

Agricultural Bank of China
Corporate Social Responsibility
Report 2019

March 2019

Preface

“Only the wealth used for goodwill is truly meaningful. Only the enterprises that shoulder social responsibility are of the most competitiveness and vitality.”

--- President Xi Jinping

Contents

Message from the Chairman.....	1
Message from the President.....	9
Message from Chairman of Board of Supervisors.....	17
About Us.....	23
Company Overview.....	23
Company Strategy.....	24
Party Building As the Lead.....	26
Corporate Governance.....	30
Responsibility Management.....	37
Responsibility Map.....	45
Key Performance Indicators.....	47
I. Providing Financial Support for Poverty Alleviation.....	51
i. Reinforcing Basic Support.....	55
ii. Focusing on Targeted Poverty Alleviation.....	61
iii. Supporting Fixed-point Poverty Alleviation.....	70
iv. Focusing on Poverty Alleviation in Areas in Extreme Poverty....	77
II. Facilitating Rural Revitalization.....	85
i. Strengthening Policy Guarantee.....	89
ii. Promoting Agricultural Development.....	90

iii. Building Pleasant Living Environments.....	102
iv. Helping Farmers Get Richer.....	108
III. Standing Fast to Our Founding Duty to Serve the Real Economy...	113
i. Supporting the Implementation of National Strategies.....	117
ii. Supporting the Transformation of the Manufacturing Industry...	130
iii. Serving New Impetus for China's Economy.....	134
iv. Developing Inclusive Finance.....	137
v. Enhancing the Well-being of the People.....	144
IV. Promoting the Practice on Creating a Beautiful China.....	153
i. Green Credit.....	158
ii. Innovative Green Products.....	165
iii. Green Operation.....	168
iv. Engagement in Green Charity.....	172
V. Providing Satisfactory Services.....	176
i. Improving Service Quality.....	180
ii. Improving Service Efficiency.....	189
iii. Protecting the Rights and Interests of Consumers.....	194
VI. Demonstrating the Strives of the Fighters in the New Era.....	204
i. Respecting Rights and Interests of Employees.....	207
ii. Boosting Employee Development.....	210

iii. Caring for Employees in Life.....	216
iv. Carrying Forward the Spirit of Heroes.....	223
VII. Building a Harmonious Society Together.....	227
i. Popularizing Financial Knowledge.....	231
ii. Contributing to Community Development.....	235
CSR Honors and Awards.....	244
Responsibility Commitments.....	249
Appendix.....	253

Message from the Chairman

During the prime year of China and the Agricultural Bank of China when the 70th anniversary of the founding of the People's Republic of China and the 40th anniversary of the reestablishment of the Agricultural Bank of China were celebrated, all Chinese people were chasing their dreams. As the clarion call of the times for building a moderately prosperous society in all respects, and achieving the first Centenary Goal has been sounded, the Bank has responded actively and taken on responsibilities and missions bravely. Adhering to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we further promoted the campaign on the theme of “staying true to our founding mission”, fully implemented the decisions and deployment of the CPC Central Committee and the State Council, and followed the general principle of pursuing progress while ensuring stability. We optimized our services, prevented risks, carried out reforms earnestly, sought innovation, made up for shortcomings, and promoted transformations. By comprehensively exercising strict governance over the Party, we continued to create greater value for stakeholders. As a large-scale commercial bank and a mainstay in maintaining economic and financial stability, we strive to compose a beautiful new chapter for a beautiful China. In 2019, ABC won *The Banker's* Bank of the Year 2019 Award, which was a new step for ABC to develop into a world-class commercial bank group, and further boosted its role as a hardcore player in a country with a tremendous amount of deposits.

Expand the coverage of businesses while deepening the exploration of “Sannong” services

Targeted and untiring efforts guarantee the final success. It is the original aspiration as well as the political responsibility and historical mission of ABC to explore “Sannong” services and boost “Sannong” development. Upholding the original aspiration of serving “Sannong” development, we have devoted all our passion and energy to the cause of “Sannong”.

Conscientiously implementing the decisions and deployments of the CPC Central Committee and the State Council, we followed the new trends of rural development, accelerated the digital transformation of “Sannong” and county-level businesses, and promoted the upgrade and quality improvement of the No.1 Project of internet financial services for “Sannong” in 2019. We improved the three platforms of “Hui Nong e-Loans”, “Hui Nong e-Payment”, and “Hui Nong e-Merchant”, prioritized the innovation systems, procedures, products, and channels, and tried to solve the problems of financing difficulties and expensive financing for “Sannong”, striving to build a digital banking ecology that provides the best inclusive financial services for “Sannong”. By the end of 2019, the number of the fist product for “Sannong”, the Huinong Card, reached 224 million, and the balance of the network-based financing product, “Hui Nong e-Loans”, was RMB 198.62 billion, providing more inclusive and efficient modern financing services for farmer households.

To serve the strategy of rural revitalization is the focus of “Sannong” financial services. In accordance with the general requirement of “building rural areas with thriving businesses, pleasant living environments, social etiquette and civility, effective governance, and prosperity”, we enhanced our top-level design, highlighted policy support,

and promoted the development of rural industries with financial services, contributing to the beautiful and livable villages, and the livelihood of farmers through financial support. By the end of 2019, ABC's balance of agriculture-related loans was RMB 3.75 trillion, among which the balance of loans for leading agricultural companies was RMB 143.3 billion and that for farmer households was RMB 321.97 billion. Our financial support promoted the transformation and upgrade of agriculture, contributed to rural prosperity and increased the income of farmers.

In 2019, we earnestly fulfilled the political mission as the bank of the Party and the bank of the State, and thoroughly implemented the decisions and deployments of CPC Central Committee on poverty alleviation. Adhering to the policy of targeted poverty alleviation, we enhanced the allocation of loans for poverty alleviation, especially for the development of industries with local advantages in poverty-stricken areas. We launched new financial products and models for targeted poverty alleviation, and adopted various measures such as East-West collaborative poverty alleviation and consumption-based poverty alleviation to speed up local development in poor areas. As of the end of 2019, the balance of loans for 832 key poverty alleviation counties exceeded RMB one trillion, the balance of targeted poverty alleviation loans was RMB 394.19 billion, and the balance of loans for counties of the "Three Regions and Three Prefectures" was RMB 112.77 billion. Cumulatively, we provided financial support for approximately five million registered low-income population.

Serve China's development with unswerving support

We keep forging ahead with untiring vigor. We have always kept in mind the mission of serving the real economy with financial services. Adhering to the business principles of “effective service, controllable risks, and sustainable business”, we spare no effort to facilitate a high-quality development of China’s real economy and the nation’s rejuvenation.

It is our priority to serve the nation’s major development strategies. We have provided more financial resources to support the key national strategies, including “the Belt and Road Initiative”, the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Yangtze River Economic Belt, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the development of the Xiong’an New Area. Our financial services focus on key areas of weakness including transportation, water conservancy, energy, information and environmental protection, etc. With these efforts, we try our best to support the stable and healthy development of the real economy.

We pursue supply-side structural reform as our main task, and have continued to enhance support for the transformation and upgrade in advanced manufacturing, strategic emerging industries, and modern service industry, etc., so that new drivers of economic growth can be fostered. By the end of 2019, the balance of loans for strategic emerging industries was RMB 495.05 billion, with an increase of 53.7% from the beginning of the year. We also have vigorously developed inclusive financial services, continue to optimize the “Sannong + SMEs” inclusive financial service system, in order to improve the service capability of inclusive finance, and ease the capital burden of private businesses as

well as small and micro businesses. As of the end of 2019, the inclusive finance loans for small and micro enterprises was RMB 592.3 billion, up 58.2% from the beginning of the year, which was higher than the growth rate of all loans of the Bank (46.3%).

