



鄭州銀行股份有限公司 BANK OF ZHENGZHOU CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 6196

Preference Shares Stock Code: 4613



2018

CORPORATE SOCIAL RESPONSIBILITY REPORT

BANK OF ZHENGZHOU CO., LTD.

ENVIRONMENTAL SOCIAL GOVERNANCE

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ABOUT THIS REPORT

This Corporate Social Responsibility Report (the “Report”) presents the achievements of Bank of Zhengzhou Co., Ltd.* (“Bank of Zhengzhou”, “Zhengzhou Bank”, “the Bank”, or “we”) in social undertakings accomplished in 2018 and highlights our efforts made in the sustainable development of economic, social, and environmental areas, to help our stakeholders comprehensively understand the thoughts and practices of Bank of Zhengzhou in relation to its corporate social responsibilities.

REPORTING PERIOD

From 1 January 2018 to 31 December 2018 (the Reporting Period), with some of the content beyond this period.

SCOPE OF THE REPORT

This Report focuses on Bank of Zhengzhou Co., Ltd. as a main reporting entity, covering its subsidiaries.

BASIS OF PREPARATION

This report is prepared according to the following disclosure requirements:

Appendix 27 Environmental, Social, and Governance Reporting Guide of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”);

Opinions on Strengthening the Social Responsibility of Banking Financial Institutions of the former China Banking Regulatory Commission (“CBRC”);

Guidelines on the Corporate Social Responsibility of Banking Institutions of China of the China Banking Association;

Guidelines on Standardized Operation of Companies Listed on the SME Board of the Shenzhen Stock Exchange;

Sustainability Reporting Guidelines (G4.0) of the Global Reporting Initiative (GRI).

REPORTED DATA

The financial data involved in this Report is partly derived from the Bank’s 2018 financial statements prepared in accordance with the International Financial Reporting Standards and which has been independently audited by an accounting firm. Other data is mainly sourced from statistical data of the Bank’s branches and subsidiaries. The relevant cases are from the summary of daily work practices.

REPORT ASSURANCE

The board of directors of the Bank (the “Board of Directors” or “Board”) and all directors (the “Directors”) of the Bank undertake that the information in this Report contains no false records, misleading statements, or material omission and are jointly and severally liable for its authenticity, accuracy, and completeness. KPMG Huazhen LLP was appointed to perform independent limited assurance on this Report in accordance with the International Standards on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information and issued an assurance report.

ISSUANCE FORM

This Report is issued in the form of printed and electronic versions. The electronic version may be accessed and downloaded from the following websites: www.hkexnews.hk or www.zzbank.cn.

PREPARER OF THE REPORT

The office of the Board of Directors of the Bank of Zhengzhou.

This Report was approved by the 2019 fourth extraordinary meeting of the sixth session of the Board of Directors on 28 June 2019.

CONTACT INFORMATION

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* The Bank is not an authorized institution defined by the Banking Ordinance (Chapter 155 of the Laws of Hong Kong). It is not subject to the supervision of Hong Kong Monetary Authority, nor is it authorized to carry out the banking business and/or business of taking deposits in Hong Kong.

Note: This report was prepared in both English and Chinese, in the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

CHAIRMAN'S STATEMENT

Time flies, and clouds float away.

2018 is the 40th anniversary of the reform and opening of China. Zhengzhou Bank was established in the 1990s, a connecting link between the preceding and the following. In these good times that fostered a wonderful new century, our growth journey was started to keep pace with the reform and opening. In the past 20 years, we have experienced setbacks and created wonders. With the deepening of Chinese economic reform, we overcame all the obstacles and successfully realized our long-cherished wish of being listed on the A-share market. We are standing at a new starting point of development.

We have achieved significant growth and changed much in our journey of development. But what remains unchanged is our original aspiration: prioritizing righteousness while achieving the balance of righteousness and benefit. Zhengzhou Bank has always been a “dream seeker”, dedicated to contributing to the local economy, providing support for social harmony, and protecting the beauty of nature.

In light of the close relationship between the Bank and the local areas, we insisted on giving back to society to reward its kindness. Home to many private enterprises and small and micro businesses, Henan shoulders major responsibilities to carry out the national strategic programs, such as the Zhengzhou Airport Economic Comprehensive Experimental Zone, Henan Pilot Free Trade Zone, and Zhengluoxin National Independent Innovation Demonstration Zone. In 2018, we adhered to the unwavering strategy of serving the real economy and local economy, actively participated in the construction of major projects, further promoted inclusive finance, diligently served small and micro enterprises, strongly supported the development of emerging industries, and provided an active push for the optimization and upgrade of traditional industries, in order to reward the local economy with practical action.

Sharing a common fate, we spared no efforts to fight the “three major battles”. The focus of preventing and mitigating major risk is to eliminate financial risk. In this regard, we continuously improved comprehensive risk management, pursued high-quality development, respected and complied with financial regulations, and firmly



CHAIRMAN'S STATEMENT

held the bottom line for risk prevention and control. Targeted poverty alleviation has always been our focus of concern. We established a targeted poverty alleviation leading team, issued a series of guiding documents, and customized products for targeted poverty alleviation, in order to implement poverty alleviation according to the actual need of disadvantaged groups. Pollution prevention and control is closely related to the fate of all mankind. Based on the development concept of a green bank, we are committed to protecting a green, vibrant, and dynamic ecosystem. Pollution prevention and control is not a temporary project, and achievements cannot be made in a short time. A nine-storeyed terrace must be constructed from its very base. Therefore, we asked the employees to start from trivial issues and truly integrate ecological harmony into every part of our business.

With this people-oriented idea, we insisted on exchanging sincerity with sincerity. For the consumers, we diligently improved the quality of service, expanded the service channels, spread financial security knowledge, and created a safe and reliable financial environment. For the investors, we ensured fair treatment, enhanced information exchange, and worked hard to create values, in order to live up to their trust. For the public, we took an active role in public welfare causes. The name of the Bank of Zhengzhou can be seen in various scenarios as a sponsor, such as sports, culture, education, and medical fields. For the employees, we provided a more comfortable environment, more reliable security, and more whole-hearted fostering, in order to ensure they have a happy life and happy work.

2019 is the 70th anniversary of our motherland. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank of Zhengzhou will advance with the times, respond to the situation and act accordingly, and avoid daydreaming or spinning our wheels, so as to go farther and more steadily along the open road, the road of prosperity, the road of innovation, and the green road.

Chairman
Wang Tianyu



PRESIDENT'S STATEMENT

In 2018, faced with a complicated and volatile economic and financial environment, the Bank of Zhengzhou seized the development trend, performed its social responsibilities while ensuring robust development, and played a significant role in promoting the sustainable development of the local economy and improvement of people's livelihood.

Staying true to the mission and being a “doer” in serving the private economy in 2018, the Bank of Zhengzhou actively responded to the call of the Party Central Committee and selected the private sector as its “main battlefield” for serving the real economy. The Bank formulated the Action Plan for Supporting the Development of Private Enterprises, in which there are 25 initiatives surrounding service optimization, product innovation, and cost reduction, thus providing a clear action “roadmap” for the Bank to support the private enterprises and small and micro businesses. In 2018, the Bank granted loans of RMB60,466 million to private enterprises, with an increase of RMB15,303 million over the same period last year. As of the end of 2018, the balance of loans to private enterprise amounted to RMB78,616 million, with an increase of RMB17,742 million from the beginning of the year, accounting for 73.28% of the enterprise loan balance of the Bank.

Guarding the territory responsibly, being a “vanguard” for promoting industry upgrades in 2018, the Bank of Zhengzhou continued to enhance the issuance of green financial bonds, covering 5 green industries in the Green Bonds Support Program Directory, such as clean transportation, energy efficiency, ecological protection, etc. The Bank optimized its credit policies, including the strategic emerging and sunrise industries, such as energy conservation and environmental protection, high-end equipment manufacturing, and modern logistics, into the category for active support and systematically cut down and exited the backward and sunset industries. As of the end of 2018, the balance of loans to the actively supported industries was RMB12.95 billion, representing an increase of 36.86% from the beginning of the year; the balance of loans to industries with high pollution, high-energy consumption, and overcapacity was RMB2,513 million, representing a decrease of 10.63% from the beginning of the year.

Driving innovation and creating “test fields” for improving customer experience. In 2018, the Bank of Zhengzhou launched the next-generation information system to build a new customer-oriented system architecture, laying a solid foundation for improving the business innovation capacity and improving customer satisfaction. The Bank initiated the establishment of the first trade, logistics, and banking union in China, developed the “Five Clouds” online trade and logistics service platform to solve the pain points and difficulties in cooperation among banks and cooperation between banks and enterprises, and realized the “four-in-one integration” of trade flow, logistics, capital flow, and information flow data. In this way, the Bank detected the connection point for cooperation between banks and enterprises and provided active support for the enterprises to reduce cost, save time, and create value.

PRESIDENT'S STATEMENT

Giving back to society and being a “new power” in promoting the prosperity of public welfare causes. In 2018, the Bank of Zhengzhou provided a title sponsorship for the first international marathon in Zhengzhou, sponsored the “Bank of Zhengzhou Cup” Tai Chi championship for 12 consecutive years, and sponsored the exhibition and performance of the “loyalty, filial piety, chastity” trilogy by Li Shujian, master of Yu Opera, making a great contribution to the development and prosperity of local cultural and sport causes. The Bank donated more than RMB300,000 to remote primary schools, villages, and towns, donated RMB2 million to Zhengzhou Charity Federation, and provided financial assistance to poor university students for 3 consecutive years. All of these actions highlighted the responsibility and accountability of the Bank of Zhengzhou in giving back to the society.

Striving to achieve its mission and working hard to write a new chapter. In 2019, with the trust and support of the shareholders and customers, the Bank of Zhengzhou will maintain a pioneering spirit, remember its responsibility and mission to give back to the society, live up to trust, and rise to challenges, so as to ensure high-quality development and outstanding performance and make greater contributions for the brilliant future of Central China.

President
Shen Xueqing



ABOUT BANK OF ZHENGZHOU

1. COMPANY PROFILE

The Bank of Zhengzhou is a regional joint stock commercial bank incorporated in November 1996 upon the approval by the PBOC, based on 48 city credit cooperatives in Zhengzhou City. The Bank was renamed as Zhengzhou Commercial Bank Co., Ltd. in December 2000 and the Bank of Zhengzhou Co., Ltd. in October 2009. The Bank was listed on the Hong Kong Stock Exchange in December 2015, and was listed on the SZSE in September 2018, the Bank became the first domestic city commercial bank with both its A and H Shares listed.

As of the end of the Reporting Period, the Bank had 4,460 employees and 168 institutional operation sites in the province including 1 operational division at the headquarters, 12 provincial branches, and 1 financial service center for small enterprises. The Bank established Henan Jiuding Financial Leasing Co., Ltd. and managed 7 county banks at Zhongmu, Xinmi, Yanling, Fugou, Xinzheng, Xunxian, and Queshan. The Bank's scale of assets increased by RMB30,314 million or 6.96% to RMB466,142 million from the beginning of the year; total deposits (excluding accrued interest and interbank deposits) increased by RMB8,724 million or 3.42% to RMB264,131 million from the beginning of the year; gross loans and advances to customers rose by RMB31,116 million or 24.22% to RMB159,573 million from the beginning of the year; and net profit was RMB3,101 million. The capital adequacy ratio was 13.15%, the NPL ratio was 2.47%, and the allowance to NPL ratio was 154.84%. All of the major indicators complied with regulatory requirements.

