

# 2017

社会责任报告

## SOCIAL RESPONSIBILITY REPORT



## About This Report

---

### Reporting Period:

January 1, 2017 to December 31, 2017. Some contents are properly traced back to previous years to make this report more comparable and forward looking.

### Reporting Cycle:

This is an annual report.

### Reporting Scope:

Data and facts involved herein cover the head office, branches and subsidiaries of Bank of Tianjin Co., Ltd. For the convenience of expression, they are referred to as "Bank of Tianjin", "the Bank", "We" or "Us" in this report.

### Reporting Standards:

This Report is prepared primarily in accordance with the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange) as well as Sustainability Reporting Guidelines (G4) of Global Reporting Initiative (GRI) and Additional Guidelines for Financial Service Industry, Social Responsibility Guidelines (GB/T 36000-2015), Social Responsibility Report Preparation Guidelines (GB/T 36001-2015) and Social Responsibility Performance Classification Guidelines (GB/T 36002-2015) issued by the General Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration of the People's Republic of China, Guidance on Social Responsibility (ISO 26000) issued by the International Standardized Organization, AA1000 and other relevant standards, and satisfies relevant requirements of Strengthening the Social Responsibility of Banking Financial Institutions of the China Banking Regulatory Commission and Guidelines on the Corporate Social Responsibility of Banking Institutions of China of the China Banking Association.

### Data and Information Disclosure:

Financial data disclosed in this report is from the *2017 Annual Report of Bank of Tianjin*. In addition, some historical data was added for data and information comparison. The currency in this report is RMB, unless otherwise specified. In case of any discrepancy between data of this report and the annual report, the information in the annual report shall prevail.

### Report Format:

This Report is released in an electronic version. You can read and download the report on our website (website: <http://www.bankoftianjin.com/>).

# Contents

## About This Report

### 4 Chairman's Message

### 6 President's Message

## 8 Management

### About Us

- 11 Company Profile
- 12 Corporate Governance
- 14 Key Performance

### Responsibility Management

- 15 Responsibility Management Philosophy
- 15 Responsibility Management Structure
- 15 Communication with Stakeholders
- 17 Honors and Qualifications

### Honest Operation

- 18 Risk Management
- 20 Anti-corruption
- 22 Anti-money Laundering

## 24 Serving Economy

### Adjusting Regional Layout to Serve National Strategy

- 27 Supporting the "Belt and Road Initiative"
- 28 Boosting Synergistic Development of the Beijing-Tianjin-Hebei Region
- 29 Promoting Development of the Yangtze River Economic Zone



### Serving Industrial Upgrading

- 29 Exerting Advantages with a Focus on Key Industries
- 30 Strictly Controlling Credit to Industries with Overcapacity through Differential Credit
- 30 Underpinning "Agriculture, Rural Areas and Farmers" with Preferential Policies

### Serving Small and Micro Enterprises

- 32 Serving Small and Micro Enterprises with Innovative Products
- 34 Setting up Specialized Sub-branches
- 34 Supporting Individual Startups

### Serving People's Livelihood

- 35 Promoting Development of People's Livelihood-oriented Industry
- 36 Assisting in Construction of Affordable Housing Projects
- 37 Advancing Featured Convenient Services

## 38 Serving Environment

### Serving Sustainable Development

- 41 Innovating Green Financial Services
- 42 Expanding Green Credit Business

### Serving Low Carbon Operation

- 44 Advocating Green Office
- 46 Performing Green Public Services

## 48 Serving Society

### Serving Consumer Demand

- 51 Protecting Consumer Rights
- 54 Innovating Customized Products
- 55 Improving Consumer Experience

### Serving Employees' Development

- 57 Engaging Employees on Fair Employment
- 58 Protecting Employees' Rights and Interests
- 59 Spurring Employees to Forge Ahead
- 59 Helping Employees with Their Development
- 60 Concerning about Employees' Health
- 61 Caring about Employees' Life

### Building a Harmonious Society

- 63 Carrying out Targeted Poverty Alleviation
- 64 Active in Public Welfare
- 66 Taking Part in Volunteer Service

## 68 Future Prospects

## 69 Appendixes

ESG Indicator Index

GRI Indicator Index

Reader Feedback





## Chairman's Message

Chairman of Bank of Tianjin 李学军

In 2017, we kept enhancing financial support for intensive and extensive synergistic development of the Beijing-Tianjin-Hebei region. Following the national millennium plan of constructing "Xiongan New Area" and leveraging the strategic strength of being the first mover to set up branches extensively covering the Beijing-Tianjin-Hebei region, we worked out plans and deployments, promptly rolled out special supporting policies, increased superior resource projects in pipeline and focused on serving infrastructure, undertaking of industrial shift and environmental protection & governance in the Beijing-Tianjin-Hebei region and Xiongan New Area, effectively promoting financial support for national strategies, and serving the real economy and practicing social responsibilities.

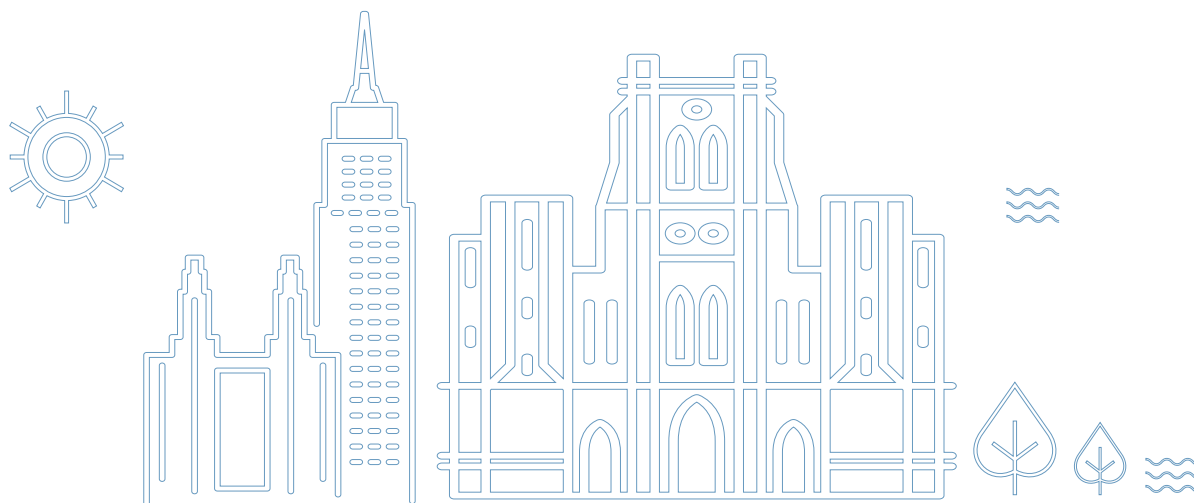
We firmly kept in mind our financial mission and development positioning, actively followed up preferential policies supporting SMEs in Tianjin, a dominant region which houses numerous SMEs with good quality and fast growing potentials, and continuously intensified financial services for technology-based "Little Giant" enterprises in adherence to serving SMEs as our basic policy for long-term development. In 2017, capitalizing on the first-mover advantage of our Bank's inclusion into the first batch of national investment loan linkage pilots, we made greater efforts to seek out and screen entrepreneurial companies in areas where our branches are located and vigorously promoted the debt-equity investment pilot program, laying a solid foundation for long-term development of the Bank.

We “remained true to our original aspiration and kept our mission firmly in mind” and resolutely took serving real economy as our foremost social responsibility throughout the year of 2017. Based on serving the Beijing-Tianjin-Hebei region, we earnestly practiced social responsibilities throughout the Bank, achieving a virtuous circle of development in operating results and social benefits. In 2017, backed by solid business management and financial innovation, we ranked 232nd according to the “Global Banking 500 (by Brand Value)” in 2017 and 199th (by tier-one capital) in the latest Top 1,000 World Banks in 2017 published by the Banker, a UK magazine.

In 2017, under the mission of “serving agriculture, rural areas and farmers, serving people's livelihood, serving community”, we enhanced cooperation with local governments and departments to continuously satisfy the development needs of urban and rural areas facing imbalanced and inadequate development. In 2017, we realized immediate issue of “social security cards” and further diversified “union card” service projects. Innovative products such as “Student E-Loan” were launched to help university graduates with further study and employment. We strictly implemented national housing credit policies, improved the image of “Citizens Bank”, and effectively helped customers get loans for their residential demand and housing improvement demand. We insisted on providing secured microfinance loans for individual start-ups to promote the mass entrepreneurship and innovation

campaign. By fully leveraging the brand strength of seven county banks in Xinjiang and Ningxia areas, we expanded credit extension to remote areas to support the development of local “agriculture, rural areas and farmers”.

2018 is a crucial year for China's implementation of the “13th Five-Year” Plan and also an important year for us to achieve transformational development. We will promote high-quality development by firmly seizing the development opportunity of the region, intensively practice social responsibilities and continuously advance the harmonious development of financial enterprises, people's livelihood and the economy society, demonstrating the new image, new look and new action of Bank of Tianjin!





## President's Message

President of Bank of Tianjin

Our Bank infused social responsibility concept into corporate development strategy, improved responsibility management structure, promoted responsibility management practice, strengthened communication with stakeholders, and endeavored to shape a responsible banking brand, with a view to creating greater value for shareholders, customers, employees, partners, communities and other stakeholders.

We kept improving the creditability system, enhanced internal control and risk management, improved internal audit system, reinforced anti-corruption governance, intensified anti-money laundering management capability and safeguarded operations in compliance with laws and regulations. All these actions we took would effectively prevent and control financial service risk and contribute to financial safety and social stability.

In response to structural reform of the supply side, synergistic development of the Beijing-Tianjin-Hebei region, the "Belt and Road Initiative" and other national development strategies, we stepped up resource allocation and business organization at the head office level, established the branch-linked marketing mechanism, and intensified support for such industries as equipment manufacturing, energy conservation and environmental protection, information technology, new energy and new materials. Credit extension to industries with overcapacity was put under strict control by optimizing credit policies. We also made efforts to promote reasonable layout of industrial value chain, boost upgrading of industrial structure and supported overall development of the real economy in key fields.

Small and micro enterprises are the lifeblood for promoting innovative development in the new era and provide new momentum for economic structure transformation under the new normal. Adhering to our brand positioning of "becoming a banking partner of small and micro enterprises", we innovated product design backed by flexible services and explored new financing model, providing integrated solutions for development of small and micro enterprises. As at the end of 2017, we had 2,065 medium, small and micro enterprise customers, whose loan balance amounted to RMB151,917 million, accounting for 75% of total corporate loans, and credit extension to medium, small

2017 is a crucial year for our country's intensive implementation of "13th Five-Year" Plan and also a pace-setting year for financial work. As a small and medium-sized bank playing an important role in the region, we, with strong beliefs and original aspirations, have established sound communication with the government, shareholders, customers, employees, partners, and communities in an innovative, transparent and cooperative way under the leadership of the Board of Directors and won the trust and recognition of stakeholders on a mutual growth basis, and worked hard to build ourselves into a growing integrated service bank that could make contribution to sustainable development of the economy, society and environment while achieving our own economic growth.

and micro enterprises recorded a growth of 12.09%. We have been rated as an "Outstanding Company in Providing Financial Services for Small Enterprises in Tianjin" for four consecutive years and won the title of "SMEs Service Star in Tianjin" granted by Tianjin SME Association.

Customers are important stakeholders for the sustainable development of the financial industry. Adhering to the philosophy of "Customer First", we earnestly protected consumers' right to know, right of claim and right of supervision, set up personalized financial service platform and launched customized products according to individual demands of consumers. By improving service quality and expanding service channels, we were committed to satisfying all-round demands from consumers and provided the best experience to enhance customer satisfaction. As at the end of 2017, our customer complaint handling rate was 100%, and customer satisfaction of complaint handling reached 99.99%.

Benefiting the public and serving people's livelihood is one of the important goals of the financial industry in promoting sustainable development. We, centering on people's livelihood and consumption, are long devoted to supporting development of the industries closely related to people's livelihood, assisting in the construction of affordable housing projects and advancing featured convenient services to satisfy livelihood needs and contribute to happiness. As at the end of 2017, housing loans extended by us amounted to RMB8,356 million, up by RMB6,774 million from the beginning of the year.

Employees are valuable assets for corporate development. We insisted on fair employment, earnestly protected the basic rights of employees, supported and encouraged employees for career development, paid attention to employees' health and cared for employees' life, and endeavored to deliver development opportunities to all employees to achieve mutual growth of the enterprise and employees in a harmonious atmosphere. As at the end of 2017, we had 6,652 employees in total.

Green development and ecological civilization are the premises and guarantee for achieving harmonious and sustainable development of the economy, society and environment. In line with the

development trend and in response to national policy requirement of green development, we integrated the philosophy of low carbon and environmental protection into the Company's operation and daily management, actively built green financial system, explored unique green financial development model, and improved and innovated financial services for the field of energy conservation and environmental protection. We also promoted green credit business, implemented green operations, strengthened management of energy conservation and emission reduction in office and spread the philosophy of low carbon and environmental protection. By providing excellent green financial products and services, we underpinned the sustainable development of the society, economy and environment and ensured smooth construction of a beautiful China. As at the end of 2017, our green credit balance reached RMB11,273 million, and various emissions were discharged and handled in compliance with requirements, and energy consumption in office kept decreasing.

Adhering to the philosophy of "giving back to the society with our original aspiration", we actively performed our social responsibilities. By leveraging our own advantages in business and resources, we carried out targeted poverty alleviation using innovative models, stepped up aid for people in need and diversified poverty alleviation means to realize sustained economic development in poverty-stricken areas and improve living standards of residents in poverty-stricken areas. As an active participant in public charity, we made donations to education, science, culture, health care, sports and other public welfare projects, encouraged employees to participate in volunteer activities and provided volunteer services for communities. As at the end of 2017, our agriculture-related loan balance totaled RMB31,121 million and 5,238 poverty-stricken people were benefited, while our donations amounted to RMB1.675 million.

Past brilliant results will eventually be a history. In response to new challenges and opportunities, we will, with an ambitious heart and entrepreneurial spirit, forge ahead on the road to sustainable development of Bank of Tianjin and work hard to promote harmonious development of the economy, society and environment.



# Management

## About Us

- 11 Company Profile
- 12 Corporate Governance
- 14 Key Performance

## Responsibility Management

- 15 Responsibility Management Philosophy
- 15 Responsibility Management Structure
- 15 Communication with Stakeholders
- 17 Honors and Qualifications





## Honest Operation

- 18 Risk Management
- 20 Anti-corruption
- 22 Anti-money Laundering



## Marketing Positioning

A Mainstream Bank in the  
Beijing-Tianjin-Hebei Region

A Value-driven Bank

A Bank Offering Superior  
Experience

A Dual-Track Bank

A Bank Proud of Compliance  
and Integrity

A Bank That Cares about  
Employees

## About Us

### ■ Company Profile



Bank of Tianjin was established in 1996 and was successfully listed on the Main Board of the Hong Kong Stock Exchange on March 30, 2016. In 2016, Bank of Tianjin Financial Leasing Co., Ltd, a financial leasing company was officially opened to the public. The Bank was also among those first approved as qualified debt-equity investment pilot bank in China. As of the end of 2017, the Bank has one head office branch, seven tier-one branches, six central sub-branches and a total of 242 business outlets, and funded Bank of Tianjin Financial Leasing Co., Ltd, Tianjin Jizhou County Bank and seven JinHui County Banks in Ningxia and Xinjiang Autonomous Regions.

Adhering to the development vision of "a value-driven mainstream bank with double tracks, compliance, integrity, remarkable experience and great care for employees in the Beijing-Tianjin-Hebei region", Bank of Tianjin has never stopped exploring and innovating and made efforts to standardize management, becoming one of the high-growth joint-stock commercial banks in the national banking industry. As of the end of 2017, the Bank recorded total assets of RMB701.914 billion. In particular, loans and advances to customers totaled RMB241.637 billion and deposits from customers totaled RMB357.858 billion.

With quality financial services, Bank of Tianjin won widespread recognitions and ranked 199th in the Top 1,000 World Banks published by the Banker, a UK publication, moving up by 12 places as compared with last year; Bank of Tianjin ranked 232nd according to the "Global Banking 500 (by Brand Value)" published by Brand Finance (a famous UK-based brand rating institution). Our Bank was also awarded honors and titles such as "2017 Outstanding City Commercial Bank" and "Top Ten City Commercial Banks of the Year". China Lianhe Credit Rating Co., Ltd raised our corporate credit rating to AAA, the highest corporate credit rating of domestic commercial banks.



## Corporate Governance

In strict accordance with Company Law of the PRC, Law of the People's Republic of China on Commercial Banks, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other relevant laws and regulations, our Bank improved the corporate governance structure to further clarify the responsibilities and boundaries of governance subjects including the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and senior management, constructed a corporate governance balance system requiring "performance of respective duties based on well-defined powers and responsibilities, mutual coordination and effective checks and balances" and promoted the formation of a corporate governance mode featuring scientific decision making, effective supervision and stable operation to improve the overall governance of the Company.

Our Bank has established a relatively comprehensive corporate governance structure in strict accordance with the requirements of the code provisions in Appendix 14 of the Hong Kong Listing Rules. We clearly divided the responsibilities of the Shareholders'

General Meeting, the Board of Directors, the Board of Supervisors and senior management. The Shareholders' General Meeting is the highest authority of the Bank. The Board of Directors is accountable to the Shareholders' General Meeting. During the reporting period, the Board of Directors had 15 Directors, including 4 executive directors, 6 non-executive directors and 5 independent non-executive directors. The Board of Directors has established six special committees which operate under the leadership of the Board and provide opinions for the Board's decisions. During the Reporting Period, the Board of Supervisors had 6 Supervisors, including 2 Shareholder Representative Supervisors, 2 Employee Representative Supervisors and 2 External Supervisors. The Board of Supervisors supervises the stable and sound operations of the Bank and the performance of duties of the Board and senior management. Senior management is responsible for implementing resolutions of the Board and taking charge of the daily business and management of the Bank and reporting regularly to the Board of Directors and the Board of Supervisors.