Always bearing the development concept of “Clear waters and green mountains are as valuable as mountains of gold and silver.” in mind, we have integrated the concept of green development into the entire financial service process, including developing green finance and supporting energy conservation, environmental protection, clean production, clean energy and other green sectors. By the end of 2019, the balance of ABC’s green credit loans was RMB 1.19 trillion. Our practices contributed to “a beautiful China and a better life” and reflected our efforts in protecting the clear waters and green mountains of China.

Be the most reliable bank for the people with constant sincerity

Time flies, but our commitment to the people will last forever. With the ideals of putting responsibility first to serve the country, society and the people, ABC has taken on practical actions to give back to society and endeavored to be a bank with a strong sense of responsibility that benefits everyone.

High-quality service is our bounden duty. Sticking to the service philosophy of “customers first and always”, we set 2019 as “a year for transformation and service improvement”. In 2019, we took the construction of outlet financial ecology as the mainline of our work to build an all-round outlet financial scenario and enhance the customer service capability with local and foreign currency integration, professional service capability, risk management and control capability,

value creation capability and market competitiveness, in order to improve customer experience and satisfaction, and attract and retain customers with high-quality customized financial products and services.

We regard our employees as our valuable assets, we have always maintained the people-oriented principle with strict yet caring management, constantly broadening the spaces for employee development. We provide employees with platforms to realize their dreams, and create paths for their sustainable development. We have implemented the talent development strategy in digital transformation and deepened the tiered training models, and improved the compensation, benefits and promotion systems; we care about employees' physical and mental health, and living quality; guarantee employees' rights and interests as well as health and safety. The five caring actions for grassroots employees have been launched to help employees improve the sense of fulfillment, happiness and safety.

Social harmony is our responsibility. We fully safeguard consumers' rights and interests, and have carried out financial knowledge publicity and education programs as well as diverse activities such as "Little ABC-ers" and "Financial Knowledge Going into Thousands of Households" to improve financial literacy, safety awareness and risk prevention ability of the public. Moreover, we have set up voluntary teams to carry out characteristic charitable activities, guide and motivate our employees to help the poor, participate in blood drives, tree planting, etc., thus contributing to the happiness of the people and social harmony.

Consolidate the root for development through Party building

Party building leads the overall development, and the Party spirit enhances loyalty. President Xi once emphasized that “Party building is the unique political resource of state-owned enterprises and an integral component of a company’s core competitiveness.” ABC has unswervingly followed Party leadership and strengthening Party building throughout the entire reform and development process. Adhering to the Party’s political development as the lead, we have comprehensively promoted Party building and ensured that all undertakings thrive continuously.

Always putting the political development of the Party first, we have enhanced Party building ideologically and theoretically. Regarding the thorough implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our primary political task, we guide our Party members to become more aware of the need to uphold political integrity, keep in mind the bigger picture, follow the CPC as the core of the Chinese leadership, act consistently with CPC Central Committee policy, and maintain our confidence in our path, guiding theories, political system, and culture. Party members should remain firmly safeguarding President Xi’s status as the core of the CPC Central Committee and the whole Party, as well as the authority and centralized, unified leadership of the CPC Central Committee. We deeply promote the campaign on the theme of “staying true to our founding mission”, addressing many of people’s pressing concerns. Party organizations of ABC at all levels, and ABC’s management and employees have firmer resolution and stronger momentum to fulfill the original aspiration and mission to serve “Sannong” and the real economy.

Adhering to the principle of the Party as management for officials and talents, we have strengthened team building at all levels and grass-roots Party organizations, selected talents through diverse methods, and encouraged officials to undertake due responsibilities. Through such efforts, we endeavor to build a high-quality professional official and talent team with sufficient numbers to provide strong intellectual support for the Bank's reform, innovation and digital transformation.

Persisting in full and rigorous governance over the Party, we apply it to the governance of the Bank, deepen the application of "The Four Forms" of supervision and discipline enforcement, focus on deepening work style construction , and constantly enhance the implementation of "The Three Lines and One Grid" system, which lays a solid foundation for sound operations and risk prevention for the Bank, and ensures the safety of financial assets.

2020 is the concluding year for building a moderately prosperous society in all aspects, and the intersection for realizing The Two Centenary Goals. We will pursue the vision of innovative, coordinated, green, and open development, shoulder our responsibilities and take on practical actions to fulfill our original aspiration of serving "Sannong" and the real economy. We will devote great efforts to advancing the reform of the Bank and addressing the impacts and challenges caused by the COVID-19 Epidemic. With more effective actions, we will give back to society, serve customers and employee development, and jointly create a better future.

Message from the President

In 2019, ABC conscientiously implemented on the decisions and deployment of the CPC Central Committee and the State Council, to Firmly establish the new development concept and remained committed to the new development philosophy, took serving the real economy as our own responsibility, and promoted reform and innovation to proactively respond to changes in the domestic and international economic trends. These efforts contributed to ABC's high quality development and fulfilled ABC's mission as a large state-owned bank in promoting economic transformation and upgrade, maintain financial security and stability, serve people's livelihood and other areas. The major operational indicators of the Bank continued to rank top in the industry. The total assets of the Bank reached RMB 24.88 trillion, and the Bank generated a net profit of RMB 212.92 billion, and paid RMB 92.98 billion in taxes. The Bank's market competitiveness, risk prevention and control abilities, and social influence continued to raise throughout the year.

We persist on returning to our origins, to nurture the real economy with financial support. Taking serving supply-side structural reform as our main task, we actively take on the responsibility of serving "The Six Stables", which are stabilizing employment, finance, foreign trade, foreign investment, investments and expectations, and enhance efforts in key areas and weak links to improve the service quality and efficiency for the real economy. In 2019, loans issued by the Bank was worth RMB 1.42 trillion, among which cumulatively over RMB 2 trillion was allocated to finance for the real economy. Serving the nation's

major strategies, the Bank has introduced a set of special service plans to support the coordinated development of Beijing-Tianjin-Hebei Region, the integration of Yangtze River Delta, “The Belt and Road Initiative” as well as the construction of the Guangdong-Hong Kong-Macau Greater Bay Area, Shenzhen pilot demonstration area, and Xiong’an New Area. Focusing on replacing old growth drivers with new ones at a faster pace, the Bank has issued more loans to advanced manufacturing and strategic emerging industries. By the end of 2019, the balance of loans for the manufacturing industry reached RMB 1,197 billion, and the balance of loans for strategic emerging industries reached RMB 495.05 billion. To meet the financial demands of micro and small enterprises as well as private enterprises, the Bank has substantially promoted the inclusive financial service by enlarging loan scope, increasing loan amount, and reducing costs. Moreover, the Bank has established the SME e-loans product system, and developed supply chain financial services such as Industry e-loans to resolve financing difficulty for micro and small enterprises. By the end of 2019, the newly issued inclusive loans for micro and small enterprises reached RMB 217.9 billion, with an increase of 58.2 percent, and the integrated financing cost was decreased by 1.2 percent.

We remain true to our original aspiration and write a wonderful chapter of serving “Sannong”. Serving “Sannong” has been the glorious mission and sacred responsibility of the Bank. We persist in carrying out reforms and innovation to resolve difficulties in serving “Sannong” and promote sustainable development. We actively support the strategy of rural rejuvenation, enhance financial support to serve the

“Seven Actions” for rural revitalization, and continue to improve the “Sannong” financial service capability. The newly issued county-level loans reached RMB 547.22 billion throughout the year, with an increase of RMB 109.7 billion year on year. With the goal of building a digital banking ecology that provides the best inclusive financial services for “Sannong”, the Bank has comprehensively promoted the digital upgrade of the No.1 Project of internet financial services for “Sannong” and improved the three platforms of “Hui Nong e-Loans”, “Hui Nong e-Payment”, and “Hui Nong e-Merchant”. With enhanced technological support, ecological construction, and full-chain services, the Bank strives to advance the scope and depth of financial services for rural areas. To contribute to reaching the goal of building a moderately prosperous society in all respects, the Bank has promoted poverty alleviation with financial services. A total of 20 preferential policies have been issued to support the development of areas in extreme poverty. The Bank has also taken special actions in the East-West Collaboration, consumption promotion, educational support, etc. We make every effort to take advantage of our leading role in financial services to alleviate poverty, and work hard to win the fight against poverty. In 2019, the growth rate of loans to the 832 key state-level poverty alleviation counties was 6.24 percentage points higher than that of the total loans of ABC. The loans allocated to areas in extreme poverty increased by RMB 68.8 billion, and a total of RMB 101 million was donated to poverty-stricken areas. As a result, Wuqiang County and Raoyang County in Hebei, as well as Xiushan County in Chongqing, and Huangping County in Guizhou have been lifted out of poverty.

