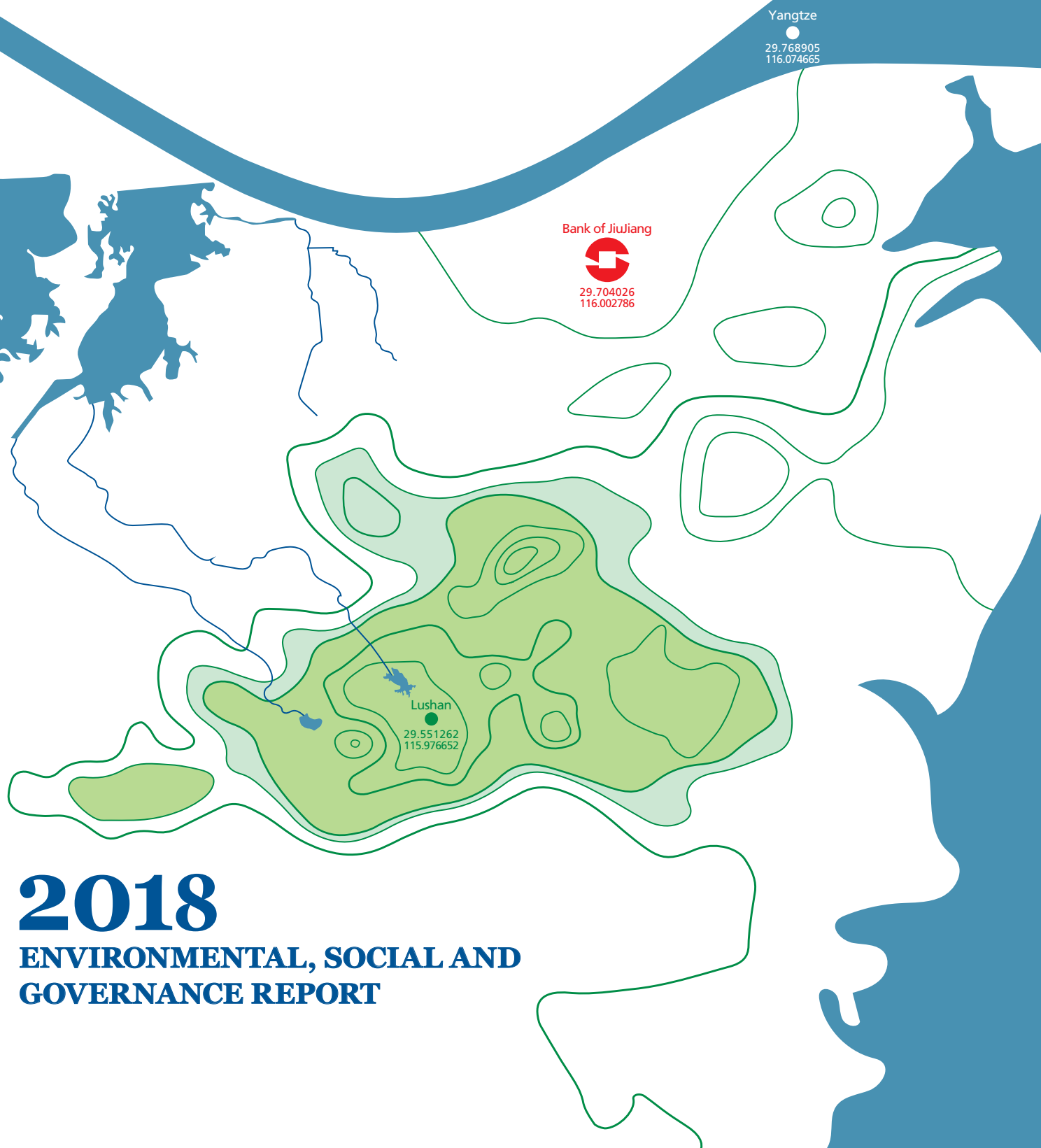




九江银行股份有限公司

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

Stock Code: 6190

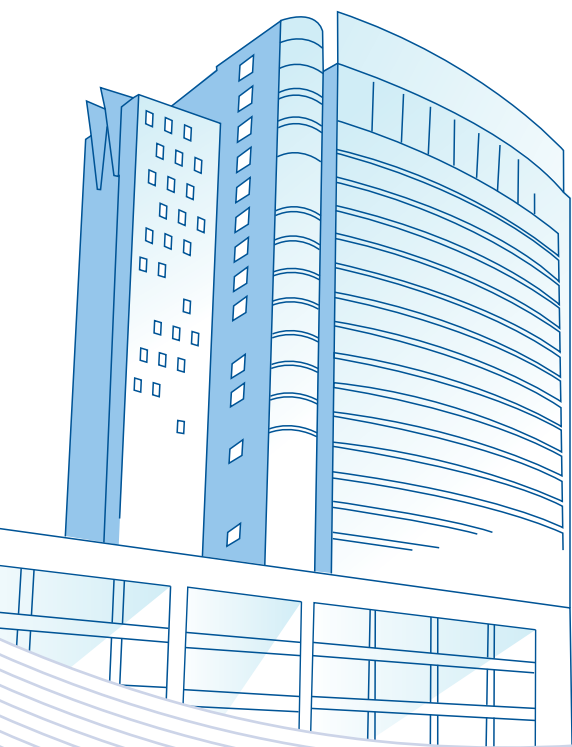


2018

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

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# About this Report

This Report is the first Environmental, Social and Governance Report (“this Report” or “the ESG Report”) of the Bank of Jiujiang Co., Ltd. (hereinafter referred to as “the Bank of Jiujiang”, “the Bank”, “our bank” and “we”). It aims to reflect the Bank of Jiujiang’s social responsibility performance in 2018 by highlighting the Bank’s efforts in promoting sustainable economic, social and environmental development and inform stakeholders of our corporate social responsibility considerations and practices.

## Reporting Period

From 1 January 2018 to 31 December 2018 (herein after referred to as the “Reporting Period”)

## Reporting Cycle

Annual report

## Scope of this Report

This Report has been prepared for the main reporting entity, the Bank of Jiujiang Co., Ltd., and covers its head office, branches, sub-branches and county banks, unless otherwise specified.

## Basis of this Report

This Report has been prepared in accordance with the disclosure requirements and recommendations specified in Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (hereinafter referred to as the “Main Board Listing Rules”) issued by the Stock Exchange of Hong Kong Ltd. (hereinafter referred to as “SEHK”),

with the reference to: The Global Reporting Initiative’s (GRI) G4.0 Sustainability Reporting Guidelines;

The former China Banking Regulatory Commission’s (hereinafter referred to as the “former CBRC”) Opinions on Strengthening the Social Responsibility of Banking Financial Institutions;

The Shanghai Stock Exchange’s Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange;

The China Banking Association’s Guidelines on the Corporate Social Responsibility of Banking Institutions of China.

## Collection of Reporting Information

The financial information contained herein is partly derived from the Bank’s 2018 financial statements prepared in accordance with the International Financial Reporting Standards (“IFRS”) and independently audited by Deloitte Touche Tohmatsu. Other information came from statistical data of the Bank’s internal systems, branches and county banks. The relevant cases cited herein came from the Bank’s daily operations. Unless otherwise stated, Reminbi is the functional currency throughout this Report.

## Assurance for this Report

The Board of Directors of the Bank (herein after referred to as the “Board”) guarantee that there are no false representations, misleading statements or material omissions in the contents of this Report, and assumes responsibility for the truthfulness, accuracy and completeness of its contents.

KPMG Huazhen LLP was appointed to perform independent and limited assurance and issue an assurance report in accordance with the International Standard on Assurance Engagements (“ISAE”) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

## Issuance Form

This Report is published in both print and online versions. The online version can be found and downloaded on the Bank’s official website (address: <http://www.jjccb.com>) as well as on SEHK’s website (address: <http://www.hkex.com.hk>).

This Report is available in both Chinese and English. Where there is any conflict between these two versions, the Chinese version shall prevail.

## Prepare of the Report

Office of the Board, Bank of Jiujiang

## Contact

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# Chairman's Statement



The year 2018 was full of opportunities and challenges. It was an extraordinary year for the Bank of Jiujiang as we worked hard to pursue our dreams. Over the past year, under the stewardship of the Board, we have firmly founded “Four Consciousness”, continuously persisted with “Four Confidences” and have consciously achieved “Two Maintenances”. Rooted in the purpose of the Bank of Jiujiang and focused on our main business, we are committed to serving the public, small and micro enterprises and private enterprises. In addition, we aim to improve people’s livelihoods and the economy and promote the development of green finance, inclusive finance, charity and our employees. With the progress made in the past year, we are starting a new chapter in fulfilling our social responsibility.



**Liu Xianting**

Chairman of the Bank of Jiujiang



**Exploring green finance to become a “pioneer” in the sector.** Positioned as a “green finance bank” and capturing opportunities in the piloting of national green finance reform and innovation, we have set up the first green finance division in Jiangxi province. By formulating green finance development plans, investing in green operations and enhancing green technologies, we are deeply committed to building ourselves into a “green inclusive bank” and a “green technology bank” with a view to building a beautiful Jiangxi as well as a beautiful China.

**Supporting small, micro and private enterprises as an “explorer” of inclusive finance.** In terms of rural finance, with the aid of big data from the online platform, we strive to integrate rural areas into our financial services network. In the meantime, we have a strong desire to push for the development of “supply chain agricultural product” financial business, and improve the agricultural product ecosystem. In terms of support for small, micro and private enterprises, we have established bill discounting centres to provide them with easy and accessible funds. According to local resources and conditions, we innovate our credit products by implementing the strategy of “one county, one product”, so as to effectively serve social development.

**Participating in targeted poverty alleviation efforts and be a “practitioner” of benefiting people through financial activities.** With a deep sense of responsibility and purpose, we are conscientiously implementing the central government’s requirements for targeted poverty alleviation. In addition to launching development-oriented poverty alleviation work, the Bank is helping and supporting the mountainous areas in terms of poverty alleviation. We are persisting in carrying out a number of long-term charitable projects in order to build our public welfare brand and demonstrate our responsible corporate citizenship

**Emphasizing employee growth as a “creator” of employee value.** Sticking with our mission to “create maximum value for our customers and the best positions for our employees”, and practicing the motto of “everyone can achieve success”, we aim to develop our employees into the best of the best. In 2018, we made efforts to diversify our recruitment channels, improve our talent training system, provide more options for our employees’ career development and further protect their rights and interests, propelling our employees to grow together with the Bank.


As we are celebrating the 70th anniversary of the founding of the People’s Republic of China in 2019, the Bank of Jiujiang will strictly adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guiding principle to further pursue our strategic focuses and embrace the courage needed for reforms. At the same time, in order to promote high-quality development, we are honoring our social responsibility commitments and working towards our ultimate goal of building the Bank of Jiujiang into “a brand and a household name”.



# 1 About Us

- 8 **Company Profile**
- 9 **Table of Key Performance Indicators (KPIs)**
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- 14 **Social Responsibility Management**





**Creating a  
branded bank  
and building  
a century-old  
store**



# Company Profile

The Bank of Jiujiang, formerly known as the Jiujiang City Commercial Bank, was incorporated from eight city credit cooperatives on 18 November 2000 upon approval from the Wuhan Branch of the People's Bank of China. On 10 July 2018, the Bank of Jiujiang was successfully listed on the Main Board of SEHK, becoming the first prefecture-level city commercial bank in Jiangxi Province and the central region as well as the second prefecture-level city commercial bank in China to go public in Hong Kong and be traded on the Main Board.

After 18 years gone by, driven by our vision of “creating a branded bank and building a century-old store” through relentless reform and innovation, we have grown from a bank of less than 10 outlets, 100 employees and RMB700 million in total assets to one that has 265 outlets, 3,597 employees and over RMB300 billion in total assets, serving as a role model amidst the waves of financial reforms in China.

After 18 years of hard work, the Bank of Jiujiang has opened 13 branches and 251 sub-branches,, established 20 county banks such as Zhongshan Xiaolan County Bank and Beijing Daxing County Bank, while positioning itself as a company “Rooted in Jiujiang and Centered in Jiangxi Province, spreading business across the country and striding towards the world”. Located between Nanjing and Wuhan, and flanked by Guangzhou and Hefei, the Bank of Jiujiang has forged a “gold cross” composed of the economic belts in the middle reach of Yangtze River and along the Beijing-Kowloon Railway. It has grown into a financial brand name from Jiangxi and a symbol of China's modernization.

Over the past 18 years, the Bank of Jiujiang has upheld our spirit – unity, integrity, perseverance and creativity – and focused on principal business and corporate development. Since 2011, the Bank of Jiujiang has received six awards in four consecutive award presentations from the China Banking Regulatory Commission, including “The Leading Banking Institution Providing Services to Small and Micro Enterprises”, among others. The Bank has also been awarded the titles of “National Advanced Grassroots Party Organization”, “National May 1st Labor Award”, “Best National SME Commercial Bank” and “Exemplary Workplace for Talent in Jiangxi Province”. In the 2018 Top 1000 World Banks List announced by the UK magazine *The Banker*, the Bank of Jiujiang was ranked 372nd globally and 64th nationally.