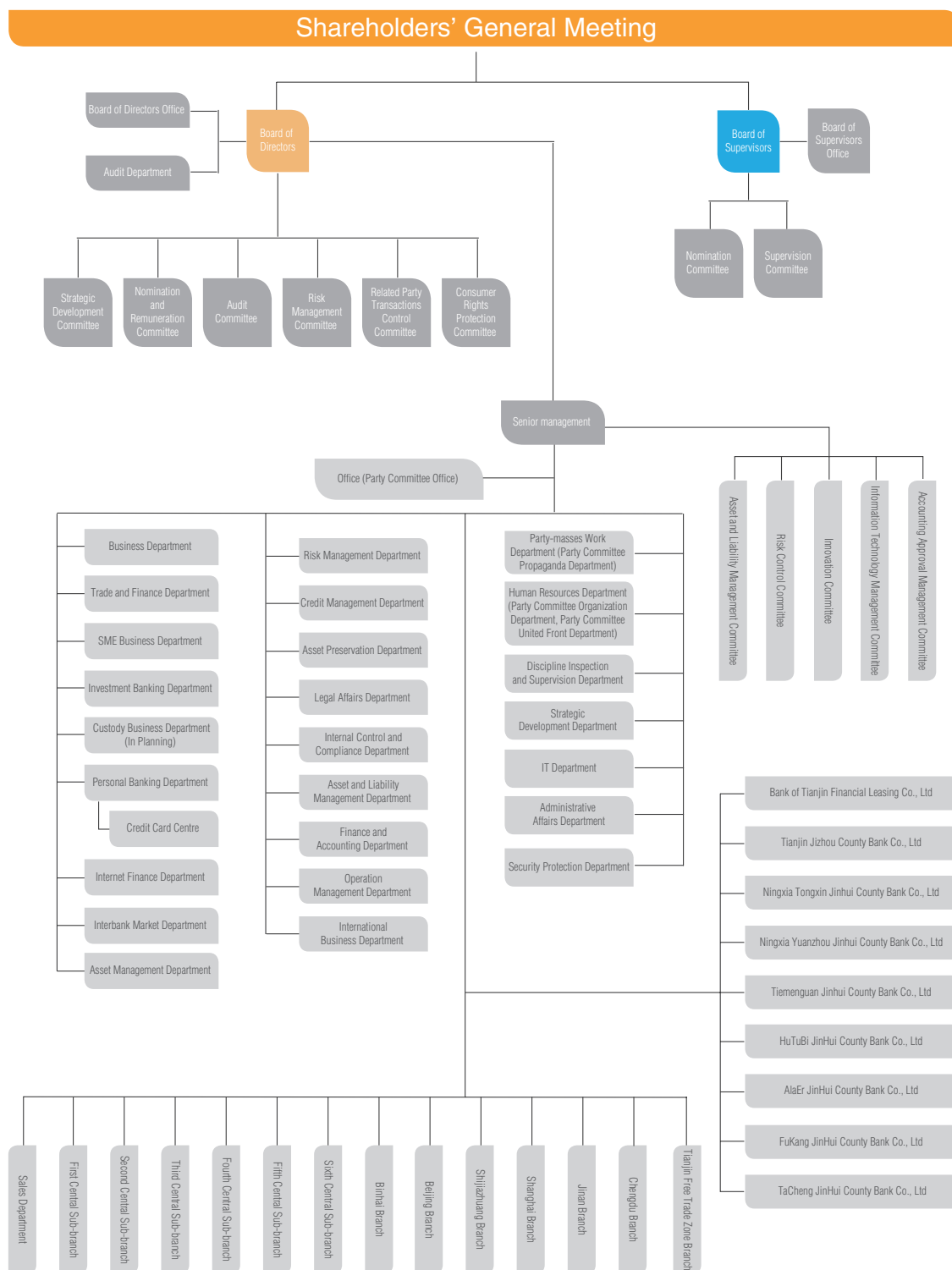
### Corporate Governance Progress



- Held **2** Extraordinary General Meetings
- Held **1** Annual General Meeting
- Considered and approved **15** proposals

- Held **7** meetings of the Board of Directors
- Considered and approved **58** proposals
- Held **7** meetings of the Board of Supervisors
- Considered and approved **48** proposals

## Organizational Structure



## ■ Key Performance

### Economy:

Indicator	Unit	2017	2016
Operating income	RMB million	10,143.32	11,814.74
Total assets	RMB million	701,913.59	657,310.11
Balance of deposits	RMB million	357,857.64	365,470.96
Balance of loans and advances to customers	RMB million	241,637.25	207,854.53
Net profit	RMB million	3,943.06	4,517.90
Tax paid	RMB million	1,058.53	1,709.28
Return on average total assets	%	0.58	0.74
Capital adequacy ratio	%	10.74	11.88
Allowance coverage ratio	%	193.81	193.56

### Society:

Indicator	Unit	2017	2016
Total employees	Person	6,652	6,526
Total male employees	Person	2,826	2,815
Total female employees	Person	3,826	3,711
Social insurance coverage ratio	%	100	100
Housing fund coverage ratio	%	100	100
Supplementary medical insurance coverage ratio	%	100	100
Balance of agriculture-related loans	RMB100 million	311.21	302.19
Number of poverty-stricken people under help	Person	5,238	2,931
Total amount of outward donations	RMB ten thousand	167.5	95

### Environment:

Indicator	Unit	2017	2016
Green credit balance	RMB100 million	112.73	122.45
Consumption of water supplied by municipal utilities	Tonne	151,002.01	/
Consumption of outsourced electricity	MWh	26,311.51	/
Gasoline consumption	L	355,190.60	/
Natural gas consumption	m <sup>3</sup>	518,892.76	/
Loan balance to industries with "overcapacity"	RMB100 million	133.26	152.16
Proportion of loan balance to industries with "overcapacity" in the total loan balance	%	5.57	7.13

## Responsibility Management

### ■ Responsibility Management Philosophy

We actively incorporated the social responsibility concept into our strategic development plans, covering targeted poverty alleviation, inclusive finance, environmental and social risk assessment, green credit, protection of consumer rights and so on. Meanwhile, under the established development vision

targeting to "position our Bank in six dimensions", our Bank is committed to becoming a value-driven mainstream bank with double tracks, compliance, integrity, remarkable experience and great care for employees in the Beijing-Tianjin-Hebei region.



### ■ Responsibility Management Structure

We attached great importance to the promotion of social responsibility management, continuously improved the social responsibility management framework to form a working mechanism backed by vertical cooperation, made efforts to infuse the social responsibility concept into our decision-making management and business operation in a more effective way, and improved the procedures and

expertise for the performance of social responsibility. Our senior management is responsible for considering and deciding our major events including the Company's social responsibility strategies, goals and plans, and promoting integration between social responsibility philosophy and development strategies and operation management.

### ■ Communication with Stakeholders

We actively communicated with internal and external stakeholders on a real-time and regular basis, to ensure an effective and normal communication. Meanwhile, we also took innovative steps to adopt new technologies, actively gave play to the role of new

media platform, expanded communication channels, encouraged stakeholders to interact with us and initiatively responded to appeals and expectations of stakeholders.

## Appeals of Stakeholders and Responses

### Stakeholders Expectations and Appeals Communication Methods Our Responses

The Government	<ul style="list-style-type: none"><li>• Serving national strategies for economic development and promoting the development of regional economy</li><li>• Achieving maintenance and appreciation of state-owned assets</li><li>• Contributing stable tax and employment opportunities</li></ul>	<ul style="list-style-type: none"><li>• Policies and guidelines</li><li>• Working conferences</li><li>• Information reporting</li><li>• Symposia</li></ul>	<ul style="list-style-type: none"><li>• Operating stably according to law and implementing the national macroeconomic policies</li><li>• Promoting people's livelihood development, supporting development of SMEs, "agriculture, rural areas and farmers" and regional industry, and serving major national strategies such as Beijing-Tianjin-Hebei integration</li></ul>
Regulatory authorities	<ul style="list-style-type: none"><li>• Operations in compliance with laws and regulations</li><li>• Holding the bottom line of risk</li><li>• Maintaining stability and safety of financial systems</li></ul>	<ul style="list-style-type: none"><li>• Regulatory policies</li><li>• Investigations and interviews</li><li>• Message reporting</li><li>• Work instructions and reports</li></ul>	<ul style="list-style-type: none"><li>• Strictly implementing regulatory policies and requirements</li><li>• Enhancing consolidated management of the bank group</li></ul>
Industry association	<ul style="list-style-type: none"><li>• Strengthening the industry self-discipline and improving financial services</li><li>• Timely communication and feedback and quality of materials</li></ul>	<ul style="list-style-type: none"><li>• Telephone, WeChat and email</li><li>• Information reporting</li><li>• Working conferences</li><li>• Trainings</li><li>• Questionnaires</li></ul>	<ul style="list-style-type: none"><li>• Improving communication mechanism and good cooperation</li><li>• Actively participating in industry activities</li></ul>
Shareholders	<ul style="list-style-type: none"><li>• Satisfactory returns</li><li>• Strict risk control</li><li>• Good credit rating</li><li>• Effective information communication</li></ul>	<ul style="list-style-type: none"><li>• Accurate and timely information disclosure</li><li>• Shareholders' General Meeting</li><li>• Road shows of results</li></ul>	<ul style="list-style-type: none"><li>• Stable operation and improving operating results</li><li>• Standardized corporate governance and compliant operation</li><li>• Investor relations management</li><li>• Sufficient and timely information communication</li></ul>
Customers	<ul style="list-style-type: none"><li>• Diversified financial products</li><li>• Quality and safe financial services</li><li>• Unimpeded channels to obtain information</li></ul>	<ul style="list-style-type: none"><li>• Publicity activities</li><li>• Customer service hotline</li><li>• Questionnaires</li><li>• Interaction via official website, microblog and WeChat</li></ul>	<ul style="list-style-type: none"><li>• Innovating financial products</li><li>• Strengthening customer relations management</li><li>• Diversifying channels</li><li>• Improving service quality and customer experience</li><li>• Enhancing protection of customer rights</li></ul>
Employees	<ul style="list-style-type: none"><li>• Welfares and benefits</li><li>• Good career development</li><li>• Satisfactory working environment</li><li>• Guarantee of employees' legal rights</li></ul>	<ul style="list-style-type: none"><li>• Employee representatives' meetings</li><li>• Symposia</li><li>• President's mailbox</li><li>• Condolence visits</li></ul>	<ul style="list-style-type: none"><li>• Fair employment policies</li><li>• Sound remuneration incentive mechanisms and training systems</li><li>• Diversified career development platform</li><li>• Paying attention to working environment and physical and mental health of employees</li></ul>
Suppliers and partners	<ul style="list-style-type: none"><li>• Long-term good partnership</li><li>• Timely communication and feedback and quality of materials</li></ul>	<ul style="list-style-type: none"><li>• Negotiation</li><li>• Contracts</li><li>• Bidding and tender</li><li>• Interviews</li><li>• Research</li></ul>	<ul style="list-style-type: none"><li>• Telephone</li><li>• WeChat</li><li>• Email</li><li>• Road shows</li></ul> <ul style="list-style-type: none"><li>• Research, communication, materials collection and preparation of reports</li><li>• Equality and mutual benefit and honest delivery of contracts</li></ul>
Environment	<ul style="list-style-type: none"><li>• Developing green finance</li><li>• Supporting environment-friendly enterprises</li><li>• Promoting resource saving and sustainable development</li></ul>	<ul style="list-style-type: none"><li>• Implementing the policies of energy conservation &amp; emission reduction</li><li>• Conducting green public service activities</li></ul>	<ul style="list-style-type: none"><li>• Supporting energy conservation &amp; emission reduction, innovating green financial products, and conducting green credit businesses</li><li>• Implementing green office practices and building a green bank</li></ul>
Communities	<ul style="list-style-type: none"><li>• Participating in community development</li><li>• Committed to social harmony</li></ul>	<ul style="list-style-type: none"><li>• Field investigations</li><li>• Visits</li><li>• Public service activities</li></ul>	<ul style="list-style-type: none"><li>• Conducting volunteer activities, helping vulnerable groups and taking an active part in public welfare undertakings</li><li>• Ensuring safe operation and popularizing financial knowledge</li></ul>
Public and media	<ul style="list-style-type: none"><li>• Maintaining good public relations</li></ul>	<ul style="list-style-type: none"><li>• Press conferences</li><li>• Interviews</li></ul>	<ul style="list-style-type: none"><li>• Improving communication and cooperation mechanisms</li><li>• Actively conducting news reports</li></ul>

## ■ Honors and Qualifications



### Honors

Ranked 199th in the Top 1,000 World Banks published by the Banker, a UK publication, moving up by 12 places as compared with last year.

Ranked 232nd according to the "Global Banking 500 (by Brand Value)" published by Brand Finance (a famous UK-based brand rating institution).

AAA Corporate Credit Rating by China Lianhe Credit Rating Co., Ltd, the highest corporate credit rating of domestic commercial banks.

"2017 Outstanding City Commercial Bank",  
 "Top Ten City Commercial Banks of the Year",  
 "Outstanding Award for Growth of the Year",  
 "Best Listed Company",  
 "Most Promising Listed Company",  
 "2017 Prudent Operation List of Chinese Small and Medium Banks",  
 "2017 Best Mobile Banking Award of Regional Commercial Banks" and  
 "2017 Excellent City Commercial Bank of the National Banking Industry in terms of Financial Information Registration Work".



### Qualifications

01



Category B  
lead underwriter  
and Category B  
independent lead  
underwriter

02



Among the first  
group eligible for  
underwriting of the  
debt financing plan  
of Beijing Financial  
Assets Exchange,  
securitization of credit  
assets, M&A loans  
and credit asset  
circulation

03



Granted multiple  
investment banking  
licenses and  
qualifications such  
as being among the  
first group eligible  
for debt-equity  
investment pilot bank

## Honest Operation

In strict accordance with Company Law of the PRC and other relevant laws and regulations, Bank of Tianjin kept improving the creditability system, enhanced internal control and risk management, improved internal audit system, reinforced anti-corruption governance, enhanced anti-money laundering management capability and safeguarded operations in compliance with laws and regulations. All these actions we took would effectively prevent and control financial service risks and contribute to financial safety and social stability.

### ■ Risk Management

In accordance with requirements of the New Basel Capital Accord, we kept promoting a comprehensive risk management system, standardized risk governance structure, continuously improved risk management systems for credit risks, operational risks, compliance risks and information technology risks, and established risk control mechanisms tailored to various businesses.

#### Building a Comprehensive Risk Management System

According to requirements of Notice on Guideline for Comprehensive Risk Management of Banking Financial Institutions issued by CBRC (Yin Jian Fa [2016] No. 44), we worked out the *Comprehensive Risk Management System of Bank of Tianjin*, which established a well-organized risk management structure based on multiple lines of defense in the aspects of organization, system, procedure, method, tool, system and cultural construction and preliminarily set up a comprehensive risk management system with well-defined duties, mutual restriction and clear reporting relationships under the leadership of the Board.

According to the latest regulatory requirements of the industry, we further sorted out and optimized the bank-wide risk management system and operation procedures specific to emerging new products and businesses, supervised the implementation of the system and built a long-effective mechanism for risk management.

#### Credit Risk Management

In strict accordance with financial regulatory requirements of the state and regulatory authorities, we established a credit risk monitoring system to enhance monitoring and pre-warning of credit asset quality and identify, monitor, control and release risks, which made us more forward-looking in risk identification and more sensitive to risk response. Meanwhile, we further consolidated three lines of defense including market access, early intervention and disposal by exit, strictly restricted financing needs of industries with overcapacity, and standardized real estate development loan and financing platform businesses to effectively prevent cross-financial business risks.

We kept enhancing management of non-performing financial assets, amended *Administrative Measures for Collection and Protection of Non-performing Assets of Bank of Tianjin*, *Administrative Measures for Dunning of Non-performing Assets by External Institutions Entrusted by Bank of Tianjin* and *Administrative Measures for Bulk Transfer, Evaluation and Pricing of Non-performing Assets* and *Administrative Measures for Debt Repayment Assets of Bank of Tianjin*, highlighted key areas and projects and adopted multiple means to standardize management of non-performing assets and ensure sufficient assets, so that the Company ran healthily and sustainably. During the Reporting Period, the Bank recorded a non-performing loan ratio of 1.50%, capital adequacy ratio of 10.74% and allowance coverage ratio of 193.81%.

#### During the Reporting Period



Non-performing loan ratio

1.50%



Capital adequacy ratio

10.74%



Allowance coverage ratio

193.81%

## Information Technology Risk Management

We strictly observed national information security standards and attached great importance to the guiding opinions of regulatory authorities. In 2017, the head office adjusted the functional division of departments and formed a structure of “three lines of defense” for IT risk management. The IT department is “the first line” responsible for IT construction and information security management; the internal control & compliance department is “the second line” responsible for IT risk management and business continuity management; the audit department is “the third line”. The “three lines of defense” conducted strict control and were truly separated. Mutual collaboration and checks and balance among the three lines have met the requirements of the CBRC that the department of IT risk management should be independent from the IT management department and the structure of the three lines for IT risk management of the Bank was improved. During the Reporting Period, we recorded no accident, experienced stable business operation in the whole year and witnessed significant improvement in IT risk management.

