Zhu Yanran)

Case

Guangdong Branch supports the development of Xinhui Dried Citrus Peel National Modern Agricultural Industrial Park

In light of the development plan and status quo of Xinhui Dried Citrus Peel National Modern Agricultural Industrial Park, Guangdong Branch has specially formulated the Financial Service Plan for Xinhui Dried Citrus Peel National Modern Agricultural Industrial Park, which provides support for large-scale leading enterprises and brand enterprises in the industry, tangerine planting specialized cooperatives and tangerine production farmers in Xinhui District through multiple guarantee models, such as credit extension, credit enhancement by government, collateralization, and "standard storage box Dried Citrus Peel commission + Guarantee".

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

Case

Fujian Branch first to initiate "Quick Agricultural Loan" within the Bank to support characteristic industries

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

Case

Hainan Branch supports the development of betel nut industry

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

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

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



Zunyi's a great harvest of peppers helped by Guizhou Branch (Photo by Zheng Deliu)

1 2 3 4

1.Tibet Branch supports the development of Yigong Tea Plantation in Linzhi City, Tibet (Photo by Chen Shunxi)

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

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

4.Guizhou Branch supports the development of animal husbandry (Photo by Ye Yikun)









Serving food safety and the supply of agricultural and subsidiary products

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

By the end of 2018
the balance of agriculture-related loans in 13 major grain production areas across the country was

RMB **1.78** trillion

Case

Guangxi Branch supports food production in Tiandong County

Tiandong County in Guangxi is a national commodity grain base. To support the economic development in the rural area and increase the incomes of farmers is the focus of "Sannong" service for the Tiandong County Sub-branch in Guangxi. The branch vigorously raises credit funds to support local grain production. In 2018, the branch issued a total of RMB 25.56 million of loans to farmers to help 438 local households purchase agricultural machinery, chemical fertilizers, pesticides and other agricultural production materials. These loans met farmers' needs for production funds, fully mobilized farmers to grow grain, and stabilized the rice planting area in the county for a great harvest.

Hunan Branch issues "Grain Loan" to local grain farmers (Photo by Tan Juan)

Case

Devoted to supporting the development of leading "Sannong" enterprises

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



The Bank supports COFCO's collection, storage and processing of rice (Photo by Feng Runda)

Case

Shandong Branch devotes itself to the care of the "Vegetable Gardens" of Shandong Province

Lanling County and Shouguang City are two "Vegetable Gardens" respectively located in the south and north of Shandong Province. Lanling County mainly targets the markets of Yangtze River Delta and the Pearl River Delta regions, while Shouguang City mainly supplies vegetables to Beijing and its surrounding areas.

As a product with geographical indication of Lanling County, "Cangshan garlic" is an important economic source for local farmers to generate higher incomes. Linyi Branch in Shandong innovatively launched a self-service online product - "Garlic Farm Loan" for garlic planters. By the end of 2018, 70 "Garlic Farm Loan" had been issued with total RMB 6.9 million, benefiting 70 garlic farmer households.

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

Supporting the Villages to be Beautiful and Prosperous

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

By the end of 2018, the balance of loans for county-level urbanization had achieved

RMB **662.68** billion an increase of RMB 100.16 billion from the begining of the year

the balance of loans for county-level tourism was RMB

43.62 billion up by RMB 14.69 billion as compared to the beginning of the year

Case

Fujian Branch creates "Four-color" tourism financial service brand

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

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

Case

Xinjiang Branch helps Yili's lavender blossom

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

Measures for promoting rural urbanization

Conducting urbanization business investigations

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

Innovating in the loan products for urbanization

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

Supporting the development of beautiful villages

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

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

The Bank supported urban infrastructure construction and provided financial services that integrate financing and collaborative intelligence. By the end of 2018, the financial service newly extended to 132 counties (including county-level cities) and 275 towns, and a total of RMB 100.16 billion of loans were newly issued.



Xinjiang Branch supports the construction of the Princess Jieyou's Lavender Garden (Photo by Yang Bin)

Case

Guizhou Branch provides targeted support for county-level tourism

Based on Guizhou's rich and high-quality natural resources and ethnic cultures and customs, Guizhou branch provides support for developing 11 national-level tourism demonstration zones including Zunyi City and Anshun City, and help promote the development of the "two relics and one park", AAAAA tourist attractions, some rural tourism and red tourism projects, as well as other medium-sized and small tourist attractions. By the end of 2018, 26 reserve tourism projects have been developed, and the amount of approved projects reached RMB 2.4 billion.



Improvement of new rural infrastructure in Maqiao Town, Huantai County, Shandong Province (Photo by Chen Peng)



Fujian Branch supports the restoration and development of ancient villages with Hokkien characteristics (Photo by Guo Jinsong)



Hubei Branch actively supports the development of beautiful villages (Photo by Yao Jing)

Case

Sichuan Branch collaborates in playing "The Symphony of Mountain, Water, Land, Road and Town" for better local development

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

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

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

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

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

Dancing the "dance of town" to serve the construction of rural towns. Sichuan Branch has increased loans issued to the local area to support urbanization projects such as urbanized infrastructure construction in the rural area, and construction of public service facilities and characteristic towns.

Helping Farmers Increase Income and Get Richer

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

By the end of 2018, the balance of loans for professional large farms and family farmsat had reached

RMB **82.03** billion

an increase of RMB 16.36 billion from the beginning of the year

it issued loans to

158,000

households

issued **216** million Hui Nong Cards

and also set up

602,000

"Kins Hui Nong Tong" service points in the rural areas



An Account Manager of Jiangxi Branch exchanges with a farmer on organic late rice planting (Photo by Luo Tangbingyu)



Mengzi Branch in Yunnan supports the development of Chunxiao seedling base with temperature and humidity control (Photo by Liang Zhiqiang)

Case

Shandong Branch takes the lead to launch the "Pastoral Complex Xing Nong Loan"

There is one national and 17 provincial-level pastoral complexes in Shandong Province. Shandong Branch has vigorously supported the construction of these pastoral complexes, and taken the initiative to launch "Pastoral Complex Xing Nong Loan" . This loan targets small and medium-sized enterprises within the pastoral complexes, specialized farmers' cooperatives, family farms, professional large farms, rural inn operators, entrepreneurs that return to the rural areas, etc. By defining a specific policy for each category of entities, the branch provides them with tailor-made service and defines the cooperation quota collectively. In September 2018, Shandong Branch approved a total of RMB 405 million of loans to customer group of the national-level pastoral complex - Zhu Jialin Pastoral Complex. By the end of 2018, the branch issued a total of RMB 17.4 million to five small and micro businesses and two family farms including Shandong Prague Agricultural Development Co., Ltd.

Case

Launching the "Kins Agricultural Guarantee Loan" with State Agricultural Credit Guarantee Alliance Co., Ltd.

The Bank has actively cooperated with the State Agricultural Credit Guarantee Alliance Co., Ltd. and provincial agricultural credit guarantee companies. By giving full play to the advantages of both parties and expanding the guarantee channel for new-type agricultural business entities, the company has launched the "Kins Agricultural Guarantee Loan". This loan product is issued to registered low-income households, farmers, professional large farms, and family farms.

By the end of 2018, except that the governments of Shanghai and Tibet Autonomous Region have not established agricultural guarantee companies, the Bank has signed strategic cooperation agreements with all other provincial agricultural guarantee companies, with the total of RMB 127.81 billion of intentional cooperation fund. The Bank has issued a total of RMB 12.01 billion of agricultural guarantee loans with a balance of RMB 8.97 billion, providing guarantee for 24,666 new agricultural operators.



Shenyang Branch supports new "Sannong" projects with "Bank Guarantee Cattle Breeding Loan" (Photo by Jin Long)

Sharing Modern Financial Services

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

By the end of 2018

"Hui Nong e-loans" had covered **819,000** farmers, with a balance of loans of RMB **101.8** billion, an increase of RMB **86.6** billion compared with the beginning of the year

"Hui Nong e-payment" covered **7.16** million farmers in county

"Hui Nong e-merchants" the number of online "Hui Nong e-merchants" reached **2.67** million, whose transaction amount reached RMB **586.3** billion

"Kins Hui Nong Tong" project were launched by **523,000** "Hui Nong e-payment" service points **471,000** service points were connected to the internet



Staff of Zhejiang Branch introduces "Hui Nong e-loans" to farmers (Photo from Zhejiang Branch)



Guangxi Branch supports tobacco planting through "Hui Nong e-loan" (Photo by Yang Qizhao)



Lushui Sub-branch in Yunnan Province actively promotes the payment method by scanning the QR code (Photo by Liang Zhiqiang)

Case

Zhejiang Branch creates four scenarios for "Sannong" internet financial services

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

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

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

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

Case

Anhui Branch innovates in "Xing Nong Loan" to support "three changes"

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

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

Case

Heilongjiang Branch innovates in the "Reclamation Area Internet of Things e-Loan" to improve the financing efficiency of farmers

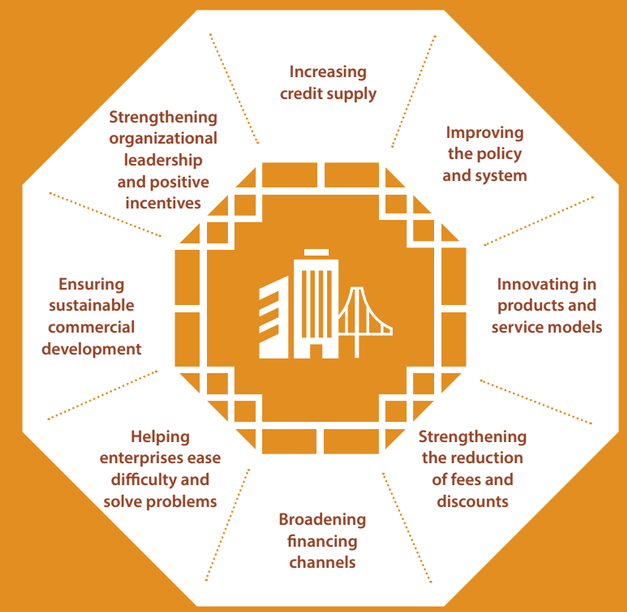
Based on the Internet of Things (IoT) platform of the reclamation area, Heilongjiang Branch has developed a special product for the reclamation area - "Reclamation Area IoT e-Loan". The operation mode of the product is: the farm pushes basic information on land contracting of farmers to ABC through the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



CSR Focus

Timely Help for the Financing of Private Enterprises

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



Scan the QR code to learn more about *Opinions on Strengthening the Support for the Healthy Development of Private Enterprises*

Serving the Implementation of National Strategies

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

Supporting "the Belt and Road" Initiative

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

Promoting strategic communication through expanded business coverage

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

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

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

Deepening the service for the connectivity of facilities

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



Lianyungang Branch in Jiangsu supports "the Belt and Road" Initiative（Photo by Sun Jinsong）

By the end of 2018, in the six northwest provinces and regions covered by "the Silk Road Economic Belt"

the balance of corporate loans amounted to RMB **515.3** billion, an increase of RMB 17.2 billion from the beginning of the year

in the four southwest provinces and regions covered by "the Silk Road Economic Belt", the balance of corporate loans amounted to RMB **957.1** billion yuan, an increase of RMB 25.2 billion from the beginning of the year

In the five provinces and regions covered by "the 21st Century Maritime Silk Road"

the balance of corporate loans reached RMB **1.72** trillion, an increase of RMB 184.2 billion from the beginning of the year

Case

Xinjiang Branch completes cross-border cash transfer between China and Kazakhstan

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



Launching ceremony for the cross-border transportation of Tenge cash between China and Kazakhstan (Photo by Yang Bin)

Promoting agricultural projects through advantageous resources

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

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

Case

Guangxi Branch unblocks financing channels

Guangxi Branch adheres to new development concepts, and actively participates in financial reforms of bordering countries. It has built platforms in multiple ways targeting various sectors, so as to vigorously enhance the capability of cross-border capital financing, serve Guangxi's economic and social development, and benefits the people of the countries along "the Belt and Road".

Serving "The Going Global" Chinese enterprises

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

Serving the construction of the "Southern Transport Corridor"

The branch has established a comprehensive strategic relationship with Guangxi Xijiang Development & Investment Group Co., Ltd. to support the "Southern Transport Corridor" project of the group. By the end of 2018, the branch had reviewed and approved 41 fixed assets loans for railway, highway, port and aviation projects under the "Southern Transport Corridor", with a total of RMB 45.12 billion.