4,460

employees

168

institutional operation
sites in the province

RMB **466,142** million

scale of assets

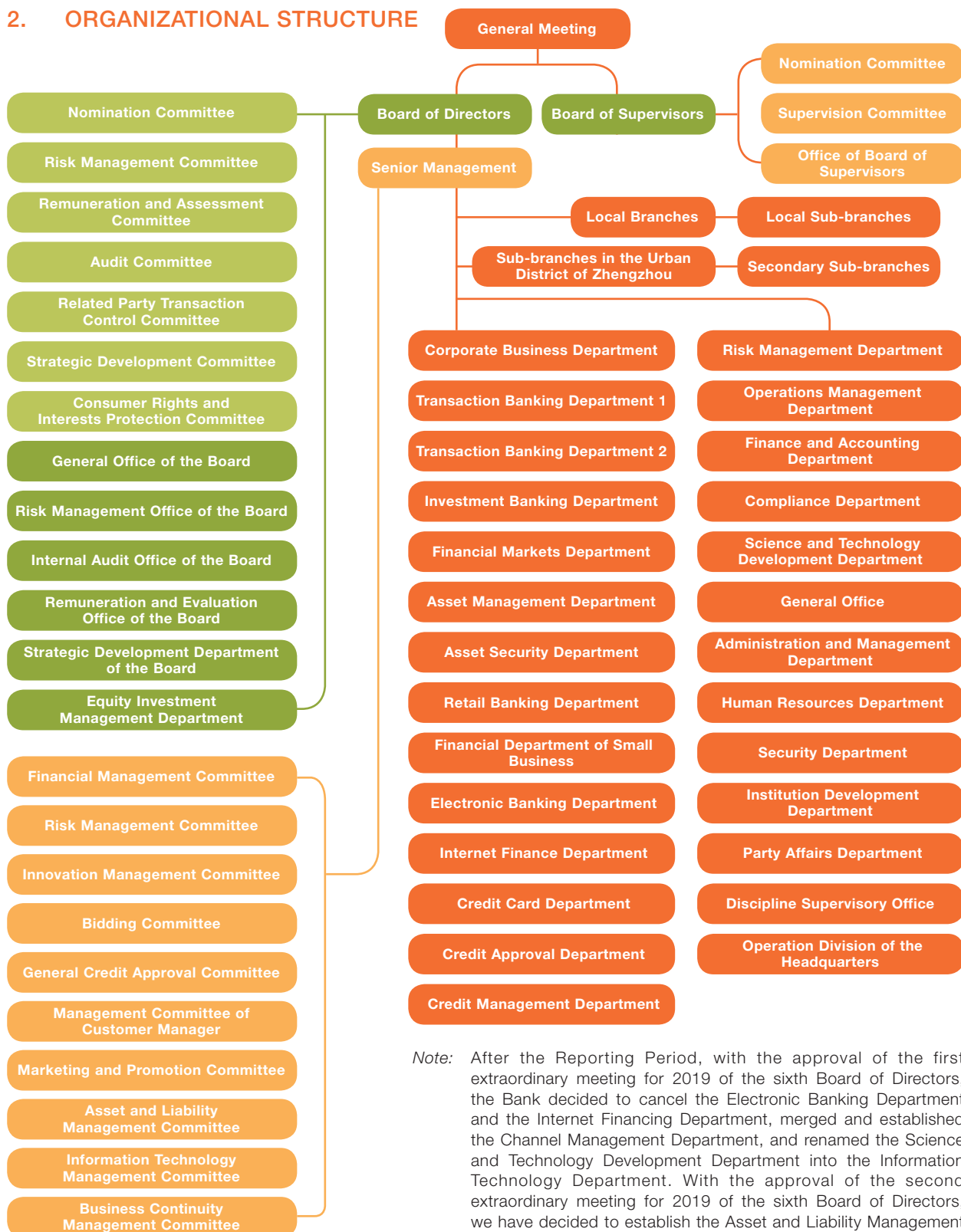
The Bank's principal business mainly includes corporate banking, retail banking, and treasury business. The Bank provides corporate banking customers with a wide range of financial products and services, including corporate loans (including trade financing), international business and services, corporate deposits, as well as products and services involving transaction fees and commissions. The Bank provides retail banking customers with a wide variety of products and services, including loans, deposits, bank cards, as well as products and services involving transaction fees and commissions. The Bank's treasury business meets its liquidity needs while seeking maximum returns from non-loan business funds. The Bank's treasury business mainly includes money market transactions, investments in securities and other financial assets, bond underwriting and distribution, inter-bank discounts and rediscounts of bills, and treasury business conducted on behalf of customers.

The Bank of Zhengzhou has always adhered to the goal of characteristic and differentiated development, focusing on the three distinctive business positioning features of "commerce and logistics bank, financing expert for SMEs, and boutique bank for residents", promoting the transformation of the corporate business and retail business. The Bank's operating and management abilities continue to improve, receiving wide recognition from various sectors of the community. In the list of the Top 1,000 World Banks 2018 published by the UK magazine The Banker, the Bank ranked 245th on tier-one capital, becoming a member of the top 300; the Bank was rated by the Financial Times as one of the Top Ten City Commercial Banks of the Year on the 2018 Gold Medal List of Chinese Financial Institutions – Gold Dragon Award.



ABOUT BANK OF ZHENGZHOU

2. ORGANIZATIONAL STRUCTURE



Note: After the Reporting Period, with the approval of the first extraordinary meeting for 2019 of the sixth Board of Directors, the Bank decided to cancel the Electronic Banking Department and the Internet Financing Department, merged and established the Channel Management Department, and renamed the Science and Technology Development Department into the Information Technology Department. With the approval of the second extraordinary meeting for 2019 of the sixth Board of Directors, we have decided to establish the Asset and Liability Management Department.




ABOUT BANK OF ZHENGZHOU

3. HONORS AND AWARDS

Awarding Bodies	Name of Award	Timing of award
Research Association of Ideological and Political Work of China Financial Institutions, Financial Corporations Culture Promotion Association of China	2016-2017 Advanced Organization in Ideological and Political Work in China's Financial System	January 2018
China Banking Association	Organizational Award for "Good News in the Banking Industry of China for 2017"	January 2018
China Banking Association	Award for Topic Supporter of the Third Professional Committee on Reputation Risk Management	January 2018
Banking Financial Registration and Custody Center Co., Ltd.	Outstanding City Commercial Bank in Banking Financial Information Registration Work Across China in 2017	January 2018
Henan Daily Newspaper Group, DaHe Network Media Group, www.dahe.cn	2017 Top Ten Banks in Henan in Terms of WeChat Influence	February 2018
Zhengdong New District Management Committee	Top 100 Enterprises for Honest Tax Payment in Zhengdong New District in 2017	April 2018
Zhengdong New District Management Committee	Top 100 Enterprises for Making Special Contributions to the Economic Development of Zhengdong New District in 2017	April 2018
Zhengzhou SASAC	2017 Outstanding Organization in Safe Construction in Zhengzhou National Asset System	April 2018
China Banking	Best Popularity Award, Outstanding Work Award and Bronze Prize of the Best Production Award for the First Micro-Video Contest in the Banking Industry of China	May 2018
CPC Zhengzhou Municipal Committee, Zhengzhou People's Government	Enterprise with Outstanding Contributions to the Industrial Development of Zhengzhou in 2017	May 2018
Wealth Management Research Center of Institute of Finance at Chinese Academy of Social Sciences, Institute of Internet Economics Research, Central University of Finance and Economics	Best Financial Innovation award at the Financial Innovation Awards in China 2018 awards event hosted by The Chinese Banker	June 2018
Zhengzhou Enterprise Federation, Zhengzhou Entrepreneurs' Association, Zhengzhou Federation of Industrial Economics	Outstanding Enterprise in Transformation and Innovation in Zhengzhou	June 2018
CPC Zhengzhou Municipal Committee	Advanced Grassroots Party Organization in Zhengzhou	June 2018
CPC Zhengzhou Municipal Committee, Zhengzhou People's Government	2017 "Grassroots Construction Model Organization" for Safe Construction in Zhengzhou	July 2018
The Banker	Best Product Innovation City Commercial Bank 2017	September 2018
Financial Research Institute of 10000link Supply Chain, Modern Logistics Research Center of Shanghai University	Top 50 Enterprises in Logistics Finance of China in 2018	September 2018
Zhengzhou Charity Federation	4th Zhengzhou Charity "Fengyun Enterprise" Award	October 2018
Sinott.com, scfsino.com, Trade Finance, China Supply chain Finance Industry Ecological Alliance, and CTB50	2018 Best Bank for B2B+Supply Chain Finance	October 2018
Chinese Securities Journal, finance.sina.com.cn	Best New Capital Participant Award of the 13th "Chinese Securities Cup"	December 2018
Association of Private Bankers in the Greater China Region	Best Wealth Management and Innovation Award	December 2018
Financial Times	Top Ten City Commercial Banks of the Year in the 2018 Gold Medal List of Chinese Financial Institutions	December 2018

ABOUT BANK OF ZHENGZHOU

4. KEY PERFORMANCE

Indicator type	Indicator name	Unit	2018	2017
Economic performance 	Operating income	RMB100 million	111.34	102.13
	Net profit	RMB100 million	31.01	43.34
	Basic earnings per share	RMB	0.47	0.80
	Total assets	RMB100 million	4,661.42	4,358.28
	Total deposits	RMB100 million	2,641.31	2,554.07
	Total loans	RMB100 million	1,595.73	1,284.56
	ROA	%	0.69	1.08
	Weighted average ROE	%	10.03	18.82
	Non-performing loan ratio	%	2.47	1.50
	Provision coverage ratio	%	154.84	207.75
	Capital adequacy ratio	%	13.15	13.53
Social performance 	Total taxes paid	RMB100 million	21.62	20.38
	Charity donations	RMB10,000	267.96	533.46
	Balance of loans to small and micro enterprises	RMB100 million	747.52	685.29
	Balance of agriculture-related loans	RMB100 million	343.12	274.92
	Social contribution per share ^{Note}	RMB	3.21	3.40
	Customer satisfaction rate	%	94.1	92.4
	Customers' complaints solution rate	%	100	100
	Total headcount	Persons	4,460	4,171
	Percentage of female employees	%	54	55
Environmental performance 	Balance of green credit	RMB100 million	1.78	9.10
	Balance of loans to high-pollution, high-energy-consumption or overcapacity industries	RMB100 million	25.13	28.12
	E-banking replacement ratio	%	94.60	92.88
	Video conferences	Times	131	55
	Head office power consumption	10,000 kWh	1,032.56	969.54
	Head office water consumption	Tons	106,570	79,507
	Head office natural gas consumption	Cubic meters	36,756	32,856

Note: Social contribution per share = earnings per share + (total tax payments + staff cost + interest payment + charity donations – social cost) ÷ total number of shares at the end of the period

RESPONSIBLE ZHENGZHOU BANK

1. RESPONSIBILITY PHILOSOPHY












RESPONSIBLE ZHENGZHOU BANK

2. RESPONSIBILITY ISSUES

We defined the issues related to social responsibility for disclosure by identifying and sorting the relevant issues according to the operation and strategies and the industry trends and evaluating their importance for the sustainable development of the Bank and to the stakeholders.



3. RESPONSIBILITY COMMUNICATION

Stakeholders	Expectations and requirements	Means of communication	Responses and measures
Government 	<ul style="list-style-type: none"> Support the national development strategy Serve the real economy Develop inclusive finance 	<ul style="list-style-type: none"> Documents and guidelines on policies Specific topic reports Information distribution Working meetings 	<ul style="list-style-type: none"> Support the construction of "Zhengzhou Airport Economic Comprehensive Experimental Zone, Henan Pilot Free Trade Zone and Zhengluoxin National Independent Innovation Demonstration Zone, and Central Henan Urban Agglomeration" Serve private enterprises and small and micro businesses Implement targeted poverty alleviation, support "Three Rural Sectors"
Regulators 	<ul style="list-style-type: none"> Operate in accordance with laws and regulatory requirements Maintain financial stability Forge the development of the industry 	<ul style="list-style-type: none"> Regulatory policies Inspection, research, and visits Work reporting 	<ul style="list-style-type: none"> Carry out prudent compliance management Improve risk management systems Participate in the events of industry associations (such as China Banking Association)
Shareholders 	<ul style="list-style-type: none"> Maintain healthy operations Enhance overall abilities Improve investment returns 	<ul style="list-style-type: none"> General meetings Information disclosure Roadshows 	<ul style="list-style-type: none"> Improve the corporate governance structure Implement development strategies Enhance profitability Strengthen investor relations management
Customers 	<ul style="list-style-type: none"> Improve service quality and efficiency Provide a richer selection of financial products Protect the rights and interests of consumers 	<ul style="list-style-type: none"> Marketing activities Customer service hotline 	<ul style="list-style-type: none"> Improve operation workflows Innovate financial products Enhance the quality of services Strengthen compliance review
Employees 	<ul style="list-style-type: none"> Improve employees' benefits Protect the rights and interests of employees Provide career development opportunities Enrich free-time activities 	<ul style="list-style-type: none"> Trade unions General meetings of employee representatives Suggestion boxes On-the-job training 	<ul style="list-style-type: none"> Improve the compensation and welfare system Improve staff training Care for the staff Organize recreational and sports activities
Vendors 	<ul style="list-style-type: none"> Fair procurement Honesty and dignity Cooperation for win-win outcomes 	<ul style="list-style-type: none"> Negotiation Cooperation agreements Tendering and bidding 	<ul style="list-style-type: none"> Build a procurement management system Enhance business cooperation
Partners 	<ul style="list-style-type: none"> Mutually beneficial cooperation Communication and exchanges of ideas 	<ul style="list-style-type: none"> Seminars Joint projects 	<ul style="list-style-type: none"> Visits Enhance business cooperation
Communities 	<ul style="list-style-type: none"> Support the development of communities Care for disadvantaged groups 	<ul style="list-style-type: none"> Visits Community service activities 	<ul style="list-style-type: none"> Financial aid to students Financial knowledge education for the public Setting up community branches Volunteer activities
Environment 	<ul style="list-style-type: none"> Low-carbon and environmentally friendly operations Sustainable development 	<ul style="list-style-type: none"> Energy conservation and emissions reduction Green procurement Green finance 	<ul style="list-style-type: none"> Implement green credit policies Green offices Promote E-Banking



I. STAYING TRUE TO THE MISSION AND SERVING THE REAL ECONOMY

The Bank of Zhengzhou adhered to the basic principle that finance must serve the real economy and focused on the key fields, key areas, and weak links, so as to avoid the use of funds without serving the real economy. The Bank enhanced its support for emerging industries and reduced the use of funds in backward industries, so as to promote the economic transformation and reform and replace old growth drivers with new ones. The Bank improved its financing services for private enterprises and small and micro businesses, focusing on solving the financing difficulties and high cost problems of enterprises, in order to promote social stability and the healthy development of the economy. As of the end of the Reporting Period, the total principal of the loans of the Bank amounted to RMB159,573 million, with an increase of RMB31,116 million or 24.22% from the beginning of the year.