Moreover, we established a multidimensional IT management system. We divided lines of fields for IT standards in the horizontal latitude and worked out various systems and implementation procedures for IT management and operation according to the hierarchical system building standards from top to bottom. During the Reporting Period, the Bank set up 87 IT policies. The IT management system was complied with ISO27001 information security management requirements and laid a good foundation for ISO20000IT service management system and CMMI software development standard system. Besides, our Bank further improved information security monitoring indices, kept adjusting and improving index thresholds, executed regular monitoring report system, and fully identified, prompted and tracked to rectify information security risks via data acquisition, statistics and analysis, so as to improve the information security monitoring quality. We strictly implemented the measures for management and control of IT outsourcers, specified the standards for hierarchical management of outsourcers, effectively identified the defects and hidden dangers in outsourcing of information technology by regularly evaluating and monitoring the services of outsourcers, and strictly controlled the outsourcing risks, hence reducing potential security hazards.

## Operational Risk Management

In strict accordance with the provisions on supervision and management of the banking industry, we improved the operational risk management structure, kept improving operational risk management ability, worked out operational risk management policies and systems and formulated the *Operational Risk Management Policies of Bank of Tianjin Co., Ltd.* and *Operational Risk Management Methods of Bank of Tianjin Co., Ltd.* in compliance with our business nature, scale and complexity and risk features. Meanwhile, to effectively prevent business operation risks, we actively conducted internal control examinations and set up three lines of defense for supervising and examining institutions at various levels, products and business procedures. Regarding the problems and defects found, we specified the responsible departments for rectification, regulated the rectification procedures, ensured the rectification measures were fully implemented and enhanced liability investigation for illegal business acts. As for rectification of problems found in external supervision and examination, we issued the *Notice on Establishing a Rectification and Tracking Mechanism for Problems Found in External Supervision and Examination* to further improve the efficiency and effectiveness of problem rectification. During the Reporting Period, we successively organized and conducted 12 special examinations and 23 off-office audits, organized and carried out four routine examinations on a quarterly basis, formed special reports and timely fed them back to the senior management and relevant departments, and reported to the supervisory department as required.

We also established the supervision and evaluation mechanism for examination and approval of credit business and assigned ad hoc persons to conduct examination and monitoring on the credit business approved within the authority of branches. During the Reporting Period, the Bank issued 56 letters of review to the branches, reviewed 134 problematic businesses and required the branches to immediately stop granting credit or timely take relevant measures for rectification.

## Risk Management for Credit Card Business

We implemented comprehensive risk management for the three steps (pre-lending, in-lending and post-lending) concerning credit card business and enhanced efforts for credit examination and risk monitoring, so as to effectively prevent and control credit risk for credit cards.



### Pre-lending risk management

We specified standards for customers subject to admission, prudential admission and prohibited admission during marketing, formulated the Guiding Opinions on Customer Admission for Credit Granting of Credit Cards of Bank of Tianjin in 2017, strengthened risk management for customer admission and shifted risk barrier forward. Meanwhile, we unified the management standards for preliminary examination of credit cards of branches, implemented a management mode of centralized preliminary examination of credit card business, uniformly issued the examination and approval standards for credit card business, provided special seals for preliminary examination of credit cards for branches, and regulated management and use of the seal for examination and approval of credit card business.

### In-lending risk management

We defined the standards for credit examination and approval, formulated the Policies of Bank of Tianjin on Credit Examination and Approval for Credit Cards (2017 revision), intensified efforts for prevention of fraud risks, and established a hierarchical examination and approval management mechanism according to the levels of credit line, so as to effectively enhance the Bank's credit risk management for credit card business.

### Post-lending risk management

We inspected risks via monitoring of transaction risks, credit information service of the People's Bank of China and cashing data model screening. Meanwhile, we worked out the Implementation Rules for Risk Monitoring on Credit Card Business of Bank of Tianjin, and took such risk control measures as text message and phone warning, sending early warnings to branches, active suspension of payment and limit reduction. In addition, in asset preservation, we regulated requirements for collection management, worked out the Implementation Rules for Collection of Overdue Payment Concerning Credit Cards of Bank of Tianjin, practised outsourced collection for non-performing loans concerning local credit cards, and enhanced the management ability of non-local branches by strengthening the linkage between the head office and branches, so as to improve the effect of overdue payment collection.

## ■ Anti-corruption

We strictly complied with the Party's regulations and disciplines such as the Constitution of the Communist Party of China and relevant laws and regulations including Criminal Law of the People's Republic of China, Anti-Corruption and Anti-Bribery Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Company Law of the People's Republic of China and Interim Provisions on Banning Commercial Bribery issued by the State Administration for Industry and Commerce of the People's Republic of China, and based on our actual situation, promoted building of the anti-corruption system, established a sound anti-corruption accountability system, enhanced the role of internal supervision, and conducted anti-corruption education, in order to build an anti-corruption mechanism featuring balance of rights and obligations, clear responsibilities, effective constraint and adequate supervision, ensuring control over corruption from the source.

In 2017, based on the previous systems, we additionally formulated the *Rules on Examination of Discipline Execution by Discipline Inspection Institutions of the Head Office of Bank of Tianjin* (for trial implementation), *Provisions on Reporting and Exposure of Illegal Cases of Bank of Tianjin* (for trial implementation), *Annual Work Plan 2017 of the Inspection Team of the Party Committee of Bank of Tianjin* and other systems, revised the *Accountability and Reporting System of Bank of Tianjin* (2017 revision), the *Implementation Rules for the Inspection Work of the Party Committee of Bank of Tianjin* (revision)

and other systems, and reviewed the existing systems, in order to build a sound anti-corruption system and further systematize and regulate discipline execution examination.

We took a variety of actions and divided and assessed the fulfilment of different levels of quantified targets set out in the list of responsibilities by such means as promoting the signing of letter of responsibility for the building of a clean and honest administration, holding regular conversations, organizing thematic sessions and practising internal inspection, to ensure anti-corruption work was carried out smoothly. During the Reporting Period, the leaders of the head office signed a letter of responsibility for the building of a clean and honest administration with department heads; and the secretary of the discipline inspection commission (DIC) and the secretaries of the DIC of various branches signed relevant letters of supervision responsibility, and assessed the fulfilment of different levels of quantified targets set out in the list of responsibilities. The secretary of the DIC of the head office had a group interview and gave talks to the new secretaries of the DICs of branches before office assumption; organized 19 anti-corruption-themed talks and gave talks before office assumption to the secretaries of the DICs of the branches, and gave motivational talks and also talks for heads-up alerts to the relevant Party members and cadres in charge. Moreover, based on our actual situation, we carefully worked out and adopted measures designed

to strictly govern the Party and enhance internal supervision, organized internal inspection to be carried out by the Party committee, completed seven rounds of inspection work for 13 branches in total in the whole year. We actively dealt with the problems found during the on-site inspection by the municipal Party committee and corrected trend and tendency problems via criticism and education, verbal warning and note of caution, so as to eradicate corruption.

We also established an online-offline linked learning, and created an upright and clean work atmosphere through the online WeChat platform and offline anti-corruption training and advocacy, thereby improving the awareness of incorruptible employment. During the Reporting Period, the WeChat account

"Qing Feng Tian Xing" had nearly 1,800 followers, and various offline training and publicity activities were organized covering the whole bank. We encouraged the discipline inspection cadres to participate in various off-job trainings organized by the municipal commission for discipline inspection and the discipline inspection group of the municipal commission for discipline inspection stationed in the financial bureau, buy books about construction of a clean and honest administration, so as to enhance theoretical study, improve ideological awareness and prevent corruption. In the meantime, we reiterated the hotline and mail box for public report to the discipline inspection commission of the head office, so as to keep the reporting channels open and effectively prevent and supervise corruption.



### Case 1: Party-lecture Education on Construction of a Clean and Honest Administration

On December 28, 2017, the Party committee of the head office organized a Party-lecture education on construction of a clean and honest administration by the secretary of the Party committee of the Bank in person. About 130 Party members and leading cadres at various levels attended the lecture on site or via video.



### Case 2: A Variety of Anti-Corruption Education Activities

We actively held "anti-corruption" themed study and visit activities to imbue the leading cadres and Party members with the Party's advanced idea, improve anti-corruption awareness and build up the concept of honesty and incorruption.



Visited the warning education-themed exhibition "sword hanging high and alarm bell ringing"



Visited the anti-corruption education base in Binhai New Area



Visited the legal and disciplinary education base in Sichuan Province

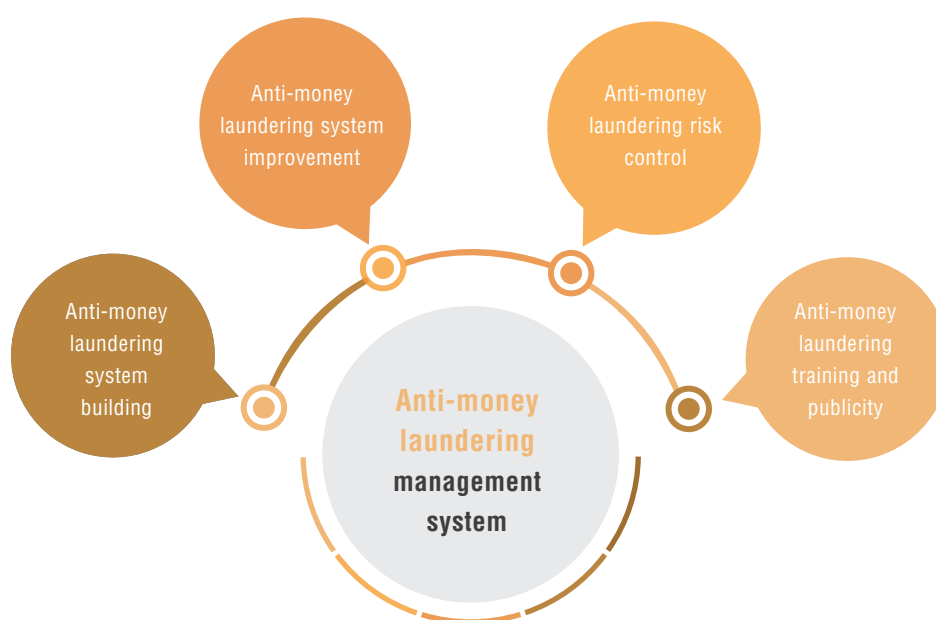


Participated in the anti-corruption warning education activity

## ■ Anti-money Laundering

We earnestly implemented the requirements of relevant laws and regulations such as Anti-Money Laundering Law of the People's Republic of China and Law of the People's Republic of China on the People's Bank of China, abided by industry regulations and rules, intensified efforts for anti-money laundering (AML),

improved AML management system, revised AML regulations, improved innovative business system, enhanced AML risk control, comprehensively promoted AML management, and never tolerated any illegal and criminal acts such as money laundering and financial fraud.



Our Bank further revised a number of AML systems such as *Measures for Administration of Reporting of High-Value Transactions and Suspicious Transactions of Bank of Tianjin* etc., issued the *Notice on Further Regulating Anti-money Laundering Work* to regulate anti-money laundering work and set up a complete anti-money laundering risk prevention and control system, thereby laying a solid foundation for enhancing anti-money laundering management.

We improved AML systems in several aspects including high-value transaction monitoring rules, customized suspicious transaction monitoring standards, interface adjustment for data submission elements and real-time monitoring of terrorism-involving transaction list, upgraded suspected fundraising and fraud modules, increased over 30 monitoring indices; established "suspicious account

management" module, added the function to freeze terrorism-related accounts; further improved the monitoring and warning system for illegal fundraising and new-type illegal and criminal activities related to telecommunications network, effectively improved our ability to identify such suspicious cases, and manually suspended the non-counter businesses of the suspicious accounts identified through system monitoring and analysis. According to the money laundering risk prompts of the People's Bank of China, we issued the *Notice on Conducting Risk Investigation for Suspicious Customers of Overseas Encashment*, and screened risks for transactions of individual customers in the whole bank, to prevent regaining of cross-border encashment limit and disguisedly increasing the amount of overseas encashment of bank cards via frequent "loss reporting - card reissue" and "number cancellation - account reopening".

We, according to the requirements of regulatory authorities, integrated internal and external expert resources, actively offered AML training and publicity

activities for the whole bank to improve AML awareness. During the Reporting Period, our Bank organized four AML trainings for 636 person-times.

#### During the Reporting Period



**4**  
Anti-money laundering  
trainings



for  
**636** person-times



#### Case 1: Bank of Tianjin Specially Invited Senior Experts to Hold an AML Training Session

On May 19, 2017, we specially invited senior AML experts to hold an AML training session for the management level personnel of the Bank. Over 140 persons attended the training. The training further improved the Bank's AML management capability.



#### Case 2: Bank of Tianjin Held an Anti-Money Laundering Themed Publicity Activity



We organized and held the AML Propaganda Month activity themed on "Restraining Money Laundering Crime and Maintaining Social Stability" in the whole bank, and leveraged network media such as WeChat and We Media to popularize AML knowledge.



# Serving Economy

## Adjusting Regional Layout to Serve National Strategy

- 27 Supporting the "Belt and Road Initiative"
- 28 Boosting Synergistic Development of the Beijing-Tianjin-Hebei Region
- 29 Promoting Development of the Yangtze River Economic Zone

## Serving Industrial Upgrading

- 29 Exerting Advantages with a Focus on Key Industries
- 30 Strictly Controlling Credit to Industries with Overcapacity through Differential Credit
- 30 Underpinning "Agriculture, Rural Areas and Farmers" with Preferential Policies



## Serving Small and Micro Enterprises

- 32 Serving Small and Micro Enterprises with Innovative Products
- 34 Setting up Sub-Branches Exclusively for Small and Micro Enterprises
- 34 Supporting Individual Startups

## Serving People's Livelihood

- 35 Promoting Development of People's Livelihood-oriented Industry
- 36 Assisting in Construction of Affordable Housing Projects
- 37 Advancing Featured Convenient Services





## Adjusting Regional Layout to Serve National Strategy

Remaining True to Our Original  
Aspiration and Keeping Our  
Mission Firmly in Mind



Financial industry has a duty bound to serve national economic development. Adhering to its mission and remaining true to its original aspiration, Bank of Tianjin constantly adjusted its business layout and innovated core elements of products, in order to satisfy national strategic development needs, promote industry upgrading and adjustment, boost real economic development, serve people's livelihood, build a responsible brand image and become a leader in serving local economic development.



## Adjusting Regional Layout to Serve National Strategy

Against the backdrop of new normal national economy, China explicitly proposed three major national strategies, namely, the "Belt and Road Initiative", synergistic development of the Beijing-Tianjin-Hebei region and development of the Yangtze River Economic Zone, so as to inject a new impetus into economic development. Based on its special geographical location and intra-industry advantages, Bank of Tianjin actively adjusted its business layout in line with national strategic development and strived to become a mainstream bank in the Beijing-Tianjin-Hebei region focusing on supporting real economic development and making great contributions to coordinated development of the region. Meanwhile, it played a supporting and promoting role in the implementation of the "Belt and Road Initiative" and the construction of the Yangtze River Economic Zone.

### ■ Supporting the "Belt and Road Initiative"

In compliance with the state's the "Belt and Road Initiative", we worked out corresponding business development measures to provide comprehensive financial support, promote national industrial restructuring and upgrading and help boost and implement the "Belt and Road Initiative". The industries strongly supported by the Bank are: new materials, new energy, information network, integrated circuit, aero-engine, large gas turbines, biological medicine,

high-end equipment manufacturing and other key industries; construction industries closely related to the "Belt and Road Initiative", such as railway, transportation, construction and project contracting; key energy industries, mainly including oil, natural gas, power and its upstream and downstream industries. We also help promote the development of industries of energy conservation and environmental protection, such as air, water and soil pollution.



## ■ Boosting Synergistic Development of the Beijing-Tianjin-Hebei Region

Bank of Tianjin endeavored to become a mainstream bank in the Beijing-Tianjin-Hebei region focusing on supporting real economic development. We closely monitored the implementation of key projects in the region by setting six indices for regional development, namely, improving the market share in total financing, increasing credit supply for key industries, supporting key enterprises, deeply serving the financial demands of retail customers, increasing investment in regional SMEs and "agriculture, rural areas and farmers" and supporting technological innovation-based enterprises, and giving full play to our policy and product advantages. We upgraded and followed up with financial products and services and concentrated on supporting industrial transfer and upgrading in the region, infrastructure and transport facility construction,

eco-environment protection and green economy, so as to make prominent contributions to the synergistic development of the region. During the Reporting Period, the balance of loans issued by the Bank to support key projects for the synergistic development of the region amounted to RMB9.559 billion.

### During the Reporting Period



Balance of loans for supporting key projects for the synergistic development of the Beijing-Tianjin-Hebei region amounted to

RMB **9.559** billion



### Case 1: Various Branches Supported Integrated Development of the Beijing-Tianjin-Hebei Region

● Binhai Branch of the Bank enhanced financial support for synergistic development of the Beijing-Tianjin-Hebei region. In May 2017, Binhai Branch of Bank provided RMB28 million of working capital loans to Tianjin Binhai New Area Universal Network Television Ltd for purchase of network set-top boxes. Dedicated to integrated development of the Beijing-Tianjin-Hebei region, the company leveraged Internet technology to provide customers with high-quality Internet TV services.