# Table of Key Performance Indicators (KPIs)

## Economic KPIs

KPIs	Unit	2018
Operating income	RMB100 million	78.66
Net profit	RMB100 million	17.87
Total assets	RMB100 million	3,116.23
Total deposits	RMB100 million	2,179.34
Total loans	RMB100 million	1,371.48
Basic earnings per share	RMB	0.80
Return on average assets*	%	0.61
Non-performing loan ratio	%	1.99
Provision coverage ratio	%	169.69
Capital adequacy ratio	%	11.55

## Social KPIs

KPIs	Unit	2018
Total charity donations	RMB10 thousand	390.40
Total number of employees	Person	3,597
Total number of female employees	Person	2,057
Targeted poverty alleviation loan balance	RMB100 million	3.41

## Environmental KPIs

KPIs	Unit	2018
Green credit balance	RMB100 million	29.55
E-banking replacement ratio	%	88
Head office power consumption	10,000 kWh	219.89
Head office natural gas consumption	Cubic meter	2,796.60
Head office paper consumption	10 thousand pieces	33.95
Head office oil consumption**	Liter	14,025.30

\* Return on average assets = the net profit as a percentage of the average total assets for the Reporting Period.

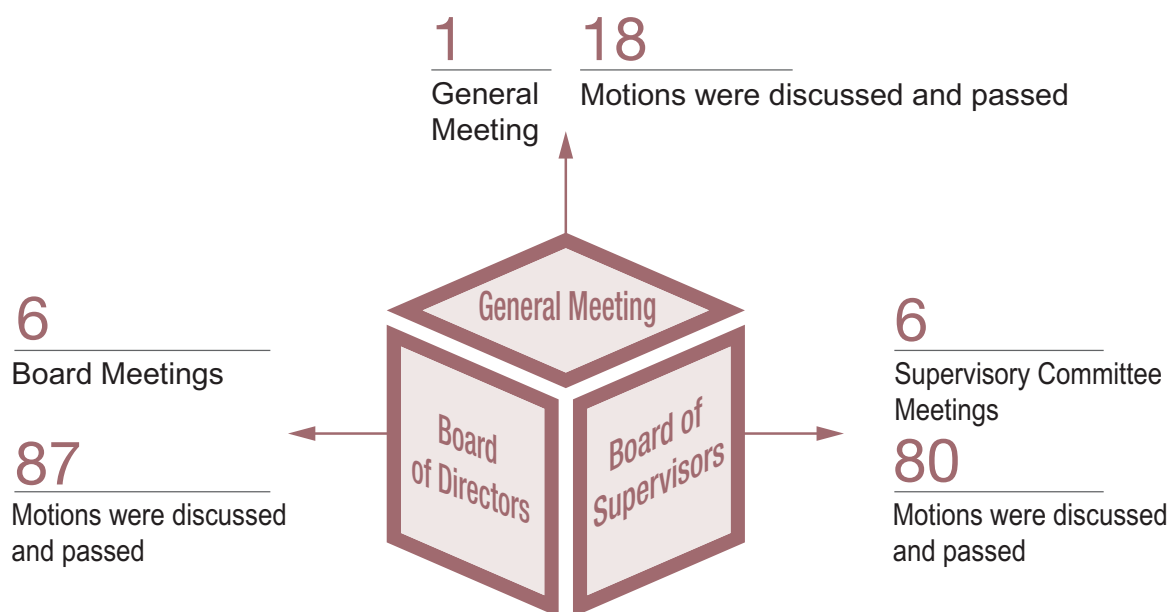
\*\* Head office oil consumption includes gasoline and diesel fuel consumption.

# Corporate Governance

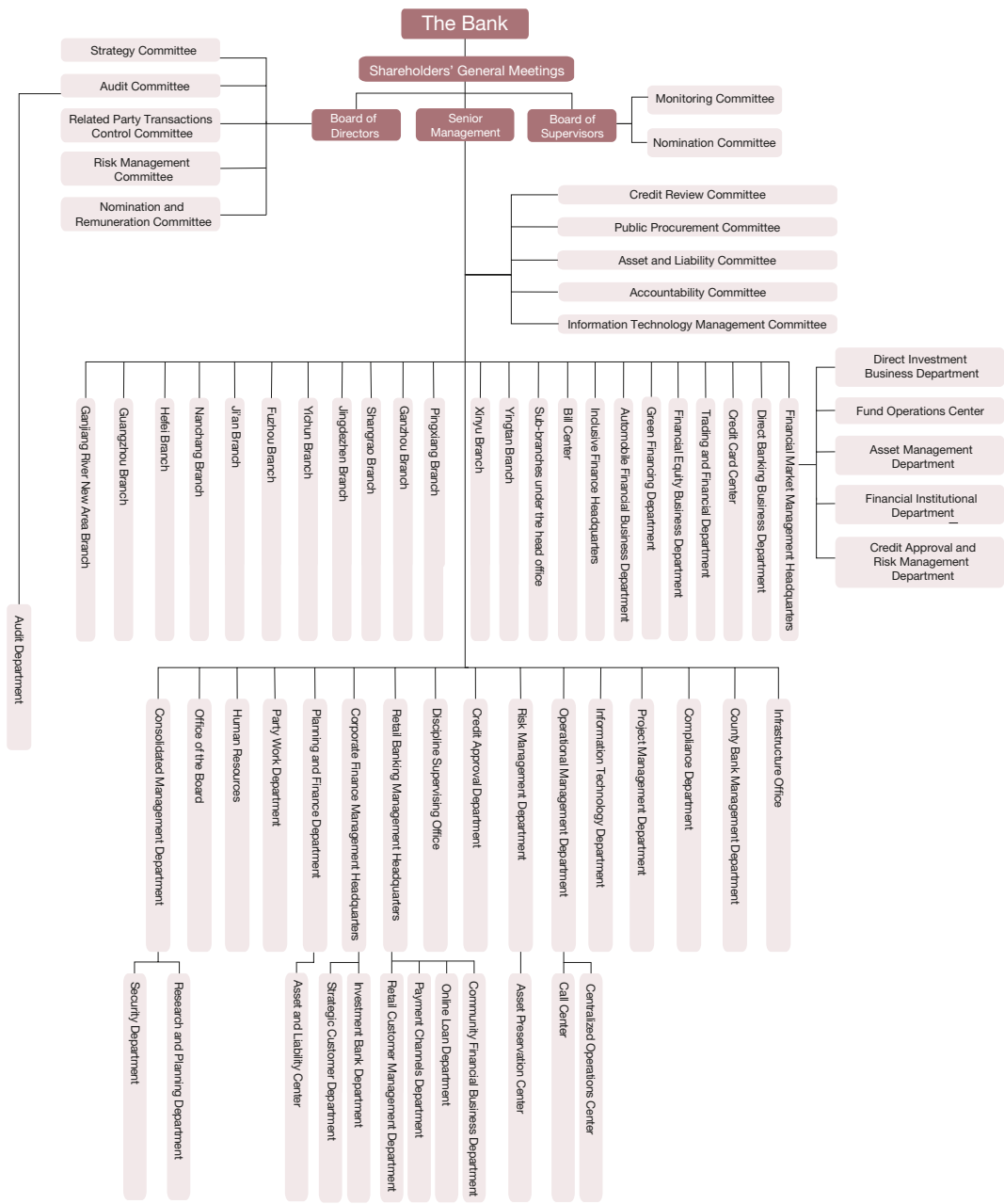
In accordance with the Law of the People's Republic of China on Commercial Banks, the Company Law of the People's Republic of China, the Corporate Governance Code of Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other domestic and cross-border laws and regulations, we are committed to bringing our corporate governance up to par with that of international listed companies, reaffirming the shareholders' general meeting as the highest authority of the Bank. We value the core leadership of the board of directors and aim to strengthen the supervision provided by the Supervisory Committee, ensure the fulfilment of responsibilities by special committees and facilitate the daily operations of the Bank's senior management.

During the Reporting Period, the Bank organized one general meeting of shareholders at which 18 motions were discussed and passed. The Bank's Board of Directors consists of 11 members, including 3 executive directors, 4 non-executive directors and 4 independent non-executive directors. During the Reporting Period, the Bank held six Board meetings at which 87 motions were discussed and passed. The Supervisory Committee of the Bank consists of 6 members, including 2 employee representatives, 2 external supervisors and 2 shareholder representatives. During the Reporting Period, the Bank held six Supervisory Committee meetings at which 80 motions were discussed and passed. The assembly of all meetings, the Board and the Supervisory Committee was in compliance with regulatory requirements.

With regard to our information disclosure, guided by the principles of "truthfulness, completeness and accuracy", we formulated the Bank of Jiujiang's Measures for Information Disclosure in accordance with the Measures for the Information Disclosure of Commercial Banks, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other regulatory requirements. Since the Bank's listing on SEHK on 10 July 2018, we have issued a total of 15 announcements. With regard to investor relations management, with "legal compliance, comprehensive monitoring, timely alert and management in place" as our guiding principles, we proactively manage investor relations, and maintain close and effective communication with investors through daily phone calls, emails, visits and the Bank's website.



# Organizational structure



## Internal control management

With internal control and compliance as our top priorities, we are committed to establishing a stable and dynamic internal control system that continuously monitors and controls risks. Fostered soul of restraint and compliance by implementation of institution, we believe that compliance adds value and is everyone's responsibility. We guarantee that our business is in full compliance with regulations.

The Bank's internal control system management and business processes, exercises prevention, control, supervision and rectification measures over all business and management processes. During the Reporting Period, we put in place reasonable, effective and comprehensive risk control measures, and there were no material deficiencies in our internal control system. Meanwhile, all branches set up compliance departments, and compliance managers were appointed to each key department and section of the head office to specify compliance responsibilities. Due to intensifying inspections, the Bank established mechanisms for the timely reporting of external regulatory documents and information, the regular reporting of internal control compliance inspection findings, the implementation and tracking of regulatory opinions, and the identification and monitoring of internal control compliance risks. We ensured that internal control management was carried out in an orderly manner for the risks we identified.

During the Reporting Period, the Bank established a stringent supplier procurement system and promulgated the Bank of Jiujiang's Regulations for Public Procurement Management, which sets forth clearer and more stringent supplier requirements. We strictly followed the online tendering process for bulk procurement. Suppliers were selected after thorough consideration of their operating conditions, qualifications, capabilities and quotations. We strived to make our tendering procedures open and transparent so as to support healthy development of the Bank's.

## Anti-corruption measures

Adhering to “simplicity, stringency, transparency and easiness” as our management concept, we are rigorous in upholding integrity, exercising authority, maintaining discipline and performing governance. We have set up a 24-hour hotline (95316) for reporting corruption. We hold fast to incorruptibility as part of our Party conduct, and we punish corruption harshly. We have set up the head office disciplinary committee alongside 16 branch disciplinary committees. We formulated and continuously improved regulations for disciplinary committee work assessment. We also implemented a division of labor to ensure that the main responsibilities of the Party committee and the supervisory responsibilities of the disciplinary committee are fulfilled—building up a network system which implements the above regulations at different levels. At the same time, we have further improved the working system of the disciplinary committee in areas such as integrity inspections, communication management, corruption record keeping, admonitory talk, moral hazard monitoring and committee consultations. We have also formulated daily management regulations for leadership selections and appointments, travel expenses, and official receptions; and we require reports from principal persons-in-charge before trips and reports regarding leadership’s personal affairs. Finally, we have enacted the Eight-point Regulation of the Center. These checks and balances are aimed at urging our leadership and employees to uphold clean governance, incorruptibility and frugality. We adopt a “dual investigation” approach to integrity inspection whereby persons with direct responsibility are held accountable for any eventualities alongside those with management or supervisory responsibilities.