Total principal of the loans of the Bank

RMB **159,573** million

Total

RMB **31,116** million

Increased by from the beginning of the year

24.22 %

Increasing range

1. SERVING THE NATIONAL STRATEGY AND REGIONAL DEVELOPMENT

The Bank actively responded to the key strategic deployments of the state and enhanced credit resource support to the key areas and industries based on the “One Belt One Road” initiatives and the strategic focus of Henan Province, effectively promoting the coordinated and sustainable development of the regional economy. As of the end of the Reporting Period, the balance of the loan for the construction of the Zhengzhou Airport Economic Comprehensive Experimental Zone was RMB3,252 million, the balance for the construction of the Henan Pilot Free Trade Zone was RMB14,591 million, and the balance of the loan for the construction of the Zhengluoxin National Independent Innovation Demonstration Zone was RMB2,519 million.

Case

Providing great support for the development of environmental protection enterprises

There is an environmental protection enterprise that is a state-owned listed company and one of the “double hundred” enterprises in the state-owned enterprise reform. Its businesses cover the “big utility, big environmental protection and big ecology” sectors. The enterprise has 22 water companies, 2 heat supply companies, and 8 functional joint ventures. The enterprise has a wastewater treatment capacity of 2 million tons/day, reclaimed water utilization capacity of 200,000 tons/day, water supply capacity of 100,000 tons/day, PV generation capacity of 40 MW, sludge treatment capacity of 200 tons/day and construction waste recycling capacity of 2 million tons/year. During the Reporting Period, the Bank provided financing support of RMB203 million to the enterprise.



I. STAYING TRUE TO THE MISSION AND SERVING THE REAL ECONOMY

Case

Assisting in the construction of Zhengzhou Airport Economic Comprehensive Experimental Zone

Zhengzhou Airport Economic Comprehensive Experimental Zone is the first aviation economy pilot zone upgraded to a national strategy and the only pilot zone of its kind approved by State Council. The Bank provided diversified financial services for the construction of Zhengzhou Airport Economic Comprehensive Experimental Zone, actively responded to the key projects and key customers, and provided positive support for the infrastructure construction projects and shantytowns transformation projects in the area. During the Reporting Period, the Bank issued 4 non-financial corporate debt financing instruments for the high-quality enterprises in the area through the inter-bank market, with the cumulative amount of RMB2.3 billion.



I. STAYING TRUE TO THE MISSION AND SERVING THE REAL ECONOMY

2. CREATING A BANK WITH CHARACTERISTICS OF TRADE AND LOGISTICS

Zhengzhou is a comprehensive transportation junction “connecting home and abroad and reaching eastern, central, and western China”. It is the intersectional region of the land-bridge channel and Beijing-Guangzhou channel in the “Two horizontal and three vertical” urbanization strategy. As a local bank focusing on Henan, the Bank of Zhengzhou took full advantage of the location and promoted the construction of a trade and logistics bank under the guidelines of “ensuring standardized logistics services, professional logistics finance, diversified value-added services, convenient credit granting services, and integrated domestic and foreign trade”. It has won honors such as “the Best Logistics Bank in China” title and “the Best Financial Innovation” award.

Case

Signing a strategic cooperation agreement with Suning

In February 2018, the Bank signed a comprehensive strategic cooperation agreement with Suning Holdings Group Co., Ltd. and Suning Financial Service (Shanghai) Co., Ltd. at the Nanjing headquarters of Suning. The two parties reached a cooperation consensus in various fields, including supply chain finance, consumer finance, fintech research, inter-bank cooperation, channel sharing, payment services, account services, cross-border e-commerce, direct banking, warehousing & logistics, cross-border investment and financing, and block chain.



I. STAYING TRUE TO THE MISSION AND SERVING THE REAL ECONOMY

SPECIAL TOPIC



Cloud Business

The “Cloud Business” platform mainly serves the “commerce logistics bank alliance of China”. The assets and financing demands of the trade and logistics customers are placed on the “Cloud Business” platform, and then qualified investors, such as banks and quasi-financial institutions, will provide financial support. It is a key initiative to promote inclusive finance and solve the financing difficulties of SMEs.

“Five Clouds” are the key elements for creating a trade and logistics bank which implemented by the Bank.



Cloud Financing

The “Cloud Financing” platform is designed to realize system connections and information exchange through an online supply-chain financing platform, fund monitoring system and the ERP (enterprise resource planning) system, and order system of core enterprises, so as to provide full-process online financing services for the upstream and downstream partners.



Cloud Trading

“Cloud Trading” is designed to provide innovative payment and settlement services for enterprises through corporate online banking, cash management, bank-enterprise direct link, a cross-bank financial management cloud platform, settlement cards, and e-government, so as to help enterprises realize their financial management objectives, such as centralizing resources, reducing costs, accelerating turnover, controlling risk, and optimizing allocation.



Cloud Service

The “Cloud Service” platform is designed to push industry insight and prospective analysis to the corporate customers on the basis of the WeChat account of “Trade Finance of Bank of Zhengzhou”, and provide financial value-added services through the connected corporate online banking network.



Cloud Logistics

The “Cloud Logistics” platform is the “Internet + logistics + finance” platform that provides online registration, online order placement, and online freight payment functions for the shipper and provides online tenancy applications. Online order receipt, logistics tracing, online goods payment collection, and outlet capital management functions are available for logistics companies.



I. STAYING TRUE TO THE MISSION AND SERVING THE REAL ECONOMY

SPECIAL TOPIC

TRADE, LOGISTICS, AND BANKING UNION OF CHINA

The Trade, Logistics, and Banking Union of China is a national non-profit organization jointly established by the Bank together with the financial institutions, national famous logistics and e-commerce enterprises located at important cities along the One Belt One Road line as well as the enterprises and public institutions, industry organizations, and credit rating institutions and experts in trade, logistics, and banking industries. With the core concept of “giving full play to the union and creating a new financial model”, and based on the principle of “joint discussion, co-construction, sharing and win-win”, the Union aims to promote the cross-industry resource complementarity and information sharing, stimulate innovation and creativity in the trade, logistics, and banking fields, and benefit the real economy and the development of SMEs.

On 1 April 2018, the “Establishment Ceremony of the Trade, Logistics, and Banking Union of China & the First Chinese Trade, Logistics, and Banking Industry Development Summit Forum” was held in Beijing.



Launching ceremony of the Trade, Logistics, and Banking Union of China



Address of Wang Tianyu, Chairman of the Bank of Zhengzhou

On 30 November 2018, the Second Summit of the Trade, Logistics, and Banking Union of China was held in Zhengzhou. The 2018 Chinese Trade, Logistics, and Banking Research & Industry Development Report was released at the meeting.



The Second Summit of the Trade, Logistics, and Banking Union of China held in Zhengzhou



2018 Chinese Trade, Logistics and Banking Research & Industry Development Report released

I. STAYING TRUE TO THE MISSION AND SERVING THE REAL ECONOMY

3. SUPPORTING THE DEVELOPMENT OF PRIVATE ENTERPRISES AND SMALL AND MICRO BUSINESSES

The Bank formulated the Action Plan for Supporting the Development of Private Enterprises and implemented 25 initiatives for supporting private enterprises, with an aim to boost the development of private enterprises through practical actions. During the Reporting Period, the Bank granted loans of RMB60,466 million to private enterprises, with an increase of RMB15,303 million over same period last year. As of the end of the Reporting Period, the balance of loan to private enterprise amounted to RMB78,616 million, with an increase of RMB17,742 million from the beginning of the year, accounting for 73.28% of the enterprise loan balance of the Bank.

Upholding the development positioning of providing finance for small and micro enterprises, the Bank continually improved its product system and innovated in service models to increase financing support for small and micro borrowers. Five product lines were launched online, namely Ant Cash Now (螞蟻借唄), Baidu Umoney (百度有錢花), Dashu Finance (大數金融), SSDL (盛世大聯) and Zhong Rui Financial (眾睿資服), and the "E Purchase Loan" and other simple loan products were also introduced; improved its due diligence and accountability system, revamped the content regarding due diligence results, evaluation basis, punishment standards and tolerance of the system; enhanced technology strength, sequentially launched the project for enhancement and upgrading of retail credit risk model system, the credit factory construction project and the Tongdun anti-fraud application project. As of the end of the Reporting Period, the balance of loans to small and micro enterprises amounted to RMB74,752 million, representing a year-on-year increase of RMB6,223 million or 9.08%, the number of small and micro enterprises receiving loans was 57,047, representing a year-on-year increase of 21,796.

RMB **78,616** million

Balance of loans to private enterprise

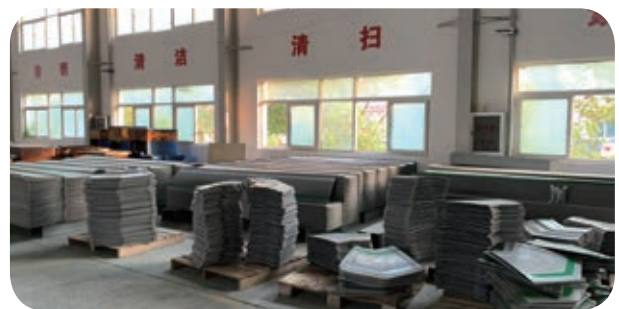
RMB **74,752** million

Balance of loans to small and micro enterprises

Case

Providing long-term support for the development of small and micro businesses

In 2014, a new material development company in Nanyang applied for a loan from the Bank to cover its gap in working capital. After a field study, we concluded that the company belonged to the industry enjoying the active support of the Bank. Therefore, we provided a working capital loan of RMB5 million to the company. As of the end of the Reporting Period, the Company has been providing financial support to the company for 5 consecutive years.



Case

Joint efforts of the Bank and the government to support enterprise development

Based on the characteristics and pain points of the financing of small and micro enterprises for government procurement business, the Bank launched the E-purchase loan, an online financing product for government procurement business. On 13 November 2018, a high-tech company in Henan obtained the first "E-purchase loan" through the online banking service of the Bank, indicating the official launch of the online financing platform of the E-purchase loan.



II. STAYING TRUE TO MISSION, DEVELOPING INCLUSIVE FINANCE

During the Reporting Period, the Bank actively implemented inclusive finance and further improved the inclusive finance vertical management system, in order to boost the development of inclusive finance.

Case

Nanyang Branch organized union member inclusive finance service activities together with the Nanyang Federation of Trade Unions

On 3 November 2018, the launching ceremony for the union member inclusive finance service activities jointly organized by the Nanyang Branch of the Bank and Nanyang Federation of Trade Unions was held in Nanyang. Nanyang Branch took full advantage of its own resources, built a professional and dedicated team, and established an efficient operation system, with the aim to provide a customized, precise, convenient, high-quality, attentive, and “packaged” inclusive finance services.

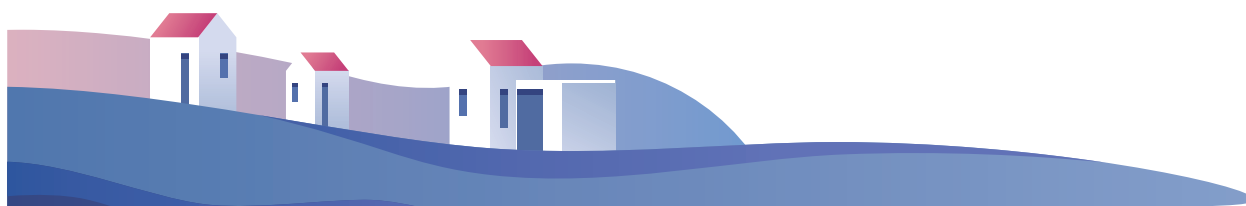


1. DEVOTED TO TARGETED POVERTY ALLEVIATION

Taking poverty alleviation as an important political responsibility, the Bank stayed firmly at the front line of financial poverty alleviation and implemented comprehensive actions for targeted poverty alleviation. Under the guidance and arrangement of the leading group for targeted poverty alleviation, we regularly organized targeted poverty alleviation work meetings and designated Kaifeng branch as the lead manager for businesses in Lankao and Shangqiu branch as the lead manager for the micro-credit for poverty alleviation. In addition, we formulated the Work Plan for Targeted Poverty Alleviation through Financial Services in 2018, the Product Manual for Poverty Alleviation Loans and other relevant documents for targeted poverty alleviation, and implemented a due diligence exemption system, so as to ensure that the frontline employees dare to and are willing and able to engage in targeted poverty alleviation. We not only provided financial assistance to disadvantaged groups but also tapped into their potential and promoted their ambitions.