● In August 2017, Beichen Sub-branch of the Bank provided a three-year loan of RMB700 million to Tianjin Beichen Economic Development Zone Corporation to support the renovation and construction of the Development Zone. Tianjin Beichen Economic Development Zone Corporation was responsible for specific operation and management of the development zone and was dedicated to increasing the development vitality, improving the development momentum and changing the development mode of the development zone.

● To support integrated development of the Beijing-Tianjin-Hebei region and make contributions to the construction of the motherland, Ninghe Sub-branch of the Bank cooperated with Ninghe District People's Government and provided RMB700 million loans to Tianjin Xinhewan Construction Investment Co., Ltd. in 2017 to support "Xinhewan" project in Ninghe. The project aimed to build an ecological livable city for the people in the district.

● Hedong Sub-branch of the Bank established a credit cooperation relationship with Tianjin T&B Holding Co., Ltd. and provided financial support of RMB998 million to the company, so as to meet the fund needs for supporting the infrastructure project of Binhai Aviation Industrial Area (Ba Ping Fang). Aviation industry is a key project for integrated and synergistic development of the Beijing-Tianjin-Hebei region.

## ■ Promoting Development of the Yangtze River Economic Zone

Development of the Yangtze River Economic Zone is a national strategy for transformation of the new round of reform and opening up in China to implementation of opening and development of new regions. We specified the key service directions of credit business, focused on supporting development of the service industry and synergistically boosted joint development of infrastructure construction industry, cross-border trade and transportation industry, agriculture and fishery industries. During the Reporting Period, the Bank's credit business supported the harbour, railway and highway construction in the Yangtze River Economic Zone by providing suitable finance lease services with

clear ownership and no legal flaw for large infrastructure construction. Meanwhile, we developed supply chain finance business to meet the all-round financial needs for two-way extension of agriculture and fishery industry value chain; leveraged small business finance and personal financing businesses to meet the individualized financial demands for diversified business entities of agriculture and fishery industries; supported new-type urbanization in Yangtze River Delta region, promoted industrial structure transformation and drove regional integration development, to realize overall economic rise in the region.

## Serving Industrial Upgrading

China's economic development is in a crucial period of transformation and upgrading. Bank of Tianjin kept a close eye on the development of national strategic emerging industries, and adopted differential credit policies to strictly control industries with overcapacity, promote reasonable layout of industrial value chain and drive industrial structure upgrading. Meanwhile, it improved policy orientation and enhanced product innovation to promote development of "agriculture, rural areas and farmers".

## ■ Exerting Advantages with a Focus on Key Industries

Bank of Tianjin is committed to improving investment efficiency, giving play to its strengths and advantages to accurately promote the transformation of pillar industries in national economy, strategic emerging industries and cultural and security industries crucial to national economy and people's livelihood, and promoting industrial upgrading and optimization.

We provided professional financial services by continuously improving the credit policy, paying close attention to the

development of national strategic emerging industries, developing emerging industry markets, making a three-step "sand table plan", developing the capability of industry in-depth operation and new customer development, and focusing on eight key industries which are health, consumption, new generation information, high-end equipment manufacturing, green credit and energy conservation & environmental protection, logistics and transportation, "agriculture, rural areas and farmers", and non-profit organization.



### Case 1: Focus on the Development of New Energy Industries

In 2017, Jinan Branch of the Bank granted a comprehensive credit line of RMB88 million to Shandong Sangle Solar Energy Co., Ltd. for the purchase of brackets, plates, vacuum tubes, collectors, stainless steel plates, etc. This credit business is supportive to the development of new energy industries and conducive to the promotion of green economy, low-carbon economy and circular economy.



### Case 2: Support the Development of High-Tech Industries

In 2017, the second central branch of the Bank applied for a comprehensive credit line of RMB166.66 million for Tianjin B&M Science and Technology Joint-Stock Co., Ltd. based on its actual demand for funds. The company is engaged in the research, development, production and sale of cathode material of high-tech green lithium-ion batteries. This demonstrated our efforts to support the development of regional high-tech industries.

## ■ Strictly Controlling Credit to Industries with Overcapacity through Differential Credit

The Bank adopted a differentiated credit policy to strictly control loans extended to industries with overcapacity and facilitate upgrading of industrial structure. The Bank imposed strict limitations on the financing needs of industries with overcapacity, established a withdrawal mechanism, and declined enterprises with outdated production capacity and failing to meet relevant environmental protection standards. Adhering to the bottom line of risk, the Bank established a list of customers engaging in industries with overcapacity and dynamically managed these customers, and prohibited any form of new credit support for projects adding new capacity to industries with overcapacity. During the Reporting Period, the Bank's loan balance to industries with "overcapacity" was RMB13.326 billion, accounting for 5.57% of our total loan balance, a decrease of 1.56% from the beginning of the year.

### During the Reporting Period



Loan balance to industries with "overcapacity"

RMB **13.326** billion



Percentage of loan balance to industries with "overcapacity" in total loan balance

**5.57%**



Down **1.56%** from the beginning of the year

## ■ Underpinning "Agriculture, Rural Areas and Farmers" with Preferential Policies

The Bank implemented the state's supportive policies for "agriculture, rural areas and farmers", regulated financial services involving agriculture, rural areas and farmers, improved the service channels, innovated financial products, and made greater efforts in rural poverty alleviation so as to help promote rural economic development and improve the living standards of farmers.

The Bank made active efforts to help improve rural environment and promote the innovative development of agriculture-related enterprises, increased capital investment in rural infrastructure construction, shantytowns reconstruction, water conservancy and transportation, supported rural urbanization, and promoted rural economic development.

We launched "Farmer Loan Program in Ji County", "Two-right Mortgage Loan" and other products to accurately support farmers' production and operating activities. With inclusive finance as the starting point, the Bank enlarged the customer base of financial services for "agriculture, rural areas and farmers", regarded agriculture-related science and technology

enterprises as important customers, supported their innovation and upgrading, made active efforts to build a "bank guarantee" platform to provide guarantee for agricultural-related enterprises, and actively provided financial support for specialized farmer cooperatives and large farm households.

In addition, the Bank strengthened its support for agriculture-related loan applications and created a credit extension mode of "one-time verification, balance control, custodial use, and dynamic management" to promote the development of industries related to "agriculture, rural areas, and farmers". As of the end of the Reporting Period, the balance of agriculture-related loans was RMB31.121 billion.

### During the Reporting Period



Balance of agriculture-related loans

RMB **31.121** billion



### Case 1: Provided Featured Financial Services to Help Farmers Increase Their Income

Bank of Tianjin launched a special product - "Farmer Loan Program in Ji County" for the farmyard upgrading and rebuilding in Changzhou Village, Xiaying Town, Ji County, Tianjin. Such financial support helped enhance the reception capacity of the farmyard and improve the service quality, contributing to an increase in villagers' income and the profit of the scenic area. By the end of 2017, a total of more than RMB45 million loans had been extended to more than 50 farm households.



Bank of Tianjin issued small-amount guaranteed loans to laid-off workers growing green fodder in Xiaoxinhuang, Zhongtang Town, Dagang District, Tianjin, with an average of over RMB100,000 for each household, providing timely assistance to farmers needing money for land contracting, land leveling, and seeding at the beginning of the year.



### Case 2: Ningxia Tongxin Jinhui County Bank Provided Tailored Financial Services to Support the Development of "Agriculture, Rural Areas and Farmers"

Ningxia Tongxin Jinhui County Bank adopted differentiated credit policies to support the development of "agriculture, rural areas and farmers". To boost the economic development of villages in Tongxin County, the county bank introduced credit products that comply with the economic features and folk characteristics of the County such as "jujube dates loan", "shallot loan" and "micro-enterprise loan", which ensured the sustainable development of specialized farmer cooperatives, family farms and agritainment in the County. As at the end of December 2017, the balance of agriculture-related loans of the county bank reached RMB321.845 million, an increase of 75.7% as compared with the beginning of the year.

## Serving Small and Micro Enterprises

Small and micro enterprises (SMEs) represent the most creative force in the society, the source of innovation in new era, and the new momentum for economic structure transformation under the new normal. Bank of Tianjin took advantage of its flexible services to innovate product design, developed new modes of innovative financing in the new era, and strived to meet the financing needs of SMEs as well as entrepreneurs.

## Serving Small and Micro Enterprises with Innovative Products

The Bank actively implemented the inclusive finance policies of the state to support the development of real economy, formulated special policies for small and micro enterprises based on their development needs, provided tailored and personalized financial products and services for different types of enterprises, and built an integrated service platform, adding new vitality to economic development under the new normal. During the Reporting Period, the Bank had 2,065 medium, small and micro enterprise customers; the balance of loans to medium, small and micro enterprises amounted to RMB151.917 billion, accounting for 75% of our total corporate loans and representing a growth

of 12.09% in credit extension to medium, small and micro enterprises. As one of the first commercial banks that were awarded the title of Advanced Unit of Small Business Loans among National Banking Financial Institutions by China Banking Regulatory Commission, the Bank was honored as an Advanced Unit of Financial Services for Small Enterprises in Tianjin by Tianjin Branch of China Banking Regulatory Commission for four years in a row and was awarded as "Star Service Provider for SMEs in Tianjin" by Tianjin SME Association.

### During the Reporting Period



Number of SMEs customers

**2,065**



Balance of loans to SMEs

RMB **151.917** billion



Growth of credit extension to SMEs

**12.09%**

### Special Policies

Bank of Tianjin, in response to the state's preferential policies for "Mass Entrepreneurship and Innovation", on its own advantages in main businesses, actively studied the new ideas and methods for serving small and micro enterprises, continuously improved its financial capabilities, and strived to create a good business environment and lending atmosphere for small and micro-enterprises.

We strengthened incentives and allocated more resources for businesses with small and micro enterprises, formulated special preferential policies, explored new modes of credit businesses, and focused on four types of key customers which are "little science & technology giants, high-tech enterprises, listed enterprises" in exchange-traded market and listed enterprises in over-the-counter market.

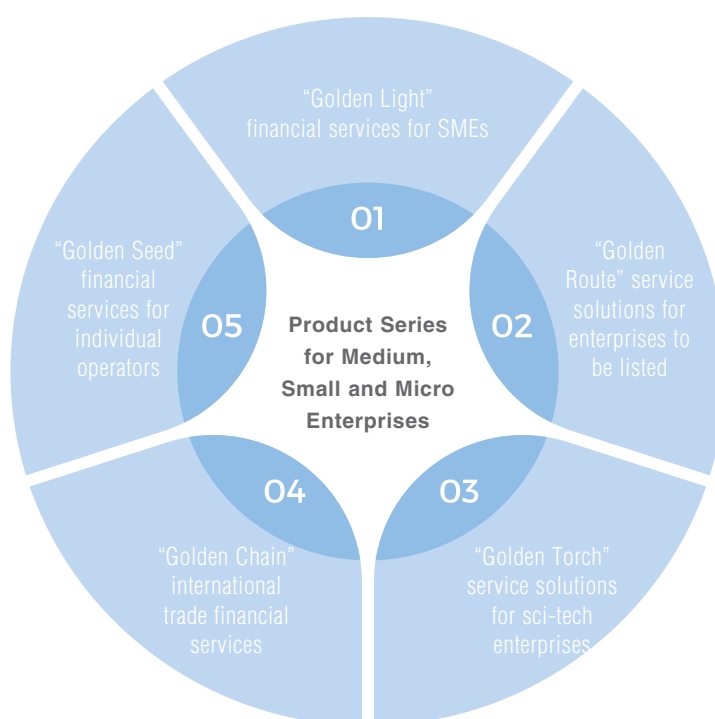
We made a debt-equity investment pilot plan mainly characterized by forming "three linkage mechanisms", creating "four pools", realizing "four principles of risk isolation" and strengthening "five specialized mechanisms", established a marketing team, assessment mechanism, credit procedure and examination & approval procedure, and positively improved its capacity of serving technological innovation-based enterprises, adding innovative impetus to "one help and two promotes" (Help the poor get rid of poverty and lead a relatively comfortable life, promote the harmonious development of material civilization and spiritual civilization, and promote the coordinated development of urban and rural areas). Taking this as an opportunity, the Bank proceeded with the infrastructure construction of debt-equity investment in an orderly manner, strived to create a distinctive business model as a professional in science & technology finance, and created a multi-party cooperation mechanism.

## Innovative Products

In line with the individual needs of medium, small and micro enterprises at different growth stages and engaging in different industries, the Bank launched five financing service programs consisting of more than 40 specialty products, forming five major “golden” series of products.

For innovative financial products for small and micro enterprises at seed and start-up stages, we developed and launched an equity-based loan product - “Lien-based Loan” and set up “bond financing + share

option” service mode to find and serve potential customers and effectively solve the financing trouble they faced. Meanwhile, we also provided extended services for small and micro enterprises at seed and start-up stages, and launched “Start-up Loan” products to meet their financial needs. The Bank has become the first city commercial bank to be enrolled in the X-lab Creation, Innovation and Business Start-up Platform of Tsinghua University.



## Comprehensive Service Platform

The Bank is dedicated to creating a service platform for “Bank-Government cooperation, Bank-Securities trader cooperation, and Bank-Industrial park cooperation” to expand service channels and provide easy, convenient

and efficient one-stop financial services for small and micro enterprises at different stages of development.

### Bank-Government cooperation

- List-based services to effectively improve the relevance of financial services

### Bank-Securities trader cooperation

- A service platform to provide a full package of financial services for enterprises at all growth stages

### Bank-Industrial park cooperation

- Tailored financial services to enterprises in different industrial parks



### Case 1: Bank of Tianjin Tangshan Branch Assisted the Development of Small and Micro Enterprises

Adhering to the business philosophy of “serving SMEs”, Tangshan Branch of Bank of Tianjin diversified the ways of guarantee for start-up SMEs and launched loans secured by the right to exclusive use of trademark, which helped enterprises without effective collateral to revitalize intangible assets and solve their financial needs in the process of development. In 2017, Tangshan Branch issued a loan of RMB4.90 million secured by the right to exclusive use of trademark to an industrial limited company in Tangshan to help it expand production. With the support of Tangshan Branch, the company realized revenue of RMB95.02 million in 2017. At the same time, it promoted the development of local chicken breeding industry and provided more than 150 jobs for farmers in the surrounding areas.

## Setting up Specialized Sub-branches

Bank of Tianjin kept to the business direction of “based on SMEs, supporting SMEs, and serving SMEs” and strove to become a banking partner for SMEs. The Bank set up sub-branches exclusively for small and micro enterprises, assigned dedicated staff to form a professional service team, adopted different policies for different enterprises, played a leading

role in providing professional, differentiated, and featured science & technology financial services, and continuously extended the reach of financial services for small and micro enterprises. During the Reporting Period, the Bank had four outlets exclusively for small and micro enterprises.

## Supporting Individual Startups

In response to the call of “mass entrepreneurship and innovation” by the state, the Bank gave full play to its role as a financial institution in serving the real economy, developed new financing modes and innovation in the new era, strengthened support, improved loan products, optimized the loan approval procedure, and built a more efficient, convenient and diversified financial service system.

We constantly adjusted and improved individual entrepreneurial loan products to increase the pertinence and effectiveness of personal entrepreneurial loan business. At the same time, we strengthened cooperation with local financial departments, human resources and social security departments, actively explored new types of secured loans for entrepreneurship, and encouraged individuals to start their own businesses. During the Reporting Period, the Bank has accumulatively developed and promoted more than 10 types of loan products for individual entrepreneurship; the balance of loans for individual entrepreneurship recorded RMB3.816 billion, benefiting 5,118 entrepreneurs.

We also optimized the procedure of entrepreneurship-related loan applications, and carried out a “head office – branch – sub-branch” high-efficient collaboration mode in specific business operations to shorten the time of business handling.

### During the Reporting Period



Balance of loans for individual  
entrepreneurship

RMB **3.816** billion



Benefiting

**5,118**  
entrepreneurs





#### Case 1: Sixth Central Sub-branch of the Bank Provided Assistance to Young Entrepreneurs

The sixth central branch provided loans to Tianjin Youth Pioneer Park Management Co., Ltd. to support its sustainable development. As of the end of December 2017, the balance of loans amounted to RMB8.5 million. Tianjin Youth Pioneer Park Management Co., Ltd. provides entrepreneurial platforms and related services for young entrepreneurs. There are 1,145 registered companies in the park, of which 525 have been identified as science & technology enterprises. More than 700 intellectual property rights have been applied for and more than 3,000 young people came to start their own businesses, creating more than 10,000 jobs. The Bank will continue to support the development of the company as a way to make its own contribution to helping youth entrepreneurship, increasing youth employment and promoting economic development.

## Serving People's Livelihood

The livelihood concerns the vital interests of people. Benefiting people and serving their livelihood is one of the most important goals for sustainable development of the financial industry. Bank of Tianjin has long been committed to supporting the development of the people's livelihood oriented industries, assisting in the construction of housing projects, and promoting featured and convenient services for people.

### ■ Promoting Development of People's Livelihood-oriented Industry

The Bank actively responded to the call of national policies, kept in mind the mission of the industry, proactively shouldered its social responsibilities, promoted the development of people's livelihood infrastructure, supported the development of science, education, culture and public health, aiming at becoming the industry leader in promoting the sustained and healthy development of the people's livelihood-oriented industry.

The Bank implemented relevant policies of the state in support of the development of the education industry, strengthened cooperation with universities to support

their infrastructure construction by increasing the line of credit and softening the terms for financing, and provided individual student loan for college students to help them finish their studies.

The Bank also made full use of its industrial advantages to increase investment in credit business and promote the development of cultural tourism industry and information technology industry. Through the cooperation agreement with hospitals, the Bank made efforts to improve the public medical payment environment by opening up registration and payment channels.





