

**Agricultural Bank of China**  
**Corporate Social Responsibility**  
**Report 2017**

**March 2018**

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## **Preface**

Serving the real economy should be the starting point and objective of development of finance, and the efficiency and capability of financial services should be improved comprehensively to allocate more financial resources in key areas and weak links in economic and social development, so as to better meet the financial needs of the people and the real economy.

--Xi Jinping

## Message from the Chairman



Zhou Mubing, Chairman of ABC

2017 saw the 19th National Congress of the Communist Party of China (the 19th CPC National Congress), a critical period during which the ABC met tough challenges in reform and forged ahead. Adhering to the fundamental principle of serving “Sannong” and the real economy, focusing on the general requirements for promoting development of the economy, and firmly upholding the underlying principle of pursuing progress while ensuring stability, ABC remains true to our original aspiration and keeps our mission firmly in mind, and applies the guiding principles of the 19th CPC National Congress into all operations and reforms.

**Enriching the service for “Sannong” and implementing rural revitalization strategies.** To show our integrity and determination, we strengthened the top-level design, promoted reform and innovations in key areas including the “Big Sannong”, “New Sannong” and “Unique Sannong”, enhanced financial services for supply-side agricultural reform and fostered our “No.1 Project” for serving “Sannong” , so as to open an

economic renaissance for rural areas, better living environment, and prosperous farmers. Always taking financial poverty alleviation as an important political and social responsibility, we hold nothing back when addressing poverty alleviation.

**Serving supply-side structural reform and supporting transformation of the real economy.** With the unwavering perseverance, we focused on measures to build the modern economy, supported supply-side structural reform and carried out five high-priority tasks which include: reducing overcapacity, eliminating excess inventory, deleveraging, lowering costs, and strengthening areas of weakness. At the same time, to comply with major regional strategies of the country, we increased financial services in new industries, new forms of business and new modes such as new economy industries and welfare industries. We established new mode of inclusive finance - “Sannong Finance Business Department plus Inclusive Finance Business Department” and implemented the national strategy of supporting the development of small and micro businesses, to improve the national economic health.

**Green finance is the key to reducing pollution.** We implemented our three-year plan for green finance and developed green credits, green investment bank, and green customer finance. As the first bank to issue a green bond in China, we cooperated with international organizations to launch carbon finance services and worked to establish a green financial system that plays a leading role domestically and internationally, so as to provide strong supports for the coordinated progress in economic, political, cultural, social and ecological deployment as well as green

development in China. ABC contributed wisdom to winning the battle of pollution prevention and control, striving to take a leading role in promoting the building of a more beautiful China.

**Promoting innovations in products and services and meeting customers' financial needs.** We have continued to improve our customer service system, took advantage of our global network and diverse platforms, and provided customers with more intelligent, convenient, and high quality financial services with new technologies such as “Internet Plus” and big data. We established and developed the rights and interests protection system for our clients with a focus on systemic control and long-term mechanism, so as to protect the legitimate rights and interests of customers.

**Facilitating the employees' growth and career development and progressing together.** Adhering to a people-centric approach, we respect and protect the enthusiasm and creativity of the 490,000 employees of ABC. We respect their talents and continue to improve the talent management system and social security system, carried out the reform of dual career development paths and established a platform for employees to realize their own life values, so that they could make progress with the company in building a world-class commercial banking corporation and enjoy their achievements within ABC.

**Boosting the stable and harmonious communities and working together to build a happier China.** Upholding the idea of common development and shared achievements, we actively participated in community building. We have carried out educational programs to

improve the public's awareness of guarding against counterfeiting, money laundering, fraud and illegal fund-raising, etc. As a large state-owned bank, we also are responsible for carrying out charitable activities, strengthening volunteer team building, and establishing a finance-featured public welfare platform to support disaster relief and reconstruction, which is our responsibility as a corporate citizen.

2018 is the first year that we will put the policies from the 19th CPC National Congress into action. In compliance with the new goals, tasks and requirements proposed by the 19th CPC National Congress, we are going to define what it means to be a modern socialist country.

## Message from the President



Zhao Huan, President of ABC

In 2017, we carefully carried out the decisions of the Central Committee and the State Council, took actions to serve the real economy, and actively promoted the supply-side structural reform. We shouldered the responsibility of a State-owned bank by supporting major national strategies, serving “Sannong” and developing green finance, and realized the coordinated development of economic and social benefits. In 2017, we outpaced our competitors in major business indicators, and the total assets of ABC reached RMB 21 trillion; ABC has realized a net profit of RMB 193.13 billion, a year-on-year increase of 4.9%; the assets quality keeps improving, and non-performing loans (NPLs) have reduced in the amount and ratio; we have paid taxes of RMB 67.72 billion.

**Taking root in the real economy and serving national strategies.** Focusing on the supply-side structural reform and five other high priority tasks (which include reducing overcapacity), ABC adjusted and optimized the credit policies, innovated service patterns, and provided strong support for major development strategies such as the Belt and

Road Initiative, the integrated development of Beijing-Tianjin-Hebei region, the Yangze River Economic Belt and Xiong'an New Area, as well as for major national projects such as the urban infrastructure project, water conservancy project, and urban renovation project. In 2017, ABC has granted loans and advances of RMB 10.72 trillion, a year-on-year increase of RMB 1 trillion. We have developed and set up Inclusive Finance Business Departments in 37 branches. Loans for small and micro enterprises have met regulatory requirements. We have formulated new guidance for financial services in the new economy and support emerging strategic industries.

**Further promoting “Sannong” financial services and ending poverty.** To actively serve the security of agricultural products, we have provided agriculture-related loans of RMB 1.64 trillion focusing on 13 major grain producing areas. We have also implemented the “Green Homes for Hundreds of Cities and Thousands of Towns” initiative to promote a new type of urbanization. ABC granted more farmer resettlement loans, which helped 510,000 households to settle down in urban areas. While serving “Sannong” with innovative Internet-based finance, we have promoted the upgrading of 245,000 “Hui Nong Tong” service points with Internet information technology. With a focus on “targeted poverty alleviation”, we granted loans of RMB 815.07 billion to 832 key counties for poverty alleviation, which helped 6.65 million people. We also provided strong support for poverty alleviation of Raoyang, Wuqiang and Fuping in Hebei, Huangping in Guizhou and Xiushan in Chongqing, and successfully lifted Xiushan out of poverty in

2017.

**Developing green finance and serving ecological progress.** We have firmly carried out the requirements of the policy of cutting overcapacity, strictly controlled the risk exposure of industries with excess capacity, and refused to cooperate with customers that did not meet the national standards for environmental protection. The risk exposure of steel and iron industry and coal industry reduced by 50.1 billion and 65.6 billion in 2016 and 2017 respectively. We issued the *Development Plan for Green Finance of Agricultural Bank of China (2017-2020)* as well as the first credit asset securitization product “Green Mountains and Clear Waters” with green certification of China, and established a green development fund in Xiong’an New Area, with the balance of green credit reaching RMB 700 billion. We promoted paperless transaction modes. Electronic channel transactions made up 97% of total transactions, which reduced resource consumption. Also, we promoted green procurement, took part in environmental protection activities and advocated energy saving, emission reduction and low-carbon travel in ABC.

**Improving financial service quality and providing satisfactory customer services** ABC has applied innovative financial technology to provide a more convenient and intelligent financial service experience. We accelerated the “intelligent” service transformation of outlets. Moreover, 13 outlets received the title of “Top 100 demonstration enterprises” within the banking industry. We strengthened the protection of customers’ rights and interests, protecting the information of customers

and taking measures to guard against wire fraud. In 2017, we have successfully cracked down on 23,287 wire fraud incidents, refused 32,027 abnormal account-opening applications, and reversed 15,800 fraudulent ATM transfers.

**Mitigating risk with strict compliance, and protecting national financial security** Adhering to the principle of “avoiding risks and giving priority to compliance”, we have placed greater importance on risk prevention and management and taken serious measures to reduce non-performing loans. As a result, the asset quality improved, non-performing loan ratio was reduced to the average level of the banking industry, and we fulfilled our responsibility to shareholders, the market, and investors. We fully carried out the decision of the State Council, managing irregularities within the markets. Also, we promoted strict compliance, regulated cross-industry business such as wealth management and interbank business, and strictly prevented liquidity risks and market risks. By doing this, we fulfilled the responsibilities for protecting financial security.

2018 is the first year to implement the spirit of the 19th CPC National Congress and a crucial period for building a comprehensively prosperous society and implementing the 13th Five-Year Plan. It is also an important year for ABC to transform and build a world-class commercial banking corporation. We will fully implement Chinese President Xi Jinping’s leadership and adhere to the consciousness of the need to maintain political integrity, think in big-picture terms, uphold leadership, and fortify our confidence in the socialist path, theories,

system and culture. We will work harder and make more contributions to secure a prosperous society.

## **About Us**

### **Company Profile**

Established in 1951, the Agricultural Cooperative Bank eventually became the Agricultural Bank of China (ABC). Since late 1970s, ABC has evolved from a state-owned specialized bank to a wholly state-owned commercial bank and subsequently a state-owned shareholding commercial bank. The Bank was restructured into a joint stock limited liability company in January 2009. In July 2010, the Bank was listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

Capitalizing on our comprehensive business services, extensive distribution network and advanced IT platform, the Bank provides treasury operations and asset management, in addition to a diverse portfolio of corporate and retail banking products and services for a broad range of customers. Our business scope also includes, among other things, investment banking, fund management, financial leasing and life insurance.

By the end of 2017, the Bank had 23,661 domestic branch outlets, including our Head Office, the Business Department of the Head Office, 3 specialized business units managed by the Head Office, 3 training institutes, 37 tier-1 branches (including 5 branches directly managed by the Head Office), 378 tier-2 branches (including the business departments of provincial branches), 3,485 tier-1 sub-branches (including business departments in municipalities, business departments of branches directly managed by the Head Office and business departments of tier-2 branches), 19,701 grass root branch outlets, and 52 other organizations.

ABC has 13 overseas branches and 4 overseas representative offices and has 15 subsidiaries where it is the controlling shareholder.

The Bank focuses on four central themes: orienting around Sannong (meaning agriculture, rural areas and farmers) banking services, serving both urban and rural areas, maximizing shareholders returns, and assisting staff development. ABC is committed to building an international commercial banking group with professional operations, efficient and convenient services, diversified functions, as well as demonstrated value-creation capability. In 2017, the Bank ranked No. 38 in *Fortune's* Global 500, and ranked No. 6 in *The Banker's* "Top 1000 World Banks" list in terms of tier 1 capital.

Total assets RMB **21.05 trillion**

Loans and advances to customers RMB **10.72 trillion**

Deposits from customers RMB **16.19 trillion**

Capital adequacy ratio **13.74%**

Net profit **RMB 193.13 billion**

Taxes (subject to bank caliber) **RMB 67.72 billion**

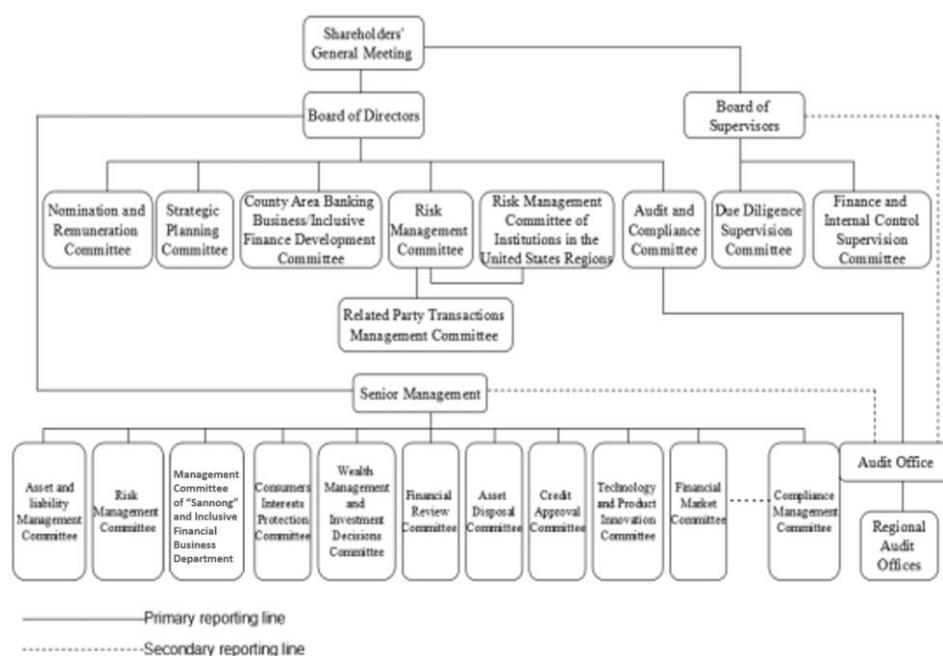
Social contribution per share **RMB 2.00**

## Corporate Governance

We continuously promoted the modernization of our corporate governance system and capacities and tried to make our governing bodies operate independently, with counterbalance effectively, 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 2017, the Board of Directors was comprised of 13 directors, including 2 executive directors, 6 non-executive directors and 5 independent non-executive directors; the Board of Supervisors comprised of 5 supervisors, including 1 shareholder representative supervisor, 2 employee representative supervisors and 2 external supervisors. In addition, ABC has 6 senior management members.

### 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 of the Board of Directors.

## Compliance in operations

Upholding the principle of risk aversion and prudent operation, we strictly follow the requirements of regulatory authorities, articles of association and has developed our group-wide rules and regulations. We constantly review our fundamental operations, administrative measures and protocols to continuously optimize business management processes and systems, which help regulate all management activities.

### **Promoting a Trustworthy ABC**

- Established the general counsel system and created the position of general counsel in the Head Office
- Improved rules and regulations for corporate governance and protocol for ABC by building law-based governance

### **Strengthening the compliance culture**

- Issued *Opinions on Further Strengthening the Development of Compliance Culture* to make comprehensive plans for developing compliance culture from 2018 to 2020
- Integrated compliance governance to promote a mechanism in which there is no opportunity to diverge from standard or approved operations

### **Improving the effectiveness of systematic management**

- Formulated and amended over 200 rules and regulations, and abolished over 60
- Conducted post-evaluations of existing systems, implemented appropriate adjustments in the Head Office
- Created a column in the network page for public opinion on regulations

### **Establishing the Compliance Management Committee of Senior**

## **Management**

- The president holds the post of chairman of the committee, and the vice president and chief compliance officer hold the post of the vice chairmen

- Formulated the *Rules of the Compliance Management Committee of Senior Management*

- Held 5 committee meetings and discussed topics including the *Outline of the Establishment of an Anti-Money Laundering Compliance System*

### **Enhancing legal review**

- Amended the *Regulations for Legal Review*

### **Conducting legal research**

- Promoted the interpretation of *General Principles of Civil Law*

- Formulated the *Catalog of Key Laws and Regulations in the Banking Industry in 2016*

### **Promoting informatization compliance**

- Updated the internal control compliance management system, and established an internal control compliance platform, management platform and information platform, covering all employees and all procedures

- Promoted the establishment of the compliance risk monitoring system

## **Risk management**

ABC has set up a clearly defined, scientific, applicable, and comprehensive risk policy and system framework, including basic risk management policies composed of risk preference and special risk management policies, general and special risk management regulations, as well as daily risk management instructions and operating rules.

## **Major Risk Management Policies and Systems**

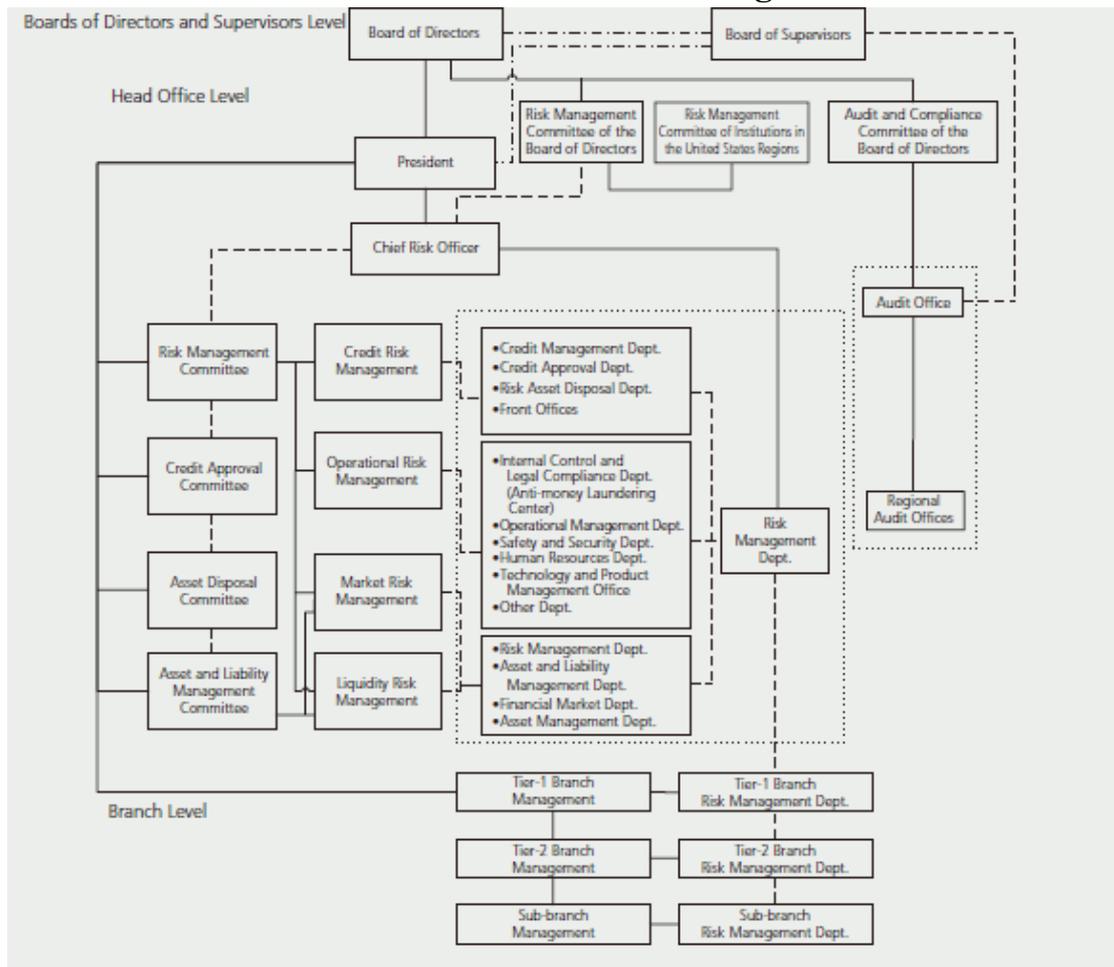
**Comprehensive risk management system:** ABC formulated *Administrative Measures on Risk Management in Subsidiaries of Agricultural Bank of China* and *Administrative Measures on Risk Management in Overseas Branches and Subsidiaries of Agricultural Bank of China*. Also, ABC amended the *Statements on Risk Preference of Agricultural Bank of China*, *Rules for the Full Implementation of Supervising Risk Management in Business Lines of Agricultural Bank of China*, and *Regulations on Qualification Management of the Head of Risk Management Department of Tier-1 Branches of Agricultural Bank of China*.

**Credit Risk Management:** ABC formulated the *Opinions on Further Regulating Credit Behaviors to Comprehensively Strengthening Credit Risk Management*, *Guidelines on the 2017 Credit Policy of Agricultural Bank of China*, *Guidelines on Sannong Credit Policy in 2017*, *Opinions on Regulating Management of Local Government Credit Business*, and *Regulations on Mortgage Value Evaluation of Agricultural Bank of China*.

**Market Risk Management:** ABC amended *Administrative Measures on Financial Management Risk Classification of Agricultural Bank of China*.

**Operational Risk Management:** ABC made *Administrative Measures on IT Risks of Agricultural Bank of China*, and *Rules for IT Risks Management in Agricultural Bank of China*.

## Structural Chart of Risk Management



### Prevention of Financial Risks in Key Areas

#### Preventing risks in government platforms and real estate loans.

The Bank is resolute in preventing credit risks of local governments and conducts financing business with local governments in compliance with the law. While strengthening supervision and analysis, the Bank prevents anyone to accept the guarantee of local governments or relevant departments against regulations. Strictly implementing the regulatory requirements of housing credit, the Bank also adjusted to the credit policy in real estate industry, and maintained both control of the total resources

and structure adjustment, in order to make sure that real estate credit business are in compliance with requirements.

**Preventing Risks in Asset Management.** The Bank enhanced the systems and regulations in financial management, and continued with independent management and independent accounting with independent accounts in asset management. By clarifying the information disclosure standards of wealth management products, the Bank strengthened the completeness and reliability of the disclosure.

**Preventing Risks in overseas and cross-border business.** Carrying out the *Regulations for Corporate Governance of Overseas Institutions and Subsidiaries of Agricultural Bank of China*, ABC has set up and improved a complete and efficient governance structure with a clear division of labor. ABC formulated the *Outline of Developing Anti-Money Laundering Compliance Systems of Agricultural Bank of China*, *Administrative Measures for Business Involved in Sanctions of Agricultural Bank of China*, and *Subsequent Administrative Measures for Money-Laundering and Sanction Risks* to strengthen the prevention and control of cross-border money laundering and sanction risks.

**Preventing risks in financial information security.** Focusing on the mode of “two cities and three centers”, ABC set up recovery centers in Beijing and Shanghai to improve the integrity of hardware and software facilities and to ensure the continuous operation of its core business. ABC has not only accelerated the establishment of a next generation terminal security protection systems, but also improved contingencies in the event of cyber attacks.

**Implementing relevant financial order requirements.** ABC has continuously adopted the prevention and response mechanism for illegal-fund raising which requires bank-wide coordination, clear division of labor, as well as the close cooperation of the front office, middle office, and back office. Protocol has been standardized across departments, including publicity and education, early warning, public opinion monitoring, staff management, and reporting. With access to the appropriate metrics in big data, ABC has developed an analysis model for illegal fund-raising and carried out special investigation and inspection on illegal fund-raising activities. Once there are any problems, ABC can report to the People's Bank of China and relevant departments.

By the end of 2017, the non-performing loans (NPLs) of ABC was 1.81%, 0.56% lower than that of 2016. The provision coverage was 208.37%, showing a robust level of resilience to risks and strong ability to absorb losses.

## **Responsibility Management**

### Core ideas of our corporate culture

#### **Our Mission**

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

#### **Our Vision**

To be an international commercial banking group.

#### **Our Core values**

Integrity is the basis of a business, and prudence helps it develop and go far.

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

Operation philosophy: Market-oriented and customer-centric operation with the benefits as the goal.

Management philosophy: Details determines success or failure, compliance helps create value and the sense responsibility contributes to achievements.

Service philosophy: Always sticking to the principle of “Customer First”.

Anti-risk philosophy: Violation brings risks, and safety brings benefits.

Talent philosophy: Stressing both integrity and ability with the integrity as the foundation; respecting and selecting talents based on performance.

Ethical standards: To be honest and upright and create a clean and

righteous environment.

## Philosophy on responsibility

### **Giving priority to responsibility**

As a large state-owned commercial bank serving Sannong, ABC has shown to be a champion of national macro-economic policies, focuses on the social responsibility to serve Sannong, and regards creating value for shareholders as its core goal.

### **Benefiting the general public**

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 the well-being of society**

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.

## ABC spirit

Shouldering the responsibility to serve Sannong

## Responsibility governance

ABC has established and optimized its social responsibility management system, and continuously implemented management rules including the *Agricultural Bank of China Guidelines for Social Responsibility*, *Agricultural Bank of China Indicator System for Social Responsibility* and *Agricultural Bank of China Guidelines for Public Welfare Projects*. Led by the corporate culture department of the Head Office, all departments of the Head Office and its branches have specific positions to oversee daily CSR work.

## Responsibility topics

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

### **Identification**

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

### **Prioritization**

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

### **Review**

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

### **Improvement**

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

Serving “Sannong”	1.Serving agriculture 2.Serving rural areas 3.Serving farmers 4.Financial poverty alleviation	SDGs : 1.No Poverty 2.Zero Hunger
Supporting national economy and people’s livelihood	5.Supporting national strategies 6.Serving people’s livelihood 7.Inclusive finance	SDGs : 3.Good Health and Well-Being 9.Industry, Innovation and Infrastructure
Promoting ecological progress	8.Green finance 9.Green operation 10.Environmental protection activities	SDGs : 13.Climate Action
Striving for excellent quality	11.Protecting the rights and interests of	SDGs : 12.Responsible

	customers 12.Improving service quality	Consumption and Production
Employee progression	13.Protecting the rights and interests of employees 14.Promoting the development of employees 15.Caring for the employees	SDGs : 8.Work and Economic Growth
Promoting social harmony	16.Popularizing financial knowledge for the public 17.Supporting community building 18.Supporting disaster recovery and disaster mitigation	SDGs : 4.Quality Education 5.Gender Equality 6.Clean Water and Sanitation 11.Sustainable Cities and Communities

### Stakeholders

Stakeholders	Key expectations	Responses
Government	<ul style="list-style-type: none"> <li>● To support national strategies</li> <li>● To serve Sannong development</li> </ul>	<ul style="list-style-type: none"> <li>● To observe the laws and regulations</li> <li>● To support coordinated regional development</li> </ul>

	<ul style="list-style-type: none"> <li>● To support the real economy</li> <li>● To provide financial services related to people's livelihood</li> <li>● To provide inclusive finance services</li> <li>● To pay taxes in full according to the law</li> <li>● To promote employment</li> </ul>	<ul style="list-style-type: none"> <li>● To serve rural revitalization</li> <li>● To support the structural supply-side reform</li> <li>● To proactively pay taxes</li> <li>● To continue providing inclusive finance services</li> </ul>
Regulatory authorities	<ul style="list-style-type: none"> <li>● To operate according to the law</li> <li>● To maintain financial stability</li> <li>● To prevent risks effectively</li> </ul>	<ul style="list-style-type: none"> <li>● Compliance management</li> <li>● To receive supervision and evaluation</li> <li>● To perform comprehensive risk management</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>● Sustainable investment return</li> <li>● To improve corporate</li> </ul>	<ul style="list-style-type: none"> <li>● To realize stable operations</li> <li>● To create value for shareholders</li> <li>● Full transparency</li> </ul>

	<p>governance</p> <ul style="list-style-type: none"> <li>● To protect the rights and interests of shareholders</li> <li>● To strengthen information disclosure</li> </ul>	
Customers	<ul style="list-style-type: none"> <li>● To safeguard consumers' rights and interests</li> <li>● To improve service quality</li> <li>● To continuously promote product innovation</li> </ul>	<ul style="list-style-type: none"> <li>● To strengthen the protection of consumers' rights and interests</li> <li>● To comprehensively improve service quality</li> <li>● To accelerate product innovation</li> <li>● To establish informatization</li> </ul>
Employees	<ul style="list-style-type: none"> <li>● To protect the legitimate rights and interests of employees</li> <li>● To promote the improvement and career development of employees</li> <li>● People focused</li> </ul>	<ul style="list-style-type: none"> <li>● To abide by national labor laws and regulations, and international practice</li> <li>● To provide diversified training programs</li> <li>● To create practical career development channels</li> <li>● To advocate for healthy work-life balance</li> </ul>

Suppliers and partners	<ul style="list-style-type: none"> <li>● Fairness and transparency</li> <li>● Integrity and honoring agreements</li> <li>● Mutually beneficial cooperation</li> </ul>	<ul style="list-style-type: none"> <li>● To improve procurement management</li> <li>● To innovate cooperation models</li> </ul>
The public and communities	<ul style="list-style-type: none"> <li>● To popularize financial knowledge to the public</li> <li>● To promote the development of communities</li> <li>● To participate in public welfare</li> </ul>	<ul style="list-style-type: none"> <li>● To carry out diversified popularization and education on financial knowledge</li> <li>● To actively participate in public welfare and charity</li> </ul>
Environment	<ul style="list-style-type: none"> <li>● To manage environmental risks</li> <li>● To promote green finance</li> <li>● To promote green office work</li> </ul>	<ul style="list-style-type: none"> <li>● To support the green industry</li> <li>● To innovate green finance products</li> <li>● To practice green operations</li> </ul>

## Key Performance

### Economic performance

Indicators	2015	2016	2017
Total assets (RMB trillion)	17.79	19.57	21.05
Total loans and advances to customers (RMB trillion)	8.91	9.72	10.72
Non-performing loan ratio <sup>1</sup> (%)	2.39	2.37	1.81
Capital adequacy ratio <sup>2</sup> (%)	13.40	13.04	13.74
Net profit (RMB billion)	180.77	184.06	193.13
Return on average total assets <sup>3</sup> (%)	1.07	0.99	0.95
Return on weighted average net assets <sup>4</sup> (%)	16.79	15.14	14.57

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

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

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

<sup>4</sup> 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.