Financial services provided for the poverty stricken population



II. STAYING TRUE TO MISSION, DEVELOPING INCLUSIVE FINANCE

Case

Providing industrial support and demonstration drive

The Bank explored the poverty alleviation mode of “Zhengzhou Bank + government three-level poverty alleviation agencies + enterprises + poverty-stricken families”, combined the industrial resources for poverty alleviation with the characteristics of the local agriculture-related and poverty-supporting enterprises, and rationally allocated credit resources. Based on the light asset characteristics of the agriculture-related and poverty-supporting enterprises, we set an upper limit for the loan interest and would not force the enterprises to mortgage their physical assets. For the poverty-stricken families in the record, we provided loans based on the benchmark interest rate and adopted a credit guarantee. In addition, we created numerous characteristic industry projects that feature demonstrations, leading and driving effectiveness to improve the income of the poverty-stricken families in record. As of the end of the Reporting Period, the Bank granted loans of RMB56,467 thousand for targeted poverty alleviation, helping 11,522 recorded poor persons to get out of poverty.

Case

Xinxiang branch provided poverty alleviation in Changyuan



2. PROVIDING WHOLEHEARTED SERVICES FOR THE “THREE RURAL SECTORS”

The Bank earnestly implemented the work requirements of the state on serving the “Three Rural Sectors”; provided comprehensive support for production and operation financing needs of the leading agricultural enterprises, new agricultural operating entities, and the farmers; helped the farmers increase their income; and supported the development of township enterprises, in order to invigorate the rural economy. As of the end of the Reporting Period, the balance of agriculture-related loans of the Bank amounted to RMB34,312 million.

RMB **34,312** million

Balance of agriculture-related loans

II. STAYING TRUE TO MISSION, DEVELOPING INCLUSIVE FINANCE

Case

Benefiting the farmers with “Dingrongyi” direct bank platform technology

The Bank integrated the “Dingrongyi” and “Puhuitong” applications, combining such functions as type 2 electronic accounts and “Ritianli”. We carried out roadshows and educational activities for this new project in the relevant counties and launched businesses in Lankao, Shangqiu, Xuchang, Xinxiang, and Zhoukou. The new project covered more than 200 counties, towns, and villages, with the marketing roadshow reaching more than 500,000 people. As of the end of the Reporting Period, nearly 88,300 electronic accounts were opened in the counties and villages, and 740 peasant households used our small and micro finance services, with the transaction amount reaching RMB6,739,000.

Case

Zhongmu Zhengyin County Bank cooperated with Zhongmu County Rural Association Committee held the fifth Farmer Culture and Art Festival

On 11 November 2018, the fifth Farmer Culture and Art Festival themed at “Achieve Dream With Originality, Make Steady Growth and Achieve a Great Goal”, organized by Zhongmu Zhengyin County Bank, an affiliate of the Bank, and Zhongmu County Rural Association Committee came to a successful conclusion.

As the first town bank established by Zhengzhou Bank for the “Three Rural Sectors”, Zhongmu Zhengyin County Bank has provided financial support of RMB12 billion for the new urbanization construction of Zhongmu, granted loans of RMB4.1 billion to more than 50,000 farmers, and paid taxes of approximately RMB700 million. It has become a leader and role model among the town banks across the country.



3. FOCUSING ON CITIZEN FINANCE

As a local financial institution in Zhengzhou, the Bank has always adhered to its position as a “high-quality citizen bank”. Targeting individual customers, the Bank innovated business products, improved service systems, enhanced customer value, and created high-quality teams to continuously improve the quality of its financial services.

Individual deposit business. During the Reporting Period, the Bank actively coped with interest rate liberalization, constantly improved the deposit interest rate pricing strategy, and enhanced the independent deposit pricing and risk management capacity. As of the end of the Reporting Period, the total personal

II. STAYING TRUE TO MISSION, DEVELOPING INCLUSIVE FINANCE

deposits of the Bank amounted to RMB79,717 million, representing an increase of RMB12,153 million or 17.99% over the end of last year. **Individual loan business.** During the Reporting Period, the Bank accelerated its individual service product innovation, vigorously developed the Happy House Loan (樂房貸), Housing Mortgage, and Happy Car Loan (樂車貸) businesses, and implemented centralized approval procedures for its on-line credit factory. As of the end of the Reporting Period, the balance of personal loans in the Bank amounted to RMB43,919 million, representing an increase of RMB9,806 million or 28.75% over the end of last year.

RMB **79,717** million

Total personal deposits

RMB **43,919** million

Balance of personal loans

Case

Expanding the applications of bank cards in the public services field

The successful issuance of the Henan Province (Zhengzhou City) trade union membership card, the first financial IC card featuring financial services and public transportation applications in Henan province, indicated that the Bank, as the first financial institution with a “Green City Pass” application in Henan province, realized the integration of the financial functions and the city public transportation functions in the bank card. On this basis, the Bank also issued a Gongyi trade union membership card, Luohe all-purpose card, Kaifeng trade union membership card, Xinxiang trade union membership card, Luoyang trade union membership card, Puyang trade union membership card, and Nanyang trade union membership card, which provided convenience for the residents in Henan province.



4. HEARTWARMING CONSTRUCTION OF PEOPLE'S LIVELIHOOD

The Bank continued to increase its support for people's livelihood projects such as government-subsidized housing projects and infrastructure projects, with a focus on education and medical industries. The Bank also provided comprehensive, one-stop, and integrated financial service programs and rendered financial support to improve the construction of public infrastructure and the quality of residents' lives, to ensure that the bank funds benefited people's livelihood.

Case

Supporting the construction of rail transit in Luoyang City

The projects currently under the construction of Luoyang Rail Transit Co., Ltd. included Line 1 and the first phase of Line 2, which totaled 41.3 kilometers. During the Reporting Period, the Bank provided financing support of RMB1 billion to the company to effectively guarantee the construction of the projects.



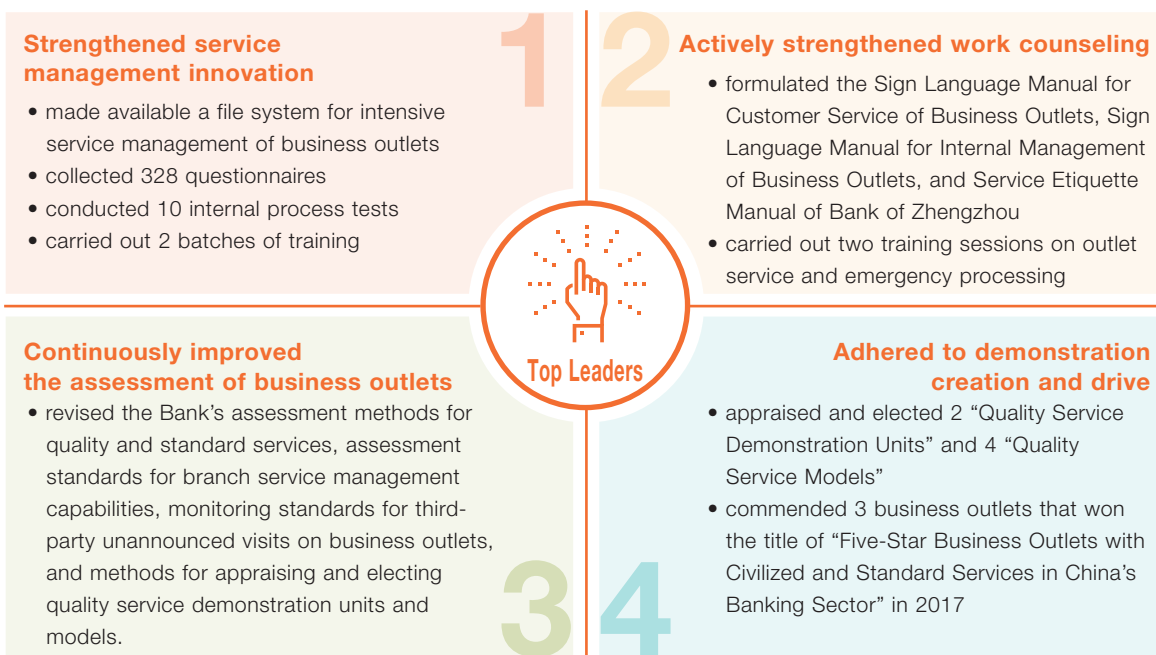


III. LOVE FOLLOWING THE OPTIMIZATION OF CUSTOMER EXPERIENCE

1. OPTIMIZING FINANCIAL SERVICES

The Bank truthfully and clearly disclosed product parameters and the charging standard of products and services to ensure truthful disclosure and transparent pricing. The Bank developed and improved a range of special products and services such as intelligent investment advisory services, personalized self-service card-making machines, Xinxinying (薪薪盈), personal structured deposits, dream savings (夢想儲蓄), and NAV-based wealth management products to meet the diverse financial needs of consumers. To improve cardholders' card-using experience, the Bank optimized the system to introduce the service of replacing some magnetic stripe debit cards with financial IC cards. The Bank upgraded mobile banking to support SMS verification codes all over the country and activated the short number 95097 as our national service hotline. The Bank carried out the screening of proofing issues for banking services to eliminate "peculiar verification", circular verification, and repeated verification to reduce customer burden. In addition, the Bank launched a disaster preparedness project for the Bank's customer service system to reduce the risk of the customer service system being disabled due to unexpected events.

At the same time, the Bank concentrated its efforts on internal management and stuck to the management mechanism under which the top leaders should be personally responsible and the department heads should provide concerted management.



III. LOVE FOLLOWING THE OPTIMIZATION OF CUSTOMER EXPERIENCE

Case

Winning the “Quality Service Unit Award” from the Customer Service Center of China’s Banking Sector in 2018

On 30 November 2018, the “Quality Service Unit Award” went to the Bank’s customer service center at the 2018 Annual Meeting of Customer Service Committee and the Remote Bank Summit Forum – “Commitment to the Mission and Intelligent Customer Experience” held by the China Banking Association. The customer service center of China’s Banking Sector carried out the appraisals and elections once every two years, and a total of 54 banks participated in the appraisal and election this year. This award represented the recognition of the Bank’s service quality both inside and outside the industry.



Case

Business department of the Luoyang Branch being the “Top 1000 (千佳)” demonstration unit awarded by the China Banking Association

The business department of the Bank’s Luoyang Branch continued to cultivate and enhance the service culture by reinforcing its internal strengths and demonstrating its role as a model. In 2018, the business department was awarded the title of “Top 1000 Demonstration Units of Civilized and Standardized Service in China Banking Industry”.



III. LOVE FOLLOWING THE OPTIMIZATION OF CUSTOMER EXPERIENCE

2. FINANCIAL KNOWLEDGE PROMOTION

During the Reporting Period, the Bank went into communities, rural areas, and schools by organizing “3.15 Financial Consumer Right Day”, “Promoting Financial Knowledge and Maintaining Fund Sources”, “Long March to Financial Knowledge”, and “Promoting Financial Knowledge among the General Public” and other activities. The Bank also actively promoted financial knowledge among financial consumers in the form of on-site consultations and special lectures to strengthen their financial knowledge. In this regard, the Bank assumed its due responsibilities for building a harmonious financial relationship and promoting financial stability.

Case

Actively cooperating with the public security department to crack down on illegal fund-raising

Since May 2017, the Bank has extracted and submitted monitoring data about illegal fund-raising on time every month, made relevant investigations, and normalized the education campaigns to prevent and crack down on illegal fund-raising. In December 2018, the economic crime investigation team under the Department of Public Security of Henan Province sent a letter of thanks to the Bank, expressing its gratitude to the Bank for its efforts to prevent illegal fund-raising.

Case

Constitutional Publicity Week supported by the Bank of Zhengzhou

China's first “Constitutional Publicity Week” lasted from 2 December 2018 to 8 December 2018, during which the Bank actively organized related legal publicity activities to vigorously carry forward the constitutional spirit.

On 4 December 2018, the Bank actively carried out promotional activities by distributing folders to the public, and answering questions on the spot. In addition, the Bank conducted extensive constitutional publicity and education by using LED screens, business hall TVs, its official website, WeChat platform, and other channels, to safeguard the authority of the constitution and usher in a new upsurge in learning and using law among the general public.



III. LOVE FOLLOWING THE OPTIMIZATION OF CUSTOMER EXPERIENCE

Case

Kaifeng Branch and Henan University Minsheng College jointly holding the “Financial Security Month” activity of the Business School

The “Financial Security Month” held by Kaifeng Branch of the Bank was officially launched on 11 October 2018, lasting for more than 40 days. In the month, Kaifeng Branch held a series of special activities with the theme of financial security knowledge to improve the students’ awareness of financial issue prevention and identification and enrich their extra-curricular knowledge.