Serving frontier trade

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

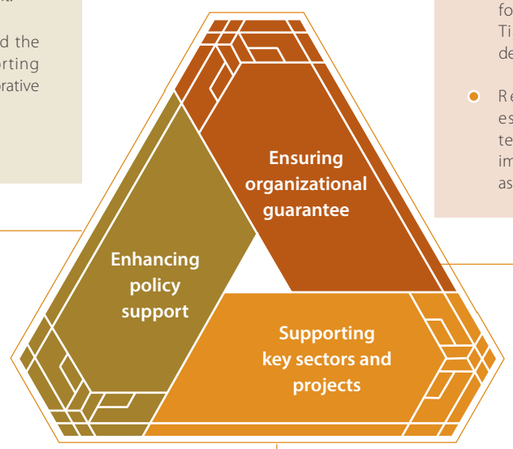

Guangxi Branch supports the construction of Datengxia Gorge Water Conservancy Project (Photo by Chen Lijun)

Boosting collaborative development of Beijing-Tianjin-Hebei region

Serving the capital's strategic positioning of "four centers" and the collaborative development of Beijing-Tianjin-Hebei region, the Bank starts from promoting the implementation of major projects in the Beijing-Tianjin-Hebei region with integrated service solutions and product innovation, mobilizes the Head Office and all branches to help relieve non-capital functions of Beijing and promote collaborative development of Beijing-Tianjin-Hebei region.

Measures for promoting collaborative development of Beijing-Tianjin-Hebei region

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



- The Head Office has established the Leading Group on Financial Services for Beijing-Tianjin-Hebei collaborative development led by the President., responsible for tasks related to Beijing-Tianjin-Hebei collaborative development.
- Related branches have established special service teams to formulate specific implementation opinions and assume main responsibilities.

- The Bank vigorously provides service for Beijing-Tianjin-Hebei traffic integration projects, including railway, highway, aviation, rail transit projects.
- The Bank actively intervenes in sewage treatment and pollution control projects, and collaborates with power and gas enterprises to promote regional energy structure adjustment.
- The Bank pays close attention to market demand and actively support shantytown renovation projects.
- The Bank actively supports the relief of non-capital functions and industrial shift of Beijing, the first-level land development of the South Park of Shougang Group, the development of Chaoyang two stations and one street, Zhongguancun Science and Technology City and other projects.
- The Bank assists the construction of supporting facilities for the 2022 Winter Olympics, and provides the project with diversified financial solutions.

Case

Providing credit support for Beijing-Zhangjiakou High-speed Rail Project

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


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

Case

Beijing Branch supports Beijing-Tianjin-Hebei Collaborative Development

- The branch won the bid for the syndicated loan project of Beijing Daxing International Airport with a total of RMB 4.204 billion, ranking first among all banks in terms of market share.
- The branch obtained the qualification as the major financing bank of Beijing New Aerotropolis.
- The branch issued RMB 2 billion of loans to China Railway Corporation for the purchase of locomotives.
- The branch became the leading bank of the bank consortium for the intercity railway connections phase I project, and became the main business partner of Beijing-Zhangjiakou Railway, Beijing-Shenyang High-speed Railway and Beijing-Bazhou High-speed Railway.
- The branch supported the Winter Olympics project by providing RMB 1.26 billion of fixed-asset loans for Xingyan Expressway, thus fully promoting the construction of infrastructure facilities of the 2022 Winter Olympics. The branch approved and completed the Public - Private - Partnership (PPP) project of Yanqing Zone of Beijing 2022 Winter Olympic Games and Winter Paralympic Games with RMB 750 million. It is the bank with the largest share in the bank consortium.
- The branch supported the construction of the Beijing urban rail transit system. It provided over RMB 30 billion of loans for more than 10 subway projects such as the Line 8's Phase III project, Line 16 project, and Changping Line project, continuously meeting subsequent financing needs of projects related to Beijing urban rail transit system.
- The branch supported the construction of the underground direct line project connecting Beijing West Railway Station and Beijing Railway Station, and provided the project team with a total of RMB 1.5 billion of loans, effectively guaranteeing timely completion of the project and greatly alleviating the pressure of ground traffic in urban districts of Beijing.

Supporting the development of Yangtze River Economic Belt

The Bank continues to enhance the credit support for the Yangtze River Economic Belt (YREB) in terms of infrastructure construction, people's livelihood, "Sannong", transportation and other fields. As of the end of 2018, the balance of domestic and foreign currency corporate loans for the 11 provinces of the YREB was RMB 3,060 billion, a year-on-year increase of RMB 264.2 billion.

Case

Chongqing Branch supports major port projects of YREB

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

Chongqing Branch has strengthened the comprehensive cooperation with companies related to the Chongqing Orchard Port project. Since 2015, the branch has successively approved a container terminal project of Chongqing Orchard Port with RMB 950 million, bulk cargo terminal project with RMB 800 million, special railway for entering the port project with RMB 1,600 million and the Orchard Port Area Commodity Vehicle Transportation and Allocation Base Project with RMB 130 million, becoming the first bank to approve loans for the Chongqing Orchard Port projects.

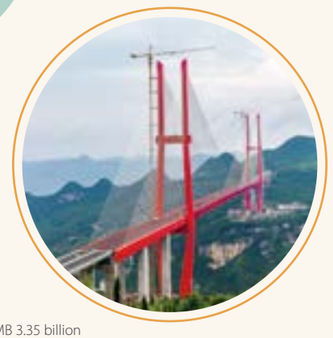
By the end of 2018, the basic accounts of the five project subsidiaries of Orchard Port had been opened in Chongqing Branch, in which an average of RMB 220 million is deposited per day. Chongqing Branch has accumulatively extended RMB 3.48 billion of credits to the Orchard Port project with a balance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



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



Chongqing Branch supports the construction of the Chongqing rail transit system. By the end of 2018, the Bank had issued RMB 3.55 billion of loans to the rail company, with finance lease 2 billion (Photo from Chongqing Branch)



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



Yunnan Branch supports the project in the middle reach of the Jinsha River Basin, and has provided it with a total of RMB 17 billion of loans to the project (Photo by Huang Rong)



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



Jiangbei New Area Branch in Jiangsu issues RMB 800 million of loans to support the construction of Fuying Mansion and Tengfei Mansion (Photo by Yao Shuo)



Hunan Branch supports the Spanning Zihe River project during the construction of Changde Sponge City in the Economic Circle of Dongting Lake along the YREB

Case

Hubei Branch supports YREB National Strategy

Hubei Provincial Communications Investment Group Co., Ltd. (hereinafter referred to as "Hubei Communications") is the main builder of the Yangtze River Economic Belt (YREB) "three-dimensional traffic corridor", who is responsible for the construction and operation of more than 80% of expressways in the province. Hubei Branch, with Hubei Communications as the medium, actively supports the construction of expressways, railways and ports in Hubei Province. It has helped improve the transportation infrastructure of the YREB, facilitated the creation of the "three-dimensional traffic corridor" in the YREB. By the end of 2018, Hubei Branch had developed a total of 44 expressway, railway and port projects with Hubei Communications, issued RMB 30.06 billion of loans to the company, and supported the construction of 3,011.54 kilometers of expressways.

Case

Jiangsu Branch supports the construction of the Industrial Technology Research and Innovation Park

Jiangsu Branch took the lead in establishing the Jiangbei New Area Branch to better serve the transformation and upgrading of different industries. Jiangbei New Area Branch has successively provided financing services for the construction of industry carriers such as Fuying Mansion and Tengfei Mansion in the Nanjing Jiangbei New Area Industrial Technology Research and Innovation Park with a total of RMB 800 million. These industry carriers, after being put into use, will focus on IC design, intelligent manufacturing and big data cloud computing. By the end of 2018, there were nearly 500 registered enterprises and more than 2,500 employees, the Jiangbei New Area Branch has extended more than RMB 5 billion of credits to Jiangbei New Area.

Serving the development of Xiong'an New Area

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



The Bank established Xiong'an Branch in Hebei, making ABC the first bank among the top four state – owned banks of China to open a financial institution in Xiong'an New Area (Photo by Yangshan)

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

Focusing on the "high positioning" of Xiong'an New Area, the Head Office leads the overall layout, and has formulated a series of policies and programs. The linkage mechanism of financial services in Xiong'an New Area and the differentiated credit policy of Xiong'an Branch have been developed.

Also, targeting the "smart city" construction of Xiong'an, ABC has vigorously promoted the establishment of such platforms as compensation payment platform for requisition and relocation, smart livelihood system, rural collective assets management platform, and financial management and payment platform for the new area, to realize the payment of compensation for requisition and relocation in the new area through social security card. The Bank also has taken the lead in promoting face recognition for withdrawals and aggregate payment business in the new area in an all-round way.



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

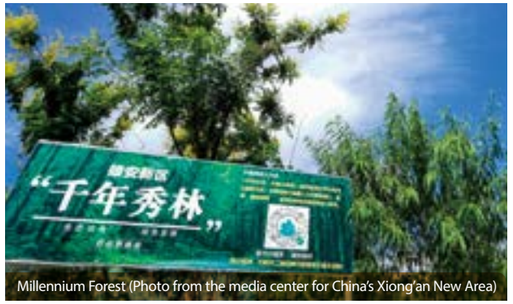
ABC, in order to serve the Xiong'an to be an "innovative city", takes the lead to apply financial technology and works with hundreds of enterprises to boost the development of Xiong'an New Area. By the end of 2018, ABC had reached cooperation with more than 300 central state-owned enterprises and key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

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

Case

Supporting the 100,000-mu afforestation project with technology

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



Millennium Forest (Photo from the media center for China's Xiong'an New Area)

Case

Hebei Branch supports the construction of Beijing-Xiong'an inter-city railway

The intercity railway from Beijing to Xiong'an New Area is an important part in the planning of the Beijing-Tianjin-Hebei inter-city railway network. After the project was approved by the National Development and Reform Commission, the Hebei Branch took the lead to coordinate with the project owner Beijing-Shenyang Railway Passenger Transport Beijing-Hebei Co. After receiving project documents, Hebei Branch organized parallel operations to promote project evaluation. In 15 working days, it completed the approval of RMB 16.7 billion of fixed-asset loans, indicating the highest efficiency among all industry peers, and issued the first loan of RMB 130 million. It was thus praised by clients and government departments. By the end of 2018, Hebei Branch issued a total of RMB 330 million of loans to the new area, providing strong support for project construction and the construction of Xiong'an New Area.

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

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


Zhuhai Branch in Guangdong supports the construction of the Hong Kong-Zhuhai-Macao Bridge Artificial Island Port (Photo by Yangjie)

Case

Guangdong Branch supports the construction of transportation facilities in Greater Bay Area

Guangdong Branch focuses on the airports, ports, bridges, high-speed rail, Pearl River Delta Intercity Rapid Rail Transit, subway, highway and other transport infrastructure projects that are under construction, proposed to be built or will be expanded in Guangdong-Hong Kong-Macao Greater Bay Area, and also opens "green channel" for quick loan approval at any time. The Branch has provided RMB 3.2 billion and RMB 2.55 billion of syndicated loans to assist the construction of ShenZhen-ZhongShan Bridge and Guangzhou-Foshan-Zhaoqing Intercity Railway. It has issued about RMB 8.6billion of loans for the construction of 14 projects of Guangzhou metro.

Supporting the Development of Emerging Industries

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

Supporting advanced manufacturing industries

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

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



The Bank supports the construction of UHV projects (Photo from State Grid Shandong Electric Power Company)

Measures for serving the advanced manufacturing industry

Strengthening the leading role of regulations, to develop an overall plan for the implementation of the national manufacturing power strategy

- The Bank formulated guiding opinions on supporting the manufacturing industry, revised 16 industry credit policies, and hired industry experts to conduct special training on new energy vehicles and industrial internet, in order to guide the whole bank to grasp the development direction of advanced manufacturing industry.
- The Bank provided special services for key customers, selected and established a key customers database of more than 500 enterprises in the fields of intelligent manufacturing, high-end equipment innovation, projects that make the foundation of industry development more solid, etc. based on the list of pilot demonstration enterprises of the Ministry of Industry and Information Technology (MIIT), and organized branches to carry out special services for each enterprise with the support of credit resources and preferential policies.

Deepening the cooperation between the Bank and enterprises to support the transformation and upgrading of the industry through multi-party collaboration

- The Bank participated in the establishment of the national fund for the transformation and upgrading of manufacturing. With the rich experience in fund-related services as the strength, we actively conducted researches and developed the *Plan of Service for the National Fund for the Transformation and Upgrading of Manufacturing Industry* and submitted it to the MIIT, aiming to support the transformation and upgrading strategy.
- The Bank actively joined the trilateral cooperation for technical transformation, and was listed in the first batch of pilot banks. We signed the *Memorandum on Trials of the Trilateral Cooperation in Key Projects for Technical Transformation* with the MIIT.
- The Head Office cooperated with branches on major projects, and built sub-databases of "Made in China 2025" and transformation and upgrading projects under the database of major service projects, providing preferential policies for major projects.