Taxes <sup>5</sup> (RMB billion)	90.17	90.4	67.72
Shareholders' Equity (RMB trillion)	1.21	1.32	1.43
Shareholder's dividends <sup>6</sup> (RMB billion)	54.18	55.22	57.91

#### Environmental performance

Indicators	2015	2016	2017
Electronic channel transactions as proportion of total transactions (%)	93	96	97
Balance of green credit (RMB billion)	543.13	649.43	747.63
Water consumption per capita in office in Head Office <sup>7</sup> (m <sup>3</sup> /person)	12.96	13.60	13.42
Electricity consumption per capita in office in Head Office (kwh/person)	2,311.43	2,166.90	2,081.41
Gas consumption per capita in	21.05	19.98	19.08

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

<sup>6</sup> Dividends of ordinary shareholders (tax included).

<sup>7</sup> The Head Office includes the Southern and Northern Building of ABC Plaza, Fengtai Science and Technology Plaza, No. 15 Beijige Toutiao, Office Building in Gongzhufen, Chemsunny Plaza and Glorious Oriental Plaza.

Office in Head Office (m <sup>3</sup> /person)			
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**Social performance**

<b>Indicators</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Social contribution value of each share <sup>8</sup> (RMB)	2.04	1.98	2.00
Total county area loans and advances (RMB trillion)	2.86	3.18	3.57
Balance of farmer loans <sup>9</sup> (RMB billion)	167.70	191.77	206.04
Number of county-level branch outlets	12,711	12,736	12,728
Total Hui Nong Cards issued (million)	174.27	194.07	206.27

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<sup>8</sup> Social contribution value per share = basic earnings per share + (taxes + employee compensation and benefits + interest expense + amount of donations)/capital stock.

<sup>9</sup> 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 businesses in rural areas, petty loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, loans to other production and businesses for individuals, poverty alleviation loans to Comfortable Housing Project for farmers and herdsmen, personal soft loans for poverty alleviation, personal general loans for poverty alleviation, and “Kins Quick Agricultural Loan”.

Number of farmer households benefiting from Hui Nong Cards <sup>10</sup> (million households)	92	94	95
Proportion of administrative villages covered by Hui Nong Tong electronic devices (%)	75	75.1	74.4
Balance of loans to small and micro businesses <sup>11</sup> (RMB trillion)	1.09	1.20	1.36
Balance of loans of village & township banks <sup>12</sup> (VTBs) (RMB billion)	1.20	1.40	1.57
Total amount of donations <sup>13</sup> (RMB million)	48.67	37.71	44.11

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<sup>10</sup> Number of farmer households benefiting from Hui Nong Cards = Number of cards issued per household + Number of cards issued per capita/4, and the number of cards issued per capita is converted based on 4 persons per household.

<sup>11</sup> 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.

<sup>12</sup> 6 village and township banks (VTBs).

<sup>13</sup> The amount of donations means the amount donated by the Bank (domestically) and does not include the amount donated by its employees.

Total loans and advances to western regions <sup>14</sup> (RMB billion)	1,975.93	2,158.27	2408.14
Total loans and advances to ethnic minority areas <sup>15</sup> (RMB billion)	563.39	600.92	688.55
Balance of loans for affordable housing projects (RMB billion)	41.64	70.33	141.58
Total number of employees	503,082	496,698	487,307
Total number of county-level employees	216,533	214,366	208,530
Proportion of female employees (%)	46.6	46.7	46.6
Proportion of ethnic minority employees (%)	8.07	8.12	8.13
Total number of employee trainings (10,000 person/times)	170.98	169.05	161.37
Number of employees overseas	722	788	812
Total number of domestic branch outlets	23,670	23,682	23,661

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<sup>14</sup> Western regions include Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

<sup>15</sup> Ethnic minority areas include Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

## **I. A National Team to Lead the Financial Service for Sannong**

- Balance of agriculture-related loans: RMB 3.08 trillion
- Agriculture-related loans provided to 13 major grain producing areas throughout China: RMB 1.64 trillion
- Balance of farmer loans: RMB 206.04 billion
- “Farmer resettlement loans”: RMB 182.02 billion
- Urban loans: RMB 562.52 billion
- The balance of loans granted to water conservancy sector: RMB 335.30 billion
- Poverty alleviation loans: RMB 371.84 billion
- Helped 6.65 million people living below the poverty line

### **i. Responsibility Focus: ABC “No. 1 Project” Making Innovations to Serve “Sannong”**

The power of finance is indispensable in serving “Sannong”. Remaining true to its original aspiration and keeping the lofty mission of serving “Sannong” in mind, ABC actively explores new means to serve “Sannong”, and makes serving “Sannong” with Internet-based finance a high-priority in “Sannong” business. The aim is to solve traditional financial problems in rural areas, provide farmers with more convenient, diversified and comprehensive modern financial services, promoting thriving rural businesses and rural economic health.

The “No. 1 Project” of ABC sets up a unified service platform of “Hui Nong e-Tong” with new technologies that include Internet, big data and block chain, and establishes a new mode of integrated “online and

offline Sannong” financial services.



QR code: “No.1 Project”

### ***Formulating Opinions on promoting the Internet serving “Sannong”***

- 1.To establish a unified Internet-Based Financial Services Platform for “Sannong”
- 2.To promote online financing
- 3.To promote basic financial services such as online payment and settlement
- 4.To develop e-commerce financial services for rural areas
- 5.To promote the upgrading of Hui Nong Tong service points with Internet information technology

### **The general thought on serving “Sannong” with Internet-based Finance**

On the basis of ABC e-manager, setting up a unified platform of “Hui Nong e-Tong”

**“Hui Nong e-loans”**: to expand loans for farming households in a bulk, effectively reduce costs, solve the financing difficulties of farmers, and provide economic support for promoting thriving businesses

**“Hui Nong e-payment”**: to integrate basic rural financial services with the production and living activities of farmers, so as to reduce

“Sannong” service costs effectively and expand transaction channels

**“Hui Nong e-merchants”**: to establish an integrated service system of e-commerce and finance for all users in the production-supply-sales chain, and improve the advancement, adaptability and flexibility of agricultural supply structure to promote the growth of agriculture and income of farmers

### **The key characteristics of serving “Sannong” with Internet-based Finance**

1. Online financing as the focus
2. Adopting the innovative modes of online financing, like Internet and big data, to improve the coverage rate of credits
3. Integrating the internet with basic rural financial services and keeping up with the new changes of rural payment environment and farmers payment habits to combine the Internet-based Sannong basic financial services with customers’ production and life; selectively promoting the upgrade of Internet-based Hui Nong Tong service points to build them into multi-functional integrated financial service stations
4. Special e-commerce finance as the support
5. While emphasizing the unique characteristic of ABC in the e-commerce finance platform, respecting the current distribution situation in county areas, starting from previous cooperation with rural supermarkets, county dealers, wholesalers, logistics parks and the subjects of agricultural production, and providing e-commerce services package to all users in the agricultural production-supply-sales chain, and improve the

advancement to establish an integrated service system of e-commerce and finance

**Key performance indicators :**

The number of farming households using “Hui Nong e-Loan” reached 151,000, and the balance of the loans was up to RMB 15.18 billion.

We developed more use cases and payment products and upgraded 245,000 “Hui Nong Tong” service points with Internet technology, accounting for 39.5% of all the service points.

The number of merchants using “Hui Nong e-Tong” reached 1.56 million, with transactions of RMB 249.15 billion.

## **ii. Writing a New Chapter for Payment Systems Benefiting the Farmers**

The issue of “Sannong” concerns our country’s stability and our people’s wellbeing. Serving “Sannong” and making rural areas stronger, ABC complies with the new changes, new characteristics and new trends in agriculture and rural economy, focuses on serving key areas including the “Big Sannong”, “New Sannong” and “Unique Sannong”, and improves the quality of “Sannong” financial services.

### **The significance of the strategy of serving rural vitalization with finance**

- It meets the requirement for ABC to fulfill the political mission and promote the new development of agriculture and rural areas in New Era
- It is an important way for ABC to seize the market opportunity and start a new “Sannong” financial business
- It is an important choice for ABC to strengthen its advantages, and improve the competitiveness of “Sannong” business

### **The focus of the strategy of serving rural revitalization with finance**

- Focusing on the “thriving businesses”, we will further promote the financial services for the modern industrial system in rural areas
- Focusing on improving quality of life, we will strengthen the support for rural infrastructure construction and environmental protection
- Focusing on prosperity, we will work harder on targeted financial poverty alleviation and provide financial services related to people’s livelihood

- Focusing on “rural governance” and “social etiquette and civility”, we will actively promote the building of financial ecology

**Effective measures for the strategy of serving rural vitalization with finance**

- To pay close attention to the top-level design and arrangements of supporting policies
- To make targeted innovations in Sannong” financial business
- To accelerate the “No.1 Project” of serving “Sannong” with Internet-based financial services
- To further deepen the reform in “Sannong” financial business department
- To further strengthen internal coordination and external cooperation

1. Working on the top-level design of serving “Sannong”

Formulating the *Opinions on Implementing the "No 1 Central Document", Serving “Sannong” and Developing County Areas*”, ABC specifies the focus of “Sannong” financial services and the direction of reform and innovation, and further promotes the reform of Sannong Financial Business Department. ABC also issues the *Policies for Supporting Strong Counties with Strong Branches*, and *Policies for Supporting Strong Counties with less-developed Branches*, so as to fully support the development of county-level branches and improve the capability to serve “Sannong”. By the end of 2017, the balance of agriculture-related loans was up to RMB 3.08 trillion.

**The *Guidelines on Supply-side Structural Reform and Financial Services* specifies the focus of “Sannong” financial services and the**

### direction of reform

- To deepen the reform of Sannong financial business department: *Opinions on further deepening the reform of Sannong Finance Business Department*
- To promote the development of county-level branches : *Policies for Supporting Strong Counties with Strong Branches, Policies for Supporting Strong Counties with less-developed Branches* and the *Pilot Program for “Delegating Power and Stimulating Vitality” in Strong Counties with Strong Branches*
- To emphasize key areas: *Guidelines for Financial Services for the Development of “Three Zones, Three Parks and one Complex”*, and the *Notice of Promoting Green Development in Agriculture with Financial Support*



The sowing season (Photo by Li Guosheng from Hannan Sub-branch, Wuhan Development Zone)

## 2. Serving the supply security of agricultural products

It is our responsibility to serve the national food security strategy.

While formulating the *Opinions on Providing Good Financial Services to the Functional Zone of Grain Production and Production Protection Zone for Major Agricultural Products*, and the *Opinions on Providing Good Financial Services to the Collection and Storage of Major Agricultural Products Including the Grain*, we have provided financial support to the supply security of agricultural products in the market by focusing on 13 major grain production provinces (districts) and 800 counties with greatest crop production. By the end of 2017, ABC has granted agriculture-related loans of RMB 1.64 trillion to the 13 major grain production areas throughout China.

Irrigation and drainage project is the key foundation for realizing stable and high agricultural output and ensuring national food security. Actively responding to the plan for developing high-standard farmland in China, ABC has issued the *Opinions on Providing Financial Service for High-Standard Farmland Construction* and *Credit Policies on Supporting High-Standard Farmland Construction*, and continuously promoted financial services for farmland construction. Providing strong support for water conservancy projects, we tried our best to satisfy the financing demands of 172 major national water conservancy projects. By the end of 2017, the balance of loans for water conservancy projects was up to RMB 335.30 billion, an increase of RMB 60.74 billion from 2016.

### 3. Supporting agricultural modernization

According to the strategic pattern of agriculture which is comprised

of “Seven Zones and Twenty-Three Areas”<sup>16</sup>, ABC initiated the special project of “Top 100 featured agriculture production areas” to support the development of advantageous endemic agricultural products and local featured agriculture. ABC issued the *Guiding Opinions on Service for Agricultural Supply-side Structural Reform and Financial Services for the Development of “Three Zones, Three Parks and One Complex”*<sup>17</sup>, and the *Opinions on Providing Good Financial Services for the Cultivation of New Agricultural Business Entities*, and enhanced the support for the leading enterprises of agricultural industrialization and specialized farmers’ cooperatives to make full play of their leading role in developing modern agriculture and increasing rural incomes. By the end of 2017, the balance of loans for leading enterprises of agricultural industrialization reached RMB 151.75 billion, an increase of RMB 10.79 billion from the beginning of 2017; the balance of loans for specialized farmers’ cooperatives and their members was RMB 22.90 billion, an increase of RMB 4.07 billion from the beginning of 2017.

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<sup>16</sup> “Seven Zones and Twenty-Three Areas” refers to seven major agricultural production areas and twenty-three kinds of agricultural products such as the wheat, corn, and cotton.

<sup>17</sup> “Three Zones, Three Parks and One Complex” refers to the functional zones for grain production, protection zones for major agricultural products, and advantage zones for featured agricultural products; modern agricultural industrial park, science park and pioneer park; the pastoral complex.



Supporting the saffron planting base (Photo by Fang Lingli from Yongkang Sub-branch, Zhejiang province)



Never stop serving “Sannong” (Photo by Sun Zhiqiang from Pingliang Branch, Gansu province)



Free life (Photo by Zhou Hong from the business department of Hunan Branch)

**Improving financial service policies:** formulate guiding opinions including the *Opinions on Providing Good Financial Services for the Cultivation of New Agricultural Business Entities* and *Opinions on Carrying out the Special Financial Service Project of “Top 100 Featured Agriculture Production Areas”*.

**Increasing the support for key areas:** promote the special campaigns of “Ten Billion Financing for a Hundred Companies” and “Deepening Promotion of 10 Thousand Cooperatives”; support the development of new agricultural operation entities such as leading enterprises and specialized agricultural cooperatives, by the end of 2017, 80 customers were listed in the “Ten Billion Financing for a Hundred Companies” with the balance of loans of RMB 32.94 billion; for the “Deepening Promotion of 10 Thousand Cooperatives” campaign, the balance of loans reached RMB 22.90 billion, with 1,917 new cooperatives receiving financial services.

**Supporting the development of featured agriculture:** encourage innovative services with a focus on “Seven Zones and Twenty-Three Areas”; strengthen the support for the development of advantageous endemic agricultural products and local featured agriculture. By the end of 2017, the balance of loans for featured agriculture production areas reached RMB 15.18 billion.

**Promoting the integration and development of the primary, secondary and tertiary industries:** increase the support for every link of the agricultural industry chain and promote the integration and development of the agricultural industry; focus on supporting large agricultural enterprises that cover the whole-industrial-chain integration; support high value-added projects such as the deep-processing of agricultural products and cold-chain logistics; promote the participation of specialized agricultural cooperatives and their members; conduct thorough research on the demonstration projects jointly started with the Ministry of Agriculture.

**Actively helping agriculture “Going Global”:** provide financial services package for international investment and cooperation in agriculture; convene interministerial joint meetings for international agricultural cooperation; support the financial promotion conference for international agricultural cooperation; participate in the targeted matchmaking meetings, launched by the Ministry of Agriculture, of “10+10” banks and businesses on agriculture to “Going Global”.

#### 4. Accelerating the new-type urbanization

ABC’s service spans both the rural and urban markets, we have the

natural advantage to serve new-type urbanization. By formulating policies for serving new-type urbanization and beautiful countryside, innovating loan products for urbanization, giving priority to satisfying the funding needs of urbanization projects, and exploring the modes of county-level tourism financial services such as the mode of “tourism + characteristic towns”, ABC has boosted the orderly flow of financial factors in rural and urban areas and the development of new-type urbanization. By the end of 2017, the balance of county-level urbanization loans was RMB 562.52 billion, an increase of RMB 162.47 billion from the beginning of the year; the balance of county-level tourism loans was RMB 28.93 billion with an increase of RMB 10.6 billion from the beginning of the year.

#### **Measures of supporting the new-type urbanization**

**Conducting business investigations and researches of urbanization:** learn about the needs of financial service for the development of characteristic towns and beautiful countryside.

**Innovating the loan products for urbanization:** launch innovative products such as the “loans for comprehensive improvement of environment in small towns”, “loans for beautiful and livable rural and urban areas” and “loans for developing beautiful countryside”.

**Carrying out the “Green Homes for Hundreds of Cities and Thousands of Towns” initiative:** support city infrastructure construction and provide financial services of integrating financing and collaborative intelligence.

**Supporting the development of characteristic towns:** issue the

*Marketing Guidelines for Developing Characteristic Towns* and work out differentiated financial service plan and supporting service strategies.

**Conducting rural land reclamation business:** revise the *Measures on Management of Loans for Rural Land Reclamation in Agricultural Bank of China*, and provide loan services for rural land reclamation. By the end of 2017, the balance of loans to rural land reclamation was RMB 11.23 billion.

**Promoting county-level PPP financing business:** coordinate with the Ministry of Finance (MOF) and National Development and Reform Commission (NDRC) to set up the database for county-level PPP projects.



A characteristic town in Suzhou—Zhenze Town, Wujiang District (Photo by Yao Li from Zhenze Branch, Suzhou)

## 5. Making fortune together with farmers

ABC has expanded county-level loans amount, supported the development of new agricultural operation entities, and given full play of the exemplary role of “large family businesses” and “skilled farmers” to

lead farmers to gain more incomes and fortune. ABC has expanded “Hui Nong Tong” convenient service stations and improved rural financial infrastructure; ABC has granted “farmer resettlement loans” to improve the living quality of famers and help them to live a pleasant life. By the end of 2017, the balance of farmer loans was RMB 206.04 billion; the number of Hui Nong Cards issued by ABC was 206 million, and the electronic devices for “Kins Hui Nong Tong” have covered 74.4% of administrative villages; the “farmer resettlement loans” amounted to RMB 182.02 billion.



Be filled with emotions, be touched and be grateful—ABC employees in the plateau



The employee of “Yin Xun Tong” service station in Xuanya Village explains financial knowledge (Photo from Zhaojue County Sub-branch, Sichuan province)



The customer manager introduces the “farmer settlement loans” (Photo by Shi Yan from Huai’an Branch, Jiangsu province)

**Strengthening services for large and specialized family businesses  
(family farms)**

**Increasing loans to large and specialized family businesses (family farms).** By the end of 2017, the balance of loans to large and specialized family businesses (family farms) reached RMB 65.6 billion, up by RMB 12.8 billion as compared to the beginning of this year.

**Carrying out financial knowledge training for large and specialized family businesses.** By the end of 2017, ABC has totally held 1,453 training courses throughout the year, with 47,000 people being trained.

### **iii. Engaging in Targeted Poverty Alleviation**

It is an important mission for ABC to promote poverty relief and poverty alleviation. Fully implementing the requirements for winning the battle of poverty alleviation and securing a decisive victory in building a moderately prosperous society in all respects proposed in the 19th National Congress of the CPC, ABC promotes more targeted financial and innovative poverty alleviation, strengthens external cooperation on poverty alleviation, and spares no efforts in targeted poverty alleviation, through which ABC makes contributions to realizing the goal of ensuring rural residents live above the poverty line by 2020.

#### **1. Improving the modes and policies of poverty alleviation**

In 2017, ABC has issued a series of targeted financial poverty alleviation policies, continuously increased the loans to poverty-stricken areas, especially supported key areas and weak links of economic and social developments in the poor areas, such as the infrastructure construction, development of modern agriculture, county-level industrial enterprises, small and micro enterprises and projects that benefit people. To help areas in severe poverty to win the battle of poverty alleviation, ABC formulated the *Opinions on Helping Areas in Severe Poverty Win the Battle of Poverty Alleviation*, significantly strengthened the efforts in financial poverty alleviation and promoted financial poverty alleviation in these areas. ABC implemented specialized assessment for key counties of national poverty alleviation with specialized annual credit plans. At the end of 2017, the balance of the loans granted to 832 key counties of national poverty alleviation was RMB 815.07 billion, an increase of RMB

110.66 billion over the beginning of 2017, up by 15.71%.

**Major policies for targeted poverty alleviation issued in 2017**

- *The Opinions on Making a Good Job of the Financial Poverty Alleviation in 2017*
- *The Opinions on Making a Good Job of the Targeted Poverty Alleviation in 2017*
- *Opinions on Helping Areas in Severe Poverty Win the Battle of Poverty Alleviation with Financial Support*
- *The Special Plan for Evaluating Financial Poverty Alleviation in 2017*

**Scan the QR code to learn more about ABC’s work on poverty alleviation:**



Helping villages in extreme poverty burst into bloom of “property”



The “flower” of desert blooms with the watering of finance



Building a “high ladder” of financial poverty alleviation on the cliff



Financial workers walking through the cow dung pave a road of fortune



Levering the poverty alleviation situation with credits

## 2. Improving basic financial services

ABC continuously promotes the basic financial services in poverty-stricken areas, and solves the "last mile" problem in basic financial services, providing more convenient modern financial services to farmers.

### **Improving basic financial services in poverty-stricken areas**

We have set up branch outlets in poverty-stricken counties, and accelerate the “Huiongtong” project in poverty-stricken villages beyond branch outlets coverage areas.

By the end of 2017, ABC offered pension insurance in 1,425

counties for the urban and rural residents and new rural cooperative medical insurance in 920 counties. We also secured a total of 5,586 agricultural related financial funds and 9,954 public utility projects.

We have set up the “Hui Nong e-tong” e-commerce platform in 685 key counties targeted for poverty alleviation, which provides e-commerce financial services to 130,000 agricultural enterprises and farming households.

We have established an online sales channel for featured products in 10 key counties.



Hui Nong service vans went to villages to provide financial service

(Photo by Ding Piqing from Gannan Branch, Gansu province)

### 3. Promoting industrial poverty alleviation

According to the regional characteristics of impoverished areas, ABC focuses on the support for major poverty alleviation projects such as new agricultural operation entities, tourism and e-commerce to implement more targeted financial alleviation. By the end of 2017, the balance of industrial and retail poverty alleviation loans was RMB 79.45 billion, servicing 510,700 registered low-income households, an increase

of 265,200 people as compared to the end of 2016.



Supporting the development of featured industry in Guangxi (Photo from Zhaoping Branch, Guangxi province)



Supporting the development of the watchtower in Jiangmen (Photo by Guan Weinan from Kaiping Sub-branch, Guangdong province)

#### 4. Intensifying the support for targeted poverty alleviation

Following out the spirit of the working conference of the CPC Central Committee on targeted poverty alleviation since 2016, ABC has given full play to its coordination and financial strengths, and helped five counties, including 4 counties targeted for (poverty alleviation – Raoyang

and Wuqiang in Hebei, Huangping in Guizhou and Xiushan in Chongqing, as well as Fuping in Hebei (enjoying the same poverty alleviation policies as other targeted counties). In 2017, ABC has granted targeted poverty alleviation loans of RMB 2.19 billion, an increase of RMB 1.29 billion as compared with 2016, and helped 21,987 registered people with low-income.



The targeted support symposium in Huangping county, Guizhou province  
(Photo from Guizhou Branch)

### **Measures for targeted poverty alleviation**

- Issuing specialized supportive policies: we have issued 11 specialized supportive policies for targeted poverty alleviation; we have differentiated credit scale for the five counties; we have opened expedited channels and direct information communication.
- Drawing up county-specific financial services plans: we drew up financial services plans according to the specific condition of the county, which clarified objectives of providing credit loans and targeted support; we intensified the priority distribution of resources

and made favorable policies.

- Assigning cadres to provide comprehensive and direct support: the Head Office assigned 5 cadres to serve the temporary positions of Deputy Magistrate or the assistant of Magistrate to the key counties targeted for poverty alleviation and Fuping County in Hebei, and dispatched 2 “First Secretaries” to impoverished villages. Apart from these efforts, we sent 5 more cadres to serve the temporary position of vice-presidents to branches to these counties; in 2017, ABC provided a special fund of RMB 27.20 million for targeted poverty alleviation, carried out 34 targeted poverty alleviation projects, held 34 training classes, and implemented 20 projects of “strengthening Party building and promoting poverty alleviation”, which directly benefited 20,851 people in poverty.
- Increasing the intensity of credit and the provided more targeted support of credit loans: ABC set up models of “government credit enhancement + poor farming households” and “featured agriculture + poor farming households”, which connected interest rates with helping people in poverty. By the end of 2017, total loans balance of the five counties amounted to RMB 7.8 billion, up by 58.1% compared with that of last year.
- Poverty reduction by developing industries: according to local resource endowments, we strengthened support for industries with local characteristics, major projects and new operation entities in rural areas.
- Supporting the infrastructure construction to improve the living

environment of poverty-stricken areas: in compliance with the development plan for poverty alleviation counties, the total loans to projects for targeted poverty alleviation amounted to RMB 1.70 billion.

- Innovating products and catering the financial needs of poor households: we have established “Sannong” product innovation bases; we have encouraged innovations in products and policies according to the local situation; with the modes of promoting employment, industrial chain, and asset income and dividends, we have provided industrial and retail targeted poverty alleviation loans of RMB 288 million, increasing the income of 4,588 people.
- Comprehensively improving basic financial services: we boosted the “Hui Nong Tong” project and distributed electronic devices that benefit farmers; by the end of 2017, the accumulative number of transactions for low-income rural households in the five counties reached 578,500 with an amount of RMB 838 million.

## 5. Innovating in financial poverty alleviation products

Stressing to promote targeted poverty alleviation through financial innovation, ABC actively innovates various financial poverty alleviation products that cater to local characteristics to help lift areas out of poverty. In 2017, ABC launched 2 innovative region-specific products (ABC has launched 11 innovative region-specific products since 2016).

### **Case: Underwriting bonds for poverty alleviation project in Yinan county, Shandong province**

In 2017, ABC underwrote RMB 500 million bonds for poverty

alleviation for Yinan County Urban and Rural Construction Development co., Ltd. The bond has a term of 10 years. The entire amount of fund raised therefrom would be used for the poverty alleviation program in Yinan county. As the first social impact bond for poverty alleviation in China, it is not only of great significance to poverty alleviation, but also a great innovation in products of financial market.

#### **Case: Issuance of bonds for relocation loan projects**

In 2017, as one of the handling banks of the first RMB financial bond the over-the-counter (OTC) market, ABC has sold specialized bonds for poverty alleviation of China Development Bank in the OTC market through the products of “Zhai Shi Bao” which achieved a record high of RMB 1 billion in recent years and ranking the first place in the industry. The current bonds of China Development Bank are specified bonds for the relocation program. The entire amount of fund raised therefrom would be used for 14 relocation loan projects in 7 provinces (autonomous regions and municipalities), covering almost 600,000 registered people with low-income.

#### **6. Enriching public welfare and poverty alleviation**

ABC has constantly developed projects of public welfare and poverty alleviation, explored the targeted poverty alleviation mode of “ABC financial supports + leading enterprises for poverty alleviation + public welfare and poverty alleviation of sales promotion”, and held various events concerning public welfare and poverty alleviation, trying our best to lift areas out of poverty.