Anti-counterfeit money and payment knowledge promotion

The Bank carried out diversified anti-counterfeit money campaigns, payment and settlement campaigns, and payment system campaigns of the People’s Bank of China in stations, campuses, communities, and markets, to acquaint people with the common sense of protecting the RMB and identifying and refusing anti-counterfeit RMB as well as operating principles of payment system of large amounts, small amounts, online banking interconnections, and domestic and foreign currency. These campaigns enhanced the awareness and ability of people to identify and refuse counterfeit money, purified the space for payment and settlement, and helped to build a harmonious and orderly financial market environment.

Case

Organizing anti-counterfeit money campaigns

In September 2018, the Bank organized anti-counterfeit money campaigns through daily publicity, centralized outdoor publicity, internet publicity, and cooperation with third-party organizations, to strengthen people’s understanding of anti-counterfeit money and improve their awareness and ability to prevent counterfeit money crimes.



III. LOVE FOLLOWING THE OPTIMIZATION OF CUSTOMER EXPERIENCE

Case

Launching payment and settlement campaigns

In June 2018, the Bank, by making full use of various resources and channels, launched payment and settlement campaigns with the theme of “optimizing payment and settlement services, and bringing convenience and benefits to the people”. The particulars of the campaigns included optimizing business account opening services, business knowledge related to electronic banking and smart counters, and the common sense of security such as “multifunctional network of inclusive finance”, prevention of telecommunication fraud, and the safe use of bank cards.



Case

Launching the payment system campaigns of the People's Bank of China

In December 2018, as required by Zhengzhou Central Sub-branch of the People's Bank of China, the Bank actively launched payment system campaigns to popularize payment system knowledge among the public, which was conducive to promoting the healthy and stable operation of the payment system.



III. LOVE FOLLOWING THE OPTIMIZATION OF CUSTOMER EXPERIENCE

3. PROMOTING FINANCIAL INNOVATION

The Bank continued to innovate financial products to ensure a quality, safe, and convenient financial experience for customers and meet their growing diversified financial needs.

Case

Group financial product

Inspired by the concept of online group shopping, the Bank allowed customers to form a group with their friends to buy financial products, consequently enjoying the benefits of group buying and increased financing income, to stimulate their enthusiasm for buying the Bank's financial products.

Case

Winning the “2018 Outstanding Contribution Award for Innovation in Financial Technology Products”

In December 2018, the Bank's big data intelligent marketing platform won the “2018 Outstanding Contribution Award for Innovation in Financial Technology Products” at the “2018 China Financial Technology Annual Conference” held in Beijing hosted by the Financial Computerizing magazine.



Case

General payment

The Bank launched a universal payment product on the “Ding Rong Yi (鼎融易)” platform, to conduct online charging in a centralized manner for customers with such needs. The service was able to achieve “Internet +” fee collection and reconciliation in clearing mode to meet the actual needs of enterprises. It saved the trouble of the collection of cash and manual billing, reduced the development and operation costs of self-built payment platforms, and alleviated the pressure on employees. It was convenient for customers in less-developed areas in making online payments without having to travel outside the home or office. During the Reporting Period, the Bank actively promoted the payment business of more than 40 kindergartens and primary and middle schools and helped them receive 25,000 payments totaling RMB55.2 million.

4. PROTECTING THE RIGHTS AND INTERESTS OF CONSUMERS

During the Reporting Period, the Bank has fully utilized the coordination mechanism of various departments and carried out the protection of consumer rights and interests in an orderly manner.

III. LOVE FOLLOWING THE OPTIMIZATION OF CUSTOMER EXPERIENCE

First, the Bank continued to improve various reporting and complaint systems to standardize and systematize the protection of consumer rights and interests. Second, the Bank established a center for reporting, complaints, and customer rights and interests protection (信訪投訴及消費者權益保護中心) as a leading department for consumer rights and interests protection. Third, the Bank streamlined the channels for reporting and complaints, arranged special personnel to receive visitors and check the online suggestion box, handled the complaints in a timely manner, and regularly analyzed the data and reasons for the complaints. A total of 95 customer complaints was received throughout the year, with a settlement rate of 100%. Fourth, the Bank built a liaison team for complaints and customer protection, organized 2 special training sessions on the basis of regular customer protection promotion and training, and carried out emergency skills training on the newly employed staff in the retail line to improve the staff's ability to handle reporting and complaints. Fifth, in accordance with the Administrative Measures for Protection of Personal Financial Information Security of the Bank of Zhengzhou (《鄭州銀行個人金融資訊安全保護管理辦法》), the collection, use, and preservation of consumers' personal financial information were clearly defined to ensure that consumers' personal data and privacy are protected.

Case

Streamlining customer service channels for complaints and advice

As a window for customers to communicate with the Bank, the Customer Service Center of the Bank is the frontier for enhancing customer experience. The customer service representatives strictly follow the principle of "The First Asking Responsibility System" and accept the customer's questions and opinions the first time. For the customer opinions that cannot be solved online and need to be transferred to the related department, complaint work orders are created relying on the efficient "customer service call center" workflow system, to pass the customer complaints to the complaint-handling department in time. The customer service representatives pay a return visit in a timely manner according to the handling opinions, to effectively protect the customer rights and enhance the customer experience.

Case

Xinyang Branch taking measures to safeguard the rights and interest of consumers



Volunteer Service Station at the Business Hall



Carrying Out "Financial Knowledge Popularization Month" Activities



Providing Consumers with Quality and Professional Financial Services

IV. COMPLIANCE AND PRUDENCE TO ENSURE STEADY OPERATION



1. IMPROVING CORPORATE GOVERNANCE

We must first of all conduct ourselves honorably. The Bank continued to improve corporate governance, establish and improve internal control systems, and constantly consolidate the governance foundations of resisting risks, improving returns, and achieving sustainable development.

During the Reporting Period, the Bank newly formulated the Management Measures on the Shares of the Bank Held by Directors, Supervisors, and Senior Management Personnel, the Rules for the Annual Reporting of the Audit Committee of the Board of Directors, the Measures for the Annual Reporting of Independent Directors, the Working Rules for the Secretary of the Board of Directors, the Measures for the Accountability of Major Errors in the Disclosure of Information in Annual Reports, and the Management Measures for Investments in Major Projects and revised the Articles of Association, the Measures for the Management of Independent Directors, the Work Rules for the Audit Committee of the Board of Directors, the Work Rules for the Nomination Committee of the Board of Directors, the Work Rules for the Strategic Development Committee of the Board of Directors, and the Measures for Internal Reporting of Material Information.

During the Reporting Period, the Bank further standardized the structure of the Board of Directors and the Board of Supervisors and completed the re-election of the Board of Directors and the Board of Supervisors. The special committees of the Board continued to improve the performance of their duties and exert their professional guiding role. The Board of Supervisors carried out performance appraisal and strengthened its supervisory role by a combination of means including attending meetings, conducting surveys and inspections, and issuing supervisory warnings. The Bank disclosed information in a true, accurate, complete, and timely manner and ensured that all shareholders have equal access to such information. The Bank attached great importance to the management of inside information, strictly controlled the scope of insiders having access to inside information, and registered the list of personnel aware of the Bank's inside information in a timely manner. Currently, no insider has been found to have illegally used inside information to trade in the Bank's Shares.

During the Reporting Period, the Bank held one annual general meeting and one extraordinary general meeting, 12 meetings of the Board of Directors, and 6 meetings of the Board of Supervisors. The convening, holding, and voting procedures of all meetings were in line with the relevant provisions. As of the end of the Reporting Period, the Board of Directors of the Bank consisted of 12 Directors, and the Board of Supervisors consisted of 6 Supervisors.



IV. COMPLIANCE AND PRUDENCE TO ENSURE STEADY OPERATION

TOPIC

WRITE A GLORIOUS CHAPTER WITH PASSION – REALIZING THE LISTING OF A SHARES

In 2015, the Bank was listed on the Hong Kong Stock Exchange, becoming the first listed corporate bank in Henan Province. On 19 September 2018, the Bank successfully achieved the return to the listing of A Shares and became the first domestic city commercial bank with both its A and H Shares listed, which improved its capital strength and enhanced its brand influence.



Leading Group Members of the Bank of Zhengzhou at the Listing Ceremony



Ringing the Listing Bell



Group Photo at the Listing Ceremony

2. STRENGTHENING COMPLIANCE AND CASE PREVENTION

During the Reporting Period, the Bank continued to improve compliance management mechanisms and processes, strengthen compliance culture construction, and enhance case prevention capabilities.

First, the Bank promoted the construction of compliance culture and enhanced the awareness of legal compliance. The Bank issued the Activity Plan for the Year 2018 Internal Control Compliance (2018年内控合规年活动方案) and the Bi-monthly Promotion Program of Internal Control Compliance (内控合规双月提升活动方案). It established a post responsibility system in which the “top leader” assumes the compliance responsibility of the organization while the employee takes the compliance responsibility of his or her post, and all employees were required to sign the Compliance Responsibility Commitment Letter. The Bank implemented the “Double-Line Responsibility” for compliance matters through the operation management line and compliance management line, selected a business backbone to build a professional compliance management team covering all branches and lines, and carried out staff training, warning education, etc. to spread compliance concepts. It also compiled and issued the Special Issue on Legal Compliance (法律合规专刊), collected compliance advice, operated risk information on the WeChat communication platform, etc. It selected “Advanced Compliance Management Units”, carried out legal compliance knowledge competition, and implemented violation points assessment and other means to build the assessment mechanism of “Advocating Compliance and Punishing Violations”.

IV. COMPLIANCE AND PRUDENCE TO ENSURE STEADY OPERATION

Second, the Bank established regulations and systems and improved the mechanism. The Bank set up a “Grey List” mechanism to improve the management mechanism of credit granting business process. It carried out recording and video management for the opening of accounts for customers in different places and the signing of business contracts for small enterprises, and built a team of risk managers to achieve risk threshold advancement.

Third, the Bank strengthened its authorized risk management and control and consolidated the basis of authorization management. The Bank revised the Authorization Management Measures and the Credit Business Authorization Management Measures, completed the upgrade and transformation of the credit system, and fully realized the total quantity control of authorization and flexible allocation of sub-authorization.

Fourth, the Bank effectively carried out internal control compliance inspections and built risk prevention and control barriers. The Bank implemented foreground remote monitoring quality inspections, built an in-process risk early warning platform in the internal control compliance and operational risk management system, and set up 60 risk monitoring models in 9 categories, to realize T+1 monitoring. At the same time as the daily inspection of each branch, the Bank carried out special inspections such as inspections of the treasury, external networks, data management and statistical management, flight inspection, inspection of small and micro platform financial business, inter-bank business, consumer rights protection, and entrusted loans, so as to promote the optimization of systems.

Fifth, the Bank strengthened the implementation of its responsibilities for case prevention and improved the abilities of case prevention and control. The Bank issued the 2018 Work Plan on Compliance Management and Case Prevention. The chairman and his team members and the president in charge of the head office and each agency and department signed the Responsibility Document for Case Prevention Target for 2018. The Bank held joint meetings on case prevention work to ensure the effective implementation of the case prevention work.

Case

Conducting Compliance and Internal Control Management Training for Commercial Banks

On 6 December 2018, the Bank conducted training on compliance and internal control management for the middle and senior management in commercial banks, with more than 300 people participating in the training, which aimed to enhance the compliance awareness and compliance management abilities of the middle and senior management.



IV. COMPLIANCE AND PRUDENCE TO ENSURE STEADY OPERATION

Combating corruption and upholding integrity

The Bank took the initiative to carry out various activities in relation to anti-corruption. First, the Bank clearly defined its responsibilities. The Bank organized management personnel to sign the Responsibility Document for the Party's (the Bank's) Conduct and Integrity Construction Target, so as to implement the conduct and integrity construction level by level. Second, the Bank attached great importance to publicity and education. The Bank sent employees honest conduct reminder information; organized employees to study relevant laws and regulations; held cautionary education, seminars on honest conduct, and themed Party classes before important holidays; and forwarded cases reported by higher authorities to strengthen the employees' ideological defense line of honest conduct. Third, the Bank strengthened the supervision of employee behavior. The behavior of employees, both on and off duty, was subject to inspection. The Bank carried out self-examination and self-correction on key issues of anti-corruption, conducted honest conduct risk assessment on key posts.

Anti-money laundering

In order to strengthen the management of anti-money laundering and effectively prevent and control the risk of money laundering, the Bank, in accordance with the requirements of relevant laws, regulations and normative documents, formulated 8 anti-money laundering related systems, including the Administrative Measures for Anti-money Laundering, forming a relatively complete internal control and management system for anti-money laundering. The Bank organized anti-money laundering publicity, set up a publicity coordination group, and carried out anti-money laundering publicity through official WeChat, bank journals, and work briefings. The Bank also set up display boards, distributed publicity materials, opened up electronic columns, and played slogans on LED screens in business halls to give full attention to the role of daily publicity positions. Meanwhile, the Bank walked into the community to carry out various forms of special publicity on anti-money laundering to further demonstrate social responsibility.