### Case study:

#### Anti-Corruption IT Conference

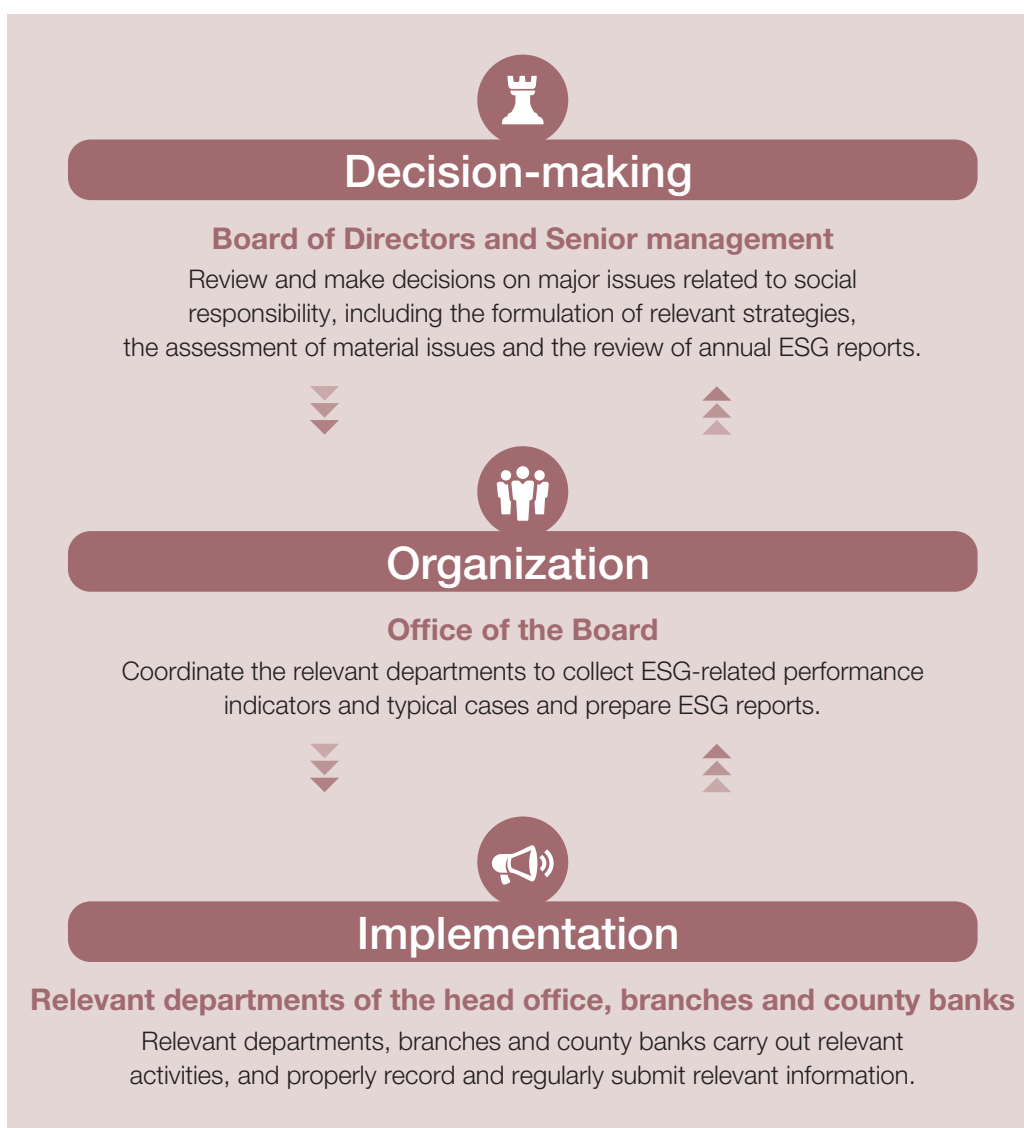
On 19 December 2018, the Bank’s disciplinary committee held an anti-corruption conference focusing on information technology (IT) at our Wuhan data centre. An anti-corruption letter signing ceremony was held at the conference, during which the secretary of the disciplinary committee provided analysis regarding the trend of “being stricter and stricter in disciplinary actions, and sustaining construction in the style to work” as put forward by the central, provincial and municipal governments. The secretary also pointed out that our Party committee and disciplinary committee have attached great importance to instilling incorruptibility in our Party construction work to foster a healthy atmosphere of integrity and have imposed more stringent integrity and discipline requirements on suppliers engaged in IT projects to achieve corruption-free and mutually beneficial collaboration.





# Social Responsibility Management

We have embedded the concept of sustainable development in our daily operations and have established a social responsibility management system at the decision-making, organization and implementation levels. We formulate implementation strategies based on social responsibility priorities, and mobilize relevant departments to honor our social responsibility commitments in their daily operations.

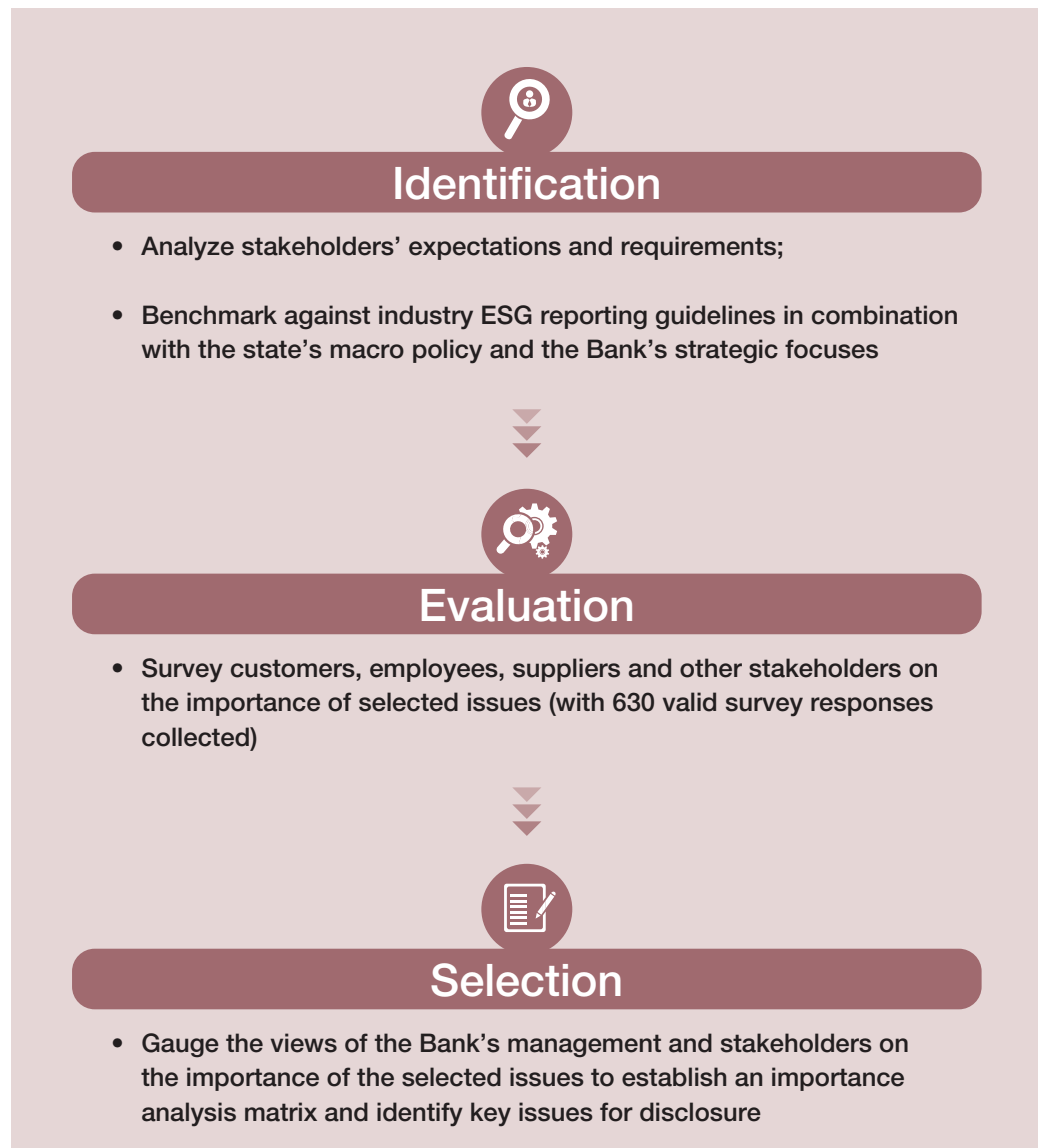


## Stakeholder Participation

Stakeholders	Expectations and requests	Means of communication	Responses and measures
 <b>Government</b>	<ul style="list-style-type: none"> <li>Deliver national policies</li> <li>Support the real economy</li> <li>Develop inclusive finance</li> <li>Boost the development of local economies</li> </ul>	<ul style="list-style-type: none"> <li>Policy documents and guidelines</li> <li>Work meetings</li> <li>Special topic reports</li> <li>Seminars</li> </ul>	<ul style="list-style-type: none"> <li>Serve small and micro businesses based on the "Three Rural Issues" concept</li> <li>Support the revitalisation of Jiangxi's economy</li> <li>Support the construction of major projects</li> <li>Support the development of new industries</li> </ul>
 <b>Regulators</b>	<ul style="list-style-type: none"> <li>Operate business in compliance with regulatory requirements</li> <li>Prevent financial risk</li> <li>Facilitate industrial development</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory policies</li> <li>Surveys and on-site visits</li> <li>Data reporting</li> </ul>	<ul style="list-style-type: none"> <li>Enhance internal control</li> <li>Improve the risk management system</li> <li>Encourage clean and honest Party and government conduct</li> </ul>
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>Operate sustainably and stably</li> <li>Increase return on investment</li> <li>Increase corporate value</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' general meetings</li> <li>Information disclosure</li> <li>Investor research and communication</li> </ul>	<ul style="list-style-type: none"> <li>Improve the corporate governance structure</li> <li>Disclose information timely</li> <li>Enhance investor relations management</li> </ul>
 <b>Clients</b>	<ul style="list-style-type: none"> <li>Improve service quality and efficiency</li> <li>Provide diversified financial products</li> <li>Protect customer rights and interests</li> <li>Diversify service channels</li> </ul>	<ul style="list-style-type: none"> <li>Marketing activities</li> <li>Customer service hotline</li> <li>Questionnaires</li> <li>Digital platforms</li> </ul>	<ul style="list-style-type: none"> <li>Optimize business processes</li> <li>Innovative financial products</li> <li>Promote financial education</li> <li>Increase community business branches</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Enhance salary and welfare</li> <li>Protect employee rights and interests</li> <li>Provide professional training and career development</li> <li>Enrich employee's leisure time</li> </ul>	<ul style="list-style-type: none"> <li>Labor unions</li> <li>General meetings of employee representatives</li> <li>Visits and interviews</li> <li>Employee feedback</li> </ul>	<ul style="list-style-type: none"> <li>Improve the salary and welfare system</li> <li>Collect employee opinions through multiple channels</li> <li>Enhance employee training system and pay attention to their development</li> <li>Organize leisure activities</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Procure fairly</li> <li>Perform with honesty and dignity</li> <li>Cooperate for win-win outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Negotiations</li> <li>Cooperation agreements</li> <li>Tendering and bidding</li> </ul>	<ul style="list-style-type: none"> <li>Establish a procurement management system</li> <li>Enhance business cooperation</li> <li>Compliant tendering and bidding</li> </ul>
 <b>Partners</b>	<ul style="list-style-type: none"> <li>Cooperate for mutual benefits</li> <li>Communicate and exchange industry ideas</li> </ul>	<ul style="list-style-type: none"> <li>Seminars</li> <li>Project cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Surveys and on-site visits</li> <li>Enhance communication with industry peers</li> </ul>
 <b>Communities</b>	<ul style="list-style-type: none"> <li>Organize community activities</li> <li>Organize public service activities</li> <li>Support disadvantaged groups</li> </ul>	<ul style="list-style-type: none"> <li>Visits and interviews</li> <li>Community service activities</li> <li>Symposiums</li> </ul>	<ul style="list-style-type: none"> <li>Financial assistance for students</li> <li>Organize community activities</li> <li>Organize employee volunteering activities</li> </ul>
 <b>Environment</b>	<ul style="list-style-type: none"> <li>A low-carbon economy</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Customer requirement research</li> <li>Service hotline</li> </ul>	<ul style="list-style-type: none"> <li>Green credit</li> <li>Establish a green finance department</li> </ul>

## Analysis of material issues

Based on stakeholders' requirements and the Bank's strategic focuses, and upon studying the state's macro policy and banking sector trends, the Bank identified social responsibility issues and determined issues for disclosure in the Report that are material to the Bank's sustainable development and stakeholders.



## Trends in 2018

### Inclusive finance

- Serve agriculture, rural areas and farmers
- Support small and micro businesses
- Develop digital and inclusive finance

### Green finance

- Green bonds
- Green credit

### Technology finance

- Innovative financial products
- Mobile finance

### Internal control construction

- Set up the Compliance Department
- Anti-corruption
- Anti-money laundering

### Employee rights and interests

- Organize training
- Hold activities
- Career development for employees

### Charity

- Targeted poverty alleviation
- Participate in charitable activities

# 2 Special: The Bank of Jiujiang “Came of Age” in 2018

The year 2018 marks 18 years since the founding of the Bank of Jiujiang and signifies that it has come of age.

The coming of age of the Bank of Jiujiang signifies our maturity as a full-fledged commercial bank and our readiness to reach new heights.

Eighteen years have gone by since our founding, and the robust foundation of the Bank of Jiujiang attests to our preparedness to steer into uncharted fields and explore beyond the horizon