### **Measures of public welfare and poverty alleviation**

1. We have established the experience shop of “Benefiting Farmers and Merchants” for public welfare and poverty alleviation products in the Head Office, which facilitates employees to directly purchase high quality agricultural products from cooperating local farmers and producers.

2. We have held fairs and poverty alleviation events including the poverty alleviation fair for the Spring Festival in Chongqing, Shaanxi, and Guizhou, to open up channels of brand marketing and sales for agricultural products from poverty-stricken areas.

3. We have established the ABC online service platform for public welfare and poverty alleviation, started the trial operation of a public welfare shop, and provided Internet-based shared services of public welfare and poverty alleviation to employees and the public.

By the end of 2017, we have cooperated with 72 enterprises in 41 key counties of national poverty alleviation and held charity-sale of 388 kinds of products, with 6,198 transactions of RMB 610,000, which benefited 2,400 households.



The launch of the online service platform for public welfare and poverty alleviation

## **II. A Major Force to Support National Welfare**

- Amount of loans granted: RMB 10.72 trillion
- Amount of corporate loans to strategic emerging industries: RMB 128.02 billion
- The balance of loans to educational industry: RMB 23.40 billion
- The balance of loans to health care industry: RMB 36.17 billion
- The balance of loans for affordable housing projects: RMB 141.58 billion
- The balance of loans to small and micro businesses: RMB 1.36 trillion

### **i. Responsibility Focus: Supporting Supply-side Structural Reform**

Following the national strategy and deployment of the supply-side structural reform and the five major industry-wide goals (cutting overcapacity, reducing inventory, deleveraging, reducing cost and strengthening weak sectors), we have adopted differentiated and lean industrial credit policies. We have shifted business focus to advanced equipment manufacturing and new technology industries, to a new economy including new industries, new forms of business and new modes, and to industries and businesses that promote comprehensive development. With these efforts, we develop new driving forces to promote economic transformation.

1.Supporting advanced manufacturing industries: supporting “Made in China 2025”; increasing the proportion of loans to strategic emerging industries in loans for manufacturing industry; supporting enterprises in

advanced manufacturing industries such as the intelligent manufacturing, “green” manufacturing, strong industrial bases and high-end equipment innovation industries, adjusting the industry layout of manufacturing customers and credit structure

2.Strengthening financial services in the new economy: proposing the marketing focus and measures of new forms of businesses including emerging strategic industries, modern service industry and high-tech industrial parks; drawing up differentiated policies and strategies in credit business, product innovation, accounting and assessment, and risk control

3.Improving the marketing of major projects: establishing a list of international projects in our marketing database; releasing lists of major projects during the 13th Five-Year Plan period and projects for international production capacity cooperation to the Bank; issuing supportive policies such as allocating corresponding economic capital to major projects

4.Supporting and developing “happiness” industries: optimizing the industrial structure and customer base of “happiness” industries; improving the business structure and capital structure issuing marketing guidelines for tourism, culture, sport, health, elderly care as well as education and training

5.Cutting overcapacity and strictly controlling the credit for over capacity industries: implementing industry credit limit management for 13 industries with high risks and overcapacity such as the iron and steel industry and the coal industry; supporting the decision of government to close enterprises that violate laws and rules such as enterprises producing

“low-quality steel”

6. Promoting market-oriented equity swaps and supporting the deleveraging of enterprises: signing projects with market-oriented equity swaps; paying close attention to debt restructuring in the process of cutting overcapacity and deleveraging

### **Achievements**

The corporate loans to strategic emerging industries was RMB 128.02 billion.

The balance of loans to the manufacturing industry was RMB 1.24 trillion, an increase of RMB 16.22 billion as compared to the beginning of the year.

The balance of loans to the happiness industries was RMB 114.7 billion, up by 11% as compared to the beginning of the year.

The loans granted to major marketing projects database was RMB 567.8 billion, an increase of RMB 208.1 billion as compared to last year.

The loans were reduced by RMB 181.4 billion to 13 industries with overcapacity and high risks including steel and coal industries.

## ii. Serving National Strategies

Regional coordinated development is essential for the sound development of economy and society. The 19th National Congress of the CPC and the 2017 Central Economic Work Conference released basic requirements for promoting high quality regional coordinated development. ABC has formulated differentiated strategies for financial services to foster high quality regional coordinated development.

### 1. Serving the Belt and Road Initiative

ABC formulated opinions on the implementation of serving the “Going Global” government policy, and steadily develops overseas institutions of ABC, which provides strong financial support for enterprises to expand internationally. In 2017, ABC won the honor of “Best ‘Belt and Road’ Chinese Bank Award for Services in the Middle East and Africa” announced by *Asiamoney*.

#### **Measures designed to promote the construction of countries within the Belt and Road region**

- Improving the top-level design of plans and policies: establishing the special fund of “Going Global”; improving relevant systems of “Going Global”; carrying out specialized marketing activities for “Going Global”; improving country risk limit management
- Supporting key domestic projects: supporting the economic development of western areas; supporting the infrastructure construction in western areas; strengthening the support to the infrastructure construction in coastal areas
- Improving the overseas distribution and business synergy: steadily

promoting the distribution of overseas institutions; taking advantage of available resources of external institutions and paying attention to international financial cooperation

- Accelerating “Going Global” product innovation: supporting the focus on “Going Global” agriculture; promoting the development of cross-border RMB business and cross-border RMB innovation under capital accounts; providing good financial services to “Going Global” enterprises; strengthening characteristics and advantages of border trade financial services; supporting the regional currencies and RMB exchange in the countries along the Belt and Road

**Case: Sino-Congolese Bank for Africa (SCBA) was established in the Republic of Congo**

In Africa, the penetration rate of banking service is low with lack of types of financial products and services, which cannot satisfy the needs of most people. To improve local financial services, ABC actively responds to the Belt and Road Initiative, and cooperates with the government of the Republic of Congo to establish the SCBA and signed *The Agreement Between Republic of Congo and the Agricultural Bank of China for Deepening Financial Strategic Cooperation and Cross-border RMB Financial Service*. ABC is the first Chinese commercial bank that conducts financial cooperation with a country in central Africa.

Taking the idea of “serving the people”, SCBA fully combines ABC’s strengths in products, systems and management with the experience and resources of the Republic of Congo, and improves local

general financial development so that more people in the Republic of Congo can enjoy financial services.



Scan the QR code to know more about the SCBA



Chairman Zhou Mubing signs Memorandum of Understanding on Cooperation with Development Bank of Singapore (DBS) to support the Belt and Road international cooperation

## 2. Serving the development of the Yangtze River Economic Belt (YREB)

The Yangtze River basin is one of economic development focuses in China and the development of the YREB concerns social economic development of China. Closely following the development of the YREB, ABC strengthens efforts to support infrastructure construction projects

and economic transformation and upgrading, and continuously pushes for economic development of the YREB.

1. Providing investment banking services to the YREB
2. Providing strong support to key areas related to “Sannong”
3. Supporting the construction of waterways and integrated traffic corridor of YREB
4. Providing strong support to construction of water conservancy and development of hydropower resources
5. Supporting a new generation of information infrastructure in areas along the Yangtze River



Supporting the construction of Jiujiang Port, an important port along the YREB (Photo from Jiangxi Branch)

3. Serving coordinated development of Beijing-Tianjin-Hebei region

It is one of the three strategies of regional coordinated development to promote coordinated development of Beijing-Tianjin-Hebei region, which is significant to optimize the allocation of productive force and improve development quality. ABC has continuously strengthened financial supports to Beijing-Tianjin-Hebei region and increased the investment in credit resources to promote complementary advantages,

industrial upgrading and innovative development in Beijing-Tianjin-Hebei region.

**Supporting the coordinated development of Beijing-Tianjin-Hebei  
Region**

**1.Undertaking the development funds of Beijing, Tianjin and Hebei intercity railway:** making sure that the Beijing, Tianjin and Hebei intercity railway project is effectively carried out

**2.Providing investment banking services to Beijing-Tianjin-Hebei region:** actively promoting the coordinated development of Beijing-Tianjin-Hebei region, with a focus on investment banking business and service, and give full play to ABC's strength in coordination

**3.Signing cooperation agreements with governments of Beijing, Tianjin and Hebei:** *The Cooperation Agreement on Investment Banking Business for Promoting Beijing, Tianjin and Hebei Development Strategy, The Cooperation Agreement on Debt Financing Instruments Underwriting for Promoting Beijing, Tianjin and Hebei Development Strategy, The Cooperation Agreement on Financial Services for the Coordinated Development Strategy of Beijing-Tianjin-Hebei Region*

**4.Actively providing financial services with a focus on traffic integration, eco-environment protection and industrial upgrading:** supporting the construction of inter-province railways and expressways as well as national and provincial highways; supporting infrastructure projects for electricity and centralized heating, and clean energy projects in new energy power generation, etc.; supporting urban environment governance projects which include tree planting, cleaning up rivers, road

resurfacing and urban landscaping

#### 4. Serving the development of Xiong'an New Area

The development of Xiong'an New Area is crucial for national development. With the sense of responsibility as a large state-owned bank, ABC seizes the opportunity of Xiong'an New Area development, satisfies the financial needs for the development of Xiong'an New Area and improves financial service capability in Xiong'an New Area, striving to be the pioneer and main force in the development of Xiong'an New Area.



#### Signing strategic cooperation agreement with Xiong'an New Area

- Setting up the leading group to serve the development of Xiong'an New Area
- Building a financial service system with ABC characteristics
- Coordinating with Xiong'an New Area development committee and strengthen government-bank cooperation
- Future plan: establishing Xiong'an New Area Branch; formulating the overall plan and implementation plan for serving the development of

Xiong'an New Area; taking Xiong'an New Area as a test base for financial service innovation of ABC; setting up a special fund to serve infrastructure construction and high-end industry in Xiong'an New Area; establishing subsidiaries and a middle and background center at a head-office-level; intensifying priority distribution of resources to Xiong'an New Area

### iii. Ensuring People's Well-being and Health

The development of science, technology, education, culture and health mostly concerns people's livelihood. ABC actively gives full play to its strength in financial resource coordination, and improves people's well-being through financial product innovation, service mode innovation and differentiated credit management.

#### 1. Education

With continued support for educational development, ABC fosters bank-university cooperation, innovates and researches to develop the "smart campus" product, and promotes the application of digital products such as online payment system, reimbursement system, etc., so as to satisfy the needs of students and teachers for convenient financial services. By the end of 2017, the balance of loans granted to educational industry reached RMB 23.40 billion, and we have integrated our services with 234 campuses.



Visiting community college to learn the development history of Xiamen

#### **Case: Signing the framework agreement on comprehensive strategic bank-university cooperation to support education development**

ABC signed the framework agreement on comprehensive strategic

bank-university cooperation with Renmin University of China, planning to grant an intended credit line to Renmin University of China and improve campus infrastructure construction, campus informationization and retail financial services. ABC also set up a scholarship with Remin University to support educational development.

## 2. Healthcare

Actively responding to the national plan for medical and healthcare industries, ABC has upgraded the “Yinyitong” system, increased credit loans to medical institutions, and innovated financial service mode to provide medical and health care development. By the end of 2017, the balance of loans granted to healthcare industries was up to RMB 36.17 billion, and our Yinyitong service is used by 615 institutions.

### **Measures to support medical and healthcare development**

- Technical support: optimizing functions of the Yinyitong system
- Policy support: supporting tertiary hospitals and two-level hospitals with a certain leading advantage; preferential support for private hospitals
- Service support: to package specialized comprehensive financial service plans according to specific situations; promoting integrated development of public and private business



Supporting “Yinyitong” to provide accessible medical services (Photo from Jiangxi Branch)

### 3. Cultural industries

ABC explores and innovates financial services in the cultural creative field, and promotes the reform of the cultural creative system, as well as the upgrading of the cultural creative industry. In 2017, ABC signed a strategic cooperation agreement with the Beijing’s Palace Museum, striving to further explore the cultural connotations of fine traditional Chinese culture and realize mutually beneficial cooperation by fostering the integration of finance and culture. By the end of 2017, the balance of loans to cultural industries reached RMB 72.06 billion, representing a year-on-year increase of 19.18 billion.



Supporting the construction of the silk cultural base in Zhenze (Photo by Wang Yi from Wujiang Branch, Suzhou)

#### **Policies and services to support the development of cultural industries**

##### **Policies:**

1. Focusing support on: provincial or higher level press and publication institutions, radio and television broadcasting organizations, well-known film distribution organizations and cinemas, major animation enterprises

identified by the Ministry of Culture, major cultural export enterprises announced by the Ministry of Commerce, and influential event hosting and operating organizations

2. Providing support with competitive selection: new-type culture and marketing companies as well as fitness chain stores with capital reserves and business channels; operation entities for infrastructure construction with profitability and development potential

### **Services**

1. Strengthening integration of ABC, and providing new financing modes  
2. Providing financial services for leading enterprises in cultural industries and establishing differentiated credit policies

## **4. Housing security**

Always giving priority to the development of affordable housing projects and renovation of rundown districts, ABC has issued special affordable housing credit policies and measures for the management of renovation loans, formulated differentiated credit policies, supported affordable housing projects and satisfied customers' needs for affordable housing. By the end of 2017, ABC has granted loans of RMB 141.58 billion for affordable housing, representing an increase of RMB 71.25 billion and 101.32% as compared to the beginning of the year; the balance of retail loans for affordable housing was RMB 10.46 billion, representing an increase of RMB 518 million as compared to the beginning of the year.

### **Measures to support affordable housing**

1. Closely following to policy changes and development plans of

affordable housing

2. Actively engaging in affordable housing loan business

3. Continuously optimizing the access procedures to mortgage loan procedures and credit policies

4. Improving business efficiency

Issuing the plan for specialized loans for areas in need of renovation and specialized product measures, ABC has regarded the renovation of older areas as a key area in the transformation of credit business operation. By the end of 2017, the balance of loan was RMB 327.12 billion, representing an increase of RMB177.49 billion and 118.61% as compared to the end of last year.



Supporting “The first phase of Ruyi Jiayuan renovation project” (Photo by Wu Wenting from Hai’an Branch, Nantong city, Jiangsu province)

**Case: The first standard and sustainable development ABS (Asset Backed Securitization) program for renovation of older areas in China**

ABC supported Ninghai Construction, Investment & Development Company to issue the first sustainable development asset securitization program and the temporary housing asset securitization program for

renovation of county-area districts in China, which meet the latest ICMA standards for sustainable development bond. The proceeds raised were used to build temporary houses for renovation of districts and make environmental improvements, which played an important role in solving housing problems and protecting local environment.



The first sustainable development asset securitization program in China is publicly issued (Photo by Chen Yurong from Ningbo Branch)

## 5. Employment support

Following the CPC Central Committee’s policy of supporting employment and business startups, ABC has innovated a financial product to support startup — the business startup secured loans. The business startup secured loans exert positive impact on social development by promoting employment and entrepreneurship of low-income groups and development of entrepreneurs. By the end of 2017, ABC has provided loans of RMB 7.5 billion to help almost 193,000 people find jobs and start up businesses, showing good social benefits.

#### iv. Developing Inclusive Finance

Developing inclusive finance services and providing appropriate and effective financial services to all social groups with the financial needs, is the inevitable requirement to promote the harmonious society, reflecting the responsibility of a state-owned bank. With extensive experience in risk control and cost management, ABC gives full play to its strengths in the well-established financial service system and the wide coverage of branch outlets, and integrates all the resources to realize shared information, shared risks, and shared success, striving to promote sustainable development of inclusive finance.

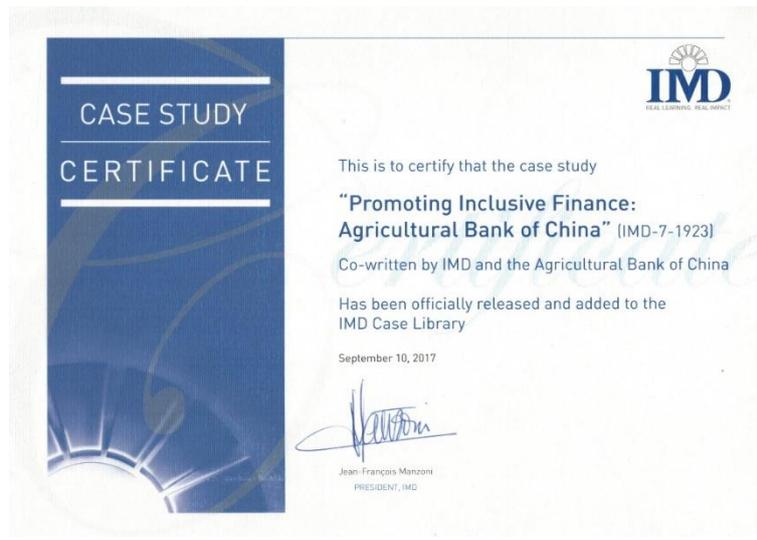


Equity directors went to Xinjiang to investigate local inclusive finance development

##### **Case: ABC and management development**

In 2017, the case study of “Promoting Inclusive Finance, Agricultural Bank of China” was officially included in the database of the International Institute for Management Development (IMD) in Lausanne, Switzerland, which is the first international themed inclusive finance case

study of a large state-owned bank in China. The case thoroughly analyzed the coordinated channels and systems of “outlets, smart banks, service points and mobile finance” for inclusive financial service, and the innovation in differentiated inclusive financial products. By doing this, ABC shows the experience of exploring inclusive financial services and promotes the global innovation and development of inclusive finance.



## 1. Development framework of inclusive finance

*“We will encourage large and medium commercial banks to establish Inclusive Finance Business Departments. Large state-owned banks should take the lead in this effort. We will adopt differentiated assessment and evaluation measures and supportive policies, and effectively address the problem of medium, small, and micro enterprises being unable to access loans or having to pay high interest to secure loans.”*

*--Report on the Work of the Government in 2017*

Carrying out policies and requirements of the government and regulatory authorities, ABC formulated the *Plan for Implementation of*

*Inclusive Finance Business Department Construction*, and established a new mode of inclusive finance that integrates rural finance, so as to promote the rapid development of inclusive finance business.

### **Organizational structure of Inclusive Finance Business Department**

- The Head Office: setting up the “Sannong” finance/inclusive finance development committee at the board level, and the “Sannong” and inclusive finance business management committee at the senior management level; establishing the Inclusive Finance Business Department; establishing eight middle and back office support centers
- Tier-1 branches: establishing Inclusive Finance Business Departments
- In the first batch of 16 "Made in China 2025" pilot demonstration cities (clusters): realizing full coverage of inclusive financial service institutions
- In Tier-2 branches and sub-branches in counties and towns: promoting the development of “Demonstration sub-branches of financial service to small and micro enterprises” and specialized institutions of inclusive finance such as the technology sub-branch

### **Advantages of inclusive financial services**

- Well-established organizations and service systems; wide coverage of branch outlets; a great number of qualified employees
- Extensive experience in financial services; good risk control and cost management
- Strong deposit mobilization ability; large capital scale from various sources

- Internal and external driving forces in inclusive finance area

## 2. Measures of inclusive financial services

ABC develops inclusive finance business as a way to fulfill social responsibility and promote economic transformation, and explores new technology, new products and new modes to improve the efficiency and quality of inclusive financial services.

### **Measures of inclusive financial services**

- Taking advantage of financial technology: providing loans online to serve small and micro enterprises and establishing online service system to reduce the cost of inclusive financial services
- Promoting innovation in service modes: the economy of scale of smaller loans reduces the marginal cost of inclusive financial services and realizing better risk management
- Applying ecosystem and platform thinking: integrating resources of government credit enhancement, industry associations and chambers of commerce, the third party entities, etc., and realizing shared information, shared risks, and shared success of inclusive finance

The Bank provides various financial services including payment and settlement, as well as financing and trust financing services to key customers covered by inclusive finance such as the small and micro enterprises, farmers, urban low-income population, people in poverty and people with disabilities. While continuously improving the coverage rate, accessibility and satisfaction of inclusive financial services, the Bank focuses on small and micro enterprises as the major group of inclusive finance business, strives to be a quality brand of the “Credit Factory for

Small and Micro Enterprises”, establishes a specialized financial operation system for small and micro enterprises and explores new thinking and new mode of financial services for small and micro enterprises. By the end of 2017, the balance of loans granted to small and micro enterprises reached RMB 1.36 trillion.

- Matching resources and strengthening security
- Catering to needs and innovating products
- Optimizing procedures and innovating modes
- Promoting technology-driven development and broadening channels
- Transparent pricing and reduced fees

### 3. Innovating inclusive financial products

ABC strives to improve the innovation ability for inclusive financial products, and develops a series of financial products with regional characteristics that are good for sales.

#### **Case: “Internet Plus” addresses financing difficulties of small and micro enterprises**

We have explored a new mode of “Internet Plus” inclusive finance and developed a product allows customers to apply for loans online which can make intelligent credit decisions with an innovative algorithm model that provides financing services to upstream/downstream small and micro enterprises.

1.The product needs no guarantee and no mortgage. Small and micro enterprises can complete borrowing and repayment online without visiting one of our branches.

2.With flexible loan terms, enterprises can use loans according to specific

cash conversion cycle.

3. Credible enterprises can also enjoy favorable interest rates, which greatly lowers the financing cost.

### **Innovative products and services of inclusive finance**

- Differentiated credit business: focusing on inclusive business with a credit line of less than RMB 10 million to small and micro enterprises; developing and launching “Wei Yi Dai” with a credit line of less than RMB 5 million
- Online financing products: promoting the ERP system for core enterprises and online loans business that serve small and micro enterprises; furthering cooperation with financial technology enterprises to develop “Internet Plus” for small and micro enterprises
- Strengthening cooperation with government: cooperating with government departments and parks, integrating external resources and providing financial services to small and micro enterprises including “mass entrepreneurship and innovation” enterprises and technology enterprises

### **III.A Leader to Promote Ecological Progress**

- The balance of ABC's green credit was RMB 747.63 billion, equal to reduced emission by 21.85 million tons of standard coal, and 47.8 million tons of CO<sub>2</sub> equivalents.
- ABC issued 10 green bonds, with the proceeds of RMB 38.3 billion.
- The number of financial transactions via e-channels was up to 44.79 billion, accounting to 97% of transactions this year.
- The departments or organizations of Head Office in Beijing itself emitted 1,043.07 tons of CO<sub>2</sub> directly through greenhouse gas and 29,451.95 tons of CO<sub>2</sub> indirectly through greenhouse gas.
- The Bank organized or took part in 2,778 environmental protection activities that involved 54,135 employees.

#### **i. Responsibility Focus: Contributing ABC Wisdom to Green Development**

During the 19th CPC National Congress of the Communist Party of China, it discussed creating a market-oriented green technology innovation system, developing green finance, supporting energy conservation and environmental protection industry, cleaner manufacturing industry, as well as clean energy industry. Developing green finance is an important measure for achieving green development and also an important part of supply-side structural reform. Fully implementing the spirit of the 19th CPC National Congress and green development, ABC formulated the *Development Plan for Green Finance of Agricultural Bank of China (2017-2020)*. By planning with a broad outlook, and improving green finance business and green finance service

system, ABC is committed to being a leading bank in practicing green finance.

### **Strategies indicate a clear direction**

**Guiding principles:** We will keep combining social responsibility fulfillment and sustainable development, actively promote innovation of green finance products and services so that we can provide strong support for green development and coordinated progress in economic, political, cultural, social and ecological areas.

**Basic principles:** adhering to serving national strategies; adhering to sustainable development; adhering to innovation-driven development; adhering to orderly advancement.

### **Stable Advancements**

#### **Promoting green credit :**

- 1.To identify key industries, regions and customers
- 2.To improve the green credit policy system
- 3.To establish environmental and social risks assessment and management system
- 4.To promote the development of green credit management mechanism

#### **Developing the green investment banking and innovative business :**

- 1.To promote domestic and overseas participation in the green bond market
- 2.To accelerate the development of green asset securitization
- 3.To set up the green industry fund and green guarantee fund together with the government

- 4.To vigorously develop green consultancy services
- 5.To rigorously develop green leasing business
- 6.To explore green wealth management business

**Making innovations in green consumer finance services :**

- 1.To develop green consumer credit services
- 2.To promote green credit card services
- 3.To build a green consumer ecosystem

**Strengthening green Sannong finance services :**

- 1.To increase credit placement for environmental improvement in rural areas
- 2.To foster the transformation to green lifestyle and production mode in rural areas
- 3.To encourage and support new industries and new forms of business in green agriculture
- 4.To expand green agriculture financial services by cooperating with the government

**Establishing an adequate system for carbon finance business :**

- 1.To actively participate in the development of the carbon trading market and formulation of relevant rules
- 2.To strive to be a major market maker in the carbon trading market
- 3.To provide packaged financial services to enterprises in carbon trading

**Making achievements in value creation**

Since the *Development Plan for Green Finance of Agricultural Bank of China (2017-2020)* was carried out, on specific conditions of different regions and environment, ABC implemented working plans, improved

green finance management, made innovations in products and services, and strengthened international cooperation in green finance. As a result, ABC took a leading role in the development of green finance in China.

In the competition of banking industry held by *Asia Money* in 2017, ABC won the honors of “BEST GREEN DOMESTIC NATIONAL COMMERCIAL BANK IN CHINA” and “BEST GREEN CHINESE BANK IN OVERSEAS”. The first security supported by green assets in Shanghai Stock Exchange - “Special Plan Backed by the Green Asset of Right to ABC Suiying & Jinfeng Technology Wind Power Tarrifs” won the “The Best Securitization Prize” under Triple A Country Awards in 2016 announced by *The Asset* in Hong Kong.

## ii. Dedication to Green Finance

### 1. Green credit

Focusing on the national strategy of green development, and in compliance with the *Guiding Opinions on Building Green Finance System* jointly issued by the seven ministries and commissions including the People's Bank of China, Ministry of Finance, and the *Green Credit Guidelines* of the China Banking Regulatory Commission, etc., the Bank guides the allocation of more monetary resources toward green, low-carbon, and recyclable development, and implements practical methods for decision makers in terms of business with high environmental and social risks, to promote the transformation of industrial structure to a resource-conserving and environmentally friendly direction.



Signing the strategic cooperation contract with the new energy company (Photo by Chen Xiaobing from Weinan Branch, Shaanxi province)



Supporting waste water treatment (Photo by Chen Yurong from Ningbo Branch)



Supporting the project of reclaimed water reuse with advanced treatment in Zhanjiang base of Chenming Group (Photo from Guandong Branch)

### **Green Credit Measures**

#### **Increasing credit allocation**

- ABC actively supported key areas including clean energy, green transport, green agriculture, green building, regional pollution prevention

and treatment, industrial energy and water conservation, recycling, etc.

- While creating more green credit products, ABC also strived to develop energy-efficiency credits and future income rights of energy management contracts as collateral loans and promoted mortgage and pledge financing based on environmental rights and interests such as the carbon emission right, pollutant discharge right, and energy conservation (energy right).

### **Improving policies and systems**

- The guidelines for green credit policies has specified the development direction and regulations of green credit, guiding green credit business toward sustainable development.

- Based on the five categories of green indicators including efficiency, benefits, environmental protection, resource consumption and social management, ABC revised industrial credit policies swiftly and promoted the integration of green credit indicators and industrial credit policies, so that green indicators could better play their role in the access and selection of customers, as well as prevention and control of environmental risks. Green credit indicators cover 19 industrial credit policies.

### **Improving the management capacity of environmental and social risks**

- With environmental and social risk assessment the important basis for rating, access, management and withdraw, ABC strictly required unanimous consent in environmental and social risk management.

●ABC continuously strengthened the credit control of overcapacity industries, reduced excess capacity and ended businesses with high polluting customers.

●ABC made timely risk warnings in accordance with the enterprise list announced by state or local authorities, which listed enterprises violating laws and regulations in environmental protection and safety production.