Implementing pilot project in branches to accurately serve pilot demonstration cities

- The Bank signed a comprehensive strategic cooperation agreement with the Ningbo Municipal Government, and extended more than RMB 50 billion of financing quota for manufacturing during the 13th Five-year Plan period.
- The Bank encouraged the pilot banks to make active exploration, and selected 8 tier-1 branches including Ningbo Branch as the first pilot branches to provide services for the manufacturing industry.
- The Bank realized full coverage of inclusive financial service organizations in the pilot demonstration cities, and set up 62 inclusive financial organizations in 31 cities (districts), including 11 financial service demonstration sub-branches for small and micro enterprises, 14 technology sub-branches, 14 credit projects, 18 "Made in China 2025" professional service sub-branches and 12 other service organizations.

Case

Anhui Branch supports the development of strategic emerging industries

Anhui Branch prioritizes strategic emerging industries as the targets, and focuses on supporting emerging sectors such as high-end equipment manufacturing, technological innovation, energy conservation and environmental protection, etc. Firmly seizing the opportunity provided by the "Hefei-Wuhu-Bengbu Comprehensive Reform Pilot Area for Independent Innovation" that was among the first pilot areas to promote the combination of science and technology and finance, the branch strengthened support for technological innovation enterprises with businesses focusing on AI, Anhui Chip Program and other technological sectors, and provided comprehensive financial services for leading technological enterprises such as iFlytek and Dongxu Optoelectronic. In 2018, the branch issued RMB 7.13 billion of loans for strategic emerging industries.



Xiamen Branch serves Xiamen Cross-island Development (Photo by Huang Zhixiang)

Case

Qingdao Branch supports the development of blue economy

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

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

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



Tangshan Branch in Hebei supports the construction of the Caofeidian Ore Terminal Phase III Project (Photo by Liu Zhiliang)


The Bank supports the construction of expressways of China Railway Construction Corporation (Photo from the Publicity Department of China Railway Construction Corporation Limited)

Supporting new economies

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

In 2018, total loans issued to enterprises of strategic emerging industries had been

RMB **322** billion

up 152% from the beginning of the year

the balance of loans to happiness industries had been

RMB **140.6** billion

up 23% from the beginning of the year



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

Case

Guizhou Branch supports the development of "unicorns enterprises"

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



Guizhou Branches designs "Truck Loan" for Huochebang (Photo by Zhou Bojun)



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

Case

Fujian Branch serves the development of technological enterprises

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

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

Focusing on Improving National Welfare

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

Promoting the development of culture and education industries

The financial support for the development of cultural industry and education is highly valued by the Bank. By constantly improving the investment and financing system for the cultural and educational undertakings, the Bank contributes to the establishment of modern public cultural service system, the creation of fine art works, the protection and inheritance of excellent traditional culture, and the infrastructure construction of university campuses, campus information services and personal financial services for teachers and students.

By the end of 2018, the Bank's loan balance of cultural industry was

95.46 RMB billion.

The loan balance of education industry was RMB

19.84 billion

cooperating with

285

units on Yinxiao-Tong business

Case

"Three Innovations" of Hunan Branch supports Hunan to be a strong cultural province

Hunan Branch actively explores the financial service mode in the cultural field, takes the cultural industry and cultural undertakings as the focus of credit support of the whole bank, and injects new momentum into Hunan's cultural industry through innovation.

Mechanism Innovation

The Bank establishes characteristic sub-branches and professional service teams to serve cultural industries, provides special supporting service in financial, human and credit resources, increases staff performance incentives, and also focuses on supporting a number of characteristic cultural enterprises.

Product innovation

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

Model innovation

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

By the end of 2018, Hunan Branch had supported and served more than 200 cultural and tourism enterprises, and had issued more than RMB 25 billion of loans to support cultural and tourism and related infrastructure construction, with a loan balance of more than RMB 44 billion, which has greatly promoted the prosperity and growth of Hunan's cultural industry.

Case

Continuing sponsorship to support the Chinese Poetry Quiz Show and disseminate the charm of poetry

ABC has strengthened the close communication and cooperation with CCTV. The Bank was the sole sponsor for the Chinese Poetry Quiz Show exclusively for four consecutive years, and made full use of websites, newspapers, WeChat official account of ABC, to carry out synchronous publicity, so that more audiences can feel the charm of Chinese classical poetry and nurture spirituality. At the same time, it improves the social reputation and brand influence of ABC.

Scan the QR code to watch the wonderful performance of the beautiful lady from ABC in "Chinese Poetry Quiz Show" (Fourth Season) with the exclusive sponsorship of ABC

Case

Zhejiang Branch assists the construction of Westlake University

Westlake University is the first new research-oriented university organized by social forces under the strong support of the state.

On April 16, 2018, Zhejiang Branch signed a comprehensive strategic cooperation agreement with Westlake University to provide financing service for the construction of hardware facilities, incubation of technological achievements, and commercialization of industrialization projects of Westlake University, and provide supporting services and the most preferential policies in terms of fund management, smart campus construction, and financial service for the faculty of the university, so as to facilitate Westlake University to create first-level disciplines, cultivate top-notch talents, and make great achievements.



Ningbo Branch and Ningbo Institute of Technology, Zhejiang University jointly build "Smart Campus" to provide teachers and students with the service experience of ABC QR code scanning on mobile bank (Photo by Chen Yurong)

Serving housing security

The Bank keeps livelihood-oriented principle to support the affordable housing projects and shantytown renovation and introduces businesses on legal person rental housing and homes with joint property rights. ABC further improves the differentiated credit policy in strict compliance with regulatory requirements and focuses on supporting loans for first-time homebuyers to provide housing financial services for the home buying by non-registered floating population in cities, truly implementing the CPC Central Committee's promise of "houses are built to be inhabited, not for financial speculation".

As of the end of 2018, the Bank issued RMB

200.12 billion

of loans for affordable housing project an increase of RMB

58.54

billion compared with the beginning of the year and an increase rate of 41.35%



Different types of housing loans

Launching the "legal person rental housing loan"

The loan recipients include rental housing developers, constructors, purchasers, M&A initiators, professional operators and other rental entities.

By the end of 2018, we have signed strategic cooperation agreements on legal person rental housing with **32** governments and enterprises, and a total of **19** legal person rental housing loans were made with a total amount of RMB **11** billion.

Launching the "loan of homes with joint property rights"

This loan focuses on meeting the financing needs of customers in the development and sales of homes with joint property rights.

By the end of 2018, the Bank approved **10** loans of homes with joint property rights, amounting to RMB **8.5** billion.

Attaching importance to personal housing loan business

The Bank continued to optimize the loan structure and access policies, with an aim to improve the efficiency of review and approval, and meet the residents' reasonable demand on purchasing houses.

As of the end of 2018, the balance of personal housing loans was RMB **3,660.57** billion up RMB **527.1** billion from the beginning of the year.

Case

Shanghai Branch supports shantytown renovation in Hengmian Old Street

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



The demolishing old street (Photo by Ni Chenlai)

Case

Henan Branch helps farmers realize the dream of "settling down in the city"

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



Zhumadian Branch in Henan launches "Farmer's Home Loan" business (Photo by Li Haifeng)

Supporting health care development

In response to the national plan for the medical and health industry, the Bank has upgraded the Bank-hospital One-card system, increased the credit supply for medical institutions, and innovated in the "smart hospital" service model to serve the establishment of the basic medical service system, ensuring proper treatment of diseases for citizens. By the end of 2018, the Bank's balance of medical loans was RMB 32.09 billion, and it has launched collaborated with 683 organizations with the Bank-hospital One-card business.



Chongqing Branch pilots the "Smart Hospital" scenario, and pushes medical services such as remote registration, online medical service, mobile payment, and health management to users. It closely connects patients, medical staff, social security agencies, technological companies and banks, realizing synergy among different parties and improving health service (Photo from ChongQing Branch)



Beijing Branch, as the only organization that issues Beijing Pass – Residents Health Card, promotes the realization of comprehensive functions of the card, such as health record filing and searching for Beijing citizens, information sharing among medical institutions, the new rural cooperative medical system with real-time settlement and reimbursement, outpatient and self-service registration payment, and financial services. By the end of 2018, the total number of cards issued by the Bank had exceeded 126,000, covering 260 administrative villages (Photo by Niu Botao)



Cangzhou Branch in Hebei actively cooperates with local large hospitals on the implementation of Bank-hospital One-card projects, which has been well received by hospitals and patients. By the end of 2018, the Bank had installed 164 sets of Bank-hospital One-card equipment for five local hospitals (Photo by Liu Zhijun Zhang Dianjun)

Advancing Inclusive Finance

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

By the end of 2018, the balance of supervised inclusive financial loans was RMB 493.7 billion, an increase of 28.9% over the previous year, which was significantly higher than the other loans in the Bank with an increase of 17.4 percentage points over the previous year; the number of borrowers was 2.45 million, an increase of 284,000 borrowers over the beginning of the year. The loan balance of SMEs was RMB 1.43 trillion, an increase of 4.5% over the same period of last year, and the growth rate is in the forefront of the same industry.

Improving the organizational guarantee for inclusive finance

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

Guarantee of mechanism for inclusive finance

Developing a separate credit plan for the overall financing needs of SMEs

Creating differentiated financial policy systems and business processes for SMEs

Improving the assessment system of financial services for SMEs

Strengthening the implementation of due diligence and liability exemption for credit granted to SMEs

Measures of serving SMEs

Clarifying the focus and increasing credit supply

- The Bank strongly supports SMEs that are in line with requirements of national innovation-driven strategies as well as industry and environmental protection policies. It is good at exploring SMEs with huge growth potential, and provides support for them vigorously.
- For advanced manufacturing SMEs in the developing stage, the Bank provides innovative guarantees and financing methods with diverse categories of collaterals, reasonable mortgage rate and pledge rate; for SMEs that meet the requirement of credit extension but have temporary operational difficulties, the Bank does not stop providing financial support suddenly.

Reducing financing costs for reciprocal cooperation

- The Bank has always adhered to the principle of voluntary, open and transparent business, as well as consistent quality and price, and discloses the list of fees and standards for service prices to customers openly, promptly and comprehensively.
- The Bank actively reduces financing costs, and exempts all service charges related to loans to SMEs except for the syndicated loan service fee, which shall be negotiated with industry peers.

Case

The Bank facilitates the Promotion Conference on Bond Financing of Private Enterprises

On November 9, 2018, the Bank held the "Integration· Innovation· Development - ABC Facilitates the Promotion Conference on Bond Financing of Private Enterprises" in Ningbo, aiming to implement the requirements of the CPC Central Committee and the State Council to broaden the financing channels for private enterprises and support the development of real economy, and also publicize the creation and issuance of bond-financing support tools for private enterprises.

This conference promoted the guiding principle of "using market-oriented methods to support the bond financing of private enterprise", established a platform for exchanges between the government, regulatory authorities, banks, private enterprises and other parties, and promoted further cooperation between the Bank and high-quality private enterprises, thus laying a solid foundation for the Bank to serve private enterprises. Ningbo Branch signed strategic cooperation agreements with five outstanding private enterprises in Ningbo, such as YOUNGOR, AUX, JOYSON ELECTRONICS, Sunny Group and MedicalSystem, which lays a foundation for strengthening support for high-quality private enterprises and supporting the healthy development of the real economy.

Case

Shandong Branch earnestly serves SMEs

Responding to the differential financial needs of SMEs, Shandong Branch continuously improved the development of the five special mechanisms for inclusive finance, ABC establishes "five special" operating mechanisms in Inclusive Financial Business Department, such as special assessment and evaluation mechanism, special resources allocation mechanism, special comprehensive service mechanism, special statistical accounting mechanism and special risk management mechanism. By the end of 2018, the branch issued a total of RMB 45.26 billion of loans to 28,000 SMEs, increasing by RMB 4.94 billion compared with the beginning of the year, among which RMB 14.15 billion were issued to entities related to key areas of inclusive finance, an increase of RMB 4.18 billion from the beginning of the year.

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

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







Creating innovative inclusive financial products

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

By the end of 2018, the Bank had launched more than **130** credit products for SMEs, effectively meeting the diversified financing needs of SMEs

1 2 3

1. The Bank holds the " ABC Facilitates the Promotion Conference on Bond Financing of Private Enterprises" in Ningbo (Photo by Chen Yurong)

2. Dalian Branch, together with universities, tax authorities and enterprises, holds the "Support Tax Reduction for Private Enterprises and Inclusive Finance for the Revitalization of Dalian" financial forum (Photo by Lu Zhenxin)

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

Innovative serving channels for SMEs

Launching online, self-finance and pure-credit "Weijie Loans"

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

Promoting "Data Network Loan" products

Relying on core enterprises' "Enterprise Resource Planning" (ERP) system, the Bank provides series of intelligent financing services that are automatic, convenient and with pure-credit. The whole-process is online, and allows SMEs' owners to apply for loans and make payments without leaving their offices. By the end of 2018, the Bank had issued 23,000 loans totaling over RMB 9.1 billion, targeting core upstream and downstream SMEs, such as Mengniu, BYD, and New Hope Corporation.