Case

In May 2018, the Bank participated in the "May 15 Publicity Day for Combating and Preventing Economic Crimes" organized by Zhengzhou Central Sub-branch of the People's Bank of China, to explain the harm of illegal fundraising, anti-money-laundering knowledge, and typical cases of money-laundering crimes to the masses; to reveal the common methods of money-laundering crimes and their harm to society; and to improve the enthusiasm and initiative of the masses to stay away from money laundering and illegal fundraising activities and to combat and prevent money laundering crimes.



Protecting intellectual property rights

The Bank has kept a record book for registrations and applications of trademarks, patents, and copyrights, so as to dynamically monitor the matters. The Bank formulated the Measures for Administration of Intellectual Property Affairs (知識產權事務管理辦法) and the contracts relating to agency services and

IV. COMPLIANCE AND PRUDENCE TO ENSURE STEADY OPERATION

use of intellectual property and standardized other relevant rules for intellectual property management. Trademark consultancy and agency procedures were standardized by setting up a system for quarterly settlement and reporting, maintaining trademark records, and strengthening trademark monitoring. On one hand, the information monitoring and priority disposal of the Bank's intellectual property management were ensured. On the other hand, the Bank's rights and obligations in intellectual property rights were clarified and the Bank's legitimate rights and interests were protected without infringing on other parties owning intellectual property rights. During the Reporting Period, the Bank did not have any major cases of infringement of intellectual property rights.

3. FIRMLY DEFENDING THE BOTTOM LINE OF RISKS

The Bank continuously optimized its risk management system, strengthened its risk management policies and system construction, perfected the operational mechanisms of the Risk Management Committee of the Board and the Risk Management Committee of the senior management, and improved the system for comprehensive assessment of risk management of branches. The Bank has formulated a series of management measures including the Management for the Reporting of Major Emergencies which provide that major emergencies shall be classified by nature and business type and be reported, filed, and managed by different departments accordingly in a timely, accurate, true, and comprehensive manner.

The Bank has initially established a comprehensive risk management system and conducted self-assessment of the comprehensive risk management system through a sound self-discipline mechanism. The Bank combined qualitative and quantitative methods to identify, measure, evaluate, monitor, report, control, or mitigate various risks such as credit risk, market risk, liquidity risk, operational risk, reputation risk, and information technology risk, while considering the correlation among risks and carefully evaluating the interaction between various risks.

4. STRENGTHENING INTERNAL CONTROL

The Bank has established an internal control system covering the internal control environment, risk assessment, internal control measures, information and communication, and internal supervision and developed a corporate governance organizational structure with the general meeting, the Board of Directors, the Board of Supervisors, and senior management each performing their respective functions, realizing an operational mechanism where ownership and operational rights, management rights, and supervision rights are separated with checks and balances.

First, the Bank has established a three-level internal control system consisting of the Articles of Association/basic rules, management measures, and operating procedures/plans/rules. The Bank has developed business line-based internal control measures, including corporate business, retail business, intermediate business, interbank business, asset management, operation management, channel management, risk management, financial management, security assurance, human resources, supervision, and inspection. The Bank continued to streamline and optimize the relevant measures and procedures. During the Reporting Period, a total of 267 internal control rules were added and revised.

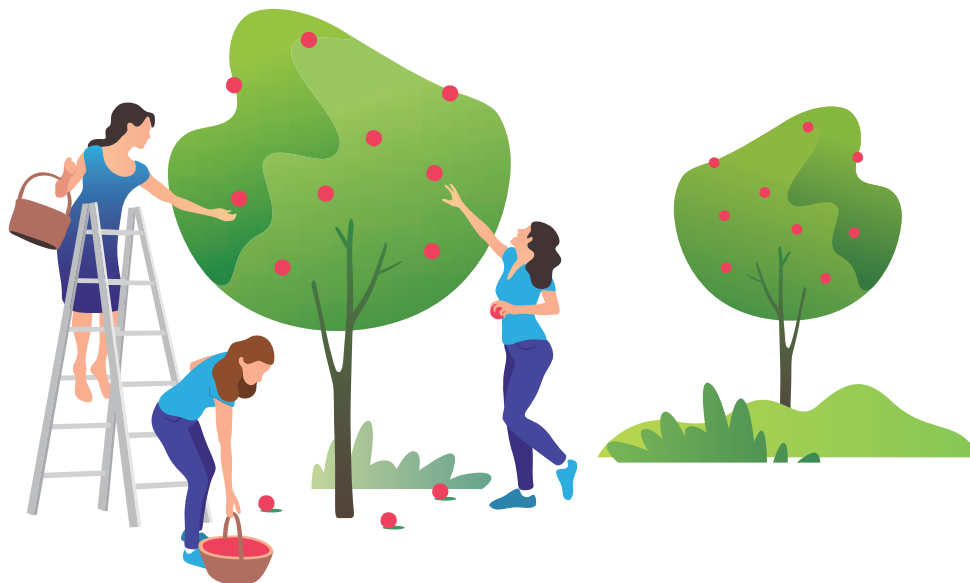
Second, the Bank has actively promoted information system construction. The Bank continuously improved the information communication and reporting mechanism and has made clear requirements on the duties and procedures for information transmission and reporting to ensure the effective communication of information within the Bank and between the Bank and the outside world, thus forming a complete information submission and reporting system.

IV. COMPLIANCE AND PRUDENCE TO ENSURE STEADY OPERATION

Third, the Bank has established a sound internal control assessment system. The Board of Directors, the Board of Supervisors, and the senior management have performed their respective duties in supervising and assessing the operation and management activities at all levels and business lines.

5. SAFEGUARDING SHAREHOLDERS' INTERESTS

The Bank has always highly valued communication with its shareholders. It has enhanced communication and exchange with its shareholders through a variety of forms and channels such as general meetings, road shows, press releases, and Q&A on information disclosure websites, as well as official websites, emails and telephone contacts, thereby increasing mutual understanding and interaction. During the Reporting Period, the Bank held two general meetings, reviewed and passed 21 resolutions, debriefed 3 reports, earnestly performed the duty of resolutions of general meeting and safeguarded the legitimate rights and interests of all shareholders. During the Reporting Period, the Bank's A shares were listed with issuing the 600 million A shares. After deducting the issuance fees, the Bank's proceeds was RMB2,708 million, which effectively supplemented the Bank's core tier-one capital and driven the force for development. The Bank has strictly abided by the relevant provisions for information disclosure to disclose all kinds of information in a fair, true, accurate, and complete manner, strengthened the management of inside information. There is no case of selective disclosure of information. During the Reporting Period, the Bank disclosed 73 announcements about A shares and 80 announcements about H shares in total.



V. LIVING IN HARMONY AND CREATING A BEAUTIFUL GREEN HOME



1. PROMOTING GREEN FINANCE

The Bank used its own resources to focus on building a green financial service system, firmly establishing a green credit concept, and effectively enhancing the initiative and consciousness of green financial work. The Bank established the Green Credit Working Committee to formulate the Green Credit Strategy of Bank of Zhengzhou to take the leading and filtering role of credit. The Bank strictly controlled the balance of loans to industries with high pollution, high-energy consumption, and overcapacity and increased the proportion of projects supported by green financial bonds to adjust its credit granting structure. As at the end of the Reporting Period, the balance of loans to industries with high pollution, high-energy consumption, and overcapacity amounted to RMB2,513 million, representing a decrease of 10.63% as compared with the end of the previous year.

At the same time, the Bank continued to improve its financial services capabilities in electronic channels and reduced the occupation of resources and energy from ways to obtain financial services. The numbers of customers and transactions through online banking and mobile banking have continued to increase. The online payment business has covered mainstream payment channels. The national unified customer service hotline 95097 offers 24 hours of uninterrupted service. WeChat Bank regularly releases information on our new services, new products, and promotional activities.

Case

An environmental technology company in Henan is a new high-tech enterprise for the treatment of atmospheric pollution and PM2.5 industrial emissions. Its main products are SCR honeycomb denitration catalysts and low temperature dust removal and wet dust removal equipment. SCR denitration catalysts can remove 80%-90% of nitrogen oxides in flue gases and reduce the concentration of nitrogen oxides in thermal power plants from 300 mg/m³ to 50 mg/m³. The removal amount is approximately 12,000 t/day, and the annual removal of nitrogen oxides is approximately 4.3 million tons. The Bank extended credit to the company to support its production and operation as well as technology research and development.



Case

The proceeds from the green financial bonds in an amount of RMB3 billion issued by the Bank in 2017 were specially used to support green projects. As at the end of the Reporting Period, the environmental benefits of some completed projects are as follows: the annual emissions of nitrogen oxides in thermal power plants were reduced by 4.3 million tons; the new residential buildings the Company invested in all reached the two-star standard of green buildings; the annual recycling capacity of recycled aluminum amounted to 48,720 tons; the daily sewage treatment capacity amounted to 5,000 tons; the actual production of electric vehicles was 20,324 units per year; the annual production of gasoline under China V emission standards and diesel under China IV emission standards was 330,000 tons and 500,000 tons, respectively; 24.44 km-long township roads were constructed; and a total of 6,400 plants, including hackberry and Chinese ash, were purchased and planted.

V. LIVING IN HARMONY AND CREATING A BEAUTIFUL GREEN HOME

2. ADHERING TO GREEN OPERATIONS

In accordance with China's Environmental Protection Law, Energy Conservation Law, and other relevant laws and regulations, the Bank diversified measures for green office and energy conservation and emission reduction, actively promoted the concept of energy conservation and environmental protection, and reduced resource consumption. The Bank reduced the waste of paper documents, launched the centralized operating platform of the counter, optimized the office automation system, and gradually implemented online business approval, legal review on contracts, work communication, and inspection and supervision. The Bank developed a conference assistant app, allowing for real-time inspection of meeting notices and materials. The Bank saved electricity, water, gas, and other energy sources by checking the closing of office equipment, water pipes, air conditioners and water dispensers after work every day. The Bank improved operational efficiency, regularly checked the operating status of electronic equipment, launched the electronic seal system, canceled the engraving and use of some physical seals, and vigorously promoted video conferences to reduce the cost of meetings and improve the efficiency of meetings. The Bank strictly controlled the discharge of pollutants and domestic garbage, enhanced the management on the use of corporate cars, reduced fuel consumption, and discharged the domestic sewage from the head office into the municipal sewage treatment system for unified treatment. The domestic garbage was collected and handled by professional property companies.

Head office consumption

Type	Unit	Quantity
Head office's water consumption	Tons	106,570
Head office's power consumption	10,000 kWh	1,032.56
Head office's natural gas consumption	Cubic metres	36,756
Head office's vehicle oil consumption	Litres	103,550
Head office's solid waste generation	Tons	254.73
Head office's abandonment of equipment	Pieces	211
Head office's greenhouse gas emissions	Tons of CO ₂ equivalent	7,502.07
Direct greenhouse gas emissions ¹	Tons of CO ₂ equivalent	331.50
Indirect greenhouse gas emissions ²	Tons of CO ₂ equivalent	7,170.57

1. Including greenhouse gas emissions from consumption of natural gas, gasoline, and diesel
2. Including greenhouse gas emissions from consumption of power and municipal heating

The Bank continued to improve supplier management, set up a Bidding Committee, and formulated the Bank's Administrative Measures for Tender and Purchase and Administrative Measures for Centralized Procurement (Provisional) and other regulations, clarifying the centralized procurement standards, procurement methods, and conditions of use. The Bank required suppliers to strictly follow the relevant laws and regulations of the PRC, providing products or services that meet national and industry standards and green procurement standards. As at the end of the Reporting Period, the Bank had 243 major suppliers, including 96 suppliers in Henan Province and 147 suppliers outside of Henan Province.

V. LIVING IN HARMONY AND CREATING A BEAUTIFUL GREEN HOME

3. ACTIVELY REPAYING SOCIETY

The Bank is always grateful, adheres to the principle of “focusing on and performing duties with utmost efforts”, actively participates in social welfare and various charitable activities, and vigorously supports the development of sports, culture, education, etc., to spread love to more fields in society to contribute to the creation of a harmonious social environment. During the Reporting Period, the Bank made charitable donations through various channels, including donating RMB2 million to Zhengzhou Charity Federation, donating RMB300,000 to Xinmi Police Foundation, donating RMB300,000 to a primary school in Kaifeng City through Zhengzhou Charity Federation, donating RMB24,600 to 5 impoverished college students in Zhoukou City each year for three consecutive years, and donating RMB55,000 to a village in Pingdingshan City.