**Promoting international cooperation in green finance**

●ABC continuously promoted green credit cooperation with International Finance Corporation (IFC), with a focus on key parts including the management mechanism, product innovation and capacity building, so as to accelerate the process of improving our green credit management system.

**Strictly controlling credit for overcapacity industries**

●ABC realized full coverage of industrial credit policies and list-based management of customers in overcapacity industries

●ABC exercised strict authorization and raised the classified review level for customers from overcapacity industries

●ABC strengthened control and exercised annual industrial credit limit management for overcapacity industries

●ABC implemented strict control of the credit line of iron and steel, coal and coal power industries, and monitored the credit exposure of new customers every month

By the end of 2017, the balance of green credit was RMB 747.63 billion, equal to reduced emission by 21.85 million tons of standard coal, 47.8 million tons of CO<sub>2</sub> equivalents, 160,000 tons of COD, 20,000 tons of ammonia nitrogen, 1.08 million tons of sulfur dioxide and 1.69 million tons of nitrogen oxides, plus 18 million tons of water saved.

## 2. Green products

ABC has blended the idea of green development in all financial products, and strengthened innovation in green products to provide packaged comprehensive financial services that support green development.



Supporting the development of solar power generation enterprises (Photo from Gansu Branch)

### **Securitization of green assets**

ABC continues to focus on key industries and business related to green development that are relevant to the government, the people and market prospect. Based on “green city, green industry transformation, green Sannong development and green poverty alleviation”, ABC

provides green asset securitization products with different underlying asset portfolios and structural designs.

**Case: Issuing the first credit asset securitization product with green certification of China**

In December 21 in 2017, ABC issued “The 2017 first Nongying Green Credit Assets Backed Security (Zhejiang special credit asset securitization program named ‘Green Mountains and Clear Waters’)”. As the underlying assets and the proceeds were used for green development, the security became the first green credit asset securitization product with certification in China, which created a new mode of promoting green industries and accelerating ecological progress with investment banking tools including asset securitization. ABC issued over RMB 60 billion of “Green Mountains and Clear Waters” special loans for water conservancy and hydropower, wastewater treatment and comprehensive utilization of water resources in Zhejiang province, and effectively stimulated project investments of over RMB 150 billion.

**Case: Initiating the first asset securitization program in the national 5A-level scenic spot in China**

In compliance with the requirements of supply-side reform, ABC started the first asset securitization program in the national 5A-level scenic spot in China named “ABC Suiying-Jiantou Huijing-Special Plan Backed by the Service Charge for Huashan Mountain Scenic Spot”, with an issuance size of RMB 212 million and a term of 1 to 4 years, aiming to support the protective development of ecological tourism resources of

Huashan Tourism Group.

### **Green bonds**

Fully participating in green bonds market, ABC underwrites and issues green bonds to support energy conservation and environmental protection, pollution prevention and treatment as well as resource saving, and promote the sound development of the “green” real economy. In 2017, ABC issued 10 green bonds with proceeds of RMB 38.3 billion, in which ABC held RMB 6.16 billion.

### **Case: Issuing the first non-financial enterprise green debt financing instruments**

In 2017, ABC issued a medium-term note of RMB 2 billion for China Three Gorges, which represented the underwriting of the first non-financial enterprise green debt financing instruments. The proceeds were used for offshore wind power projects of China Three Gorges, which complied with the regulations of “clean and efficient use of energy” and “new energy development” in the *Issuance Guidelines for Green Bonds* released by National Development and Reform Commission, and also the requirements for the use of proceeds of green debts financing instruments made by China’s National Association of Financial Market Institutional Investors.

### **Green funds**

By setting up different green funds, ABC supports projects in areas including rail transportation, environmental protection technology and equipment, pollution prevention and treatment, as well as waste treatment.

**Case: Supporting green rail transportation industry funds**

In 2017, ABC invested and managed several green rail transportation industry funds, including the China Railway Safe and Green Industry Fund, Wenzhou Rail Transportation Green Industry Fund, Chongqing Rail Transportation Line 9 Green Industry Fund, Qingdao Subway Line 8 Green Industry Fund, Chengdu Rail Transportation Line 11 and Line 17 Green Industry Fund, and Chengdu Rail Transportation Line 18 Industry Fund. By supporting the construction of rail transportation, ABC aimed to promote green travel and the transformation to green and low-carbon urban transportation.

**Case: Supporting Green Development of Xiong'an New Area**

ABC was the first to propose the green development plan for Xiong'an New Area to the financial affairs office of Hebei province , earmarking a green development fund of RMB 270 billion to support the development of a green smart city, a green traffic system and the green high-tech industry in Xiong'an New Area.

**Case: Setting up the Beijing Huanwei Green Industry Development Fund**

ABC set up Beijing Huanwei Green Industry Development Fund together with Beijing Huanwei Group Company for sanitation infrastructure construction including industrial and household waste collection, transportation and disposal, as well as upgrading projects in the sanitation industry such as recycling rubber and metal.

### **Case: Setting up the Zhejiang Green and Environmental Protection Industry Fund**

Together with Hangzhou Iron and Steel Group Company, ABC set up the Zhejiang Green and Environmental Protection Industry Fund, which invested in environmental protection projects that complied with national and provincial industrial planning and policies, including environmental protection technology and equipment, water, air pollution prevention and control, solid waste disposal, environmental governance projects, environmentally friendly products and services, resource recycling business, ecological restoration of soil, building cities with permeable concrete, comprehensive utilization of biomass resource, etc.

#### **Green finance cooperation**

ABC attaches great importance to international communication and cooperation and makes major breakthrough in green finance product innovation, management mechanism and capacity building by introducing international concepts and experience. In 2017, Agricultural Bank of China (UK) was invited to the “Belt and Road Initiative” green finance research project, in order to provide cooperation policy suggestions on green finance for China-UK financial dialogue.

#### **3. Green services**

Fully exploring the value of information technology, ABC provides more types of e-bank, to help save resources and reduce negative effects on environment.

#### **The first to offer paperless ATM machines**

ABC was the first to launch the ATM QR code receipt and realize

paperless ATM machines.

ATM QR code receipt is a transaction voucher shown in the form of QR code, which can be saved by scanning or photographing the code with a smartphone.



Service Channels	Measures	Achievements
Mobile banking	Accelerating the integration of financial services and financial technology, and promoting the upgrading from mobile interconnection to smart interconnection	The number of mobile bank customers was 206 million, with an accumulative number of 8.82 billion transactions, up 105% year-on-year, and an accumulative amount of RMB 31.8 trillion, up 116.3% year on year
E-banking	Innovating individual e-bank products, improving	The number of registered

	<p>customer experience and realizing full coverage of offline products</p> <p>Enriching corporate e-bank functions, improving the product system, and establishing corporate mobile banking channels</p>	<p>individual e-bank customers was 223 million with an accumulative number of 14.2 billion transactions, up 97% year-on-year; and the number of registered corporate e-bank customers was 5.32 million</p>
WeChat banking	<p>Providing online booking services for customers through the mobile app “ABC we-service”</p> <p>The WeChat official account “Agricultural Bank of China” releasing news about earthquake relief, serving Sannong development, and financial knowledge and education</p>	<p>WeChat bank customers reached over 67.05 million</p>
Wi-Fi for Business Outlets	<p>By showing location-based differentiated content, guiding customers to know around the unique products of different branches, and experience the coordinated</p>	<p>WiFi covered over 28,000 branch outlets, with more than 24.09 million registered users and the daily page visit of 166,000</p>

	online and offline services, so as to reduce the production of paper publicity materials	on average
Customer manager online	With the efficient and green instant messaging channel online, providing online services and reducing the use of phone call or text messages	The number of customers who registered customer manager service reached over 64,500, with a usage rate of 85.94%

By the end of 2017, the number of financial transactions via e-channels was up to 44.79 billion, accounting for 97% of the total financial transactions this year; online sales made up 88.31% of the total sales of personal wealth management products and 91.32% of the total sales of retail customer funds; sales of personal wealth management products through corporate e-banking channel accounted to 86.49% of the total sales and the sales of retail customer funds accounted to 66.9% of total funds.

### **iii. Adhering to Green Operation**

#### **1. Green office work**

In response to the call of energy conservation, carbon reduction, “green development”, and “low-carbon finance”, ABC has put further priority on energy conservation and environmental protection in its business strategy. Due to the nature of ABC’s business, no environmental laws and regulations will cause major impact to the Bank.

#### **Measures of green office work**

1. Setting up a special energy leading group to coordinate energy management of the whole bank
2. Carefully implementing relevant management measures including *The Energy Management System for the Head Office of the Agricultural Bank of China*
3. Completing *Self-Check Report on Energy Conservation, Report on Utilization of Energy, Records of Principal Officers for Energy Management, Report on Verification of Carbon Emission* and performance of contract for carbon transactions
4. Optimizing the energy-saving plan for central air conditioning, lighting system and other key energy consumption equipment
5. Conducting technology improvement projects such as energy-saving transformation of energy consumption equipment and LED lighting transformation project
6. With measures of issuing *Energy Conservation Notice*, organizing training in energy-saving and selecting energy-saving models, carrying out in-depth energy-saving publicity and education

7.Implementing centralized printing of documents in the Head Office, so as to reduce the use of paper and save office costs. In 2017, the paper consumption per capita in the Head Office is 3.04 kg

8.Organizing focused training programs and improving energy-saving mechanisms, so as to promote energy conservation through management and technology transformation

9.Improving water conservation by improving water conservation management system, increasing publicity and education, and implementing technological transformation

### **Energy Consumption Data**

Item	Unit	Departments or organizations of the Head Office in Beijing <sup>18</sup>	Beijing Branch
Electricity	kilowatt-hour	31,631,032.24	53,622,409
Natural gas	cubic meter	427,017	222,407
Liquified petroleum gas	ton	0	43.59
Gasoline	ton	32.87	225.34
Diesel <sup>19</sup>	ton	3.23	249

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<sup>18</sup> Departments or organizations of the Head Office in Beijing includes The Head Office, Chemsunny World Trade Center (the Business Department) and Golden Tang International Finance Building (Software Development Center).

<sup>19</sup> The diesel is mainly prepared for the backup generators of the Data Center.

Purchased heating power	million kilojoules	49,260.81	122,096
Range 1: direct greenhouse gas emission <sup>20</sup>	ton	1,043.07	2,089.73
Range 2: indirect greenhouse gas emission <sup>21</sup>	ton	29,451.95	54,172.87
Total greenhouse gas emission <sup>22</sup>	ton	30,495.02	56,262.59
Comprehensive energy consumption <sup>23</sup>	ton of standard coal	6,190.71	11,824.68

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<sup>20</sup> 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.

<sup>21</sup> Indirect greenhouse gas emissions in range 2 include greenhouse gas emitted by purchased electricity and heating power; the emission factor of electricity refers to China Regional Power Grid Baseline Emission Factor released by the Climate Change Division of National Development and Reform Commission.

<sup>22</sup> Total greenhouse gas emissions include the direct greenhouse gas emissions in range 1 and indirect greenhouse gas emission in range 2.

<sup>23</sup> We adopt the statistical and conversion method of National Bureau of Statistics.

Water consumption	ton	215,397.45	470,251.00
Sewage <sup>24</sup>	ton	183,087.83	399,713.35

**Waste Statistics of Departments or Organizations of Head Office in  
Beijing in 2017**

Microcomputer (host) processing capacity	set	479
Display processing capacity	set	479
Laptop processing capacity	set	776
Printer processing capacity	set	314

## 2. Green procurement

Adhering to green procurement, ABC guided suppliers toward green development and raise the awareness of energy conservation and environmental protection. By the end of 2017, the number of suppliers of the Head Office of ABC reached 1,323.

### Requirements of green procurement

- Supplier selection: with equal qualifications, priority should be given to suppliers that adopt the cleaner production and logistics mode, provide environmentally friendly products and services, and advocate green corporate culture

- Suppliers should provide products and services that meets the standards of national green certification, and consider users' health and

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<sup>24</sup> 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.

safety, resource saving and recycling, and reducing impacts on environment

- Promoting green procurement together with suppliers; by focusing on purchasing green products and services, ABC guided suppliers to make technological innovations in green products and service, save energy, reduce pollution and fulfill the social responsibility of green development together

ABC has set up the e-commerce platform for centralized procurement and used electronic versions when releasing procurement documents and preparing materials for meetings.

#### **iv. Taking Part in Environmental Protection Activities**

Encouraging employees to take part in environmental protection activities such as tree planting, energy saving and emission reduction and low carbon travel, ABC guides employees to contribute to environmental protection, and build green homeland together. In 2017, The Bank organized or took part in 2,778 environmental protection activities that involved 54,135 employees.

##### **Case: One thousand Mu of “Youth Forest” promoting ecological environmental protection in Beijing–Tianjin–Hebei region**

ABC and China Youth Development Foundation jointly started the “ABC Youth Forest” project, planning to plant one thousand Mu (equivalent to about 66.7 hectares) of ecological forest to promote ecological environmental protection in Beijing-Tianjin-Hebei region. In April 21, 2017, the project was launched in Zhulu county, Hebei province. In the launching ceremony, hundreds of young volunteers took part in the voluntary tree planting activity and planted 500 trees in total.



“Go for Green, Hundred-kilometer Hiking” (Photo from Shenzhen)

Branch)



Tree planting activity (Photo by Tang Weiwei from Jiangsu Branch)



Volunteering service in community environment protection (Photo by Zhang Xiaotian from Cangzhou Branch, Hebei province)

## **IV.A Pioneer to Provide Quality Service**

- Implementing 351 product innovation projects
- 13 branch outlets won the honor of Exemplary Unit of Chinese Banking Service
- Implementing facial recognition on 6,672 ATMs in 30 branches
- Receiving 126 million calls via the customer service center, 105.48 million of which were handled by customer service staff with a completion rate of 83.76%
- Achieving 98.84% customer satisfaction

### **i. Responsibility Focus: Defending Against Wire Fraud**

To better serve customers, the Bank strengthens customer service management, protects consumers' rights, and promotes the establishment of a healthy financial ecology. Wire fraud has adopted more high-tech means and developed through more channels along the whole industrial chain. These new methods of fraud and increasing frequency of criminal activities are seriously threatening property security and the stability of the society. Through publicity and education, as well as skill training and account protection based on the *Announcement on Preventing and Cracking down on Crimes of Telecom Fraud* and *Notice of the People's Bank of China on Matters Concerning Strengthening the Administration of Payment and Settlement and Preventing New-type Illegal and Criminal Activities Related to Telecommunication Network*, we have advanced experience in the management of finance-related crimes and have accelerated the formation of a long-term governance mechanism. This effort is a result of combining the functions of anti-theft technologies and

civil defense, so as to enhance the prevention and control of internet or wire fraud.

### **Publicity and Education: Enhancing the Awareness of Fraud Prevention**

We used various forms of internet and traditional marketing, including posters and videos, typical cases sharing in accordance with the *Notice on Organizing the Publicity Month Activity about Cracking down on New-type Illegal and Criminal Activities Related to Telecommunication Network*, and the Publicity Month Activity through branch outlets, websites, WeChat, the “Six Visits” marketing campaign, to enhance customers’ ability to recognize and prevent fraud.

#### **Tips on Preventing Wire Fraud**

##### **Four Don'ts:**

Don't pay, don't assume, don't leak private information, don't click the link

##### **Eight Alls:**

Typical examples of fraud:

- Public security authorities asking for payment
- Requested payment to a “secure” account
- Payment for sweepstake prizes or rebates
- Request payment from unknown party on behalf of a family member
- Request of personal information or identification code
- Verify personal information
- Pose as coworker asking for payment

●Unusual web links



A senior citizen prevented from being a victim of fraud

**“Green Shield”: Protecting Account Security**

- One customer sets up one Category I account under the same phone number of his/her own ID number
- Non-counter transfer management which permits successful ATM transfer after a 24-hour hold
- Suspending non-counter transaction services after six months of inactivity
- Forbidding the leasing, borrowing, selling and purchasing of banking accounts. Suspending non-counter banking services for suspicious accounts (including restricting the opening of new accounts)
- Next day transfer allows successful transaction after a 24 hour waiting period

**Skill Improvement: Counter-fraud**

The Bank organized employees to read brochures and watch educational videos to further their understanding of the harm caused by wire fraud. Trainings on all types of frauds and preventive measures were held to enhance employees’ vigilance and prevention awareness. By strengthening coordination and cooperation with public security

authorities, we aim to jointly resist wire fraud.



### Competition on Knowledge against Wire Fraud

In 2017, the Bank actively protected against wire fraud, canceled 15,800 ATM transfers, detected 9,301 suspicious accounts, reported 49 criminal accounts to the public security department and stopped 23,287 wire frauds. We made great contributions to maintaining social harmony and stability and to protecting the property of customers, further establishing our reputation as a responsible state-owned bank brand.

## **ii. Protecting Customers' Rights and Interests**

The Bank lays emphasis on the protection of consumers' rights and interests. We strengthened the system and organizational structure for protecting customers' rights and interests, included the protection of consumers' rights and interests into the auditing process, and revised the *Administration of Audio and Video Recording in Sales Sections of Branch Outlets of Agricultural Bank of China* in accordance with the latest regulatory requirements to ensure operational compliance. Adhering to the principle of fairness, equality, honesty and credibility, we disclosed information about service prices, protected customer information, addressed complaints, stop-loss and provided compensation mechanisms, and cracked down on financial crimes to maximize the protection of customers' rights and interests.

### **1. Strengthening information security**

Acting in accordance with the *Law of the People's Republic of China on Protection of the Rights and Interests of the Consumers* and *Cybersecurity Law of the People's Republic of China*, we formulated *Agricultural Bank of China Implementation Plan for the Special Administration of Customer Information Protection*, *Agricultural Bank of China Regulations on Customer Information Protection* and *Agricultural Bank of China Implementation Plan for Network Information Security*, improved the long-term customer information protection mechanism, and adopted management and technical methods to better secure customer information.



Scan the QR code to learn more about financial consumers rights and benefits from *Xiaomo*

According to requirements stipulated in the *Circular on Canceling and Suspending the Charge for Basic Financial Services Provided by Commercial Banks*, the Bank canceled and suspended the charge for some basic financial services, further standardizing service fees for enterprises and protecting consumer rights and benefits.



Joint Campaign on 3·15 Consumer Rights Protection ( Photo by Wu Chaoqun from Xuhui Sub-branch, Shanghai)

## 2. Preventing financial crimes

The Bank established a systematic prevention and control system and a long-term mechanism to enhance employees' ability to prevent financial crimes, and made proper publicity about related knowledge

among customers, thus effectively preventing financial crimes and ensuring the security of funds and information of customers.

### **Measures for Preventing Financial Crimes**

●**Building an anti-fraud technology platform.** Collaborating with the Ministry of Public Security, National Development and Reform Commission, the People's Bank of China, China Banking Regulatory Commission, Supreme People's Court, General Administration of Customs and other related authorities to get access to information of concerned personnel and their account data and to effectively identify, monitor and prevent risks

●**Promoting judicial inquiry system.** Formulating the *Notice on Strengthening the Administration of the Judicial Inquiry System of Agricultural Bank of China*, organizing judicial inquiry training courses, and conducting judicial inquiry compliance inspections

●**Sharing information on the data platforms.** Collaborating with the Ministry of Public Security, People's Bank of China, Supreme People's Court, Ministry of State Security and General Administration of Customs to share information on the data platforms, so as to build an all encompassing network for cracking down on criminal activities

●**Establishing a rewarding mechanism for whistle-blowers.** Formulating the *Measures for Rewarding Whistle-blowers for Criminal Cases of Agricultural Bank of China (for Trial Implementation)* to encourage employees to voluntarily discover and promptly report all kinds of criminal activities

### **Anti-money laundering**

The Bank strictly abides by requirements stipulated in the *Opinions on Improving the Regulatory Systems and Mechanisms for Fighting Against Money Laundering, Terrorist Financing and Tax Evasion*, *Anti-money Laundering Law of the People's Republic of China* and *Counterterrorism Law of the People's Republic of China* and other laws and regulations while promoting centralized, professional and systematic reform of anti-money laundering work, continued to conduct customer identification and due diligence, and has effectively promoted the monitoring of high-value transactions and suspicious transactions. We assisted the judiciary in carrying out inquiries and freezing of assets, and organized anti-money laundering and sanction compliance training, all of which played an important role in safeguarding national security and social stability.



2017 Anti-Money Laundering and Sanction Compliance Management  
Leadership Training for the Board of Directors, Board of Supervisors and  
Senior Management from the Head Office

**Anti-counterfeit Currency**

We intensified the anti-counterfeit training and professional

accreditation for bank tellers to improve their skills for identifying counterfeit currency; validating serial numbers and recording the serial number of each deposit and withdrawal to provide technical support for public security agencies to resolve disputes and detect criminal activities related to counterfeit currency; by setting up counterfeit currency monitoring stations in business outlets with large cash flow, we provide support for the nationwide counterfeit currency monitoring and detection of counterfeit currency-related cases.

### **iii. Providing High-quality Customer Service**

To better serve customers, the Bank integrates service resources, improves facilities and equipment, and provides innovative services. We are committed to setting ourselves as an example in the industry and building our brand image by offering better customer service.

#### **1. Upgrading branch outlets**

The Bank released the *Opinions on Further Strengthening and Improving the Service and Management of Branch Outlets* to improve the distribution of branch outlets as well as their service.

The Bank has established a comprehensive business platform covering fund management, securities and investment banking, financial leasing, life insurance, and equity swaps, and has been continuing to implement the comprehensive business strategy.

By the end of 2017, 22 overseas branch outlets and one joint-venture bank have been established in 17 countries and regions, forming a core network of overseas institutions covering five continents. In the 2017 brand building campaign organized by the China Banking Association, 13 branch outlets of ABC, such as the business department of Wenzhou Branch of Zhejiang, received the title of Exemplary Unit of Chinese Banking Service and two branch outlets won the Honorable Mention.

#### **Measures taken to improve service quality**

**Improving service skills.** Organized the “My Service Story” contest: an event that collected and published internal customer service case studies to create an atmosphere where “everyone is involved to offer good suggestions for service improvement”

**Setting a good example.** Created a list of the best branch outlets as rated by the China Banking Association; conducted the selection of outlets which meet the requirement of “beautiful environment, excellent service, high efficiency and zero complaint” and the selection of “Outstanding Lobby Managers” to give play to the leading role as an exemplar in the industry

**Strengthen supervision and inspection.** Organized and recorded spot inspections made by plain-clothes staff; provided channel for providing feedback on customer service; established teams of young interns to experience the services offered by branches and put forward suggestions for improvements; conducted surveys on service satisfaction among customers and employees of major branches, and realized a customer satisfaction rate 89.2 points, a year-on-year increase of 2.7%



A cordial reception at an ABC branch

By integrating information technology and traditional banking business, the Bank has created an internet-based financial service

platform with its own characteristics, aiming to improve financial services that are more intelligent.

### **“Smart Finance” Service**

**ATMs with facial recognition** — When customers withdraw money, the machine will conduct facial recognition based on previously recorded customer data. It then verifies the customers’ account information, including mobile phone number, ID card number, and the transaction password. Customers do not need to bring a bank card and can directly withdraw their money. As of the end of 2017, 30 branches added facial recognition function to 6,672 ATMs.



Scan the QR code to watch the report of Chinese Business News on  
ABC’s ATMs with facial recognition functionality

**Intelligent robot** — A multifunctional robot greets customers and provides them with information about our business. As an assistant to the lobby manager, the robot is equipped with facial recognition technology, which enables it to identify customers as well as their age with its integrated camera. It can help customers register for cards, deposit, withdraw and transfer money, as well as with their wealth management services.

**Super counter** — It can provide customers with a full range of services covering more than 50 personal non-cash service items, which

greatly reduces waiting time.



Publicity of the facial recognition function at an ABC's outlet (Photo from Qingdao Branch)



Assisting the customer with the “super counter” self-service kiosk (Photo from Fujian Branch)

## 2. Innovative products and services

To meet the diverse needs of each client, the Bank closely follows the trend of internet finance. We help our clients tap the diverse capabilities of financial resources, support purchasing and loan application, and provide them with abundant products and services. In 2017, the Head Office launched a total of 608 products, an increase of 48 products compared with the previous year. Moreover, the Bank launched

351 product innovation projects, of which 103 projects were implemented by the Head Office and 248 by branches.

### **Product and Service Innovations**

**Creating an integrated innovation management system.** The innovation management system integrates product innovation collection, innovation transformation, and sharing of the products of the Head Office and featured products of branches via closed-loop management that relies on the Bank's product information. This acts as an incubator for internal product development, similar to start-ups in the private sector.

**Building the platform for mass innovation.** The "ABC e-innovation" system is a platform for product innovation that applies technology, enhances innovation, and disperses innovation throughout the Bank and improves the incentive mechanism for innovation by setting up special rewards and bonuses.

**Establishing the product innovation repository platform.** Promoting the sharing of information about the latest innovative products, so that they can be spread and promoted to all sectors of the Bank in a rapid manner, further improving product innovation ability of the Bank.

**Exploring the "IT dual-model" mechanism for product research and development.** Establishing the dual-model mechanism for product R&D, which contains the agile iterative R&D model for financial technology innovation and product R&D in order to quickly respond to the changes in customers' demand and enhance product

R&D efficiency and customer experience; applying the dual-mode mechanism to product development in the field of internet finance to adapt to the rapidly changing business environment.

### **Case: ABC and Baidu established the “FinTech Joint Laboratory”**

The financial technology which features big data and artificial intelligence technology is playing an increasingly important role in the business development and internal management of commercial banks. On June 20, 2017, ABC and Baidu signed a strategic cooperation agreement and co-established the “FinTech Joint Laboratory”. Based on the complementary advantages and strengths of the two parties, the Bank and Baidu will create creative products and services to meet diversified customer demands.



Conducting strategic cooperation with Baidu

*“As one of China’s largest and most strategically positioned financial enterprises, Agricultural Bank of China is the leading practitioner of inclusive finance. At the same time, Baidu owns the world’s most advanced artificial intelligence technology. Finance is a key sector for the application of AI technology, and through collaboration in AI Fintech (AI+financial technology), ABC and Baidu*

*will usher in an era of intelligent finance for the banking industry.”*

--Robin Li, CEO and founder of Baidu

### **Payment Method Innovations**

**Aggregate payment** — The Bank now supports more than 170 applications in the market, including mainstream payment tools such as Alipay, WeChat, UnionPay, Jingdong and Meituan, as well as APPs of 14 commercial banks, including ICBC, ABC, BC, CCB, BoCom, and so forth. The Bank generates only a QR code for each customer (the QR code is installed on the checkout counters), and the customer is free to choose any payment tools on his mobile phone to scan the code and complete the transaction.

**UnionPay QuickPass** — We added Huawei Pay and Mi Pay to our payment portfolio, which had already included Apple Pay and HCE. After binding their credit card or debit card on Huawei Wallet and MI-Wallet applications, customers are able to complete transactions by simply swiping their mobile phones.

### **Major Product Innovations of ABC in 2017**

#### **•Personal banking service**

#### **“Credit Currency”**

Credit Currency provides customers with virtual credit account service, covering online and offline consumption, installment and overdraft transfer, etc. The application for the service is rather simple. Customers can enjoy the convenient service immediately through

ABC's mobile APP.

**“ABC Campus Loan”**

By taking advantage of information technology, we offer full-time undergraduates and graduate students micro-loans to support their daily expenses, business ideas, training programs, etc. The service is processed online with high efficiency and outstanding customer experience. It was introduced to provide a better campus financial market for college students and to provide them with safe, high quality financial services.

**•Banking services for small and micro enterprises**

**Data network loan – “Cloud chain” loan**

Customers can borrow and repay a loan instantly at an amount determined in line with the sum of the amount hashed between the upstream/downstream customer and the core enterprise. This service features intelligent decision making, credit-based lending, nationwide coverage, customized financing and automatic process.