Promoting the "corporate account online pre-filling system"

The Bank provides 24-7 online reservation, account opening and product contracting pre-filling services via through the internet, shortening the account opening of corporate clients from more than 3 hours to less than 30 minutes.

Improving the "SME loan online application platform"

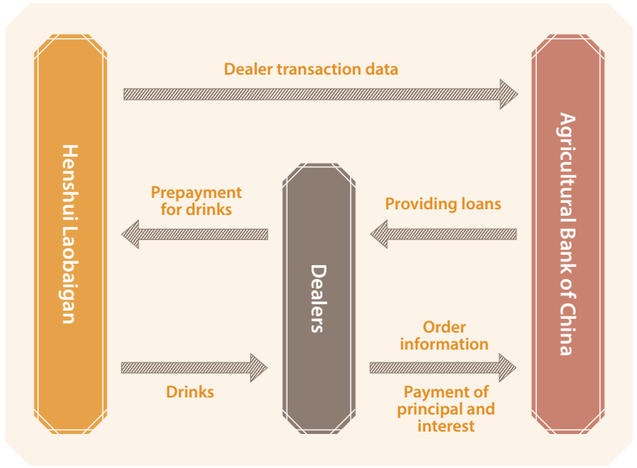
The platform enables enterprises to apply for loans from ABC through various online channels at home, such as the browser, mobile bank, and direct banking companies.

Case

Hebei Branch serves SMEs along the supply chain with the innovative "Data Network Loan"

Hebei Branch regards and promotes "Data Network Loan" as a key product for serving SMEs along the supply chain.

By the end of 2018, Hebei Branch had issued RMB 91.2 million of loans to 34 downstream SMEs of Hengshui Laobaigan, which guaranteed the collection of payments.



"Data Network Loan" model



Hebei Branch supports the development of Hengshui Laobaigan (Photo by Hebei Branch)



Jiujiang Branch in Jiangxi Province helps the development of SMEs (Photo by Tang Kun)

Case

Changzhou Branch supports small cutting tools enter into a bigger market

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

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

Case

Zhejiang Branch serves SMEs with innovative products

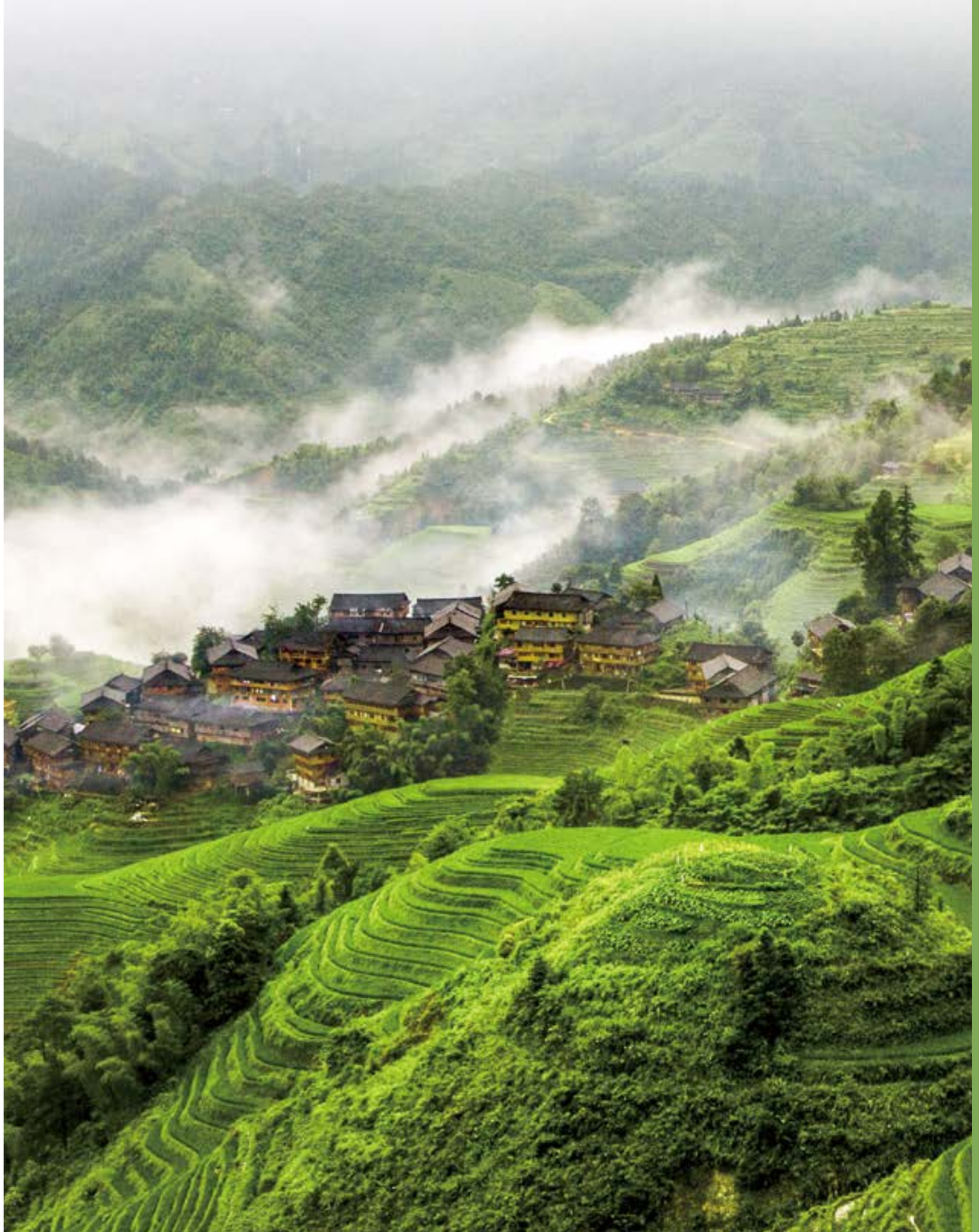
Zhejiang Branch accelerates the promotion of inclusive finance and spares no effort to serve SMEs. For nine consecutive years, the branch has been rated as "Advanced Company of Financial Service for SMEs" and "Excellent Company of Supporting the Agricultural Industry and Small Enterprises".

Innovative models for serving SMEs

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

Innovative featured products

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



CSR Focus

Boosting the Development of Green Industries with Green Bonds

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

2016

- The Bank underwrote 3 issues of the Industrial Bank's green financial bonds, raising RMB 50 billion of funds

2017

- The Bank underwrote 4 issues of green financial bonds for Hebei Finance Leasing Company Ltd., raising RMB 2 billion of funds
- The Bank underwrote 2 issues of green financial bonds for China Huarong Financial Leasing Co., Ltd., raising RMB 2 billion of funds
- The Bank underwrote 3 issues of green financial bonds for Bank of Beijing, raising RMB 30 billion of funds
- The Bank underwrote 2 issues of green financial bonds for Bank of Nanjing, raising RMB 5 billion of funds
- The Bank underwrote one issue of Medium Term Note (MTN) for Wuhan Metro Group Co., Ltd., raising RMB 2 billion of funds
- The Bank underwrote one issue of MTN for China Three Gorges Corporation, raising RMB 2 billion of funds

2018

- The Bank underwrote 2 issues of the Industrial Bank's green financial bonds, raising RMB 60 billion of funds
- The Bank underwrote one issue of ultra-short bond funds for China Three Gorges Corporation, raising RMB 3 billion of funds

In 2016-2018, the Bank underwrote **19** issues of green bonds

raising RMB **156** billion of funds

Boosting the Development of Green Finance

Strengthening credit management

the Bank's green credit loan balances reached RMB

1,050.4

billion

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

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



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

Case

London Branch participats in the formulation of the Green Belt and Road Investment Principles

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



The customer manager from Huizhou Branch in Guangdong pays a visit to the Mei Lake water purification center in Huizhou (Photo by Chen Jiajie)

Green credit measures

Increasing policy guidance

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

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

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

Strengthening environmental and social risk management

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

Establishing the green credit assessment mechanism

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

Collecting business statistics

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



Kashgar Branch in Xinjiang provides financial support for the development of "one million mu of windbreak forest" in Makit County (Photo by Guo Zhonghui)



Jiangyou Sub-branch in Mianyang, Sichuan Province supports the construction of Wuyin Water Diversion Project (Photo by Wang Jun)



Gansu Branch contributes to the development of local photovoltaic and wind power companies (Photo by Wu Peng)

Case

Guizhou Branch facilitates the building of a green transportation networks

The Guiyang Branch in Guizhou actively responds to the green transportation development strategy formulated by the Guiyang Municipal Government by providing financing services for the construction of the integrated transportation system of Guiyang. In 2018, 2 billion of loans was issued to support the construction of the transportation network infrastructure, injecting strong "green momentum" into the construction of "green transportation" in Guiyang.

Case

Jiangsu Branch builds the green barrier along the Yangtze River

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



Jiangsu Branch support the development of ecological protection forests on the north bank to build the green barrier along the Yangtze River (Photo by Shi Yanyan)

Performance of syndicated loans

The Bank has strengthened cooperation with other banks and non-bank financial institutions to support rail transit and sewage treatment projects, and new energy projects such as hydropower and wind power projects.

Supporting green rail transit projects

- Leading the syndicated loan for the PPP projects of Line 1 and Line 2's phase I of Wuhu Rail Transit
- Leading the syndicated loan for the PPP project of Subway Lintong Line (Line 9)'s phase I of Xi'an Metro
- Participating in the syndicated loan for the construction of Fuzhou Rail Transit Line 6
- Participating in the syndicated loan for the construction of Line 4 (Houxi to Xiang'an Airport Section) of Xiamen Rail Transit Group Co., Ltd.
- Participating in the syndicated loan for the construction of Line 3's phase I (Cangfanggou to Sangongbei) of Urumchi Rail Transit.

Supporting the new energy and environmental protection industry

- Leading the syndicated loan for the 300MW offshore wind power project in Dafeng, Jiangsu
- Leading the syndicated loan for the 5# and 6# storage tank project at Xiuyu Receiving Terminal of Fujian LNG terminal and trunkline project
- Participating in the syndicated loan of the Baihetan Hydropower Project of China Three Gorges Corporation
- Participating in the syndicated loan for the renovation project of Zhuyuan No.1 and No.2 Sewage Treatment Plant in Shanghai











1 2 4 3 5

1. Hunan Branch supports the water system governance of Liuyehu Lake around Dongting Lake (Photo from Hunan Branch)

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

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

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

5. Guilin Branch in Guangxi builds the "Great Wall" of wind power in the north of Guilin (Photo by Wu Wenqiao)

Carrying out product innovation

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

Policy update

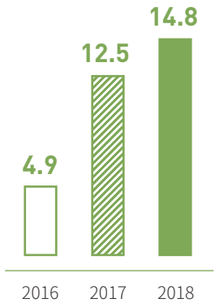
In order to speed up building the green financial reform and innovation pilot zone, the Bank formulated and issued the *Relevant Opinions on Supporting the Construction of Green Finance Reform and Innovation Pilot Zones in Zhejiang, Jiangxi, Guangdong, Guizhou and Xinjiang*. Adhering to the principle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

Green industry funds

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

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

Investment of green industry funds (2016-2018)(RMB billion)



Green bonds

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

In 2018,
3 green bonds were issued

which raised RMB
63 billion of funds

of which the Bank's share was RMB
10.8 billion

Case
Tianjin Branch supports local companies with the issuance of green euro bonds

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


Nantong Branch in Jiangsu contributes to the renovation of the ancient canal (Photo by Wang Yan)

Case
The Bank issues green financial bonds for Industrial Bank

In 2018, ABC successfully issued two green financial bonds for the Industrial Bank Co., Ltd., raising a total of RMB 60 billion, and the Bank's share was RMB 9 billion. The funds raised will be used for green projects that support environmental improvement and climate change, such as environmental protection, energy conservation, clean energy and clean transportation, etc.


Hunan Branch supports the green development of Taoyuan Hydropower Station hub in Yuanshui, Yangtze River basin (Photo from Hunan Branch)

Securitization of green assets

The Bank actively innovates in green asset securitization and provides green asset securitization products with different underlying asset portfolios and structural designs based on differentiated services.