### Case 1: Various Branches Supported the Development of People's Livelihood-oriented Industry

#### Support Infrastructure Construction

In 2017, Beijing Branch of Bank of Tianjin granted a working capital loan of RMB100 million to Beijing Urban Construction Road & Bridge Group Co., Ltd. for replacement of loans from other banks and payment for labor service, construction materials, equipment lease, procurement, etc., supporting the sustained and healthy development of the company. Beijing Urban Construction Road & Bridge Group Co., Ltd. focuses on highway, municipal works housing construction projects and industrial projects.

#### Support the Development of Cultural Tourist Industry

In August 2017, Binhai Branch of Bank of Tianjin granted a project loan of RMB30 million to Tianjin Binhai Teda Aircraft Carrier Tourism Group Co., Ltd. This project is featured by creating a unique world-class military culture experience zone combining aircraft carrier fleet sightseeing, military experience activities, military science education, and military training. The project will speed up the economic development of Binhai Aircraft Carrier Theme Park, and increase the awareness of this regional tourism brand.

#### Support the Development of IT Industry

In 2017, Shanghai Branch of Bank of Tianjin issued a loan of RMB8 million to Shanghai Mission Information Technologies Corp., Ltd. for the purchase of raw materials and daily operation. Support from our Bank relieved the company's shortage of working capital and the operating income of the company increased by RMB13.41 million compared with the same period of the previous year.

## ■ Assisting in Construction of Affordable Housing Projects

The Bank actively implemented national policies on affordable housing projects and issued policies including Circular on Further Emphasizing the Improvement of Operation Quality of Personal Housing Accumulation Fund (Syndicated) Loan etc.. By softening the terms for personal housing loan applications, the Bank helped improve personal house-purchase capacity and personal living environment, and made its contribution to the construction of affordable housing projects.

In addition, the Bank also actively leveraged its role as financial adjustment lever to guide the reasonable changes in urban housing prices, adjusted personal housing loan policies according to market needs to support residents buying houses for self-use or for improving living conditions, increased the percentage of low-and middle income house buyers, and strived to achieve the goal of making houses "available and affordable" to individual consumers. As of the end of 2017, housing loans issued by the Bank amounted to RMB8.356 billion, an increase of RMB6.774 billion from the beginning of the year.

As of the end of 2017



Housing loans issued:

RMB **8.356** billion



An increase of

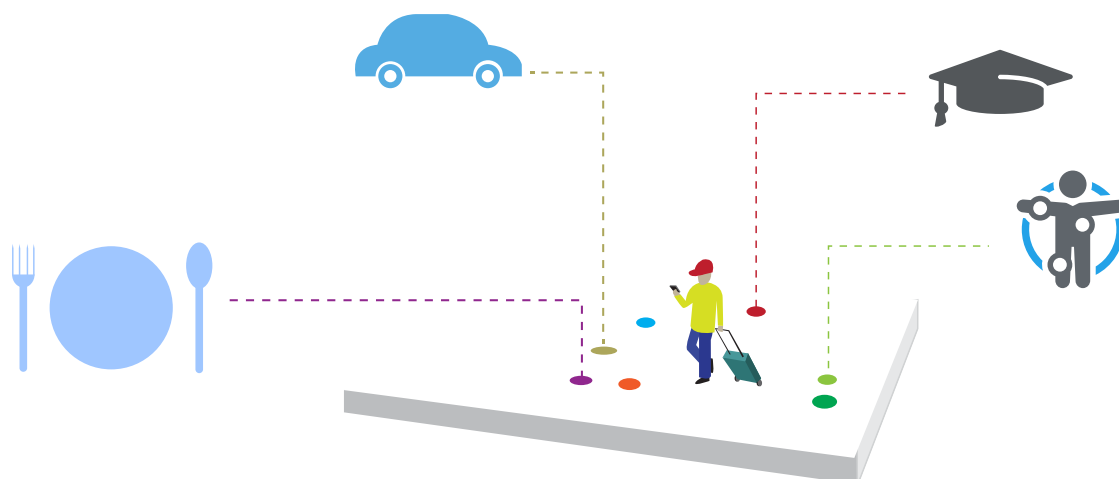
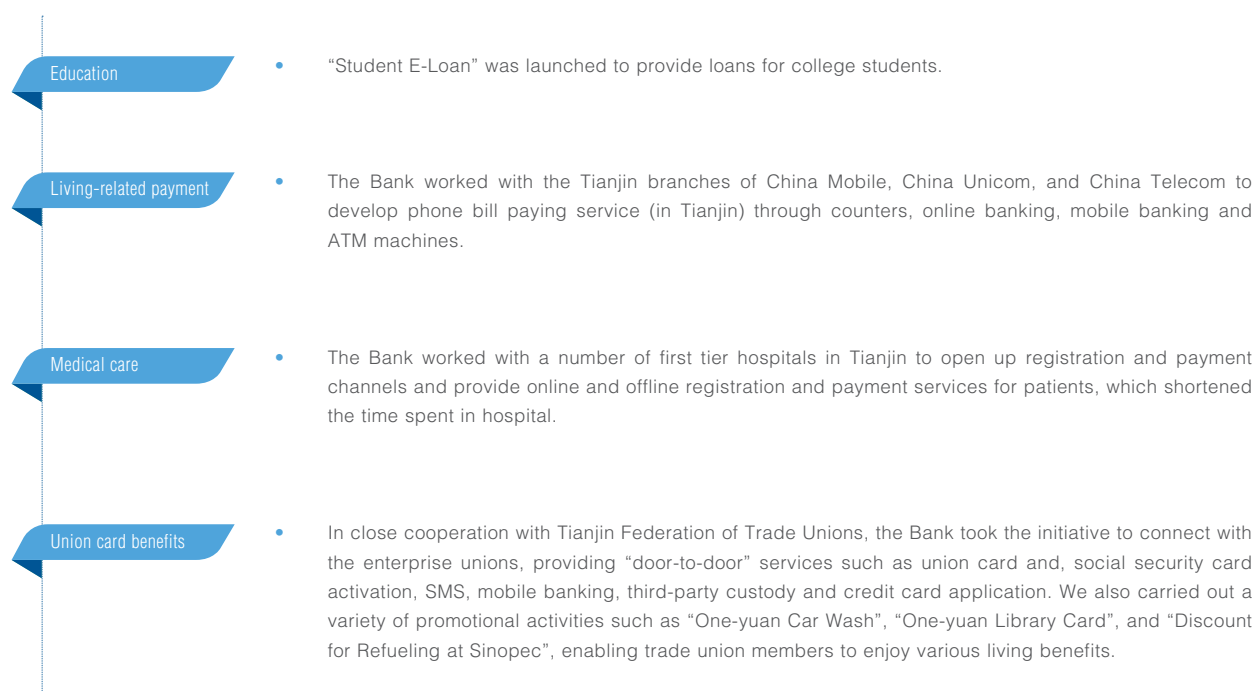
RMB **6.774** billion  
from the beginning of the year

In order to meet the residents' needs for housing, the Bank actively provided strong financial support for low-income housing projects. In Tianjin alone, the Bank has provided loans for 13 low-income housing projects. Meanwhile, the Bank strictly implemented differentiated housing credit policies and set corresponding mortgage rates. Currently, the percentage of mortgage loan amount for first houses reached 80% of the total, meeting the reasonable and rigid housing demands of residents.

## ■ Advancing Featured Convenient Services

We relied on our own business advantages, studied and assessed the needs of the general public and introduced a series of featured and convenient

services and products on education, medical care, living-related payment, and union card benefits providing convenience for the public.



# Serving Environment

## Serving Sustainable Development

- 41 Innovating Green Financial Services
- 42 Expanding Green Credit Business

## Serving Low Carbon Operation

- 44 Advocating Green Office
- 46 Performing Green Public Services







A close-up photograph of a hand watering a row of small green seedlings growing in dark soil. A single water droplet is captured mid-fall from the tip of a finger, about to land on one of the seedlings. The background is a soft, out-of-focus green, suggesting a natural, outdoor setting. The overall image conveys themes of growth, care, and environmental stewardship.

# Serving Sustainable Development

.....

Taking a Path of Green Development  
Promoting Ecological Civilization

“

Bank of Tianjin is in strict compliance with the *Environmental Protection Law of the People's Republic of China* and other laws and regulations. Being in line with the development trend and in response to national policy requirement of green development, we integrated the mindset of low carbon and environmental protection into the Company's operation and daily management and actively built green financial system. We also implemented green operations, spread the philosophy of low carbon and environmental protection, spared no effort to achieve perpetual development of the Chinese nation and ensured smooth construction of a beautiful China.

”

## Serving Sustainable Development

Centering on the green development strategy of the state, we took the opportunities for the development of green finance to actively build a green financial system, explore unique green financial development model, improve and innovate financial services for the field of energy conservation and environmental protection and promote green credit business, so as to enhance our profitability and risk management ability while fulfilling our environmental responsibilities.

### ■ Innovating Green Financial Services

We integrated the development of green finance and fulfilment of social responsibilities with our sustainable development to improve the green financial system, build a green financial product and service system and buoy up sustainable development of society, economy and environment by providing excellent green financial products and services. We also formulated the *2017 Guidelines for Credit Business of Bank of Tianjin* to support the development of environmental

protection industry. We provided tailored credit solutions for enterprises with development potentials in energy conservation & emission reduction and ecological construction, to facilitate their sustainable development. We are committed to becoming a forerunner in green financial service in China, supporting the environmental protection industry and promoting the development of environmental protection cause.

## ■ Expanding Green Credit Business

We integrated the green financing philosophy with our business development, promoted green credit business and strongly supported the development of green and low-carbon economy. We reduced the risk of green credit business and ensured smooth progress of the business by optimizing credit policies and management procedures, regulating credit evaluation and assessment mechanism and expanding channels for credit handling. During the Reporting Period, our green credit balance reached RMB11,273 million.

### During the Reporting Period



Balance of green credit

RMB **11,273** million

### Building Green Credit Management System

Improving credit policies  
in the industry

- We issued *Bank of Tianjin Green Credit Guidelines, Notice on Further Improving Credit Management Work Relating to Green Credit* and other green credit policies, actively supported investment in green industry, encouraged active expansion of credit market in the field of green economy and promoted a "green adjustment" to the credit structure of the Bank

Strengthening management  
on credit procedure

- We continued to implement a "one-vote veto for green credit" throughout the credit process
- We put forward specific requirements for the monitoring, identification, control and release of environmental and social risks, and applied them to the whole credit process
- We improved the mechanism for warning, prevention and control of environmental risks in head office and branches and enhanced follow-up monitoring and supervision over enterprises violating laws and regulations concerning environment and safe production and involved in elimination of outdated capacity, thereby realizing the whole-process monitoring, management and control of environmental and social risks

Tightening credit evaluation  
and examination

- We set quantitative indicators for green credit and included them into the performance evaluation system of our branches, and further improved the mechanisms for performance evaluation, incentives and restrictions for green credit work



### Case 1: Bank of Tianjin Shanghai Branch Promoted Green Credit Management

Bank of Tianjin Shanghai branch, which always valued development of green credit business, was committed to supporting green & low-carbon economy and actively developing green credit business in line with national economic policies.

Shanghai branch earnestly implemented the *Bank of Tianjin Green Credit Guidelines*, determined the major fields to be supported with credit, standardized and adjusted credit extension policies for industries with environmental or social risks, formulated credit management system & due diligence procedure and put the credit accountability system into practice. It identified environmental impact and social risks in credit business through site visits, monitoring of market information and strict implementation of post-loan management policies. As of the end of 2017, various credit balances of Shanghai branch amounted to RMB25,046 million, including RMB1,164 million of green credit balance.



## Green Credit Products and Services

We gave priority to support the development of green credit products and services through rational allocation of economic capital & credit resources and other effective means. We set lower risk weight for green credit products and services, collected

capital occupancy costs in a concessionary manner and included the completion of green credit business into the annual business development indicators of our branches and subbranches to guide them to first apply their credit limit to green credit projects.



### Case 2: Branches of Bank of Tianjin Conducted Green Credit Business to Support the Development of Green Industry

- Bank of Tianjin Beijing branch supported the development of green living and environmental protection undertakings. In 2017, Beijing branch provided a working capital loan of RMB20 million for Kanglaide International Environmental-protection Vegetation (Beijing) Co., Ltd. to purchase meshes.

The company is a large enterprise committed to green living and environmental protection integrating R&D, production and sales of environment-friendly grass blanket and landscaping construction & after-sale service.

- Bank of Tianjin Shijiazhuang branch strongly promoted green credit, strengthened its credit support for energy conservation and environmental protection enterprises and continuously enhanced its financial service for enterprises in energy conservation and emission reduction. In 2017, Shijiazhuang branch provided a working capital loan of RMB30 million for Hebei Hong Kong Environmental Protection Technology Co., Ltd., a lead-acid battery recycling enterprise, to support its continuous development and energy conservation and emission reduction. At present, the company has been recognized by stakeholders as a leading enterprise in recycling renewable resources in Xiongan New Area and North China.

- Bank of Tianjin Binhai branch provided an integrated credit limit of RMB28.5 million for Win Future Environmental Protection Tech. Co., Ltd. to purchase raw materials for daily production and operation. The company is a high-tech environmental-protection enterprise engaging in water pollution treatment & resource utilization, sludge disposal & comprehensive utilization and R&D and application of techniques in exhaust gas treatment.

- Bank of Tianjin Jinan branch provided a loan of RMB40 million for Penglai Bihai Sewage Treatment Co., Ltd. for its purchase and operation. The company disposed of wastewater through biological aerated filter, which was conducive to recycling water resources and safeguarding a sustained ecocycle.

## Serving Low Carbon Operation

Bank of Tianjin in strict compliance with the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, insisted on low-carbon and environment-friendly operation and management, established an energy-conservation and emission-reduction system, put emphasis on saving water, energy and electricity in work places and continuously promoted energy conservation and consumption reduction to reduce the impact of our operation on environment and build us into a green bank. Meanwhile, we care about the dissemination of the concept of green operation and environmental protection and spread such knowledge and public service philosophy among our staff by organizing a series of activities themed on environmental protection.

### ■ Advocating Green Office

We strongly advocated green office, enhanced management on the consumption of energy, electricity, water and paper in our daily operation, standardized behaviours and habits of our staff, focused on energy conservation and consumption reduction, reduced discharge of greenhouse gas and solid waste and realized sustainable utilization of resources.

Carbon emission of the Bank mainly came from

energy consumption in office, including gasoline for vehicles, natural gas for our restaurants & heat supply and electricity for lighting. Solid waste discharge of the Bank mainly came from domestic waste of our restaurants and office, such as waste papers and packing materials. During office hours, we never produced any obviously hazardous waste and entrusted qualified professional agencies to deal with any hazardous waste in office in a normative manner.

### Management of Energy Conservation and Consumption Reduction in Office

#### Management of energy consumption

- We issued the *Administrative Measures for Motor Vehicles of Bank of Tianjin* which specifies that the vehicles should conform to the principles of cost-efficiency, energy conservation and environmental protection, a gas filling card should be provided for each vehicle, a ledger for recording the fuel used should be established to analyze the usage of fuel on a regular basis, and a vehicle should be used by several staff to avoid waste. During the Reporting Period, the number of our official business vehicles dropped from the original 408 to 122 and greatly reduced the gasoline consumption.

#### Management of electricity consumption

- We preferentially purchased energy efficient equipment, cultivated employee's habits in electricity saving and called on them to turn off lights, air-conditioners and computers when leaving.

#### Management of water consumption

- We strengthened the maintenance and management of water equipment, advocated saving water and posted water-saving marks to call on our staff to save water.

#### Management of paper consumption

- We continued to promote paper-free office by means of office informatization, and established an office informatization platform integrating such functions as process management, centralized processing of office business and real-time handling of documentation.

#### Wastewater management

- Our domestic wastewater was discharged into municipal sewage network for unified disposal.

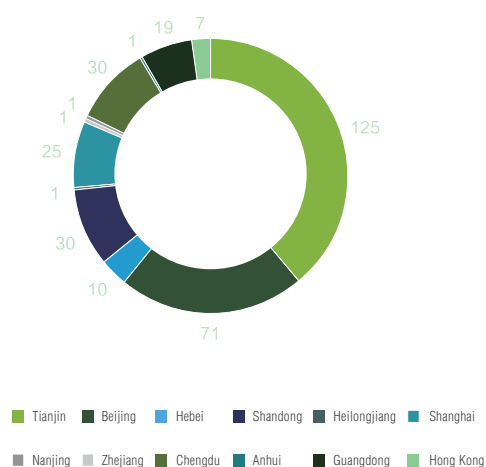
## Environmental Emissions:

Indicator	Unit	2017
Gasoline consumption	L	355,190.60
Natural gas consumption	m <sup>3</sup>	518,892.76
Consumption of outsourced electricity	MWh	26,311.51
Direct greenhouse gas emission	Tonne CO <sub>2</sub> e	1,912.14
Indirect greenhouse gas emission	Tonne CO <sub>2</sub> e	19,692.69
Total greenhouse gas emission	Tonne CO <sub>2</sub> e	21,604.83
Greenhouse gas emission per RMB1 million operating revenue	Tonne CO <sub>2</sub> e /RMB million	2.13
Per capita greenhouse gas emission	Tonne CO <sub>2</sub> e/person	3.25
Overall energy consumption	Tonne of standard coal	4,305.33
Overall energy consumption per RMB1 million operating revenue	Tonne of standard coal/ RMB million	0.42
Per capita energy consumption of staff	Tonne of standard coal/person	0.65
Consumption of water supplied by municipal utilities	Tonne	151,002.01
Overall water consumption per RMB1 million operating revenue	Tonne/RMB million	14.89
Total discharge of domestic and office waste	Tonne	565.39
Total discharge of domestic and office waste per RMB1 million operating revenue	Tonne/RMB million	0.06
Wastewater discharge	Tonne	128,351.71
Wastewater discharge per RMB1 million operating revenue	m <sup>3</sup> /RMB million	12.65

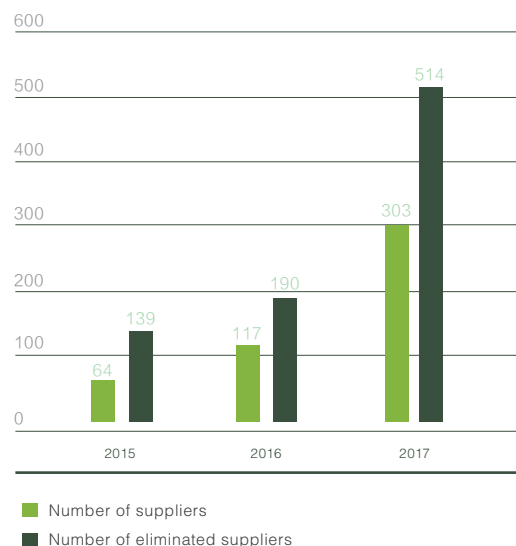
Adhering to the green purchasing principle, we established supplier bases, formulated an access standard for suppliers and included environmental indicators in the examination and evaluation of suppliers in strict compliance with the *Purchasing*

*Management Measures of Bank of Tianjin*. We preferentially made purchase from environment-friendly suppliers and eliminated those exerting adverse effect on environment and society.