**•Credit card service**

**PhoenixMiles (co-branded) Credit Card / China Southern Sky**

**Pearl (co-branded) Credit Card**

The Bank issued the PhoenixMiles (co-branded) Credit Card with Air China and issued the China Southern Sky Pearl (co-branded) Credit Card with China Southern Airlines. The two cards integrate financial functions and business travel services.

**3. Responding to complaints proactively**

The Bank has several support channels for customer issues,

strengthened the analysis and management of customer complaints, and improved the complaint handling efficiency and customer satisfaction degree. In 2017, we received 46,200 complaints from customers with 100% of them properly handled, received 126 million calls via the customer service center, 105.48 million of which were handled by customer service staff with a completion rate of 83.76%, and realized an overall customer satisfaction degree of 98.84%. In 2017, the Bank won the “Customers Service Collaboration Award” issued by China UnionPay.

### **Complaint Management Mechanism**

●**Analyzing and discussing customer complaints.** Formulating the *Measures for the Management of Complaints from Personal Customers of the Agricultural Bank of China (for Trial Implementation)*, establishing a special meeting system, holding regular special meetings and researching customer complaints and suggestions as well as problems detected through investigations

●**Enhancing the joint management of service and solutions.** Amending and improving the *Measures for the Joint Management of Customer Service at the Agricultural Bank of China*, realizing integrated management of customer service and customer solutions and enhancing the complaint protocol



Agricultural Bank of China 95599 customer service center



Scan the QR code to listen to the dulcet voice from our customer service center

**Case: Recovering customer's loss promptly**

Criminals have numerous means of defrauding others. Some customers are easily induced and they prone to complain to the bank after suffering money loss. The Bank analyzed and solved problems from the customer's point of view, guided customers patiently, appeased customers' mood and provided solutions as soon as possible, so as to help customers recover their loss in a timely manner.

In 2017, our customer Ms. Zuo notified customer service center about unauthorized activity on her account. The representative quickly reversed the unauthorized transfer through the banking system after

verifying her information. Then Ms. Zuo was told when the amount will become available again in her account. The efficient work of the customer service representative prevented the customer from being a victim of fraud.

## **V. A Guide to Lead Employee Career Paths**

- 487,307 in-service employees, with 8,007 in major domestic subsidiaries and 812 employees in overseas subsidiaries
- 10,907 university graduates and college-graduate village officials newly recruited, with an increase of 3,046 from the previous year
- Female employees make up 46.6% of total employees
- The percentage of employees that are trade union members is 100%
- Holding 29,900 training classes
- Training 1.61 million employees
- Assisting almost 30,000 employees

### **i. Responsibility Focus: Power of Role Models**

Adhering to “Stressing both integrity and ability with the integrity as the foundation; respecting and selecting talents based on performance”, the Bank keeps encouraging employees with the role models, guiding employees to learn from them and improve themselves, through which we pass on positive energy and inspire society. Employees of ABC perform their duties with a cautious and conscientious attitude and in a practical way, work hard and are ready to take on responsibilities. Many of them are role models who have been honored with the National May 1 Labor Medal and excellent members of the CPC of China, which demonstrates the good character and quality of ABC employees and creates a good social atmosphere.

#### **Dedication – Holding a post in the snow-covered plateau**

Dawa, Vice-operation Manager of Shiqu County Sub-branch of ABC in Sichuan province



Located in Garzê Tibetan Autonomous Prefecture in the northwest of Sichuan province and at the junction of Sichuan, Qinghai and Tibet, Shiqu county, the “life exclusion zone”, has an average elevation of 4,568 meters. Despite the difficult life and working environment, Dawa constantly strives to improve his skills, fulfill job responsibilities, and improve the service quality of his branch.

Because of long-time working and living in the cold plateau, Dawa suffers from serious pleurisy and pleural effusion, and his health continues to worsen. However, he keeps performing his duty and carefully provides business service with a more dedicated attitude after the surgery. As a member of the CPC, he gets to the grass-roots, and promotes the “getting close and getting in pairs”. He has visited more than 3,000 herdsmen and monks, provided translation service for over 3,000 times, and made great contributions to social stability of Shiqu county. In 2017, Dawa attended the 19th CPC National Congress as a representative of financial industry, and listened to President Xi’s report.

*“As a member of the Party in ABC, I will further study and pass on the spirit of the 19th CPC National Congress and devote myself to learning banking business and skills so as to provide better financial services to people in Tibet.”*

## **Passing down the spirit of craftsmanship – a role model of responsibility fulfillment**

Wang Dongyun, Vice General Manager of Business Department of Wujin Sub-branch of Changzhou Branch of ABC



### **The spirit of craftsmanship**

Wang Dongyun created a new way of counting cash by shaking right arms, which has been commonly used in financial skills competition. In 2017, she went to the “Impossible Challenge” show of China Central Television in CCTV-1. She completed the task of counting cash by listening to the sound, and succeeded in the challenge on the first try, showing the charm of craftsmanship in China.

### **Carrying forward the spirit of the role model**

Wang Dongyun gives training and careful guidance of cash-counting skills to new employees of the Jiangsu Branch and her apprentices. She believes, “counting cash is a basic skill in our bank. I would like to be a pioneer and train more apprentices to help them master the skill, so that the cash counting skill in ABC can be improved and the spirit of craftsmanship can be passed down”.

### **Great achievements**

Wang Dongyun has won the cash-counting championship in the national competition of ABC, the National May 1 Labor Medal and the title of an excellent member of the CPC of China. Che Yi, her apprentice, won the championship of counting cash on “single finger for single counting” in the national competition of ABC in 2015, and won the crystal trophy on the episode “Cash-counting talents” of the CCTV show “China Talents”. In 2017, the “Wang Dongyun Model Worker Innovation Workshop” named after her was awarded as the “National Financial System Model Worker (Excellent Skilled Talents) Innovation Workshop”.

### **Customer safety**

Wei Shiming, Lobby Manager of the Litang Sub-branch of ABC in Binyang County in Guangxi Province



ABC provides safety training including how to react to a robbery, aiming to raise their awareness of safety risk prevention and improve their emergency management ability in the face of dangerous events. There was a robbery in the Litang Sub-branch in Binyang County of Guangxi in April 2017. The lobby manager, Wei Shiming, stayed calm in face of the robbery and immediately dispersed the crowd. He was then able to help subdue the suspect 10 minutes later. He safeguarded

people's life and property, and contributed to social security and stability.

Wei Shiming won the title of “Advanced Individual Acting Voluntarily to Help Others in Danger” and the “May 1 Labor Medal of Agricultural Bank of China in 2017”. His experience has been broadcasted in mainstream media including the “CCTV news” and “CCTV-Live News”, winning appraisal from the public.



Scan the QR code to watch how the ABC hero fight against the robber

*“Employees in Litang Sub-branch in Binyang County stayed calm in face of dangers and bravely fought against the robber, they show the heroic quality of our employees and deserve respect and praise.”*

--Zhou Mubing

**Devoting to “Sannong” – Responsibility fulfillment for rural revitalization**

Yan Jieshi, “Sannong” Customer Manager of “Sannong” Business Center of the Lankao County Sub-branch of ABC in Henan province



### **Growing up in the countryside made him tough**

Yan Jieshi upbringing in rural China has improved his level of resiliency. Whatever the season or weather is, he is always the first to come to work and the last one to go home. As he keeps doing that year in and year out, the colleagues call him “iron man”. He overcomes the difficulties of lower education background and is proficient with office software and systematic management and operation of business.

### **Going to the countryside, he is dedicated to his duty**

Yan Jieshi strictly follows regulations for every loan transaction he deals with, sticking to his principles. He consciously eliminates privileges with regulations, closes regulation loopholes, and controls risks. He does a great job in completing the management goal of providing loans and avoiding the granting of non-performing loans.

Since he became the customer manager for farmer loans of the Lankao County Sub-branch in 2008, Yan Jieshi has provided 4,452 loans of RMB 116.2 million to farmers. He has visited over 200 villages around the county, and helped 1,500 farming households solve funding problems. Loans he issued to farmers accounted to 58% of the total farmer loans in the Lankao County Sub-branch. He has won the title of “Spirit of the Iron Man” awarded by the Head Office, and the

honor of “May 1 Labor Medal” and “Top 10 Good Customer Managers”.

## ii. Protecting Rights and Interests of Employees

Protecting rights and interests of employees serves as the foundation of stable development for the enterprise. Advocating a people-oriented approach, ABC strives to provide stable jobs and fair compensation, improve the social security system for employees, and provide a healthy work schedule.

### 1. Labor relations

In strict compliance with the national labor laws and regulations, ABC has actively performed its legal obligations, developed the *Administrative Measures on Labor Contract*, and adopted a contract system. ABC is firmly opposed to employment discrimination, forbids recruitment of child laborers and treats employees with different nationalities, religious beliefs and cultural backgrounds and of different races and genders equally and fairly. By the end of 2017, ABC had 487,307 in-service employees in total, including 10,907 newly recruited university graduates and college-graduate village officials, which increased 3,046 from the previous year. There are 8,007 employees in major domestic subsidiaries and 812 local employees in overseas institutions.

Master's Degree or higher	5.2%
Bachelor's Degree	46.2%
Associate Degree	30.5%
Vocational school or lower	18.1%

### 2. Democratic values

Valuing suggestions of employees for company development and

management, ABC improves its democratic management system, strengthens communication with employees, and safeguards the employees' right to participate in democratic decision making, democratic management and democratic supervision so as to inspire the enthusiasm to engage in enterprise management. In 2017, the percentage of employees joining the trade union reached 100%.



The first session of the third workers' (members') representative conference held in Inner Mongolia Branch



Employees votes on items concerning vital interests of employees in the workers' (members') representative conference of Guangxi Branch

### 3. Compensation and welfare

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 and improved the compensation and welfare structure. 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. We optimized the management mechanism for retirement plans and stuck to prudent investment and lean management so as to ensure the retirement benefits of employees. By the end of 2017, the Annuity Scheme and Retirement Benefits Fund amounted to RMB 92.9 billion, with yields of 6.6% and 5.5% respectively.

### **iii. Promoting the Development of Employees**

#### **1. Career development**

Concerned about the career development of employees, ABC sets up platforms for employees to develop and improve themselves. According to the principle of “equivalent level, quantity control, cross promotion and full empowerment”, ABC has improved its job placement system, and provides both horizontal and vertical career opportunities. Following the trend of comprehensive development, informatization and international development, we have started the international employee cultivation program and expanded our development of new employee into new areas.

#### **Case: Allowing multiple paths for career development**

In 2017, ABC has fully implemented the *Opinions on Deepening the Reform on employee Development Mechanism* and *Opinions on Strengthening the Construction of Professional Posts*, and created multiple paths for career development of employees.

- **Putting reforms into practice.** Organizing two sessions of recruitment events for high-level professional posts, selecting 145 senior experts and around 2,200 experts and senior specialists, developing an employee development structure divided into two types: management and skilled, and mobilizing the enthusiasm, initiative and creativity of all employees
- **Improving the employee development mechanism in grassroots banks.** Formulating the *Guiding Opinions on Improving the Post Setting in Tier-1 Branches and Business Outlets*, and *Notice on*

*Strengthening Development of Professional Posts of Branches, and developing the “1+4” career development channel for outlet leaders, customer managers, wealth management managers, wealth consultants and counter managers in order to inspire the initiative of grassroots employees*



Creating high-quality service culture (Photo from Liuzhou Sub-branch, Guangxi province)

**Case: Expanding the development of young employees in counties (2.0)**

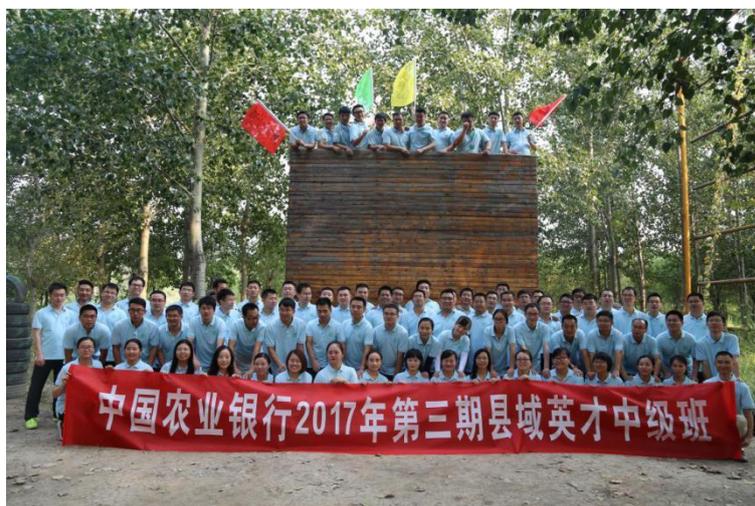
ABC attaches much importance to expanding the development of young employees, and carries out the project of expanding the development of young employees in counties (2.0) in 2017. ABC held four training seminars for young employees in counties and two training seminars for rural customer managers.

*“Young people are faced with many good opportunities. The point is to make steady progress, strengthen the foundation, make unremitting efforts, and take the hardship as an opportunity to improve yourself.”*

--President Xi Jinping

*“Young employees in counties will be the new generation of leaders of ABC to serve ‘Sannong’ and the pioneers in building a world-class commercial banking corporation.”*

--Zhou Mubing



Training class for young employees in counties

## 2. Ability training

Furthering the development of ABC-University, ABC has developed special courses and innovated teaching methods, striving to build its own brand of education and training. Furthermore, ABC also expands training channels, gathers training resources and develops training methods. We have strengthened theory training with its core of studying and implementing the underlying principles of the 19th National Congress of the CPC, and enhanced business training with a focus on business transformation and financial technology, so as to help employees to improve their knowledge and work abilities. By the end of 2017, we have held 29,900 training classes that trained 1.6 million employees.

**Implementing hierarchical and specialized training**

- **For managing personnel:** carried out rotational training in the spirit of the 6th Plenary Session of the 18th CPC Central Committee; started the rotational training for studying and implementing the underlying principles of the 19th National Congress of the CPC; held overseas advanced training projects to improve leadership, financial technology and innovation, as well as risk management
- **For professional employees:** held special trainings about financial consultants, rural customer managers and transfer of tellers; promoted the integrated training in “production, training and research”; completed 110 special training programs that trained 6,198 employees
- **For grassroots staff:** regulated job qualification tests; organized 189, 000 people from 30 business groups and 80 different positions to take part in the placement tests with a passing rate of 81.9%, up by 3% year-on-year



Zhou Mubing, Chairman of ABC, gives a Party lecture in our Fuping Branch (Photo by Jing Lurong from Fuping Sub-branch, Shaanxi)

province)



Cooperating with Lausanne International Business School to train the  
core management team of ABC

#### iv. Caring for Employees

ABC shows concern for the physical and mental health of employees, provides help for the employees in need, continuously promotes corporate culture development, and enriches the life of employees, which strengthen the solidarity of the enterprise.



Holding a symposium of young employees to learn about needs of employees (Photo by Xiong Bin from Wuhan Training Institute of ABC)

##### 1. Occupational health and safety

In compliance with the requirements of laws and regulations about national occupational health, ABC has established and implemented a staff health examination system, strengthened labor protection for employees, and set up the Internet plus health management platform. ABC also has developed psychological health APP for employees to seek online consultation and complete online tests, released psychological electronic journals every month and regularly organized first aid training and lectures on psychological health. By doing this, ABC popularizes the occupational health and safety knowledge and creates a comfortable and safe environment for employees. In 2017, ABC has compiled and released 5,000 copies of *The Guidebook on Caring for Psychological*

*Health of Employees*; there was no occupational disease or acute poisoning incident and no injury or death incurred on the job.

In 2017, the Head Office dining hall passed reexamination of central authorities and received the title again of “Healthy Mess Hall of Central State Organizations”.

## 2. Special help

ABC offers centralized assistance, expands the channels for providing assistance, and offers assistance to special groups including employees disabled due to injury suffered on the job or the family members of the employees who died in line of duty, model workers, single mothers, and victims of disasters. We have organized activities during New Year’s Day and Spring Festival. In 2017, we have helped almost 30,000 employees in need.

ABC protects the legitimate rights and interests of female employees, organizes lectures on women’s health and provides special health care allowance and health examination to help female employees prevent diseases. ABC also innovates in setting up the nursing rooms for mothers. In 2017, the Head Office has completed special health examinations for almost 1,500 female employees.



Festival greetings to female employees (Photo from Shenzhen Branch)



Setting up the nursing room (Photo from Gansu Branch)

### 3. Healthy work-life balance

ABC encourages employees to balance work and life, increases its investment in development of culture, life and healthcare, improves places for employees' cultural activities and creates a positive and energetic environment. We have organized various recreational and sports activities such as fun sports meetings, calligraphy and photographing activities, to enhance the interaction among employees and enrich their cultural life.



Fun sports meeting of ABC-competition of setting-up exercises to music  
 (Photo by Huang Shurong from Taizhou Branch, Jiangsu province)



The Calligraphers Association of ABC organizes the activity of  
 “extending culture to grassroots”



Zhang Liang climbs to the peak of Nanga Parbat in Pakistan (Photo by Zhang Liang from Shenzhen Branch)



Employees honor revolutionary martyrs (Photo by Huang Yuanzhen from Fuzhou Branch, Fujian province)



Holding original song competition (Photo by Laing Zhiqiang from Yunnan Branch)



Holding the art festival of employees (Photo by Tang Lifeng from Suzhou Branch)



The ABC team wins the first place in team total score in the Third Workers' Sports Meeting of National Financial System

## **VI.A Pioneer to Facilitate the Social Harmony**

- Donated a total of RMB 44.11 million to various causes, of which 37.01 million were used for public welfare
- 56,000 registered young volunteers provided 197,000 hours of volunteer service, involving 80,000 person-times
- Organized 25,000 activities for the popularization of financial knowledge with more than 14 million participants
- Carried out over 24,000 home visits as part of the Financial Knowledge Going into Thousands of Households campaign, benefiting nearly 19 million people

### **i. Responsibility Focus: Assistance for Women in Poor Areas**

Ending poverty and improving the well-being of people are key actions to build a prosperous society and realize the goals of the 2030 Agenda for Sustainable Development. The Bank is committed to improving the quality of life for women in poor areas and becoming a “cultivator” of a beautiful China and “booster” of the Chinese Dream.

#### **Our Aim**

Many women in rural areas live in poverty, lack income sources, and have little access to basic social welfare such as education and health care. To help poor mothers and their families solve difficulties, and to enhance their confidence in life and ability to seek self-development, the Bank actively supports the development of women’s welfare projects.

#### **Our Actions**

We support projects that promote women’s well-being and have

cooperated with China Women's Development Foundation, including projects that offer women interest subsidized loans to help kick start financial independence including "Water Cellar for Mothers", "Spring Bud Project", "Small-Sum Loans with Interest Subsidy for Rural Women", "Postal Parcel for Mothers", "Healthy Mother Express", etc.

### **Public Welfare Model**

**Targeted research:** supporting the research on mothers in poverty and the collection and confirmation of their names and addresses

**Cross-industry cooperation:** strengthening the cooperation with China Women's Development Foundation and China Post, etc., to explore long-term working mechanism; encouraging departments at all levels and branches to raise funds

**Diversified publicity:** actively participating in projects like "Water Cellar for Mothers" and "Healthy Mother Express" that will foster empathy and understanding, so that more women in poverty can get support and aid

### **Project Features**

**Poverty alleviation:** helping mothers in poverty increase their incomes and improve the financial situation of their families by making small loans directly to individuals and supporting them in obtaining employment; taking Hui Nong Cards as the carrier to promote branches and local organizations, such as Women's Federation, Bureau of Finance, etc. to carry out cooperation on women's discount loan, and support women's entrepreneurship in villages and towns

Typical projects: "Small-Sum Loans with Interest Subsidy for

Rural Women”, “Postal Parcel for Mothers”

**Educational improvement:** reducing the illiteracy rate among poor mothers, or support girls to go back to school

Typical projects: “Spring Bud Project”

**Disease treatment:** helping poor mothers examine and treat common gynecological diseases and providing them with reproductive health-care services

Typical projects: “Healthy Mother Express”

SDGs	ABC’s Representative Projects
1.No Poverty	“Small-Sum Loans with Interest Subsidy for Rural Women”
3.Good Health and Well-Being	“Healthy Mother Express”, “Postal Parcel for Mothers”
4.Quality Education	“Spring Bud Project”
5.Gender Equality	“Small-Sum Loans with Interest Subsidy for Rural Women”, “Spring Bud Project”
6.Clean Water and Sanitation	“Water Cellar for Mothers”

### **Our Achievements**

In 2013, we donated RMB 10.94 million to “Postal Parcel for Mothers”, the public welfare program launched by China Women’s Development Foundation, helping nearly 80,000 poor mothers and their families in 17 provinces and autonomous regions in central and western China, including Tibet, Qinghai, Ningxia, Xinjiang, Gansu, etc.

During 2014 and 2015, the Bank donated RMB 8.60 million to China Women’s Development Foundation for the purchase of 70 vehicles for “Healthy Mother Express” vehicles, which were then dispatched to 8 provinces and regions, including Qinghai, Guangxi, Jiangxi, Hubei, Inner Mongolia, Hebei, Hunan and Xinjiang Production and Construction Corps. Our donation promoted health publicity, general examination of gynecological diseases and emergency rescue, helping nearly 200,000 women in total.

Giving our support to “Water Cellar for Mothers” and “Healthy Mother Express”, the Bank donated RMB 5 million to China Women’s Development Foundation in 2017. Also, we launched the “Clean Drinking Water” project in 10 schools and donated 32 vehicles to “Healthy Mother Express” for poverty-stricken areas in Chongqing, Hebei, Guizhou, Jilin, Yunnan, Gansu, etc.

*“My house and all I had were destroyed by the floods. It is “Postal Parcel for Mothers” that brought me hope.”*

--Yang Yuncai, victim of the “8.25” flood in Tuanjie Township,  
Yongshan County, Zhaotong

In 2017, ABC was awarded the Best Manager Award for Social Responsibility, Award for Financial Institution with Most Social Responsibility, Best Outlet Award for Special Contribution to Social Responsibility, and Excellent Project Award for Public Charity.

## **ii. Popularizing Financial Knowledge**

People's lives have become increasingly associated with financial activities. In order to popularize financial knowledge such as anti-counterfeiting, anti-money laundering, fraud and illegal fund-raising prevention, as well as improve public financial literacy and raise people's awareness of financial risks, the Bank formulated *The Plan of Financial Knowledge Popularization 2017*, and organized relevant activities such as "Financial Knowledge Popularization Month", "Financial Knowledge Going into Thousands of Households" and "Great Journey for Popularizing Financial Knowledge". In 2017, the Bank conducted over 100,000 various financial knowledge popularization activities, and distributed 27.70 million publicity materials to 57 million people.

### **Financial Knowledge Popularization Month**

In September 2017, the Bank launched the "Financial Knowledge Popularization Month" campaign with the theme of "popularizing financial knowledge, improving financial literacy, preventing financial risks, co-developing financial harmony", where we conducted 25,000 activities involving more than 14 million people and distributed over 7.66 million publicity materials. The campaign was viewed more than 1.80 million times on WeChat and reported by the media 879 times.

ABC Changhuncun Training Center performed good during the "Financial Knowledge Popularization Month" campaign and was honored the title of Advanced Unit for Financial Knowledge Popularization in 2017.



Popularizing anti-counterfeit money knowledge (Photo by Ji Ming from Xinjiekou Sub-branch, Jiangsu)

### **The Financial Knowledge Going into Thousands of Households campaign**

In 2017, The Head Office and branches of the Bank worked together to popularize financial knowledge in schools, communities, and enterprises, and for people living in plateaus and rural areas. More than 22,000 branch outlets participated in or carried out over 24,000 activities for more than 19 million people and distributed over 7.77 million publicity materials. The Bank was selected by CBRC as an exemplary unit for its contribution to the Financial Knowledge Going into Thousands of Households campaign.



Bringing financial knowledge to schools (Photo by Ma Cunguo from Pingxiang Sub-branch, Xingtai, Hebei province)

### **Great Journey for Popularizing Financial Knowledge**

From July to September 2017, the Bank launched the “Great Journey for Popularizing Financial Knowledge” campaign with the specific themes of “Payment and Settlement Account Safety Promotion Month”, “Electronic Intelligent Service Promotion Month”, and “Telecommunications and Internet Fraud Prevent Promotion Month”, distributing over 12 million publicity materials and receiving over 24 million consumers. Due to the remarkable success of the campaign, ABC was awarded by China Banking Association the Best Performance Award for the undertaking.



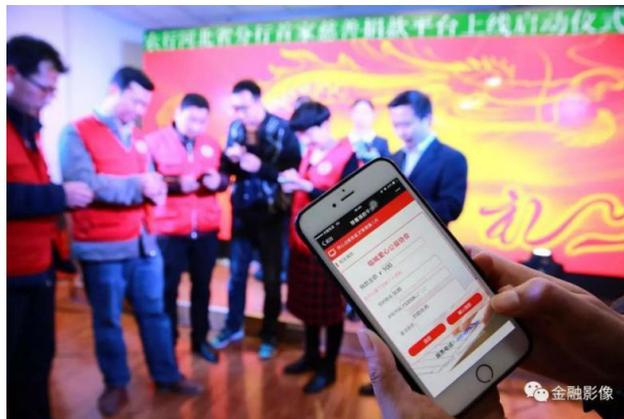
Teaching cash counting methods to officers and soldiers (Photo from Jiangxi Branch)

### iii. Supporting Community Development

The Bank actively participated in public and volunteer services within communities, and contributed to the country and social development. As of the end of 2017, the Bank donated a total of RMB 44.11 million (donations officially made by all domestic branches, excluding those by employees), of which 37.01 million were used for public welfare.

#### 1. Promoting public welfare with financial characteristics

The Bank advocates the concept of “micro-public welfare” and cooperates with the community to build a platform for public participation in public welfare undertakings. We integrate public welfare actions and our business development to contribute to the establishment of a public-service brand with financial characteristics.



The first online platform for charitable donation launched by Hebei Branch (Photo by Gao Hongshui from Xingtai Sub-branch, Hebei province)

#### **Case: “Small Credits • Big Dream” Public Welfare Program**

The Bank has created a donation platform “Small Credits • Big Dream” as part of its public welfare program in 2015. This platform

allows ABC credit card holders to pool “charity points” together and converted into the public welfare funds to support various causes and programs , including the Hope Project, Health Growth of Left-behind Children and environmental protection. As of the end of 2017, a total of RMB 2.17 million of funds were raised. In the past two years, the program helped 222 classes of rural primary schools set up libraries and subsidized 400 at-risk children to complete their studies. By far, more than 10,000 students benefited from the program. In the Beijing-Tianjin-Hebei region, nearly 1,000 Mu of “ABC youth forests” were constructed as a part of our commitment to contributing to ecological progress and building a beautiful China with ABC’s youth volunteers.



“Small Credits • Big Dream” in Shanghai (Photo by Zhang Bingmeng from Minhang Sub-branch, Shanghai)

## 2. Youth volunteer services

The Bank formulated *The Articles of ABC Youth Volunteer Association* and *The Management Measures of Young Volunteer Registration* to give full play to the dedication of young employees, and guide them to care for others, love society and protect nature. In 2017, volunteer activities were carried out to help left-behind children and

sanitation workers, blood drives, as well as provide student subsidies. More than 80,000 young volunteers participated in the services totaling more than 197,000 volunteer hours.



Volunteers visiting left-behind children on Children’s Day (Photo by Zhang Junmin from Ningbo Branch, Zhejiang)

**Case: Setting up “Loving Care Lounge” for Sanitation Workers**

Beautiful urban environment would not be possible if there were no sanitation workers. However, they often face difficulties in getting drinking water, places to rest and hot meals. Therefore, the Bank makes full use of the large number of branch outlets and has set up lounges for sanitation workers. In 2017, more than 633 lounges were set up at 21 branches, of which nearly 196 lounges were established at branches in counties.