Donate **RMB2 million**

Zhengzhou Charity Federation

Donate **RMB300,000**

Xinmi Police Foundation

Donate **RMB300,000**

A primary school in Kaifeng City

Donate **RMB24,600** every year

5 impoverished college students each year

Donate **RMB55,000**

A village in Pingdingshan City

Case

The Bank won the 4th Zhengzhou Charity “Fengyun Enterprise” Award

On 16 October 2018, the 2018 “Zhengzhou Charity Day” event ceremony and the 4th “Zhengzhou Charity Billboard” award ceremony with the theme of “Helping the Poverty Alleviation and Creating a Charity City” were held in Zhengzhou City. During the events, the Bank donated RMB2 million on-site and was awarded the fourth Zhengzhou Charity “Fengyun Enterprise” award by the Zhengzhou Charity Federation.



Case

Luohe Branch donated to distressed customers

In October 2018, all employees of the Bank's Luohe Branch launched a charitable donation activity for Mr. Zhao, a distressed customer, and wrote a piece of music demonstrating mutual help, warmth, and harmony.



V. LIVING IN HARMONY AND CREATING A BEAUTIFUL GREEN HOME

Case

Xingyang sub-branch launched a “Caring for the Elderly and Popularizing Financial Knowledge” activity

On 10 August 2018, Xingyang sub-branch went to Swan Lake Senior Apartment and launched a “Caring for the Elderly and Popularizing Financial Knowledge” activity. During the event, the staff explained to the elderly residents how to identify illegal financial advertisements, stay away from illegal fund-raising, and prevent telecommunication fraud and bank card fraud and invited health experts to explain the prevention of common diseases in the elderly.



Case

Contributions were made to the development of sports

On 3 November 2018, the “Bank of Zhengzhou Cup” Zhengzhou International Marathon was successfully held. Taking “Central” as the theme, the event had more than 22,000 participants and was broadcasted simultaneously by more than 30 media platforms including CCTV5+, People.com, Xinhua.com, Ifeng.com, Toutiao.com, Tencent News, Youku Sports, Henan Satellite TV, etc. Through the creation of the “Surname Marathon” and “Marathon Runner+” culture with Chinese characteristics and Zhengzhou elements, the event showed the world the “Open, Inclusive, and Healthy” city brand and the development concept of Zhengzhou, and the city positioning of Zhengzhou as the birthplace of the China Central Plain Culture.



V. LIVING IN HARMONY AND CREATING A BEAUTIFUL GREEN HOME

Case

Zhengzhou Management Department held a parent-child campaign named “Golden Childhood, Creating a Future Together and Meeting at Children Country” for customers

On 18 November 2018, in the warmth of the golden autumn, Zhengzhou Management Department of the Bank held a parent-child campaign named “Little Vegetable Garden in Childhood” for customers, in which 55 customers and 38 children participated.





VI. GOING HAND IN HAND AND GROWING WITH EMPLOYEES

1. SAFEGUARDING LEGAL RIGHTS AND INTERESTS

Fair employment

The Bank treats its employees equally, regardless of their ethnicity, gender, religion, or cultural background. We adhere to our policy of fairness and non-discrimination in every aspect, such as employment, training, salary, career development, and promotion. The Bank carefully implemented the requirements of the relevant laws and regulations such as the Labour Law and the Labour Contract Law and improved its employment system. It has signed labour contracts with employees in accordance with the law to specify the rights and obligations of the Bank and employees. The bank prohibited the employment of child labor or forced labor. During the Reporting Period, the Bank did not employ child labour or forced labour.

Composition of employees

Category		Number	Percentage (%)	Turnover Rate (%)
Total number of employees		4,460	100	2.41
By gender	Male	2,044	45.8	2.48
	Female	2,416	54.2	2.34
By type of employment	Contract	4,460	100	–
By age group	Under 30 years old (inclusive)	2,325	52.1	2.60
	From 31 to 40 years old (inclusive)	1,302	29.2	2.40
	From 41 to 50 years old (inclusive)	735	16.5	1.74
	Over 50 years old	98	2.2	2.97
By region	Within Henan Province	4,460	100	2.41
By education level	Associate’s degree and below	418	9.4	–
	Bachelor’s degree	3,284	73.6	–
	Master’s degree	741	16.6	–
	Doctoral degree	17	0.4	–
New employees		289	6.5	–
Employees from ethnic minorities		142	3.2	–

Note: The employee composition does not include subsidiary data for the Bank.

VI. GOING HAND IN HAND AND GROWING WITH EMPLOYEES

Remuneration policy

The Bank adheres to the principles of “fairness, competition, and incentivisation” in formulating its remuneration policy. In other words, the remuneration policy must be able to reflect external fairness, internal fairness, and individual fairness of salary; it must be conducive to enhancing our market competitiveness and attractiveness to talented people. When adjusting our remuneration structure, the Bank will increase the level of remuneration for positions whose remunerations are far below the market level based on the results of a market salary survey, so as to ensure the level of remuneration we offer is competitive. We must also be able to make our salary more incentivised, namely to motivate our employees by incorporating floating wages and performance-linked bonuses and other incentive components into our salary packages, and to provide employees at different positions with equal promotion opportunities by designing different promotion channels.

Protecting rights and interests

The Bank took the initiative to accept the supervision of employees through post box, email address, phone number, President’s mailbox and other channels. After receiving the complaints that were reported, the Bank transferred them to the relevant departments for investigation and handling according to the workflow and reported the results to the senior management. The Bank accepts reports from or verifies the conditions with informers, strictly abides by confidentiality requirements, and does not reveal identifying information of informers.

2. SUPPORTING CAREER DEVELOPMENT

The Bank formulated the annual training plan based on the annual development strategies and the actual business development needs. The Bank focused on capacity building and improved its training system, providing strong talent pool support for the long-term development of the Bank.

During the Reporting Period, the Bank consolidated the three-level training resources at its headquarters, branches, and sub-branches and focused on launching leadership training for senior-/mid-level management, training camps for the president of the model bank in commercial logistics, training for professional officials, training on professional knowledge and marketing skills for junior staff, new staff training, and reserve cadre training for head office staff. In addition, the Bank has remained committed to building mobile learning platforms and internal instructor teams, offering sound faculty and on-line platform support. Through pocket college, video conferencing, and live teaching, the Bank offers online and offline education that provides a comprehensive, on-demand and full-coverage training environment to support talent training. The Bank organised and attended a total of 241 training sessions on various topics and trained a total of 24,721 participants with a total cost of over RMB15.16 million. The expenditure per employee was RMB3,399, with a training coverage rate of 554%.

241

Training sessions

24,721

in total

Number of participants

554

%

Training coverage rate

Training table by category

Employee category	Number of trainees (person-times)	Number of trainees (persons)	Coverage rate (%)	Training time (hours)	Average training time (hours)
Senior management	30	22	136	1,200	55
Middle management	1,047	507	207	8,481	17
Junior employees	23,644	3,931	601	248,961	63

VI. GOING HAND IN HAND AND GROWING WITH EMPLOYEES

Case

Hosting the 15th Staff Technical Games and Bank of Zhengzhou Technology Competition

On 27 October 2018, the 15th Staff Technical Games and Bank of Zhengzhou Technology Competition was held at the head office of the Bank. In the competition, events such as exchange of damaged banknotes with different denominations, counting banknotes, and identification of false banknotes were closely linked to the actual operation of the operation line, simulated daily work conditions, fully displayed the “charm on the fingertips”, and reflected the solid and stable business skills and the work attitude of striving for excellence of the Bank’s employees.



Case

Conducting the 2018 induction training for new employees

In order to establish team awareness of new employees, enhance the sense of belonging of new employees, and build a qualified team for Bank of Zhengzhou, on 12 June 2018, the Bank launched a 12-day 2018 closed training course for new employees. During the training, the new employees completed the study and examination of 18 courses and fully demonstrated the vigorous and uplifting spirit of employees of Bank of Zhengzhou.



VI. GOING HAND IN HAND AND GROWING WITH EMPLOYEES

3. CREATING A WARM ENVIRONMENT

The Bank has strictly complied with the obligations required in the Social Insurance Law and Regulations on Management of Housing Provident Fund and timely and fully made contributions to the social insurance and housing provident fund for its employees. Also, the Bank has established a system including a corporate annuity, supplementary medical insurance, and other supplementary protection and gradually built a multi-level pension and medical protection system to effectively meet the diversified needs of its employees.

The Bank protected the rights of the employees for labor and rest according to law, provided its employees with regular body check-ups and its female employees with the required protection, and established a mutual insurance mechanism for each employee. During the Reporting Period, there were 14 mutual insurance claims with a claim amount of RMB38,340. The Bank enhanced its records of employees in distressed circumstances and a dedicated fund was set up for employee aid. During the Reporting Period, the Bank helped 16 distressed employees to apply for relief amounting to RMB114,000 in total. The Bank promptly sent condolences to employees who had weddings and funerals. 23 condolence visits were paid to employees losing immediate family members, costing the Bank RMB24,500; 36 visits were paid to female employees who had just given birth, costing the Bank RMB19,500; 68 visits were paid to those just demobilized and transferred to other posts from military service, costing the Bank RMB40,800; and 11 visits were paid to hospitalized employees, costing the Bank RMB110,000. The Bank completed the installation of PM2.5 purification system equipment in the head office building to create a green and secure office environment for employees.

RMB **38,340**
Mutual Insurance Claims

RMB **114,000**
Employees to Apply for Relief

RMB **24,500**
Employees Losing Immediate
Family Members

RMB **19,500**
Female Employees Who
Had Just Given Birth

RMB **40,800**
Demobilized and Transferred
to other Posts from Military Service

RMB **110,000**
Hospitalized Employees

Case

Holding a symposium for retired veteran cadres

On 12 October 2018, the Bank held a symposium for retired veteran cadres, in which the leadership of the Bank and 25 retired veteran cadres gathered together to speak freely. The achievements of Bank of Zhengzhou today are based on the foundations laid and experience accumulated by the veteran cadres for more than 20 years. The Bank will continue to do its best to protect the retired cadres and constantly improve the service mechanism so that the veteran cadres can feel a sense of belonging in the organization and happiness in life.



VI. GOING HAND IN HAND AND GROWING WITH EMPLOYEES

4. CULTIVATING CORPORATE CULTURE

The Bank focused on cultivating a good corporate culture and gradually established a unique corporate character to provide employees with a happy professional atmosphere.

Case

The Bank held a keynote speech competition “Commemorating the 40th Anniversary of Reform and Opening Up”

On 6 September 2018, the Bank held a keynote speech competition “Commemorating the 40th Anniversary of Reform and Opening Up”. With the theme of “Commemorating the 40th Anniversary of Reform and Opening up, I Have Grown Together with Reform and Opening Up”, the competition was closely related to the historical journey of reform and opening up and the development achievements of the Bank’s growth and development. The process was compact and exciting, and music and speeches were presented with passion and an elegant demeanour.



Case

The Bank’s microfilm series demonstrating brand culture won the award

On 29 May 2018, the award ceremony of the first “Minsheng Cup” China Banking Micro Video Contest was held in Beijing. The Bank microfilm series demonstrating brand culture including A Book with Deep Love (《一本情深》) and One Precious Word (《一语千金》) stood out among the 460 works. A Book with Deep Love (《一本情深》) won the Best Production Award, and One Precious Word (《一语千金》) won the Best Popularity Award and the Outstanding Work Award. The two microfilms of the Bank have been adapted from true stories of our employees, reflecting the virtues of silent efforts, hard work, and responsibility of Bank of Zhengzhou’s employees.



There is a long way to go for the performance of corporate social responsibilities. The Bank will continue to enhance the fusion of corporate social responsibilities and its operation and development, increase its support to the national policies, livelihood projects, environmental improvement, humanistic care and public welfare projects, and satisfy the various demands of stakeholders. In addition, the Bank will continue to improve the preparation of the CSR report, improve information disclosure quality of corporate social responsibilities, so as to provide a channel and window for the outside world to understand the great efforts made by the Bank in the performance of corporate social responsibilities.



OUTLOOK FOR THE FUTURE

In the future, the Bank will earnestly fulfill its social responsibilities, create a green, harmonious, and warm internal and external environment, and strive to reward the stakeholders that have expectations on us. In terms of economic responsibility, the Bank will continue to increase its support for the real economy and local economy, strengthen financial products, financial science and technology innovation, adhere to the service trade and logistics, small and micro-enterprises, public finance characteristic positioning, to create greater economic value; in terms of social responsibility, the Bank will enhance the availability of inclusive finance, deepen targeted poverty alleviation, more attentively to help the weak groups, more carefully safeguard the rights and interests of consumers, more careful care for the vast number of employees; in terms of environmental responsibility, the Bank will vigorously practice and promote green finance, enhance the ability of science & technology and system to support green finance and constantly deepen the concept of thrift, start from bit by bit to save resources and reduce energy consumption.

The Bank will continue to respond to national policies and use fintech to drive business transformation. With the regional positioning of “taking root in Henan and Zhengzhou and expanding to city groups in the central plains of China and even the entire country”, the Bank will maintain overall “steady development” while seeking accelerating growth in reform and shift from pursuing scale to pursuing quality and efficiency.



INDEPENDENT LIMITED ASSURANCE REPORT

KPMG Huazhen Zhuan Zi No. 1900063

TO THE BOARD OF DIRECTORS OF BANK OF ZHENGZHOU CO., LTD.

We were engaged by the Board of Directors of Bank of Zhengzhou Co., Ltd. ("the Bank") to provide limited assurance on the 2018 Social Responsibility (Environmental, Social and Governance) Report of the Bank for the year ended 31 December 2018 ("the SR Report").

1. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors of the Bank is solely responsible for the preparation and presentation of the 2018 SR Report, including the information and assertions contained within it, in accordance with the Shenzhen Stock Exchange's Guidelines for Standardized Operation of Listed Companies on SME Board ("SSE's Guidelines") and the disclosure recommendations of The Stock Exchange of Hong Kong Limited's Guidelines for Environmental, Social and Governance Reporting ("SEHK's Guidelines").

The Board of Directors is also responsible for designing, implementing and maintaining internal control that enables the preparation and presentation of the SR report that is free from material misstatement, whether due to fraud or error.

2. RESPONSIBILITIES OF KPMG

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our work in accordance with International Standard on Assurance Engagements 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and complied with the applicable requirements of International Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Our independent limited assurance report is made solely to the Bank in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Board of Directors of the Bank those matters we have been engaged to state in this independent limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than the Bank for our work, for this independent limited assurance report, or for the conclusions we have reached.

INDEPENDENT LIMITED ASSURANCE REPORT

KPMG Huazhen Zhuan Zi No. 1900063

3. SUMMARY OF WORK PERFORMED

A limited assurance engagement on an SR report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the SR report, and applying analytical and other procedures, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of the Bank's processes for determining the material issues for the Bank's key stakeholders;
- Interviews with management and relevant staff at the Bank implementation of these across the business;
- Interviews with relevant staff at the Bank responsible for providing the information in the SR Report;
- A media analysis and an internet search for references to the Bank during the Reporting Period;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the SR Report;
- Comparing the information presented in the SR Report to corresponding information in the relevant underlying sources by limited testing to determine whether key information contained in such underlying sources has been included in the SR Report;
- Reconcile key financial data and figures with the audited financial statements;
- Reading the information presented in the SR Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Bank.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore, a lower level of assurance is provided. In addition, our work was not undertaken for the purpose of opining on the effectiveness of the Bank's systems and procedures.

4. CONCLUSIONS

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the SR Report of the Bank for the year ended 31 December 2018 is not presented, in all material respects, in accordance with the SSE's Guidelines and the SEHK's Guidelines.

KPMG Huazhen LLP

Beijing
28 June 2019

CONTENT INDEX OF ESG REPORT GUIDELINE

Subject Areas and Aspects	General Disclosures	Disclosure page	KPIs	Disclosure page
A. Environmental				
A1 Emissions	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	37	<p>A1.1 The types of emissions and respective emissions data</p> <p>A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)</p> <p>A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)</p> <p>A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)</p> <p>A1.5 Description of measures to mitigate emissions and results achieved</p> <p>A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved</p>	<p>37</p> <p>37</p> <p>No apparent hazardous waste was generated during the bank's office</p> <p>37</p> <p>37</p>
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials	37	<p>A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)</p> <p>A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)</p> <p>A2.3 Description of energy use efficiency initiatives and results achieved</p> <p>A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved</p> <p>A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced</p>	<p>9, 37</p> <p>9, 37</p> <p>37</p> <p>37</p> <p>The Bank mainly provides financial services to our clients and does not use clear packaging materials in the course of its operations</p>
A3 Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources	36-37	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	36

CONTENT INDEX OF ESG REPORT GUIDELINE

Subject Areas and Aspects	General Disclosures	Disclosure page	KPIs	Disclosure page
B. Social				
B1 Employment	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	41-44	B1.1 Total workforce by gender, employment type, age group and geographical region B1.2 Employee turnover rate by gender, age group and geographical region	41 41
B2 Health and Safety	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	42, 44	B2.1 Number and rate of work-related fatalities B2.2 Lost days due to work injury B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	None None 42, 44
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	42-43	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management) B3.2 The average training hours completed per employee by gender and employee category	42 42
B4 Labour Standards	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	41	B4.1 Description of measures to review employment practices to avoid child and forced labour B4.2 Description of steps taken to eliminate such practices when discovered	41 Not applicable
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain	37	B5.1 Number of suppliers by geographical region B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	37 37

CONTENT INDEX OF ESG REPORT GUIDELINE

Subject Areas and Aspects	General Disclosures	Disclosure page	KPIs	Disclosure page
B6 Product Responsibility	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	33-34	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons B6.2 Number of products and service related complaints received and how they are dealt with B6.3 Description of practices relating to observing and protecting intellectual property rights B6.4 Description of quality assurance process and recall procedures B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	Not applicable 28-29 33-34 Not applicable 28-29
B7 Anti-corruption	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	33	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	None 31-33
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	38	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) B8.2 Resources contributed (e.g. money or time) to the focus areas	37-45 9, 38, 42, 44

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
Strategy and Analysis		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chairman, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	2-5
G4-2	Provide a description of key impacts, risks and opportunities.	2-6, 47
Organisational Profile		
G4-3	Report the name of the organisation.	1
G4-4	Report the primary brands, products and services.	6
G4-5	Report the location of the organisation's headquarters.	1
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the Report.	6
G4-7	Report the nature of ownership and legal form.	6
G4-8	Report the markets served by the organisation.	6
G4-9	Report the scale of the organisation.	6
G4-10	Report the total number of employees by employment contract, gender, region, etc.	41
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	41
G4-12	Describe the organisation's supply chain.	37
G4-13	Report any significant changes during the Reporting Period regarding the organisation's size, structure, ownership or its supply chain.	7, 9
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	31-34
G4-15	List externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses.	1, 19, 36
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation participates.	12

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
Identified Material Aspects and Boundaries		
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents.	1
	b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the Report.	1
G4-18	a. Explain the process for defining the Report content and the Aspect Boundaries.	1
	b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	1
G4-19	List all the material aspects identified in the process for defining report content.	11
G4-20	For each material aspect, report the Aspect Boundary within the organisation.	
G4-21	For each material aspect, report the Aspect Boundary outside the organisation.	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	
G4-23	Report significant changes from previous Reporting Periods in the Scope and Aspect Boundaries.	
Stakeholder Engagement		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	12
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	12
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	12
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	12

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
Report Profile		
G4-28	Reporting Period for information provided.	1
G4-29	Date of most recent previous report.	
G4-30	Reporting cycle.	1
G4-31	Provide the contact point for questions regarding the report or its contents.	1
G4-32	Report the 'in accordance' option the organisation has chosen and GRI Content Index for the chosen option, and report the reference to the External Assurance Report, if the Report has been externally assured.	1
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the Report.	1
Governance		
G4-34	Report the governance structure of the organisation, including committees of the highest governance body.	7
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	
G4-36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	12
G4-38	Report the composition of the highest governance body and its committees.	
G4-39	Report whether the Chair of the highest governance body is also an executive officer.	
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered.	1
G4-49	Report the process for communicating critical concerns to the highest governance body.	
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organisation.	
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	12
G4-54	Report the ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	
G4-55	Report the ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
Ethics and Integrity		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	10
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	28-29, 31-35, 42
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	28-29, 31-35, 42
Economic		
DMA	Management approach related to economy.	10
G4-EC1	Direct economic value generated and distributed.	6, 9
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	36
G4-EC3	Coverage of the organisation's defined benefit plan obligations.	
G4-EC4	Financial assistance received from government.	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	41-42
G4-EC7	Development and impact of infrastructure investments and services supported.	22
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	14-22
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	37

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
Environmental		
DMA	Management approach related to energy.	37
G4-EN1	Materials used by weight or volume.	9, 37
G4-EN2	Percentage of materials used that are recycled input materials.	
G4-EN3	Energy consumption within the organisation.	9, 37
G4-EN4	Energy consumption outside of the organisation.	
G4-EN5	Energy intensity.	
G4-EN6	Reduction of energy consumption.	
G4-EN7	Reductions in energy requirements of products and services.	37
G4-EN8	Total water withdrawal by source.	9, 37
G4-EN9	Water sources significantly affected by withdrawal of water.	
G4-EN10	Percentage and total volume of water recycled and reused.	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	
G4-EN13	Habitats protected or restored.	
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1).	37
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2).	37

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3).	
G4-EN18	Greenhouse gas (GHG) emissions intensity.	
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	
G4-EN20	Emissions of ozone-depleting substances (ODS).	
G4-EN21	NOx, SOx, and other significant air emissions.	
G4-EN22	Total water discharge by quality and destination.	
G4-EN23	Total weight of waste by type and disposal method.	37
G4-EN24	Total number and volume of significant spills.	
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention 2 annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff.	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	36-37
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce.	
G4-EN31	Total environmental protection expenditures and investments by type.	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
Labour Practices and Decent Work		
DMA	Management approach related to labour practices.	41
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	41
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	42
G4-LA3	Return to work and retention rates after parental leave, by gender.	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	42
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	42-43
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	41
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria.	
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.	

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
Human Rights		
DMA	Management approach related to human rights.	41-42
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	41
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	42
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	41
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	41
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	41
G4-HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations.	
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	
Society		
DMA	Management approach related to anti-corruption.	10
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	33
G4-SO4	Communication and training on anti-corruption policies and procedures.	
G4-SO5	Confirmed incidents of corruption and actions taken.	
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	23
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	9
Product Responsibility		
DMA	Management approach related to service labelling.	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	23
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements.	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	
G4-PR5	Results of surveys measuring customer satisfaction.	9
G4-PR6	Sale of banned or disputed products.	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	

GRI 4.0 CONTENT INDEX

No.	Content	Disclosure page
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	
Specific Aspects of the industry		
FS1	Specific environmental and social policies applied in business activities.	19-22, 36
FS2	Procedures to evaluate and monitor environmental and social risks in the business.	37
FS3	Monitoring of the customers' environmental and social compliance.	23-29
FS4	Capabilities and procedures to improve staff's executive environment and social policies.	31-34
FS5	Interaction with customers, investors and partners regarding environmental and social risks and opportunities.	36
FS6	Business proportion by region, size and industry.	9, 18
FS7	Value of products and services designed for specific social purposes (Categorised by purpose).	9, 13-22
FS8	Value of products and services designed for specific environmental purposes (Categorised by purpose).	9, 36
FS9	Frequency of the audit aiming to evaluate the environmental and social risks evaluation policies and procedure execution.	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	
FS11	Percentage of assets under screening of positive and negative environmental and social impacts.	
FS12	Policies of the organisation for applying environmental and social topics into voting rights and rights of voting suggestions.	
FS13	Cut-in point of areas with a sparse population or underdevelopment economy by type.	19-20
FS14	Actions to improve the capability of disadvantaged groups in obtaining financial services.	18-20
FS15	Policies of fair design and sales of financial products and services.	23-29
FS16	Actions to improve financial knowledge education by type of benefits.	25-28

READER'S FEEDBACK

READER'S FEEDBACK

Thank you for reading the 2018 Corporate Social Responsibility Report of Bank of Zhengzhou Co., Ltd. In order to meet your needs more efficiently and provide you with more valuable information, we would appreciate your valuable comments and suggestions for our Report by filling out the feedback form below and sending us your comments by any of the following ways.

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Fax: +86-371-67009898

Email: ir@zzbank.cn

Address: Bank of Zhengzhou Mansion, No. 22, Shangwu Waihuan Road, Zhengdong New District, Zhengzhou City, Henan Province, China

Postcode: 450018

1. Which kind of stakeholder are you?

- | | | | | |
|-------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------|
| <input type="checkbox"/> Government | <input type="checkbox"/> Regulatory body | <input type="checkbox"/> Shareholder | <input type="checkbox"/> Customer | <input type="checkbox"/> Staff |
| <input type="checkbox"/> Supplier | <input type="checkbox"/> Partner | <input type="checkbox"/> Community | <input type="checkbox"/> Environment | <input type="checkbox"/> Other |

2. Your general impression of this Report:

- ☐ Poor ☐ Average ☐ Good ☐ Excellent

3. Your comment on Bank of Zhengzhou's performance of its social responsibility to its stakeholders:

- ☐ Poor ☐ Average ☐ Good ☐ Excellent

4. Do you think this Report reflects the impact of the performance of the social responsibility of Bank of Zhengzhou on the economy, the environment, and society?

- ☐ No ☐ Average ☐ Yes

5. Do you think the information disclosed in this Report is complete?

- ☐ No ☐ Average ☐ Yes

6. Do you think the content and layout of this Report is clear and easy to understand?

- ☐ No ☐ Average ☐ Yes

7. Do you have any other suggestions or comments on this Report or about improving the performance of the social responsibility of Bank of Zhengzhou?

Thank you for your attention and support!