In 2018, 1 issues of green asset securitization products was launched, the equivalent of RMB
1.35 billion

Case
The bank supports the issuance of green asset-backed notes

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

Focusing on Green Operation

Green office

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

Waste Statistics of Departments or Organizations of Head Office in Beijing in 2018

Microcomputer (host) processing capacity	Display processing capacity	Laptop processing capacity	Printer processing capacity
737 sets	**529** sets	**624** sets	**384** sets

Measures for green office

Strengthening management

- Under the leadership of a special energy leading group, the energy-saving tasks were completed in 2018
- Carefully implementing relevant management measures including The Energy Management System for the Head Office of the Agricultural Bank of China
- Carrying out centralized document printing reform and set up multi-functional printing equipment
- Completing Self-Check Report on Energy Conservation, Report on Utilization of Energy, Records of Principal Officers for Energy Management, and Report on Verification of Carbon Emission according to relevant standards
- Optimizing the energy-saving plan for central air conditioning, lighting system and other key energy consumption equipment
- Organizing property companies to establish and improve water-saving management system, water-saving regular meeting system, equipment inspection system, equipment maintenance system, water-saving publicity and education system and water-saving rewards and penalties system, etc.
- Learning and exploring contract energy management mode, and conducting market research on contract energy management mode to further expand energy-saving fields and improve energy-saving effect

Enhancing awareness

- Actively participating in meetings and training organized by municipal development and reform commissions to keep updated on the national energy conservation and emission reduction policies and development trends
- Issuing the Energy Saving Notice to organize water-saving and power-saving training
- Publicizing water conservation know-how in a variety of ways

Improving techniques

- Carrying out technical transformation projects to reduce energy consumption



On June 11, 2018, ABC's first "Go Green" outlet in China - Shenzhen Meilong Sub-branch was officially opened (Photo by Xu Yao)

Case

Hong Kong Branch conducts green operations

Hong Kong Branch attaches great importance to energy and environmental issues, and regards energy conservation and environmental protection as its own responsibility. The branch advocates energy and water conservation among employees, encourages the use of environmentally friendly paper, and recycles printer toner cartridges. In addition, the branch signed the agreement on outdoor lighting with the Environmental Protection Department in Hong Kong. In 2018, the Hong Kong branch won the Hong Kong Awards for Environmental Excellence, Green Agency Certificate, Waste Reduction Certificate and Energy Conservation Certificate.

1. The scope of the Head Office in Beijing: Head Office, Jintang International Finance Building and Daoxianghu Science and Technology Park.
2. The data centers of ABC are mainly in Shanghai, so the electricity consumption in Beijing is lower than that of other banks.
3. The diesel is mainly prepared for the backup generators of the Data Center.
4. The calculation of greenhouse gas is in accordance with the Greenhouse Gas Protocol — The Calculation and Report Standards for Enterprises of WRI and WBCSD, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Fourth Assessment Report in 2007 of Intergovernmental Panel on Climate (IPCC).

Direct greenhouse gas emissions in range 1 include greenhouse gas emitted by natural gas, liquified petroleum gas, gasoline, and diesel.

5. The emission factor of electricity in range 2 refers to China Regional Power Grid Baseline Emission Factor released by the Climate Change Division of National Development and Reform Commission.
6. Total greenhouse gas emissions include the direct greenhouse gas emissions in range 1 and indirect greenhouse gas emission in range 2.
7. We adopt the statistical and conversion method of National Bureau of Statistics.
8. The sewage equals to water consumption*0.85. The sewage discharge coefficient refers to the Code of Urban Wastewater Engineering Planning (GB 50318-2017) and relevant documents of National Bureau of Statistics.

Energy consumption data

Item	Unit	Departments or organizations of the Head Office in Beijing[1]	Beijing Branch
Electricity[2]	kilowatt-hour	33,524,236.80	43,216,108
Natural gas	cubic meter	577,619	228,515.83
Liquified petroleum gas	ton	0	29.55
Gasoline	ton	26.61	215.51
Diesel[3]	ton	3.14	260
Purchased heating power	million kilojoules	49,393.50	78,768
Range 1: direct greenhouse gas[4]	ton	1,353.67	1,970
Range 2: indirect greenhouse gas emission[5]	ton	29,332.71	39,473.24
Total greenhouse gas emission[6]	ton	30,686.39	41,443.24
Comprehensive energy consumption[7]	ton of standard coal	6,617.39	9,049.35
Water consumption	ton	223,259.36	353,068.94
Sewage[8]	ton	189,770.46	300,108.60

Green procurement

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

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

Measures for green procurement

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

Requirements of green procurement

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



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

Participating in Environmental Protection

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

In 2018, the Bank organized or participated in **3,483** environmental activities that involved **56,247** participants

Case

Inner Mongolia Branch conducts voluntary tree planting activities

In order to expedite the ecological progress and green development of the autonomous region, the Inner Mongolia Branch, Hohhot Branch and Qingshuihe County Sub-branch jointly carried out a large-scale voluntary tree planting campaign themed with "Building the Ecological Barrier and the Green Great Wall on the Northern Frontier - ABC is in action".









1. Inner Mongolia Branch carries out tree planting activity (Photo by Zhang Qingtang)

2. The Youth League Committee of Nanning Branch in Guangxi organizes youth volunteers to participate in the clean-up voluntary activity themed with "Protecting the Mother River, ABC is in Action" (Photo by Gan Lu)

3. Heilongjiang Qiqihar Branch holds tree planting activities (Photo by Bi Ximei)

4. New York Branch cooperates with River Park Protection Association to actively fulfill environmental responsibility (Photo by Zhang Zhouyang)



Photo by Liang Zhiqiang

CSR Focus

Transforming Outlets to Increase Service Efficiency

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

10,988 outlets conducted the transformation and upgrade projects to make outlets more light-weight and intelligent

accounting for **50**% of all outlets

Pursuing Quality Service

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

Management Mechanisms for Service Quality Improvement

Outlet service management evaluation mechanism	Creation mechanism of model service provider	Service monitoring system	Service experience mechanism at outlets
Service normalization management, service supervision and inspection, service complaint handling, etc.	Starting the establishment of "Top 100 Outlets" and the selection of "Star Outlets with Transformed Service", launching the selection activities of 2018 "Top 10 Service Providers" and "Smiling Service Ambassadors"	Plain-clothes staff, video and spot inspections	Customers' feedback on service experience, ABC's employees experience outlet service, etc.

Improving the level of management

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

Enhancing sales behavioral management

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



Tianhsui Zhangjiachuan Sub-branch of Gansu Branch is praised by customers for its good service (Photo by Ma Xueying)

Optimizing service processes

The Bank formulated the *Implementation Plan for Optimizing Corporate Account Opening Service*. Adhering to the principle of "comprehensive policy implementation with the equal attention to effectiveness, efficiency and risk prevention", the Bank continued to improve the institutional system and innovate in business models, implementing the comprehensive transformation of counter business, starting the "no need for filling in the form" process optimization project , and appling Internet financial technology to further expand service channels and enrich online functions.

Case

Ningxia Branch optimizes the process for opening corporate bank accounts

Ningxia Branch has optimized the process of account opening for corporate customers, taken convenient measures that integrate "online + offline + green channels", and vigorously promoted "the online pre-filling system for corporate account opening". All ABC's outlets in Ningxia have realized the one-stop corporate account opening service that combines "online information collection, customer reservation, super counter rapid handling, and centralized audit", shortening the time required for corporate account opening to less than 30 minutes. At the same time, Ningxia Branch provides free business license application service for corporate customers, and opens "green channels" for qualified small and micro enterprises to ensure quick processing.


The Huinong Social Security Card One-click Card Exchange system of Quanzhou Branch in Fujian was officially launched (Photo by Wu Suning)


Wuxi Branch, Jiangsu Province handles wuxi's first electronic full process account opening, improves service efficiency and advocates green service (Photo by Li Qin)

Case

Zhejiang Branch deeply promotes the "customers only need to go to the bank once" reform

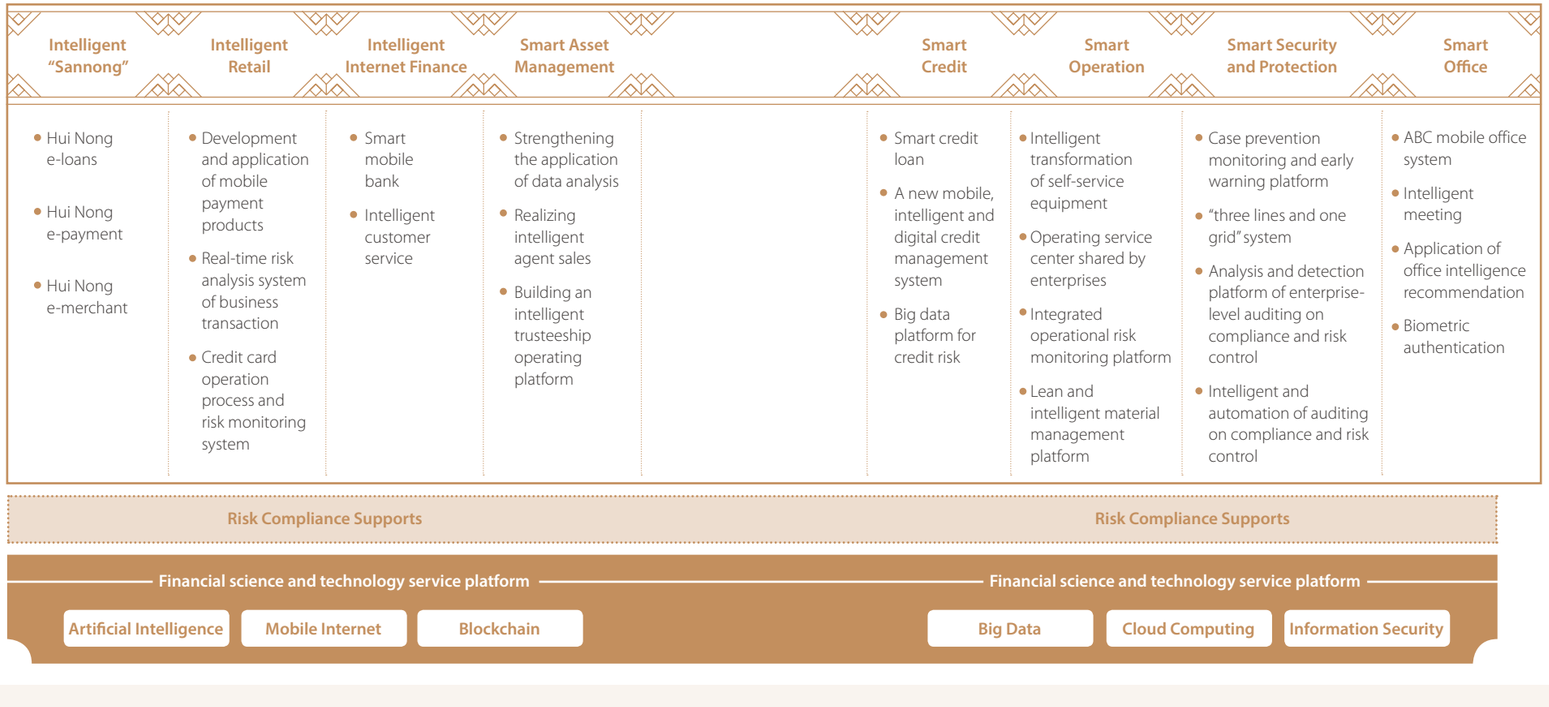
Zhejiang Branch actively responded to the government's requirement of "customers only need to go to the bank once", and boldly made innovations to simplify the service process. By promoting quick "business license registration" service and the one-stop handling of housing provident fund loans, the establishment of external vehicle mortgage registration line, and whole intelligent financial process service for customers, etc. the branch continuously enhances users' experience of financial service and improves service in all aspects.

Attaching great importance to financial technological innovations

The Bank formulated the *Three-Year Action Plan for Financial Technology Innovation of Agricultural Bank of China (2018-2020)*, and it pointed out the direction for constantly strengthening technological innovation of financial products.