Shunde Branch, Guangdong sets up Sanitation Workers Post to provide a rest area for the surrounding sanitation workers

### **Case: Employees at the “Gold 100 Seconds”, Sharing Experience of Helping the Visually Impaired**

On the night of December 24, 2017, Tan Xu and Xu Zhi, members of the volunteer group, took the stage of the “Gold 100 Seconds”, a TV show aired by CCTV3. The two employees of ABC narrated the experience of helping the blind and showed their talent. As of the end of 2017, the volunteer group had presented 48 movies to visually impaired people.



Scan the QR code for the clip of our volunteers at the “Gold 100 Seconds”

#### **iv. Providing Relief to Disaster Areas**

The Bank is quick to act in event of disasters, carries out rescue missions and provides financial support to affected areas.

##### **1. Disaster relief**

When disaster strikes, the Bank assumes its responsibilities and promptly initiates the disaster emergency response mechanism and rapid rescue plan to participate in rescue operations. In 2017, the Bank conducted rescue operations for typhoon “Hato” in Guangdong Province, floods in south China, the earthquake in Ludian, mudslide in Maoxian County, Sichuan Province and the earthquake in Jiuzhaigou, Sichuan Province.

#### **ABC’s Natural Disaster Response Mechanism**

1. Initiating emergency response plan and setting up the disaster relief group responsible for the unified arrangement and command of relief operations
2. Inspecting the affected branches in disaster areas and visiting local employees; examining the damage to personnel, property and other aspects; comforting affected staff and preventing secondary disasters
3. Resuming business to ensure the normal operation of self-service equipment
4. Opening up expedited channels to provide organizations and people in disaster areas with quick financial service
5. Formulating special financial relief programs based on the research on the financial needs of affected areas
6. Coordinating with local electric power and water supply

organizations to guarantee logistic support and production recovery

7. Briefing People's Bank of China and China Banking Regulatory Commission after verifying damage



The president of ABC Zhao Huan visits the employees engaged in the financial service for the disaster area (Photo by Shen Xizhi from Hunan Branch)



Employees combat the flood (Photo from Rongshui Sub-branch, Guangxi province)

**Case: An Employee of ABC Saves the Life of Tourists when Earthquake Struck**

On August 8, 2017, Han Shengbiao, who worked for the Department of System Operation and Management of the Data Center, and his family experienced an earthquake during their trip in Jiuzhaigou. Their bus was hit by rocks. Immediately after finding a safe spot for his family, Han bravely turned to rescue injured passengers who remained in the bus. Then, Han and his wife who was a doctor helped treat the injured passengers. In 2017, Han was awarded “Excellent Party Member of Agricultural Bank of China”. Meanwhile, the Bank was awarded “Shanghai Advanced Group of Righteous Behavior and Courage” by the Shanghai Foundation for Righteous Behavior and Courage and the Shanghai Review Committee.



Han Shengbiao at work

## 2. Post-disaster reconstruction

For post-disaster reconstruction, the actual needs of people afflicted by disasters need to be addressed. As a financial institution, the Bank assumes its responsibilities, helping enterprises in disaster-affected areas resume production and supporting the restoration of infrastructure.



Employees of ABC engage in the post-disaster relief (Photo from Zhuhai Branch, Guangdong province)

**Case: Providing Effective Financial Services for Earthquake Relief Work**

After the earthquake in Jiuzhaigou, the Bank promptly repaired facilities and resumed operations when communication was interrupted and branches were damaged. On the first day after the earthquake, 286 deposits totaling RMB 5.4 million were processed for the people in the quake-stricken areas; 279 deposits were withdrawn, amounting to RMB 5.19 million. In addition, 23 disaster relief expedited channels were successively opened up at branches to provide advice and disaster relief services for 3,000 people. The Bank also set up “Financial Service Stations for Earthquake Relief Work” and youth service teams to provide financial services for people in the disaster areas.

## **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, 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 more than 10,000 branches and organizations in rural areas, and 210,000 employees work in undeveloped, rural and remote areas.

- 82 branch outlets within 2 kilometers from the borderline: 7 outlets in Jilin, 26 outlets in Liaoning, 4 branches in Xinjiang, 28 outlets in Xinjiang Corps, 8 outlets in Yunnan, and 9 outlets in Guangxi
- 557 branches above altitude of 3,000 meters: 35 branches in Sichuan, 28 branches in Qinghai, and 494 branches in Tibet
- 483 branches above altitude of 3,500 meters: 12 branches in Sichuan, 19 branches in Qinghai, and 452 branches in Tibet
- 18 branches above altitude of 4,800 meters: 18 branches in Tibet

## **Branch Case Study**

### **Beijing Branch**

#### **Case: Promoting the Development of Haidian District**

As an economically strong district of Beijing, Haidian District has maintained its top position in terms of GDP as well as its quality and efficiency of economic development. Our Beijing branch, with Haidian District as one of the key targeted areas, has long been dedicated to providing high-quality and efficient financial services for the capital's economic and social development. Following closely the pace of economic development in Haidian District, the Beijing Branch focuses on industrial upgrading and boosting regional economic restructuring. Since the signing of the cooperation agreement between the Beijing Branch and the local government of Haidian District in 2012, the two sides have made remarkable achievements in some key fields such as the construction of core area of Haidian's technology hub in Zhongguancun.

In October 2017, our Beijing branch and the People's Government of Haidian District signed a strategic cooperation framework agreement, which proposed the provision of RMB 100 billion of credit support for key programs in Haidian District and for promoting sustainable, rapid, healthy development of the regional economy. The agreement furthered the strategic partnership between the two sides, which will play a significant role in promoting the construction of the core area of national science and technology innovation centers.



ABC Study Aboard Credit Card was issued to enhance financial service continuously

## Tianjin Branch

### Case: Providing Five Guarantees for the Development of Small and Micro Enterprises

Small and micro enterprises have the closest relationship with citizens. However, the lack of financing channels and high financing barriers had hindered their development. Our Tianjin branch strives to solve the financing problem faced by small and micro enterprises through policy support, business service innovation, risk control, etc. and ensured the steady growth of credit for small and micro enterprises, successfully fulfilling the regulatory requirements of “Three No Less Than”<sup>25</sup>. By the end of 2017, 934 small and micro enterprises had been supported, resulting in a loan balance of RMB 34.90 billion.

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<sup>25</sup> Growth rate of small and micro enterprise loans is no less than the average growth rate of various loans; the number of small and micro enterprise loans is no less than that of the same period of last year; small and micro enterprise loan obtaining rate is no less than that of the same period of last year.

### **Improving service efficiency**

- 1.Launching new project “Rong Bao Tong (Financing Guarantee Project)” to support the financing of small and micro enterprises
- 2.Enhancing credit sublicensing of branches and sub-branches
- 3.Optimizing procedures of loan applications for small and micro enterprises

### **Improving service quality**

- 1.Improving the functions of carriers to provide better services
- 2.Implementing list-based management and promoting customer service for small and micro enterprises

### **Enhancing policy support**

- 1.Formulating detailed supporting policies specially for small and micro enterprises
- 2.Prioritizing customers of small and micro enterprises while issuing loans
- 3.Optimizing the contents of performance appraisals for small and micro enterprises to enhance effectiveness

### **Enhancing publicity to boost the ABC brand**

- 1.Promoting policy measures and special financial products for serving small and micro enterprises
- 2.Participating in roadshows, capital connection, theme forums and other activities for innovative start-ups

### **Controlling risks of issuing loans**

- 1.Making comprehensive plans for credit extension and credit availability
- 2.Closely monitoring loan use

3. Closely monitoring small and micro enterprises accounts
4. Formulating the due diligence and liability exemption system for small and micro enterprises credit services



Supporting a leading mushroom producer of Jizhou District, Tianjin

## Hebei Branch

### Case: Serving the Construction of Xiong'an New Area

Our Hebei branch supports the central government's major decisions and construction of Xiong'an New Area. In accordance with the requirement of the Bank on "striving to be the main force and pioneer in serving the construction of Xiong'an New Area", Hebei Branch has made all efforts to better its financial services.

Hebei Branch supports the construction of Xiong'an New Area in terms of land acquisition and other fields through industrial funds. It has set up a settlement account for China Xiong'an Construction Investment Group Co., Ltd. which offers the highest credit line among the Big Four state-owned commercial banks. The Branch also actively coordinates with the main body of construction financing and key enterprises of the New Area, through which it had established communication with near 20

central enterprises with offices in Xiong'an New Area by the end of 2017.

Hebei Branch pays close attention to the progress of the construction of the Xiong'an New Area and consolidates its financial services through channel construction, branch outlet service improvement, product promotion, etc., to accelerate the construction of service points for helping farmers and get through the "last mile" of financial services. As of the end of 2017, a total of 492 cash withdrawal points for farmers were set up in the Xiong'an New Area.



Holding Fair on Internet Financial Service for Sannong (Photo by Gao Hongshui from Xingtai Branch)

## **Shanxi Branch**

### **Case: Making Clean Energy the Engine for Economic Development**

Rich in energy resources, Shanxi Province shoulders the heavy responsibility of exploring the transformation of China's resource-based economy. While gradually phasing out production capacity generated by coal, it is also intensifying the effort to develop clean energy resource projects, so as to optimize the structure of energy resources and achieve

green energy growth.

Shanxi Jincheng Branch has actively carried out in-depth cooperation with the five largest power groups of China to support the development of large-scale clean energy and wind power projects of China Power Investment Corporation Ltd., China Huadian Corporation Ltd., etc. Based on the advantages of the network, resources and services, Jincheng Branch provides financial support, asset management, capital settlement and other services for the groups to help build a broad platform for bank-enterprise cooperation, extended services and so on. As of the end of 2017, a total of RMB 465 million of loans were lent to the five largest power groups, which, as estimated, will provide 402 GWh of clean energy and reduce 361,000 tons of CO<sub>2</sub> emissions each year.



Supporting wind power projects (Photo by Shi Xiaojie from Yuncheng Branch)

### **Inner Mongolia Branch**

**Case: Deepening Financial Innovation and Serving “Sannong Sanmu”**

In line with the strategy to create a green agricultural and livestock products manufacturing and processing base, our Inner Mongolia branch continues to deepen financial innovation in rural pastoral areas in terms of product, channels, mechanisms and so on, so as to fully serve the supply-side structural reform of agriculture and animal husbandry.

**Enhancing supply capacity through product innovation.** With new products like poverty alleviation via microcredit loans and industrial funds for Beautiful Countryside as the lead, Inner Mongolia Branch promotes the combination of mortgage on land management rights, the guarantee of direct financial subsidy funds and the guarantee of professional guarantee companies, and encourages county-level governments to purchase relevant financing services, such as “farmer and herdsman housing loan” and “data P2P loan”.

**Strengthening the momentum for development through channel innovation.** Our Inner Mongolia branch beyond promoting the “Kins Hui Nong Tong” project, also supports consolidating agency services, mobile payments, new rural cooperative medical care system, and the construction of county level physical branch outlets to build a Sannong services channel system that integrates physical branch outlets, rural finance self-service kiosks, Hui Nong service stations and internet finance.

**Creating the synergy of service through innovation.** Our Inner Mongolia branch endeavors to strengthen cooperation with all levels of governments of rural counties. This extends also to the local economy which includes traditionally competitive industries, strategic emerging

industries, reconstruction and public service areas. This cooperation will improve the service for leading industrialized agriculture enterprises as well as the top ten taxpayers of counties. Which in turn will expand the space for cooperation with policy banks such as China Development Bank and Agricultural Development Bank of China as well as other financial companies involved with agricultural enterprises. Consequently will strengthen business cooperation with agriculture e-commerce platforms, and improve financial services throughout the entire industrial chain.



Signing the Cooperation Agreement of USD Account with Golomt Bank  
(Photo by Ma Sushuang from Inner Mongolia Branch)

## Liaoning Branch

### Case: Farmer's Loan Business and Big Data

In the process of serving “Sannong”, there have been problems such as lack of mortgage guarantees, uncontrollable risks information asymmetry, etc. The emergence of new technologies such as big data and cloud computing has provided strong technical support for accurately

identifying clients' qualifications, effectively raising the quality and efficiency of "credit support for agriculture".

To solve problems of low efficiency and high operating cost in providing loans for farmers, our Liaoning branch has set the goal to provide large quantities of convenient and universally beneficial loans for farmers made available online. It innovated in and launched the Kins Quick Agricultural Loan, promoted the network financing business in different batches and categories, and gradually enriched the credit extension model. The Liaoning branch has steadily expanded our customer base. It has established through cooperation with government departments of agriculture, finance and poverty alleviation to ensure that the loan is implemented properly for increased availability of loans to farmers. At the end of 2017, RMB 46.90 million of loans had been issued to farmers through the Kins Quick Agricultural Loan.



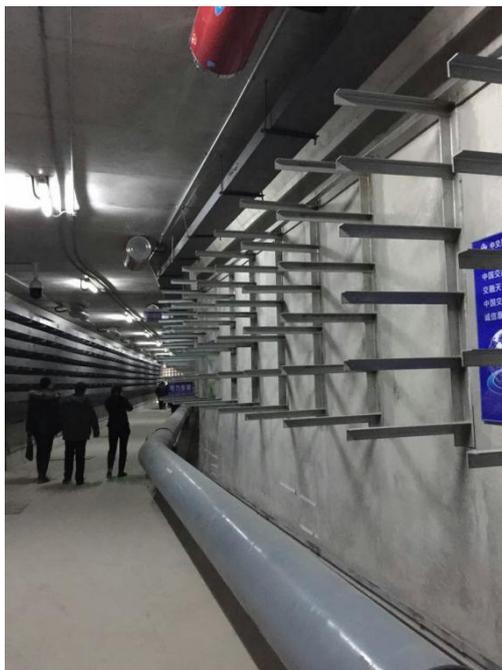
Visiting the greenhouse of farmers constructed with loans of the Branch

## **Jilin Branch**

### **Case: Supporting underground utility tunnel construction**

Underground utility tunnels in China have brought some adverse impacts on urban safety, functions, landscape as well as the improvement of comprehensive carrying capacity of cities, impeding the overall urbanization process.

Since Jilin is a pilot province for underground utility tunnel construction projects in urban areas of China, our Jilin branch has taken the initiative to set up full-time special service teams for optimizing credit approval processes and support for the construction of underground utility tunnels and supporting industries, effectively making up for the lack of funds. As of the end of 2017, the Jilin branch had accumulatively given RMB 11.56 billion of credit line to underground utility tunnel projects and issued RMB 3.84 billion of loans.



Supporting the construction of underground utility tunnels in urban areas

## Heilongjiang Branch

## **Case: Providing Quality Financial Services for Beidahuang Nongken Group**

The total area under cultivation by Heilongjiang Beidahuang Nongken Group accounts for 2.1% of agriculture in China, which generates 3.2% of the national total grain output, thus making in the largest grainery in China. The Heilongjiang branch takes various measures to promote the business transformation of reclamation areas through policy support, innovation of credit products, and improvement of basic financial services. As of the end of 2017, a total of RMB 1.85 billion of corporate loans and an average annual of RMB 1.67 billion of loans for farmers had been issued. The Branch also provided agency services for RMB 66.60 billion of farmer-related funds and built up 932 service stations for the “Kins Hui Nong Tong” project.

### **Promoting the business transformation comprehensively through collaboration and integrated services**

1. Creating special banks to serve reclamation areas through the model of “business units under the provincial branch in reclamation areas + Heilongjiang Nongken Branch + financial department at the branch for farmers”
2. Realizing the “farming + production and processing of agricultural products + trade & sales” integrated financial service along the whole industry chain; achieve the integration of financial services for enterprises and public institutions under the model of “Heilongjiang Farms & Land Reclamation Administration + Beidahuang Group”; realize “farm + farmer”, “company + individual”, “asset + liability + intermediary

businesses” integrated financial service

3.Setting up a cash management platform for public institutions and enterprises at the land reclamation district; promoting agency service items including the collection of land contracting fees, the distribution of agricultural machinery subsidies and so on; exploring the market for Hui Nong Card and social insurance for the development of asset-light businesses

**Customizing services with an innovation-driven mindset in reclamation areas**

- 1.Customizing exclusive loans for farmers
- 2.Customizing exclusive financing models for reclamation areas
- 3.Customizing differentiated rating policies
- 4.Customizing financial service plans for farms under high ecological standards

**Enhancing the implementation of measures, strengthening risk control and guarding against risks**

- 1.Setting strict standards for the access to farms
- 2.Enhancing the control over the total quantity of loans
- 3.Issuing the *Operation Plan for Mortgage Guarantee of Farming Land Fees* and *Plan for Regulating the Capital for Repaying Loans Made on Working Capital of Farms*



Suiling Sub-branch explores the “company + farmer” model for benefiting farmers

## Shanghai Branch

### **Case: Opening up a New Chapter for the Belt and Road Initiative through Trans-provincial Collaboration**

Xinjiang is the core area and frontier of the Belt and Road Initiative, but poor financing channels and high financing costs are hindering the development of enterprises in Xinjiang. How to provide more convenient and effective financial services for enterprises in Xinjiang to “Going Global” has become an urgent problem to solve.

Tebian Electric Apparatus (TBEA), as one of the earliest and largest developer of photovoltaic power stations in China, put forward the demand for further reducing financing costs during cooperation with the Bank. China (Shanghai) Pilot Free Trade Zone Branch (FTZ Branch) of Agricultural Bank of China, by actively participating in the Belt and Road Initiative and creating the new business model of “re-issuing foreign financing guarantees + FTZ loans + leaseback” through trans-provincial

collaboration with our Xinjiang and Hong Kong branches, provided RMB 200 million of internally-insured free trade loans for TBEA, successfully opening up the channel for capital of Shanghai FTZ to enter Xinjiang and setting a good example for serving enterprises in Xinjiang to “Going Global”.



Visiting assisted enterprises (Photo by Zhang Lingyuan from Jing’an Sub-branch)

## **Jiangsu Branch**

### **Case: A Flourishing Economy from a Village Famous for Juicy Peach to a Juicy Peach Town**

Yangshan, located in Wuxi of southeastern China, is famous for peaches. In 2017, Yangshan was listed among the second batch of 276 characteristic towns issued by the Ministry of Housing and Urban-Rural Development. From a town relying solely on the peach industry for economic development to a town featuring diversified cultural elements, beautiful ecological environment and tourism industry. The transformation of Yangshan is indispensable from the financial aid of our

Wuxi Branch. In the past five years, the Wuxi Branch has issued a total of RMB 2.17 billion of various types of loans, providing financial assistance for construction, production, living environment and ecology.

### **Building a “livable town”**

Following the construction plan of Yangshan to build a “beautiful and livable rural area”, the Jiangsu Branch granted a total of RMB 700 million in loans to support the “shantytown reconstruction project at Yangshan. The action improved the living environment of more than 2,000 households in Yangshan and helped realize the intensive use of land, effectively separating the residential area from the leisure and tourism area.

### **Supporting the construction of characteristic tourism town**

In active response to the local government’s proposal of developing its tourism town characterized by culture and health preservation, Jiangsu Branch issued RMB 210 million in loans for the construction of the first pastoral complex project in China — The Pastoral Orient. The project receives 1.2 million tourists each year, setting a benchmark for rural tourism in eastern China.

### **Enriching local farmers**

The Jiangsu Branch provided capital support for local farmers to expand operations, by granting RMB 120 million in loans to 48 major peach orchards and 7 professional peach orchard cooperatives. In addition, Jiangsu Branch included vegetable gardening and three other leading sectors of Yangshan as key areas for modern agricultural support. As of the end of 2017, the balance of agriculture-related loans stood at

RMB 760 billion. Farmer's loans have promoted local agricultural development and increased farmers' incomes, and helped farmers live a prosperous life.



Meeting with peach producers at Yangshan and providing financial services (Photo by Liu Shuai from Wuxi Branch)

## **Zhejiang Branch**

### **Case: Supporting the Development of Modern Agriculture**

The inefficient operation of agriculture, the difficulty of land circulation and the shortage of funds have been the three major bottlenecks restricting the development of China's agricultural modernization. Our Zhejiang Branch, focusing on the agricultural supply-side structural reform, has built a diversified and multi-level financial supply system to strengthen financial support for agricultural modernization. By the end of 2017, the balance of agriculture-related loans had reached RMB 345.94 billion, showing an average annual increase of more than RMB 20 billion in the past three years.

#### **Helping build stronger modern agriculture business**

1.Promoting the establishment of the operation system for new-type agriculture to enhance intensive and industrialized level of agriculture in Zhejiang Province

2.Pushing forward the base construction of leading agricultural enterprises at the provincial level and above and the development of agricultural industry chain through supply chain finance

**Supporting the cultivation of emerging agricultural sectors**

1.Launching “Rural Tourism Loan”, “B&B Loan” and other financial products to support the development of well-reputed agritainment and boutique B&Bs with scale

2.Offering custom products and services including “Scientific Innovation Loan” and “Jia ke Tong” to support the development of agricultural exhibitions, smart agriculture, etc.

**Supporting integrated development of the primary, secondary and tertiary sectors of the economy**

1.Increasing credit granted for the integrated development of the primary, secondary and tertiary sectors of the economy

2.Designing credit and loan products for seasonal grain procurement and off-season storage of chemical fertilizers to provide strong guarantees for the Non-Staple Food Project and Staple Food Project of Zhejiang Province

3.Providing support for more than 20 wholesale markets of agricultural products with a total loan of RMB 5.9 billion



Supporting farmers at Zhoushan to develop aquatic products processing industry (Photo by Yang Zuxing from Zhoushan Branch)

## **Anhui Branch**

### **Case: Helping Jinzhai Revolutionary Base Area Reduce Poverty through “Camellia Oil Loan”**

In October 2017, the Anhui Liu’an Branch and the People’s Government of Jinzhai County signed a cooperation agreement on the “Camellia Oil Loan” program. The agreement stipulates the provision of no less than RMB 500 million in loans for the camellia oil industry in Jinzhai County in the next 5 years, which is estimated to increase the income of 20,000 poor households of farmers.

Developing characteristic agriculture industry is an important way to improve self-development in poverty stricken areas. Jinzhai County, with rich woodland resources and excellent ecological environment, is suitable for planting camellias and other crops. Camellia oil is a kind of high-quality edible oil with great nutritional value and is thus known as the “olive oil of the East.” Vigorously developing the camellia oil industry

will help farmers in Jinzhai get out of poverty and improve the national consumption structure of grain and oil.

Our Anhui Branch took the lead in launching the “Camellia Oil Loan” aiming to support farmers engaged in the cultivation and processing of camellias and leading enterprises engaged in poverty alleviation. The Anhui Branch offers preferential loan interest rates and types of guarantees, effectively solving the capital needs of the industrial chain (planting, processing and selling camellias) and lowering the cost of funds and pressure for loan repayment of farmers. Since the launch of the “Camellia Oil Loan”, it has been well-received by local governments and producers.

The Anhui Branch has made great effort towards poverty alleviation products and expanded loans. It has successively launched special products for providing financial support for poverty alleviation, such as “Photovoltaic Poverty Alleviation Loan”, “Cooperation for Poverty Alleviation Loan” and “Quick Poverty Alleviation Loan”, to help people in poverty-stricken areas improve production and living conditions. By the end of 2017, a net increase of loans for 31 poor counties of the province had reached RMB 15.1 billion, with RMB 3.65 billion more than the same period of last year.



Signing ceremony of the cooperation agreement on “Camellia Oil Loan”

## **Fujian Branch**

### **Case: Promoting Accelerated Development of the Pomelo Industry through “Pomelo Planter Loan”**

Pinghe County, Zhangzhou, Fujian Province is the hometown of China’s Guanxi pomelo, where it has been more than 500 years since the planting of pomelo. The pomelos from Pinghe County have been exported to over 40 countries and regions. The pomelo industry is a pillar industry of Pinghe County with near RMB 5 billion of annual output value, bringing over RMB 10 billion of output value to the whole industry chain. However, the lack of funds and financing difficulties have limited the development of the pomelo industry.

In August 2017, our Zhangzhou Branch launched the first internet finance product for pomelo planters — Kins Quick Agricultural Loan (Pomelo Planters). The application of the loan features rapid turnaround, automation, simplified procedures, and producers can apply for the loan in batches through standardized and modular application procedures. As

of the end of 2017, a total of RMB 116.91 million of loans had been granted to local farmers through Kins Quick Agricultural Loan (Pomelo Planters).

Kins Quick Agricultural Loan (Pomelo Planters) solved problems related to guarantee mortgage faced by pomelo planters while applying for loan. Pomelo planters can use the loans for orchard renovation and other production aspects, and therefore improve the overall quality of Guanxi pomelos. Cai Lvquan, Executive Deputy County Mayor of Pinghe County, said that the product was of great significance to promoting the development of pomelo industry in the county, and it could further reduce the financing costs of pomelo planters, simplify loan application procedures, thus benefiting the development of inclusive finance in the whole county.



Learning about the production and operation of pomelos and the financial services demand of pomelo planters

## **Jiangxi Branch**

### **Case: Improving the Ability to Serve the Real Economy**

In order to comprehensively enhance the quality and efficiency of the service to the real economy, our Jiangxi Branch firmly grasped the main features of economic development, optimized the direction of loans, and accelerated the innovation in services. As of the end of 2017, the balance of loans remained RMB 218.3 billion and the loans to the real economy increased by RMB 36.8 billion, a year-on-year increase of RMB 21.6 billion, among which the proportion of the balance of loans to the real economy accounted for 99.7%.

#### **The Business Department of Jiangxi Branch Supports Construction Material Enterprises**

Anyi County is the main industrial base of construction material processing in Jiangxi Province. Most of the local enterprises are aluminum processing or supporting enterprises, forming together an obvious industrial cluster. In order to facilitate the development of the building material industry in Anyi, the business department of Jiangxi Branch set up a professional service team to provide marketing service plans for local small and micro enterprises, to promote the rapid development of these enterprises, especially their assets operations. By the end of 2017, the bank had supported a total of 146 small and micro enterprises, issuing an aggregate of RMB 1.51 billion.

#### **Jingdezhen Branch Backs Local Ceramic Industry**

In order to provide a full range of financial services to local ceramic enterprises, the Jingdezhen branch constantly innovates its service portfolio and has designed differentiated credit products for ceramic

enterprises in different stages of development. For local ceramic startups, the Branch mainly provides simple credit products to help them overcome difficulties in applying for loans, due to the fact that these new enterprises haven't gone into operation and cash flows fail to accurately reflect their business condition. As for enterprises that are growing steadily, self-service recyclable credit products are provided to enhance their liquidity management and reduce the financial costs. In addition, the Branch explored the "expert evaluation + artwork commission + resale by professional companies" model for the introduction of credit services with ceramic artwork commissions. As of the end of 2017, the balance of loans of our Jingdezhen branch for local ceramic industry amounted to RMB 756 million.



Supporting the oil painting industry

## Shandong Branch

### **Case: Improving Customer Experience through New Concepts**

In order to meet customer needs, the Shandong Licheng Branch launched a new concept for banking and financial services. The new

concept bank centers around customers' needs and sets up 9 major areas such as customer guide area, information center, wealth management service area, corporate business area, self-service banking area, waiting area, etc. The new concept bank also adopts intelligent zoning control for lighting and background music. In the meantime, the bank features modern decor, breaking the traditional design arrangement and reflecting modernity and technology. The new concept bank allows more customers to experience the convenient and efficient online and offline services offered by ABC.