Number of Suppliers by Region in 2017



Number of Suppliers and Eliminated Suppliers during 2015-2017



## ■ Performing Green Public Services

Environmental protection starts from ourselves. We remained concerned about climate changes, environmental pollution, water and soil erosion, vegetation deterioration and other issues. We were

also actively engaged in environmental governance and carried out environmental protection activities to strengthen employees' awareness and spread the green development philosophy to a wider public.



### Case 1: Branches of Bank of Tianjin Carried out Environmental Protection Activities

On March 12, 2017, Bank of Tianjin, Yantai branch participated in a voluntary tree planting activity on "3.12 Arbor Day" together with the Agriculture and Marine Fishery Bureau and the League Committee of Yantai.



On May 14, 2017, Youth League General Branch of Bank of Tianjin, Taian branch organized members to conduct an outdoor volunteer activity at Mountain Tai. Volunteers picked up the garbage thrown by tourists, promoted the green living and environmental protection philosophy, practiced green public service and actively participated in tree planting and green protection to build a green homeland together.





# Serving Society


## Serving Consumer Demand

- 51 Protecting Consumer Rights
- 54 Innovating Customized Products
- 55 Improving Consumer Experience

## Serving Employees' Development

- 57 Engaging Employees on Fair Employment
- 58 Protecting Employees' Rights and Interests
- 59 Spurring Employees to Forge Ahead
- 59 Helping Employees with their Development
- 60 Concerning about Employees' Health
- 61 Caring about Employees' Life





## Building a Harmonious Society

- 63 Carrying out Targeted Poverty Alleviation
- 64 Active in Public Welfare
- 66 Taking Part in Volunteer Service





## Serving Consumer Demand

Gathering Strength to Translate the Win-win  
Vision into Reality for Us and the Customers

“

Society is an organic whole of human beings and the relationship among them constitutes the basic element of the society. Enterprises are important components of the society and keeping a harmonious coexistence with the society is the foundation for their sustainable development. The financial industry has since its inception undertaken the mission of serving economic development and building a harmonious society. We aim to be a service oriented bank and have integrated our development with social services and fulfilled our social responsibility jointly, diligently and actively. We were committed to contributing all our wisdom and energy to customers, employees and public welfare undertakings to win the respect and recognition of stakeholders and build a responsible bank image.

”

## Serving Consumer Demand

We considered customer satisfaction as an important guarantee for our sustainable development, and were committed to satisfying consumer demands and providing the best experience to our customers. We positively supported and protected consumer's right to know, right of claim, right of supervision; set up personalized financial service platform and launched customized products tailored to their needs; improved our service quality and expanded our service channels .

### ■ Protecting Consumer Rights

We in strict compliance with the Law of the People's Republic of China on Protection of Consumer Rights and Interests, the Law of the People's Republic of China on Commercial Banks and other laws and regulations, emphasized on the protection of consumer rights in the process of our development and operation, and formulated the *Administrative Measures for Consumer Rights Protection of Bank of Tianjin*, which specified the code of conduct, organizational structure and duties, report path and contents and time frame regarding the protection of

consumer rights. We established a system for the protection of consumer rights, promoted transparency in our products and services, and handled consumer complaints through multiple channels to improve customers' trust and satisfaction; carried out promotional campaigns on financial knowledge and against financial fraud to strengthen customers' awareness of financial safety. Through multi-level management, we formed a linkage mechanism for strengthening the protection of consumer rights with concerted efforts to contribute to the building of a healthy and safe environment for financial consumption.

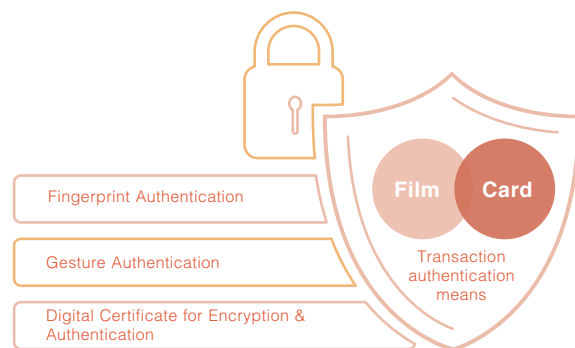
## Guaranteeing Security of Consumers

We attached great importance to the security of financial transactions and information of consumers, continuously improved the protection of consumer security and adopted advanced technological means to achieve consumer information, account and financial safety.

We kept improving the systems for protecting consumer information security, deepened internal control, and strengthened the main responsibilities of the head office, branches and subbranches, so as to facilitate the effective protection of consumer information security. Meanwhile, according to the Guidelines for the Security Assessment of Electronic Banks of the China Banking Regulatory Commission, we conducted comprehensive security assessment on transactions via E-channels, e.g. online banking, mobile banking, and Wechat banking, so as to increase our ability to respond to malicious attacks on the Internet and reduce the risk of disclosure of material information and property loss. At the same time, we also conducted bank-wide investigations on potential risks of personal financial information security to eliminate or reduce the possible risks in the financial transaction and business operation processes and IT security. Any problems found were reported to higher authorities and rectified

immediately.

We adopted Film Card and Cloud Security for verification of transactions, and added fingerprint authentication, gesture authentication and digital certificate for encryption & authentication, thereby realizing double security protection of software and hardware and improving the security of financial transactions. To further strengthen the follow-up control & management of suspicious transactions, we launched the face recognition system, which effectively enhanced our ability to identify suspicious customers and protect the security of customer funds and avoid telecommunication fraud.



## Transparency in Products and Services

We continued to provide consumers with open and transparent products and services, so as to protect consumers' right to know. In the meantime, through our official website, we also provided the basic information of all financial products notified the changes in the risk information of financial products, and clearly differentiated our own products and ones sold by us on a commission basis.

### Handling of Consumer Complaints

We considered the management of consumer complaints as key to sustainable development. According to the *Complaints Management Measures of Bank of Tianjin* and *Customer*

*Complaints Management Measures of Customer Service Center of Bank of Tianjin*, we established a complete mechanism for handling customer complaints, strengthened supervision and improved management on customer complaints by regulating the complaints handling process, controlling the processing time limits, strengthening assessment management, conducting regular inspections and other measures.

We established a customer service workform system to manage various types of complaints and other events in real time. We divided customer complaints into general and emergency categories and set response time limits. We promised that we would handle customer complaints in five working days and strive to give a satisfactory feedback to customers.

We further strengthened the appraisal management of customer complaints and included "complaint management" in the performance assessment of branches. Meanwhile, we made a bank-wide report on a quarterly basis, especially complaints about service attitude, business errors and other basic services. The branch against which a complaint is initiated should timely take improvement measures and ensure the efficiency and quality of handling of customers' opinions and suggestions.

During the Reporting Period, we achieved 100% customer complaint handling rate and 99.99% customer satisfaction.

## Preventing Financial Fraud

We actively carried out promotional and educational campaigns against financial fraud and adopted online and offline promotions to raise consumers' awareness of financial security, enhance our risk prevention capabilities and prevent financial fraud from causing losses to consumers. During the Reporting Period, we organized a total of more than 10 bank-wide campaigns on financial knowledge and held more than 2,200 indoor & outdoor campaigns, involving



various types of enterprises, institutions, schools, hospitals, plazas, communities and shopping malls. As a result, more than 280,000 promotional materials were distributed, the financial knowledge was sent by more than 30 times by WeChat official account and 1.91 million text messages were sent, benefiting approximately 2 million people.

### Online tips

- When customers use mobile banking APP to purchase wealth management products, the system would remind them of safe operation, prevention of financial fraud, etc..
- We would send tips for prevention of telecommunications fraud on a regular basis in the column for the promotion and education of financial knowledge on the official website of the Company.
- We would send prompt message in cooperation with regulatory agencies according to relevant policies of the state.
- We would prepare risk warnings and educational materials and deliver them through official website and WeChat.

### Promotion through APP



### Promotion through official website





### Offline promotional campaigns

- We organized a variety of campaigns on financial knowledge, mainly focusing on the promotion of rights of financial consumers, bank card information security, prevention of telecommunication fraud, protection of personal credit record, crack-down on illegal direct selling and pyramid selling, campus net loan and other financial hotspots at present, which further enhanced financial consumers' awareness of risk responsibility.

### Bank of Tianjin Organized a Variety of Promotional and Educational Campaigns on Financial Knowledge



## Innovating Customized Products

We focused on providing customers with innovative products tailored to their personalized and diversified needs, fully integrated our own technical and resource advantages to build an integrated financial service platform in the Internet era, and provided customized financial products to enable customers to enjoy more smart and convenient financial life.



Focused on providing innovative products for customers according to their personalized and diversified needs

Built an integrated financial service platform in the Internet era

Provided customized financial products for customers

## Customized Services & Products

Products	Response to customers' expectations
Social Welfare Card	<ul style="list-style-type: none"> <li>We launched the instant social welfare card making service including card application, production and activation. We reduced the time taken to renew the social welfare card from approximately 45 working days to 30 minutes.</li> </ul>
Student E-Loan	<ul style="list-style-type: none"> <li>A small personal credit loan in RMB issued to students newly enrolled or studying in designated colleges and universities in China (Mainland China). College students can complete online applications through mobile banking.</li> </ul>
Loan for Rent	<ul style="list-style-type: none"> <li>A loan granted to individual business owners or small and micro enterprises for the payment of rents for business and office premises.</li> </ul>
Lien-based Loan	<ul style="list-style-type: none"> <li>A loan used to meet technological innovation-based enterprises' liquidity demand on a variety of guarantees, e.g. credit, pledge of stock right, intellectual property pledge and retention of stock option, so as to support their development.</li> </ul>
Loan with farmers housing property right as collateral	<ul style="list-style-type: none"> <li>A loan, for which the capital is paid with interest within the prescribed time, granted to qualified farmers with properties and use their property and land as collaterals, so as to help the farmers start up business, increase their income and improve their quality of life.</li> </ul>
Loan with the right to manage the contracted rural land as collateral	<ul style="list-style-type: none"> <li>A loan, for which the capital is paid with interest within the prescribed time, granted to qualified farmers (as contractor) or agricultural business entities with the right to manage the contracted land as collateral, so as to support the development of farmers and agricultural management entities, promote rural economic development and improve the living standards of farmers.</li> </ul>

## ■ Improving Consumer Experience

We attached great importance to the consumers' experience. We offered differentiated & value-added services for customers and expanded service channels to improve consumer experience and satisfaction.

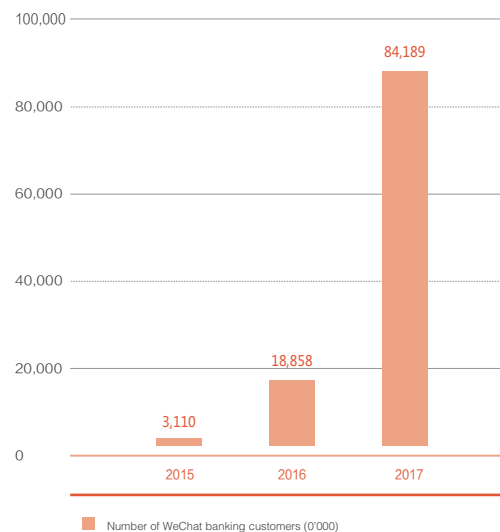
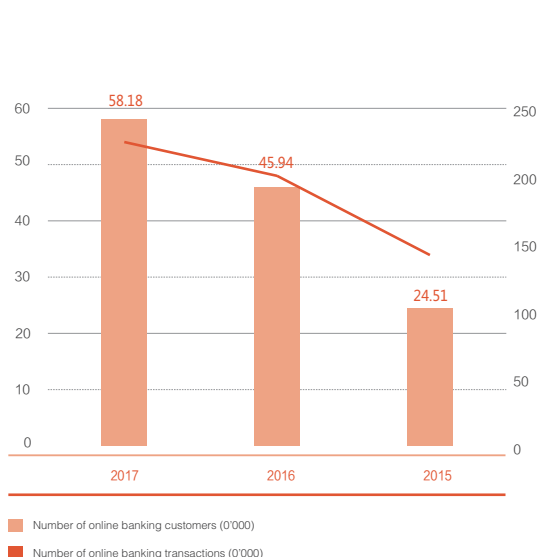
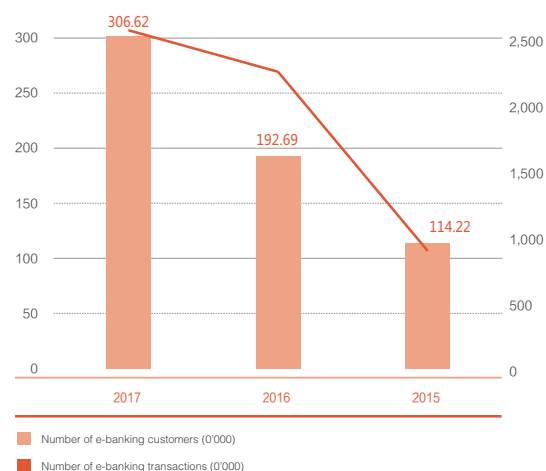
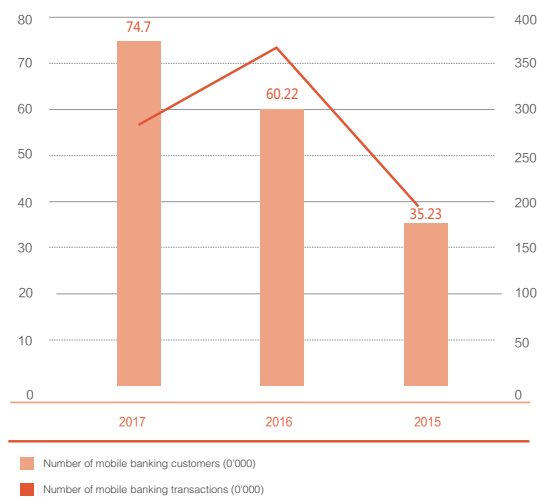
### Respecting Different Needs

To better meet the different needs of customer groups, we developed a fashion version suitable for young people and a large-font version suitable for the elderly with regard to financial transactions, and delivered personalized information for customers according to their behaviors. All our customers have an equal right to access our services.

## Expanding Service Channels

We actively expanded service channels, vigorously built three mobile portals including mobile banking, WeChat banking and WAP mobile banking, built a series of basic platforms, developed novel functions such as "Scan QR Code", "Search" and "Shake", and integrated Internet concept products, e.g. Acoustic Payment, QR Code Payment, Social Interaction, Voice Service, Location Service (Location), Cardless Withdrawal, Lucky Money, Limited Time Out and Lucky Draw, into our financial services, achieving a combination of intelligence and security in the mobile terminal. During the Reporting Period, the number of our e-banking customers was 3.0662 million and the substitution rate of e-banking services was 80.96%. The number of smart machines, ATM machines, online banking machines and POS machines was 1,402, 537, 204 and 207, respectively.

Following the "Internet +" trend, we promoted the development of the Internet mobile finance business, increased the number of credit card inquiry and account transactions functions to 37, added WeChat payment for credit card, and opened credit card Apple Pay, HCE, Huawei Pay, Mi Pay and other Cloud QuickPass. During the Reporting Period, 18,383 customers bound their credit cards with WeChat, and 6,762 transactions were completed through Cloud QuickPass, transaction volume to RMB3,635,800.



## Serving Employees' Development

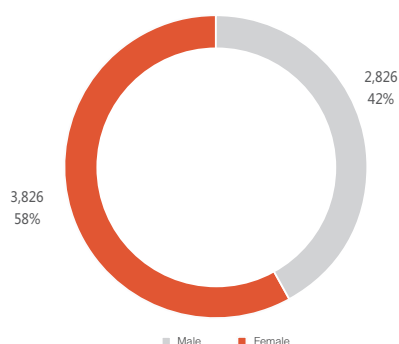
We adhered to the strategic goal of "Strengthening the Bank by Developing Talents", observed laws and regulations, adhered to the principle of fair employment, protected the basic rights and interests of employees, motivated them to keep forging ahead, cared for their health and life and strived to make them all share in the benefits of our development, so as to achieve harmony between our Bank and our employees.