20 **Green inclusive finance – 18 years of development**

22 **A leading “green finance bank” in Jiangxi Province**

23 **Our awards and honors**

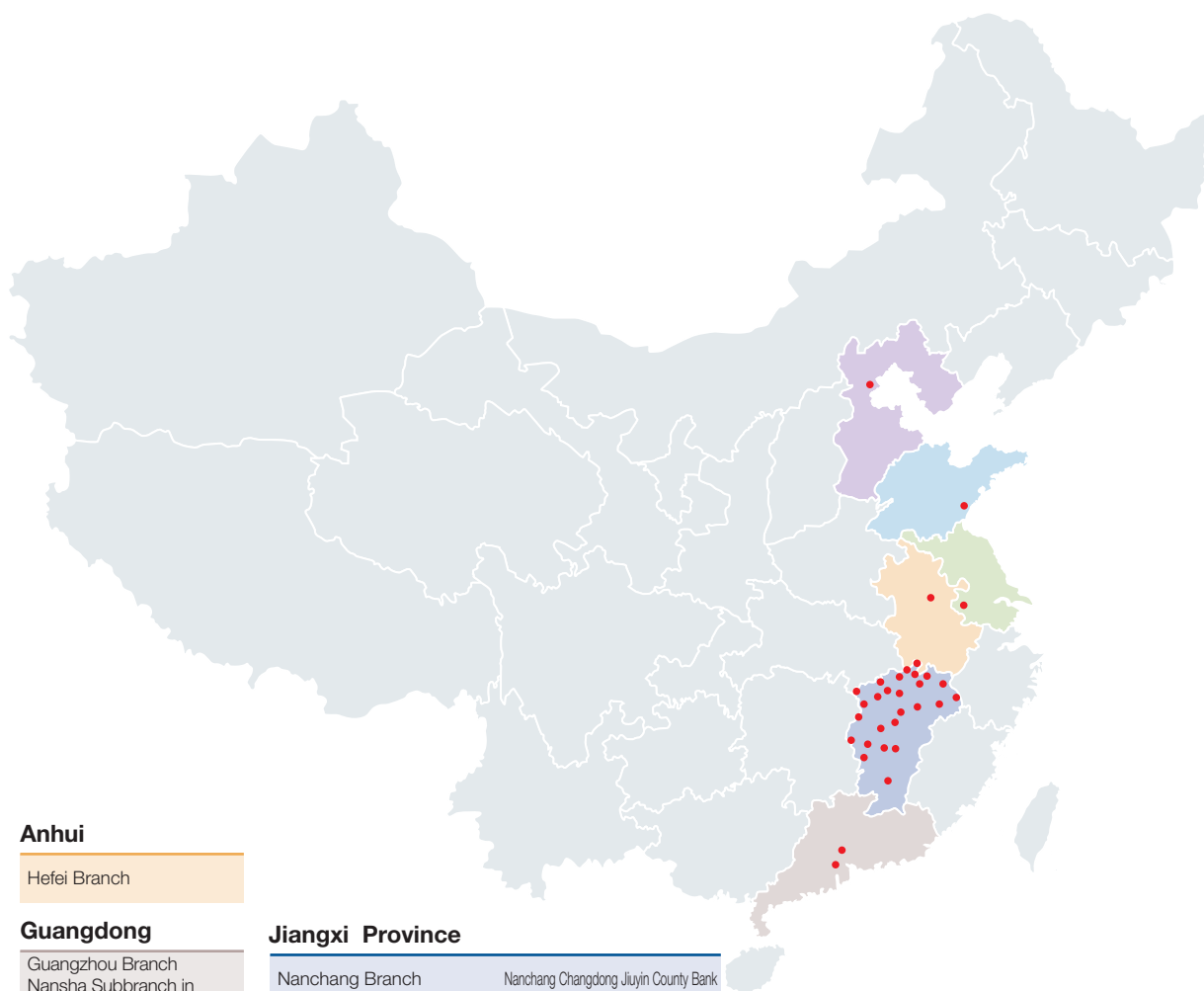


**Unity  
Integrity  
Perseverance  
Creativity**



# Green inclusive finance – 18 years of development

- 
- 2000** ● On 18 November 2000, the Jiujiang City Commercial Bank located along the Changjiang River was incorporated.
  - 2004** ● In 2004, our first county sub-branch in Ruichang was opened, the first of its kind to be opened by a city commercial bank in China.
  - 2007** ● In 2007, we initiated the establishment of the Xiushui Jiuyin County Bank, the first of its kind in Jiangxi Province.
  - 2008** ● In November 2008, we introduced Industrial Bank Co. Ltd., which was among the Global Top 500, as our strategic investor upon approval by the China Banking Regulatory Commission.
  - 2010** ● In 2010, our first extra-provincial branch in Hefei opened, representing a significant step in expanding our operations outside of Jiangxi Province. In the same year, upon approval by the China Banking Regulatory Commission, we set up our first small enterprise loan center, the first of its kind to be opened by a banking institution in Jiangxi Province.
  - 2014** ● In 2014, our first community bank opened in the Development Zone.
  - 2015** ● In 2015, we launched our national customer service hotline (95316), the first of its kind to be implemented by a banking institution in Jiangxi Province and the seventh of its kind among 135 city commercial banks of China.
  - 2016** ● In 2016, in collaboration with the Jiangxi University of Finance and Economics, we established the Bill Research Center with the aim of promoting the standardized and orderly development of the bill market, pushing for the integration of the bill business with the real economy and building a high-end bill think-tank and national exchange and collaboration platform. In the same year, we introduced Beijing Automotive Group, a Global Top 500 company, as our strategic investor.
  - 2017** ● In 2017, we established the green financing department which is the first of its kind in Jiangxi Province. And in the same year, we opened our first-tier branch in the Ganjiang River New Area.
  - 2018** ● On 10 July 2018, the Bank of Jiujiang was successfully listed on SEHK, becoming the first prefecture-level city commercial bank in Jiangxi Province and the central region of China as well as the second in China to go public in Hong Kong and be traded on the Main Board.



### Anhui

Hefei Branch

### Guangdong

Guangzhou Branch  
Nansha Subbranch in  
Guangdong Pilot  
Free-Trade Zone

### Beijing

Beijing Daxing Jiuyin  
County Bank

### Shandong

Rizhao Jiuyin County Bank

### Jiangsu

Nanjing Liuhe Jiuyin  
County Bank

### Jiangxi Province

Nanchang Branch	Nanchang Changdong Jiuyin County Bank
Ji'an Branch	Pengze Jiuyin County Bank
Fuzhou Branch	Ruichang Jiuyin County Bank
Yichun Branch	Zixi Jiuyin County Bank
Jingdezhen Branch	Fenyi Jiuyin County Bank
Shangrao Branch	Chongren Jiuyin County Bank
Ganzhou Branch	Fengxin Jiuyin County Bank
Pingxiang Branch	Jing'an Jiuyin County Bank
Xinyu Branch	Jingdezhen Changjiang Jiuyin County Bank
Yingtian Branch	Tonggu Jiuyin County Bank
Ganjiang River New Area Branch	Lushan Jiuyin Art County Bank
Xiushui Jiuyin County Bank	Hukou Jiuyin County Bank
Jinggangshan Jiuyin County Bank	Duchang Jiuyin County Bank

# A leading “green finance bank” in Jiangxi Province



The Bank's on-balance-sheet  
green credit amounted to  
**RMB2.955 billion**



The Bank's green  
lending amounted to  
**RMB9.336 billion**, covering **535**  
**customers**

As developing green finance is an important mission in the new era of financial industry, the Bank, benefited by the establishment of the Ganjiang River New Area as a first-batch pilot zone for the national green finance reform and innovation policy, set up a green finance business division in Jiangxi Province, which was the first of its kind to be set up by a financial institution. The Bank actively coordinated various resources and the development of this green finance initiative. The Bank also included its market positioning slogan of “building a green finance corporate culture” into its corporate culture. The Bank continued to make progress and develop by forging ahead with innovations in order to build the Bank into a leading “green finance bank” in Jiangxi province. During the Reporting Period, the Bank's efforts in promoting green finance gained the recognition of various regulatory authorities. The Bank was given the excellence rating in the green credit work assessment performed by the Jiangxi Office of the China Banking Regulatory Commission, and the Bank received the “Green Finance Contribution Award” from the Jiangxi Provincial Local Financial Supervision Administration.

**Pioneering a green finance project database.** With the aim of “Focusing on the New Area and spreading business throughout the province”, the Bank selected a total of 170 green finance projects as the first batch to be entered into our green finance project database, which was the first of its kind set up by a bank in Jiangxi Province. Focusing on our current demand, the Bank initiated reforms in step with the current green finance development trends by formulating “The Bank of Jiujiang's Three-Year Plan for Green Finance Development” in order to carve out a unique and new path for implementing green development concepts as well as for serving the country.

**Developing green finance platforms.** Following several rounds of collaboration with the authorities, including the Department of Environmental Protection of Jiangxi Province (now renamed as the Department of Ecology and Environment of Jiangxi Province) and the Bureau of Animal Husbandry and Veterinary Medicine of Jiangxi Province, a strategic cooperation framework agreement was signed in October 2018 between the former government body and the Bank, making us the first bank in Jiangxi Province to initiate such a move. This collaboration represented a historical step in the Bank's efforts to promote green finance.

**Establishing a green credit system.** Being the first local financial institution to set up a special green credit channel in Jiangxi Province, the Bank has stuck to green development principles, proposed development directions, put forward work requirements for the establishment of a green credit system, specified green credit standards and implemented a full-process green credit management approach. We also took proactive steps to promote a green, low-carbon and circular economy and green credit business in general while creating a green credit special business process that covers credit access, assessment, approval and review. As at 31 December 2018, the Bank's on-balance-sheet green credit amounted to RMB2.955 billion. Based on our internal green credit recognition standards, the Bank's green lending amounted to RMB9.336 billion, covering 715 loans and 535 customers. This increase in green lending demonstrates the Bank's contributions in promoting the development of green finance.


# Our awards and honors

2018 was a fruitful year for the Bank. In which the Bank made proactive contributions to the development of inclusive finance and green finance, and received more than ten major awards.

No.	Awarding organization	Award	Date
1	Jiangxi Bureau of the China Banking and Insurance Regulatory Commission	"Excellent Organization Award" of the 2017 Jiangxi Banking Financial Knowledge Contest	January 2018
2	The Jiujiang Committee of the Communist Youth League	"2017 Annual Advanced Organization of Communist Youth League"	March 2018
3	Data Center Branch of the China Computer Users Association	"2017 Annual China Data Center Operation and Maintenance Excellent Performer"	March 2018
4	China National Interbank Funding Center	"Active Trader"	March 2018
5	<i>The Banker</i> , a UK magazine	Globally ranked 372nd and nationally ranked 64th in the 2018 Top 1000 World Banks	July 2018
6	The Central Financial Work Commission of the Communist Youth League	"2017 National Financial System May Fourth Red Flag Youth League Committee"	August 2018
7	Briefing on the Comprehensive Assessment of the Implementation of PBOC Policy and Management Requirements by Financial Institutions	"Outstanding Performer"	August 2018
8	<i>National Business Daily</i>	One of the "2018 China Leading Small and Medium-Sized Banks" with the "Inclusive Finance Award"	August 2018
9	The People's Government of Xiushui County, Jiujiang City, Jiangxi Province	Awarded the title of "Green Bank in Support of Poverty Alleviation"	October 2018
10	<i>China Times</i>	Awarded "2018 Annual City Commercial Bank"	December 2018
11	<i>China Business Journal</i>	Awarded "2018 Bank of Competitiveness and Brand-Building Excellence"	December 2018
12	Sina Jiangxi	Awarded "2018 The Most Popular Financial Institution"	December 2018
13	Jiangxi Provincial Local Financial Supervision Administration	Awarded "Green Finance Contribution Award"	December 2018



**Green Financial Bank**  
**New Agriculture, Rural**  
**Areas and Farmers' Bank**  
**New Urbanization Bank**  
**Automobile Financial Bank**  
**Governmental Bank**  
**People's Bank**



# 3 Developing Green Finance and Drive Ecological Civilization

We aim to promote green finance, optimize the credit structure and build a green bank.

We advocate for a green office and green operations, and emphasize energy saving and environmental protection.

We call for a green economy, participate in green charity and spread green ideas.

- 26 **Focusing on green finance**
- 28 **Promoting green operations**
- 29 **Spreading green ideas**



# Focusing on green finance

In 2018, the Bank continued to make progress in following through with our green finance work; building consensus; creating a green, low-carbon and circular economy; and advancing sustainable development. We strive for five-dimensional excellence, namely “policy excellence, product excellence, capacity excellence, teamwork excellence and brand excellence”, through institutional and financial systems, coordination and promotional efforts, product research and development, and public service projects, with a view to developing into a representative green finance bank.

**Strengthening the institutional structure and improving the financial system.** The Bank has compiled “A Summary of Green Finance Information (First Edition)” and “A Summary of Green Finance Work Projects and Materials” to consolidate national and provincial green finance policies as well as to serve as an “encyclopedia” for green finance-related matters. In accordance with the Green Credit Guidelines issued by the China Banking Regulatory Commission, we have also formulated a three-year plan and various rules and regulations for green credit development to specify our development goals and process management approaches, as well as industry standards. With reference to industry standards, we have formulated the Bank of Jiujiang’s Green Finance Business Classification Standards, which specify the classification criteria for 10 major business types and 200 project sub-categories. To improve green credit policies and approval procedures, we have also set up a green credit special channel.

**Promoting Green credit and making an effort to learn from each other.** As an active champion of green finance development, the Bank has joined the China Green Finance Committee and the China Environmental Protection Industry Association. We have signed the “Proposal Agreement on Environmental Information Disclosure by Banking Institutions in Green Finance Reform and Innovation Piloting Zones” in our capacity as a representative of the banking industry. At the Fifth World Green Development Investment and Trade Expo, the Bank took part in the Jiangxi International Green Finance Forum as the only banking financial institution. Our unique insights on green finance and green development stimulated heated discussions among participants. To keep ourselves up to speed on the latest green finance developments, the Bank has launched an internal Green Finance Monthly Bulletin, which summarizes green finance updates every month. We have also strengthened cooperation with key industry players—including the Central University of Finance and Economics, international consulting firm IPC and Industrial Bank—through “outreach” learning and “invited” teaching. These activities have allowed us to share experiences and ignite passion for green finance. In this way, we have acted as the lead for other piloting zones.

01

At the Green Finance Strategic Cooperation Framework Agreement Signing Ceremony jointly held by the Department of Environmental Protection of Jiangxi Province



01

02

Participated in the Jiangxi International Green Finance Forum as the only banking financial institution



02

03

Conversation about green finance with the Senior Vice President of the World Bank



03

04

Discussion with representatives from the International Institute of Green Finance of the Central University of Finance and Economics



04

### Case study:

## Communications with the Industrial Bank on green finance

To promote our green finance business, we have learned from the advanced concepts and well-developed practices of Industrial Bank in the field of green finance. On 7 February 2018, the Bank carried out exchanges with representatives of the Green Finance Division of Industrial Bank, they briefly introduced the strategy, implementation, current status and achievements of Industrial Bank in green finance. From the perspectives of stock, optimization, industry research, standard setting, and financial product innovation, Industrial Bank provided feasible suggestions that laid a solid foundation for the future development of green finance.

**Refining the industrial structure of green finance and realizing transformation and upgradation.** The Bank strictly controls the credit extended to “industries of high pollution and high energy consumption and industries with overcapacity”, strongly restricts the development of enterprises and projects in these industries, and comprehensively analyzes the creditworthiness of these customers. The Bank supports the green and low-carbon circular economy, concerns itself with enterprises and projects that meet the national standards on environmental protection, and grants credit mainly to green industries such as environmental protection and clean energy in order to promote the concept of green credit.



Issued green bonds amounting to RMB4 billion in total

The Bank supports green corporate finance throughout the province by actively promoting the issuance of green bonds and raising funds from low-cost and long-term sources for green projects. In 2018, the Bank had officially issued green bonds amounting to RMB4 billion in total. The successful issuance of green bonds marks a milestone in the Bank's development as a green bank.



Green convertible bond issuance backed by private equity with total RMB350 million

In 2018, we assisted a company in Nanchang with filing and issuing green convertible bonds backed by private equity with a total filing size of RMB500 million at the Jiangxi Joint Equity Exchange Center. The initial issuance scale reached RMB150 million and bonds amounting to RMB350 million have been issued to date. This was the first green convertible bond issuance backed by private equity to be launched in the Ganjiang New District.



Separate performance letters of guarantee amounting to RMB295 million

To support the development of green finance and the “go global” initiative of photovoltaic (PV) companies, the Bank has worked to issue a separate performance letter of guarantee amounting to USD100 million for a global leading company engaged in PV module manufacturing. As at 31 December 2018, the Bank has issued separate performance letters of guarantee amounting to USD46.0275 million, or 295 million in RMB equivalent. The Bank also carried out systematic research on the utilization of livestock and poultry manure resources, explored a new model of mortgage designated for transfer of rural land rights, actively drove product innovation, and promoted the concept of green finance in various other ways.

## Promoting green operations

In line with state policies on energy conservation and environmental protection, the Bank advocates the concept of green office, promotes the concept of green finance in operations management and enables a low-carbon, green office environment by improving the efficiency of energy use and reducing consumption. The Bank engages customers and the general public in a joint effort to promote green operations.

### Energy consumption and greenhouse gas emission by Bank of Jiujiang in 2018

Category	Unit	2018
Head office power consumption	10,000 kWh	241.76
Head office water consumption	Ton	14,147.00
Head office natural gas consumption	Cubic meter	2,796.60
Head office oil consumption <sup>(1)</sup>	Liter	14,025.30
Greenhouse gas (GHG) emission	Ton carbon dioxide equivalent	1,558.95
– Direct GHG emission <sup>(2)</sup>	Ton carbon dioxide equivalent	35.86
– Indirect GHG emission <sup>(3)</sup>	Ton carbon dioxide equivalent	1,523.09

<sup>(1)</sup> Including the use of gasoline for business vehicles and the use of diesel for power generation

<sup>(2)</sup> Including greenhouse gas emission resulting from natural gas, liquefied gas and diesel consumption

<sup>(3)</sup> Including greenhouse gas emission resulting from power consumption

**Resource conservation with the efforts of every staff** As a financial institution, the Bank produces little emission of industrial effluent, waste gases or hazardous waste, and only a limited amount of office waste water and household waste. We urge our staff members to adhere to the principles of low-carbon environmental protection and pay attention to details. For example, staff members should ensure taps are kept closed and should avoid leaving water running; lights should be switched off when people leave the office; energy-saving and environmentally-friendly electronic equipment should be used; paperless office measures and double-sided printing are encouraged to reduce paper consumption; office waste, such as office paper, packaging boxes and discarded electronic products are separated and regularly recycled by specialized contractors. The Bank has integrated green initiatives throughout its operations management by continuously raising employees' awareness of energy conservation and environmental protection, promoting recycling of resources, reducing the use of natural resources, and effectively implementing a sustainable development operation model.

**Everyone is responsible for green travel.** The Bank is concerned about the issue of global warming and the impact of gas emissions on the environment. As a financial institution, our GHG emissions are mainly caused by business vehicles. During the Reporting Period, the Bank endeavored to improve the efficiency of vehicle use by reducing the number of head office business vehicles to six, with only three used daily. The annual fuel consumption of vehicles used by the head office was 11,805.60 liters. The Bank strictly follows laws and regulations, such as the Environmental Protection Law and the Energy Conservation Law of the People's Republic of China, and contributes to the reduction of air pollutant emission by encouraging employees to take public transportation as their priority. Business vehicles should be applied for only if necessary.

# Spreading green ideas

In focusing on green and environmental protection, we always strive to give back to society, and we regard green public welfare as one of our most important social responsibilities. We organize and actively participate in various green public welfare events, encourage all employees to care for society, and promote the concept of environmental protection for a better future.

## Case study

### Voluntary snow removal and de-icing activities

In January 2018, in response to the municipal CPC committee and the municipal government's call, the Bank organized a volunteer team of about 30 members to remove snow on the streets of Jiujiang to ensure safety for citizens.



## Case study

### Dexing sub-branch launched a charity event to thank sanitation workers for their hard work

In May 2018, the Bank organized a charity event to thank sanitation workers for their hard work. Our volunteers distributed sanitation suits, laundry detergent, laundry soap, toothpaste, towels and other daily necessities to express our gratitude for sanitation workers' contribution to the beautiful environment of the city.





**Rooting in Jiujiang  
Centered in Jiangxi  
Province  
Spreading business  
across the country  
Striding towards  
the world**





# 4 Developing Inclusive Finance and promoting development with technology

In order to promote microfinance, we are actively involved in the offering of microfinance services to the agricultural industry, rural areas and farmers.

We continue to progress by providing innovative products and services anytime and anywhere.

We constantly improve our services by insisting on customer-orientation and high quality.

- 32 **Focusing on microfinance for agriculture, rural areas and farmers**
- 35 **Embracing technological reforms**
- 39 **Protecting customer rights**



# Focusing on microfinance for agriculture, rural areas and farmers



A total of **28**  
platforms for “new  
agriculture, rural areas  
and farmers”



**5,812**  
customers receiving  
loans from these  
platforms



Agriculture-related loan  
balances amounted to  
**RMB30.197 billion**

The Bank actively participates in inclusive finance business. Using innovative products and business models, the Bank is committed to expanding the rural financial services market and facilitating the development of small and micro enterprises as an effective solution to the difficulties and high costs of financing. Throughout its development, the Bank has stayed committed to people's livelihoods and private small and micro enterprises in order to forge solid partnerships that can navigate economic turbulence.

**Technology empowers finance to modernize agriculture.** The Bank has reformed its online business related to “new agriculture, rural areas and farmers” by building an online lending platform to provide convenient, efficient and cost-effective financial services to Jiangxi Province's rural market. As at the end of 2018, the Bank has built a total of 28 platforms for “new agriculture, rural areas and farmers”, with 5,812 customers receiving loans amounting to RMB135 million from these platforms. Agriculture-related loan balances amounted to RMB30.197 billion, representing an increase of RMB5.316 billion from 2017. Additionally, various innovative “agricultural product supply chain” measures were integrated into various agricultural supply chain model scenarios. While being sure to control risks, the Bank has also launched three socioeconomically beneficial products: “PV Loans for Farmers”, “Smart Loans for Farmers” and “Smart Warehouse Loans”.



01

Customer service  
managers of Wuning  
Sub-branch introduced  
Smart Agricultural  
Loans to Farmers at  
the field

02

Customer service  
managers of Pengze  
Sub-branch hosted  
a seminar on Smart  
Agricultural Loans  
to Farmers to local  
farmers

## PV Loans for Farmers


refers to RMB loans granted by the Bank to a borrower for making up for funding shortfalls in the borrower's equipment purchases related to PV power stations, repaid with the electricity income generated by the PV power station and government subsidies, and guaranteed by cooperative enterprises that sell, install and maintain PV power stations. The credit granted to an individual borrower is capped at RMB80,000. As at the end of 2018, 284 borrowers have borrowed loans amounting to RMB13.6399 million from the online platform.

## Smart Loans for Farmers

refers to entrusted loans granted to farmers for the purchase of agricultural materials from designated distributors of agricultural materials. Distributors of agricultural materials are the main business entities that sell agricultural materials, and they include manufacturers, distributors, stores and other entities engaging in the production and sale of agricultural materials. As at the end of 2018, the Bank has contracted with 288 agricultural material stores, and 5,037 borrowers have borrowed loans amounting to RMB24.5082 million from the online platform.

## Smart Warehouse Loan

refers to a special loan product designed to solve liquidity shortages that arise during the purchase of goods by various agricultural products distributors, with joint liability guarantees provided by cooperative enterprises, and corresponding collaterals provided as anti-guarantees by merchants.



Garlic business	50+ customers	2018 credit RMB 30 million+
Lemon business	15+ significant customers	2018 credit RMB 20 million+
Orange business	20+ significant customers	2018 credit RMB 60 million+
Agricultural materials business	10,000+ farmers	2018 credit RMB 25 million+
Beef and mutton business	30+ significant customers	2018 credit RMB 170 million+

### Case study

#### Supporting a beef and mutton enterprise in Inner Mongolia

We worked with an enterprise in Inner Mongolia which was established in 2015 and officially started operations in September 2017. It is a meat processing enterprise engaged in sheep breeding, slaughtering and processing, refrigerating and sales. The revenue generated by the company during the period from September to December 2017 amounted to RMB83 million; the slaughter volume reached about 100,000, and net profit was RMB1.7 million. After the enterprise formed a working relationship with the Bank in 2018, its operational figures have improving impressively: revenue grew to RMB250 million; the annual sheep slaughter volume tripled to 370,000; and operating net profit rose to RMB5.5 million.

We form close partnerships with our industrial customers as we explore the market and end consumers. Throughout the cattle and sheep industry chain, the Bank adopts a supply chain financial model with industry, technology and finance at the center to liquidate customers' current assets such as receivables, prepayments and inventories. At the same time, we adopt a model based on goods control and information flow to help customers generate new production credits, obtain loans, and accelerate the flow of corporate funds, thus creating new production value. We pay more attention to integrating the resources of banks, industries, customers and other parties; empowering all parties in the industry; and assisting enterprises with the aim of reducing costs, increasing efficiency, and improving quality. We will continue to develop various services for industrial customers to suit their needs throughout the agricultural supply chain, and to benefit more upstream and downstream enterprises. Thanks to the digitalization of the industrial chain, we are able to help customers expand their scale and enhance their competitiveness, and also establish industrial benchmarks and standards. Additionally, we are able to connect professional organizations and social service systems that industrial customers need to form a healthy ecosystem.

**Various initiatives to serve small and micro businesses.** We launched innovative credit products for private small and micro enterprises, and implemented a strategy of “one county, one product”. A bill discount center for small and micro enterprises was established to further the development of private small and micro enterprises.

### Innovation in credit products

As for innovative credit products, we conducted in-depth studies and researched specific industries, sectors and scenarios. The Bank launched the “Government Purchase Loan” product to promote the participation of small and medium-sized enterprises (SMEs) in government procurement; the “Pharmaceutical Business Loan” product based on Zhangshu City’s pharmaceutical market; the “Home Appliances Loan” product based on Hefei’s home appliances industry; and the “Tax Loan” online credit product based on the industry, commerce, taxation, courts and other authorities, as well as the Bank’s big data risk scoring model.

### The implementation of strategy of “one county, one product”

The strategy of “one county, one produce”. In various process scenarios in special industries, we can provide flexible and convenient financial services for small and micro enterprises, such as the “Orange Loan” in Ganzhou, the “Bamboo Loan” in Yichun, and the “Tangerine Loan” and “Tangerine Turnover Loan” in Fuzhou. During the Reporting Period, the Bank constructed nine “one county, one produce” business platforms and entered into contracts with 521 customers, for a total amount of RMB156 million. A total of 486 customers have been granted loans amounting to RMB93.1529 million.

### Establishment of a bill discount center for micro-enterprises

A bill discount center for micro-enterprises. The Bank started with its bill business to alleviate the difficulties and high costs faced by small and micro enterprises in financing. On 16 October 2018, the Bill Discount Center for Small and Micro Enterprise was officially established. The Bank has now achieved professional operations in the area of bill business. All 13 branches have set up bill centers and opened green channels to ensure the smooth processing of bills for small and micro enterprise.

### Case study

#### “One county, one product” – Tangerine Turnover Loan

In view of the seasonal cash flow shortage of tangerine farmers, the Bank launched a microfinance product called the “Tangerine Turnover Loan”. This product is characterized by low prerequisites, simple procedures, convenient guarantees and quick approval. The credit granted to individual borrowers is capped at RMB300,000 for a maximum term of 3 years, while individual loans are subject to a maximum term of 12 months. The launch of this product effectively helps local tangerine farmers save financing costs and achieve sustained growth. As at the end of 2018, a total of 303 customers have entered into a contract with the Bank for this product.



# Embracing technological reforms

In 2018, the Bank focused on retail business to improve development efficiency through product and service innovation, and promoted the construction of the IT system in an orderly manner so that IT could play a greater role in supporting financial services. The Bank has accelerated the construction of the “Mobile Bank of Jiujiang” by focusing on standardized online products.

**Innovative financial products for a convenient life.** In terms of online retail deposits, the Bank launched products such as the “Fast Saving Deposit”, the “Fixed Saving Deposit” and the “Certificate of Deposit”. These products target individual customers and provide them with greater flexibility and convenience by allowing them to deposit their money online and accrue interest electronically with the click of a button. These online deposit products have won the trust of our customers since their launch. As at the end of 2018, Fixed Saving Deposit balances amounted to RMB333 million; Fast Saving Deposit balances amounted to RMB147 million, and Certificate of Deposit balances amounted to RMB902 million.

The image displays three vertical posters for Jiujiang Bank's online deposit products. Each poster features the bank's logo at the top and a smartphone showing the mobile app interface. The first poster, titled '快活存' (Fast Saving Deposit), highlights '活期存款' (活期存款) and '定期存款' (定期存款) with a '一键签约, 自动转入' (One-click signing, automatic transfer) feature. The second poster, titled '定活存' (Fixed Saving Deposit), shows '定活两便' (Fixed and flexible) and '定期收益, 活期便利' (Fixed-term returns, flexible convenience). The third poster, titled '大额存单' (Large Amount Certificate of Deposit), features '三年定期' (Three-year fixed-term) and '利率上浮55%' (Interest rate increase of 55%). Each poster also includes a QR code and the bank's website address at the bottom.

In terms of online retail loans, the Bank launched the “Quick Credit – Pocket Money” micro-credit loan to improve the efficiency of loan account managers and enhance customer experience. As at the end of 2018, approved credit of RMB64.7140 million had been granted for this product to a total of 1,410 borrowers. In the meantime, based on historical tax payment data and the Bank’s big data risk scoring model for small and micro enterprises, the Bank launched credit products such as the “Quick Tax Loan”, which features online application, quick approval and self-service lending that suits the needs of individual entrepreneurs and small business owners that need operating cash. The Bank also launched the “Quick Commercial Loan”, which is a full credit online loan product tailored for individual entrepreneurs and sole proprietors. As at the end of 2018, the number of applicants for the Quick Tax Loan and Quick Commercial Loan had reached 804 and 2,751 respectively. In order to improve approval efficiency and reduce the time spent on obtaining loans, the Bank worked with Ping An Bank to develop a product named “Quick Easy Loan”, which is characterized by “amount determination” and “timeliness”. To serve a wide range of micro-business owners and individual entrepreneurs, this loan can be obtained within one day with the fastest approving speed.





The Bank has also launched a series of online wealth management products for customers from all walks of life, including “Safe Rich”, “e-Rich”, “Accumulate Riches” and “Jiu Ying Bao”. These products meet various needs and provide high quality wealth management services. In light of the increasing popularity of mobile payment, the Bank has launched multiple one-stop online payment tools, such as “QR Code Payment”, “POS Payment” and “Online Payment”. These tools can effectively reduce business operating costs, improve management efficiency, and optimize customer experience. As at the end of 2018, there were 25,103 merchants contributing an annual accumulated transaction amount of RMB15.630 billion through these tools.



**Better services at your fingertips with mobile finance.** In recent years, the Bank has adhered to the strategy of “professional development and intensive marketing” by focusing on Internet finance and digital banking, synchronizing innovation with risk management, and promoting the development of electronic channels such as mobile banking, WeChat banking and widgets. As at the end of 2018, the number of online retail banking users reached 530,000, while mobile banking users reached 508,500. In order to meet the diverse needs of our customers and offer convenience, we continue to promote the construction of community banks and increase the number of self-service devices such as ATMs. As at the end of 2018, there were a total of 95 community banks, 733 self-service ATMs, 279 multimedia terminals, and 48 self-service card issuing lobby machines; the figures of these machines increased by 46, 15 and 15 respectively from the previous year. The devices and service functions broaden offline service channels and enhance customer experience. In 2018, the replacement rate of our electronic channels grew to 88 percent. To safeguard the information security of our customers, the Bank established the Wuhan Data Center and formed a disaster recovery system that features “three centers in two locations”.

Cumulative transaction volume in 2018:



**Furthering outlet transformation to raise service efficiency.** One of the main focus of the Bank in 2018 is the transformation of outlet. We are promoting Big Retail development in order to improve the service capabilities and marketing efficiency of outlets by creating a network of outlets that emphasizes “intelligence, marketing and experience”. The Bank shifted the traditional function of its outlets from “business handling” to “marketing and services”, and outlets have become the main channel for Big Retail by leveraging the advantages of physical outlets with the support of scenario-based services, customer experience, processes, technology and data. During the Reporting Period, the Bank reviewed its system to clarify the responsibilities and procedures of each position, conducted market research, established a peer-to-peer research mechanism, and conducted 16 special training courses on network transformation. The Bank also held weekly intensive trainings to strengthen the marketing abilities of branch staff. The Bank has continued to accelerate technological innovation and business transformation to keep in step with the latest technological advances in mobile Internet, the Internet of Things, cloud computing, and big data, and has strived to improve its financial services.



# Protecting consumer rights



Representing a  
complaint  
settlement rate of

**97.15**  
percent



Satisfaction rate of

**96.09**  
percent

The Bank is committed to “putting customers first and service excellence” by focusing on excellent outlet services, improving service awareness and insisting on providing the best services to our customers.

**Improving the quality and efficiency of services.** The Bank emphasizes complaint management and aims to effectively resolve complaints through various channels in a timely manner. The Bank registers complaints on a case-by-case basis and refers them to various departments and units for timely processing and regular analysis. In 2018, the Bank handled a total of 421 complaints and completed 409 cases, representing a settlement rate of 97.15 percent and a satisfaction rate of 96.09 percent. The Bank has continued to standardize its service management system and has completed the revision of the Quality Service Manual of the Bank of Jiujiang during the Reporting Period. This document serves as a guideline for employees in service standardization and improvement. We also developed the 2018 Service Evaluation and Inspection Standards and conducted standard interpretation training for front desk employees. Service inspection is carried out in accordance with the Service Evaluation Rules, and daily service is supervised through a mechanism that combines on-site and off-site inspection, self-inspection and investigations by other parties. In order to enhance customer experience, the Bank has included the average waiting time per customer and average processing time as an indicator in performance appraisal. The Bank has also improved the efficiency of tellers in business handling and reduced the waiting time of customers. The average waiting time and average processing time have decreased by 9.60 minutes and 2.19 minutes respectively since their inclusion in performance appraisal, and service efficiency has also improved significantly.

## Case study

### Helping customers avoid fraud

On the morning of 4 October 2018, a teller at Pengze sub-branch found that a Ms. Chen, who came to have her business processed, acted in a panicked manner and asked to open a mobile banking account to transfer funds. The teller detected something unusual from their conversation and asked the lobby manager to escort Ms. Chen to the rest area. In a subsequent conversation, it was discovered that a foreign “police officer” told Ms. Chen that she had been suspected of money laundering and that an “arrest warrant” had been issued for her. Ms. Chen was instructed to transfer funds to the “police officer” to ensure the safety of her funds. In a panic, Ms. Chen followed these instructions. The lobby manager was almost certain that this was a fraud case and decided to call the police. A few minutes later, the lobby manager reported the situation to the two policemen who arrived on the premises. After browsing the information on Ms. Chen’s mobile phone, it was confirmed as a fraud case. Ms. Chen then understood what had happened and expressed her gratitude to us for our professionalism and dedication.

## Protect consumer rights and intellectual property (IP)

The Bank actively carried out publicity events such as Financial Consumer Rights Day, Household Financial Knowledge, Financial Knowledge Miles, to spread financial knowledge to financial consumers, raising their risk awareness, and fulfilling our responsibility in protecting the rights of financial consumers.

### Case study

#### “Financial Consumer Rights Day” publicity event

On 15 March 2018, in response to “International Consumer Rights Day”, the Bank launched its “Financial Consumer Rights Day” campaign, focusing on the theme of “Rights, Responsibilities and Risks”. This campaign was promoted on-site and through the media. To raise financial consumers’ risk prevention awareness, we provided financial knowledge related to “preventing illegal fund raising”, “preventing telecom fraud”, “the legal rights of financial consumers” and “methods for identifying illegal financial advertisements”. The Bank’s corporate culture strives to “serve the general public”. With this goal in mind, we actively participated in protecting the rights of financial consumers to fulfill our social responsibility.



The Bank strictly complies with the Advertising Law of the People’s Republic of China, the Trademark Law of the People’s Republic of China, and the Copyright Law of the People’s Republic of China in order to integrate internal control compliance with risk control in protecting IP. We promote the concept of IP protection in our daily operations to prevent IP breaches.



A total of **19**  
anti-money laundering  
training sessions



Total of **2,892**  
participants

## Anti-money laundering

In order to comply with regulatory policies and requirements, implement an anti-money laundering mechanism, enhance the awareness and professional skills of all employees, and strengthen anti-money laundering internal control and risk prevention, the Bank combined internal trainings with external ones to provide unique training to our staff. In 2018, the Bank conducted a total of 19 anti-money laundering training sessions with 2,892 participants.

In 2018, the Bank continued to increase its anti-money laundering efforts by diversifying the forms of communication, fulfilling its social responsibilities, and arranging more anti-money laundering publicity events. More than 80 publicity events were organized throughout the year to spread anti-money laundering messages across the community, campus, factories, villages and all sectors of society. We distributed promotional brochures and explained to customers and the general public the hazards of money laundering, the characteristics and forms of illegal fundraising, and other related financial knowledge.

### Case study

#### “Anti-money Laundering Case Study” publicity event

On 1 November 2018, the Bank participated in the Anti-Money Laundering Case Study Day held by the Jiujiang City sub-branch of the People’s Bank of China. Staff members of the Bank actively distributed materials on criminal money laundering cases that have taken place in Jiujiang City; communicated anti-money laundering knowledge through vivid case explanations; introduced the common means and characteristics of money laundering crimes; reminded the public to keep their personal bank cards and identity information secret, and explained the risks and social hazards of money laundering. The event improved the public’s knowledge in the area of anti-money laundering and raised their awareness of self-protection measures. The public expressed their willingness to join the anti-money laundering campaign



by actively reporting money laundering activities. This event helped create a social atmosphere that is conducive to anti-money laundering efforts.



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**People's Bank**



# 5

## Participating in Poverty Alleviation and Social Activities for Public Good

We care about the underprivileged and seek to improve people's livelihoods in poverty-stricken mountainous areas.

We advocate poverty alleviation through financial means to improve poverty alleviation results.

We care about society and actively participate in volunteer services to create a better society.

- 44 **Benefiting the livelihood of poverty-stricken mountainous areas**
- 46 **Improving poverty alleviation outcomes**
- 47 **Participating in volunteer services**



# Benefiting the livelihood of poverty-stricken mountainous areas

The Bank is committed to actively fulfilling our social responsibilities. Since its establishment, the Bank has been committed to serving the people and acting as a responsible corporate citizen by encouraging staff members to participate in charitable works, such as the Thanksgiving Day donation and the party members' donation day. In line with the basic requirements on the "Four Practices, Six Precisions, and Five Batches" for poverty alleviation put forward by General Secretary Xi Jinping, the Bank is dedicated to strengthening organizational leadership in order to alleviate poverty in an innovative, targeted and effective manner.



The Bank has raised more than RMB **500,000**



Coordinated more than **40** poverty alleviation projects



Allocated more than RMB **10** million to poverty alleviation funds

## Poverty alleviation in Hukou Huangshan Village

Huangshan Village is located in southeast Hukou County in Jiangxi Province, which is located near Huangshan Mountain and is 15 kilometers away from the county. The "13th Five-Year Plan" deemed it a provincial poverty-stricken village, and the Bank became its assisting partner in 2016. To improve livelihoods in Huangshan Village, the Bank stationed a working team in the village to transform the traditional method of assistance-oriented poverty alleviation towards a development-oriented model. Over the past 3 years, the Bank has raised more than RMB500,000, coordinated more than 40 poverty alleviation projects, and allocated more than RMB10 million to poverty alleviation funds. With the support of the Bank and the efforts of the villagers, Huangshan Village has evolved from a poor village into a model village of anti-poverty and becoming rich. In 2018, the village completely rid itself of poverty and the targeted poverty alleviation project was successfully completed.



### Development-oriented poverty alleviation

**Poverty alleviation through a PV project:** Through this project, PV power generation equipment was installed at each poverty-stricken household, which helps increase income for poor people that are ill, disabled, or losing their ability to work. Each equipment installation will help increase the annual income of each household by more than RMB6,000 for 20 consecutive years, which effectively enhances the self-development ability of the poor in this rural area.



**Poverty alleviation through industrial development:** In Huangshan Village, the Bank established the Huangshan Planting and Breeding Professional Cooperative (registration in process) and the Fujialong Tea Planting Professional Cooperative. These cooperatives should help achieve large-scale and specialized planting through the transfer of land. Under the leadership of the Village Committee, registered poverty-stricken households are covered in the project. With the village's own savings and credit funds, more than 100 acres of collective tea gardens have been built in Huangshan Village. These developments are expected to generate a collective income of more than RMB300,000 per year and create more than 10 job opportunities.



### Case study

#### “First secretary” of Huangshan Village – Peng Sihang

In 2016, our employee Peng Sihang was selected by the Bank of Jiujiang to be the first secretary of Huangshan Village, where he worked on the targeted poverty alleviation. He is deeply impressed by the experience over the past three years.

Peng Sihang said: “Poverty alleviation is never an easy job. I have worked hand in hand with village cadres, and there have been many moments, both bitter and sweet, that I cherish. At times we have faced significant difficulties when people misunderstood our intentions, but the feeling we have when we see that the poor are now living a better life is beyond description.

Thanks to the strong support of national policies, Huangshan Village is going through overwhelming changes. The invested capital and manpower have laid a solid foundation for poverty alleviation work. The Bank provided appropriate guidance and decisions by developing a detailed plan for poverty alleviation and taking targeted measures to explore opportunities for the development of Huangshan Village. Also, under the leadership of the Party branch, the villagers have been self-reliant and hard-working in building a Huangshan Village that is beautiful and prosperous.”