### **New concept banking and financial services**

1. Smart counter and 3D map: giving a dynamic display and details of all sections of the bank; enabling customers to check the location of nearby branches and the queues with a touch on the screen
2. Information release center: setting up an advanced video and audio system for product launch, customers salon and product promotion to launch and sell products simultaneously
3. Electronic banking experience kiosk: protecting customers' privacy and enhancing their efficiency through the installation of electric glasses, and offering the "new customer experience" that is "friendly and interactive, intelligent and perceptive, convenient and efficient"



The bank service through new concept

## Henan Branch

### Case: Supporting the Reform of Local SOEs

In June 2017, the Agricultural Bank of China and Henan Transport Investment Group signed a strategic cooperation agreement on the debt-to-equity swap in Zhengzhou, Henan Province. According to the agreement, the debt-to-equity swap is to be carried out in stages, involving RMB 30 billion in total. The Henan branch conscientiously implemented all the strategic plans of the provincial Party committee and government, by integrating the provision of quality financial services with key strategies (e.g. expanded services, infrastructure projects) and enhancing the ability to issue loans to support the development of the real economy.

This demonstrates ABC's initiative to help Henan Province cut excessive industrial capacity, reduce inventory, deleverage, lower corporate costs and improve weak links, and to support the reform of local state-owned enterprises. It not only effectively lowered the ratio of

assets to liabilities for Henan Transport Investment Group, but also helped the Henan branch expand services and enrich the supply of financial products.



Henan Branch and officials of the municipal Party committee of Nanyang inspect and direct targeted poverty alleviation project

## Hubei Branch

### **Case: The New Model for “Internet +Targeted Poverty Alleviation**

One of Qichun County’s major industries is mugwort production, a type of herb used in traditional Chinese medicine. By taking into account that Qichun is abundant in TCM resources, the Hubei Branch are attempting to alleviate poverty through industrial development, especially the development of the mugwort industry. This strategy involves the cooperation of government, bank, enterprise, and rural families.

#### **Analysis of Resource Advantages of Stakeholders**

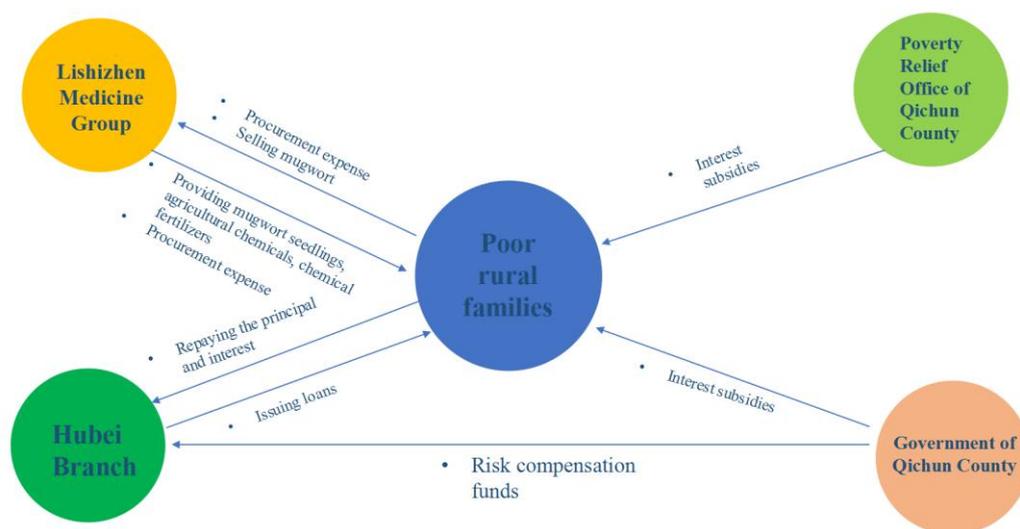
**Hubei Branch:** capital; “ABC e-manager”

**Government of Qichun County:** fiscal resources

**Poverty Relief Office of Qichun County:** poverty relief policies;

poverty relief funds

**Lishizhen Medicine Group:** mugwort, agricultural chemicals, chemical fertilizers; technical guidance



Operation model of the “Yaogulingtouyan” targeted poverty alleviation loan

The “Yaogulingtouyan” poverty relief initiative grants loans through online platforms, which promotes the development of the internet and the internet of things in rural areas, providing leading agricultural enterprises, bases and poverty-stricken families with more convenient services.

As of the end of 2017, RMB 95.82 million worth of loans for targeted poverty alleviation were issued by the Hubei Branch, benefiting directly the registered 2,398 families. In 2018, the Branch is expected to make RMB 100 million loans to help another 2,500 households.



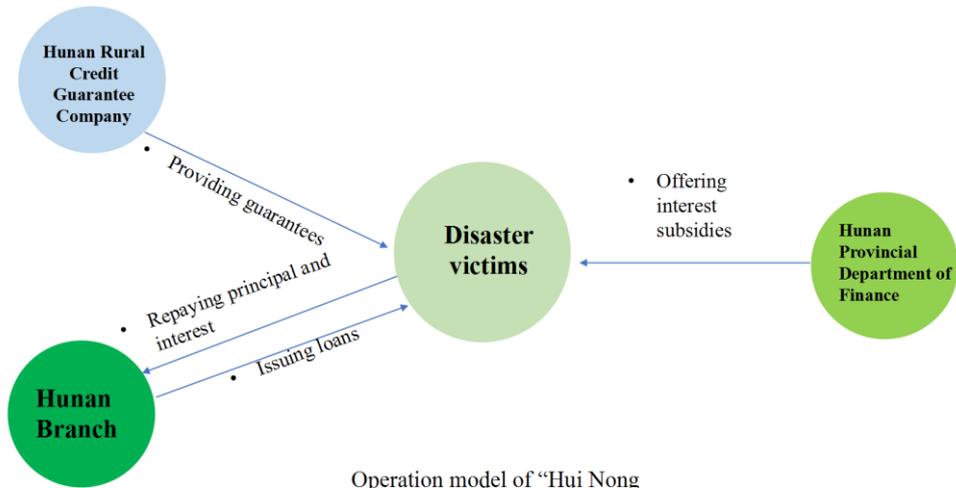
Final round of a recitation contest

## Hunan Branch

### Case: Hui Nong Guarantee - Disaster Relief Loan

In the summer of 2017, Hunan Province suffered an exceptionally serious flood that severely damaged local agricultural production. The Hunan Branch and Hunan Rural Credit Guarantee Company launched the guarantee and financing service named “Hui Nong Guarantee - Disaster Relief Loan” to support local agricultural entities in their efforts to conduct post-disaster restoration and resume production.

Featuring low financing costs, convenient procedures and a clear focus on disaster relief, the “Hui Nong Guarantee - Disaster Relief Loan” service was so well-received by local customers upon launch. The total loans granted reached RMB over 10 million in a few days and the application for about RMB 50 million worth of loans worth was in approval process. RMB 127.63 million worth of loans were issued.



Operation model of “Hui Nong Guarantee - Disaster Relief Loan”



Official website of the State Council publishes on the homepage Xinhua New Agency’s article *Hunan: “Disaster Relief Loan” for New Agricultural Entities After the Serious Flood*, speaking highly of the financial service.



Poverty-stricken households in Qunya Town, Yongzhou, Hunan lined up

to fill in information lists on “Fu Nong Loan” (Photo by Zhou Zhonghua from Jianghua County Sub-branch, Yongzhou, Hunan province)

## **Guangdong Branch**

### **Case: Providing Cross-border Financing for Companies “Going Global”**

By virtue of a globalized service network, the Guangdong branch cut financing costs for enterprises by launching a variety of products, and gave priority to projects of “the Belt and Road Initiative”, helping Chinese companies to expand internationally. As of the end of 2017, the Branch had provided cross-border RMB cash pooling service for more than 125 companies and handled more than RMB 30 billion of cross-border financing for energy companies as well as companies of other industries in their ambition to “go global”.

#### **Assisting ZPH in “Going Global”**

ZPH (Zhuhai Port Holdings) has been building wharves and developing global logistics routes to serve countries along the regions targeted in the “the Belt and Road Initiative”. The Guangdong Branch offered ZPH RMB 1.7 billion worth of credit line to support their operations.

*“Some of The RMB 1.7 billion credit are directly invested in the construction of wharves, of which nearly 500 million are allocated to Zhuhai International Container Terminals (Hongwan) Co., and the remainder are for opening new routes and developing logistics supply chains along the Belt and Road in the future.”*

--Huang Wenfeng, General Manager of the Financial Department of ZPH



A freighter in the Zhuhai Port

## **Guangxi Branch**

### **Case: Two-way Cross-border Cash Transaction Service between RMB and the Vietnamese Dong**

Over the course of more than twenty years, the Guangxi Branch has devoted itself to the development of financial services for cross-border trade. In the wave of implementing “the Belt and Road Initiative” and cross-border financial reforms, the Branch is committed to serve the reforms by participating in the innovation of cross-border financial services, so as to forge Guangxi as a door to ASEAN countries. In the past three years, it handled a total of RMB 111.3 billion of cross-border RMB settlement business, RMB 41.6 billion of trade financing, and RMB 22.4 billion of currency exchange between RMB and the Vietnamese Dong.

In October 2017, the two-way cross-border cash transaction service between RMB and the Vietnamese Dong was unveiled. At the launch

ceremony, the Guangxi Branch and the Mong Cai Branch of Vietnam Bank for Agriculture and Rural Development conducted in-depth discussions on expanding cooperation under the new situation and reached consensus on the launch of the cash transaction service, laying a good foundation for opening up smooth transaction channels. The channels will better satisfy the financial needs of enterprises and residents of both countries in terms of trade and tourism, and are of great significance to further promoting China - ASEAN financial cooperation and deepening cross-border financial reforms.



Supporting the preservation of customs in rural areas (Photo by Wu Wenqiao from Guilin Branch)

## **Hainan Branch**

### **Case: Targeted Poverty Alleviation with Micro Loan Programs**

In June 2017, the Hainan Provincial Government launched the “Hundred Days Campaign” for poverty alleviation via micro loans. The Hainan branch promptly responded by issuing opinions on the implementation of micro loans for targeted poverty alleviation, and

innovating the “farmer loans” portfolio to solve the bottleneck met while issuing poverty alleviation micro loans. The Branch conducted a mass investigation on customers’ credit history, so as to effectively raise the efficiency of granting the loans.

As of the end of 2017, a total of RMB 2.63 billion of poverty alleviation loans were issued, benefiting 55,900 people in poverty. During the “Hundred Days Campaign”, an aggregate of RMB 113 million micro loans were issued, helping 4,353 households, accounting for 143% of the campaign’s target index and 115% of the annual plan. By far, the poverty alleviation work runs smoothly, and the “Hundred Days Campaign” was rated Good by the provincial government.



Customer service manager helps farmers apply for the micro loans.

(Photo by Zheng Na from Tunchang County Sub-branch, Hainan province)

## Sichuan Branch

### **Case: Exploring a New Model for Financial Poverty Alleviation**

The remote Wangcang County used to be the location of the Sichuan - Shaanxi revolutionary base, and is located in the heart of the Qinling-Daba Mountains. Through the innovation of product portfolio and

services, the Wangcang sub-branch explored a new financial poverty alleviation model, featuring “Hui Nong Tong”, “Hui Nong Cards” and “Hui Nong Credit”, to help farmers get out of poverty.

**Laying a foundation for targeted poverty alleviation via “Hui Nong Cards”.** The Branch issued Hui Nong Cards to farmers at Hui Nong service points, and established the Hui Nong Cards service model involving ABC branches, towns, villages, village groups. As of the end of 2017, the Branch gave out 69,977 Hui Nong Cards, laying a solid foundation for the promotion of poverty alleviation microcredit and the development of inclusive finance.

**Building channels for targeted poverty alleviation by setting “Hui Nong Tong” as the bond.** The Branch focused on promoting the construction of payment channels in rural areas. As of the end of 2017, 375 “Hui Nong Tong” service points were established in 323 villages across the county, achieving the full coverage of financial services on all local townships and villages.

**Developing effective measures for targeted poverty alleviation by setting “Hui Nong Credit” as the focal point.** The Branch established the “5221” credit rating and credit line indicator system, which grants households corresponding credit line according to their own credit rating. (The four indicators of integrity, labor capacity, labor skill and per capita net income are taken into account while calculating the credit scores of households, with each indicator accounting for 50%, 20%, 20% and 10% respectively; the credit rating of each household is then granted based on their scores.)

As of the end of 2017, RMB 410 million worth of loans were issued for poverty relief by Wangcang Sub-branch, benefiting 2,216 people.



Information session held by Wangcang Sub-branch to publicize poverty alleviation microcredit policies

## Chongqing Branch

### Case: High-quality Service

Closely following the trend of economic development and focusing on the needs of customers, the business department of the Jiangbei sub-branch serves as a new financial drive for local economic development and has become the new benchmark for high-quality service in the industry. In 2017, it was awarded the title of “National Workers Pioneer” by the All-China Federation of Trade Unions.

**Forging a strong brand with quality service.** The Jiangbei sub-branch set up an oversight team responsible for the supervision on the bank’s service that consists of voluntary supervisors and financial experts. Moreover, quality service has been included in the “three-point” examination system, which includes daily supervision, daily review, and monthly assessment. The Sub-branch also organized employees to participate in professional skill competitions and skill exercises to

comprehensively improve service efficiency and quality.

**Innovating service approach to achieve transformation and development.** The Sub-branch set up “self-service area, intelligent service area, low counter service area, and high counter and VIP service area”. Smart marketing table, iPad for online banking service, and smart service cloud terminals are equipped in the intelligent service area. Meanwhile, the height of counters was redesigned to enhance service efficiency. In order to improve customer experience, the Sub-branch also added tellers and customer service managers, as well as improved staff competency.

**Reinforcing corporate culture to stimulate development.** The Sub-branch meticulously re-enforced company culture, established an exemplary team made up of staff who are Party members, and encouraged employees provide feedback on the development of the bank. Also, various cultural and sports activities were organized to enrich the lives of staff. To improve customer experience, the Sub-branch hired professional sign language and Braille teachers to instruct employees, in an effort to enhance their ability to serve customers with disabilities. Meanwhile, special service channels and seats were arranged for customers in need, which shows the bank’s commitment to constantly improving the details of its service.



Providing credit support for mushroom growers to promote the green circular agricultural development by means of “Featured Programs + Famers”

## **Guizhou Branch**

### **Case: Alleviating Poverty in Huangping County through Financial Support**

Huangping County, located in Qiandongnan Prefecture of Guizhou Province, is a target for national poverty alleviation policies. By taking advantage of these policies and resources, Guizhou Branch created products and models for poverty alleviation through financial support, as well as increased credit, so as to further help alleviate poverty in Huangping County.

**Supporting rural infrastructure construction.** Our Guizhou branch formulated the *Huangping County Sub-branch Financial Service Plan for Poverty Alleviation (2016-2020)* and *Opinions on Poverty Alleviation in Huangping County Through Financial Support*, giving priority to rural infrastructure construction. By the end of 2017, the bank

issued RMB 120 million worth of Beautiful Countryside Loans, supported the construction of 262 kilometers of rural roads as well as 1,428 housing projects for local villagers, benefiting 382,100 people.

**Creating new credit model for agricultural business entities.** The Branch implemented the “financing guarantee company + new agricultural business entities + ABC” model to effectively help applicants solve the difficulties of getting collateral loans and financing. The model broadened the channels for new agricultural entities such as big businesses, family farms and professional cooperatives to apply for targeted poverty alleviation collateral loans.

**Developing poverty relief industry with “Hui Nong Anti-poverty Credit”.** The Branch and the government of Huangping County signed the *Agreement on Targeted Poverty Alleviation and Anti-poverty Supported by Financial Schemes*. In accordance with the “three transformations in rural areas + business entities + registered low-income households + ABC” model, the Branch issued RMB 150 million of “Hui Nong Anti-poverty Credit” loans to support the development of industries, such as orchid production, for poverty alleviation which benefits 1,500 registered low-income households.

**Developing integrated financial service stations.** The Branch, Huangping County Government and Qielan Technology (a state-owned e-commerce management company of the county) jointly created the “Qielan Lifestyle House” integrated financial service stations to meet the needs of farmers for settlement, payment, e-commerce transaction, logistics transit, and information consultation. By the end of 2017, 25

financial service stations had been opened in villages. In the future, it is expected that the financial service stations will be expanded to cover 142 villages.

As of the end of 2017, Guizhou Branch issued a total of RMB 436 million loans for targeted poverty alleviation with a balance of RMB 482 million, directly benefiting 2,083 registered low-income population and helping 9,033 low-income people.



Huangping Jiuzhou Ancient Town (Photo by Ye Yikun from Guizhou Branch)

## **Yunnan Branch**

### **Case: 10+Poverty Alleviation**

Our Yunnan branch implemented the Yunnan Provincial Government work plan by launching targeted poverty alleviation campaigns in two villages, Liutongjiang and Nagu in Foshan Township, Deqin County, Diqing Prefecture. The Branch established the “10+ Poverty Alleviation” model, aiming to completely eradicate poverty from the two villages.

**“Party Building + Poverty Alleviation”**. The CCP cadre of the

Yunnan Branch cooperated with the village in carrying out Party building. To be specific, the Branch's cadre helped build activity centers for CCP members in the villages, and worked together with village CCP organizations to organize activities.

**“Cooperative + Poverty Alleviation”**. Yunnan Branch invested RMB 1.82 million in building the “farmer + cooperative + industry leader + ABC” poverty relief chain.

**“Internet + Poverty Alleviation”**. The Branch established the “internet + cooperative + industry leader + ABC” information chain on supply, production and sale, and made online purchase and sale possible through the construction of e-commerce platforms.

**“Credit + Poverty Alleviation”**. The Branch customized loan products for cooperatives and low-income households, and offered them preferential interest rates. It also provided student loans for low-income students.

**“Education + Poverty Alleviation”**. The Branch provided training sessions to farmers, helping them hone skills, gain more knowledge in household financial management and agricultural technology, and find better jobs. Moreover, the Branch actively recruited university graduates from low-income families.

**“Management + Poverty Alleviation”**. The Branch invited professional accountants to offer financial management training to rural political cadres and council members of cooperatives, in an effort to improve their project management skills, and set those who have successfully got rid of poverty as examples for other villagers.

**“Donation + Poverty Alleviation”.** The Branch offered scholarships to low-income students for junior colleges and technical secondary schools, succored families that were in extreme poverty, and continuously supported industry development.

**“Technology + Poverty Alleviation”.** Yunnan Bank organized livestock and poultry breeding experts to share techniques and investment experience in villages, and invited professional breeding agencies to provide professional support to cooperatives. In addition, Yunnan Bank cooperated with institutions specializing in livestock and poultry disease prevention and control to provide farmers with technical assistance.

**“Insurance + Poverty Alleviation”.** Working together with insurance companies, the Branch provided insurance services for cooperatives and farmers engaging in livestock and poultry breeding, and established the risk compensation mechanism for investment in the breeding industry.

**“Infrastructure Construction + Poverty Alleviation”.** Yunnan Bank supported the construction of asphalt or concrete roads in rural areas, roads to pastures, pens and sheds for livestock, as well as the construction of drinking water projects and water conservancy facilities.

By the end of 2017, RMB 559,000 in revenue was generated by these poverty alleviation programs; meanwhile, the per capita income increased by an average of RMB 2,168.2.



The fields of oilseed rape supported by ABC have become a tourist spot.

(Photo by Liang Zhiqiang from Yunnan Branch)

## **Tibet Branch**

### **Case: Serving “Sannong” in Earthquake-stricken Areas**

In the morning of November 18, 2017, an earthquake with a magnitude of 6.9 occurred in Milin County, Nyingchi City. The Nyingchi Branch promptly launched the emergency response mechanism to carry out financial services for earthquake relief.

- 1.The Branch immediately set up an earthquake relief group with the Party Secretary and President of the Branch as group leaders, leaders from relevant banks as deputy group leaders, and heads of major departments as group members.
- 2.Leaders of the Branch telephoned outlets in the earthquake-stricken area the first time.
- 3.After eradicating potential safety hazards, several emergency response teams were set up by the business departments and outlets to establish expedited channels for financial services.

4. Giving full rein to the Tibetan spirit which highlights the willingness and ability to bear hardships, to combat difficulties, and to make great contributions, Party members of the Branch journeyed to the disaster area and carried out research on local residents' needs for financial services, to make sure that their needs could be fully satisfied.



A family photo of local Tibetans taken by the Lhasa Branch (Photo by Xue Hui)

### **Shaanxi Branch**

#### **Case: Upgrading Service through the Development of “Internet Plus”**

In 2017, Shaanxi Branch followed the trend of internet finance and innovated its service portfolio to comprehensively enhance intelligent service.

#### **Internet plus property management, driving forward the development of smart property management**

The Branch supported the “China Century City” in upgrading the community property management system, and built the first community

financial service platform for ABC in Shaanxi Province. As a result, online payment is now available to customers by using the WeChat application or scanning QR codes. Customers can also use self-service terminals to make offline self-service payment or check information. As of the end of 2017, 1,478 transactions totaling RMB 2.28 million were completed.

#### **Internet plus logistics, offering new approach to e-commerce**

The Branch successfully fulfilled the financial needs of Truck Alliance, a national Top 100 internet enterprise and the largest road freight information platform in China. Bearing in mind that the “one-click” service via mobile phone can provide a good experience for corporate users, the Branch launched the online top-up service using a mobile phone application, successfully building the ABC e-commerce brand in the national freight logistics industry. As of the end of 2017, 5.95 million transactions were completed, totaling RMB 12.45 billion.

#### **Internet plus charity, improving financial service for the public good**

A payment center was set up for the welfare lottery online payment platform for Shaanxi Welfare Lottery Distribution Center. The platform supports a variety of ways to conduct payments such as personal online banking, mobile banking, ABC’s website, ABC e-manager and code scanning. Also, various mobile payment apps are supported, such as WeChat Pay, enabling staff of welfare lottery outlets to process payments with high efficiency. By the end of 2017, a total of 373,000 transactions were completed, amounting to RMB 727 million.

## **Internet plus supply chain, assisting enterprises in stepping into e-commerce**

To help traditional businesses to build their presence in e-commerce without any added costs, the Branch promoted the ABC e-manager platform to provide convenient services to more than 5,000 corporate customers, including industry leaders, small and micro enterprises, county wholesalers as well as “Hui Nong” service stations, offering services to farmers in towns and villages. The service portfolio now covers online payment, UnionPay Online, WeChat Pay and offline payment, etc. In 2017, the platform added 29,600 registered businesses with a total of 48,200 transactions completed, amounting to RMB 765.61 million.



Children in the “Mini Banker” activity (Photo by Zhao Jiayu from Xishaomen Sub-branch)

## **Gansu Branch**

### **Case: Expedited Poverty Alleviation for Rural Households with “Pinellia Credit”**

Pinellia is a Chinese herbal medicine mainly grown in Gansu,

Sichuan and Hubei. High-quality pinellia is cultivated in Xihe County, Longnan City, Gansu Province. Over the past five years, about 3,000 farmers planted pinellia each year, generating 75% of the total pinellia output of China. Pinellia cultivation has become a pillar industry that supports the local economy.

In 2017, based on local resource advantages, the Gansu branch adopted the “Internet + Industry” model and launched a special loan product that supports the cultivation of pinellia. The “Pinellia Credit” was introduced to farmers who had grown 3 mu of pinellia or more for more than three years, and possessed good credit status. By the end of 2017, an initial credit line of RMB 32.45 million had been provided to the first batch of 383 pinellia producers in Xihe County.



The mobile bank makes “Pinellia Credit” loans to local farmers (Photo by Zhao Xiaojian from Gansu Branch)

## **Qinghai Branch**

**Case: Generating Substantial Profits through Financial Support for Noodle Industry**

Since the reform and opening-up, Haidong noodle restaurants have opened across the country. Our Haidong branch strengthened cooperation with the government in promoting the transformation and upgrade of the “noodle economy”.

**Conducting surveys of restaurant owners in a number of provinces to learn about their credit needs.** The Branch went to Beijing, Shanghai, Suzhou, Hangzhou, Xiamen, Guangzhou, Kunming to conduct field researches, and explored new measures to support the development of the noodle economy with financial schemes.

**Strengthening cooperation with the government to help businesses apply for loans.** The Branch explored the service model of “bank-government cooperation, credit enhancement by government, and coordinated poverty alleviation”, according to which subsidies of interest are provided by the Employment Service Bureau, which helped solve problems of issuing loans and reduce credit risks.

**Streamlining loan processing and optimizing financial product portfolio.** In accordance with the principle of “voluntary application, guarantee according to regulations, and interest subsidy by government finance”, we streamlined the procedure for guaranteed micro loans to help startups with applying for business licenses, cash flow statements, effective mortgage guarantees, and to give them support in offering lines of credit.

**Strengthening reporting and publicity and expanding the social effect of the “noodle economy”.** The Branch reported to local party and government organs on the progress of credit supply, and strengthened

cooperation with relevant government departments. At the same time, it actively promoted the ideas and practices that support the “noodle economy” through various marketing campaigns.

As of the end of 2017, Haidong Branch offered credit lines which totaled RMB 594 million to 4,434 noodle restaurant owners, 4,273 among whom were provided the “Noodle Economy Credit Card” with a credit line of RMB 464 million. A total of 161 loans valued at RMB 130 million were issued. These credit loans will facilitate the noodle industry of Haidong to develop with unique characteristics. In the future, the Haidong branch will actively participate in the implementation of the Belt and Road Initiative, and devote itself to helping Haidong noodles to go global with a stronger brand image.



Noodle restaurant owners give the silk banner as a gift to Haidong Branch

## Ningxia Branch

### Case: Poverty Alleviation through Financial Support

Haiyuan county is a key area for poverty alleviation and

development by national policies. Poverty-stricken areas can be found in 15 townships of the county, where there are more than 40,000 households living below the poverty line. In line with local government's poverty alleviation work plan and its own business situation, the Ningxia Haiyuan Sub-branch formulated the *Haiyuan Sub-branch Financial Poverty Alleviation Program 2016-2018* which specifies the target of financial poverty alleviation as individuals, so as to enhance the initiative of the whole bank in carrying out anti-poverty work. Meanwhile, the bank implemented the "ABC + company + farmer" and "ABC + big business (professional cooperative) + member" models to alleviate poverty and increase farmers' income through industry development. In order to provide convenient financial services for cardholders in remote mountainous areas, the Sub-branch also launched mobile banking service points, and equipped it with ATMs. By the end of 2017, Haiyuan Sub-branch had issued RMB 238.48 million of loans, benefiting 5,448 households.



Customer service managers of Haiyuan Sub-branch go to villages to make loans for registered households

## **Xinjiang Branch**

### **Case: Strengthening Ethnic Solidarity**

Our Xinjiang branch, with its strong sense of political responsibility and historical mission, adheres to the principles of “helping targeted low-income households, surveying people’s living conditions, improving people’s livelihood, and strengthening ethnic solidarity”. The Branch actively promoted the exchange among different ethnic groups, and further consolidate ethnic solidarity, laying a solid foundation for long-term social peace and stability.

#### **Making earnest efforts to promote social stability in Xinjiang.**

The Branch set up a task force to carry out the activities to improve people’s livelihood, and strength ethnic solidarity. At the same time, the Branch compiled handbooks, constantly improved the mechanism and made overall plans for implementing concrete actions. The bank organized cadres and employees at all levels to sign the letter of commitment to make their voice heard. It also conducted a comprehensive investigation of the villages to learn about the population composition and basic living conditions, and improved the system for directly contacting with and serving the people. All these efforts contribute to the long-term normalization and institutionalization of the bank’s service in promoting peace and stability in Xinjiang.

**Improving the living standard of low-income villagers through assistance.** The Branch dispatched 272 cadre employees to villages, and invested RMB 10.6 million of capital and materials in the consolidation of local organizations, poverty alleviation, and the implementation of the

Party's policies. As a result, villages where our employees were stationed rapidly developed resulting in an obvious improvement in living conditions. Employees stationed in Kunabazha carried out a series of projects, such as beautiful countryside projects, solar-powered streetlight project, watermill project, village committee construction police station, as well as the development of the cottage economy in new areas. The Branch built 60 affordable houses for local villagers, as well as 179 livestock sheds, and developed the cottage economy for 173 households.