### ■ Engaging Employees on Fair Employment

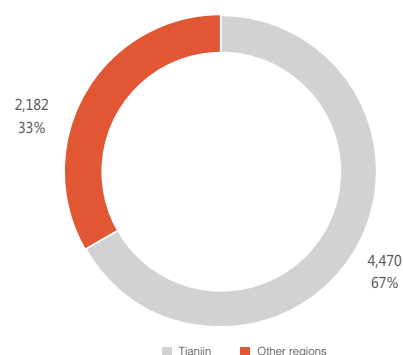
We strictly observed the *Labor Law of the People's Republic of China* and adhered to the principle of "fair and impartial" recruitment to ensure that the recruitment information was made public and the recruitment process was fair. We provided fair employment opportunity to all candidates regardless of nationality, region, color, gender, education, age and religious belief.

We strictly observed the internationally accepted, national and regional guidelines, rules and regulations concerning the prevention of child labor or forced labor, determined the forms of employment in different positions and regulated screening of candidates to avoid the use of child labor or forced labor. During the Reporting Period, we had 6,652 employees.

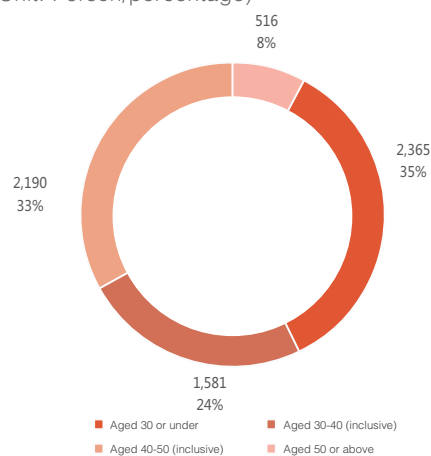
Number and proportion of employees by gender  
(Unit: Person/percentage)



Number and proportion of employees by location  
(Unit: Person/percentage)



Number and proportion of employees by age  
(Unit: Person/percentage)





## Protecting Employees' Rights and Interests

Remaining compliant with such applicable laws and regulations as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*, the Bank respects employees' right of choice, develops a harmonious labor relation with employees, and safeguards their lawful rights and interests.

We issued the *Implementing Rules of the Labor Contract System of Bank of Tianjin*, we legally enter into labor contracts with the employees, and managed employees in strict compliance with the laws. Apart from our contribution required by the law to the social security insurance scheme and provident housing funds scheme for the staff, we provide security projects including, enterprise annuity and supplementary medical insurance. During the Reporting Period, our rates of labor contract signing, social insurance contribution, housing provident funds, and supplementary medical insurance contribution were all 100%.

Following the principles of "Free Will" and "Mutual Selection", we allow a job applicant to choose the position interesting to him/her. Our employees have every right to resign, subject to reasonable notice to the Bank.

According to relevant national and local regulations, we assure the employees of reasonable working hours and their rights and interests to take days off when it is legal holiday.

We protects employees' right to participate in decision making of the Company, with full play of the functions of employee representative meeting, labor dispute regulation committee and trade union of Bank of Tianjin. During the Reporting Period, the trade unions of the third central sub-branch and Jinan branch of the Bank were awarded with "Home for Role Models" ("模范职工之家") by Tianjin Municipal Trade Union. The branch of the trade union of Wuqing sub-branch was also awarded with "Home for Role Models" ("模范职工小家") by Tianjin Municipal Trade Union. Jizhou sub-branch of Bank of Tianjin was awarded by the Central Spiritual Civilization Construction Steering Committee with "National Civilization Unit" ("全国文明单位").

### During the Reporting Period

	Labor contract signing rate	100%
	Social insurance contribution rate	100%
	Supplementary medical insurance contribution rate	100%
	Housing provident funds contribution rate	100%



Tianjin Municipal Trade Union awarded the branch of the trade union of Wuqing sub-branch of Bank of Tianjin with "Home for Role Models" ("模范职工小家")



Tianjin Municipal Trade Union awarded the trade unions of the third central sub-branch and Jinan branch of Bank of Tianjin with "Home for Role Models" ("模范职工之家")



The Central Spiritual Civilization Construction Steering Committee awarded Jizhou sub-branch of Bank of Tianjin with "National Civilization Unit" ("全国文明单位")

## ■ Spurring Employees to Forge Ahead

We adhere to the principle of "Equal Pay for Equal Work", constantly adjusts and improves the remuneration performance system and policy, optimizes salary structure, establishes a more scientific and effective incentive and restraint mechanism, to inspire our employees to make progress and boost our employees' work enthusiasm and motivation.

We established a performance-based remuneration system, determined our employees' remuneration based on position and performance motivated. We fully utilized the guiding role of remuneration in business risk management and control, formed risk liability and employees' remuneration linkage mechanism, enhanced employees' risk awareness and promoted the sustainable development of the Bank accompanied with the improvement of self-value of employee.

## ■ Helping Employees with their Development

We regard employees' growth as the lasting momentum for our Company's development, strives to create a talent team, continuously improves the training system, doubles our efforts to cultivate talent, encourages employees to acquire academic qualifications,

improves the quality and capability of staff force. During the Reporting Period, the Bank held a total of 1,656 staff trainings and trained 51,143 employees with average 72 hours of training per person.

### During the Reporting Period



#### New employee orientation

The Bank issued the *Notice on Implementation of Training Newly-Recruited College Students in 2017*, which clarifies the objectives, principles, and methods of systematic and professional cultivation of newly-recruited college students.

#### Different professional line training

The Bank conducted a variety of trainings to improve special knowledge and skills, including new products and businesses, professional ethics, general quality and capability, and risks. We strengthened the practicality and improved the effectiveness of training through ways such as internship in specific positions and case experience sharing.

#### Enhance professional ability

The Bank formulated the *Administrative Measures for Employee Qualification Certificate of Bank of Tianjin*, established mechanism on talent recruitment, job competition, promotion and appraisal, set up special learning funds, encouraged our employees to pass the banking profession qualification, strived to improve the professional capabilities of employees.



### Case 1: New Employee Orientation

Our Bank adopted staged learning method of "exclusive and intensive classes outside the Bank + online learning", arranged multiple teaching modes such as intensive teaching, multimedia teaching, online training, interactive and experiential learning, group etc., so as to effectively help our new employees to integrate themselves into the Bank, establish an idea of being professional and risk prevention awareness as well as acquire practical banking knowledge.



### Case 2: The Bank Opened Training Class for Youth Staff

The Bank conducted training class for youth staff. We introduced the rules and regulations, cultures and values of the Bank to young employees through group learning and discussion, helped employees to become familiar with and master the skills required to complete their job. Meanwhile, the class improved the understanding among employees and enhanced our employees' teamwork skills.



## Concerning about Employees' Health

The Bank established a complete employee health management system and regularly organized employees' medical examinations in accordance with the *Administrative Measures for Employee Health Examination of Bank of Tianjin*. We are committed to

ensuring the physical and mental health of employees by creating a healthy and safe working environment. The Bank also paid supplementary medical insurance for our employees to address their needs of medical treatment.



### Case 1: Bank of Tianjin Conducts Summer Disease Prevention Lectures

The Bank's branches held summer disease prevention lectures, inviting experts of traditional medicine to introduce frequently-occurring diseases in summer and the treatment and prevention such as heat stroke, cardiovascular and cerebrovascular diseases, digestive system diseases, as well as anti-summerheat formula and health tea recipe.



## ■ Caring about Employees' Life

We concerns employees' work and life, creates an atmosphere of love, care and respect for employees bank-wide, helps employees in difficulty, expresses solicitude to retired employees, carries out cultural and sports activities, gives employees festive and birthday congratulations. During the Reporting Period, the Bank visited 72 party members and non-party members who suffered from poverty resulting from diseases and who were in extreme poverty and sent the consolation money of more than four hundred thousand yuan to employees in need during the Spring Festival; we arranged physical examinations for more than 7,000 employees present and retired.

#### Care for employees in need

- Giving care and tendering condolence to employees who suffered from financial difficulty due to diseases, impoverished masses and party members with difficulties, to help them overcome difficulties.

#### Care for sick employees and retirees

- Sending greeting gifts to sick employees in hospital and consolation money to employees suffering from serious diseases and to employees in loss of their immediate family members.
- Subscribing to newspapers for the middle-aged and elderly for retired employees to enrich their material and spiritual life.
- Organizing medical examinations for the retirees.
- Visiting retired staff and retired model workers during the New Year's Day and Spring Festival holidays with gifts and consolation money.

#### Care about all employees

- Organizing a variety of cultural and sports activities, such as beauty knowledge seminar and ball, chess and calligraphy contests, to enrich the spiritual and cultural life of employees and help them keep healthy physically and mentally.
- Sending birthday cakes and cards to employees for their birthdays.
- Setting up activity centers and the homes of trade union and reading room for employees to help employees improve their knowledge and cultural literacy.





### Case 1: The Labor Union of Bank of Tianjin, Taian Branch Built a Staff Reading Room

The labor union of Taian branch built a staff reading room equipped with various hot selling books and drinks. With a warm photo wall full of smiling faces, staff corners and green plants, the reading room looked very homey. Small handcraft classes such as woodworking, bakery and flower arranging as well as birthday parties were also held once a week at noon in the reading room. The reading room helped staff to relax and relieve their stress after intense work and they were then able to put more energy into work. It also helped in establishing a stronger relationship among colleagues and brought a family warm feeling to the staff working in Bank.



### Case 2: Recognition Meeting and a Beauty and Cosmetics Lecture were Conducted to Celebrate the Women's Day on March 8

On March 8, 2017, an awards ceremony and a beauty and cosmetics lecture called "Glamorous Women Shining in Bank of Tianjin" were conducted in the Bank. Outstanding female employees who have made prominent achievements and contributions to the development of the Bank were recognized; beauticians were invited to teach makeup knowledge, face shape analysis and steps to put on makeup, helping female employees to work and live with more confidence and enthusiasm.



## Building a Harmonious Society

Bank of Tianjin adheres to the concept of "Stay True to the Mission, Contribute to the Society" to actively fulfill our social responsibility apart from benefitting its consumers and staff. Taking full advantage of its own businesses and resources, the Bank has conducted targeted poverty alleviation through innovative models. It has been actively involving in public welfare and charity and encouraging its staff to participate in volunteer activities and provide voluntary services to the communities, which has promoted the harmonious development of the society.

### ■ Carrying out Targeted Poverty Alleviation

The Bank has been actively implementing National policies on targeted poverty alleviation. We improved our credit policy and increased our efforts in supporting the poor and expanding the means for poverty alleviation, so as to realize the sustainable development of the economic in poverty-stricken areas and raise the living standards of the residents living there.

We have established preferential credit policies for individuals and enterprises in poverty-stricken areas, launched special concessional financial products, and increased the efficiency of lending, which helped poor individuals and enterprises in solving their difficulties in financing.

We have also assigned cadres to the counterpart village in difficulties to carry out the helping work, which has improved the infrastructure in poor villages, promoted the construction of rural organizations, optimized the agricultural planting structure and the way of planting as well as enriched the spiritual and cultural life of villagers. Two of our working teams were rated as "Excellent Village-Resident Team" ("优秀驻村工作组") at city and district level I in Tianjin, respectively, and six village-resident cadres were awarded as "Excellent Village-Resident Cadres" ("优秀驻村干部") at city and district level in Tianjin, respectively.

### The Achievements of Pair Poverty Alleviation by Bank of Tianjin

#### Increased economic income level

The Bank has increased the collective and individual income of village in difficulties through implementing the "one village one policy" project, introducing and promoting new products and technologies, optimizing the agricultural planting structure, changing the way of planting and constructing village professional cooperatives. Villages' collective economic income exceeded RMB200,000 each and the per capita disposable income reached RMB20,000, representing 10 times and 1.25 times increases as compared to 2013, respectively.

#### Improved production and living environment

With 14,100 meters of road hardened, 5,400 meters of road rebuilt, drainage system equipped with, street lamps, surveillance videos and fire-fighting equipment installed, irrigation ditch cleared up and dug deep, low voltage electrical installation provided for wells; over 1,500 green plants planted, 30,000 m<sup>2</sup> of walls whitewashed, 300 tonnes of village garbage cleared up, ditches renovated and garbage trucks and bins acquired... the construction of beautiful countryside has made gratifying changes, which plays an active role in improving the production and living of villagers and increasing the momentum of development.

#### Enriched villagers' minds and cultural lives

The Bank has constructed village committees and exercise plazas, provided assistance to the construction of farm bookshops and senior centers, installed cable boxes for villagers, donated Yangge clothes and invited Hebei Bangzi Troupe to perform for poor villages, thereby enriching and enlivening villagers' cultural lives.

#### Improved the building of grass-roots Party organizations

The Party Committee of our head office cooperated with the Party organizations of the poor villages to purchase education equipment, books about agricultural technology and planting, computers and other things by allocating funds from the Party management fees. Four villages supported by us have met the standards of construction of grass-roots "five-virtue party branch" at county's level and the construction of grass-roots party organizations was enhanced.

#### Raised concern on special poor people

- We donated rice, noodles, oil and other items for poor people on important festivals.
- We also donated electric educational equipment and school supplies for primary schools at poor villages.
- We conducted volunteer activities to help left-behind seniors pick corns, cottons and others at poor villages.



### Case 1: Ningxia Yuanzhou Jinhui County Bank Practiced Targeted Poverty Alleviation

In March 2017, Ningxia Yuanzhou Jinhui County Bank took initiative to help 448 recorded poor families from 4 administrative villages. Ningxia Yuanzhou Jinhui County Bank formed and issued a work plan on financial help to the poor. A leading group headed by the president and a working group led by the vice president in charge were established. The groups organized many visits to villages, enabling the staff to gain a thorough understanding of the credit needs of the underprivileged families, collect their essential information, and extend credits on site. With the collaboration between the government, the bank and the guarantee companies, "Fu Ping Dai Credits (富贫贷)" and "Hui Ping Dai Credits (惠贫贷)", two customized products, were introduced to the recorded families and enterprises related to poverty alleviation. These two loan products feature favored interest rate, flexible maturity, simple process, and guarantee company-backed.

During the Reporting Period, the credit extension for poverty alleviation covered more than 90% of the villages we helped.

## ■ Active in Public Welfare

To return to the society, we extended our love by being a contributor to public good, shouldering our share of social responsibility. We diversify charitable activities catering to the variety of regions, industries and people. For disastrous areas, targeted poverty alleviation areas, and targeted support areas, or social underprivileged people, we offer relieving donation; for fields of education, science, culture, medical care, sports, and public welfare, we offer commonweal donation. During the Reporting Period, we organized various heart-warming activities, expressed condolences to the children, the elderly and the poor in communities by visiting welfare homes

for children and nursing homes, helped to solve their practical difficulties in education, living supplies and loss of emotion support. During the Reporting Period, the Bank donated RMB1.675 million.

#### During the Reporting Period

 Total outward donation  
RMB **1.675** million



### Case 1: Bank of Tianjin Expressed Condolences to the Poor Masses

From September 11, 2017 to September 22, 2017, our leadership visited 7 Jinhui County Banks in Ningxia and Xinjiang. During that time, they went deep into Yuanzhou District in Ningxia to conduct the investigation and survey on financial poverty alleviation work. On behalf of the Party Committee of the Bank, they visited and expressed condolences to the poor masses there and sent them condolence payments. Coal for heating was also sent to the homes of 60 elders who were over 60 years old and living alone in that town to keep them warm for the winter.



## Case 2: Bank of Tianjin Chengdu Branch Helped Huanian Hope Primary School with Reconstruction and Expansion

On September 4, 2017, the reconstruction (expansion) project of the Hope Primary School in Huanian village, sponsored by the Chengdu Branch of Bank of Tianjin, was completed. The primary school was neglected with obsolete facilities and only 10 new students were recruited every year due to the lack of teachers. Chengdu Branch sent special personnel to visit Huanian village on site three times to understand the practical difficulties of the school, and then donated RMB700 thousand to the school in late June 2017 for teaching building renovation inside and outside, new teacher dormitory, new kindergarten building, bounding wall and playground reconstruction. Chengdu Branch also donated school uniforms, school bags, stationery and other school supplies to all students RMB60,000 was donated by employees of the branch with their own money.

The project fully improved the education and learning environment of the school and contributed to the development of local education. The school opened in September 2017 with more than 40 new students which was over 4 times of the previous years, and attracted 2 college students to come to teach there.







## ■ Taking Part in Volunteer Services

Bank of Tianjin always encourages employees to participate in voluntary activities in their spare time for contributing to society. During the Reporting Period, the Bank took part in major social volunteer activities such as the volunteer services for international marathons, the National Games, voluntary outdoor public welfare activities and volunteer activities for environmental protection. Meanwhile, the Bank carried out over 30 voluntary charity activities with a total of over 1,100 volunteers, providing 140 hours of volunteer services.

### During the Reporting Period



Voluntary charity activities over

**30** events



Volunteers for the events

**1,100** people



Total hours of voluntary service

**140** hours





### Case 1: Bank of Tianjin, Dongying Branch Volunteer Service Activities

On May 7, 2017, employees of Bank of Tianjin, Dongying branch provided meticulous volunteer service for Yellow River Estuary (Dongying) International Marathon, and completed service work for the competition and event.



### Case 2: Bank of Tianjin, Yantai Branch Celebrated Chung Yeung Festival

Respecting, loving and helping the seniors is a traditional virtue of Chinese people. On October 28, 2017, the Chung Yeung Festival, Bank of Tianjin Yantai branch carried out a series of "Respecting the Seniors" activities. Young volunteers gave living supplies such as rice, flour and cooking oil to poor elderly families.