We develop green finance to support progress in ecological construction. Upholding the vision for green development, we further implement the *Development Plan for Green Finance of Agricultural Bank of China (2017-2020)*. In order to win “The Seven Hallmark Battles”, including the battle against air pollution to make our skies blue again, and the battle against agricultural and rural pollution, etc., we step up efforts in key areas such as ecological protection and remediation, pollution control, and new energy. We continue to advance the integration of the green credit loan principle and credit loan policies, enhance green financial product innovations, and underwrite and issue the first green leasing asset securitization product in China’s financial leasing industry, as well as the first “Green + Poverty A” debt instrument in China. In 2019, the Bank issued seven green bonds worth RMB 39 billion in total. The balance of ABC’s green credit loans exceeded RMB 1.1 trillion. Moreover, we earnestly support the implementation of the nation’s overcapacity cut policy, strictly reduce the credit risk exposure to industries with excess capacity, and implement the “one-vote-veto system” regarding environmental protection performance. A credit loan balance worth RMB 91.6 billion was reduced for 15 restricted industries in 2019. In addition, we actively promote green procurement and engage in public welfare for environmental protection. We advocate paperless office, energy conservation and emission reduction, and low-carbon transportation among our 470,000 employees, practicing the green development ideal of “building a beautiful China” with concrete actions.

We uphold the service philosophy of “customers first and

always” to improve the financial service quality. Taking a customer-centered approach, the Bank relies on financial technologies and business innovation as driving force to promote the digital transformation of products, marketing, channels, operation, risk control, and policy-making, and advance the online and offline integration, striving to build a smart bank that provides first-class customer experience. In 2019, we launched the digital account operation system, unveiled the function of “ABC bank account opening appointment”, and realized the open services featuring “Scenario + Account”. We improved the online financing product system; the balance of “ABC e-Loans” reached RMB 589.4 billion, with an increase of RMB 372.1 billion from the beginning of the year. We built the “ABC Smart +” scenario-based brand and launched a series of service scenarios covering living and consumption, government affairs and people’s livelihood, and industrial chains, substantially improving customer experience. The service scenarios include smart transportation, smart government affairs, smart communities, smart hospitals, and smart schools, etc. We also carried out publicity activities for consumer rights protection such as “Popularizing Financial Knowledge Over Great Distances” and “Financial Knowledge Going into Thousands of Households” campaigns. Through these activities, we taught the public learn financial knowledge, such as monetary knowledge, personal credit reporting, as well as anti-counterfeit currency, anti-money laundering, anti-fraud and illegal fund-raising prevention, raising the risk prevention awareness of the public. A total of 46,000 publicity activities were organized throughout the year, benefiting over 70 million participants.

We hold bottom-line thinking to fortify the lifeline of healthy development. Effective risk prevention and control is the premise and foundation for the banking sector to achieve high quality development. We implement the three-pronged approach of “save, supplementation, and transmission”, continue to advance “The Capital Consolidation Plan”, and constantly raise the capital adequacy ratio (CAR). We further enhance risk management, advance “The Non-performing Loans Disposal Plan”, and strengthen risk control in large corporation clients and high-risk industries; we continue to promote risk management of high-risk areas and further reduce large non-performing assets; with a stricter risk classification, ABC’s non-performing loan balance and ratio continue to decrease and its ability to offset risk-incurred losses continue to rank top among peer banks. We actively promote the aggregation of risk data, strengthen the integration of ABC’s data consolidation management and risk management, and improve the long-term mechanism for compliance management of overseas branches, constantly enhancing comprehensive risk management. We take actions to eliminate improper behaviors, promote compliance management, and advance the building of a global anti-money laundering compliance system, further cementing the basis of compliance management. By launching the “2019 Cybersecurity Action”, we have enhanced network and information security, improved major sensitive systems, and continue to optimize the distributed core system platforms, guaranteeing the safe and stable operation of our information system.

We value employee growth to strengthen the endogenous dynamic for corporate development. Employees are the momentum

for corporate development and the main force for value creation. We build platforms for employees to achieve personal growth and career development, and implement a series of talent development projects including the County-level Talents Project, the Internationalized Talents Nurturing Project, and the S&T Talents Development Project, etc. We organize multi-level trainings for management personnel, professionals and grassroots officials, and fully protect employees' legitimate rights and interests, health and safety. While repaying shareholders and serving society, we have also realized employee development, which fortifies ABC's foundation for sustainable development. In 2019, the Bank held 13,700 training courses with 787,300 participants. A total of 14,000 outstanding young employees were selected and received special training, and nearly 30,000 employees in need were assisted by the Bank. Keeping in mind the responsibilities as a corporate citizen, we engage in brand charity activities and encourage employees to support public welfare causes, making joint efforts to build a harmonious society. In 2019, 96,000 young employees of the Bank participated in volunteering activities, serving more than 241,000 hours in total.

2020 is a critical year to achieve the nation's Two Centenary Goals. We will continue to study Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and implement the decisions and deployment of CPC Central Committee and the State Council. Upholding the underlying principle of pursuing progress while ensuring stability, we will take serving supply-side structural reform as our main task to promote economic and social development. We will prioritize to serve "The Six Stables", continue to improve our weaknesses and fortify

our foundation, constantly promote reform, innovation, and transformation, and hold the bottom-line of risk prevention in our tireless endeavors to build a world-class commercial bank group, and contribute to building a moderately prosperous society in all respects.

Message from Chairman of Board of Supervisors

As a large state-owned commercial bank, the Agricultural Bank of China is a bank of the Party, and a bank of the people. For the past 68 years, the Bank has adhered closely to the leadership of the Party, has shared a place in people's hearts, a place in the nation's history and destiny, and a place in the new era. The bank has fulfilled social responsibilities to repay our shareholders, to serve the people and to improved people's livelihoods.

In 2019, the Bank thoroughly implemented the guiding principles of the 19th CPC National Congress and the Second, Third and Fourth Plenary Sessions of the 19th CPC Central Committee, and upheld the underlying principle of pursuing progress while ensuring stability. Taking enhancing the Party's political building as the overarching principle, the Bank launched the campaign on the theme of "staying true to our founding mission" to improve our political positioning. Keeping serving "Sannong" and the real economy as our priorities, the Bank has accelerated the pace of digital transformation, and endeavored to prevent financial risks. While promoting high-quality development, the Bank actively fulfilled its political responsibility of exercising full and rigorous governance over the Party, the economic responsibility of creating values, and the social responsibility of repaying society, striving to serve the leadership and exemplary role of a large state-owned commercial bank.

Maintaining a Deep Belief in and Remaining a Faithful Participant of CSR

The Bank adheres to the Party's leadership as the primary political principle, and integrates the Party's will and propositions into the entire process of our financial services. We persist in arming ourselves with the Party's theories, including the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and the Guideline of the Fourth Plenary Session of the 19th CPC Central Committee. By launching the campaign on the theme of "staying true to our founding mission", and with a strong sense of political responsibility, the Bank implements the decisions and deployment of the CPC Central Committee in thoughts and actions, strive to be a responsible bank, while remaining true to our original aspiration and mission.

We take serving the real economy as the first responsibility of our mission as a financial enterprise. We thoroughly implement the decisions and deployment of the CPC Central Committee and the State Council, adopt a new vision for development, and take serving supply-side structural reform as our main task. By optimizing credit loan allocation and enhancing support for key areas and projects as well as weak links, the Bank supports the nation's major strategies, economic transformation and upgrade, and livelihood infrastructure, facilitating the real economy to nurture new drivers of growth for innovation-driven development.

We take serving "Sannong" as our greatest responsibility. Keeping in mind that ABC was founded for agriculture and develops with agriculture. we enhance policy support and prioritize service resources allocation for agriculture. By innovating financial product modes and extending channels and network, we continuously support poverty

alleviation and rural rejuvenation with high-quality financial services.

To prevent and control financial risks is our most fundamental economic responsibility. We earnestly implement the decisions and deployment of the CPC Central Committee on preventing and controlling major risks, and practice our core values of “Integrity, Stability and Sound Operation”. We have always put risk prevention in the foremost place and firmly held it as the lifeline of business operations, effectively protecting the safety of state-owned financial assets.

Pursuing Best Quality and Promoting Common Growth

We faithfully implement the mission of “Serving Society and Benefiting People’s Livelihoods”, uphold the operation philosophy of market-orientated development, and take customer satisfaction as our starting point and ultimate goal in fulfilling duties. We take the initiative to serve various areas of economic and social development, innovate in financial service philosophy and model, and make efforts to tackle new difficulties in customer service, constantly enhancing financial support for improving people’s livelihoods. Taking developing inclusive finance as our own responsibility, we innovate in financial service mode and product system, and issue preferential policies to reduce fees while compromising profits, so as to help micro and small enterprises and private enterprises overcome financing difficulties and achieve greater growth.

Upholding the service philosophy of “Customers First and Always”, we aim to build a smart bank that provides first-class customer experience. Thus we have enhanced digital product innovation, and

accelerated the establishment and promotion of financial service scenarios. We also increased efforts to improve service quality, service efficiency, and service experience, and use science and technology to provide more convenient and considerate financial services, effectively meeting the people's demands for diversified financial services.

We firmly uphold our customer-centered operation philosophy to guarantee customers' rights and interests. We have established a full-process consumer rights protection system, and made efforts in enhancing operation philosophy, sales management, staff behavior management, and financial knowledge publicity, with an aim to enhance consumers' abilities to identify and prevent financial risks. Moreover, we unblock the customer compliant channel, regulate customer complaint management, and timely respond to customers' appeals, fully guaranteeing customers' legal rights and interests. Ultimately, we strive to build a trustworthy and satisfying bank for the people.

Pursuing Coexistence and Being a Leader in Achieving Harmonious Development

We keep in mind our people-centered development philosophy, and actively shoulder our political mission and social responsibility to support poverty alleviation through financial service. We have continued to increase credit and loan funds, consumption poverty alleviation, and poverty alleviation via donations. Moreover, we have established the working mechanisms for poverty alleviation through industrial development, the East-West Collaboration on poverty alleviation, and poverty alleviation through educational support. With targeted efforts,

we advance financial poverty alleviation in areas in extreme poverty, such as the “Three Regions and Three Prefectures”, old revolutionary base areas, and ethnic minority areas. We promise to keep on fighting until poverty is eliminated in these areas, demonstrating our resolve and responsibility to win the battle against poverty.

In line with our philosophy of harmonious coexistence between humanity and nature, we firmly implement the guideline of green finance policies, and actively integrate the concept of ecological civilization into our business development and credit loan administration processes. Furthermore, we explore new ways for green financial products such as innovation of green ABS and green bonds, and enhance support for energy conservation and environmental protection, clean energy, and ecological governance. At the same time, we try to allocate more financial resources to green, recycling and low-carbon areas, providing financial support for building a country with clear waters and green mountains.

Adhering to the philosophies of “giving priority to CSR, benefiting the general public, shouldering responsibilities, and promoting the well-being of society”, we have established and improved the public welfare administration system, developed the public welfare brand of “Golden Dream” student subsidy program, and organized diverse public welfare activities such as financial knowledge popularization, disaster relief, and helping the needy. We encourage employees to care for disadvantaged groups and to actively participate in public welfare causes, to promote social harmony and progress.

After celebrating the 70th anniversary of the founding of the People's Republic of China, we are standing at a new historical starting point. In the new era, the Agricultural Bank of China will follow the strong leadership of the CPC Central Committee and the State Council, and serve the deployment of the CPC and the State. The Bank will shoulder its responsibilities, and contribute to securing a decisive victory in the fight against poverty, and in building a moderately prosperous society in all respects, and work tirelessly to realize the Chinese Dream of national rejuvenation.

About Us

Company Overview

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

Being one of the major integrated financial service providers in China, ABC relies on its comprehensive business portfolio, extensive distribution network and advanced IT platform to provide a diverse portfolio of corporate and retail banking products and services for a broad range of customers, and conduct treasury operations and asset management. Our business scope also includes, among other things, investment banking, fund management, financial leasing and life insurance.

In 2019, the Bank ranked No.36 in the *Fortune*’s Global 500, and ranked No.3 in *The Banker*’s “Top 1,000 World Banks” list in terms of tier 1 capital.

The Bank had a total of 23,149 domestic branch outlets at the end of 2019, including the Head Office, the banking center at the Head Office, three specialized institutions managed by the Head Office, four training institutes, 37 tier-1 branches, (including 5 directly subordinate branches), 390 tier-2 branches (branches at provincial capitals and banking

departments of provincial branches), 3,445 tier-1 sub-branches (banking departments of branches at municipalities and directly subordinate branches, as well as banking centers of tier-2 branches), 19,216 foundation-level branch outlets and 52 other establishments. Our overseas branch outlets consisted of 13 overseas branches and 4 overseas representative offices. The Bank had 16 major subsidiaries, including 11 domestic subsidiaries and 5 overseas subsidiaries.

The Bank had total assets of RMB 24,878,288 million, loans and advances to customers of RMB 13,360,188 million and deposits from customers of RMB 18,542,861 million. Our capital adequacy ratio was 16.13%. The Bank achieved a net profit of RMB 212,924 million and paid RMB 92.98 billion in taxes, which contributed to RMB 2.27 of social contribution value per share.

Company Strategy

The Bank has formulated a complete strategic plan for corporate development. In 2016, the Reform and Development Plan of Agricultural Bank of China 2016-2020 was issued. In 2018, the strategic plan was revised in light of the new internal and external situation, and clarified the guideline and main objectives of its reform and development with clear working direction, priorities and focuses during the 13th Five-Year Plan period. In 2019, the Bank launched the strategy of digital transformation with an aim to build a smart bank with first-class customer experience and the best digital eco-bank in “Sannong” and inclusive financing areas.

Strategic goal: ABC is committed to building an international commercial bank group with professional operations, efficiency and

convenient services, diversified functions, and outstanding value-creation capabilities.

The Strategy of “Promoting Digital Transformation to Create a Digital ABC”

General goal: With the idea of “ internet-based, data-based, intelligent and open ” , adhering to the customer-centered principle, the Bank relies on financial technologies and business innovation to promote comprehensive digital transformation and deep integration of online and offline services in respect of products, marketing, channels, operations, risk control, and decision-making, with the aim to develop ourselves into a smart bank with first-class customer experience and the best digital eco-bank in “Sannong” and inclusive financing areas.

Basic principle: Customers first, top-class experience; inclusive services, integrated innovations; highlighting priorities and features; business-driven development, controllable risks; collaboration between departments, linkage between the Head Office and branches.

Transformation path: To achieve the development goal of digital transformation, the Bank needs to properly deal with the relationships between reform, development and rebuilding, stick to overall planning, and implement the plan step by step. The first step is to establish the digital transformation mechanism, improve capability, and work on priorities within two years, consolidating the foundation for transformation; the second step is to systematically rebuild the operation management system of the Bank within five years or so.

Strategic pillar: Focusing on the five strategic pillar areas and consolidating the foundation for digital transformation; building a smart

marketing system; promoting omni-channel integrated development; establishing an open ecological system; rebuilding the risk management and control model; building the new-generation digital cloud platform.

Priorities: The priorities of the Bank's work (2019-2020) include: creating a set of competitive digital products; improving and promoting key scenario services; accelerating data consolidation and application; promoting adaptability transformation of the risk control system, process and approaches; advancing the omni-channel integrated operation; building the new-generation IT framework step by step.

Party Building as the Lead

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank earnestly implements the guiding principles of the 19th CPC National Congress and the Second, Third and Fourth Plenary Sessions of the 19th CPC Central Committee, and fully implements the general requirements for Party building in the new era. According to the "Six Dimension Strategy", the Bank takes the Party's political building as the overarching principle, fully strengthens Party competence in all respects, and launches a two-rounds of the campaign on the theme of "staying true to our founding mission", to arm Party members with the Party's new theories and strengthen the competence of officials. The Bank improves the standardized construction of primary-level Party organizations, promotes the reform by making disciplinary inspection and supervision commissions as resident institutions, tightens discipline and improves Party conduct to enhance Party building at ABC, providing a strong political underpinning for ABC's reform and development.

Prioritize Party Building

Launching the campaign on the theme of “staying true to our founding mission”

- Focusing on the theme of the campaign, in accordance with the general requirement of “remaining true to the original aspiration, fulfilling the mission, finding gaps, and solidify implementation”, Party organizations at every level implement the four key measures thoroughly, i.e., conscientiously studying the Party’s theories, deepening investigation and research, strictly conducting inspections, and implementing rectifications. These efforts have helped solve a number of pressing problems. The Bank has achieved positive gains from the campaign.

Strengthening the Party’s political building and arming with the Party’s theories

- Printing and distributing the *Directive on Enhancing the Political Work of the Party*;
- Issuing the *Regulations on Critical Incident Reporting*;
- Holding the symposium on the guideline from the Fourth Plenary Session of the 19th CPC Central Committee;
- Holding the meeting of Party building work of Agricultural Bank of China;
- Enhancing Party conduct and anti-corruption, and tightening up on accountability for overseeing discipline compliance.

Enhancing the competence of officials to build a high-caliber and professional team

- Adhering to the principle of the Party supervising officials, and

building a strong leadership team that has a rational, hierarchical structure;

- Formulating the *Implementation Opinions on Selecting and Nurturing Outstanding Young Officials for the New Era* and the *Opinions on Building Leadership Teams of ABC's Branches and Sub-branches*;
- Revising the regulations on selecting and appointing ABC's management and officials.

Advancing the building of primary-level Party organizations

- Compiling and printing the *Manual of Party Branch Standard Building*;
- Implementing the checklist management for primary-level Party organizations and the point redemption system for Party members;
- Issuing the *Measures for Implementation of Care and Assistance within the Party*.

Seeing Party and bank self-governance exercised fully and with rigor

- In accordance with the requirements of the Central Leading Group for Inspection Work, the Bank organized internal inspections and rectifications in the branches and sub-branches. Tough actions were taken against the practice of formalities for formalities' sake and bureaucracy to improve Party conduct and discipline. More efforts focused on implementing the requirements of "the Year of Reducing Work Burden on Officials at the Grassroots", and deepening the reforms to streamline administration, delegate powers and improve regulation and service, so as to create a strong

atmosphere of being realistic, pragmatic and entrepreneurial.



ABC holds the meeting to make mobilization and deployment for launching the campaign on the theme of “staying true to our founding mission” (Photo by Chen Shunxi)



Party members of Hunan Branch recite the Party’s admission oath at Hunan Party History Exhibition Hall (Photo by Duan Yudong)



Dalian Branch holds the activity to commend admirable deeds during the campaign on the theme of “staying true to our founding mission”

(Photo by Qu Wenpeng)

Corporate Governance

We continuously promote the modernization of our corporate governance system and capacities, follow the principle that each governance body operates independently, counterbalances effectively, and cooperates and coordinates efficiently. We constantly optimized the operation mechanism in which the Board of Directors makes scientific decisions, the Board of Supervisors strictly supervises, and the senior management efficiently executes.

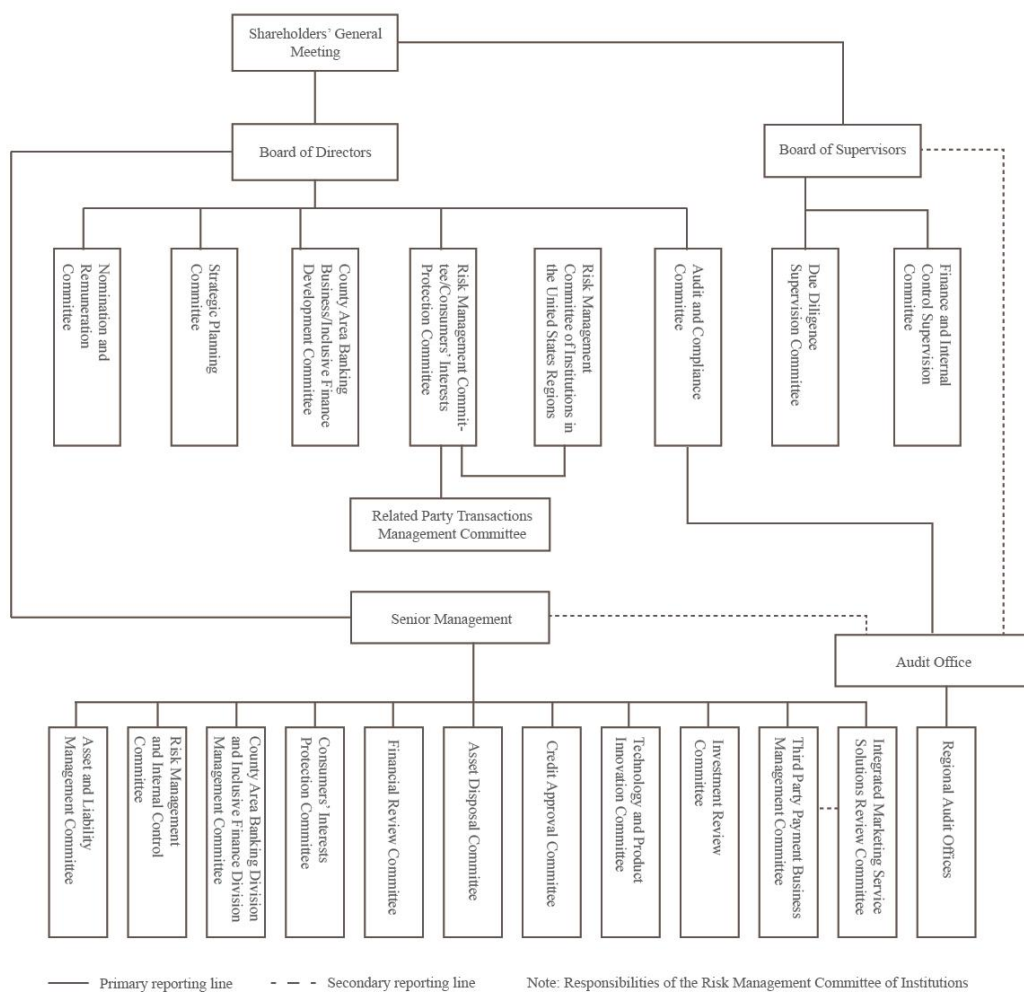
The Bank attached importance to investor relation management. Through performance press conferences, roadshows, reverse roadshows, participating in capital market summits, receipting investors' visits, day of collective reception of investors, investors hotlines and emails, and the Shanghai Securities E-platform open to investors, the Bank timely delivered to investors corporate development strategies, operating results and hot topics in capital market, keeping an effective and smooth communication channel with the capital market.

In compliance with relevant laws and regulations, the Bank disclosed periodic reports and temporary announcements, enhanced the information disclosures of environmental, social and corporate governance and continuously improved the transparency of information disclosure. Moreover, the Bank closely followed regulatory requirements and timely optimized the information disclosure operation rules and process, continuously making the information disclosure more

institutionalized, streamlined and standardized. In 2019, the Bank disclosed 94 A-share documents, 126 H-share Chinese documents and 97 H-share English documents on the Shanghai Stock Exchange (SSE) and the Stock Exchange of Hong Kong (HKEx). The assessments on our information disclosure by the Shanghai Stock Exchange have been “A” for five consecutive years.

At the end of 2019, the Board of Directors was comprised of 13 directors, including 2 executive directors, 6 non-executive directors and 5 independent non-executive directors. The Board of Supervisors comprised of 8 supervisors, including 2 shareholder representative supervisor, 3 employee representative supervisors, 3 external supervisors and 6 senior managements.

Corporate Governance Structure



Note: Responsibilities of the Risk Management Committee of Institutions in the United States Regions are concurrently assumed by the Risk Management Committee/Consumers' Interests Protection Committee

Compliance Operations

Upholding our core values of “Integrity, Stability and Sound Operation”, the Bank implements the operation philosophy of effective service, controllable risks and sustainable business, and persists in putting risks prevention in the first place. The Bank steps up efforts in building a hierarchical internal control system, improves the corresponding mechanism, and strives to ensure risk factors are under control, contributing to a high quality and efficient development with integrity,

stability and sound operation.

Measures for optimizing compliance operations

Optimizing institutional management

- In 2019, the Bank formulated 114 managerial systems, revised 178 systems, and abolished 256 systems.

Enhancing legal compliance

- The Bank formulated the *Detailed Rules for the Implementation of Due Diligence in Supervision of Legal Affairs*;
- The Bank revised the *Measures for the Management of Contracts*, the *Regulations on Litigation Cases*, and the *Code of Conduct for Staff of Agricultural Bank of China*;
- The Bank enhanced independent IPR application and protection, and conducted monitoring and inspections of IPR violation risks.

Eliminating improper conducts

- The Bank implemented the regulation requirements of the authorities, issued the overall work plan of “eliminating improper conducts and promoting compliance”, and took steps to make rectifications in 16 aspects in five major areas;
- The Bank refined the rectification work into 96 points, and promoted the implementation by departments and institutions at all levels, to ensure rectification effects;
- The Bank deepened rectifications to advance the long-term internal control compliance management, and held the bottom line of legal and compliance operation, to provide a strong underpinning for the Bank’s reform and transformation.

Advancing compliance management of overseas institutions

- The Bank formulated the *Action Plan on Enhancing the Long-term Mechanism of Overseas Institutions Compliance Management* and the *Planning for Global Anti-Money Laundering Center Construction (2019-2021)*, and continued to promote the independently-developed overseas anti-money laundering system (OAMLS);
- The Bank dynamically monitored local laws and regulations of the regions where overseas institutions are operated, and implemented the *EU General Data Protection Regulation (GDPR)*.

Establishing the compliance risk evaluation and testing system

- The Bank formulated the *Operating Rules of Agricultural Bank of China on Evaluating Compliance Risks (for Trial Implementation)*;
- The Bank issued the *Operating Rules of Agricultural Bank of China on Compliance Tests (for Trial Implementation)*.

Optimizing the accountability process

- The Bank formulated the *Working Rules of the Accountability Commission*, and set up accountability commissions at branches and sub-branches;
- The Bank established the accountability and democratic decision-making mechanism to enhance the targeted accountability system.

Risk management

The Bank has established a hierarchical, scientific, and complete framework for risk policies and regulations, covering basic systems of risk management, policies on risk appetite and special risk management, regulations on comprehensive and special risk management, as well as

detailed implementation rules and operating rules on daily risk management.

By the end of 2019, the non-performing loans (NPLs) of ABC was 1.4%, 0.19% lower than that of 2018. The provision coverage was 288.75%, showing a high level of resilience to risks and strong ability to absorb losses.

Risk management policies and regulations formulated and revised by ABC

Comprehensive risk management system

- Formulating the *Basic Systems of Risk Management of Agricultural Bank of China*.

Economic capital measurement

- Formulating the *Regulations of Agricultural Bank of China on Economic Capital Measurement*.

Market risk management

- Formulating the *Regulations of Agricultural Bank of China on Economic Capital Measurement*, the *Regulations of Agricultural Bank of China on Risk Grading of Capital Management Products*, and the *Regulations of Agricultural Bank of China on Risk Management of Financial Product Agency Sales*;
- Revising the *Regulations of Agricultural Bank of China on Market Risk Quota*, and the *Regulations of Agricultural Bank of China on Market Risk Monitoring and Reporting*.

Measures for risk management

Credit risk

- Implementing the deployment of assets quality management and industry quota management, improving economic capital measurement, and maintaining the stable operation of the credit risk grading system.

Market risk

- Improving the market risk management system and enhancing the management of financial market business and financial service.

Operational risk

- Optimizing the operational risk management information system and enhancing the automatic aggregate capability of operational risk data;
- Integrating the application of operational risk management tools and promoting the active and farsighted risk prevention and control;
- Continuing to enhance information technology risk management and business continuity management.

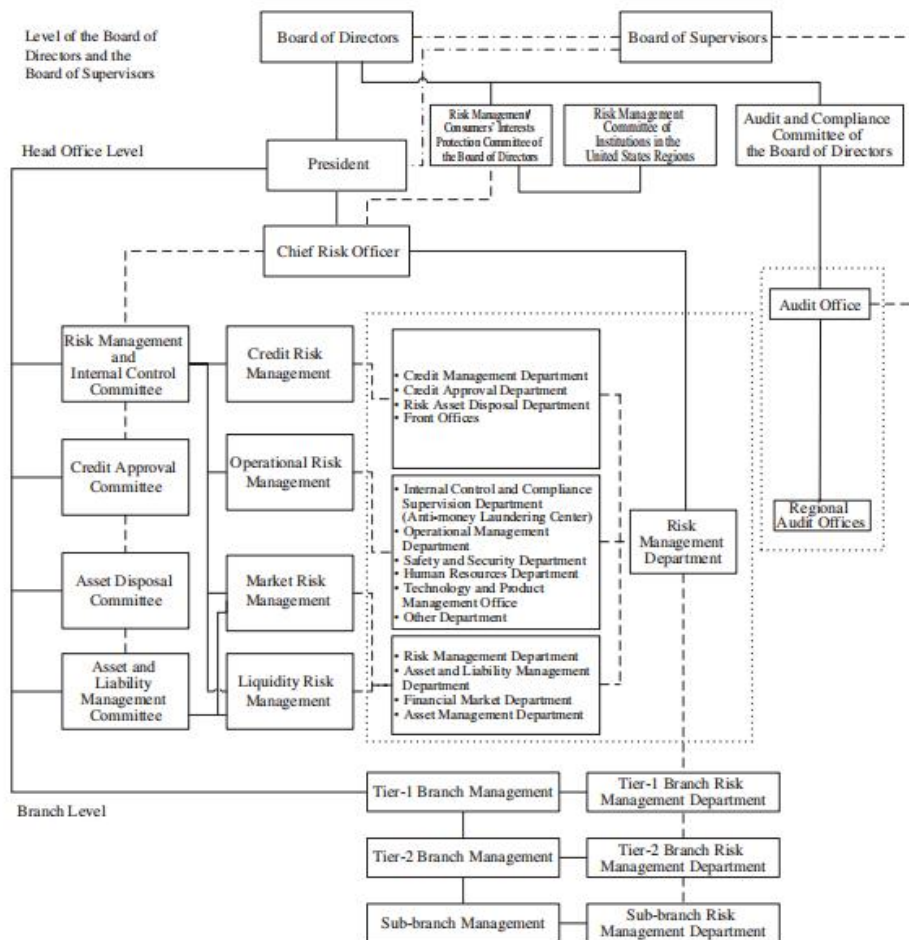
Risks of aggregate data management and overseas institutions

- Improving risk management of overseas institutions and institutions that implement aggregate data system, and continuing to supervise affiliated institutions.

Risks of “Sannong”-related businesses

- Moderately improving credit risk appetite for “Sannong”-related businesses, optimizing management tools, and accurately measuring the risks of “Sannong”;
- Continuing to implement an independent “Sannong” provision mechanism and enhancing the “Sannong” risk offsetting ability.

Risk Management Organization Structure



Responsibility Management

Core ideas of our corporate culture

Our Mission

Providing “Sannong” banking services, serving both urban and rural areas, maximizing shareholders returns, and assisting employee development

Our Vision

Forging a first-class international commercial bank group

Our Core values

Integrity, Stability and Sound Operation

Relevant philosophies under the guidance of core values

Operation philosophy: Market-oriented and customer-centered and

value-oriented

Management philosophy: Details determine success or failure, compliance creates value and responsibility delivers achievements

Service philosophy: Customers First and Always

Risk philosophy: Non-compliance poses risks and safety brings benefits.

Human resources philosophy: Besides ability, employee's integrity should be highly valued and their performance should be fairly assessed

Integrity Philosophy: Be honest, upright, and disciplined, with moral fortitude and principle, selflessness, consideration, devotion and loyalty.

Philosophy on CSR

Giving priority to CSR

As a large state-owned commercial bank serving “Sannong”, ABC has always been an executor of national macro-economic policies, views to serve “Sannong” as its biggest social responsibility, and regards creating value for shareholders as its core goal.

Benefiting the People

Apart from creating values for shareholders and providing the best service for customers, ABC has made efforts in promoting economic transition, reducing the gap between rural and urban areas, improving people's livelihoods, fostering environment protection, promoting inclusive finance and supporting vulnerable groups, which highlights both social awareness and profitability.

Shouldering responsibilities

ABC considers social responsibility fulfillment within the context of the whole nation and economy, and shoulders responsibilities in all aspects to promote comprehensive social progress.

Promoting societal prosperity

It has been our long-term responsibility and pursuit to promote the realization of the “Chinese Dream” and to build a prosperous society in all respects with our strength in financial services.

Responsibility governance

The Bank has integrated CSR management and business development, and continuously implemented the systems such as Guidelines for Social Responsibility Work of Agricultural Bank of China and Guidelines on Public Welfare Projects of Agricultural Bank of China. The social responsibility work is led by the Department of Corporate Culture of the Head Office. CSR commissioners are designated in all departments of the Head Office and branches to take charge of the routine work in social responsibility.

CSR topics

ABC has analyzed material topics, and identified sustainable topics.

Identification

Collecting feedback through various means:

Feedback from senior management of the Head Office

Feedback from domestic and overseas branches

Feedback from external stakeholders

Review of relevant social responsibility standards

Analysis from internal and external experts

Prioritization

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

Review

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

Improvement

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

Providing Financial Support for Poverty Alleviation	1.Poverty alleviation through financial inclusion 2.Poverty alleviation through charitable actions	SDGs: 1. No Poverty
Facilitating Rural Revitalization	3.Serving agriculture 4.Serving rural areas 5.Serving farmers	SDGs: 2. Zero Hunger
Stand Fast to Our	6.Supporting national	SDGs:

Founding Duty to Serve the Real Economy	<p>strategies</p> <p>7. Serving the development of emerging industries</p> <p>8. Serving micro and small enterprises</p> <p>9. Serving people's well-being</p>	<p>4. Quality Education</p> <p>8. Work and Economic Growth</p> <p>9. Industry, Innovation and Infrastructure</p>
Promoting the practice on creating a beautiful China	<p>10. Green finance</p> <p>11. Green operation</p> <p>12. Environmental protection activities</p>	<p>SDGs:</p> <p>7. Affordable and Clean Energy</p> <p>11. Sustainable Cities and Communities</p> <p>12. Responsible Consumption and Production</p> <p>13. Climate Action</p>
Providing Satisfactory Services	<p>13. Improving service quality</p> <p>14. Improving service efficiency</p> <p>15. Protecting the rights and interests of customers</p>	<p>SDGs:</p> <p>9. Industry, Innovation and Infrastructure</p> <p>16. Peace, Justice and Strong Institutions</p>
Showing the Charm of the Fighters in the	<p>16. Protecting the rights and interests of</p>	<p>SDGs:</p> <p>3. Good Health and</p>

New Era	employees 17. Facilitating the growth of employees 18. Caring for the employees	Well-Being 5. Gender Equality 8. Work and Economic Growth
Building a Harmonious Society Together	19. Popularizing financial knowledge for the public 20. Supporting disaster rescue and relief	SDGs: 1. No Poverty 3. Good Health and Well-Being 4. Quality Education 11. Sustainable Cities and Communities

Stakeholders

Stakeholders	Key expectations	Responses
Government	<ul style="list-style-type: none"> ● To support national strategies ● To serve “Sannong” development ● To support the real economy ● To provide financial services related to people’s livelihood ● To provide inclusive finance services ● To pay taxes in full 	<ul style="list-style-type: none"> ● To observe the laws and regulations ● To support coordinated regional development ● To serve rural revitalization ● To support the structural supply-side reform

	<p>according to the law</p> <ul style="list-style-type: none"> ● To promote employment 	<ul style="list-style-type: none"> ● To proactively pay taxes ● To continue providing inclusive financial services
Regulatory authorities	<ul style="list-style-type: none"> ● To operate according to the law ● To maintain financial stability ● To prevent risks effectively 	<ul style="list-style-type: none"> ● Compliance management ● To receive supervision and evaluation ● To perform comprehensive risk management
Shareholders and investors	<ul style="list-style-type: none"> ● Sustainable investment return ● To improve corporate governance ● To protect the rights and interests of shareholders ● To strengthen information disclosure 	<ul style="list-style-type: none"> ● To realize stable operations ● To create value for shareholders ● Full transparency
Customers	<ul style="list-style-type: none"> ● To safeguard consumers' rights and interests ● To improve service quality ● To continuously promote 	<ul style="list-style-type: none"> ● To strengthen the protection of consumers' rights and interests ● To

	product innovation	<p>comprehensively improve service quality</p> <ul style="list-style-type: none"> ● To accelerate product innovation ● To establish informatization
Employees	<ul style="list-style-type: none"> ● To protect the legitimate rights and interests of employees ● To promote the improvement and career development of employees ● People focused 	<ul style="list-style-type: none"> ● To abide by national labor laws and regulations, and international practice ● To provide diversified training programs ● To create practical career development channels ● To advocate for healthy work -life balance
Suppliers and partners	<ul style="list-style-type: none"> ● Fairness and transparency ● Integrity and honoring agreements ● Mutually beneficial 	<ul style="list-style-type: none"> ● To improve procurement management ● To innovate cooperation models

	cooperation	
The public and communities	<ul style="list-style-type: none"> ● To popularize financial knowledge to the public ● To promote the development of communities ● To participate in public welfare 	<ul style="list-style-type: none"> ● To Conduct financial knowledge publicity ● To actively participate in public welfare and charity
Environment	<ul style="list-style-type: none"> ● To manage environmental risks ● To promote green finance ● To promote green office work 	<ul style="list-style-type: none"> ● To support the development of green industries ● To innovate green finance products ● To practice green operations

Responsibility Map

From Heihe of Heilongjiang Province to Tengchong of Yunnan Province, there is a geo-demographic demarcation line. The south-eastern side of the boundary covers 42.9% of China's territory and its population accounts for 94.4% of China's total population, while the north-western side of the boundary covers 57.1% of China's territory and its population only accounts for 5.6% of the country's entire population.¹ ABC has set a large number of branches in the regions on the north-western side of this boundary to provide inclusive financial services for the majority of China's minorities and border areas. In Xinjiang Autonomous Region,

¹ Hu Huanyong. The Distribution, regionalization and prospect of China's population. *Acta Geographica Sinica*, 1990, 45(6): 139.