The number of products in 2018 is

540



Three-Year Action Plan for Financial Technology Innovation of Agricultural Bank of China (2018-2020)
Content interpretation

"Building one platform"

— Fintech service platform

"Improving six basic capabilities in an all-round way"

— Comprehensively improving the application of key Fintech technologies, including artificial intelligence, mobile Internet, blockchain, big data, cloud computing, and information security

"Promoting the application of eight major fields"

— Gradually promoting the application of intelligent "Sannong", intelligent retail, intelligent Internet finance, smart asset management, smart credit, smart operation, smart security and protection, and smart office



Nanjing Branch, Jiangsu Province carries out the in-depth integration of Internet technology and bank payment, settlement, and financing businesses to create the "smart +" scenario covering seven major industries: food markets, communities, schools, tourist attractions, hospitals, logistics, and car parking (Photo by Wu Shuman)



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



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

Case

Chongqing Branch opens DIY smart bank

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



Interior of the DIY smart bank (Photo by Pan Juelin)



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

Case

Shenzhen Branch embarks on the development of streamlined banking

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



Interior of Shenzhen Branch (Photo by Feng Zhenshan)



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

Expanding customer service channels

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

Mobile banking

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

Number of mobile banking clients in 2016 - 2018 (RMB million)



E-banking

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

Number of e-banking clients in 2016 - 2018 (million)

Number of personal clients



Number of corporate clients

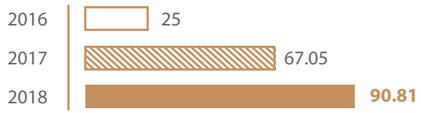


WeChat banking

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

Number of WeChat banking clients in 2016 - 2018 (million)

Number of followers of the "Agricultural Bank of China" WeChat official account



Page views of the "ABC micro-service" mini program



Outlets Wi-Fi

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

Number of registered clients of outlets Wi-Fi in 2017 - 2018 (million)



Online customer manager

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

Number of registered clients of online customer manager service in 2017 - 2018 (thousand)





A customer manager of Dali Sub-branch in Nanhai, Guangdong Province interacts with the customers (Photo by Fang Jian)

Improving complaint management mechanisms

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

achieving **99.25**% customer satisfaction

In 2018, the settlement rate of customer complaints was **100**%

In addition, the customer service center received a total of **424** million phone calls from customers

among which **102** million calls were transfer to human service

95 million calls were replied

the connection rate of **93.05**%

Improving the complaint management system

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

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

Enhancing the joint system for handling complaints

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

The Bank has launched the "Customer Inquiry and Complaint Handling Process Optimization" project to further improve the response efficiency to customers' needs

Optimizing business policies and process design

Concentrating on solving hot issues in credit card complaints, the Bank has taken appropriate measures to optimize processes and improve services

Protecting the Rights and Interests of Consumers

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

Protecting consumers' rights and interests

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

Improving system development

In order to protect consumers' rights and interests, the Bank revised the *Working Rules of the Protection of Consumers' Rights and Interests Committee of the Agricultural Bank of China* and the *Work Methods for the Protection of Consumers' Rights and Interests of the Agricultural Bank of China,* formulated the *Emergency Response Plan for Major Emergencies in Protecting Consumers' Rights and Interests of the Agricultural Bank of China*, and issued the *Guidelines on the Review of Protecting Consumers' Rights and Interests of the Agricultural Bank of China.*



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

Optimizing organizational structure

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

Protecting information security

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



Xinjiang Production and Construction Corps (XPCC) Branch holds a security skill competition (Photo by Gui Mingfu)

Information Security Protection System

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



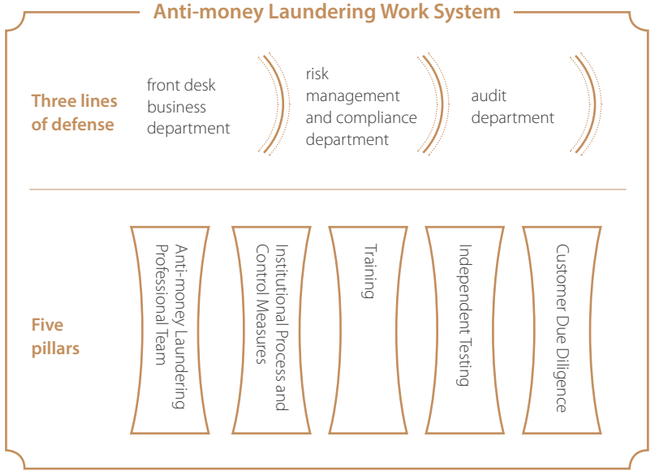
Guangdong Branch attends the "cybersecurity week" activity (Photo by Huang Zhenye)

Creating a prevention and control system

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

Anti-money laundering

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





Shanxi Shuozhou Branch organizes a publicity campaign of "preventing money laundering and maintaining financial security" (Photo by Zhang Yandong)

Case
Sichuan Branch pushes forward anti-money laundering work

The Sichuan Branch earnestly implements the requirements of the State on anti-money laundering, anti-terrorist financing, and anti-tax evasion, further enhances the awareness of anti-money laundering among the public and employees, and improves the professional skills and monitoring and analysis capabilities of anti-money laundering staff, effectively preventing the risks of money laundering, terrorist financing, sanctions, etc. In 2018, the branch submitted 127 key suspicious activity reports to the People's Bank of China and the public security organs, 51 activities involved in these reports were investigated, and more than 2,360 criminal suspects were arrested.

Anti-counterfeit currency

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



Hainan Branch is awarded the "2018 Advanced Collective for Anti-Counterfeit Currency in Hainan Province" (Photo by Lin Hui)

Case
Qingdao Branch creatively uses cash serial numbers to identify counterfeit currency fraud

On March 26, 2018, two customers came to the business department of Chengyang Sub-branch in Qingdao, claiming that they had withdrawn 5 pieces of counterfeit money from the ATM. After obtaining the information about the withdrawal, the staff immediately verified the serial numbers of the notes. In order to find out the truth, the staff asked the two customers to provide the counterfeit currency for serial number comparison, but the customers refused to cooperate. The Sub-branch then called the police, and the police checked the serial numbers and the surveillance video after arriving at the bank, confirming that the five pieces of counterfeit money were not from the ATM of the business department. With the help of the Chengyang Sub-branch, the police successfully cracked the counterfeit currency fraud case.

Preventing illegal fund-raising

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

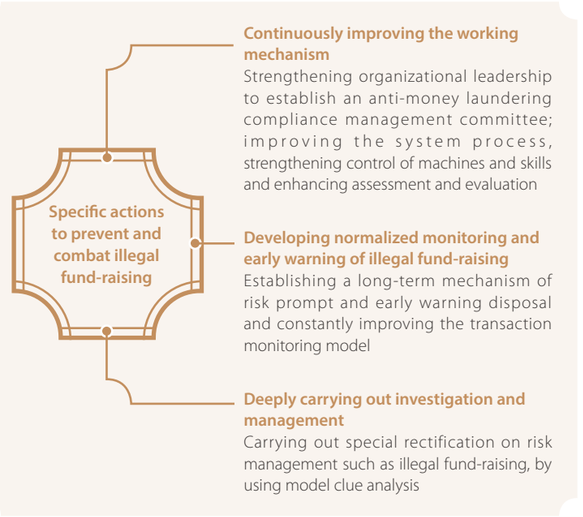




Photo by Li Xiangkai

CSR Focus

Caring for Model Workers

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

Improve the political treatment of model workers

Holding awarding ceremony of ABC Medals on site and inviting some representatives of model workers to attend

Broadening the growth platform for model workers

Innovatively providing model worker training courses to vigorously promote the establishment of Model Worker Innovation Workshop

Ensuring positive publicity of the deeds of model workers

Compiling and issuing the *Model of the New Age*, various media means to publicize good deeds and make all staff to learn

In 2018, ABC set up **71** Model Worker Innovation Workshops

awarded medals for **20** model workers for the first time

workers were trained from 37 tier-1 branches **98** model workers

Protecting Rights and Interests of Employees

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

Establishing harmonious labor relations

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

By the end of 2018, ABC had

473,691 in-service employees in total

in overseas branch outlets and representative offices

668 employees

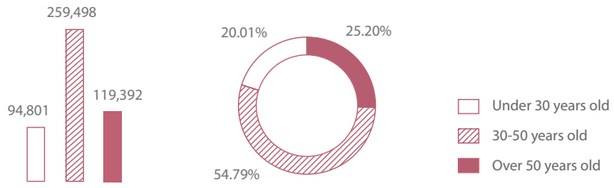
in the integrated management subsidiaries and village banks

8,299 employees

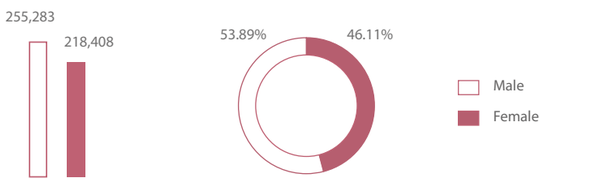
11,940 newly recruited university graduates and college-graduate village officers

which increased by 1,033 people from the previous year

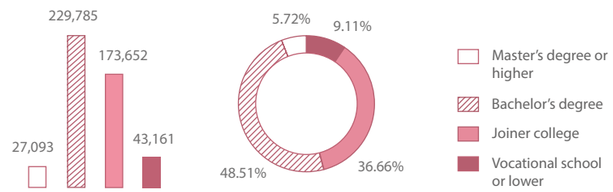
Age (Number of people/Proportion) (%)



Gender (Number of people/Proportion) (%)



Educational background structure (Number of people/Proportion) (%)



Promoting a democratic establishment

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



Zhejiang Branch holds the first session of the third workers' representative conference and trade union representative conference (Photo by Qiu Chunxi)

Guaranteeing the welfare of employees

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

By the end of 2018, the Annuity Scheme and Retirement Benefits Fund amounted to RMB

100 billion

the cumulative investment income of the two funds is RMB

28.6 billion

with an annual investment return of

5.80%

Fostering Employee Growth via Multiple Channels

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

Honors in 2018

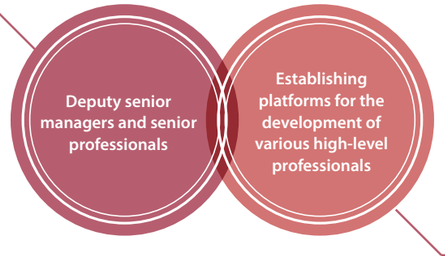
National level	The All-China Federation of Trade Unions	• one "National May 1st Labor Medal" • 3 Titles of "National Workers Pioneer" for 3 collectives
Industry level	Chinese Financial Workers' Union	• "National May 1st Labor Certificate for Financial Organizations" for 8 units • 55 winners of "National May 1st Labor Medal for Financial Organizations" • 1 collective winner of "National Pioneers of Financial Organizations"
ABC level	Agriculture Bank of China	• "May 1 Labor Certificate of Agricultural Bank of China" for 50 units • 118 winners of "May 1 Labor Medal of Agricultural Bank of China" • 100 collective winners of "Pioneers of Agricultural Bank of China"

Policy guarantees for professional growth

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

Proving a smooth channel of growth and promotion for talents

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



- and optimizing the professional post settings of science and technology, products and risks in the Head Office
- and establishing the IT characteristic post rank system in R&D center and data center

Multi-tiered talent training

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

Vigorously fostering inter-disciplinary financial technology talents

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

Organizational optimization

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

Policy support

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

Departmental support

- Starting "ABC Sunshine Program" in Head Office to hold special talent recruitment for financial technology
- Organizing 48 special rotational training sessions on financial technology for tier-1 sub-branch presidents to enhance the grassroots managers' understanding of the development trend of financial technology and their ability to cope with changes

Case

Steadily promoting the development of "County-level Young Employees V2.0" Project

The Bank vigorously fosters and selects outstanding young leading personnel and continues to promote the upgraded development of young employees in counties. We select outstanding young employees to serve the temporary positions in the local areas and the targeted poverty alleviation areas, and serve as the "First Secretaries" of the villages to achieve full coverage of "county heads, branch presidents and village secretaries" in targeted poverty alleviation counties supported by the Head Office. The Bank also has studied to start the development of young employees in urban areas so as to set up a training and selection chain covering all grass-roots employees of the whole bank. In 2018, ABC selected 6,017 young employees from counties as training targets, 58 youth employees in counties to Head Office or provincial branches for exchanges and learning, and 1,699 youth employees in counties to branch offices, local governments, county-level league committees for work exchanges. The demonstration classes also directly trained 90 young vice presidents of branches and 1,600 youth employees in counties.



Guangxi Branch holds a special training class for young talents at county level in 2018 (Photo from the training school)


Xingtai Branch in Hebei provides leadership training for Party members and cadres (Photo by Pei Boxue)

Case

Xinjiang Branch vigorously promotes the development of "County-level Young Employees" Project

Changji Branch in Xinjiang has vigorously trained and selected young employees in county areas and formulated the Young Employees Training Plan of Changji Branch and Method of Setting up Full-time College Students Training Posts in Top-quality Outlets, which respectively requires implementing "one-to-one training" and taking the posts of director, customer manager or operation supervisor of outlets as training posts. In 2018, 21 young employees from Changji Branch in Xinjiang worked in sub-branches or outlets. Among them, one grown into the sub-branch president, 5 were promoted to be the assistants to the sub-branch president, one was promoted to be vice sub-branch president, one was promoted to be deputy director of the authority department and 12 were promoted to be directors of outlets.

Multi-form staff training

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

16,000
training sessions were held with
980,000
participants

Gender	Number of trainees
Male	485,800
Female	493,700

Level	Number of trainees
Grass-roots personnel	793,200
Middle-level or higher managers	186,800

Implementing hierarchical and specialized training

For managing personnel

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

For professional employees

Strengthening the training on financial technology, emerging business and compliance risk; completing 248 training sessions on new business and "industry-university-research cooperation" special trainings in 2018

For grassroots staff

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

Case

Training course on collectivized and global management in Germany

In 2018, ABC launched a special training course on "Global and Group Management of International Large Banks" at Goethe Business School, Frankfurt University, Germany, and conducted a two-week training for 25 supervisors of Head Office. During the period of training, special investigations on famous German banks, such as Deutsche Bank, DZ Bank, Commerzbank and Landesbank Baden-Wurttemberg were conducted to further enhance the quality and capacity building of managers.