On the Festival Day, Yantai branch also prepared gifts, leaflets on health keeping in Autumn, and foldout posters of the branch's wealth management products placed in the branch, and sent the foldout posters and gifts to middle-aged and elderly customers who visited the branch.





## Future Prospects

In 2018, China will enter into the key stage of supply-side structural reform, during which the pace of industrial transformation and upgrade and the shift in economic growth drivers will be comprehensively expedited. The profound change in economic and financial environment will bring pressure and challenges, but it will also present historic opportunities for development of banks. Facing with the New Normal in economy and the great changes in finance, Bank of Tianjin will continue to strive ahead and move forward, advance the concept of sustainable development, implement the strategy of sustainable development, and deepen the management of social responsibility. The Bank will persistently evolve in line with the conditions, sustain its development by means of innovations, focus on key businesses, expand target demographic and enhance professional expertise, so as to make contribution to the sustainable development of economy, society and environment. The Bank constantly builds itself into a value-driven prime bank in Beijing, Tianjin and Hebei region and pursues excellence in compliance, integrity with dual-track approach, offering remarkable experiences to customers and great care for employees.

With respect to responsibility management, the Bank will integrate social responsibility fulfillment into all aspects and processes of operating management. While highlighting economic benefits, the Bank will actively undertake social responsibilities, continuously improve responsibility management system and push forward social responsibility fulfillment. The Bank will improve communication mechanism among stakeholders, rigorously implement the strict bank management, guard against all kinds of risks as a whole, continuously improve level of internal control, effectively establish a positive image for the Company, enhance the ability of sustainable development, and ensure that the social responsibility work will be conducted in an effective, coordinated and well-organized manner.

With respect to economy, the Bank has been taking serving real economy and promoting the stable development of economy as its primary responsibility. The Bank will stick to the development direction of "Quality Oriented and Efficiency First", steadily promote financial reform, improve financial technology and enhance product innovation, so as to maintain the steady development of businesses. Moreover, the Bank will focus on key industries and projects, centralize operational advantages, make breakthroughs for its competitiveness in serving emerging businesses, increase its support for MSMEs (micro, small and medium enterprises), consistently promote inclusive finance, benefit people's livelihood and support the development of "Sannong" (agriculture, rural areas, and farmers).

With respect to environment, the Bank will take green development as an urgent task in fulfilling social responsibility, act as an incubator, promote transformation of energy conservation and emission reduction, support development of environmental protection industry, push forward green credit, advocate green office and devote into green public welfare undertakings, striving to build Bank of Tianjin into an environmental friendly "Green Bank" to protect the ecological environment and establish a green homeland.

With respect to society, the Bank will take demands of customers as the focus of its work and provide a great diversity of high-quality services with broad coverage so as to build desirable customer relationships. Furthermore, the Bank will focus on building good corporate culture, protect its employees' interests, provide humanistic care, broaden training channels, and continuously enrich talent pool, striving to improve the value of the Company and its employees simultaneously. In addition, the Bank will enthusiastically promote public welfare, contribute to social well-being and support the harmonious development of the society, so as to demonstrate a responsible and committed corporate citizenship image of the Bank.

# Appendixes

## ■ ESG Indicator Index

Level	Contents	Section of the Disclosure
A1 Emissions	<p>General Disclosure</p> <p>The followings that involving waste gas and greenhouse gas emissions, discharging sewage to water and land, producing hazardous and non-hazardous wastes:</p> <p>(a) policies; and</p> <p>(b) information about compliance with relevant laws and regulations that have material effects on the issuer.</p> <p>Notes: ① Waste gas emissions consist of nitrogen oxides, sulphur oxides and other pollutants regulated by PRC laws and regulations.</p> <p>② Greenhouse gases consist of carbon dioxide, methane, nitrous oxide, hydrofluorocarbon, perfluorocarbon and sulfur hexafluoride.</p> <p>③ Hazardous wastes refer to wastes defined by national regulations.</p>	Advocating Green Office
	A1.1 Types of emissions and respective emissions data.	Advocating Green Office
	A1.2 Total Greenhouse gas emissions (in tonnes) and, where appropriate, density (e.g. calculated at per unit of production, per facility).	Advocating Green Office
	A1.3 Total hazardous wastes produced (in tonnes) and, where appropriate, density (e.g. calculated at per unit of production, per facility, per official employee).	Advocating Green Office
	A1.4 Total non-hazardous wastes produced (in terms of weight or volume) and, where appropriate, density (e.g. calculated at per unit of production, per facility, per official employee).	Advocating Green Office
	A1.5 Description of measures to mitigate emissions and achievements.	Advocating Green Office
	A1.6 Description of methods to dispose hazardous and non-hazardous wastes, measures to reduce production and achievements.	Advocating Green Office
A2 Use of Resources	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Notes: Resources can be used for production, storage, transportation, buildings, electronic equipment.</p>	Advocating Green Office
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000) and intensity (e.g. per unit of production volume, per facility).	Advocating Green Office
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Advocating Green Office
	A2.3 Description of energy use efficiency initiatives and results achieved.	Advocating Green Office
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency improvement initiatives and results achieved.	Advocating Green Office
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit production volume.	N/A
A3 Environmental and Natural Resources	<p>General Disclosure</p> <p>The policies of reducing significant impact of issuer on environmental and natural resources.</p>	Performing Green Public Services
	A3.1 Description of the significant impacts of business activities on environmental and natural resources and the actions which have been taken for managing such impacts.	Performing Green Public Services



Level	Contents	Section of the Disclosure
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, hours of work, holidays, equal opportunities, diversification, anti-discrimination and other treatments and benefits.	Engaging Employees on Fair Employment Protecting Employees' Rights and Interests Spurring Employees to Forge Ahead
	B1.1 Total number of employees by gender, type of employment, age group and region.	Engaging Employees on Fair Employment
	B1.2 Employment loss ratio by gender, age group and region.	Undisclosed
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to provision of safe working conditions and protection of employees against occupational hazards.	Concerning about Employees' Health
	B2.1 The number and ratio of deaths resulted from working factors.	Undisclosed
	B2.2 Loss of working days due to work injury.	Undisclosed
	B2.3 Description of the occupational health and safety measures adopted, as well as the relevant implementation and monitoring methods.	Concerning about Employees' Health
B3 Development and Training	General Disclosure Policies on improvement of employees' knowledge and skills to perform their duties with description of training activities. Note: The trainings refer to professional trainings, which may consist of internal and external courses paid by employers.	Helping Employees with Their Development
	B3.1 Percentage of trained employees by gender and types of employees (for example, senior management, intermediate management, etc.).	Undisclosed
	B3.2 The average number of training hours per employee by gender and types of employees.	Undisclosed
B4 Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of child labor or forced labor.	Engaging Employees on Fair Employment
	B4.1 Description of measures to review recruitment practices to avoid child labor and forced labor.	Engaging Employees on Fair Employment
	B4.2 Description of the steps taken to eliminate the violations when such violations are found.	Undisclosed
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Advocating Green Office
	B5.1 Number of suppliers by region.	Advocating Green Office
	B5.2 Description of practices relating to engagement of suppliers, number of suppliers where the practices are being implemented, and how such practices are implemented and monitored.	Advocating Green Office

Level	Contents	Section of the Disclosure
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters in relation to the products and services provided, as well as the methods of redress.	Protecting Consumer Rights
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
	B6.2 Number of product and service related complaints received and how they are dealt with.	Protecting Consumer Rights
	B6.3 Description of practices relating to protecting and safeguarding intellectual property rights.	N/A
	B6.4 Description of quality assurance process and recall procedures.	N/A
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Consumer Rights
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering.	Honest Operation Preventing Financial Fraud
	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.	Anti-corruption
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Honest Operation
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that the activities are carried out after taking into consideration the communities' interests.	Building a Harmonious Society
	B8.1 Focus on the areas we contribute in (e.g. education, environmental concerns, labour needs, health, culture, sport).	Building a Harmonious Society
	B8.2 Resources contributed (e.g. money or time) to the focused areas.	Building a Harmonious Society

## GRI Indicator Index

Indicator No.	Contents of the Indicator	Section of the Disclosure
<b>Strategy and analysis</b>		
G4-1	Message from the top decision-makers of the organization (such as CEO, chairman or equivalent seniors) on the relevance of sustainability to the organization and the sustainable development strategies of the organization.	Chairman's Message President's Message
<b>Organization profile</b>		
G4-3	Name of the organization.	Company Profile
G4-4	Primary brands, products and/or services.	Company Profile
G4-5	Address of the organization's headquarter.	Company Profile
G4-6	Number of countries where the organization operates, name of countries where its primary businesses are located, or name of countries which are especially relevant to the theme of sustainable development described in the report.	Company Profile
G4-7	Nature and legal form of ownership.	Company Profile
G4-8	Markets for which the organization offers services.	Company Profile
G4-9	Scale of the organization.	Company Profile Key Performance
G4-10	The total number of employees by region and gender.	Engaging Employees on Fair Employment
G4-12	Description of the organization's supply chain.	Advocating Green Office
G4-13	Material changes in the organization's size, structure, ownership or supply chain during the Reporting Period.	Company Profile Corporate Governance
G4-14	Whether and how a precautionary approach or principle is addressed by the organization.	Risk Management
<b>Material aspects and boundaries identified</b>		
G4-18	Explanation of the process for defining the report contents and aspect boundaries.	About This Report
<b>Stakeholder engagement</b>		
G4-24	A list of stakeholders engaged by the organization.	Communication with Stakeholders
G4-26	The organization's approach for stakeholder engagement, including frequency of engagement by type of stakeholder and by stakeholder group, and an indication of whether any of the engagements was undertaken specifically for the preparation of this report.	Communication with Stakeholders
G4-27	Key topics and concerns that have been raised during stakeholder engagement, and how the organization has responded to those key topics and concerns, including through written reports. Report the stakeholder groups that raised each of the key topics and concerns.	Communication with Stakeholders
<b>Report profile</b>		
G4-28	Reporting period during which the information was provided.	About This Report
G4-30	Reporting cycle.	About This Report

Indicator No.	Contents of the Indicator	Section of the Disclosure
G4-31	The contact point for questions regarding the report or its contents.	About This Report Reader Feedback
G4-32	Report the "in accordance" option the organization has chosen and the GRI content index for the chosen option; report the reference of external assurance report if the report has been externally assured.	About This Report GRI Indicator Index
G4-34	Governance structure of the organization, including committees of the highest governance body.	Corporate Governance
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Corporate Governance
G4-38	Report the composition of the highest governance body and its committees.	Corporate Governance
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed, and whether such conflicts of interest are disclosed to stakeholders.	Corporate Governance
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Report whether stakeholder consultation is used to support the highest governance body's identification of and management for economic, environmental and social impacts, risks, and opportunities.	Corporate Governance
<b>Ethics and integrity</b>		
G4-56	Description of the organization's values, principles, standards and norms of behavior.	Responsibility Management
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity.	Honest Operation
<b>Economic performance</b>		
G4-EC1	Direct economic value generated from and distributed by the organization.	Key Performance Adjusting Regional Layout to Serve National Strategy Serving Industrial Upgrading Serving Small and Micro Enterprises
G4-EC2	Financial impact of climate change on the organization's activities and its risks and opportunities.	Serving Sustainable Development
G4-EC7	Development and impact of implementation of infrastructure investments and supporting services.	Serving People's Livelihood Building a Harmonious Society
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Serving Industrial Upgrading Serving People's Livelihood Serving Sustainable Development Building a Harmonious Society
G4-EC8	Proportion of expenses of purchase from local suppliers at significant locations of operation.	Serving Low Carbon Operation



Indicator No. Contents of the Indicator		Section of the Disclosure
<b>Environmental performance</b>		
G4-EN3	Energy consumption within the organization.	Advocating Green Office
G4-EN5	Energy intensity.	Advocating Green Office
G4-EN7	Reductions in energy requirements of products and services.	Advocating Green Office
G4-EN8	Total water withdrawal by source.	Advocating Green Office
G4-EN15	Direct greenhouse gas (GHG) emissions.	Advocating Green Office
G4-EN16	Energy indirect greenhouse gas emissions.	Advocating Green Office
G4-EN17	Intensity of greenhouse gas emissions.	Advocating Green Office
G4-EN22	Total volume of wastewater discharged by water quality and discharge purpose.	Advocating Green Office
G4-EN23	Total weight of wastes by type and processing methods.	Advocating Green Office
G4-EN27	Reduce the environmental impact of products and services.	Innovating Green Financial Services Expanding Green Credit Business
G4-EN32	The proportion of new suppliers selected on environmental standards.	Advocating Green Office
<b>Social performance</b>		
G4-LA1	Total number and proportion of newly-recruited employees and retired employees by age group, gender, and region.	Engaging Employees on Fair Employment
G4-LA2	Benefits only provided to full time employees other than temporary or part time employees by principle place of business.	Protecting Employees' Rights and Interests
G4-LA9	The average training hours completed per employee annually by gender and employee category.	Helping Employees with Their Development
G4-LA12	The composition of members in governing body and various types of employees by gender, age group, member of ethnic minorities and other diversified indicators.	Engaging Employees on Fair Employment
G4-HR2	The policies and procedures of human rights in respect of operations, the total training hours completed by staff and the percentage of the trained staff.	Helping Employees with Their Development
G4-HR5	Operators and suppliers identified as having significant risk of employing children, and measures contributed to efficiently avoid the employment of children.	Engaging Employees on Fair Employment Protecting Employees' Rights and Interests
G4-HR6	Operators and suppliers identified as having significant risk of forced labor or compulsory labor incidents, and measures contributed to eliminate all kinds of forced or compulsory labor.	Engaging Employees on Fair Employment Protecting Employees' Rights and Interests
G4-SO1	Implements of proportion of operations with local community involvement, which impacts the evaluation and development plan.	Building a Harmonious Society
G4-SO4	The communication and training of Anti-Corruption policy and procedures.	Anti-corruption
G4-SO5	Confirmed corruption events and actions adopted.	Anti-corruption
G4-SO6	The total value of political donation by nation and receivers/beneficiary.	Building a Harmonious Society
G4-PR5	Results of customer satisfaction investigation.	Protecting Consumer Rights

Indicator No.	Contents of the Indicator	Section of the Disclosure
<b>Complementary guidelines in financial industry</b>		
G4-FS1	Specific environmental and social policies applied to business activities.	Adjusting Regional Layout to Serve National Strategy Serving Industrial Upgrading Serving Small and Micro Enterprises Serving People's Livelihood Serving Sustainable Development Serving Consumer Demand
G4-FS2	Procedures that evaluating and controlling the environmental and social risks in business.	Honest Operation
G4-FS3	Controlling on the conditions of the customer's environmental and social compliance.	Honest Operation
G4-FS4	Improving the staff's ability and procedures on carrying out the environmental and social policies.	Helping Employees with Their Development
G4-FS5	Interactions with customers, investors and partners on the environmental and social risks and opportunities.	Responsibility Management
G4-FS6	Business proportion by region, size and industry.	Innovating Green Financial Services Expanding Green Credit Business
G4-FS7	The values products and services designed for achieving specific social goals.	Adjusting Regional Layout to Serve National Strategy Serving Industrial Upgrading Serving Small and Micro Enterprises Serving People's Livelihood Serving Consumer Demand
G4-FS8	The values products and services designed for achieving specific environmental goals.	Serving Sustainable Development
G4-FS10	In investment portfolio, reporting the company's proportion and number that have interactions of environmental or social factors with them to the organizations.	Innovating Green Financial Services Expanding Green Credit Business
G4-FS13	The entry point in small populations or underdeveloped regions presented by types.	Building a Harmonious Society
G4-FS14	Improving actions for obtaining financial services for vulnerable groups.	Building a Harmonious Society
G4-FS15	Policies about fair designs and sales on financial products and services.	Serving Consumer Demand
G4-FS16	Improving actions for financial knowledge education according to the type of benefit.	Serving Consumer Demand

## Reader Feedback

Thank you for your reading the 2017 Corporate Social Responsibility Report of the Bank. In order to strengthen the communication between you and other stakeholders and us and continuously improve the performance of environmental and social responsibility and preparation of social responsibility report by our Bank, we are looking forward to your indispensable opinions and advice. You are welcome to comment via the following contact information:

Tel: +8622 28405372

E-mail: [ir@bankoftianjin.com](mailto:ir@bankoftianjin.com)

Mailing Address: No.15 Youyi Road, Hexi District, Tianjin, PRC

Post Code: 300201

Contact: Board of Directors office

Please send specific feedback:

1. Your overall assessment on this report is

☐ Excellent ☐ Good ☐ Average ☐ Bad

2. What do you think of the clarity, accuracy, and completeness of the information and data disclosed in this report?

☐ Excellent ☐ Good ☐ Average ☐ Bad

3. What do you think of the comprehensiveness of the economic responsibilities assumed by our Bank reflected in this report?

☐ Excellent ☐ Good ☐ Average ☐ Bad

4. What do you think of the comprehensiveness of the environmental responsibilities assumed by our Bank reflected in this report?

☐ Excellent ☐ Good ☐ Average ☐ Bad

5. What do you think of the comprehensiveness of the social responsibilities assumed by our Bank reflected in this report?

☐ Excellent ☐ Good ☐ Average ☐ Bad

6. Are the design and layout of this report are reader-friendly?

☐ Excellent ☐ Good ☐ Average ☐ Bad

7. Which aspect reflected in this report do you think that needs improvement most?

☐ Operations ☐ Services ☐ Environment ☐ Employees ☐ Social

8. The matters you would like to know about but not disclosed in this report:

9. Your opinions and suggestions on the Bank's social responsibility work and report preparation:

