



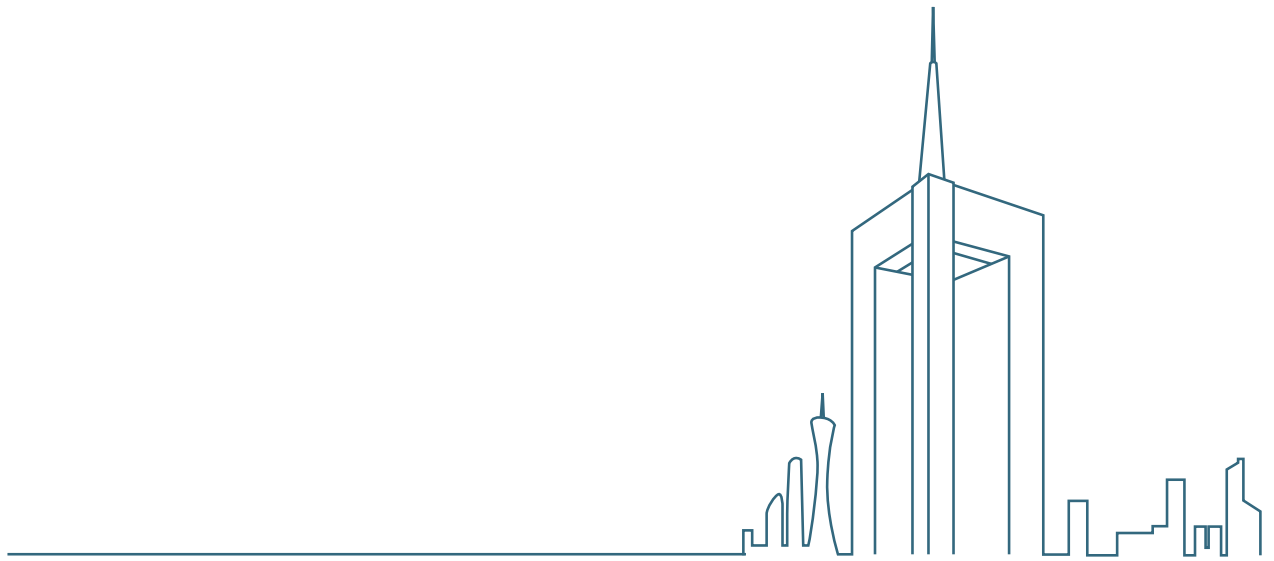
# 2017

Guangzhou Rural Commercial Bank  
2017 Annual  
Social Responsibility Report

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July 2018





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## About This Report

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### Overview

This report is the first annual Corporate Social Responsibility Report (CSR Report) released by Guangzhou Rural Commercial Bank Co., Ltd.(GRCB). It focuses on the disclosure of the Group's relevant information on economic, social and environmental sustainability from January 1, 2017 to December 31, 2017 based on the principle of significance, quantification, balance and consistency.

### Preparation Basis

This report was prepared according to the Global Report Initiative (GRI) Sustainability Reporting Guidelines, Appendix 27 Environmental, Social and Governance Reporting Guide (ESG Guide) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) issued by The Stock Exchange of Hong Kong Limited (HKEx) , PRC National Standard Guidance on Social Responsibility (GB/T 36000), the CSR Reporting Guidelines for Chinese Companies (CASS-CSR 4.0) issued by the Chinese Academy of Social Sciences (CASS) and other relevant documents.

The contents of this report were prepared mainly according to the systematic procedures proposed by the GRI standard. The procedures include:

- (1) identifying the scope of corporate social responsibility;
- (2) assessing the importance and relevance of the identified scope and related coverage of CSR;
- (3) preparing information for the report;
- (4) reviewing and responding to relevant stakeholders' opinions on the Group's CSR Report. This report covers the situations that the Group has learned through contact with stakeholders in its day-to-day operations.

## Scope and Coverage of the Report

The purpose of this report is to state the corporate social responsibility performance of the Group in economy, product & service, community, employee care and environment. The scope is consistent with the business scope of Guangzhou Rural Commercial Bank, including the Group and its subordinate holding companies.

## Salutation Description

To facilitate presentation and reading, "GRCB", "Group", "Company" and "we" in this report all refer to "Guangzhou Rural Commercial Bank Co., Ltd.".

## Data Sources and Reliability Statements

The data used in this report all comes from Guangzhou Rural Commercial Bank and its subordinate holding companies, and was reviewed by Guangzhou Rural Commercial Bank.

## Confirmation and Approval

This report was approved by the Group's Social Responsibility Leading Group and approved by the Board of Directors.

## Access and Response to the Report

The electronic version of the Report can be downloaded from our website at <http://www.grcbank.com/> and the website of the Stock Exchange at <http://www.hkexnews.hk/>.

For any comments or suggestions on the Group's corporate social responsibility performance, please send email to [ir@grcbank.com](mailto:ir@grcbank.com) or call 95313.

## About Guangzhou Rural Commercial Bank

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### ■ Company Profile

Guangzhou Rural Commercial Bank (formerly known as Guangzhou Rural Credit Cooperative) was founded in 1952 and was converted into a rural commercial bank in December 2009, and listed in Hong Kong in June 2017 with a registered capital of RMB9.808 billion. GRCB currently has 7778 employees with a total of 626 outlets, making it the largest financial service network in Guangzhou. GRCB operates 6 branches in Guangzhou and runs 25\* village banks in 9 provinces (cities) across the country. The Group's portfolio companies includes the wholly-owned subsidiary, Zhujiang Financial Leasing Co., Ltd. and the non wholly-owned subsidiary, Hunan Zhuzhou Zhujiang Rural Commercial Bank Co., Ltd. Through a diverse marketing network, GRCB provides customers with both standardized and customized banking products and services, and is steadily carrying out strategies on retail banking, investment banking, asset management, and interbank fronts. All businesses were developed steadily and rapidly. For eight consecutive years, GRCB was selected as the "1000 largest banks in the world" issued by The Banker and ranked 216th in 2017. In 2015 and 2016, GRCB was awarded the "Top 500 Chinese Enterprises" by The Banker; it received Baa2 investment grade long-term credit rating from Moody's, the highest rating currently obtained by a domestic regional bank; it also received BBB long-term issuer credit rating and A-3 short-term issuer credit rating by S&P with a stable rating outlook. GRCB is the only regional bank in China that has received investment grade long-term credit ratings from both agencies; in addition, GRCB has been honored by the China Banking Regulatory Commission "National Rural Commercial Bank Benchmarking Bank" for many years.



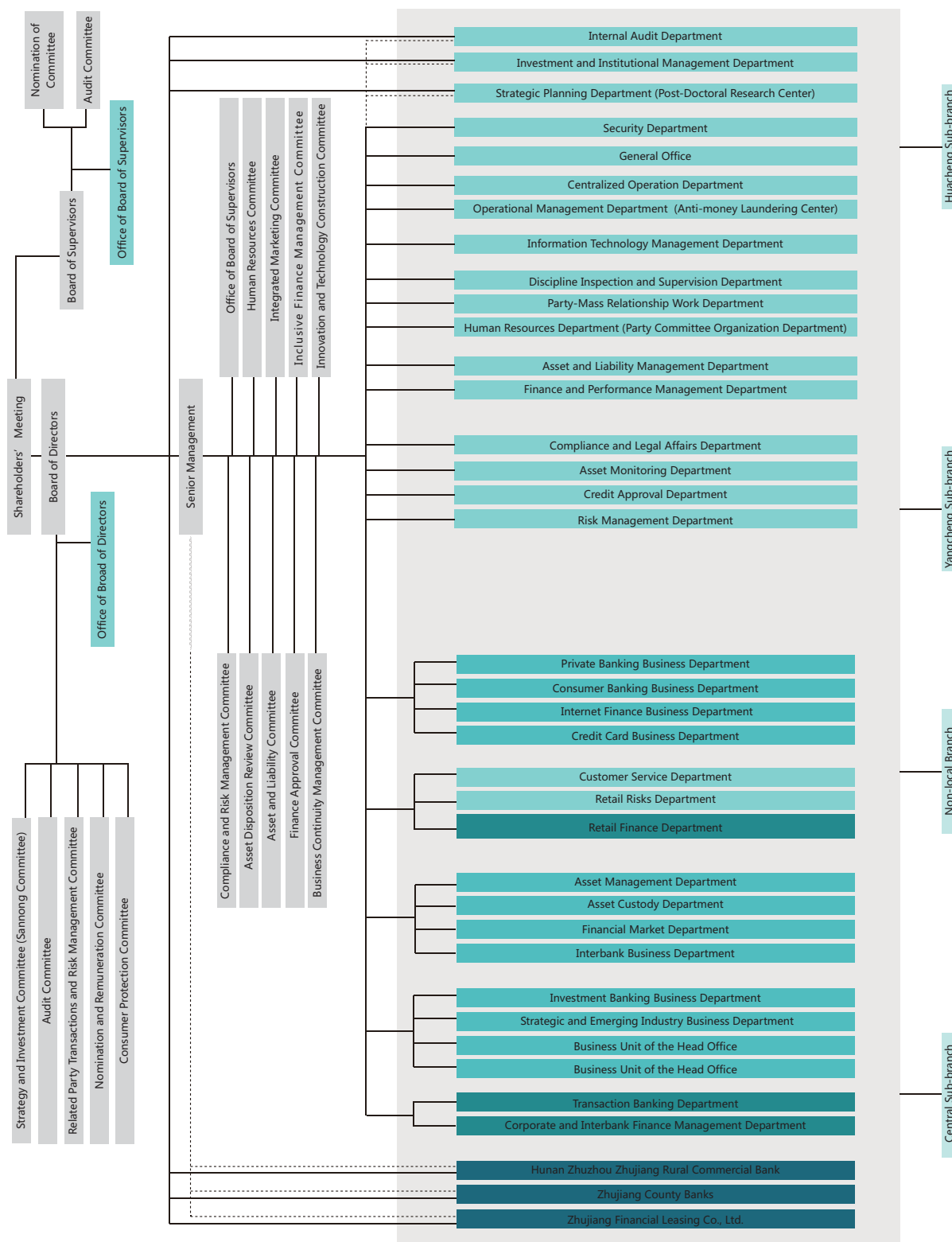
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\*As of the end of 2017, GRCB operated 24 village banks across the country. In April 2018, Zhengzhou Zhujiang Rural Bank of Zhengzhou received the approval for opening from the regulatory authority.



## Corporate Structure

Guangzhou Rural Commercial Bank has established a governance structure consisting of a general meeting of shareholders, the board of directors, the board of supervisors and senior management. Each governance entity performs its duties independently, coordinates its operations, checks and balances, and plays a positive role to continuously promote the steady and healthy development of the Group.



CORPORATE STRUCTURE

## Message From the Chairman



2017 was an extraordinary year for Guangzhou Rural Commercial Bank. We successfully landed in the capital market of Hong Kong and unfolded a grand blueprint for a new round of strategic opportunities for development. Greater ability comes with greater responsibilities. We are quite aware of the historical responsibility ahead of a great company and the social trust behind us. In 2017, we carefully took on the expectations and responsibilities for the country, society, and people's livelihood, it was a solid and fulfilling year for everyone at GRCB bank.



**We adhere to and comply with laws and regulations, and advocate a clean and upright value principle.** We continue to strengthen the compliance with laws and regulations as the red-line in operation and management. We stick to build an integral corporate culture and fight corruption through top-level design and joint efforts. The efforts will be strengthened in the binding fence of laws and regulations, and the risk control job for anti-money laundering have continued to enhance. We will consolidate the management of key parts and formulate a series of management mechanisms involving procurement and management. The corporate culture and value standards of integrity, prudence, and observance of law-abiding have become common practice throughout the Group.

**We adhere to the principle that customers always comes first and create a quality and friendly service experience.** Based on the characteristics and quality of service, we insist on returning to our core business, stick to the features and positioning for servicing the "three-rural" and contributing to small and micro businesses. We embrace the Internet, serve the Guangdong-Hong Kong-Macau Greater Bay Area, strengthen financial innovation, and initiate Rural Financial Service 3.0 with open-loop chaining. We adopt a direct operating structure to create small and micro financial services, accelerate the renovation and smart transformation of service channels, deepen cross-border finance and bridge internal and external markets, and promote the construction of a revolutionary ecological financial innovation service system. By putting the ultimate customer experience at the core, we upgraded the customer service system comprehensively, strengthened the protection of customer information security in depth, and built channels for customer feedback with sincerity, and continuously promoted the relationship between GRCB and the customers.

**Firmly persist in the direction of inclusive finance and release the inclusive public welfare forces.** We are committed to transferring the financial power to thousands of villages and communities. By relying on the professionalized inclusive financial organization system, management mechanism and service team, we take on the heavy task of supporting the rural and the small, as well as benefiting the general public. We are committed to spreading the financial sunshine to thousands of towns and villages, setting up high-profile leading groups for targeted poverty alleviation, implementing the main responsibilities, and enrich the helping and supporting measures, so that the warmth from GRCB can flow in the countryside. We are devoted to injecting financial care into millions of households, taking the Sun Philanthropy Foundation as the main base, caring for needy families and children with hearing impairments, paying attention to the old revolutionary base areas, and writing a humanistic chapter showing that the society has great love and GRCB has the responsibility.

**Strengthen humanistic care and create a harmonious human resource environment for common prosperity.** We regard our employees as our valuable treasures, and have established employee protection concepts that simultaneously emphasize management and services as well as development and care. We formulate compliant and rational personnel reserves and governance mechanisms, and set up a comprehensive compensation and welfare system to retain talents, a framework of selection and training where talents can play the best of their knowledge and learning. Moreover, we have improved the long-term development protection measures with wide dimension and full coverage in terms of medical health and recreation, entertainment and poverty alleviation, and built a co-operating relationship for harmony and common prosperity where the employees love GRCB and GRCB cares for the employees.

**Committed to environmental protection and heritage of the green mountains and clean water of the nation.**

We attentively implement the concept of green environmental protection, embed environmental risks in our credit policy, actively guide the green development of society and incorporate green financial standards into various businesses such as credit approval, bond underwriting, and carbon trading financing. We innovate and build a green service system, rely on online, paperless, intelligent, and low-energy technologies to transform traditional business channels, so as to deliver green and positive energy. We self-discipline ourselves to adhere to green operations and commit ourselves to be a resource-saving and environment-friendly green bank with the support of equipment renewal, employee training, green philanthropy and other initiatives, and adopt practical actions to pass on the green mountains and clean water of the country.

**Uphold the value of utmost honesty and greatest kindness.** Standing at the starting point of the new era, we will continue to adhere to the market-oriented principle as the guideline to promote comprehensive development. Never forget our original intention, keep in mind our mission, and fulfill our social responsibilities with superior courage and perseverance. We are working to realise the dream of our customers, partners, society, employees and local development. In 2018, we will continue to grow towards the sunshine, and be committed to becoming an even more extraordinary bank.



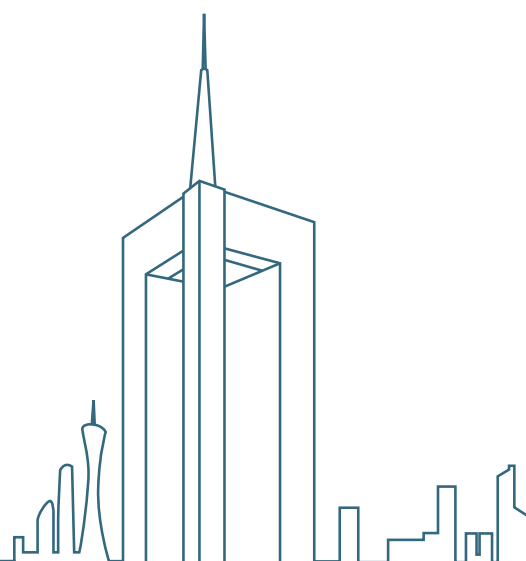
党委书记、董事长

王守清

# 2017

## Guangzhou Rural Commercial Bank 2017 Annual Social Responsibility Report

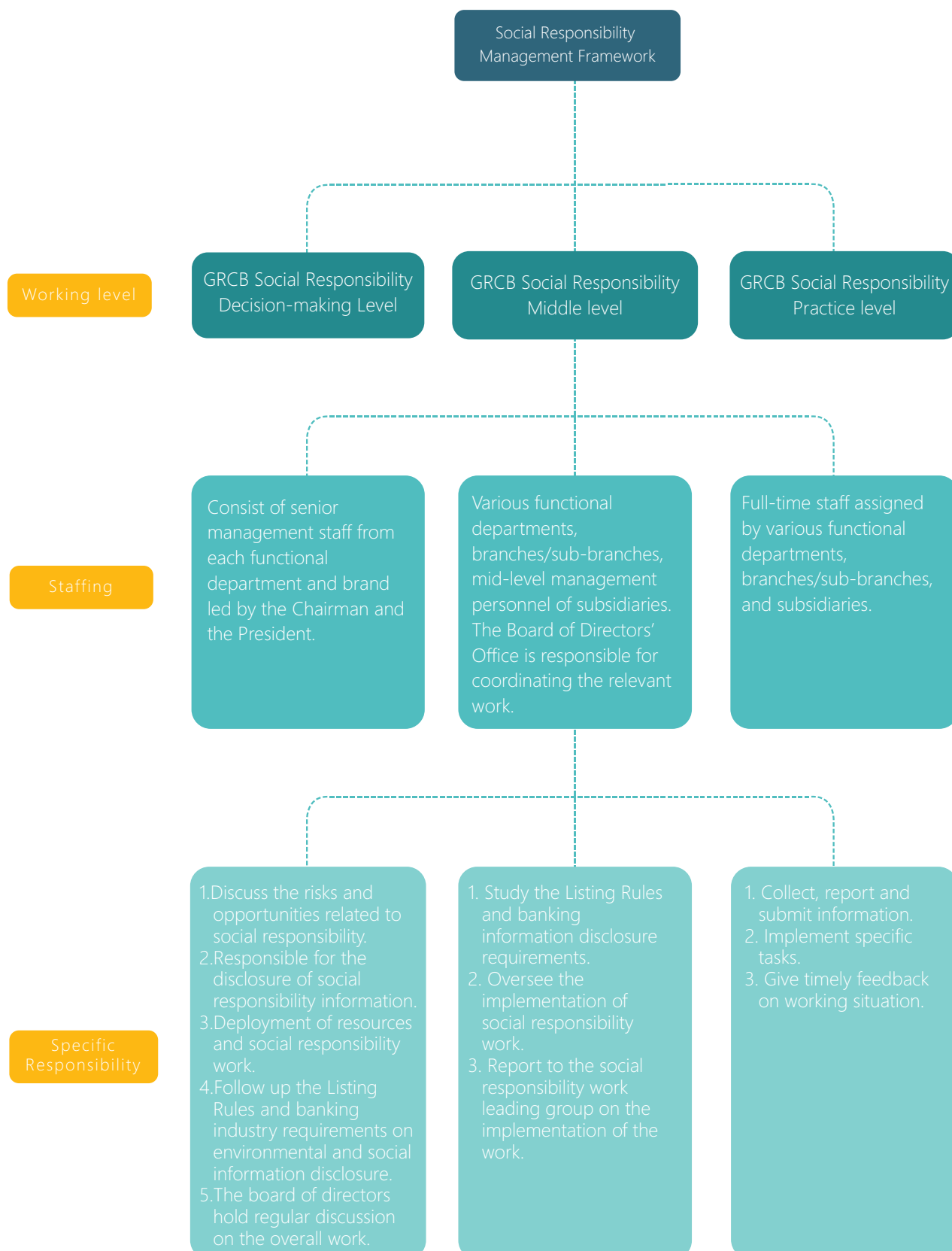
### Responsibility Governance



The current fiscal year marks the first year for GRCB to prepare and disclose environmental, social and governance (ESG) information in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide (ESG Guide) of the Listing Rules issued by HKEx after its initial public offering. In order to meet the requirements of the Listing Rules and effectively manage its risks and opportunities associated with ESG issues, the management of GRCB has made a thorough study of the overall background and disclosure requirements of the ESG Guide, and investigated the expectations of the overall capital market on listed companies as well as the future trends regarding ESG issues in combination with requirements of China Banking and Insurance Regulatory Commission (CBIRC), China Banking Association (CBA) and other regulatory bodies on social responsibility fulfillment and information disclosure of banking corporation.

GRCB has preliminarily developed an overall governance framework with three levels. The decision-making Level consists of senior management staff from each functional department and brand led by the Chairman and the President; the middle level is formed by the mid-level management personnel of subsidiaries, various functional departments and branches/sub-branches, the Board of Directors' Office is responsible for coordinating the relevant work of this level; the practice level is formed by responsible staff assigned by various functional departments, branches/sub-branches and subsidiaries, they are in charge of implementing specific tasks as well as giving timely feedback on working situation.

# Social Responsibility Governance



## Responsibility Strategy and Concept Model

Guangzhou Rural Commercial Bank always adheres to the concept of developing in tandem with the society, and actively participates in social construction and gives back to society while realizing its own growth. Built on this philosophy, we insist to be "By your side, every single step!", and use this motto as a guideline for our social responsibility work, providing direction for future work in an effort to create greater social value.



## Stakeholder Communication and Topic Identification

### Employees

**Employees who signed an employment contract with Guangzhou Rural Commercial Bank**

- The achievements of GRCB are supported by the efforts and hard work of each employee
- Topics most concerned: salaries and benefits, development channels, training system, workplace safety and health
- Day-to-day contact: union, management hotline, management mailbox, email, day-to-day opinion collection, satisfaction survey

### Local governments

**Various regulatory bodies covering the state, industry, and capital market, and the local governments of various locations where GRCB operates**

- GRCB needs to meet various regulatory requirements and support the development needs of the local government
- Topics most concerned: compliance with laws, paying taxes according to law, supporting local economic development, and supporting urban renewal
- Day-to-day contact: policy communication, information reporting, relevant compliance departments responsible for liaison, reviewing public information

### Clients

**Corporate and individual clients using GRCB's financial services**

- The support and trust from our clients is the driving force for the continuous development and growth of GRCB
- Topics most concerned: service quality, product security, information security, privacy protection, responsible marketing, complaints handling
- Day-to-day contact: communication at outlet, online customer service, service hotline, customer manager, complaints handling

### Local community

**Communities where GRCB operates**

- GRCB is rooted in the community and has been supported by its community for years. It also actively gives back to local community
- Topics most concerned: establishment of outlets, interaction with local residents, support for community reconstruction and development, charity engagement, and local environmental impact
- Day-to-day contact: communication at outlet, financial knowledge popularization, volunteer activities, support for local urban renewal projects

### Partners

**Various organizations that cooperate with GRCB in business, charity engagement, etc.**

- Thanks to the support of various organizations, GRCB has generated a wider range of positive influence on the society
- Topics most concerned: honesty and reliability, professional ethics, information security, cooperation and win-win situations
- Day-to-day contact: regular visits, terms of cooperation, interaction through joint programs

## Major CSR Honors & Awards

CBD Sustainable Development Building



Responsible Brand Award, 2017 China Charity Festival



Best Charity Program Award, 2017 China Charity Festival



Most Influential Charity Enterprise, 2017 Guangzhou Charity List



Most Influential Charity Enterprise, 2016 Guangzhou Charity List



2016 Excellent Foundation in Guangzhou - Sun Charity Foundation



2017 Excellence in Supporting Real Economy Award





# 2017

Guangzhou Rural Commercial Bank  
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## 01

Advocating Good Governance  
and Compliance



## 1.1 Good Governance

The Party Committee of GRCB has taken the task of building an organization with integrity and the task of anti-corruption into key agendas, and thus has organized special research, special deployment, and special implementation to clarify the guiding ideology, work objectives, work priorities, and methodological steps for anti-corruption work, providing an important guarantee for the healthy development of all phases of work. At the same time, GRCB has integrated building an organization with integrity and anti-corruption into job responsibilities, and clearly defined the responsibilities of members of leadership teams at all levels with "One Post, Dual Responsibilities" in accordance with the mentality of common deployment, common implementation and common evaluation, as well as "attach sufficient importance to both issues", which have included the implementation of building an organization with integrity at party committees of all levels into the assessment system, serving as an important basis for performance evaluation, reward and punishment, as well as selection and appointment of leading cadres.

### Case Special Meeting on Integrity Building

In 2017, GRCB organized a special meeting on building an organization with integrity and anti-corruption work to promote rigid governance to the grassroots level. After the meeting, we conducted random inspections to check the communication of the spirit of the meeting and supervised the implementation of the work; completed all of the 21 tasks assigned by the Party Committee of Guangzhou Municipal Government on building an organization with integrity; organized and carried out special governance work on anti-corruption at the grassroots level and further rectified issues associated with integrity and established a group-wide good practice.



GRCB regards "taking proactive actions when issues just emerge as early as possible" as the normal state of rigid governance to promptly discover and handle various issues at the very beginning and strictly implement the conversation-based reminder system for dialogue, so as to place disciplines and rules at the forefront.

#### In 2017 ,

interviewed <b>11</b> person	made <b>50</b> admonishing conversations	interrogated <b>7</b> person via letter	organized leading cadres to fill in <b>10</b> personal reports for inspection
required <b>269</b> individuals to fill in integrity files	proposed review and inspection for <b>2</b> people	conducted <b>42</b> person for cadre integrity review group-wide	

We are focus on prevention in advance with prudence by vigorously promoting anti-corruption knowledge, enriching educational content and improving educational methods so as to effectively and robustly promote the building of integral culture. Our specific measures include:

- Organize the signing of the Letter of Commitment on Practicing with Integrity by leading cadres at middle level and above;
- Convene special training session on disciplinary education for leading cadres, and working conference for studying alcohol control and prohibition against alcoholic drinks;
- Conduct new collective dialogue on integrity towards newly promoted leading cadres to strengthen self-discipline awareness on integrity.

## Case Special Activities on Integrity Building

In order to implement the spirit of the Second Plenary Session of the 11th Session of Guangzhou Municipal Commission for Discipline Inspection, and according to the "2017 Integrity Promotion Working Program proposed by the State-owned Assets Supervision and Administration Commission (SASAC) of Guangzhou Municipal Government, GRCB carried out an in-depth campaign to implement group-wide integrity building under the theme "Building a Strong Enterprise on Strong Integrity" by participating in the themed competition "Vital State-owned Assets, Healthy Development" organized by the Municipal SASAC, by participating in the themed competition of "Vital State-owned Assets, Healthy Development", organizing education on integrity and early warning, publicizing stories on strong integrity and actively promoting a culture of strong integrity, so as to guide cadres and employees to learn and comply with the law, and promote the building of a party organization with strong integrity through a company with strong integrity. All the efforts have effectively strengthened employees' awareness of integrity and self-discipline, and laid the ideological foundation for promoting the healthy development of the Group.



In order to implement the work plan of the Municipal Commission for Discipline Inspection, GRCB studied and formulated plans for special activities in accordance with Guangzhou Municipal Commission for Discipline Inspection's Opinions on Launching the Thematic Month Activities for Discipline Education forwarded by the Party Committee Office of Guangzhou Municipal Government, and made specific deployment regarding the schedule, target, contents and formats of the educational programs. By employing diverse forms, we launched a range of educational campaigns on promoting the party's spirit and principle as well as party's discipline, and carrying out education focusing on early warning and demonstration and conducting political and cultural education within the party. Through these educational campaigns, efforts are made to solve outstanding problems in ideology among all employees, and earnestly enhance employees' awareness of the party's spirit and practicing with integrity, providing a strong disciplinary guarantee for the healthy and stable development of our bank.



## Case

In order to further strengthen the cultivation of the party's spirit for party members and cadres, GRCB organized 817 people in 36 batches to visit "Stay True to the Mission, Advance with Courage—Picture Exhibition of the Communist Party of China (CPC) on Consolidating Discipline and Anti-corruption", which helps the party members and cadres to better understand the excellent tradition on consolidating discipline and anti-corruption, and inheriting the historical experience of CPC in this regard.



## Case

In September 2017, GRCB invited lecturers from the Municipal Commission for Discipline Inspection to provide special training for leading cadres at all level. Centered on the topic "Strengthening Political Awareness, Raising Political Standing Point, and Fully Grasping the Essence of <Principles><Regulations> amid Rigid Governance of the Party", the training was organized in combination with current trends and requirements regarding building a party organization with integrity among SOEs. A total of 1200 leading cadres at all level attended the training in main and parallel sessions.



## Case

In late-August 2017, GRCB organized 38 newly promoted leading cadres in a collective conversation on integrity with the aim to continuously enhance the ability of party members and cadres to defend against the erosion by various decadent ideologies.



## Case

In 2017, the Head Office issued "A Educational Reader for Integrity and Anti-corruption" to all units of all levels, requiring each party branch to organize learning activities for party members and cadres. Employees of various departments and units are encouraged to recommend stories relating to integrity building and good discipline around them or in their respective regions to the Head Office with some excellent stories to be published in GRCB's corporate publication "Bu Gu" (Cuckoo) to actively promote tradition value of loyalty and filial piety as well as sense of honesty and honor and increase positive energy to the culture of integrity.



GRCB actively implemented the relevant requirements of the Municipal Commission for Discipline Inspection to carry out the e-Education via WeChat for party members, and urged all the 2,701 party members and cadres of the Group to log on to "Lianjie Guangzhou" (Integrity Guangzhou) WeChat account to conduct self-study and keep the discipline learning on a regular basis. In addition, all party members of the Group completed the knowledge test of "2017 Party Member Examination Topics". The test scores were generally between excellent and good, achieving desirable learning results.

## 2017 Large-Scale Anti-Corruption Training Performance:

Number of anti-corruption training:

5

Coverage of anti-corruption training (person/time):

3287

## 1.2 Anti-Money Laundering Management

GRCB established a comprehensive anti-money laundering system in accordance with the Anti-Money Laundering Law of the People's Republic of China and the laws and regulations promulgated by the People's Bank of China.



### 2017 Anti-Corruption Training Performance

Number of anti-money laundering training:

**115**

Coverage of anti- corruption training:

**5165**



## Case

## “Anti-Money Laundering Campaign in University Town” , 2017 Anti-Money Laundering special activities in Guangzhou

On the day of the campaign, the campaign team of GRCB was the first financial institution to arrive at the event site to set up a booth. At the opening ceremony, we actively participated in the event's knowledge quiz session and offered anti-money laundering propaganda materials to the performers during the performance in a creative way, adding a vivid tone to the campaign. During the event, Mr. Tan Daoai, vice governor of PBOC's Guangzhou Branch, visited our booth along with his colleagues, expressed affirmation to our work on anti-money laundering and cheered up our on-site staff. Under the encouragement and the support of Mr. Tan, our on-site staff demonstrated their professionalism thoroughly. In addition to raising the public's awareness of anti-money laundering with detailed information, actively distributing well-prepared promotional materials and inviting visitors to follow our WeChat account, they also designed a range of questions on anti-money laundering at various difficulties for college students, residents and merchants. By giving gifts to visitors who answered the questions, the public's understanding of anti-money laundering has been deepened, creating a more dynamic and active atmosphere for better anti-money laundering engagement. Our engaging campaign also attracted financial peers at the scene to communicate with us. In this promotional campaign, we distributed over 400 pieces of promotional materials, received more than 200 anti-money laundering consultations and 43 peer communications, and gained over 600 followers on our WeChat account to follow our anti-money laundering work, achieving remarkable effect for this campaign, and helping accumulated valuable experience for future anti-money laundering publicity activities.



## 1.3 Procurement Management Measures

GRCB has gradually strengthened and promoted the centralized procurement management throughout the Group. In the centralized procurement process, we adhere to the principles of openness, fairness and impartiality with relevant personnel of the supervisory department conducting on-site supervision for the key links of major projects under the centralized procurement system.

In order to further strengthen the independence, competitiveness, innovation and effective restriction of the centralized procurement management system, we have deepened and reformed the centralized procurement work and revised and improved the procurement management system.

Procurement Management System Policies
GRCB Centralized Procurement Management Measures (Revised Version)
GRCB Bidding Management Measures (Revised Version)"
GRCB Review Committee Member Library Management Measures (Trial Version)
GRCB Supplier Management Measures (Trial Version)
GRCB Centralized Procurement Supervision and Inspection Management Measures (Trial Version)"
GRCB Centralized Procurement Operation Rules (Trial Version)
GRCB Centralized Procurement Quantity Allocation Rules (Revised Version)
GRCB Detailed Rules for Procurement Operation for Single Project Valued below RMB 1 Million (Revised Version)

GRCB's policies make it clear that suppliers must meet the basic conditions for entry. The bidding documents explicitly request that suppliers should act with lawfulness and integrity and make commitment that they have no major illegal records in their business activities in the past three years; if there are any damages to the interests of the tendering unit or to the social public interests as stipulated in relevant laws and regulations, GRCB will cancel the bidding qualification and reserve the right to pursue their legal responsibilities; at the same time, GRCB will make specific requirements on suppliers according to project situations, including requirements concerning environmental protection, requirements of signing labor contract between subcontracting staff and external agencies, requirements of no infringement of any third party's intellectual property rights, among others.

In order to further strengthen supplier management, we strictly implement the supplier qualification review, follow-up supervision evaluation, and misconduct punishment. Through the dynamic assessment of supplier's daily management and annual evaluation of contracted suppliers, the Group will remove the unqualified suppliers from our vendor system for suppliers failing the evaluation; for suppliers with misconduct, they will be included in the black list or even prohibition list. At the same time, we also carry out related inspections on the procurement of the Group and the performance of suppliers through a combination of off-site inspections and on-site inspections. While supervising and managing suppliers, we also set up special channels to solve difficulties for suppliers. In addition to handling consulting and complaints from the suppliers via telephone, we have specially set up a tender supervision mailbox, arranging specially-assigned staff to follow up the letters received from the supervision mailbox and print the supervision mailbox on the bidding documents to accept the supervision of the supplier.

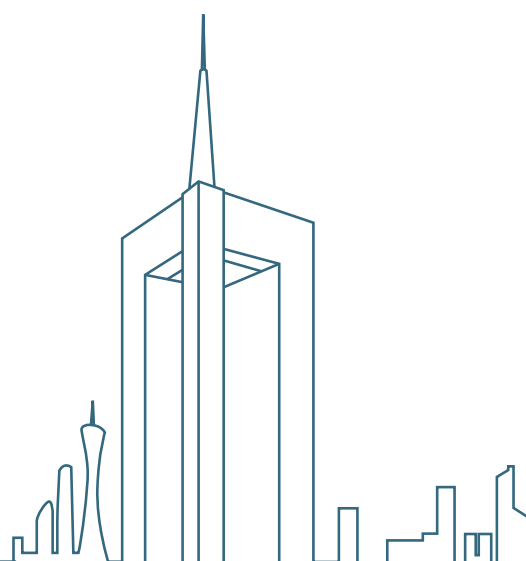


# 2017

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## 02

### Care-Free Finance, Premium Services



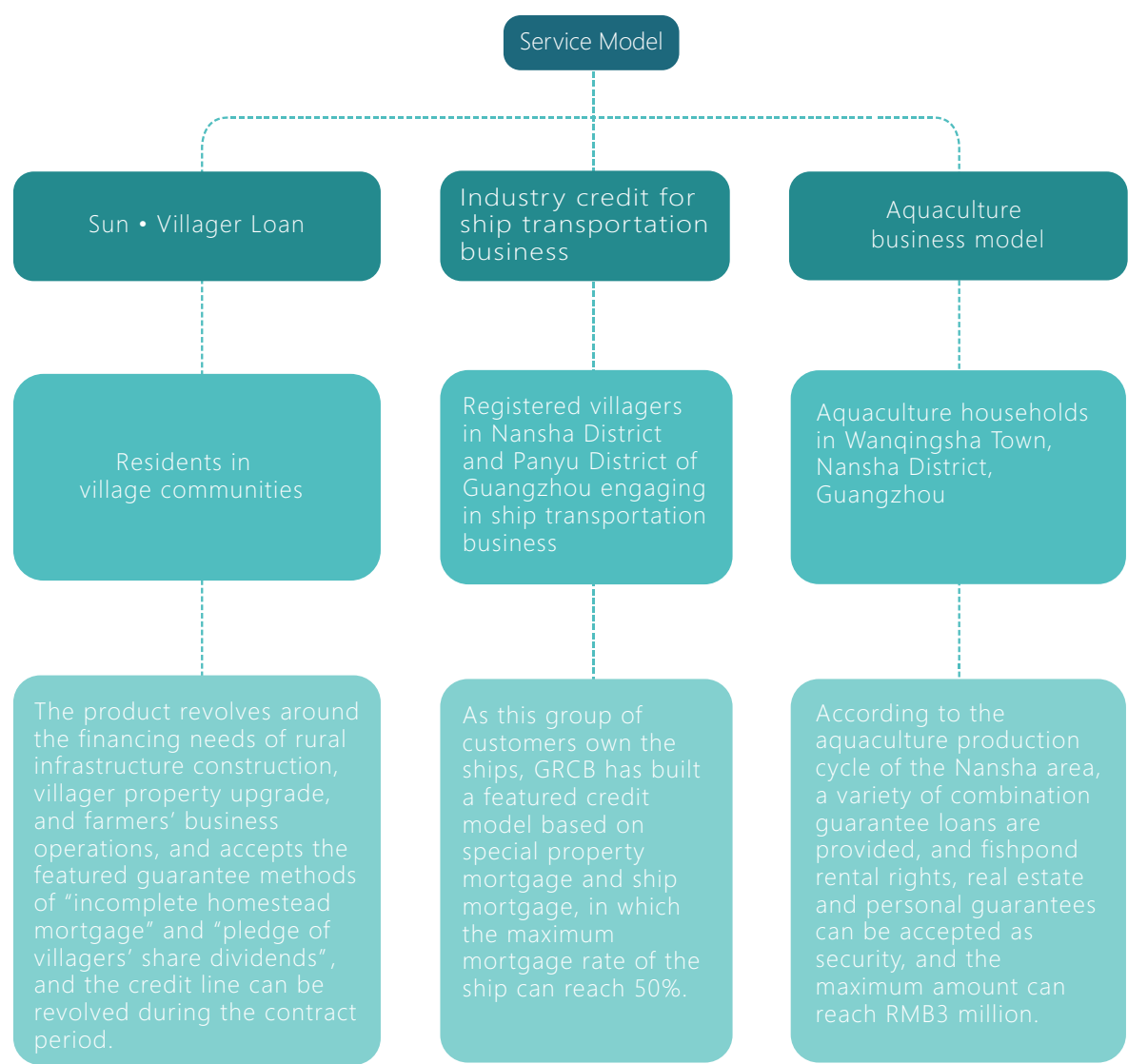
Different from large-scale commercial banks and national joint-stock commercial banks, GRCB adheres to a differentiated and distinctive development strategy, commits itself to support agricultural businesses and smaller businesses, strives to improve the level of financial services and promotes the development of local economies.

2.1 Featured financial services

2.1.1 Agricultural-focused Financial Services

GRCB has been deeply involved in the local agricultural-focused finance business in Guangzhou for over six decades and therefore has accumulated profound experience. We closely focus on the characteristics of the three-rural customers (agriculture, rural areas and farmers), give full play to our advantages of being close to the market and close to customers, continue to innovate and optimize rural-featured products to support rural customers, shape the agricultural financial ecosystem and better serve the modern agriculture.

In response to the needs of modern agricultural development and changes in village community commercial form, industrial structure and profitability model, we designed a package of financial products. In terms of business model, in 2017, we matched specific financing models and risk control models for professional markets and featured village communities in combination of the regional advantages and characteristics of the business organizations.



In addition, in terms of optimizing three-rural investment products, we provide customers with low-threshold, high-yield, and risk-controllable investment channels, lowering the starting point for wealth management investment to RMB1, and launched a series of innovative financial products with flexible deadlines and diverse types, including fund supermarkets, bank wealth management, pension insurance products, etc., enabling three-rural customers to have equal opportunities to obtain advanced asset allocation services.

## 2.1.2 Small and Micro Financial Services

There are many small and micro enterprises in Guangdong Province, which play an increasingly important role in economic development and industrial restructuring. GRCB has long focused on providing comprehensive and convenient financial services to small and micro customers. In 2017, we had 11,074 small and micro customers with the balance of micro and small loans amounting to RMB95.236 billion.

By the end of 2017,



small and micro customers

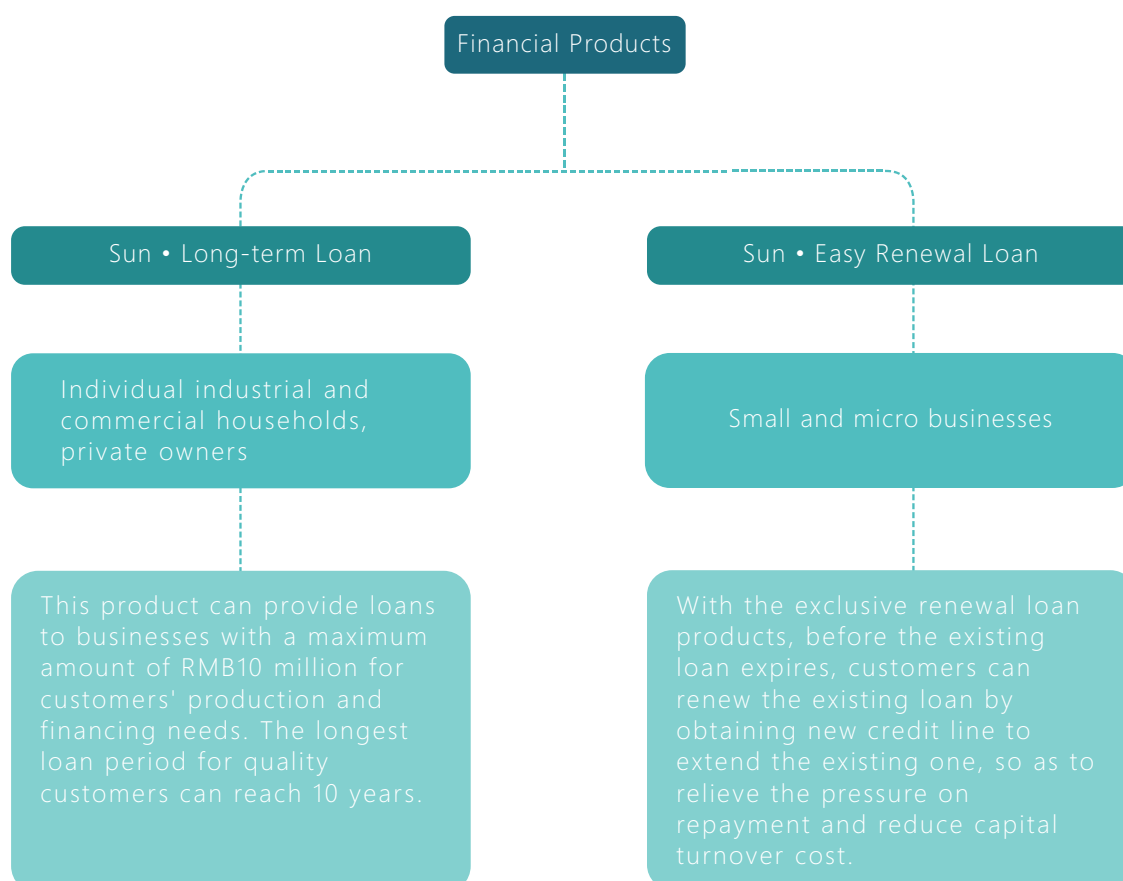
**11,074**



small loans amounting to RMB

**95.236** billion

In order to quickly capture the ever-changing financing needs of small and micro customers and promote the development of small and micro financial businesses with specialization, mass in provision and standardization, we established the Small and Micro Business Management Department at the Head Office and are carrying out small and micro loan business at our branches with dedicated teams. Currently, our small and micro financial services cover a wide range of sectors including wholesale and retail, business services, textiles and apparel, manufacturing and other industries. We constantly launch small and micro integrated financial products which have distinctive features and can fully meet the financial needs of different customers.



### 2.1.3 Internet Financial Services

With the rapid development of internet finance, more and more customers do not need to go to the outlet to handle business, and the business volume of outlets continues to decline. In order to respond to this trend and meet customer needs, GRCB actively upgrades and perfects personal online banking with a customer-centric mindset and quick iteration, and have introduced innovative functions such as delayed transfer, foreign exchange settlement and sale, and weekly wealth management to provide customers with quality and convenient financial services.

By the end of 2017,



approximately

**1.66** million personal internet banking customers



the annual bookkeeping transactions were

**5,405,300**



an increase of

**6%** year-on-year



the transaction amount was RMB

**270,25** million



an increase of

**16%** year-on-year

At the same time, we have also launched a new version of personal mobile banking APP to achieve customer-centric and unified view of customer assets, which fully supports fingerprint payment, a variety of funds collection and payment methods. We also introduced mobile phone number binding collection and payment, foreign exchange settlement and sale, interest information management, online smart customer service, APP news feed, social function and other functions, comprehensively enhancing the interactive experience of investment and wealth management, life services, and customer interaction.

By the end of 2017,



approximately

**3.16** million personal mobile banking customers



the annual accounting transactions amounted to

**10.0255** million



an increase of

**11%** year-on-year



the transaction amount was RMB

**185.609** billion



an increase of

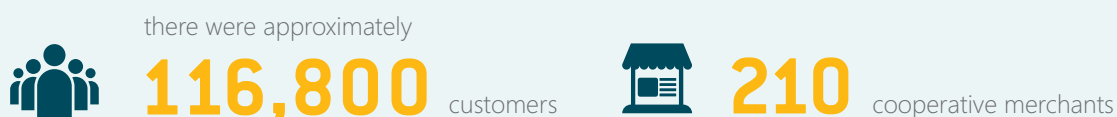
**65%** year-on-year

## Case

## e-Commerce

The Sun e-Market platform integrates GRCB's advantages in agricultural service resources, and uses village community' signature agricultural products and specialty hotels as the starting point. It leverages the advantages of the "Internet + Agriculture" service model and links village and town banks and enterprises to achieve "fresh fruit picking—platform sales— logistics & cold chain - delivery to home" full chain tracking and operation, experimenting the supply for pre-sale mode for agricultural industrial chain; we also launched agricultural physical crowd-raising projects, built innovative services with the combination of agricultural information and production trade, we also introduced an O2O model to expand our businesses by reaching out farms and franchise operators and forming horizontal alliances with different industries in an effort to gain access to customers. We also built cultural and artistic collections and agricultural product themed experience stores to create diversified service scenes for our outlets.

By the end of 2017,

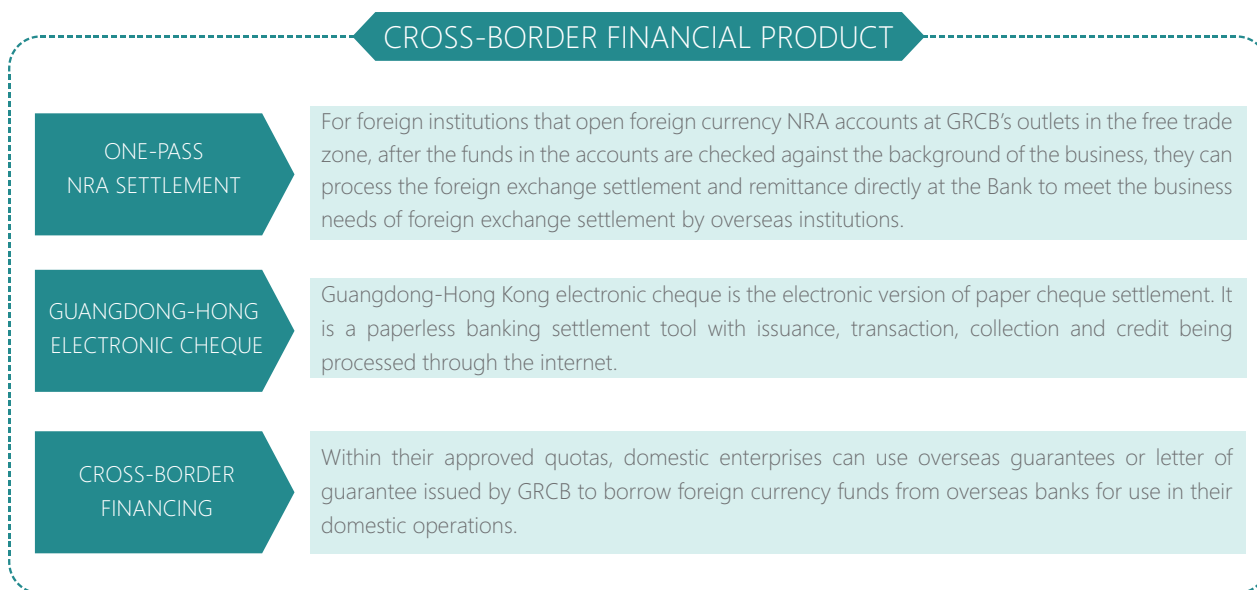


from January to December 2017,

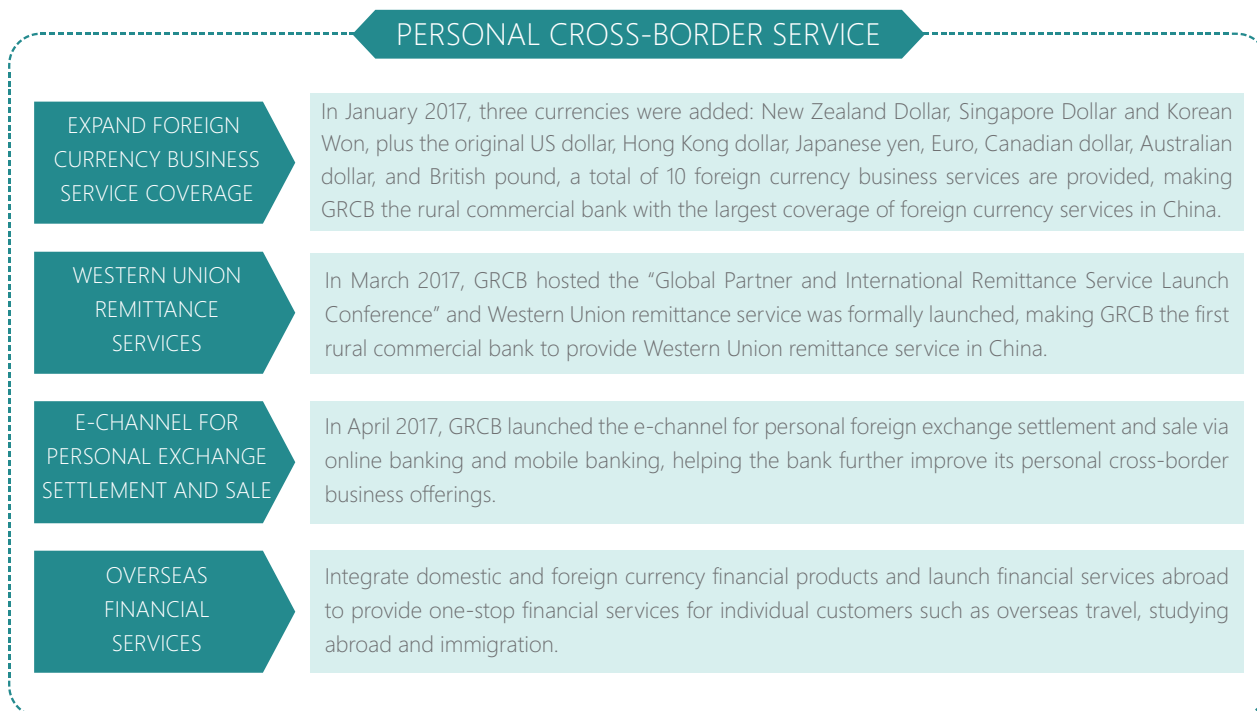


## 2.1.4 Cross-border Financial Services

By taking roots in the core area of the Pearl River Delta, and under the guidance of construction direction of the national "One Belt and One Road" initiative and "Guangdong, Hong Kong and Macau Greater Bay Area", GRCB is committed to serving the real economy and raising the level of cross-border capital services. In 2017, we introduced a range of new products in a timely manner in conjunction with the new supervision policies and launched a number of cross-border services, including the first full-caliber cross-border financing business, the first "at will" foreign exchange capital settlement business in the free trade zone, the first One-Pass RMB NRA time deposit account, and the first One-Pass export financing settlement business.



For individual cross-border business, we offer a full range of cross-border business products around the needs of our customers, providing our customers with a safe, efficient, and convenient service experience.



We offer diversified credit products and convenient international settlement services to international trade customers as well as corporate and individual clients engaging in the One Belt One Road initiative.

## 2.1.5 Innovative Financial Services

GRCB is actively exploring new scenario-based financial models and has integrated financial services into various life scenarios to achieve convenient and diversified financial services. Relying on the Zhujiang direct sales platform, GRCB provides clients with services such as fund supermarket, wealth management supermarket, innovative online consumer loans and rental loans, with services being embedded into business circles, communities, campuses and travel scenarios to build financial eco models. Through the development of e-commerce business, GRCB managed to create self-built customer acquisition scenarios, which help gradually convert the e-commerce customers to core financial customers.

By the end of 2017,



there were approximately

**485,600**



financial product transactions amounting to RMB

**8.706**

billion throughout the year

### Case

### Smart Campus

In July 2017, we launched the smart campus financial model, using information technologies such as mobile internet and biometrics to integrate financial services into the campus business scenarios. Relying mainly on campus APP or Zhujiang Direct Marketing APP, it provides teachers and students with a safe and convenient financial transaction environment that integrates online type-II electronic accounts, payment and value-added services, making the internet financial services embedded into the campus life. At present, our services are available at several pilot universities (Guangzhou College of Technology and Business, Guangdong University of Finances and Economics, Guangzhou Huashang Vocational College, and Guangzhou Business School) with transactions amounting to RMB 156 million through 12,000 payments.



### Case

### Smart Transport

GRCB's mobile Quick Pass payment method supports the application of public transportation scenarios such as Guangzhou Metro to enhance the level of mobile payment services for the convenience of the public and help promote the innovative application of mobile payment for people's livelihood. Customers use our IC credit card to activate Apple Pay, and then they can use their mobile phones to take the subway, freed from the trouble of topping up and maintain their Yangcheng Transport Card. In order to promote the popularization of the innovative convenience payment methods, GRCB launched a series of discount activities to encourage the use of mobile phone Quick Pass payment to take subway, which saw a total participation of 33,000 person/times and a cumulative use of 67,000 person/times.



## Case Smart Business Circle

GRCB launched the Smart Commercial Circle financial model by using information technologies such as mobile internet and biometrics to integrate financial services into the business scenarios of the business circles. Mainly relying on merchant APP or Zhujiang Direct Marketing APP to provide a safe and convenient financial transaction environment that integrates online type-II electronic accounts, payment and value-added services, making internet financial services embedded into the commercial scenarios. At present, the service has been gradually available at Guangda Shoes City, Guangda Leather Goods City, Guangda Apparel City, Star Bay and other business circles in Baiyun District. In 2017, the annual transactions amounted to over RMB90 million through 36,000 payments.







## Case Omni-channel Collection

The omni-channel collection business launched by GRCB in September 2017 integrates payment channels such as UnionPay, WeChat, Alipay and international cards to provide customers with convenient, fast, secure and multi-functional payment products. It includes various payment types such as "offline payment", "non-tax payment" and "medical insurance receipt", and provides payment and clearing services for merchants such as large commercial circles, hospitals, schools, governments, as well as enterprises and institutions. As of the end of 2017, the service is available at over 300 merchants; the total transactions amounted to RMB136 million with a trading volume of 29,000. Among them, the international card offline collection business and the non-tax offline collection business are innovative services offered by GRCB, making it a leading player across the industry. The international offline collection business can realize real-time cross-border payment in RMB and foreign currencies and rapid fund settlement of RMB, which supports full range of international card including VISA, MasterCard and JCB, making it a niche offering in inter-bank cross-border payment segment. Non-tax offline collection business mainly serves government departments and public institutions, which achieved collection for fiscal non-tax items through terminal payment. In 2017, this service was promoted at Baiyun and Tianhe Public Security Bureaus, which greatly improved the efficiency of payment and received unanimous praise from the masses and the public security bureaus, making it another highlight of GRCB on the inclusive finance front.





For special target customers, we have specifically launched customized financial products to satisfy their financial service needs, which have become their best choice.

Sun·Flower City Card	Sun·Homeland Card
<p> <b>Target Customers</b></p> <p>Residents and tourists in Guangzhou</p>	<p> <b>Target Customers</b></p> <p>Construction workers in Guangzhou</p>
<p> <b>Description</b></p> <p>This is the first debit card issued under the theme of Guangzhou culture and Guangzhou city image, which provides customers with special discount and lottery offering when they consume at Guangzhou's tourist attractions, dining and entertainment locations, enabling customers to enjoy a wide range of preferential services.</p>	<p> <b>Description</b></p> <p>This is the exclusive debit card designed for construction workers, conveying the message of "building the same city with a shared dream for a warm homeland". It offers a range of fee reductions, discounts, and exclusive value-added services in response to the requirements of Guangzhou Housing and Urban-Rural Construction Committee to address the financial services needs of workers in the construction sector.</p>

In addition, we have also entered into a strategic cooperation with Tencent to incubate cloud-based Sun-series banking products. The crossover cooperation with fintech companies have enabled GRCB to explore new business areas within the fintech industry.

## 2.2 Caring Customer Services

### 2.2.1 Perfect Service System

GRCB always attaches great importance to customer service. In this regard, we have established a standardized customer service system, formulated and issued "GRCB Business Outlet Service Standards" and its guideline, revised "GRCB Business Outlet Service Management Measures", and produced "Business Outlet Service Standards and Service Skills" training video materials. Through these efforts, we have built a comprehensive and standardized customer service system with detailed specification to ensure customers receive unified services and the best experience at any of GRCB's outlets. At the same time, we have taken a series of measures to ensure that the customer service system is fully implemented:



Promote "Sun-Hearty Service" unannounced visits by volunteers. As of the end of 2017, a total of four unannounced visits by volunteers were conducted. Through unannounced visits to GRCB and peer banks' outlets, many suggestions for service optimization were proposed and desirable supervision and inspection effect were achieved.



Carry out mystery guest inspection to continuously monitor the effectiveness of the outlet services and discover issues in day-to-day management and service quality at GRCB's business outlets from the perspective of customers;



Conduct daily spot check of outlet service via remote outlet monitoring, notify issues detected in the inspection on a monthly basis and require the responsible sub-branch to promptly ensure accountability and implement rectification measures.

In 2017, we fully upgraded the customer service system by launching a range of optimized features such as knowledge base, training, quality inspection, which have greatly enhanced the system's support capability.

#### In 2017,

customer service channels  
handled a total of

**406,000** calls

including

**1.56** million manual  
connections

customer service  
manual connection  
rate reaching

**86.98%**

an increase of

**2.93%** year-on-year

customer service  
satisfaction rate hitting

**98.99%**

an increase of

**0.05%** year-on-year

**achieving improvement in  
both quality and efficiency.**

customer service personnel  
completed unannounced visits to

**375** outlets

paid a return visit to

**5245** VIP customers and **1957** credit customers

**and made considerable proposals on service enhancement.**

we also detected a total of

**2.038**

million transactions  
through our anti-fraud  
monitoring efforts

a total of

**157**

risky cases were  
proactively detected

an increase of nearly

**3**

times year-on-year

avoiding RMB

**1.6**

million losses  
for customers

In 2017, our customer service unit was awarded, among other things, the "CCCS Happiest Team of the Industry", "CCCS Best Customer Contact Center Award", "CCCS Best Service Experience Award", "CCM Award China – Best Customer Center", and several employees won personal awards such as excellent customer service representative, excellent team leader, etc.. We are constantly making progress to become the industry's benchmark.

## Case Benchmark Outlet Election

In order to promote the overall service awareness and service level of the Bank, from 2015, GRCB began to build benchmark outlets. As of the end of 2017, a total of 123 benchmark outlets were elected. At the same time, through continuous supervision of benchmark outlets, unannounced visits to special services, and on-site coaching at headquarters, we have made effective service improvement proposals to effectively improve the quality of benchmark services and customer service experience, establishing an excellent model for the entire bank.



▲ Liwan Zhoumen Sub-Branch VIP Area



▲ Nansha Dongchong Sub-Branch VIP Area

## Case Provide Human-centric Services

GRCB provides meticulous and human-centric services to facilitate special customers:

- Set up accessible channels and other functional facilities: By the end of 2017, there were 171 outlets across the Bank setting up accessible channels to facilitate access for customers with special needs;
- Open green channels: For old, weak and sick customers, special caring seats and caring windows are set up at our outlets to provide flexible priority services for special customers;
- Expand business channels: Improve the functions of online banking and mobile banking services, and provide door-to-door services such as account opening and contract signing through devices such as "Smart Back Splint" for certain special groups who cannot visit the outlet;
- Improve convenience facilities: Our outlets are equipped with reading glasses and medicine boxes on the form-filling counters. Some sub-branches are also equipped with facilities such as wheelchairs.



▲ Huangpu Lefeng Sub-Branch



▲ Huangpu Xingang Sub-branch Customer Filling Desk and Convenience Service Cabinet



▲ Baiyun Jinzhong Sub-Branch Customer Waiting Area

## 2.2.2 Protecting Information Security

GRCB attaches great importance on the protection of customer information security. According to the Security Requirements for Bank Commercial Premises (GA38-2015) issued by the Ministry of Public Security and superior regulatory requirements, we have promoted security efforts including image-review-alarm at our business outlets and self-service banking terminals, the installation of anti-theft shutter doors and the installation of safety holds for our self-service banking terminals. By the end of 2017, we had installed safety holds for 281 outlets and offsite self-service terminals; a total of 785 business outlets and off sites, and 1296 self-service terminals were connected to the image-review-alarm system. GRCB has installed the IP intercom system for all the self-service areas under its coverage. In total, we received 396 customers complaints against ATM failures, 1228 complaints against card drawback, 12 complaints against counterfeit banknotes and 550 complaints against banknote drawback, as well as 147 business consultations, all of which were transmitted to relevant business units or branches for processing.

In terms of account security, we issued the "Notice on Specification of Real Name System for Personal Bank Accounts and Management of Agency Businesses" for customer account opening and account use:

At the time of account opening, we review the information and ID certificates submitted by the customers, ask the customers' willingness and purpose of opening an account, strictly implement the requirements of the account real-name system, check the identity information of the account, and verify the validity of the identity documents or other supporting identity documents submitted by the account applicant, the consistency of the applicant's identity and the identity documents as well as the applicant's willingness to open an account. We refuse to open a bank account or provide services for an unidentified account holder. No anonymous or pseudonymous bank account will be opened. When opening an account, the account real-name system and anti-money laundering customer identity data preservation system requirements are followed. The basic information of the customer is registered and saved, and a copy, photocopy, or image of the account applicant's identity document is retained. In addition, face recognition and other safe and effective technologies are applied as auxiliary means to verify personal identity information.

In the use of account, when a substantial payment is made on an account, in order to ensure the safety of funds, the identity of the customer needs to be verified; for accounts that have no transaction for 6 months after the opening, multi-person accounts, and accounts with expired documents, GRCB will implement control over non-counter businesses; for accounts that do not have reconciliation or annual inspection, the accounts will be controlled for customer security purpose.

In addition, we also actively carry out R&D activities and integration efforts on the telecommunications network based emerging criminal prevention system (network inspection and control system) of the telecommunications network, closely following up on the development and launch progress of the network inspection and control system developed by the Supreme People's Procuratorate, as well as the network inspection and control system of the Guangdong Provincial People's Procuratorate. We also continue to send personnel to work at the anti-telecom network fraud center in Guangzhou, actively cooperating with the public security bodies in account inquiring and freezing. Throughout the year, GRCB successfully intercepted 29 cases involving telecommunication frauds, and recovered economic losses of approximately RMB1.18 million for our customers.



## Case

## Safety Publicity

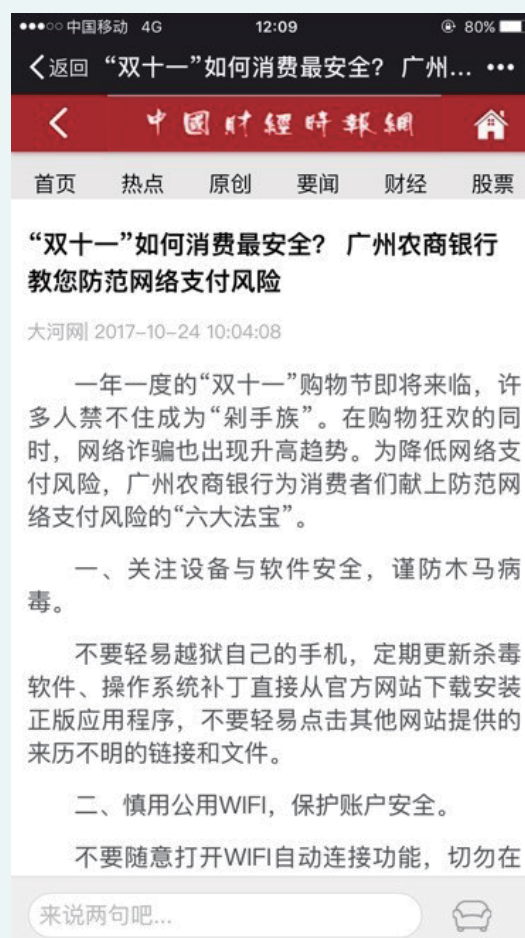
We have walked into communities many times and approached the citizens to publicize knowledge and information regarding online payment security and how to prevent telecommunication network frauds.



We released slogans such as "Secure the bottom line of safety to build safe finance", "Combat financial crimes to protect our harmonious homeland," and "Jointly built safe finance by the whole society and for the whole society", and ran carousel ads on the electronic signage at GRCB's outlets in urban areas, urban-rural junctions, rural areas, self-service banks, and financial service stations.



By dividing audience groups by media, we publish articles on security targeting to different audience groups on different media platforms to achieve precision publicity and improve the publicity effects.





## 2.2.3 Consumer Rights Protection

GRCB established the Consumer Rights Protection Committee. The senior management conscientiously performed the duties of protecting consumer rights according to "Rules of Procedure of the Board of Directors Consumer Rights Protection Committee" and "Management Measures on Protection of Financial Consumers' Rights and Interests," and promoted the related work in an orderly manner. At the same time, we set up the Consumer Rights Protection Center and special job posts dedicated to the implementation of consumer rights protection work, execution of various supervisory systems for consumer rights protection work, and earnest execution of job responsibilities of the board of directors, senior management, and institutions at all levels concerning consumer rights protection, promoting the Bank's consumer rights protection work in terms of organizational structure, job responsibility, business management, publicity and training, as well as supervision and inspection. With these efforts, the goal of consumer rights protection has been clarified, the systems and mechanisms for protecting consumers' rights and interests has been comprehensively improved, consumers' awareness of financial products and services has been raised, consumer awareness and ability to protect rights has been cultivated, and consumers' legitimate rights and interests have been protected.

In order to facilitate the work of the protection of consumers' rights and interests, we have publicized specific ways for complaints, such as promoting the service hotline in prominent places, form-filling counters, service windows, and self-service areas of our business premises to ensure that the complaint channels are smooth, effective and convenient. At the same time, we have optimized the customer service system, increased the classification of complaints, detailed the classification criteria for complaints, and arranged special personnel (customer complaint supervisors) to take charge of the classification and statistical work of customer service complaints to ensure that the classification standards are implemented uniformly and the data is accurate.

For complaints that have already occurred, we comprehensively and meticulously sort out the focal issues of these complaints, and conducted in-depth investigation to identify the weak links causing the customer complaints, and from time to time notify the business units to report and put forward suggestions for improvement, which helped prevent similar incidents from happening again from the source.

In 2017,



**352**

cases of complaints  
were processed by our  
customer service units



The acceptance rate of  
complaints reached

**100%**



Customer satisfaction  
rate of complaints  
processing was

**94.89%**

### Case

### Pilot Work on Complaint Classification Standards

According to the Notice of the People's Bank of China Guangzhou Branch on the "Implementation of Pilot Work on Financial Consumers Complaint Classification Standards at Bank of Guangzhou and other Four Local Banking Institutions", GRCB actively promoted the pilot work. In the third quarter of 2017, we formulated the "GRCB Implementation Plan for the Implementation of the People's Bank of China Financial Consumer Complaint Classification Standard", improved the complaints management policy and the complaints management system, and conducted related training for the complaint classification standards.

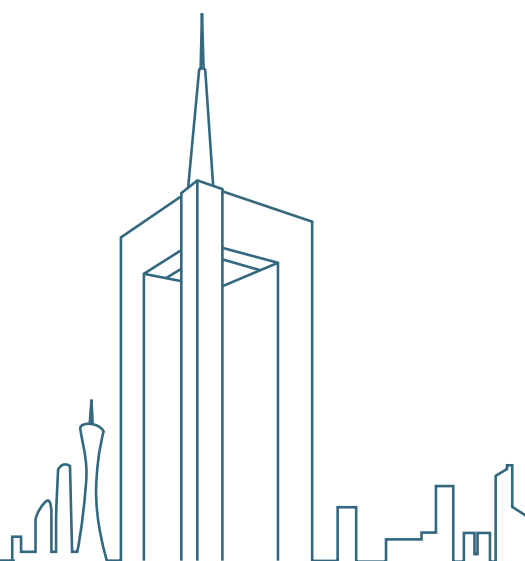


# 2017

Guangzhou Rural Commercial Bank  
2017 Annual  
Social Responsibility Report

## 03

### Inclusive Finance, Philanthropic Love



GRCB has always been based in villages and communities, and committed to becoming a bank that truly understands and supports the development needs of villages and towns, solves the “last mile” of financial needs of villages and towns, and uses industrial awareness to promote poverty alleviation to further improve the development of industries in temporarily lagging regions. In order to serve the common people in all aspects, all kinds of philanthropic and volunteer activities are carried out in the community with the employees' love and professionalism.

## ■ 3.1 Inclusive Finance

Inclusive finance is an important direction for the country's financial development and an important link that affects the livelihood of the people. As a bank based on the development of villages and towns, GRCB has always been the main force supporting the agricultural and small businesses in Guangzhou. In accordance with the positioning of a local bank and a listed bank, GRCB has been committed to comprehensively enhancing inclusive financial coverage, convenience and satisfaction.

### 3.1.1 Professional Organization System

GRCB established a general management structure for inclusive finance, and at the same time, it established special incentives for the evaluation of small and micro businesses for inclusive finance, and conducted double incentive mechanisms.

Head Office Inclusive Finance  
Management Department

Responsible for orchestrating and coordinating the development of inclusive financial services, promotion of work, and implementation of planning.

Branch Offices  
Small and MicroLoan  
Direct Operating Center

Responsible for the development of small and micro businesses in communities and shopping districts, and expanding the business coverage.

### 3.1.2 Credit Policy and Fast Lane

The basic credit policy clarifies the strategic orientation of inclusive finance, and emphasizes on giving priority to guarantee the availability of inclusive finance such as small and micro finance to rural areas. Given the limited scale of credit as a whole, there is no limit to the granting of small and micro loans. In order to improve service efficiency, we will decentralize the business mode of the small and micro professional market and give the approval authority for the villagers' loan business below RMB 1.5 million to the branches;

According to the characteristics that there are a large number of inclusive financial transactions covering small and micro businesses, and "three-rural" businesses, as well as large flexibility in borrowing requirements, we have established special approval channels for SMEs and small and micro businesses at the Head Office, increased approval resources, and explicitly requested that the time limit for approval of micro and small loans should not exceed 3 working days.



### 3.1.3 Inclusive Financial Products



#### Sun Villager Getting Rich Loan

Focusing on the financing needs of rural infrastructure construction, upgrading of villagers' properties, and peasant households seeking to get rich, the villagers' house site properties are used as collateral to invigorate the villagers' most critical fixed assets.



#### Easy Loan and Sun Easy Loan Renewal

To ensure that small and micro enterprises can recycle their funds and continue their operations, which greatly reduces the financing costs for loan renewals.

### Women Small Start-up Loan

Support rural women entrepreneurship and empower rural women.



## Case

### Small Startup Loans Help Conghua Women Run Their Own Business

"Conghua Women Small Start-up Loan" is a business loan product designed by Guangzhou Rural Commercial Bank for entrepreneurial women in Conghua. The borrower does not need to provide collateral. It can obtain a maximum of RMB300,000 of entrepreneurial loans. The annual interest rate of the loan is only 4.8-5.2%. Since the implementation, we have cumulatively issued 212 small business startup loans to entrepreneurial women in Conghua, with total loans amounting to RMB 17.84 million, or an average of RMB 80,000 per loan, and there is no non-performing loan.

Ms. Chao is a villager in Lutian Town, Conghua. In 2014, she set up a special cooperative for agricultural products cultivation, which mainly deals with all kinds of Conghua native products. In the early days of her business, Ms. Chao applied to the Bank for a start-up capital of RMB80,000 from the women small start-up loans. After one year of development, Ms. Chao's business has gradually expanded and its business model has been extended from traditional physical stores to online sales platform. At the end of 2015, due to the smooth development of the business, Ms. Chao hopes to continue to expand, so she applied for renewal of the loans. Since Ms. Chao's sales of agricultural products have increased significantly, we have issued a loan of RMB 300,000 after the review to help her continue to expand her business scale. With the support of this loan fund, Ms. Chao's business scale has continued to grow steadily and become truly self-reliant.

### Aquaculture Loan

For the aquaculture industry, farmers can pledge their operating rights to get flexible financial support.

### Small and micro financing platform

Relying on the "Internet + Big Data" to integrate a variety of online products, customers can self-service online 7 x 24, and the procedures are simple and convenient.

Develop financing programs such as rental loans, operating loans and franchising loans for the professional market in Guangzhou to meet the entry threshold for small and micro customer groups.



## Case

### "Beautiful Town" Homestay Operating Loan

GRCB supported the government of Conghua to focus on building "beautiful town", developing tourism agriculture and tourism industries, and going deep into Liantian Town and Liangyuan Village of Liangkou Town to provide homestay operating loans for the local villagers to run homestay projects to help local businesses. The maximum amount of loan for the homestay business operations is up to RMB 2 million and the maximum period is 10 years. Of which, for a loan less than RMB500,000, no mortgage guarantee is required. The entire loan handling process is very efficient. A single household with a loan of less than RMB 1.5 million can be approved by the branch. The application can be completed within 3 working days from the villager's application to the loan granting.

Mr. Pan is a villager in Linma Village, Lutian Town, Conghua. In 2017, Lin Ma Village started to build a beautiful town planning for development. Mr. Pan plans to invest RMB160,000 to renovate his own property to operate in a homestay business, and applies for a small credit loan of RMB 50,000 from Guangzhou Rural Commercial Bank, and does not provide any real estate mortgage and guarantor. Our client manager took a survey after receiving the application. On the third day after acceptance, the sub-branch approved and granted the loan to the customer, helping Mr. Pan to start the business.

### 3.1.4 Achievement in Inclusive Finance

As of December 31, 2017, GRCB has established a wide range of inclusive financial service channels:

Build 110 rural financial service stations, and 44 facilities to assist banknote withdrawal in rural areas, and complete the “last mile” for serving farmers.

Achieve full coverage of financial and livelihood businesses through electronic channels such as online banking and mobile banking to improve the convenience of people's livelihood services.

Support the development of the real economy. In 2017, a total of RMB95.121 billion of small and micro loans was extended, and the loan balance was RMB95.236 billion, benefiting 11,074 small and micro customers.

Issue inclusive finance exclusive Golden Rice Card and Homeland Card and continue to provide service fee discounts with a total issuance of 316,500 cards, which reduce all annual fees, administrative fees and business handling fees.

## 3.2 Targeted Poverty Alleviation

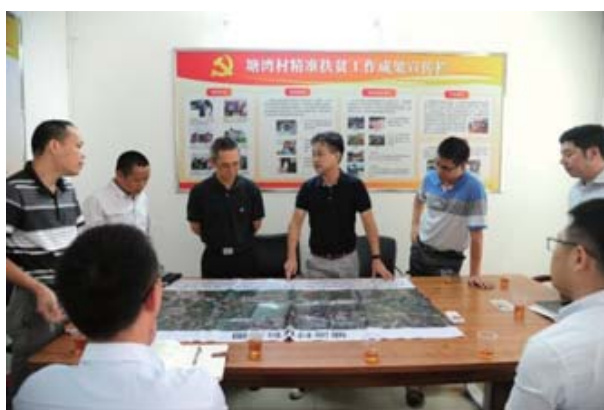
Precision poverty alleviation is the responsibility of GRCB for the country's great mission of building a well-off society. It is also our commitment to the designated poverty alleviation areas and people. For many years, we have used our strengths as a financial enterprise to carry out industrial poverty alleviation projects in designated poverty alleviation areas, and achieved excellent results on this key front of the “battle of poverty alleviation” in 2017. In order to protect our internal work style in the field of poverty alleviation, GRCB launched a special rectification work by setting up a poverty alleviation field working group, as well as irregularly monitoring the development of poverty alleviation work, sorting out, reporting, and rectifying the existing problems and work styles, and letting poverty alleviation resources to be implemented to truly solve the problem of poverty alleviation in designated poverty alleviation areas.

### 3.2.1 Establishing a Leading Group

The party committee of the GRCB attached great importance to poverty alleviation work. The importance of arduousness and urgency for poverty alleviation was fully understood. The Leading Group for targeted poverty alleviation led by the chairman was established at the very beginning. In June 2017, in order to further strengthen the targeted poverty alleviation work, we adjusted and strengthened the leading organization and work units for targeted poverty alleviation work. The Leading Group has set up an Office for Poverty Alleviation, which is chaired by the Deputy Secretary of the Party Committee and the Secretary of the Disciplinary Committee, and is mainly responsible for the organization and implementation of targeted poverty Alleviation assistance in the new era.

### 3.2.2 Implement the Main Responsibility

The party committee of the GRCB strictly implemented its main responsibilities and held a number of special meetings to conduct research and deployment on the financing of support funds, the implementation of support measures, the implementation of support responsibilities, and the selection and deployment of village cadres with strong capabilities. The party committee is mainly responsible for leading comrades and leaders of relevant departments to go to the village and help the village to conduct on-site research, field surveys and assistance projects, and convene on-site seminars to study assistance measures. ZuoYi, the deputy party secretary and secretary of the Disciplinary Committee of the Poverty Alleviation Program, insisted on helping village by village of no less than once every quarter to guide the poverty alleviation work, research poverty alleviation programs and assistance measures, and actively promote targeted poverty alleviation through the effective implementation of poverty alleviation.



### 3.2.3 Diversification Assistance Measures

As a financial institution that has taken a long-term root in rural areas and served the countryside, GRCB is actively responding to the call of the country and conscientiously fulfilling its social responsibilities, providing assistance to Shantang Village, Shantang Town, Tangwan Village and Shengli Village of Qingyuan District, Qingyuan City. At the same time, it is actively promoting the development of the poverty-stricken Linma Village, Conghua District by providing e-commerce based assistance services. It has been adhering to the concept of helping the poor and sending solid assistance to the poor, and has continuously strengthened its organization and leadership, strengthened the implementation of responsibilities, and promoted a series of assistance measures such as social security assistance, infrastructure support, industry-based assistance, paired assistance, and financial aid. Targeted poverty alleviation work was implemented on the ground to effectively help impoverished villages and poor families to truly lift themselves out of poverty for an enduring period.

## Case Industry-based Poverty Alleviation

GRCB promoted the industry-based poverty alleviation with financial poverty alleviation as a driving force, and loaned RMB13 million to actively introduce the leading agricultural enterprise - Yuewang Group stationed in the impoverished village of Shantang Town, Qingxin District, Qingyuan City, to build a large-scale greenhouse planting industry-based support project, and build vegetable greenhouses with a coverage of 100 acres. The "industry + leading agricultural enterprise + base + farmers" industry poverty alleviation model has driven the employment of poor households. At present, the project has been basically completed, and it has become a benchmark project for financial targeted poverty alleviation projects and industrial poverty alleviation projects. At the same time, RMB1.2 million was invested in the photovoltaic industry project led by the poverty alleviation office of Qingxin District, Qingyuan City, which provided a total of 107 labor-related poverty households with stable long-term asset income.



## Case Paired Assistance

GRCB attached great importance to helping poverty households through paired assistance, and specially formulated the annual paired assistance work plan. According to the plan, the leaders of the bank took the lead in helping poor households, inquiring in detail about the situation and difficulties of poor households, and sending some essential items. Through the paired assistant initiative, GRCB actively seeks solutions for the poor and encourages the poverty-stricken households to strengthen their confidence and rely on their own efforts to get rid of poverty as soon as possible under our strong support.



## Case Selected Cadres to Work Villages

GRCB selected three young, capable, and responsible employees to serve as cadres in the village and went to work in poverty-stricken villages to carry out off-farm assistance. Emphasis is placed on strengthening assessment and management of cadres in villages, clarifying work responsibilities and tasks, and strictly observing the requirements of work discipline and style of work. At the same time, an incentive mechanism has been established to provide cadres in villages that have achieved results in poverty alleviation work. In terms of remuneration packages, position rank adjustments, and performance evaluation, etc., key support has been given to promote their diligence and strengthen guidance, care and supervision of cadres in working in villages.



## Case New Rural Construction

Since the implementation of the targeted poverty alleviation program, GRCB has focused on improving the production and living conditions in the village areas. It has vigorously promoted the construction of new villages for helping and supporting these areas, built roadways in impoverished villages, installed village signs, street signs, street lamps, implemented farmland water conservancy facilities, and installed video monitoring systems, etc., with a total contribution of over RMB 1 million, helping effectively improve these villages' image and people's livelihood in these areas, and lay a solid foundation for poverty-stricken families to get rid of poverty.



## Case Send Financial Knowledge to the Rural Areas

"Giving people fish is worse than teaching them to fish." As a financial institution that has long time taken root in the rural areas and served the rural areas, GRCB adheres to the principle of "drinking water, thinking of the source and giving back to society" and carries out "sending financial knowledge to the rural areas to help the poor" program by fully utilizing the characteristics of the financial industry to fulfil our social responsibility of "inclusive finance", providing detailed explanations of financial knowledge such as anti-counterfeiting, anti-money laundering, personal credit investigation and telecommunication fraud to poor villagers, as well as interpreting financial policies, and sending financial knowledge to the countryside. Through on-site presentations, the villagers are guided to change their mindset and their understanding about finance. The program has further enhanced the sense of protecting the rights and interests of financial consumers in poverty-stricken areas.



## Case E-commerce Based Assistance

Guangzhou Rural Commercial Bank actively provided e-commerce services for Lianma Village, a poverty-stricken village in the city of Conghua. Combined with the local government's development of tourism and homestay business, we developed and launched new VR technologies to promote local products to our customers through online display and sales, which is combined with O2O offline payment services to cover offline customers, expand sales channels and effectively increase farmers' income through innovative ways such as QR-code scanning and immediate discount offering.



### 3.3 Philanthropy

As a local financial institution, GRCB provides more value to society than just economic contribution. At the same time, it actively contributes to the society, makes efforts to give back to society, and participates in philanthropic undertakings. On August 4, 2014, GRCB Sun Philanthropic Foundation, which was donated by GRCB with a donation of RMB100 million, was formally approved for establishment, which allowed our philanthropic undertakings to enter a new era.

The Sun Philanthropic Foundation is a non-public funded foundation aiming to support philanthropic causes and promote social harmony and development. It conducts social assistance activities in poverty alleviation, disaster relief, disability helping, education, science, culture, health, and sports to help the society to help vulnerable groups improve their living conditions and their development capabilities, as well as promote social development and progress. Since its establishment, the Foundation has standardized the operation with "High Starting Point and High Standards" as the requirements by innovatively launching three leading philanthropic brands including "Sun-Silent Love" for helping the hearing impaired children, "Sun· Under the Banyan Tree" for helping the rural communities and "Sun· Old Revolutionary Base Area Special Program" for carrying out multi-dimensional targeted poverty alleviation, and a total of RMB22.13 million has been spent on our philanthropic undertakings.

In 2017, leveraging on the Sun Foundation, GRCB actively implemented the rural philanthropic undertakings including poverty alleviation, support for rural disadvantaged groups, and inheritance of village and community customs. Our philanthropic efforts were promoted under the three leading philanthropic brands and the four types of philanthropic volunteer activities, and a total of RMB6.8 million was spent on accumulated donations.

#### 3.3.1 "Sun· Under the Banyan Tree"

"Sun· Under the Banyan Tree" is a special aid program designed to help the rural communities. Through our investigation and understanding of the villages in Guangzhou and the surrounding areas, we first determine the recipients of the special aid, including major diseases, student aid, lonely elderly people, etc., and then evaluate these recipients to determine the amount of aid, making the recipients feel the warmth of the society and over the difficult period.



In 2017,

Philanthropic expenditure:

 **3.2116** million

Philanthropic achievements:

 **264**  
people with  
major illnesses

 **261**  
students  
received aids

 **1500**  
senior citizens received condolence



### 3.3.2 "Sun-Silent Love"

In Guangzhou, there will be 4-5 hearing-impaired children for every 10,000 new born babies. The medical community generally believes that implanting a cochlear is by far the most effective method for treating severe hearing impairment. Especially for children with severe deafness, it will be better if the artificial cochlear is implanted earlier. The "Sun-Silent Love" program is a subsidy for hearing-impaired children in Guangzhou to help these innocent and lovely children awaken their sleepy hearing and get out of the shadow of hearing impairment. In addition to direct financial aids, the Sun Foundation also joins forces from all walks of life to build a trilateral aid platform that integrates social charity funding, hospital treatment, and rehabilitation for the hearing -impaired, providing a one-on-one follow-up aid for children with hearing impairment in poor families.

Philanthropic expenditure:

 **1.76** million

Philanthropic achievements:

 **29** children with hearing impairment received aids



### 3.3.3 “Sun· Old Revolutionary Base Area Special Program”

The “Sun· Old Revolutionary Base Area Special Program” poverty alleviation project covers three major revolutionary old base areas including Dabie Mountains area, Jinggang Mountains area and Guangdong-Guangxi area. It is aimed to improve the basic livelihood construction projects such as the local village appearance and the small school conditions, and at the same time, it will increase the number of visits for poor households to investigate the causes of poverty, and timely solve poverty problems for poor households and provide aids to poverty-stricken families with difficulties such as major diseases and children’s education. The project was established at the inception of the foundation with an accumulative RMB6 million in philanthropic funds having been spent in the past three years. Among them, 300 impoverished children in the old base area of the Jinggang Mountains received aids. We also established a “Sun·Love Book House” in Jizhou, making children in companion with books to grow in the ocean of knowledge.



▲ A “Sun·Love Book House”under preparation.  
Children in a“Sun·Love Book House”.



### 3.3.4 Volunteer Activities

In 2014, along with the registration of Sun Philanthropic Foundation, GRCB's "Volunteer Service Team" was also established. All employees of the Bank were volunteers of the team. Through a volunteer service, GRCB and the local communities have established close relations, and can truly feel the feelings of the residents in these communities, understand their needs, work with them, and communicate with each other face-to-face, help them practically and bring warmth to them. Since the inception of the Sun Philanthropic Foundation, the cumulative number of volunteer activities has exceeded 10,000. In 2017, the Sun Philanthropic Volunteer Service Team went to communities, nursing homes, rehabilitation stations, etc. and carried out 4,000 volunteer activities.

The activities of the "Volunteer Service Team" are closely linked with the Sun Philanthropic Foundation's projects and generate a synergy effect. In 2017, the volunteer team of GRCB conducted a series of activities to enhance the cohesion and identity of our company while serving the community:



"See a More Sunny Self" thousand-people philanthropic trekking program is now in its third season. This program is aimed to encourage urban residents to put down their mobile phones and give themselves more time to interact with their hearts, calling for public engagement in philanthropy and focusing on people with depression;



The "Silent Love" series of volunteer activities are carried out around the rehabilitation centers. A total of 30 volunteer activities were carried out and focused on the recovery and growth of hearing-impaired children after surgery, completing 94 family visits;



Caring activities for special groups: a total of 4 caring activities were carried out for people with Down Syndrome and special children in Panyu Peizhi School;



Promote the protection of traditional culture and intangible cultural heritage series activities: we have launched the "Mid-Autumn Festival" philanthropic activities for three years, and performed "Cantonese Opera" in three village communities in Nansha to promote traditional culture, while present a wonderful audio-visual feast to local residents and rich spiritual nourishment;



In recent years, a total of 13,617 elderly people have received condolence.

### 3.3.5 Social Recognition

GRCB was honored the “The President’s Award” from the Hong Kong Community Chest at The Annual Presentation of Awards Ceremony 2017/2018 in recognition of GRCB’s enthusiasm for charity work and its continuous return to society.

GRCB participated in the Stock Code Balloting Scheme by donating HK\$1 million to the Hong Kong Community Chest for the benefit of community development when the bank became listed on the Main Board of the HKEx. The Community Chest of Hong Kong was established in 1968 as an independent, non-profit making organization neither funded, nor operated by the Government. Each year, the Chest organizes fund-raising events to benefit over 160 member social welfare agencies that reach out to more than two million beneficiaries in Hong Kong in six major areas of services: children & youth, elderly, family & child welfare, medical & health, rehabilitation & aftercare, and community development.

GRCB always adheres to the concept of developing in tandem with the society, and actively participates in social construction and gives back to society while realizing its own growth.

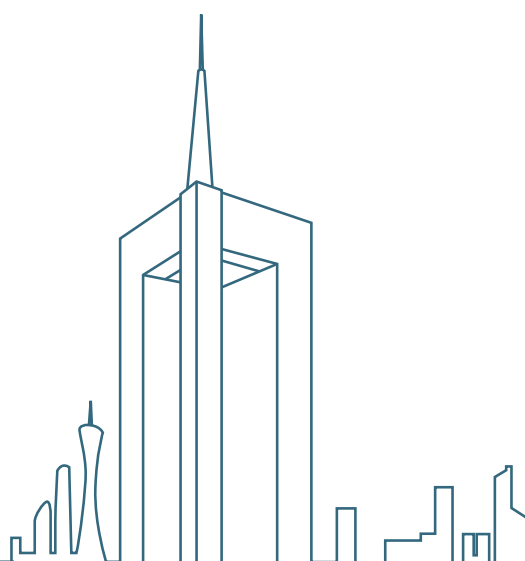


# 2017

Guangzhou Rural Commercial Bank  
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## 04

### Employee Caring and Talents Developing



GRCB regards employees as the most precious resource for the survival and development of the bank, and treats the peace and well-being of employees and their families as a foothold for the development of the bank. We provide employees with a comprehensive compensation and benefits system, diverse training and development opportunities, and a lot of employee care activities. We maintain a balance between work and life, create a harmonious and warm working atmosphere, and let every employee feel the bank's concerns and support on professional integration, development and let every employee feel the bank's profession and work-life balance.

## 4.1 Basic Talent Policy

Under the strict implementation of the Labor Law of the People's Republic of China and other related laws and regulations, GRCB has established a complete internal human resources system and management system based on the characteristics of its financial industry, such as GRCB Management Measures on Post Sequence and GRCB Management Measures on Study and Development Assessment to protect the legitimate rights and interests of employees in the recruitment, salary, welfare, promotion, leave, quitting and other legitimate rights and interests. We oppose any form of discrimination, use of child labor or forced labor.



### 4.1.1 Recruitment

Choosing and recruiting suitable talents is an important guarantee for the future development of the company. It is our responsibility to the talents that new employees can quickly adapt to the company and grow rapidly. In view of standardizing employee recruitment management, completing the talent selection mechanism, improving the quality of all employees and supporting the continuous, stable and rapid development of the Bank's business, we have formulated GRCB Management Measures on Employee Recruitment and GRCB Management Measures on Selection and Recruitment of Management-Level Personnel, so as to ensure open, equal, competitive and merit-based recruitment principles. The company's human resources department is responsible for the detailed recruitment management measures, annual recruitment plans and programs, annual recruitment of graduates and implementation of talents assessment system at each link.



### 4.1.2 Post Division

To meet the needs of our business development, expand career development channels for employees, increase incentives for employees, and enhance corporate cohesion and centripetal force, our bank has specially formulated GRCB Management Measures on Post Sequence, aiming at forming the post set with clear hierarchical division by classifying and merging the posts with same or similar nature or specialty business. Post sequence settings follow the following principles:

- Professional orientation and reasonable division. Classify job-sequence categories based on factors such as professional independence, business distinguishability, performance standards, and salary similarity, and fully consider the width and scalability of employee development channels;
- Full coverage and sufficient motivation. The job sequence categories basically cover all of our posts. The job sequence hierarchy appraisal fully considers the sense of honor of all types of employees and effectively encourages employees to develop upward.
- Easy to operate and simple to manage. The establishment of post sequence should not only reflect the difference between the sequences, but also consider the management cost, avoid the cumbersomeness and confusion of the grade setting and titles, and there is a certain degree of comparability and consistency among the sequences.

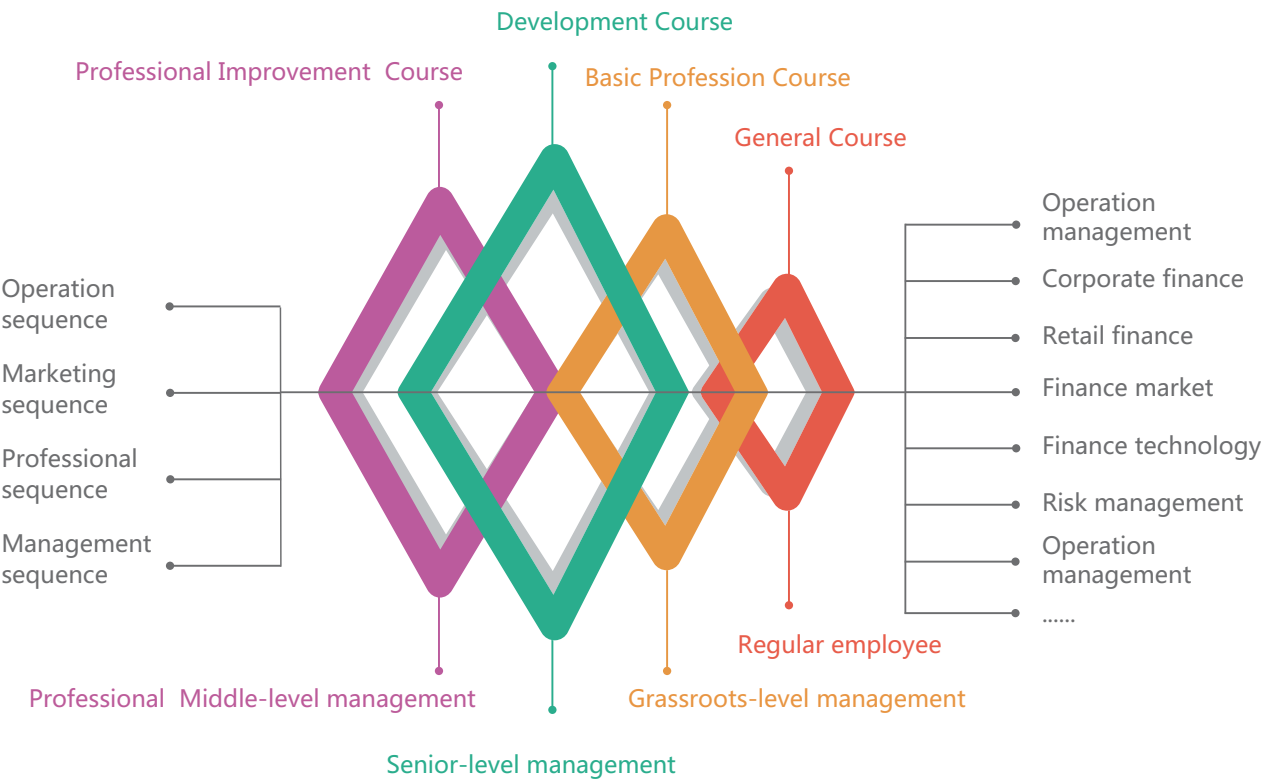
### 4.1.3 Employee Management

In order to quickly respond to market changes and improve employee behavior management, GRCB introduced the management idea of OKR (Objectives And Results, that is, to clarify the "goals" of the company and the team as well as the measurable "Key Result" of each goal) in early 2017. The goal behavior management system with company characteristics have been gradually formed through enriching management connotation, revising system standard, constructing behavior system and so on. This goal behavior management system builds a program management platform, a communication management platform, a learning management platform, and a behavior evaluation platform. The system also shortens the goal development frequency to the quarter, so that the company's goals can quickly respond to changes in the external environment; at the same time, it analyzes, reflects and adjust the quarterly key behaviors to ensure that the organization and individual behaviors respond to market and customer changes in a timely manner.



### 4.1.4 Talent Selection

We have formulated GRCB Reserve Talent Selection Work Plan to which establish a scientific and standardized working mechanism for the selection, cultivation, assessment and promotion of reserve talents, to form a benign circular mechanism for the selection and withdrawal of talents, to create a lively atmosphere for the cultivation of talents, and to promote the business development of our Bank. The company's reserve talents are divided into three hierarchies vertically according to the post hierarchies: middle-level regulars, middle-level management, and grassroots-level management. The talent pools at each hierarchy can be divided into three major categories: operation management, business management, and professional operations. Each category is subdivided into several sub-talent pools, basically covering all key posts at all categories and all hierarchies. On this basis, the company conducts the talent training, motivation and retention pertinently. After the list of reserve talents has been established, the Human Resources Department will work out various reserve talents' training programs and implementation plans in line with each line of business, which will be implemented after being submitted to the Human Resources Committee for approval.





Groups	Number of people (people)*	Turnover rate(percentage)**
Total number of employees	7778	8%
<b>By gender</b>		
Male employees	4140	6%
Female employees	3638	9%
<b>By employee category</b>		
Senior-level management	14	7%
Middle-level management	241	5%
Grassroots-level Management	817	4%
General employee	6706	8%
<b>By education</b>		
Diplomat and below	2578	7%
Undergraduate	4463	7%
Graduate and above	737	13%
<b>By age</b>		
29 years old and below	1549	10%
30-49 years old	5569	6%
50 years old and above	660	21%
<b>By regionymment</b>		
Chinese Mainland	7774	8%
Hong Kong, Macao and Taiwan	4	0%
Overseas	0	0%
<p>**GRCB treats all employees equally and assumes the required responsibilities for employers. Therefore, the data for above categories of employment include all employees who signed contracts with our bank and subordinate holding companies (within the scope of the listed company), as well as labor dispatch employees.</p> <p>**The employee turnover rate is calculated as: the total number of people leaving this group in 2017/(the total number of people in this group at the beginning of 2017+ the total number of employees recruited in this group in 2017)</p>		
Number of employees in maternity leave and pending maternity leave (people)	147	Employees eligible to retire in the next five years (people) 487

## 4.2 Training and Development

Guangzhou Rural Commercial Bank adheres to the people-centered principle, helps employees realize personal values, and strives to create a good working environment and broad development space for employees. In 2017, the concept of diversified employee management has penetrated into all aspects of our development, from employee recruitment to promotion of posts, from working system to employees' spare time, from employees' physical health to employees' mental health. We respect and equalize our colleagues with different cultural backgrounds, and promote the common progress and continuous development of employees and organizations in line with the people-centered principle.



GRCB attaches great importance to the professional development of employees, insists on the continuous, systematic and standardized operation of the company's training work, continuously improves the employees' knowledge level, working ability and professional quality, effectively promotes the achievement of personal growth goals of employees as well as the long-term development strategy of the company. At the same time, to establish a sense of talent cultivation for all employees at all hierarchies of the Bank, we have strengthened the evaluation of talent cultivation in GRCB Management Measures on Study and Development Assessment. The "satisfaction degree of talent training" is used as an important indicator for the effectiveness of talent training in all units. This can encourage and support all units to regard talent training as an important and long-term strategic work to promote and implement.


In 2017,


the number of employee training programs at GRCB reached

 **475**

 an increase of **241** year-on-year from 2016

employee training expenditure reached RMB

 **20,536,000**

 an increase of RMB **1,677,700** year-on-year

Groups	Training times (person/times)	Training duration (hour)	Average training duration (hour per person) *
Total training person/times	40636	610444.2	83.78
<b>By gender</b>			
Training person/times of male employee	22316	312477.3	82.62
Training person/times of female employee	18320	297966.9	85.04
<b>By employee category</b>			
Senior-level management	7	171	12.21
Middle-level management	231	21615	108.08
Grassroots-level Management	406	21786	101.80
General Employee	40236	588658.2	83.10
<b>By type of training received</b>			
Senior-level employee training	7	N/A	N/A
Middle-level employee training	231	N/A	N/A
Grassroots-level employee training	40398	N/A	N/A

\* According to the Bank's Social Responsibility Report, the statistical caliber among the indicators are January 1, 2017 - December 31, 2017

## Case

### Personalized Training - Zhujiang Business College

Pearl River Business College is the center of GRCB's employee learning and corporate knowledge management, and is also a platform for corporate communication and exchange. The College adheres to the value and concept of "Unity of Knowledge And Action" and highlights the characteristics of professional, practical and open education. In accordance with the working requirements of "transcending the essence of business and leading the business transformation", as well as the working steps of "from inside to outside, from frame to content, from

focus to staff", the college integrates internal and external resources, promotes the construction of "three systems, two platforms" and the staff education and the training work of the whole bank as planned and in stages. It plays an important role in six aspects: team building, talent training, strategic promotion, cultural communication, knowledge management and foreign exchange.



## Case

### Series Training of Middle and Senior-level Managers in "Sun Jin Rong"

In order to broaden the horizons of management personnel, the Group college held a series of training programs for middle and senior-level management personnel, including the Fine Management Seminar of Waseda University, the Senior Management Seminar of Winning at Middle-level and the Topic Seminar of Three Major Line, covering a total participants of 220 person. These programs made remarkable achievements in helping management personnel to shape leadership and open up international perspectives.



## Case Series Training of Grassroots-level Managers in "Sun Jin Qiang"

In order to help grassroots-level management personnel establish a comprehensive operating thinking framework, the college organizes 2 grassroots management seminars, covering 120 trainees, further enhancing the execution force and consolidating grassroots-level management forces.



## Case "Pearl River Wendao" Lectures and Series Of Open Courses

To contribute to reform and development of corporate, promote practice of management innovation, and drive our external cooperation and exchange, the college has held two rounds of Pearl River Wendao lectures with employees of the whole Bank and people from all walks of life. Chen Chunhua and Feng Lun are invited to give lectures to create a central effect of learning. At the same time, 12 series of open courses were held for the whole Bank, covering the topics of finance and technology, risk management, etc. A total of 2970 person participated in the training. The union in the head office and the Bank jointly organized 57 interest courses to promote the development of the Group's business and the construction of corporate culture.



## 4.3 Care for Employees

### 4.3.1 Cultural Care Activities

In 2017, Guangzhou Rural Commercial Bank continued to focus on humanistic care and establishing a corporate with harmonious labor relations. We continued to give full play to the advantages of the trade union organizations in carrying out mass cultural and sports activities, actively carry out sports events, choral competitions, hiking, recitation, essay, photography, ball games and other colorful cultural and sports activities as well as painting and calligraphy, Tai Chi, yoga and other interest training classes. This not only enriched amateur cultural life of employees but also played a role in reassuring the people, strengthening their confidence, and boosting their morale, and effectively promoting the construction of a harmonious corporate culture for rural commercial corporate.

#### Case

#### International Women's Day Blessings

On March 8, 2017, the Strategic Planning Department of the Head Office organized a series of activities for the 38th Goddess Day. The 351 letters hand-written by men in the head office were delivered to the hand of "the Goddess". This sincere and mysterious gift just added a warmth to the early spring.

In addition, the Group's Strategic Planning Department also jointly organized a lecture on "Health Preservation and Beauty of Traditional Chinese Medicine" with the labor union of the government to explain the path of internal and external cultivation.



「字里行间」 | 手写一封情诗，送给我的女神



女神，节日快乐。

更新于 2017年03月08日

## Case

## "See a More Sunny Self" Trekking Activity

On December 9, 2017, "See a More Sunny Self" 1,000-person trekking activity sponsored by GRCB was held at Lianma Village, Conghua. The event aimed to encourage urban residents to put down their mobile phones and give themselves more time to interact with their hearts, as well as advocate philanthropy and focus on people with depression. The event successfully raised over RMB100,000 for people with depression.

The "See a More Sunny Self" 1,000-person trekking activity has been held for three seasons. As the first major trekking with the theme of caring for depressive patients in China, the first two seasons were held in Guangzhou Fire Furnace and Zengjiang Gallery in Zengcheng. The third season coincided with the eighth anniversary of the restructuring of GRCB and the listing in Hong Kong, and we deliberately selected the route of Conghua Lianma Village which the East River Column had once walked through, only to pay tribute to the red revolutionary spirit. The event aims to call on people to put down their mobile phones and join in a healthy, positive and uplifting lifestyle, giving them more time to interact with their hearts, advocate public welfare and focus on people with depression.



## Case

## "Heading for The Sun" Track and Field Games

To celebrate the eighth anniversary of the successful restructuring of our Bank, the union of GRCB organized the 2017 Guangzhou Rural Commercial Banking Athletics Conference on the Huangshi Campus of the Guangdong University of Foreign Studies on December 23, 2017. Taking "Heading for The Sun" as the theme of the Games, in line with purpose of "carry forward the spirit of sports, face all staff, enrich corporate culture, enhance corporate cohesion, the games enriches employee and sports life and promotes the overall development of workers.

The event attracted 16 participating teams with 1,400 participants from various places across the whole Bank to compete for the crown, runner-up and second runner-up in the 22 individual projects and 3 team projects. The successful holding of this sports meeting was to build a stage for talents to display their talents, enhance friendship and temper their will, and to provide a platform for "happy sports and happy work".





## Case "Happy GRCB" Badminton Competition of Guangzhou Rural Commercial Bank

From September 23 to 24, 2017, the union of GRCB held the 2017 "Happy GRCB" Badminton Competition of Guangzhou Rural Commercial Bank at the Tianjiabing Gymnasium of South China Agricultural University. A total of 15 teams participated in the competition, divided into two groups: single-round cycling and cross-elimination. There were 5 programs: mixed-doubles, women's doubles, men's doubles, women's singles and men's singles. In the end, the institutional union won the championship of this competition. The badminton tournament enriched the lives of our employees, enhanced the unity and friendship among colleagues, and laid a solid foundation for creating a harmonious and progressive corporate culture.





### 4.3.2 Security and Benefits


Providing sufficient protection for employee benefits is the responsibility of Guangzhou Rural Commercial Bank as an employer, and that is also an important reason why employees can work at ease here. Attaching great importance to the health of our employees, we conduct regular physical examinations every year by selecting high-quality medical examination agencies, comprehensive physical examination programs and humane physical examination services, so as to care for the health of our employees and escort our employees' health. We ensure that the labor contract signing rate, social insurance coverage rate, labor union construction rate and employee medical examination coverage rate are all 100%. While constantly improving the remuneration and welfare system and guaranteeing employees' legal remuneration, we actively establish smooth feedback channels and communicate and coordinate the problems that employees report.

In 2017, we established the "Mailbox for Employee Rights Protection" of the trade unions, and provided services such as rights violation complaints and labor dispute coordination to employees based on national laws and regulations and internal rules and regulations. We endeavor to help employees solve their problems and guide employees to rationally and legally express interest claims.

The company revised the GRCB Management Measures on Employee Caring Fund Management and established an employee care fund, in order to give relief to employees or employees' family members due to serious difficulties caused by serious illness, disability, death, accidents, and other incidents.

#### Employee Assistance Situation in 2017

Damage allowance due to disaster suffering,  
Medical assistance allowance,  
Life support allowance,



**3.9654** million

Person/times of helping  
needy employee



**194** person/times

#### Case

#### Helping Needy Employee - "Warmth Sending Activity"

At the dawn of the Spring Festival, in order to further care about the lives of our employees in needy circumstances, let them live a happy and peaceful Spring Festival. On January 22, 2017, Vice Governor Zhang Dong sent condolence to the needy employee, accompanied by the management team of Huadu Sub-Branch.

During the condolence, Vice Governor Zhang Dong talked with the needy employees. They talked eagerly and warmly, kindly learned about their life, medical care, income and difficulties, listened carefully to their opinions, and affirmed their contribution to our Bank. They offered condolence fund and item to them, encouraged them to strengthen their confidence in overcoming difficulties with help of the organization, and wished them a happy and peaceful Spring Festival.

Through this warmth sending and condolence activity, we have created a strong festive atmosphere for the needy employees and let them feel the deep caring and collective warmth of the Guangzhou Rural Commercial Bank family.



## 4.4 Employee Safety and Health

GRCB endeavored to protect the safety and health of each employee. We are committed to creating a harmonious working atmosphere and a safe working environment for our employees, and protecting employees' physical and mental pleasure with the care they provide. In 2017, in order to strengthen safety production supervision and management of corporate, safeguard workers' labor safety and health rights and promote the development of corporate, the Group formulated the Occupational Safety and Health Agreement. This agreement was based on the Labor Law of the People's Republic of China, the Safety Production Law of the People's Republic of China, and the Occupational Disease Prevention Law of the People's Republic of China. It regulated the corporate' working environment and conditions that meet the national occupational health standards and health requirement. The Group also took measures to ensure workers' access to occupational health protection.

### Case Conducting Fire Training and Exercises at Xinhe Building

In accordance with the Fire Protection Law of the People's Republic of China and the relevant regulations of the provincial and municipal regulatory authorities, we organized a fire safety knowledge training and fire emergency evacuation drill in Xinhe Mansion in 2017, to improve the employee response ability in case of fire emergency.

This safety knowledge training mainly advocates employee developing daily habits of maintaining fire safety as well as using fire fighting equipment, and grasping methods of extinguishing initial fires and escaping. By learning these firefighting knowledge, we have enhanced our employees' fire safety awareness and self-rescued ability to escape; through conducting fire drills, we tested the feasibility of the evacuation plan for the Xinhe Building and the evacuation capabilities of office workers, and also improved the coordination ability of our Bank with fire brigades and medical staff during operations.



### Case Carry Out Security Training and Anti-terrorism Training and Exercises

In order to enhance the overall counter-terrorism prevention and control level of the Bank, we invited professors and experts from the Guangdong Police Academy that specialize in anti-terrorism professional training to conduct anti-terrorism training for the security line personnel and security personnel in the Bank. They explained the personal safety protection and emergency handling measures in terms of terrorist attack event. The security guards conducted simulated counter-terrorism actual combat exercises, respectively simulating the terrorists taking hostages, lawbreakers gathering crowds, handling robbed customers in business premises, and evacuating people.



### 4.4.1 Caring About the Health of Employees

Guangzhou Rural Commercial Bank strictly requires employees to follow safe operating procedures during the labor process, and encourages employees to make comments and suggestions on the Bank's safe production work. We also provide employees the right to criticize and report on activities that endanger life and safety and physical health. At the same time, we continue to participate in occupational injury social insurance and offer employees with insurance premiums in accordance with the law. The treatment for medical leave period and post-disability appraisal for employees with occupational injuries or occupational diseases is implemented in accordance with relevant occupational injury insurance regulations. When concluding a labor contract with a staff member, we will truthfully inform employees about the occupational hazards and consequences, occupational disease prevention measures and treatment that employees may have during the work process and clearly indicate these in the labor contract. If employees suffer accidents due to work injuries, we will ensure that the union assistance will receive notifications and handle them.

#### Employee occupational injury statistics

Number of injuries (times)*	Loss of working days for business reasons (day)	Number of death for business reasons (people)
3	48.5	0

\* The occupational injury is subject to the approval of the Social Security Bureau.

### 4.4.2 Caring for Employees' Mental Health and Privacy Security

In order to protect the mental health and safety of employees, we built a platform for employees to release pressure. We care about the spiritual and cultural life outside the work of employees, and actively established a cultural and sports interest class, and built an employee activity center and an employee medical room.

### 4.4.3 Focus on Employee Privacy Security

We attach importance to employee privacy and security, set up an employee file management system, standardize the access authority to the personnel file, define the information query authority and level for various types of administrators in the human resource information system, strengthen the management of system accounts, and reduce the risk of information leakage. In addition, we have formulated the "Employee Information Management Measures" to punish the leakage and violation of the privacy of employees, in order to fully protect the personal privacy of employees.



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## 05

### Support Environmental Protection, Green Mountains and Green Water



GRCB is committed to the long-term sustainability of our company and the communities where we operate. We act in an environmentally responsible manner, do our best to comply with laws and regulations concerning environmental protection, and take effective measures to rationally use energy, save energy, and reduce waste.

## 5.1 Environmental Risk Management

The environmental risks of GRCB mainly come from the fact that providing financial services to customers leads to significant and unacceptable environmental impacts, for example, over-exploitation of natural resources by resource-intensive companies. In order to more effectively identify, manage, and control environmental risks, we are constantly improving the environmental risk management system. By drawing on international advanced management techniques, we enhance the professional level of environmental risk management. Clear management goals are established to achieve sustainable development.

Currently, we have added links to identify customers' environmental risks into the credit approval process for our credit business, effectively reducing environmental risks. Green consumption, green economy, low-carbon economy and circular economy are clearly defined in the Bank's basic credit policy; we increase the credit facilities for the encouragement and support industries, such as energy-saving and emission reduction, sewage treatment and recycling of waste materials and energy; at the same time, we resolutely reduce pressure to eliminate loans in the area of backward production capacity, and strictly prohibit the granting of any form of credit support to projects that have seriously violated the law in environmental protection, and we effectively prevent all types of risks brought about by high energy consumption, high pollution, and efforts, so as to build a full process green low-carbon business model.

The Credit Approval Department of the head office of the GRCB is responsible for the execution of specific businesses, and conducts risk control through the division of industry environmental risks and identification of environmental credits.

### Environmental Risk Management at Credit Approval Links:



For encouragement and supporting to industries such as new energy, environmental protection and resource recycling and utilization, we set up a credit program, a repayment plan, and a renewed loan service with targeted and relatively relaxed conditions in combination with the characteristics of the corporate, better fitting the actual cash flow characteristics of these corporate. Besides, we offer a certain degree of interest and fee reductions and discounts to some high-quality companies and reduce their financial costs.



In withdrawal-restriction industries such as dyeing and finishing, coal chemical industry, cement and non-ferrous metal materials processing, the environmental protection and environmental responsibility of lenders will be included in the credit approval assessment system during the client access phase. This ensures that the company can support the transformation and upgrade of the company under the precondition of preventing credit risk.



We issued a clear notice to the operating agencies under our control that they should forbid the provision of credit support to yellow, red or black list companies of environmental credits.

## 5.2 Green Finance

Guangzhou Rural Commercial Bank actively implemented the Guiding Opinions on Establishing a Green Financial System and advocated the concept of green finance and green credit. The Bank integrated the concept of green finance into the bank's all aspects such as corporate vision, development strategy, credit culture, policy system, management process and product service. We continued to promote the establishment and improvement of green financial management systems and long-term mechanisms.

The "13th Five-Year Plan" that we drafted places great emphasis on the development of green finance. At the same time, we are actively conducting research on special planning around the green finance and sustainable development strategy. In the next five years, we will accelerate the promotion of a green finance strategy, and regard green finance as an important starting point for the adjustment of the company's asset structure and the transformation of growth models. We will continue to strengthen the green financial products and service innovation by focusing on serving the development of green industries and green transformation of traditional industries.

Meanwhile, we continue to promote the development of local real economy and industry, continuously increasing support for low-carbon, energy-saving, and environmental protection industries and committing ourselves to deepen green finance.

## 5.2.1 Green Credit

We are conscientiously implementing the concept and strategic plan of the green credit strategy. The Strategy and Investment Committee (Three Rural Committee) is responsible for determining the green credit development strategy. The senior management is authorized to formulate green credit targets and submit green credit reports to supervise and evaluate the implementation status of green credit development strategy of our bank. At the level of management policies, we have formulated green credit-related industry credit policies in accordance with national industrial policies and industry access policies. In the “13th Five-Year” plan period, we will accelerate the establishment of a green credit policy system, incorporating the green credit policy standards into the overall process management, and establish a green credit classification standard and management system.

### Strengthen the development orientation of green credit

On the one hand, we actively use the opportunity of building a green financial reform and innovation pilot zone in Guangzhou, to promote green credit from a strategic perspective, to accelerate the establishment of a green financial service system, to increase support for the green economy, low-carbon economy and recycling economy, to prevent environmental social risks and improve their own environmental and social performance. On this basis, we optimize the credit structure, improve service levels, better serve the real economy, promote the green transformation of our investment and financing structure and business development.

On the other hand, for customers and businesses in the “Two Highs and One Excess” industry, we will continue to implement the policy of orderly withdrawal and sustained pressure drop in 2017. However, we will differently treat the reasonable fund demands in iron and steel, and coal production companies. The principle of support and control supports the transformation and upgrading of corporates, while strictly controlling the credit input for violating new production capacity and steadily withdrawing from fields with excess production capacity and from zombie loan projects. As of the end of December 2017, our industry loan balance of “Two Highs and One Excess” was RMB671 million, a decrease of RMB844 million from the beginning of the year showing a general downward trend.

### Integrate resources, overcome difficulties in credit approval

Compared with other industries, the green credit industry has a relatively high level of scientific and technological knowledge and weak asset controllability, making credit evaluation more difficult. To this end, we have adopted various measures to better implement the green credit strategy:

- Strengthen organizational learning and research, and maintain internal and external linkage within the governance structure;
- Set up a “Pre-Examination Meeting” that includes business agencies, business line management departments, credit approval departments, risk management departments and compliance legal departments, in order to conduct research on the difficulties and problems encountered in the marketing process and provide professional support;
- If existing products and services are difficult to meet the needs of high-quality customers, we tailor-made innovative products to effectively improve customer service capabilities and market competitiveness.

## 5.2.2 Product Innovation

GRCB has gradually formed a business system that includes innovative products such as bond underwriting, asset securitization, financial management and direct financing tools, carbon finance financing, and domestic direct loan. We have explored and summed up a large number of work experience for green follow-up, laying a solid foundation for the landing of financial services.

### Cutting-edge Green Finance Business

#### Bond Underwriting

As for green bonds, we have supported large-scale public utilities projects such as the construction of urban public rail transit projects through the use of underwriting medium-term notes, so as to promote the implementation of energy-saving and emission reduction work. In the future, in accordance with the spirit of the Green Bond Issuance Guidelines issued by the General Office of the National Development and Reform Commission, we will continue to actively explore the green credit bond financing model, and further promote financial services work among the fields of energy conservation, emission reduction, environmental protection, ecological construction, and response to climate change.

#### Financing Business of Carbon Emissions Rights

We have now completed the revision of the Measures on the Management of Carbon Emissions Right Mortgage Financing Business (Trial Version). Carbon credits are used as the main mitigating measures for credit risks. The funds obtained from the mortgage financing can be used to supplement the funds required by the corporate carbon trading market or used for the company's own energy-saving emission reduction investment. The business encourages companies to carry out financing activities around the carbon emission rights, and it, to a certain extent, enhances the company's awareness of the importance of carbon emission rights.

#### Cross-border Financing Business

Currently, we have launched services such as cross-border financing and leasing, full-caliber cross-border financing, cross-border RMB two-way capital pool, and cross-border e-commerce RMB settlement, helping companies to obtain large-value low-cost funds through international capital markets and effectively reduce financing costs. We intend to apply this business model to the green corporate finance business to help companies reduce their financing costs.

### 5.2.3 Industry Support

In order to give full play to the enabling role of green finance for the construction of green industries and ecological civilization, we have put forward support measures with stronger applicability for various green industries and implemented them. The measures are based on the industry operating characteristics and environmental benefits of different green industries.

In the annual basic credit policy, we have clarified our support for industries such as energy conservation, environmental protection and new energy. Key areas for expansion include:





## 5.3 Green Services

Guangzhou Rural Commercial Bank has built an omni-channel and all-weather green service network covering mobile banking and SMS, WeChat, Internet and telephone banking. At the same time, we promoted the transformation of outlets throughout the district to improve service efficiency, and vigorously promoted the development of integration of electronic channels and physical outlets to achieve paperless pre-processing of major counter businesses; and we also promoted the electronization of Channel Application for credit cards, consumer loans, and operational loans in an all-around way. The diversion effect of e-banking channel is obvious.

### Adhere to Datamation of Business

We continue to optimize the "fingertip loan" products based on big data, with more than RMB1.46 billion invested this year, up 962% year-on-year. By cooperating with "small-micros enterprises", we developed and launched "rental loans" and other new network loan products in combination with the business world scene; realize the online self-help usage of the personal consumption or business loans funds under offline approval.

### Provide a Variety of Convenient Service Channels

We provide customers with multi-channel, year-round online services such as telephone manual service, remote intelligent customer service, and online customer service. In the whole year, we handled 156 million calls from customers, 74,000 direct sales of online direct banking services, and 26,600 smart and online services. Online services not only break the constraints of time and space, but also bring customers convenient, high-quality and professional services, and are well received by customers.

### Improve Coverage of Corporate E-services

We continue to research and develop Internet products, such as the establishment of the corporate Internet banking as our main platform and portal for the settlement of corporate billing services, or load function modules including product signing, customer data collection and verification on the mobile marketing platform, so as to improve the electronization and networking of the payment and settlement service.



## 5.4 Green Operation

Following the Energy Saving Law of the People's Republic of China and the Environmental Protection Law of the People's Republic of China, we advocate the idea of "Green Office, Energy Saving and Environmental Protection", and integrate it into the construction and operation process of office premises and business network. At the same time, we vigorously promoted the concept of low-carbon and environmentally-friendly operation, fostered employees' awareness of environmental protection, actively carried out green public welfare activities, and were committed to becoming a resource-saving and environment-friendly bank.

Our main operating environment data\* for 2017 is as follows:

Indicator	Unit	Value
<b>Emission of greenhouse gases</b>		
Total emissions	Ton - carbon dioxide equivalent	4,070
Emission density	Ton - carbon dioxide equivalent/M <sup>2</sup>	0.14
Direct emissions (Scope 1)	Ton - carbon dioxide equivalent	125
Indirect emissions (Scope 2)	Ton - carbon dioxide equivalent	3,945
<b>Resource use</b>		
Total energy consumption	MWh	6,751
Office power consumption	MWh	6,259
Power density	MWh/M <sup>2</sup>	114.35
Official vehicle gasoline consumption	Litre	54,994
Office water consumption	M <sup>3</sup>	125,510
Water consumption density	M <sup>3</sup> /M <sup>2</sup>	2.29
Office paper usage	Ton	15
Saving paper with paperless office	Ton	about 65
<b>Waste</b>		
Waste electronic equipment	Piece	2349
<b>Green Conference</b>		
Proportion of inter-regional video conference	%	100%
Coverage rate of conference room video equipment	%	26%

\*The time span of environmental data is from January 1, 2017 to December 31, 2017. The scope of data collection covers the office zone of Guangzhou Head Office and the use of fuel for official vehicles. We will expand the scope of environmental data collection year by year and gradually carry out statistical work on environmental data in other branches, so as to strengthen the management of environmental performance.

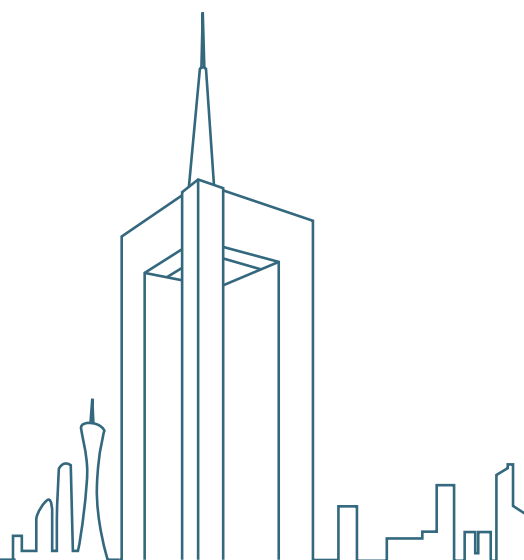
To promote green operations, we are advancing the following measures for high-energy-consuming areas of office operations:

- 01 Achieve 100% coverage of video equipment, and constantly increase the frequency of use of video conferences in daily work conferences;
- 02 Filter the spam in the fax machine to reduce paper waste;
- 03 Use the network to send and receive faxes and distribute faxes through the network to relevant departments to save fax paper;
- 04 Optimize and upgrade the OA system, encourage paperless operation and save paper to save maintenance costs for fax machines and copies;
- 05 In each office building, waste battery collection bins and waste newspaper and magazine collection bins are set up, and items in the bins are regularly cleaned to achieve environmental protection;
- 06 The parking lot adopts a staggered lighting method to save electricity;
- 07 The newly-renovated business outlets fully adopt LED lamps, and the threshold signs use LED lamps with timer switches, which are automatically switched off to achieve energy-saving and emission-reducing.

# 2017

Guangzhou Rural Commercial Bank  
2017 Annual  
Social Responsibility Report

## Outlook for Social Responsibility Undertakings at GRCB



In 2017, the social responsibility work of Guangzhou Rural Commercial Bank reached a new level, however, our pace is not limited to this. We will always work hard on the road of social responsibility.

## Responsibility Governance

GRCB continued to promote the improvement of social responsibility governance, effectively implemented the various management responsibilities for the society to the responsible persons at each level, managed to make it normal and professional, and incorporated the management of social and environmental factors into the overall internal control procedures of the company to identify the opportunities and risks that social and environmental factors present to GRCB.

## Honest and Law-abiding

Honest and law-abiding as well as staff morality is the focus of the overall internal control of GRCB. As a financial institution, we have spared no effort to upgrade integrity management, constantly upgrade our own policies for the overall environment, and conduct the building of an internal integral culture. From aspects such as top decision-making, business operation, procurement management and third-party cooperation, etc., we regularly review and update the efficiency and effectiveness of each risk control point to ensure the overall law-abiding performance.

## Products & Services

GRCB hopes to provide people with products that better meet their needs and we have been actively exploring deep into the needs of the society, allowing financial products to reach the masses, satisfying the financial service needs and the overall social development needs of the masses. At the same time, we will continue to carry out smart outlet transformation, outlet staff training and delivery financial services to communities to provide our customers with intimate, safe and reliable financial services.

## Inclusive Finance & Philanthropy

Inclusive finance is an important part of the country's efforts to promote the overall financial system. GRCB will continue to deepen our advantages in rural towns and solve the difficulties of the "last mile" for local financial services; as a corporate citizen, we are also continuing to implement the promise of "Making every philanthropic action count". In the future, from the perspective of strategic philanthropy, we will allow our philanthropic projects to continue to generate a wide range of positive social influences.

## Talent Development

The development of the overall talent team is an important factor for the current achievements of the Guangzhou Rural Commercial Bank, and it is also a boost for future development. GRCB has continuously reviewed various aspects including recruitment, training, promotion, benefits, employee care and corporate culture construction, and continued to improve in various aspects based on the review results, so that employees can continuously make improvement on this platform and achieve their own value.

## Environmental Protection

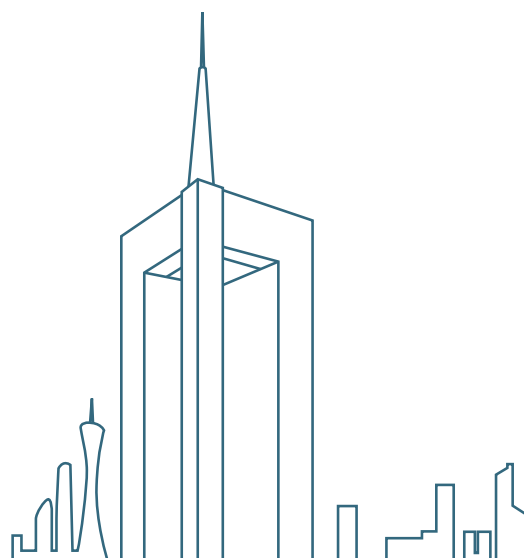
Guangzhou Rural Commercial Bank always keeps in mind the guideline of "Green Mountains and clean water are as good as mountains of gold and silver", implements the spirit of ecological civilization construction, and strengthens the mission of environmental protection. We continue to vigorously support the development of the green environmental protection industry through financial means, further study the innovation of green financial products including green bonds, and respond to the general trend of the country's green industry construction. Internally, we actively promote green office, save resources, and reduce our own impact on the environment.

# 2017

Guangzhou Rural Commercial Bank  
2017 Annual  
Social Responsibility Report

## Social Responsibility Performance Overview

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## Key Performance Table

ESG Indicator	Unit	Total
A1.2 Greenhouse Gas Emissions and Density		
Total emissions	ton-CO <sub>2</sub> eq	4,070
Emission density	ton-CO <sub>2</sub> eq/M <sup>2</sup>	0.14
Direct emissions (scope 1)	ton-CO <sub>2</sub> eq	125
Indirect emissions (scope 2)	ton-CO <sub>2</sub> eq	3,945
A1.3 & A1.4 Wastes		
Waste electronic devices	unit	2,349
A2 Resource Usage		
A2.1 Total Energy Consumption and Density		
Total energy consumption	MWh	6,751
Office power consumption	MWh	6,259
Annual power consumption density	kWh/M <sup>2</sup>	114.35
Official car gasoline consumption	Litre	54,994
A2.2 Water Consumption and Density		
Office water consumption	M <sup>3</sup>	125,510
Water consumption density	M <sup>3</sup> /M <sup>2</sup>	2.29
A2.3 Resource Consumption		
Office paper	ton	15
Inter-regional video conference proportion	%	100
Conference room video equipment coverage	%	26

### Notes:

- 1.The scope of environmental data collected and disclosed for the full year of 2017 covers the office areas of GRCB Head Office and the fuel consumption of its official vehicles.
- 2.Based on the business scope of GRCB, emissions from operations, including nitrogen oxides, sulfur oxides and other pollutants that are regulated by national laws and regulations, are not significant.
- 3.According to the ISO 14064 GHG inventory standards, direct GHG emissions (Scope 1) are targeted at emissions sources directly owned and controlled by the organization, such as the amount of transport they own; indirect GHG emissions (Scope 2) are targeted for indirect sources of energy, such as greenhouse gas emissions from purchased electricity.
- 4.We calculate our greenhouse gas emissions according to Guidelines for the Accounting Methods and Reporting Methods for Greenhouse Gas Emissions of Enterprises In Industries and Other Sectors (Trial Version) issued by the National Development and Reform Commission, of which the outsourced electricity emission factor adopts the Southern Regional Grid emission factor based on the annual publication of China Regional Grid Benchmark Line Emission Factor.
- 5.The Key Performance Table only lists the quantitative data indicators that need to be disclosed according to Appendix 27 of the Listing Rules. Other indicators are reflected in the body of the report.



ESG Indicator		Unit	Total
B1.Employment			
B1.1	Total employment by category		
	Total employment	person	7,778
By Gender	Male employees	person	4,140
	Female employees	person	3,638
By employee category	Senior level management	person	14
	Middle level management	person	241
	Management level	person	817
	General employee	person	6,707
By education	Diplomat and below	person	2,578
	Undergraduate	person	4,463
	Graduate and above	person	737
By age	29 years old and below	person	1,549
	30-49 years old	person	5,569
	50 years old and above	person	660
By region	Chinese Mainland	person	7,774
	Hong Kong, Macao and Taiwan	person	4
	Overseas	person	0
Other types	Number of employees in maternity leave and pending maternity leave	person	147
	Employees eligible to retire in the next five years	person	487

	ESG Indicator	Unit	Total
B1.2	Employee turnover rate by category		
	Employee turnover rate	%	8
By gender	Male employees	%	6
	Female employees	%	9
By employee category	Senior level management	%	7
	Middle level management	%	5
	Management level	%	4
	General employee	%	8
By education	Diplomat and below	%	7
	Undergraduate	%	7
	Graduate and above	%	13
Age	29 years old and below	%	10
	30-49 years old	%	6
	50 years old and above	%	21
Region	Chinese Mainland	%	8
	Hong Kong, Macao and Taiwan	%	0
	Overseas	%	0

	ESG Indicator	Unit	Total
B2.Health & Safety			
B2.1	Number of work-related deaths		
	Number of work-related deaths	person	0
	Number of work-related injuries	time	3
B2.2	Working days lost due to work-related injuries		
	Total working days lost due to work-related injuries	day	48.5
B2.3	Health and safety measures		
	Social insurance coverage rate	%	100
	Staff medical coverage rate	%	100

ESG Indicator		Unit	Total
B3. Development & Training			
B3.2			
	Total training person/time	person/time	40,636
By gender	Male employees	person/time	22,316
	Female employees	person/time	18,320
By employee category	Senior level management	person/time	7
	Middle level management	person/time	231
	Management level	person/time	406
	General employee	person/time	40,203
By training category	Senior level employees	person/time	7
	Middle level employees	person/time	231
	Grassroots employees	person/time	40,398
	Total Employees Training Hour	hour	610,444.2
By gender	Male employees	hour	312,477.3
	Female employees	hour	297,966.9
By employee category	Senior level management	hour	171
	Middle level management	hour	21.615
	Management level	hour	21.786
	General employee	hour	588,658.2
	Average Training Hour	hour/person	83.78
By gender	Male employees	hour/person	82.62
	Female employees	hour/person	85.04
By employee category	Senior level management	hour/person	12.21
	Middle level management	hour/person	108.08
	Management level	hour/person	101.80
	General employee	hour/person	83.10

ESG Indicator		Unit	Total
B6. Product Responsibility			
B6.2	Received Consultations and Complaints about Products and Services		
Customer service	Customer service call handling	0'000 calls	406
	Manual connection	0'000 calls	156
	Manual connection rate	%	86.98
	Customer Service Satisfaction Rate	%	98.99
	Customer service satisfaction rate on complaints handling	%	94.89
IP intercom system customer appeal	ATM failure	time	396
	Card drawback	time	1,228
	Banknote drawback	time	550
	Counterfeit banknote	time	12
	Business consultation	time	147
Customer complaint	Number of complaint	pcs	401
	Complaints handling rate	%	100

ESG Indicator		Unit	Total
B7. Anti-corruption			
B7.2	Preventive Measures and Related Implementation & Monitoring Methods		
Conversation-based reminder system	Warning by interview	person/time	11
	Admonishing conversation	person/time	50
	Interrogation via letter	person/time	7
	Report on personal related matters	person	10
	Integrity file	person	269
	Proposed review and inspection on person to be promoted	person	2
	Cadre integrity review	person/time	42
Anti-corruption training	Anti-corruption training	time	5
	Anti-corruption training coverage	person/time	3,287
Anti-money laundering training	Anti-money laundering training	time	115
	Anti-money laundering training coverage	person/time	5,165

ESG Indicator		Unit	Total
B8.Community Investment			
B8.2	Resource allocated to dedicated programs		
	Aids by employees	RMB0'000	396.54
	Aids to employees with difficulties	person/time	194
	Contribution to poverty alleviation	RMB0'000	217.53
	Accumulated expenditure on poverty alleviation	RMB0'000	680
	Accumulated duration of volunteer activities	hour	2,500
	Total contribution to poverty alleviation	RMB0'000	669.89
	Expenditure in philanthropic program	RMB0'000	669.89
	Number of philanthropic program	program	10
	Recipient of aid in philanthropic program	person/time	10



## Policy List

ESG Indicator	Laws & Regulations/Policies	Internal Policy
A.Environment	<i>National Catalogue of Hazardous Wastes</i> <i>Law of the People's Republic of China on Prevention of Environmental Pollution Caused by Solid Waste</i> <i>Environmental Protection Law of the People's Republic of China</i> <i>Energy Conservation Law of the People's Republic of China</i> <i>Guidance on Building a Green Financial System</i>	<i>Measures on the Management of Carbon Emissions Right Mortgage Financing Business (Trial Version)</i>
B1.Employment	<i>Labor Law of the People's Republic of China</i> <i>Labor Contract Law of the People's Republic of China</i> <i>Interim Provisions on Labor Dispatch</i> <i>Employment Promotion Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Social Insurance</i> <i>Law of the People's Republic of China on the Protection of Minors</i>	<i>GRCB Management Measures on Post Sequence</i> <i>GRCB Management Measures on Employee Recruitment</i> <i>GRCB Management Measures on Workplace Integrity Supervision</i> <i>GRCB Management Measures Recruitment of Management-Level Personnel</i> <i>GRCB Management Measures on Study and Development Assessment</i> <i>Sequence Management Measures for Guangzhou Rural Commercial Bank Posts</i> <i>GRCB Reserve Talent Selection Work Plan</i>
B2.Health and Safety	<i>Labor Law of the People's Republic of China</i> <i>Fire Control Law of the People's Republic of China</i> <i>Production Safety Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i> <i>Regulations on Work-related Injuries Insurance</i> <i>Regulations on Workplace Occupational Health Supervision and Management</i> <i>Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</i>	<i>GRCB Management Measures on Workplace Integrity Supervision</i> <i>GRCB Management Measures on Employee Caring Fund Management Measures</i>
B3.Development and Training	<i>Labor Law of the People's Republic of China</i>	<i>GRCB Management Measures on Study and Development Assessment</i>
B4.Labor Standards	<i>Labor Law of the People's Republic of China</i> <i>Provisions on the Prohibition of Using Child Labor</i> <i>Law of the People's Republic of China on the Protection of Minors</i>	

ESG Indicator	Laws & Regulations/Policies	Internal Policy
B5. Supply Chain Management	<p><i>The Bidding Law of the People's Republic of China</i></p>	<p><i>GRCB Centralized Procurement Management Measures (Revised Version)</i></p> <p><i>GRCB Bidding Management Measures (Revised Version)</i></p> <p><i>GRCB Review Committee Member Library Management Measures (Trial Version)</i></p> <p><i>GRCB Supplier Management Measures (Trial Version)</i></p> <p><i>GRCB Centralized Procurement Supervision and Inspection Management Measures (Trial Version)</i></p> <p><i>GRCB Centralized Procurement Supervision and Inspection Management Measures (Trial Version)</i></p> <p><i>GRCB Centralized Procurement Quantity Allocation Rules (Revised Version)</i></p> <p><i>GRCB Detailed Rules for Procurement Operation for Single Project Valued below RMB 1 Million</i></p>
B6. Product Responsibility	<p><i>Trademark Law of the People's Republic of China</i></p> <p><i>The Advertisement Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on Product Quality</i></p> <p><i>Law of the People's Republic of China on Protection of Consumer Rights and Interests</i></p> <p><i>Law of the People's Republic of China on Commercial Banks</i></p> <p><i>Law of the People's Republic of China on the People's Bank of China</i></p> <p><i>Regulations on the Administration of Savings</i></p> <p><i>Regulations on the Administration of Renminbi</i></p> <p><i>Notification of the China Banking Regulatory Commission on Regulating Bank-Trust Cooperation Business</i></p> <p><i>Guiding Opinions of the China Banking Regulatory Commission on Risk Prevention and Control of Banking Industry</i></p> <p><i>Guiding Opinions of the China Banking Regulatory Commission on Enhancing the Quality and Efficiency of the Banking Sector to Serve the Real Economy</i></p> <p><i>Law of the People's Republic of China on the Protection of Intellectual Property rights</i></p> <p><i>Law of the People's Republic of China on Network Security</i></p> <p><i>Security Requirements for Bank Commercial Premises (GA38-2015)</i></p>	<p><i>GRCB Business Outlet Service Standards and its guideline</i></p> <p><i>GRCB Business Outlet Service Management Measures</i></p> <p><i>Business Outlet Service Standards and Service Skills</i></p> <p><i>Measures on Customer Service Unit Complaint Management</i></p> <p><i>Measures on Customer Service Work Order Management</i></p> <p><i>Rules of Procedure of the Board of Directors</i></p> <p><i>Consumer Rights Protection Committee Management Measures on Protection of Financial Consumers' Rights and Interests</i></p>
B7. Anti-corruption	<p><i>The Criminal Law of the People's Republic of China</i></p> <p><i>The Company Law of the People's Republic of China</i></p> <p><i>The Anti-Money Laundering Law of the People's Republic of China</i></p> <p><i>The Anti-monopoly Law of the People's Republic of China</i></p> <p><i>The Anti-Unfair Competition Law of the People's Republic of China</i></p> <p><i>The Provisional Regulations on the Prohibition of Acts of Commercial Bribery</i></p> <p><i>Banking Supervision and Administration Law of the People's Republic of China</i></p>	<p><i>Letter of Commitment on Practicing with Integrity</i></p>

## Index of Environmental, Social and Governance Reporting Guide of HKEX

Topic	Requirement	Disclosure Section	Notes
A. Environment			
A1.Emission	General disclosure Key Performance Indicator A1.2, A1.3, A1.4, A1.5, A1.6	5.4 Green Operation	Gas emissions are not an important area for the company's operations, so A1.1N/A
A2.Use of resources	General disclosure Key Performance Indicator A2.1, A2.2, A2.3, A2.4	5.4 Green Operation	Products of the company's primary business do not require packaging materials, so A2.5N/A
A3.Environment and natural resources	General disclosure Key Performance Indicator A3.1	5.1 Environmental Risk Management 5.3 Green Service 5.4 Green Operation	
B1.Employment	General disclosure Key Performance Indicator B1.1, B1.2	4.1 Basic Talent Policy	
B2.Health and safety	General disclosure Key Performance Indicator B2.1, B2.2, B2.3	4.4 Employee Safety and Health	
B3.Development and training	General disclosure Key Performance Indicator B3.1, B3.2	4.2 Training and Development	
B4.Labor standards	General disclosure Key Performance Indicator B4.1	4.1 Basic Talent Policy	
B5.Supply chain management	General disclosure Key Performance Indicator B5.1	1.3 Procurement Management Measures	
B6.Product responsibility	General disclosure Key Performance Indicator B6.2, B6.3, B6.5	1.3 Procurement Management Measures 2.2 Caring Customer Service	
B7.Anti-corruption	General disclosure Key Performance Indicator B7.2	1.1 Good Governance	
B8.Community	General disclosure Key Performance Indicator B8.1, B8.2	3.1 Inclusive Finance 3.2 Targeted Poverty Alleviation 3.3 Charity 4.3 Care for Employees	

## GRI G4 Content Index - Core Option

GRI Standard	Details	Disclosure Section	Notes
General standard disclosures			
Organizational profile			
102-1	Name of the organization	Company Profile	
102-2	Activities, brands, products, and services	Company Profile	
102-3	Location of headquarters	Company Profile	Guangzhou
102-4	Location of operations	Company Profile	Chinese Mainland
102-5	Ownership and legal form	Company Profile	Joint-stock commercial bank listed on SEHK
102-6	Markets served	Company Profile	
102-7	Scale of the organization	Company Profile	
102-8	Information on employees and other workers	4.1 4.1 Basic Talent Policy	
102-9	Description about supply chain	1.3 Procurement Management Measures	
102-10	Significant changes in the size, structure, ownership or supply chain of the organization	N/A	No significant change
102-11	How the precautionary approach or principle is addressed by the organization	Responsibility Governance 1.1 Good Governance 1.3 Procurement Management Measures 2.2 Caring Customer Service 4.1 Basic Talent Policy	
102-12	Endorsed charters	Responsibility Governance 1.1 Good Governance 1.3 Procurement Management Measures 2.2 Caring Customer Service	
102-13	External memberships	About This Report Corporate Structure	
Strategy and Analysis			
102-14	Statement from senior decision maker	Message from the Chairman	

Ethics and Integrity			
102-16	Description of the organization's values, principles, standards and norms of behavior	Responsibility Governance	
Governance			
102-18	Governance structure	Responsibility Governance	
Communication with Stakeholders			
102-40	Stakeholders contacted by the organization	Responsibility Governance	
102-41	Collective bargaining agreements	N/A	All mainland employees have joined the labor union
102-42	Basis for identification and selection of stakeholders	Responsibility Governance	The basis for identification of stakeholders is their recognition of the specific major issues and businesses described in the Report
102-43	The way and communication with stakeholders	Responsibility Governance	
102-44	Key issues and concerns that have been raised by stakeholders, and how the organization has responded to those key issues and concerns	Responsibility Governance	
Report Profile			
102-45	Entities included in the financial statements; mention of entities that are not covered by this Report	About This Report	
102-46	Defining report content and topic boundaries	About This Report	
102-47	List of important aspects	About This Report	
102-48	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	N/A	
102-50	Significant changes in the scope and boundary	About This Report	
102-51	Date of most recent report	N/A	This report is the first CSR report issued by Guangzhou Rural Commercial Bank

102-52	Reporting cycle	About This Report
102-53	Contact information	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	GRI G4 Content Index - Core Option
102-56	External assurance	N/A
management approach		
103-1	Explanation of the material topics and its boundaries	Responsibility Governance
103-2	The management approach and its components	Responsibility Governance
103-3	Evaluation of the management approach	Responsibility Governance
Economic Topics		
Economic Performance		
Management Approach (Method)		2.1 Featured Financial Services
201-1	Direct economic value generated and distributed by the organization	2.1 Featured Financial Services
Indirect economic impacts		
Disclosure of management approach		3.2 Targeted Poverty Alleviation 3.3 Charity
203-1	Carrying out infrastructure investments and supporting services and its impact	3.2 Targeted Poverty Alleviation 3.3 Charity
Procurement Practices		
Disclosure of management approach		1.3 Procurement Management Measures
204-1	Proportion of spending on local suppliers	1.3 Procurement Management Measures
Environmental Topics		
Energy		
Disclosure of management approach		5.4 Green Operation
302-1	Energy consumption within the organization	5.4 Green Operation

302-3	Energy intensity	5.4 5.4 Green Operation	
Water			
	Disclosure of management approach	5.4 Green Operation	
303-1	Water withdrawal by source	5.4 Green Operation	
Emissions			
	Disclosure of management approach	5.4 Green Operation	
305-1	Direct greenhouse gas (GHG) emission (Scope 1)	5.4 Green Operation	
305-2	Energy indirect GHG emissions (Scope 2)	5.4 Green Operation	
Waste Water (Sewage) & Waster			
	Disclosure of management approach	N/A	Discharge of waste water is not an important category for the company's operations, so N/A
306-2	Total weight of waste by type and disposal method	N/A	Discharge of waste water is not an important category for the company's operations, so N/A
Social Topics			
Employment			
	Disclosure of management approach	4.1 Basic Talent Policy	
401-1	New employee hires and employee turnover	4.1 Basic Talent Policy	
Occupational Health and Safety			
	Disclosure of management approach	4.4 Employee Health and Safety	
Training and Education			
	Disclosure of management approach	4.2 Training and Development	
404-1	Average hours of training per year per employee	4.2 Training and Development	
Local Community			
	Disclosure of management approach		

413-1	Operations with local community engagement, impact assessments, and development programs	3.2 Targeted Poverty Alleviation 3.3 Charity	
Customer Health and Safety			
Disclosure of management approach		2.2 Caring Customer Service	
413-1	Incidents of non-compliance concerning the health and safety impacts of products and service	N/A	No related incidents occurred during the reporting period
Customer Privacy			
Disclosure of management approach		2.2 Caring Customer Service	
419-1	Total number of substantiated complaints regarding breaches of customer privacy or losses of customer data	N/A	No related incidents occurred during the reporting period
Compliant Mechanism			
Disclosure of management approach		2.2 Caring Customer Service	
Compliance with laws and regulations			
Disclosure of management approach			
307-1	Non-compliance with laws and regulations in the environmental are	N/A	No related incidents occurred during the reporting period
419-1	Non-compliance with laws and regulations in the environmental are	N/A	No related incidents occurred during the reporting period





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