**Strengthening ethnic solidarity.** 2,902 employees of the Xinjiang branch became associated with 3,403 people of various ethnic groups. They signed greeting cards, took group photos and held regular meetings to exchange ideas. These activities helped local residents overcome difficulties, greatly strengthened the bonds among different ethnic groups, and promoted ethnic exchange and harmony. During the “Ethnic Solidarity Week”, the employees of the bank lived, studied and became close with people from various ethnic backgrounds. The employees gave lectures on the spirit of the 19th CPC National Congress, helped local people solve their practical difficulties, and donated almost RMB 1 million worth of living goods out of their own pockets.



Villagers celebrate the convening of the 19th CPC National Congress in front a newly built courtyard (Photo by Miao Zhuang from Kashi Branch)

## **Xinjiang Production and Construction Corps (XPCC) Branch**

### **Case: Enhancing National Unity through Financial Power**

In order to strengthen ethnic solidarity between Xinjiang Uighur Autonomous Region and Xinjiang Production and Construction Corps (XPCC), the Branch organized matchmaking activities among households, religious leaders and other special groups from the 5th Company, 44th Regiment of XPCC Third Division to deepen their exchange with each other and integration of different ethnic groups.

#### **Promoting communication and exchange by setting up platforms**

Organizing seminars, tea receptions, gatherings, and door-to-door visits to let families to get to know each other, watching bilingual patriotic movies, organizing flag-raising ceremonies, visiting the museum of the 50th Regiment, and dispersing propaganda among families.

#### **Facilitating production development through assistance**

Issuing RMB 1.90 million of interest-free poverty alleviation loans to households through the model of “leading enterprises + cooperatives + rural households”, and helping family members cope with the shortage of production materials such as seeds, chemical fertilizers and mulch.

#### **Improving living standards through care**

Holding poverty alleviation activities such as visits, education, sports, entertainment, etc. and donating clothing, stationery, food and other necessities for low-income families to help improve their living

standards.

### **Promoting shared growth by learning languages**

Purchasing books on minority languages and organizing financial knowledge publicity teams to give lectures on “learning Mandarin Chinese”, “learning Chinese culture”, etc.

In 2017, XPCC Branch organized 8 group visits to a total of 221 minority households of minorities and conducted volunteer work whenever there was an opportunity to help, dealing with 403 issues and benefiting 2,133 people.



The “Ethnic Solidarity” summer camp for “surveying people’s living conditions, improving people’s livelihood and winning people’s hearts”

## **Dalian Branch**

### **Case: Supporting the Development of Sea Fishing over the Past 30 Years**

Seafood product processing enterprises of Dalian have gradually grown stronger, and fisheries having been transforming and developing at a faster pace. However, fisheries have encountered problems of shortage

of funds and lack of collateral in its development. In response, the Dalian branch invested a large amount of financial support to boost the restructuring and development of marine fisheries in Dalian.

### **Leading the development of the industry through forward-looking studies and research**

In the early 1990s, marine fishery enterprises of Dalian gradually began to abandon their traditional fishing boats and turn to aquatic product processing business. At that time, the Dalian branch launched the first mortgage loan for sea use rights. It adjusted the credit scheme, upgraded service items and innovated the product mix, giving strong boost to the aquatic product processing industry. At the same time, the Branch helped the enterprises to seek suppliers of raw materials through ABC's platforms to help meet their demand on large quantities of raw materials in the transformation period. Dalian aquatic product processing enterprises finally managed to break through the bottlenecks in development, and there emerged Dalian Hualian Food Co. Ltd. with an annual sale of RMB 700 million and many other well-known aquatic product processing enterprises.

### **Supporting leading marine fishery enterprises and seeking shared growth**

Marine fishery features high investment, high risk and high yield, for which many high-quality enterprises stagnated or even got bankrupt due to lack of capital during business expansion as well as transformation and development. Our Dalian branch actively supported these enterprises to expand production and achieve business transformation, so as to help

them adapt to changes in the market.

In the 1980s, Dalian Zhangzidao Fishery Group was just a small enterprise with only a few fishing boats. Nowadays, it has developed into a large-scale integrated marine food enterprise focusing on aquaculture with businesses covering the breeding of high value marine products, proliferation and cultivation of marine fish, processing, trade and marine transportation. For more than 30 years, the Dalian branch has provided large quantities of funds for these enterprises go through a series of changes and growth.

### **Extending the fishery industry chain**

In recent years, Dalian has been promoting the deepened processing of aquatic products. To this end, Dalian Branch has promptly adjusted its credit scheme and concentrated its investment on supporting the production of high-value products such as frozen food and health care products, including sea cucumbers and seaweed. The Bank successively distributed more than RMB 22 billion of loans to more than 400 fishery enterprises and rural households to help them with the breeding, development, cultivation and processing of marine food products. Under the support of diversified payment solutions, settlements, and financing services, the export processing of aquatic products in Dalian has gained new momentum with its products exported to more than 20 countries and regions such as the United States, Japan and the EU.



Supporting the development of marine fishery with unique characteristics

## **Qingdao Branch**

### **Case: Supporting the Industrialization of Agriculture**

Our Qingdao Branch has set up strategic partnerships with leading agricultural enterprises and developed the online financing solutions to operating loans for small enterprises in upstream and downstream industries guaranteed by enterprises with New Hope Liuhe Limited Liability Company as the core, effectively increasing the coverage of financial services in “Sannong” area and boosting the industrialization of agriculture. By the end of 2017, the balance of loans to leading enterprises in agriculture industrialization was RMB 2.84 billion, leading to the issuance of a loan balance of RMB 724 million to farmers and other rural households in the industrial chain.

#### **Major service modes for supporting the development of leading agricultural enterprises**

1. Promoting and supporting the “Shengyuan Model” for leading agricultural enterprise in China to go global, and helping enterprises to

expand foreign markets

2.Creating the “Longhai Model” that integrates leading agricultural enterprises, featured industries, and urbanization to support the expansion of blueberry production

3.Promoting the integrated development of leading enterprises of the primary, secondary and tertiary sectors of the economy to support enterprises in breeding and planting as well as the development of the whole industry



Vegetable production supported by Qingdao Branch

## **Ningbo Branch**

### **Case: Promoting the Development of Cultural Industries**

Ningbo Branch seized the opportunity for the development of cultural industries, explored service models that effectively combine the development of culture and finance, and helped Ningbo become a more popular city in China.

Our Ningbo branch launched 15 exclusive financial products for cultural industry development in 4 different categories including collateral and mortgage financing and transaction financing. It also

launched a series of “Cultural” loans products based on small and micro cultural enterprises’ characteristics, such as small asset scale, to provide financial support for light-asset cultural enterprises and start-ups. In 2017, Ningbo Branch served 122 cultural and creative enterprises of various types with a loan balance of RMB 2.35 billion.



The Ningbo Branch participates in the 2017 Ningbo (China) Cultural Industries Fair

## **Xiamen Branch**

### **Case: Serving BRICS Xiamen Summit and Demonstrating the Excellent Service of an International Bank**

In 2017, the Ninth BRICS Summit, which has attracted worldwide attention, was held in Xiamen. How to provide convenient and high-quality financial services to participants was a test for institutions offering foreign financial services.

Our Xiamen Branch, as one of the financial service providers at the Summit, set up a working group that drafted a special financial service plan by adhering to its mission and sense of responsibility as a state-

owned bank. The Branch guaranteed services related to branch outlets, self-help kiosks, POS machines, supply of cash in domestic and foreign currencies, etc., demonstrating the professionalism and internationalization of ABC's services.



The Indian customer Sohan gives a thump up for the financial service of Xiamen Branch during the BRICS Summit (Photo by Huang Zhixiang from Xiamen Branch)

## **Shenzhen Branch**

### **Case: Supporting Comprehensive Employee Development**

Our Shenzhen Branch attaches importance to the comprehensive development of employees. With the support of the Branch, employee Zhang Liang became the first amateur climber 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.

Zhang Liang actively contributes to public welfare. He has participated in public welfare activities related to environmental

protection such as the Antarctic expedition and the Arctic Challenge, the disaster relief auction for Wenchuan Earthquake, the torch handover ceremony of the Asian Games, and the “Green Concert” and “Earth Hour” activities of the Shenzhen branch. He has also consulted with government agencies, enterprises, primary and secondary schools, public forums, etc.



Scan the QR code to know more about Zhang Liang



Guangming Sub-branch launches consumer protection campaign

## **Suzhou Branch**

### **Case: Demenstrating Vitality**

Zhang Yang used to be an average employee at our Suzhou Wujiang branch. Born in the 1990s, she started her career in ABC in 2013 and managed to grow into a proficient bank teller in just a few years.

Zhang Yang won the 2015 Counter Service Contest at the Fifth Annual Agricultural Bank of China Skill Competition, won the first prize in the Manual Skill Contest of the 2016 Jiangsu Financial Industry Skill Competition, the Agricultural Bank of China May 1st Labor Medal, “The Most Beautiful Banker” of Suzhou and so on. In 2017, Zhang Yang was awarded the “National May 1st Labor Medal” by the All-China Federation of Trade Unions.

Dedication to work and professionalism are the requirements Zhang Yang set for herself, and being devoted, sincere and considerate is the attitude held by Zhang Yang toward customers. With superb professional skills, quality customer service and a positive attitude, Zhang Yang has demonstrated vitality and style of the contemporary youth in ABC.



Zhang Yang, an employee of Suzhou Wujiang Branch (Photo by Bu Yan from Wujiang Branch, Suzhou)

### **Dubai International Financial Center Branch (DIFC Branch)**

**Case: Participating in Dubai Hassyan Clean-Coal Project and Winning the Best Project Award for Syndicated Loans Business**

The DIFC Branch actively supports the Belt and Road Initiative and makes efforts to cater to international markets. In 2017, the DIFC Branch collaborated closely with our Heilongjiang Branch and participated in the financing process of the Dubai Hassyan Clean-Coal Project as part of our internal consortium. At the 2017 annual conference of the Professional Committee of Syndicated Loans and Transactions of China Banking Association, the project was recognized with the Best Project Award for Syndicated Loans Business.



Dubai Hassyan Clean-Coal Project (Photo by Liu Zhengping)

## **Singapore Branch**

### **Case: Caring for Female Employees**

Poor medical resources in Southeast Asia pose serious threats to the health and safety of local people. Our Singapore Branch organized staff to participate in the Days For Girls volunteer activity, through which hand-made reusable sanitary pads were made into health kits and distributed to girls in orphanages of Cambodia and Myanmar. Each health kit can be used for three to five years, effectively reducing the infections, diseases, and improving local health and safety awareness.



Participating in the Days For Girls volunteer activity

### **Hong Kong Branch**

#### **Case: Providing Long-term Support for Lok Sin Tong's Poverty Alleviation Work**

Our Hong Kong Branch believe in giving back to society and actively calls on employees to participate in volunteer service and charity activities. Since 2013, the Branch has established a long-term partnership with Lok Sin Tong in Kowloon, and the number of registered volunteers has continued to increase. From 2013 to 2017, the number of volunteers participating in visiting elderly homes grew from about 50 to 200 people. Gifts given to the elderly during the activity were mainly funded by the Hong Kong Branch, who also dispatched volunteer teams to public housing



Volunteers from the Hong Kong Branch visiting public housing

## **Tokyo Branch**

### **Case: Volunteer Service**

In June 2017, a total of 16 employees of our Tokyo Branch and their family members visited the “Sick Children’s Home” run by a local NGO, Family House. Family House is dedicated to offering accommodations for families of children with chronic life-threatening and life-shortening illnesses who have come to Tokyo for treatment. Volunteers donated food, daily necessities, etc., cleaned and disinfected every corner of the Home, and planted flowers, vegetables and fruits under the guidance of the staff, providing a clean as well as physically and mentally beneficial environment for the children and their families.



Employees of Tokyo Branch participate in a volunteer service activity

### **Frankfurt Branch**

#### **Case: Serving the 750 million Euro Loan Project for Volkswagen**

In 2017, a cross-border marketing team comprising members from the Head Office, the Frankfurt branch and several other domestic and overseas branches was formed to sign a 750-million-euro revolving loan agreement with the Volkswagen Group. As an important fulcrum of ABC's financial service in Europe, the Frankfurt Branch actively provides local customers with quality products and services through its rich experience in operation and innovation. The cooperation with Volkswagen, led by the Frankfurt Branch, combined the Branch's advantages in domestic and overseas capital costs and services, with the scale of funds, financing costs, withdrawal time limit, etc., which enhanced the Branch's reputation in local banking industry and brand image.

### **New York Branch**

### **Case: Enriching Employee Activities**

After work, carrying out various forms of cultural and sports activities is conducive to enriching employees' life and promoting the building of corporate culture. The New York Branch organized employees to participate in the 2017 The 8<sup>th</sup> CCA Cup Table Tennis Invitational organized by the China General Chamber of Commerce — USA. On Halloween, the Branch organized a pie eating contest. Such an exciting and motivating atmosphere is favorable for creating a good working environment, easing the pressure from work, enhancing internal cohesion and improving employee happiness.



Pie eating contest (Photo by Zhang Zhouyang from New York Branch)

### **Sydney Branch**

#### **Case: Facilitating the “Going Global” of Chinese-funded Enterprises in Australia and New Zealand**

Our Sydney Branch adheres to the strategy of seeking coordinated development through cross-border collaboration and reliance on domestic resources and focuses on promoting Chinese-funded enterprises in

Australia and New Zealand, aiming to build a cross-border financial service platform in the southern hemisphere. In 2017, the Branch worked with the Xinjiang branch and provided a two-year underwriting loan of 27 million Australian dollars for the White Rock Solar Farm Project of Goldwind Australia. The project, with the 25-year lifecycle, is a large-scale photovoltaic project that is strongly supported by the Australian government and is estimated to generate 44,000 megawatts of electricity per year, which will meet the annual electricity demand of 7,200 households in New South Wales.



Supporting Wind Power Project of Goldwind Australia

## CSR Honors and Awards

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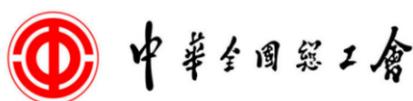


Second Prize of Banking Technology Development  
2016 (new-generation core business system  
BoEing)



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Award for Financial Institution with Most Social  
Responsibility in 2016  
Best Manager Award for Social Responsibility in  
2016  
Best Outlet Award for Special Contribution to  
Social Responsibility in 2016  
Excellent Project Award for Public Charity in 2016  
Advanced Unit for Legal Risk Management in  
2016  
Best Development Award for Pension Business in  
2016  
Excellent Award for Banking Industry  
Development in China  
Best Performance Award for Syndicate Loan  
Business



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National May 1st Labor Medal  
National May 1st Labor Certificate  
Pioneer Workers  
National May 1st Labor Medal for Financial  
Organizations  
National May 1st Labor Medal for Financial

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	<p>Organizations</p> <p>National Pioneers of Financial Organizations</p> <p>Innovation Studio of Model Workers in Financial System</p>
	<p>Best Green Domestic National Commercial Bank in China</p> <p>Best Green Chinese Bank in Overseas Markets</p> <p>Best Digital Bank</p> <p>China's Leaders in Fintech: Best State-owned Bank</p> <p>Best Chinese Bank in the Middle East &amp; Africa for China's Belt &amp; Road Initiative (BRI)</p>
<b>ASIAMONEY</b>	<p>Accounts Receivable ABS Product Award for Best Market Recognition</p> <p>Best ABS Financial Consultant Award</p> <p>Innovative ABS Product Award</p>
	<p>Most Influential Banking Brands of the Year</p> <p>Excellent Private Bank of the Year</p>
	<p>Best Local Currency Bond, China</p> <p>Best E-bank, China 2016</p> <p>Most Innovative Core Banking Project, BoEing 2016</p>
	<p>Top 10 Internet Finance Product Innovation Award</p>
	<p>Banks of Best Inclusive Finance Service in 2017</p>
	



2017 Golden Cicada Award for State-owned Commercial Banks

2017 Golden Cicada Award for Banks of Integrated Financial Service for Housing Loans



2017 Best Corporate Culture Award

Banks of Best Inclusive Finance Service in 2017



Best Private Bank of the Year



2017 Junding Award for Best Universal Investment Bank in China

2017 Junding Award for Financial Consultation in China



Asset Management Excellence Award

Innovative Financial Product Excellence Award



Annual Most Responsible Enterprise Award

Annual Responsible Contribution Award



Financial Bank for Poverty Alleviation with Outstanding Competitiveness in 2017

State-owned Commercial Bank with Outstanding Competitiveness in 2017



Award for Innovation in Asia-Pacific Financial Industry in 2017

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 <b>中华英才网</b>	Top 50 Best Employers for Chinese University Students Top 15 Best Employers in Financial Industry
	Award for the Contribution to Operation and Maintenance Award for the Outstanding Contribution to Technological Innovation in Finance
<i>Trade Finance</i> magazine, SINOTF.COM, Organization Committee of Annual Conference of China Transaction Bank	The Best International Transaction Bank
<i>Forbes</i> Asia, Fullgoal Fund Management Co., Ltd.	Best Organization Award (China Excellent Financial Planner)
China Government Securities Depository Trust & Clearing Co. Ltd.	Proprietary Trading Organization Award Excellent Custodian Award Excellent Clearing Agent Award Award for Excellent OTC Service Award for Improved OTC Service
China Foreign Exchange Trading System & National Interbank Funding Center, CFETS	Core Dealer Excellent Dealer in the Currency Market Excellent Dealer in the Security Market Award for Outstanding Contribution to Opening-up Best Technology Award
Ministry of Finance	Second place in the comprehensive ranking of book-entry government bond underwriting in 2017
China Banking Regulatory	First-class result on subject of banking information

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Commission

technology risk management

2017 advanced unit of activities of popularizing  
financial knowledge

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## Responsibility Commitments

The year 2018 marked the first year of fully implementing the spirit of the 19th National Congress of the CPC, the 40th anniversary of China’s reform and opening-up and a crucial period for securing a decisive victory in building a moderately prosperous society in all respects and connecting the implementation of 13th Five-Year Plan. Guided by the concepts with Chinese characteristics in the new era proposed by President Xi Jinping, and firmly upholding the underlying principle of pursuing progress while ensuring stability, adhering to new development concepts, and following requirements for promoting high-quality development of the economy, ABC will unswervingly undertake the five major tasks of serving the real economy, preventing and controlling financial risks, promoting business transformation, deepening reform and comprehensively strengthening Party self-discipline. ABC will also serve the national policies of fighting “three critical battles” on forestalling and defusing major risks, targeted poverty alleviation, and addressing pollution, striving to build a world-class commercial banking corporation.

<b>A national team to lead the financial service for Sannong</b>	<ul style="list-style-type: none"><li>● Focusing on “Seven Measures” including supporting the national food security strategy with financial services, and promoting integration of the agricultural industry</li><li>● Furthering innovations in business</li></ul>
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	<p>modes, products and services, and serving key areas in rural revitalization</p> <ul style="list-style-type: none"> <li>● Protecting resources, innovating modes and strengthening supervision to support poverty alleviation</li> </ul>
<p><b>A major force to support national welfare</b></p>	<ul style="list-style-type: none"> <li>● Actively promoting supply-side structural reform and economic transformation and upgrading</li> <li>● Strengthening efforts in supporting major national strategies and reform; fostering coordinated development of regions</li> <li>● Increasing support to key areas related to people's livelihood and benefits; improving efficiency and quality when serving the real economy</li> </ul>
<p><b>A leader to promote ecological progress</b></p>	<ul style="list-style-type: none"> <li>● Vigorously promoting green finance business; enhancing the green finance mechanisms</li> <li>● Adhering to green operation, advocating environmental protection activities, and accelerating the development of a green bank</li> </ul>
<p><b>A pioneer to provide quality service</b></p>	<ul style="list-style-type: none"> <li>● Strengthening protection of costumers' rights and interests</li> <li>● Continuously enhancing service quality</li> </ul>

	<p>and efficiency, the service experience of customers, and customer satisfaction</p> <ul style="list-style-type: none"> <li>● Continuing to demonstrate development vitality; deepening the reform of mechanisms and systems, and furthering innovation and application of financial technology</li> </ul>
<p><b>A guide to lead employee career paths</b></p>	<ul style="list-style-type: none"> <li>● Continuing to protect the rights and guarding the interests of employees</li> <li>● Supporting the career development of employees and making progress together</li> <li>● Continuously paying attention to caring for employees and furthering corporate culture development</li> </ul>
<p><b>A pioneer to facilitate the social harmony</b></p>	<ul style="list-style-type: none"> <li>● Enhancing the publicity of financial knowledge and improving public financial literacy</li> <li>● Continuously committed to promoting public welfare and social harmony</li> </ul>

## **Appendix**

### **Basis of Reporting**

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

**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 businesses in rural areas, petty loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, loans to other production and businesses for individuals, poverty alleviation loans to Comfortable Housing Project for farmers and herdsmen, personal soft loans for poverty alleviation, personal general loans for poverty alleviation, and “Kins Quick Agricultural 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 tire-2 branches, tire-1 sub-branches, business departments of tire-2 branches and the foundation-level establishments under their administration listed in the directory of County Area Banking Division.

**Proportion of female employees:** proportion of female employees is defined as number of female employees divided by the number of total employees. The number of employees is defined as the number of employees who hold labour contracts within the group level, 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 outlets:** number of county branches including tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the foundation-level establishments under their administration listed in the directory of County Area Banking Division.

**Water consumption per capita in office (m<sup>3</sup>/person):** total water consumption at the headquarters in 2017 divided by the number of employee at the headquarters.

**Electricity consumption per capita in office (kwh/person):** total electricity consumption at the headquarters in 2017 divided by the number of employees at the headquarters.

**Gas consumption per capita in office (m<sup>3</sup>/person):** total natural gas consumption at the headquarters in 2017 divided by the number of employees at the headquarters.

## **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 2017 key data (the “key data”) in the 2017 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 2017 Social Responsibility Report:

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

Our assurance was with respect to the selected key data of the 2017 Social Responsibility Report only and we have not performed any procedures with respect to any other elements included in the 2017 Social Responsibility Report or information in 2016 and earlier periods.

### **Criteria**

The criteria of the preparation of the key data in the Bank's 2017 Social Responsibility Report are listed in the basis of reporting of the key data (the "basis of reporting") before 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 2017 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 2017 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 2017 Social Responsibility Report. Our work involves assessing the risks of material misstatement in key data in the 2017 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 2017 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 Standards pertained 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 Standards. Hence, we do not express any assurance opinion as to whether the Bank has adhered to the principles of the GRI 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 All the People; Taking Responsibility, and Promoting Prosperity in Our Society", and has established 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 Standards, so as to facilitate the identification, assessment and reporting of significant issues that are relevant to Social Responsibility Report.

**PricewaterhouseCoopers Zhong Tian LLP**

Shanghai, China

March 26, 2018

# Reporting Index

## GRI Content Index

Standard number and description	Page	Note	
GRI 101: Foundation			
GRI 102: General disclosures			
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	102-2 Activities, brands, products, and services	P15	
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	102-4 Location of operations	P15-16	
	102-5 Ownership and legal form	P15	
	102-6 Market served	P15	
	102-7 Scale of the organization	P36, P136	
	102-8 Information on employees and other workers	P36, P136	
	102-9 Supply chain	P105-106	
	102-10 Significant changes to the organization and its supply chain	P252-260	No significant change
	102-11 Precautionary Principle or approach	P18-23, P115-117	
	102-12 External initiatives	P27-28	
	102-13 Membership of associations	P234-238	
Strategy	102-14 Statement from senior decision-maker	P6-14	
	102-15 Key impacts, risks, and opportunities	P19-23	
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	102-17 Mechanisms for advice and concerns about ethics	P24-25	
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	102-21 Consulting stakeholders on economic, environmental, and social topics	P28-31	
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	102-23 Chair of the highest governance body		
	102-24 Nominating and selecting the highest governance body		
	102-25 Conflicts of interest		
	102-26 Role of highest governance body in setting purpose, values, and strategy		
	102-27 Collective knowledge of highest governance body	P26	
	102-28 Evaluating the highest governance body's performance		
	102-29 Identifying and managing economic, environmental, and social impacts		
	102-30 Effectiveness of risk management processes	P21	
	102-31 Review of economic, environmental, and social topics		
	102-32 Highest governance body's role in sustainability reporting	P26	
	102-33 Communicating critical concerns		
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	102-35 Remuneration policies		
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	102-37 Stakeholders' involvement in remuneration		
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		102-46 Defining report content and topic Boundaries	P266-267	
		102-47 List of material topics	P27-28	
		102-48 Restatements of information	P252-260	No restatement information
		102-49 Changes in reporting	P252-260	No significant change on the topics of the report
		102-50 Reporting period	P266-267	
		102-51 Date of most recent report	P266-267	
		102-52 Reporting cycle	P266-267	
		102-53 Contact point for questions regarding the report	P266-267	
		102-54 Claims of reporting in accordance with the GRI Standards	P252-260	
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		102-56 External assurance	P246-251	
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103-3 Evaluation of the management approach			P37-52, P64-85	
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		201-2 Financial implications and other risks and opportunities due	P86-98	

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		201-3 Defined benefit plan obligations and other retirement plans	P138	
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GRI 203 Indirect economic impacts		203-1 Infrastructure investments and services supported	P37-85	
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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		
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		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 or compulsory 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 of 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		
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		412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		
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		416-1 Assessment of the health and safety impacts of product and service categories	P109-128	
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
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		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 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
<b>Aspect A1: Emissions</b>		
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.	P86-93, P102
A1.1	The types of emissions and respective emissions data.	P102-104
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P102-104
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P105
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P102-104
A1.5	Description of measures to mitigate emissions and results achieved.	P102-104
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P102-104
<b>Aspect A2: Use of Resources</b>		
General	Policies on the efficient use of resources, including energy,	P102

Disclosure	water and other raw materials.	
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).	P102-104
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P102-104
A2.3	Description of energy use efficiency initiatives and results achieved.	P102-104
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P102-104
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P86-91
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P91-93
<b>Aspect B1: Employment</b>		
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	P136

	periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
B1.1	Total workforce by gender, employment type, age group and geographical region.	P136
B1.2	Employee turnover rate by gender, age group and geographical region.	
<b>Aspect B2: Health and Safety</b>		
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.	P144-145
B2.1	Number and rate of work-related fatalities.	P144-145
B2.2	Lost days due to work injury.	P144-145
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P144-145
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P139-142
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P141-142
B3.2	The average training hours completed per employee by gender and employee category.	
<b>Aspect B4: Labor Standards</b>		

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.	P136
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P136
B4.2	Description of steps taken to eliminate such practices when discovered.	P136
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P105
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.	P105
<b>Aspect B6: Product Responsibility</b>		
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.	P109-114
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.	P125-128
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.	P109-114
<b>Aspect B7: Anti- corruption</b>		
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.	P18-19, P114-117
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.	P18-19, P21-23, P114-117
<b>Aspect B8: Community Investment</b>		
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.	P150-165
B8.1	Focus areas of contribution (such as education, environment, labor's needs, health, culture and sport).	P150-165
B8.2	Resources contributed to focus areas (such as money and time).	P150-165

## **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, 2017. Part of the content is in excess of the above scope.

### **Basis for Compilation of the Report**

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 2017 (which had been audited by PWC). Other data mainly originates from internal system statistics and

the affiliates of the Bank for 2017.

### **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](http://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**

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## Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2017. 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.

Which of the following stakeholder types apply to you?

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

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

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

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

Very good Average Poor

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

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In 2017, we have selected 18 key CSR issues by studying their importance to the sustainable development of Agricultural Bank of China

and importance to stakeholders. We will report on these key issues in future reports. Please select five issues that you are most concerned about. We will prioritize these issues 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
- 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
- Supporting community building
- Supporting disaster recovery and disaster mitigation
- Others\_\_\_\_\_



Scan the QR code and fill in the feedback form