# Improving poverty alleviation outcomes



Established **11**  
inclusive finance  
service stations



Targeted poverty  
alleviation loans  
amounted to  
**RMB341** million

In order to meet the financing needs of rural customers, the Bank has strived to keep up with the national policy of developing the rural economy, and has established 11 inclusive finance service stations in cities such as Nanchang, Jiujiang, Ganzhou, Ji'an and Shangrao. In June 2018, the Bank was commended in the Government of Wan'an County's report and was awarded the title of "Caring Bank in Poverty Alleviation Assistance". Additionally, in October 2018, the Bank was awarded the title of "Green Bank in Poverty Alleviation Assistance". As at the end of 2018, the balance of targeted poverty alleviation loans amounted to RMB341 million, with an increase of RMB30.233 million from the end of 2017.

The Bank established and managed 18 county banks and launched financial products that take into account local needs and features, such as the "Jin Fan Loan", "Fu Nong Loan" and "Yi Fu Loan". These products aim to reduce the difficulties and high costs for rural customers who are trying to raise funds. Financial services are provided to the agricultural industry, rural areas and farmers, as well as to small and micro enterprises. As at the end of 2018, 18 county banks granted a total of RMB475 million as poverty alleviation and agriculture supporting loans.

## Case study

### "Jin Fan Loan"

The "Jin Fan Loan" refers to loans granted to Zixi entrepreneurs who start a business outside their home town. The product mainly targets individuals who own bakery and snack shops. The loan is expected to be used for expanding the scale and improving the quality of the stores, as well as for purchasing large fixed assets. In response to the "One Industry, One Policy, One Product" policy of head office, the Bank continued to collect information from bakeries run by Zixi owners, formed a complete risk control system, and matched the method of guarantee with that of repayment. As at the end of 2018, 68 customers have taken advantage of this product, and the total credit balance of product amounted to RMB34.41 million.



# Participating in volunteer services



Donated a total of  
**RMB3.904**  
million

In 2018, we donated a total of RMB3.904 million and organized 35 volunteer activities with more than 140 volunteers involved.

The Bank firmly believes that children are the future of our society and of great potential. They need to see more of the world like urban development and societal changes. For children from mountainous areas, exploring the world outside the mountains and receiving more guidance and help do have a far-reaching effect on their growth.



Organized **35**  
volunteer activities  
with more than  
**140** volunteers

## Case study

### Loving Care Activity for children to experience outside

During the 2 days from 24 to 25 November 2018, the Bank's Youth League Committee jointly organized an loving care activity under the poverty alleviation initiative with the Jiujiang Municipal Committee of the Communist Youth League, the Jiujiang Youth Federation and the Jiujiang Youth Entrepreneurs Association. In this activity, primary school pupils visited the Bank's history exhibition room, the city exhibition hall, the city museum and patriotic education bases, outdoor development activities ,etc. which helped the students broaden their horizons, increas their knowledge, study socialist culture, and understand the tremendous economic and social development of Jiujiang. Such activities promoted a healthy and happy life for the participants and will make them feel more confident and courageous in serving their hometown when they grow up.



Case study

### Visiting the Sun Village Children's Relief Center

On 27 March 2018, the Bank's Community Services Division organized staff members to visit left-behind children at the Sun Village Children Relief Center in Duchang County, Jiujiang City, and donated supplies that were collected in the Bank's book donation campaign. All the donations were provided to the left-behind children of the Center; the donations included children's books, stationery, sporting goods, educational toys, and other items. The donations mainly came from the Bank's customers, employees of the 13 community sub-branches in Jiujiang City, and other caring community members who wanted to create a better living and studying environment for the children.



With the rapid development of science and technology, numerous skyscrapers have been built in modern cities, while communication among neighborhood become less. Therefore, the Bank has taken action to change this situation and warmed the hearts of the people.

Case study

### The Bank of Jiujiang's Chinese New Year Celebration

On the morning of 18 January 2018, Nanchang branch organized an activity to celebrate Chinese New Year. 12 sub-branches and 20 community sub-branches of the city acted in unison, and joined with the neighborhood committees to visit empty-nest elderly families living in neighboring communities. These groups brought warm greetings to poor and lonely elderly people, and celebrated Chinese New Year with them. During the visits, the volunteers talked with the elderly people and asked them about their health and daily life. Volunteers tried to meet the real needs of the elderly by bringing rice, flour and oil to celebrate the festival. They also encouraged these elderly empty-nest families to live happy lives and improve their livelihoods with the support of the government and with help from other sectors of society, in addition to their own efforts.



We always feel indebted to society because the Bank's development is based on the trust of our customers and support from all sectors of society, so we will continue to do everything in our power to give back.



Employees  
donated total of  
**RMB430,100**

#### Case study

#### Thanksgiving Day donation

On 22 November 2018 Thanksgiving Day, in line with the Bank's tradition of "originating from and giving back to society", the Bank organized a Thanksgiving Day donation and encouraged all employees to donate their income for the day. This tradition has been in place for 12 consecutive years. We feel indebted to society for the Bank's development, and are always eager to contribute to the prosperity of the country, societal harmony, and the people's livelihoods. This event has been well received by the Bank's employees. All of the Bank's employees strive to put into practice the ideas of "respect", "care" and "sharing" to help people in need. In addition to the Thanksgiving Day donation, the Bank also organized a party member donation day in 2018. These two activities raised a total of RMB430,100. All of the donations will be given to charities. Also, the Bank's head office donated RMB1 million to the Elderly and Children Charity Foundation to support various charitable activities.



# 6 Cultivating the Family Culture and Caring for Employees' Growth

We adhere to the principle of “creating the best positions for our employees” and strive to build teams with a fighting spirit.

We pay attention to the lives and development of our employees and encourage everyone to “live happily and work passionately”.

We regard the Bank of Jiujiang as a family and promote “Respect, Care and Sharing”.

52 **Facilitating staff development**

58 **Enriching the leisure life of staff**

61 **Organizing community activities**



**Respect**  
**Care**  
**Sharing**



# Facilitating staff development

Employees are a pillar of the Bank. People who have both capability and political integrity are the major force driving the development of the Bank. In line with the motto that “everyone can achieve success”, we strive to create the most suitable positions for staff, invite high-quality people to nurture our employees and make good use of their talent.

## Employee statistics

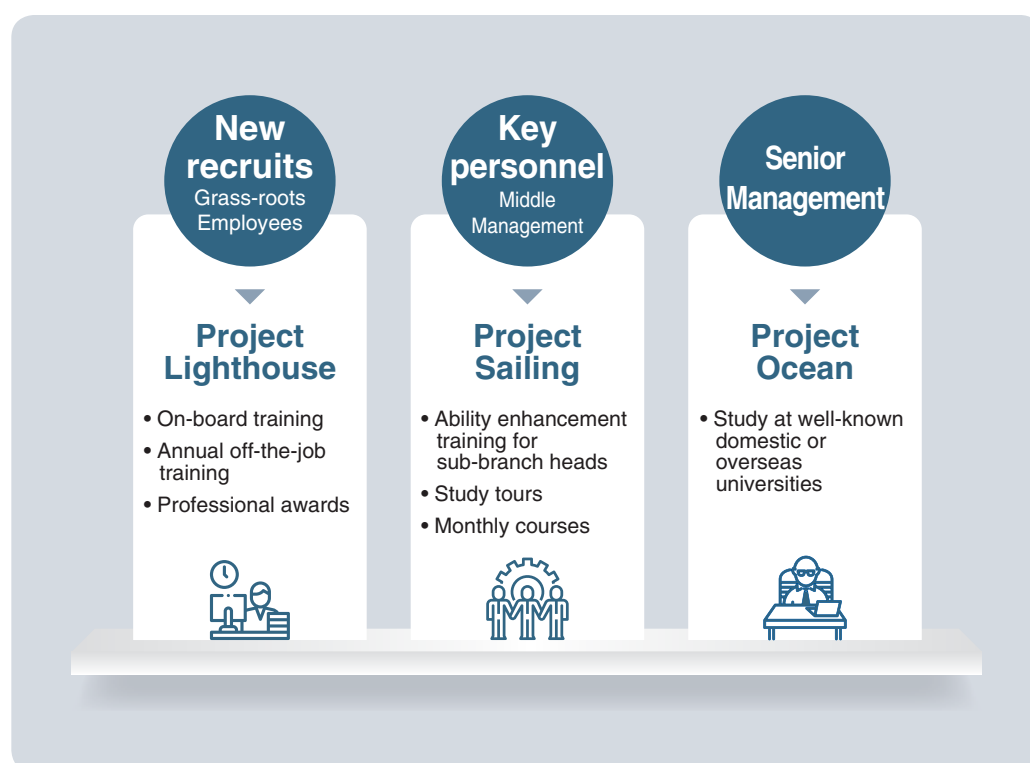
Classification		As at 31 December 2018	
		Number	Percentage
Total number of employees		3,597	100.00%
By gender	Male	1,540	42.81%
	Female	2,057	57.19%
By employment type	Contract	3,597	100.00%
By age	Below 30 (30 included)	2,611	72.59%
	31 to 40 (40 included)	791	21.99%
	41 to 50 (50 included)	173	4.81%
	Above 50	22	0.61%
By location	Within Jiangxi province	3,000	83.40%
	Outside Jiangxi province	597	16.60%
Ethnic minority employees		15	0.42%
By education level	Master's degree and above	321	8.92%
	Undergraduate and junior college	3,262	90.69%
	Others	14	0.39%

Note: The data in the table includes the head office, branches and county banks.

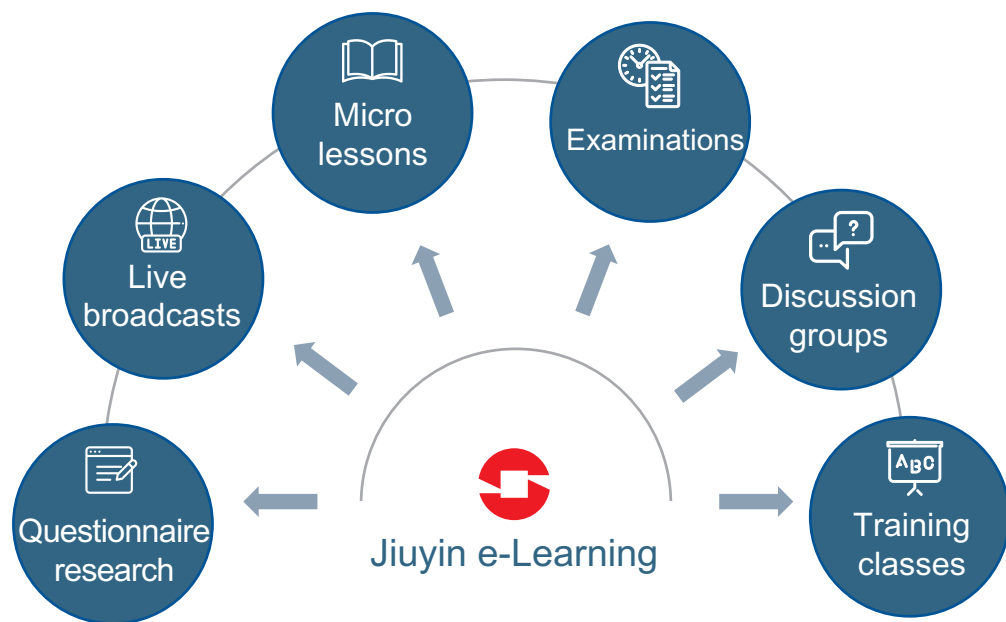


**Diversifying recruitment channels.** In order to better meet the need for talent caused by the rapid development of the Bank, we attach great importance to campus recruitment and social recruitment and conduct fair, just and open recruitment procedures. As a city commercial bank in China with great vitality, we firmly believe that young people are the capital assets in our development. After years of exploration, we have launched school recruitment programs such as the Management Trainee Program, the “Litchi” Program, and the Trainee “V” Program. Based on the program, a unique career development path is designed for each new recruit. Among these programs, the “Litchi” Program targets poor or low-income families. As at the end of 2018, four people have been recruited through the “Litchi” Program, and we look forward to them becoming a new driving force for the Bank.

**Improving the employee training system.** The Bank cares about the all-round development of employees in the industry, including the development of leadership ability and business skills. The Bank ensures that targeted and focused training is carried out accordingly and that all staff members are covered. Additionally, outstanding staff representatives are selected to study abroad. We endeavor to broaden the horizons of outstanding employees and build a team that is willing to learn.



In 2018, Jiuyin e-Learning was launched, allowing some special training courses and examinations to be accessed online. During the Reporting Period, the platform course library initially offered 9 professional courses and 4 special courses. Additionally, 13 self-developed courses were uploaded, and 1 live broadcast was conducted.




**Developing specific career paths.** The Bank's two-pillar system is based on the grades and positions of staff members and the comprehensive implementation of positions, professional sequences, salaries, and the performance system. In 2018, the Bank implemented a management system for professional sequences and formulated relevant administrative procedures including the "Implementation Rules for IT Engineers Sequence Management", "Implementation Rules for Independent Credit Approval Sequence Management", and "Implementation Rules for Auditor Sequence Management".