ABC holds the training on global management at Frankfurt University (Photo by Lei Yingying)



The interpretation training course on the guiding principle of the "Two Sessions" is held by Zhongshan Branch in Guangdong (Photo by He Xiaoyin)

Case

The first overseas management sharing experience via remote video

In 2018, the Head Office held the first sharing activity from overseas branches. Through remote video system, German middle and senior managers from Frankfurt Branch were invited to give lectures on the development opportunities and challenges of overseas business, how to manage and evaluate risks, German culture and human resources management practices, etc.

Case

Guangdong Branch implements tutorial system to help new employees grow

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

Lighting Up the Lives of Staff in Various Ways

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

Caring for employees' health

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



Shenzhen Branch carries out "I exercise and I am happy" outdoor activities (Photo by Xu Weiwei)

In 2018, the Head Office completed the physical health examinations for

5,000 employees

provided mental health examinations for

3,000 employees

special physical examinations for

1,400 female employees

Case

Providing first-aid training

The Head Office actively promotes the staff's ability to cope with health emergencies in the offices and their overall health literacy by inviting the professionals of first aid centers to train first aid knowledge and skills. In 2018, ABC completed three training sessions on first aid knowledge and skills, thus effectively protecting the physical and mental health of employees.


Ulanqab Branch in Inner Mongolia holds "Relaxing Body and Mind for Health Body" interesting games (Photo by Zhang Zhijun)

Ensuring healthy work-life balance

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

Case

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

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



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


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



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


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


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


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

Establishing a benchmark

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

The labor pioneer demonstrates the fighting spirit with wisdom and sweat



Ding Wangyang

Ding Wangyang, national "May 1" labor medalist

senior commissioner of Shaoxing Branch and former president of Xinchang Sub-branch in Shaoxing, Zhejiang

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

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

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

> *"The former president is highly respected. He always has the same development ideas as the government. Xinchang Sub-branch keeps abreast of the government's development plan, serves the local economic development, and does a good job in risk control."*
>
> —Qiu Wuhong, Deputy Head of Xinchang County, Shaoxing City, Zhejiang Province

Working hard during his serious illness

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

Still working hard after retiring

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

National Workers Pioneer



The business department of Jincheng Sub-branch in Chengdu, Sichuan

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



The Railway Administration Branch in Urumqi, Xinjiang

The Urumqi Railway Administration Branch in Xinjiang actively builds the transition benchmark outlet. The first bank-lease insurance financial planning business and self-financing business of Xinjiang Branch have been started successively, and the bank-enterprise collection project has been realized. Jia Yuping, the head of outlets, won the National May 1st Labor Certificate for Financial Organizations and established the first "Yuping Labor Model Innovation Studio" in Xinjiang Branch. For three consecutive years, the branch was awarded the "Three Stricts" unit of basic operation management of ABC, and in 2017 it was awarded the title of "Top 100 Demonstration Units with Civilized and Standardized Service in China's Banking Industry".



The Kunshan Economic and Technological Development Zone Sub-branch in Suzhou, Jiangsu

The Kunshan Economic and Technological Development Zone Sub-branch in Suzhou, Jiangsu Province builds a bridge of cooperation with enterprises with its own professionalism and sincerity. The branch actively serves the development of real economy, and studies in depth the development trend of leading industries in the development zone and pillar economy. The branch connects its business with Kunshan's six-year action plan for transformation, upgrading and innovation-driven development, and supports the local "Little Giant" enterprises to carry out technological innovation, thus winning wide acclaim from customers with professionalism and enthusiasm. For 20 consecutive years, the branch's international business settlement volume ranked first among the secondary branches of ABC system, and won the title of "Pioneers of Agricultural Bank of China" and "National Pioneers of Financial Organizations" in 2018.



Photo from Operation Management Department

CSR Focus

Helping the Visually Impaired to Feel the World with Love

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

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

In 2018, ABC volunteer project for helping the visually impaired won the **silver prize of the Fourth China Youth Volunteer Service Competition**

and it was named **the third batch of 'Learn to be Lei Feng' Volunteer Service Post of the Capital** by the Capital Civilization Office.

By the end of 2018,

over **150** volunteers

had told **58** films to the visually impaired in five years

recorded nearly a million words of audio books, and provided more than

6,000 hours of volunteer services

directly benefiting more than

5,000 visually impaired people

Popularizing Financial Knowledge

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

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

Financial Knowledge Going into Thousands of Households campaign

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

The Bank won the Best Performance Company of "China banking the Great Journey for Popularizing Financial Knowledge Campaign 2018" by China Banking Association.

The Bank was awarded the Advanced Activity Company of "Financial Knowledge Popularization Month, Financial Knowledge Going into Thousands of Households" and "Promoting Financial Literacy and Striving to Be a Good Financial Netizen" Campaign 2018 by China Banking and Insurance Regulatory Commission.

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

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

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



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

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

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

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



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

Launching the "Great Journey for Popularizing Financial Knowledge" campaign

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



An employee of Qingdao Branch tells the public about how to prevent telecommunications fraud in the Financial Classroom (Photo by Cong Lianqing)

In 2018, ABC disseminated financial knowledge

online publicity

and sent **2.76** million text messages **1.03** million WeChat messages and **673** media reports through

offline promotion

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

Financial knowledge on campus

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



Changsha County Sub-branch in Hunan Province launches "Small Bankers" activity and popularizes financial knowledge to juveniles (Photo by Gu Jia)

Case

Beijing Branch publicizes financial knowledge in universities

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



Hubei Branch carries out the activities of financial knowledge in campus (Photo from Hubei Branch)

Contributing to Harmonious and Better Social Life

ABC actively participates in volunteer service and engages in public welfare activities by helping communities, impoverished military families, caring for demobilized servicemen and their families to help them get out of poverty and improve their lives, disaster-stricken areas and rebuilding their lives with its own professional advantages, thus contributing to a harmonious society and creating a better life for the people.

Engaging in public welfare and volunteer activities

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

By the end of 2018, the total amount of donations was RMB **66.86** million (only from domestic banks and excluding employee donations)

including RMB **54.61** million for public welfare donations

Poverty alleviation donation projects benefit about **5,252** military personnel, veterans and their families

including **1,707** registered low-income households

In 2018, the total volunteer service of our bank exceeded **240,000** hours

and more than **94,000** young employees participated in volunteer



Shan xi Branch carries out "Small Bonus Points for Big Dreams" public welfare activity (Photo by Wang Lin)

Case

Carrying out "Small Bonus Points for Big Dreams" public welfare activity

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



Volunteers from Kaifa Branch in Tianjin accompany children with congenital heart disease (Photo by Shan Dongmei)

Case

Shanghai Branch actively provides volunteer service for CIIE

In 2018, the Shanghai Branch participated in the preparations for the First China International Import Expo (CIIE) and various service guarantees inside and outside the venues. Shanghai Branch set up 10 "Youth Shanghai" volunteer service stations, 17 "Youth Shanghai" volunteer service teams, 5 business backbones were selected to participate in the long-term volunteer work of the CIIE and volunteers from Shanghai Branch provided high-quality services of CIIE for exhibitors from all over the world. The number of volunteer stations and service teams from Shanghai Branch was ranked first in the system of Financial Work Committee of Shanghai.



Youth volunteers of Shanghai Branch swear to provide quality service for China International Import Expo (Photo by Xu Weijia)



Nanping Branch in Fujian launches the voluntary blood donation activities (Photo by Song Xiaohan)

Participating in disaster relief

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

Case

Shandong Branch actively supports post-disaster reconstruction in Shouguang

In 2018, 13 cities in Shandong Province suffered floods, affecting 5.27 million people and 620,500 hectares of crops and causing RMB 22.29 billion of direct economic losses.

Shandong Branch issued the Notice on Actively Improving Financial Services for Post-disaster Reconstruction in Shouguang, clarifying the requirements of financial support for post-disaster reconstruction, and insisting on "three priorities" to help the reconstruction of the disaster-stricken areas.



Employees of Shandong Branch actively participate in disaster relief work (Photo by Wang Dianchang)

> "Thanks the staff of the ABC for timely issuance of this loan. This gives me great confidence in the restoration and reconstruction."
>
> —Guo Shushan, a villager in Guojiazhuang Village, Jitai Town, Shouguang City, Shandong Province

1. **gave priority to the scale by** arranging a special credit scale of RMB 5 billion in advance to focus on supporting the field of high-standard vegetable greenhouse construction, water conservancy infrastructure and the reconstruction of secure housing.
2. **adhered to the priority of efficiency** the branch visit famers in disaster-stricken areas the first time to learn about their needs of funds. It decided to provide RMB 380 million of proposed loans and open a "green channel" for the approval of credit loans.
3. **adhered to the priority of innovation** and specially developed and launched two new products, "loans for post-disaster reconstruction of new intelligent vegetable greenhouse" and "loans for post-disaster reconstruction of secure housing" to meet the credit needs in the post-disaster reconstruction process.

Weifang Branch in Shandong Province and Shouguang Municipal Government signed the Strategic Cooperation Agreement for Post-disaster Reconstruction, which further specifies the comprehensive financial services measures, and the branch donated RMB **37,000** in cash and donated goods worth RMB **80,000** to the disaster areas. Shouguang Sub-branch took the initiative to help Wangxin Village, Jitai Town, which suffered most from the disaster, actively carried out the work of "joint village construction" and mobilized the whole staff to donate RMB **150,000**.

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

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

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

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

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



The Qingchuan Sub-branch in Guangyuan, Sichuan Province, help rebuild farmer houses after the earthquake (Photo by Guo Guanming)

> "The Agricultural Bank of China develops a reasonable loan and repayment plan based on the actual operation of our farmers. It really solves our urgent problems!"
>
> —Huang Wenjun, a villager in Baoshan Village, Pengzhou City, Sichuan Province


Volunteers from Wuxi Branch in Jiangsu Province clean snow from roads to ensure the safety of the people's traffic (Photo by Ni Biao)


Employees of Lue County Sub-branch in Hanzhong City, Shaanxi Province carry sand bags to prevent floods (Photo by Li Hongyong)


Employees of Zhuhai Branch in Guangdong actively clean up trees damaged by typhoon "Shan Zhu" (Photo by Yang Jie)

CSR Honors and Awards

中国人民银行 THE PEOPLE'S BANK OF CHINA

Group third prize of Network Security Attack and Defense Competition for the Financial Industry

First Prize of Banking Technology Development 2017 (Independent Controllable Big Data Platform)

财视中国 www.caishu.com

Award for Green Finance Asset Securitization Products with the Largest Size

Best Mobile Financial Innovation Award

中华全国总工会

National May 1st Labor Medal

Pioneer Workers

证券时报

2018 Junding Award for Best Universal Investment Bank in China

2018 Junding Award for Financial Consultation in China

Credit Asset "Annual Top 10 Transactions"

Junding Award for Excellent Wealth Management Institution in China

2018 Junding Award for Bank Financing Brand in China

2018 Golden Wing Award--Most Valuable Listed Company under Hong Kong Stock Connect Scheme

ASIAMONEY

Award for Best Product Development of China Private Bank

Most Innovative Green Bank

Best State-owned Retail Bank

Best Chinese Bank in the Middle East & Africa for China's Belt & Road Initiative (BRI)

THE Asset 财资

Top Bank in Corporate Bond

Top Investment House

Oil and Gas Deal of the Year

Digital Bank of the Year

Best Service Providers

Most Innovation Data Analytics Project "ABC Big Data Platform"

中国银行业协会 CHINA BANKING ASSOCIATION

2018 Best Performance Award for Syndicated Loans Business

2018 Best Project Award for Syndicated Loans Business

Best International Settlement Bank

2017 Financial Institutions with the Most Social Responsibility

2017 Best Social Responsibility Management Individuals

2018 Excellent News of Chinese Banking Industry

Outstanding Company of Innovative Achievements in Comprehensive Evaluation of Banking Customer Service Centers in 2018

Best Performance Company of 2018 Great Journey for Popularizing Financial Knowledge Activity

National Committee of Chinese Financial Worker`s Union

National May 1st Labor Medal for Financial Organizations

National May 1st Labor Certificate for Financial Organizations

National Pioneers of Financial Organizations

China Securities Journal

2017 Golden Bull Wealth Management Bank Award

2017 Golden Bull Wealth Management Product

People's Daily

The 13th People's Corporate Social Responsibility Award (Green Development Award)

Recommended case of "targeted poverty alleviation factor input models"

Central Government Bond Registration and Settlement Co., Ltd.