**Protecting employee rights.** The Bank enters into labor contracts with all employees in accordance with the applicable laws and regulations of the Labor Law and Labor Contract Law of the People's Republic of China, and specify the rights and obligations of employees. The Bank formulated the "Measures for Employees' Compensation Management", "Measures for Employee Welfare Management", "Measures for Performance Appraisal Management" and other procedures and documents to ensure the fair treatment of employees of different genders, cultural backgrounds, regions and ethnic groups, while guaranteeing the basic demands of different employees, reasonable determination of remuneration, prevention of discrimination, promotion of employee growth and the availability of necessary rest time. During the Reporting Period, the Bank did not employ child labor or forced labor, and there were no cases involving occupational injuries or fatalities. The Bank also formulated the "Measures for Petition Management" and set up a hotline, mailbox and reception room for petitions in order to establish an easily accessible channel for complaints and petitions. Employees can anonymously report any issue through the channel of their choice.

## 2018 employee training statistics

### By gender

	Male	Female	
Percentage of employees trained	57%	39%	
Number of employees trained (number of persons)	874	802	

### Level of employees

	Senior Management	Middle Management	Employees	
Percentage of employees trained	0%	7%	40%	
Number of employees trained (number of person)	2	237	1,437	

### By gender

	Male	Female	
Training hours per person	30.00	30.00	
Employee training hours (hours)	26,220	24,060	

### Level of employees

	Senior Management	Middle Management	Employees	
Training hours per person	13.50	30.00	30.02	
Employee training hours (hours)	27	7,110	43,143	

Case  
study

## 2018 pre-job training for graduate recruits

On 29 July 2018, the “Pursue Your Dream at Bank of Jiujiang 2018” training for new recruits was successfully completed. The training lasted 20 days and covered trainings on military discipline, theories, and skills, which led to a transformational change in new recruits. The training laid a solid foundation for new recruits to start their career by helping them deeply understanding the Bank’s corporate culture and the banking industry in general.



Case  
study

## The fifth phase of on-board training 2018

The fifth phase of on-board training 2018 was held from 20 to 28 August 2018. New publicly recruited employees gathered together to learn about the Bank of Jiujiang’s culture and receive education regarding basic banking knowledge. The new recruits actively participated in the training and studied hard, and 16 participants performed extremely well and were commended as outstanding trainees.



## Case study

### Enhancement training for outstanding and excellent performers

On the occasion of the listing of the Bank's H share, to further comply with international standards and to inspire outstanding and excellent performers, Liu Xianting, Chairman of the Bank of Jiujiang, led a delegation of 59 staff members who have been rated outstanding for 2 consecutive years or excellent for 3 consecutive years on a study visit to the Hong Kong University of Science and Technology (HKUST) from 5 to 9 November 2018. This enhancement training course covered the urban development of Hong Kong, the international financial market of Hong Kong, the core competitiveness of commercial banks in Hong Kong, and the history of HKUST. During the study visit, our staff members visited the Hong Kong Stock Exchange Connect Hall and the Museum of Finance to learn about the development and legacy of Hong Kong's financial industry and relive the Bank of Jiujiang's listing ceremony.



## Enriching the leisure life of staff

The Bank advocates for a culture of “respect, care and sharing”. For employees, the Bank not only cares about their career progress—it also pays attention to their work-life balance. The Bank organizes activities such as mountaineering competitions, football matches and debate competitions to enrich our staff’s leisure time, so as to strengthen the bond between employees and their sense of belonging.

### Case study

#### The 14th New Year Mountaineering Competition

On 1 January 2018, the New Year Mountaineering Competition was held simultaneously in 18 cities in seven provinces across the country. More than 3,000 people participated in this competition. This competition has been held by the Bank for 14 consecutive years. Through the mountaineering competition, participants were able to relax and exercise, and strong bonds were created among the staff members. They represented the Bank with a positive corporate image that exemplified the values of “unity, integrity, hard work and innovation”.





## Case study

### The Fifth Debate Competition of the Bank

On 19 June 2018, the Bank held the Fifth Debate Competition with a total of 24 teams from various divisions and functions joined and judges from different colleges and universities in Jiujiang, the People's Bank of China, the China Banking Regulatory Commission, TV media outlets, and other organizations were invited. After five stages which included a total of 26 fiercely competitive preliminary contests, rematches, promotions, resurrections and semi-finals, the Ji'an branch and Jingdezhen branch were the finalists. On the evening of 3 July, the final debate competition was held and the theme of the debate was "What does the rural market need: big or small banks?" The debate was heated and witty, and the finalists demonstrated their extensive knowledge and intellect.



## Case study

### The first staff football championship of the Bank

On 16 September 2018, the Bank held its first staff football championship at Jiujiang Menghuan Stadium. Sixteen teams participated in the match, and the Premier League coaching team was invited to provide guidance. On the ground, the players competed intensely. During the match, all of the participating teams demonstrated sportsmanship, team spirit and good discipline; and they respected the judgments of referees and played as closely connected teams. In short, they fully displayed the positive spiritual outlook employees of the Bank.





Case  
study

## Celebrating the Bank of Jiujiang's 18th Anniversary

On 18 November 2018, the Bank of Jiujiang held its 18th Anniversary Gala at the Bali Lake Art Center in Jiujiang City. More than 1,000 staff members and customers from all over the country gathered together to celebrate it. At the Gala, which was themed “A New Era and Voyage”, the attendees sang and danced to celebrate the 40th anniversary of China’s Reform and Opening-up and the successful listing of the Bank in the SEHK.



# Organizing community activities

The Bank is big family in which people respect and care for each other while pursuing mutual growth and development, and where we live happily and work together passionately to build a better and more prosperous Bank. During the Reporting Period, divisions, departments, branches and outlets of the Bank organized various cultural activities to solidify trust between co-workers and strengthen team cohesion.





# Prospects

2019 marks the 70th anniversary of the founding of the People's Republic of China and is a critical year for building a moderately prosperous society and achieving the goal of the first one hundred years of struggle. It is the first year after the Bank of Jiujiang stepped into adulthood and was successfully listed. The Bank faces opportunities, pressures as well as challenges.

In 2019, the Bank of Jiujiang will continue to strictly adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guiding principle. The Bank will also firmly establish the Four Consciousness, persist in the Four Confidences, and persevere in the Two Maintenances. Furthermore, the Bank will implement the spirit of the 19th National Congress of the Communist Party of China, the Central Economic Work Conference and the provincial and municipal economic and financial work conferences; adhere to the new development concept, and complete the three tasks, which serve the real economy, prevent and control financial risks, and deepen financial reforms. The Bank will conscientiously carry out regulatory requirements, promote the high-quality development of the Bank, and work to further develop inclusive finance, participate in social and charitable activities, and continue to create value for society.

**Compliance in business operations and improvements in robustness and uniqueness.** In 2019, apart from steady operation of the traditional banking business, we will also strive to create breakthroughs in inclusive finance and auto finance. We will also continue to focus on green finance by working with the Environmental Protection Department and Agriculture Department on green buildings, solid waste loans, green debt financing, emission rights, contract energy management and other initiatives.

**Improvements in intelligence and efficiency, with a focus on easiness and service.** In 2019, we will continue to strengthen the Party leadership, improve corporate governance, comply with regulations, construct a comprehensive risk management system, and strengthen the role of auditing and supervision. We will also further implement the strategy of "intelligence and efficiency" to achieve easier credit management, forward-looking financial management, efficient operational processes, agile technology support, and stronger empowerment of personnel.

**Diligence and drive resulting from enthusiasm and commitment.** In 2019, we will encourage employees to uphold their duties as "loyal, clean, and committed" members of the Bank of Jiujiang. Staff members will work as part of a team that is patterned, ethical, and diligent, and will keep up with the latest trends to promote the healthy development of the Bank. These efforts will help the Bank become a leading globalized commercial bank with unique characteristics, adequate capital, rigorous standards for internal control, secure operations, prominent services and high efficiency.

In 2019, we will continue to advocate the vision of "creating a branded bank and building a century-old store", and we will work to realize this vision step by step.

# Independent Limited Assurance Report

To the Board of Directors of Bank of Jiujiang Co., Ltd.,

We were engaged by the Board of Directors of Bank of Jiujiang Co., Ltd. (“the Bank”) to provide limited assurance on the 2018 Environmental, Social and Governance Report of the Bank for the year ended 31 December 2018 (the “ESG Report”).

## I. Responsibilities of the Board of Directors

The Board of Directors of the Bank is solely responsible for the preparation and presentation of the 2018 ESG Report, including the information and assertions contained within it, in accordance with 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 ESG report that is free from material misstatement, whether due to fraud or error.

## II. 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 the 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 the 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 conclusion we have reached.

### III. Summary of work performed

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

- 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 concerning sustainability development strategy and policies for material issues, and implementation of these across the business;
- Interviews with relevant staff at the Bank responsible for providing the information in the ESG 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 ESG Report;
- Comparing the information presented in the ESG 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 ESG Report;
- Reconcile key financial data and figures with the audited financial statements;
- Reading the information presented in the ESG 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 the 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 opinion on the effectiveness of the Bank's systems and procedures.

### IV. Conclusions

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

**KPMG Huazhen LLP**

Beijing

5 July 2019

# ESG Indicator Index

Subject Areas and Aspects		General Disclosures	KPIs	Corresponding chapter
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.		A1.1 The types of emissions and respective emissions data.	3.2 Promoting green operations
			A1.2 Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2 Promoting green operations
			A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not relevant. The Bank is a financial enterprise.
			A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not relevant. The Bank is a financial enterprise.
			A1.5 Description of measures to mitigate emissions and results achieved.	3.2 Promoting green operations
			A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.2 Promoting green operations
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	1.2 Table of key performance indicators (KPIs)
			A2.2 Water consumption in total and intensity (e.g. per unit of production volume per facility).	1.2 Table of key performance indicators (KPIs)
			A2.3 Description of energy use efficiency initiatives and results achieved.	3.2 Promoting green operations
			A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3.2 Promoting green operations
			A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not relevant. The Bank is a financial enterprise.
A3 Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources.		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Promoting green operations 3.3 Spreading green ideas



<b>Subject Areas and Aspects</b>			
	<b>General Disclosures</b>	<b>KPIs</b>	<b>Corresponding chapter</b>
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.	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.	6.1 Facilitating staff development  Note 1
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.	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.	6.1 Facilitating staff development  6.1 Facilitating staff development 6.1 Facilitating staff development
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	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.	6.1 Facilitating staff development  6.1 Facilitating staff development
B4 Labour Standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	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.	6.1 Facilitating staff development  6.1 Facilitating staff development

**Subject  
Areas and  
Aspects**

Aspects	General Disclosures	KPIs	Corresponding chapter
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	B5.1 Number of suppliers by geographical region. B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Note 1  1.3 Corporate governance
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.	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. B6.2 Number of products and services 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, how they are implemented and monitored.	Not relevant. The Bank is a financial enterprise.  4.3 Protecting consumer rights  4.3 Protecting consumer rights  Not relevant. The Bank is a financial enterprise. 4.3 Protecting consumer rights
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	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.	1.3 Corporate governance  1.3 Corporate governance
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.	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 area.	5. Participating in Poverty Alleviation and Social Activities for Public Good 5. Participating in Poverty Alleviation and Social Activities for Public Good

Note 1: The Bank plans to disclose information in this regard step by step.

# Feedback from Readers

Thank you for reading the Bank of Jiujiang's 2018 Environmental, Social and Governance Report. With the aim of promoting communication between the Bank and stakeholders and enhancing the Bank's capability in performing social responsibilities, we hope that you can evaluate this report and provide us with your valuable comments and suggestions. You can fill out the below feedback form and choose any of the following ways to send us your opinions.

Address: Bank of Jiujiang Mansion, No. 619 Changhong Avenue, Lianxi District, Jiujiang, Jiangxi Province, China.

Postal code: 332000

Tel: +86 (792)7783000-1101

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Email: lushan2@jjccb.com

1. Which kind of stakeholder are you:

- |                                     |                                    |                                      |                                      |                                   |
|-------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|
| <input type="checkbox"/> Government | <input type="checkbox"/> Regulator | <input type="checkbox"/> Shareholder | <input type="checkbox"/> Customer    | <input type="checkbox"/> Employee |
| <input type="checkbox"/> Supplier   | <input type="checkbox"/> Partner   | <input type="checkbox"/> Community   | <input type="checkbox"/> Environment | <input type="checkbox"/> Others   |

2. Your general evaluation of this report:

- |                               |                                  |                               |                                    |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Poor | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Excellent |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

3. Your evaluation of the Bank of Jiujiang's performance of social responsibilities from an economic perspective:

- |                               |                                  |                               |                                    |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Poor | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Excellent |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

4. Your evaluation of the Bank of Jiujiang's performance of social responsibilities from an environmental perspective:

- |                               |                                  |                               |                                    |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Poor | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Excellent |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

5. Your evaluation of the Bank of Jiujiang's performance of social responsibilities from a social perspective:

- |                               |                                  |                               |                                    |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Poor | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Excellent |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

6. Do you think the information disclosed in this report is complete?

- |                             |                                  |                              |
|-----------------------------|----------------------------------|------------------------------|
| <input type="checkbox"/> No | <input type="checkbox"/> Average | <input type="checkbox"/> Yes |
|-----------------------------|----------------------------------|------------------------------|

7. Do you think the content and typography is clear and suitable for reading?

- |                             |                                  |                              |
|-----------------------------|----------------------------------|------------------------------|
| <input type="checkbox"/> No | <input type="checkbox"/> Average | <input type="checkbox"/> Yes |
|-----------------------------|----------------------------------|------------------------------|

8. Do you have any other comments or suggestions on the report or on how the Bank of Jiujiang can improve or develop the way it performs its social responsibilities?

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**Thank you for your care and support for the Bank of Jiujiang!**



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