2017 Outstanding Independent Institution Award

Outstanding Settlement Agent Award

Sina Finance

2018 Golden Lion Award for Hong Kong Listed Companies - Award for Company with Best Investment Value

Most Popular Mobile Bank

Directors & Boards

The 14th Golden Round Table Award for Special Contribution to Board Governance of China's listed companies (Directors & Boards Magazine)

上海证券报 Shanghai Securities News

"Golden Wealth Management" Asset Management Excellence Award of the Year

"Golden Wealth Management" Annual Excellence Award for Innovative Wealth Management

中国妇女发展基金会 China Women's Development Foundation

"15th Anniversary – Special Solute (Enterprises)" of China Women's Development Foundation's "Maternal Health Express" program

"30th Anniversary – Special Solute (Enterprises)" of China Women's Development Foundation in 2018

21世纪经济报道 21ST CENTURY BUSINESS HERALD

2018 Best Asset Management Bank

Bank of Best Inclusive Finance Service in 2018

2018 Excellent Commercial Bank in Asia

Excellent Corporate Culture Prize of China's Best Corporate Citizenship Award in 2018

金融时报

Bank of Best "Sannong" Service in 2018

华尔街见闻

2018 Inclusive Financial Service Bank

南方周末

Annual Most Responsible Enterprise Award

華夏時報 CHINA TIMES

2018 Inclusive Financial Service Bank

China Gold Coin Incorporation

Precious metal coin "Rising Performance Star"

New Finance World magazine

2018 Excellent Cases of Financial Informatization and Innovation in China

Trade Finance magazine

Bank with Best International Business

China's Research Institute of Asset Securitization

Institution with Greatest Potential Award

China National Radio

Excellence Award for Most Trustworthy Listed Company by Investors in 2018

Shanghai Stock Exchange

Outstanding Participant in Asset Securitization Business

China Financial Advancement Forum

Best RMBS Award of the Year

Securities Daily

Golden Horse Award – Real Economy Excellent Service Award

Interbank Market Clearing House Co., Ltd.

2017 Foreign exchange self-clearing excellence award

The Economic Observer

2018 Excellent Chinese-funded Bank

United Nations, American Red Cross, IBM, and Linux Foundation

Top five at the Call for Code Global Prize Celebration

China Information Technology Industry Federation

Best Industrial-Financial Cooperation Demonstration Bank in 2018

www.cebnet.com.cn

Excellent Cases of the Application of Financial Technological Innovations

Organizing Committee of China Information Security Game

Third prize in head office group of the management and operation competition (Guan An Cup) of 2018 China Information Security Game

China Business Journal & Chinese Academy of Social Sciences

2018 Banks of Excellent Competition Inclusive Financial Practice

Responsibility Commitments

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

Supporting poverty alleviation	• Increasing the credit for targeted poverty alleviation • Highlighting the work to aid areas in extreme poverty and poverty-stricken populations • Aiming at the pillar industries in poverty-stricken areas to provide special credit policies, and innovate in a number of targeted financial products and models for poverty alleviation
erving rural revitalization	• Implementing the priority development requirements of agriculture and rural areas by promoting the implementation of "Seven Actions" and "Six Major Series" product lines to serve rural revitalization, and promoting the "Sannong" financial services to another new level • Deepening the innovation of internet financial service model and bettering "No.1 Project"
Supporting real economies	• Focusing on furthering supply-side structural reform to give prominence to the service and structural adjustment in key areas • Strengthening financial services for private and small-micro businesses • Deeply expanding financial services in consumption and people's livelihood
Building a beautiful China	• Further improving the green financial service system and supporting the development of green financial reform and innovation experimental zone • Strengthening green operation, reducing office energy consumption and promoting green procurement
Promoting quality services	• Consolidating the basic work of reforming the management system of technology and product innovation in an all-round way • Innovatively promoting the retail business and branch outlet transformation • Further promoting process innovation • Using "four sharp swords" to prevent and control crime accurately
Enhancing employee happiness	• Comprehensive protecting the rights and benefits of employees • Helping employees to achieve diversified career development and stimulating the initiative of them in entrepreneurship • Adhering to employees' humanistic care and enhancing employees' spiritual life
Promoting social harmony	• Enhancing the publicity of financial knowledge and improving public financial literacy • Actively engaging in social public welfare to help people realize a better life

Appendix

Basis of Reporting

Total amount of donations:

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

Balance of farmer loans:

including the balances of general loads to Comfortable Housing Project for farmers and herdsmen, loans for farmers going abroad to work, house building loans for the farmers in quake-hit areas, loans for farmers purchasing or building houses, loans for farm machines, personal loans to production and buisnesses in rural areas, micro loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, loans to other production and buisnesses for individuals, poverty alleviation loans to Comfortable Housing Project for farmers and herdsmen, personal soft loans for poverty alleviation, personal general loans for poverty alleviation, and "jinhuikuainong" loans.

Total number of employees:

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

Total number of county-level employees:

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

Proportion of female employees:

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

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.

Number of county-level branch outlets:

number of county branches including tier-2 branches, tier-1 sub-branches, buisness departments of tier-2 branches and the foundation-level establishments under thier administration listed in the directory of County Area Banking Division.

Water consumption per capita in the Head Office (m^3/person)	=	total water consumption in the Head Office in 2018 divided by the number of employees in office in the buildings of the Head Office.
Electricity consumption per capita in the Head Office (kwh/person)	=	total electricity consumption in the Head Office in 2018 divided by the number of employees in office in the buildings of the Head Office.
Gas consumption per capita in the Head Office (m^3/person)	=	total gas consumption in the Head Office in 2018 divided by the number of employees in office in the buildings of the Head Office.

Independent Practitioner's Assurance Report

To the Board of Directors of Agricultural Bank of China Limited

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

Key data

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

- Total amount of donations (RMB million)
- Balance of farmer loans (RMB billion)
- Total number of employees
- Total number of county-level employees
- Proportion of female employees (%)
- Proportion of ethnic minority employees (%)
- Total number of employee trainings (10,000 person times)
- Total number of domestic branch outlets
- Number of county-level branch outlets
- Water consumption per capita in the Head Office (m^3/person)
- Electricity consumption per capita in the Head Office (kwh/person)
- Gas consumption per capita in the Head Office (m^3/person)

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

Criteria

The criteria of the preparation of the key data in the Bank's 2018 Social Responsibility Report are listed in the basis of reporting of the key data (the "basis of reporting") in the front of this assurance report.

Responsibilities of the Board of Directors

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

Our Independence and Quality Control

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

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

Practitioner's Responsibilities

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

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on any matter that would materially affect the key data in the 2018 Social Responsibility Report. Our work involves assessing the risks of material misstatement in key data in the 2018 Social Responsibility Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have only performed the following procedures in the Head Office of the Bank. We did not perform assurance work in other branches. The procedures we performed comprised:

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

Inherent Limitation

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

Conclusion

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

Restriction on Use

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

Supplementary observations

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

We have the following observations:

Stakeholder inclusiveness

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

Materiality

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

普华永道中天会计师事务所(特殊普通合伙)

PricewaterhouseCoopers Zhong Tian LLP
Shanghai, China
March 29, 2019

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		103-2 The management approach and its components	P116-129	
		103-3 Evaluation of the management approach	P116-129	
GRI 401 Employment		401-1 New employee hires and employee turnover	P118	
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P119	
		401-3 Parental leave	P119	
GRI 402 Labor/Management relations		402-1 Minimum notice periods regarding operational changes		
GRI 403 Occupational Health and Safety		403-1 Workers representation in formal joint management–worker health and safety committees		

Standard number and description			Page	Note
GRI 403 Occupational Health and Safety		403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	P125	
		403-3 Workers with high incidence or high risk of diseases related to their occupation	P125	
		403-4 Health and safety topics covered in formal agreements with trade unions		
GRI 404 Training and education		404-1 Average hours of training per year per employee		
		404-2 Programs for upgrading employee skills and transition assistance programs	P120-124	
		404-3 Percentage of employees receiving regular performance and career development reviews		
GRI 405 Diversity and equal opportunity	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	P19、P118、P152	
		103-2 The management approach and its components	P118	
		103-3 Evaluation of the management approach	P118	
		405-1 Diversity of governance bodies and employees	P118	
		405-2 Ratio of basic salary and remuneration of women to men	P118	
GRI 406 Non -discrimination		406-1 Incidents of discrimination and corrective actions taken		
GRI 407 Freedom of association and collective bargaining	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary		
		103-2 The management approach and its components		
		103-3 Evaluation of the management approach		
		407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		
GRI 408 Child labor		408-1 Operations and suppliers at significant risk for incidents of child labor		
GRI 409 Forced orcompulsory labor		409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		
GRI 410 Security Practices		410-1 Security personnel trained in human rights policies or procedures		
GRI 411 Rights o indigenous peoples		411-1 Incidents of violations involving rights of indigenous peoples		
GRI 412 Human rights assessment		412-1 Operations that have been subject to human rights reviews or impact assessments		
		412-2 Employee training on human rights policies or procedures		
		412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		
GRI 413 Local communities	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	P19、P130-139、P152	
		103-2 The management approach and its components	P130-139	
		103-3 Evaluation of the management approach	P130-139	
		413-1 Operations with local community engagement, impact assessments, and development programs	P130-139	
		413-2 Operations with significant actual and potential negative impacts on local communities		
GRI 414 Supplier social assessment		414-1 New suppliers that were screened using social criteria	P100	
		414-2 Negative social impacts in the supply chain and actions taken		
GRI 415 Public policy		415-1 Political contributions		
GRI 416 Customer health and safety	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	P103-115	
		103-2 The management approach and its components	P103-115	
		103-3 Evaluation of the management approach	P103-115	
		416-1 Assessment of the health and safety impacts of product and service categories	P112-115	
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417 Marketing and labeling		417-1 Requirements for product and service information and labeling	P104	
		417-2 Incidents of non-compliance concerning product and service information and labeling		
		417-3 Incidents of non-compliance concerning marketing communications		
GRI 418 Customer Privacy		418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data		
GRI 419 Socioeconomic compliance	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary		
		103-2 The management approach and its components		
		103-3 Evaluation of the management approach		
		419-1 Non-compliance with laws and regulations in the social and economic area		

ESG Content Index

Indexes		Disclosure status
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P89-91、P96、P99
A1.1	The types of emissions and respective emissions data.	P98-99
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P99
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P98-99
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P98-99
A1.5	Description of measures to mitigate emissions and results achieved.	P98-99
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P98
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P98-99
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P22、P99
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P22、P99
A2.3	Description of energy use efficiency initiatives and results achieved.	P98-99
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P98-99
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	No applicable
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P89-91、P98
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P96、P98
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P119
B1.1	Total workforce by gender, employment type, age group and geographical region.	P118
B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P125
B2.1	Number and rate of work-related fatalities.	P125
B2.2	Lost days due to work injury.	P125
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P125

Indexes		Disclosure status
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P120-124
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P123
B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	P118
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P118
B4.2	Description of steps taken to eliminate such practices when discovered.	P118
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P100
B5.1	Number of suppliers by geographical region.	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P100
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P112-113
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
B6.2	Number of products and service related complaints received and how they are dealt with.	P111
B6.3	Description of practices relating to observing and protecting intellectual property rights.	
B6.4	Description of quality assurance process and recall procedures	
B6.5	Consumer data protection and privacy policies, how they are implemented and monitored.	P112-113
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P114-115
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P114-115
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P130-139
B18.1	Focus areas of contribution (such as education, environment, labor's needs, health, culture and sport).	P130-139
B8.2	Resources contributed to focus areas (such as money and time).	P130-139

About the Report

Reporting scope

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

Compilation Conformance

This Report was prepared to comply with relevant standards and guidelines, including *GRI Standards* and *GRI Financial Service Sector Supplemental Guidelines; ISO 26000 Social Responsibility Guidelines (2010); The Opinions on Strengthening Social Responsibilities of Banking Institutions* issued by the China Banking Regulatory Commission (CBRC); *The Guidelines on Corporate Social Responsibility of Banking Institutions of the China Banking Association (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.

Data

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

Assurance method

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

Publication

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

References

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

Contact Information
Corporate Culture Department of Agricultural Bank of China Limited
Contact Information: Corporate Culture Department of Agricultural Bank of China Limited
Address: No. 69 Jianguomennei Street, Dongcheng District, Beijing, China
Postcode: 100005
Fax: 86-10-85108214

Reader Feedback Form

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

Scan the QR code and fill in the feedback form

Which of the following stakeholder types apply to you?

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

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

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

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

☐ Very good ☐ Average ☐ Poor

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

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

☐ Serving agriculture
☐ Serving rural areas
☐ Serving farmers
☐ Financial poverty alleviation
☐ Serving national strategies
☐ Serving people's livelihood
☐ Serving the development of emerging industries
☐ Inclusive finance
☐ Green finance
☐ Green operation
☐ Environmental protection activities
☐ Protecting the rights and interests of customers
☐ Improving service quality
☐ Protecting the rights and interests of employees
☐ Promoting the development of employees
☐ Caring for the employees
☐ Popularizing financial knowledge for the public
☐ Contributing to a better life
☐ Others_____