ABC is the only financial institution that has set up two provincial level branches: the Xinjiang Branch and the Corps Branch. In China, ABC has 12,566 branches and organizations in rural areas, and 194,900 employees work in undeveloped, rural and remote areas.

- 76 branch outlets within 2 kilometers from the borderline: 10 outlets in Jilin Province, 32 outlets in Liaoning Province, 18 branch outlets within 2 kilometers from the borderline in Xinjiang Autonomous Region, 7 outlets in Yunnan Province, and 9 outlets in Guangxi Autonomous Region

- 541 branch outlets above altitude of 3,000 meters: 39 outlets in Sichuan Province, 29 outlets in Qinghai Autonomous Region, and 472 outlets in Tibet Autonomous Region, 1 outlet in Xinjiang Autonomous Region

- 454 branch outlets above altitude of 3,500 meters: 15 outlets in Sichuan Province, 20 outlets in Qinghai Autonomous Region, and 419 outlets in Tibet Autonomous Region

- 5 branch outlets above altitude of 4,900 meters: 5 outlets in Tibet Autonomous Region

Key Performance Indicators

Economic performance

Indicators	2017	2018	2019
Total assets (RMB trillion)	21.05	22.61	24.88
Total loans and advances to customers (RMB trillion)	10.72	11.94	13.36
Non-performing loan ratio ¹ (%)	1.81	1.59	1.40
Capital adequacy ratio ² (%)	13.74	15.12	16.13
Net profit (RMB billion)	193.13	202.63	212.92
Return on average total assets ³ (%)	0.95	0.93	0.90
Return on weighted average net assets ⁴ (%)	14.57	13.66	12.43
Taxes ⁵ (RMB billion) ⁵	67.72	83.83	92.98
Shareholders' equity (RMB trillion)	1.43	1.67	1.96
Shareholder's dividends ⁶ (RMB billion)	57.91	60.86	63.66

¹ The NPL ratio is calculated by dividing the balance of nonperforming loans by the total amount of outstanding loans and advances the bank holds.

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

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

⁴ Calculated in accordance with the *Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision)* issued by the CSRC and International Accounting Standard 33 – Earnings per share.

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

⁶ Dividends of ordinary shareholders (tax included).

Social performance

Indicators	2017	2018	2019
Social contribution value of each share ⁷ (RMB)	2	2.06	2.27
Total county area loans and advances (RMB trillion)	3.57	4.01	4.55
Balance of farmer loans ⁸ (RMB billion)	206.04	249.99	321.97
Number of county-level branch outlets	12,728	12,622	12,566
Total Huinong Cards issued (million)	206.27	216.01	223.98
Number of farmer households benefiting from Huinong Cards ⁹ (million households)	95	96	98
Proportion of administrative villages covered by Hui Nong Tong electronic devices (%)	74.4	74.2	74.3
Balance of inclusive loans for micro and small enterprises ¹⁰	—	374.4	592.3

⁷ Social contribution value per share = basic earnings per share + (taxes + employee compensation and benefits + interest expense + amount of donations)/capital stock

⁸ Balance of farmer loans: including the balances of general loans to Comfortable Housing Project for farmers and herdsman, house building loans for the farmers in quake-hit areas, loans for farmers purchasing or building houses, personal loans for farm machines, personal loans to production and businesses in rural areas, micro loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, and “Jinhuikuainong” loans.

⁹ Number of farmer households benefiting from Huinong Cards = Number of cards issued per household + Number of cards issued per capita/4, and the number of cards issued per capita is converted based on 4 persons per household

¹⁰ According to the Notice by the China Banking and Insurance Regulatory Commission on Further Improving the Quality and Effect of Financial Services for Micro and Small-sized Enterprises in 2019, the “inclusive finance loans for micro and small-sized enterprises” refer to the loans to micro and small-sized enterprises each of which

(RMB billion)			
Balance of loans of village & township banks (VTBs) ¹¹ (RMB billion)	1.57	1.50	1.63
Total amount of donations ¹² (RMB million)	44.11	66.86	119
Total loans and advances to western regions ¹³ (RMB trillion)	2.41	2.64	2.97
Balance of loans of ethnic minority areas ¹⁴ (RMB billion)	688.55	736.69	816.9
Balance of loans for affordable housing projects (RMB billion)	141.58	200.12	241.09
Total number of employees	487,307	473,691	464,011
Total number of county-level employees	208,530	200,556	194,892
Proportion of female employees (%)	46.6	46.1	45.6
Proportion of ethnic minority employees (%)	8.23	8.40	8.49
Total number of employee trainings	161.37	97.95	78.73

has a credit line of RMB 10 million or less (including the loans to micro and small-sized enterprises, loans to individual businesses, and loans to proprietors of micro and small-sized enterprises).

¹¹ 6 village and township banks (VTBs).

¹² The amount of donations means the amount donated by the Bank (domestically) and does not include the amount donated by its employees.

¹³ Western regions include Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

¹⁴ Ethnic minority areas include Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

(10,000 person/times)/ (hour / person)			
Number of employees overseas	812	961	1,024
Total number of domestic branch outlets	23,661	23,381	23,149

Environmental performance

Indicators	2017	2018	2019
Electronic channel financial transactions as proportion of total transactions (%)	97	98	98
Balance of green credit (RMB billion)	747.63	1,050.4	1,191
Water consumption per capita in Head Office ¹⁵ (m ³ /person)	42.70	44.31	47.61
Electricity consumption per capita in Head Office ¹⁶ (kwh/person)	5,724.99	5,866.87	6,042.16
Gas consumption per capita in Head Office ¹⁷ (m ³ /person)	61.18	63.04	62.82

¹⁵ The calculation scope of water consumption in Head Office covers the Southern and Northern Building of ABC Plaza and Fengtai Science and Technology Plaza.

¹⁶ The calculation scope of electricity consumption in Head Office covers the Southern and Northern Building of ABC Plaza, Fengtai Science and Technology Plaza, Chemsunny Plaza and Glorious Oriental Plaza.

¹⁷ The calculation scope of gas consumption in Head Office covers the Southern and Northern Building of ABC Plaza, Fengtai Science and Technology Plaza, and Office Building in Zhanlan Road.

I. Providing Financial Support for Poverty Alleviation

SDGs:



As the only commercial bank among the members of the State Council Leading Group for Poverty Alleviation and Development, ABC has regarded supporting poverty alleviation as an important approach to promote the campaign on the theme of “staying true to our founding mission”. Focusing on solving prominent issues of “Two Securities and Three Guarantees”, which is to ensure rural poor people do not have to worry about food and clothing, and guarantee them to have access to compulsory education, basic medical services and safe housing, the Bank has enhanced top-level design and prioritized resources allocation based on local development and resource advantages in poverty-stricken areas. Revolving around targeted poverty alleviation and fixed-point poverty alleviation, it has innovated in financial products, services and poverty alleviation models, and contributed to winning the battle against poverty.

By the end of 2019, the loan balance of 832 key state-level poverty alleviation counties was RMB 1.09 trillion, the loan balance was RMB 10.37 billion in four fixed-point poverty alleviation counties, the loan balance of extreme-poverty areas in the “Three Regions and Three Prefectures” totaled RMB 112.77 billion, ABC had provided financial serves for 4.99 million existing and newly registered low-income population.

**Establishing “The Poverty Alleviation E-Mall” to support
consumption-based poverty alleviation**

Relying on advanced internet technology and nationwide outlets, the Bank has cooperated with Central designated poverty alleviation units engaged in fixed-point poverty alleviation to establish “The Poverty Alleviation E-Mall”. According to the philosophy of “joint construction and sales for shared and mutual benefits”, this endeavor aims to create a new model of internet-based poverty alleviation by focusing on developing internet-based application scenarios. A green channel has been built to sell quality products from poor areas to developed areas, effectively realizing poverty alleviation through simultaneously progressing programs, such as special poverty alleviation, industrial poverty alleviation and social poverty alleviation. In this way, the Bank has provided a financial poverty alleviation scheme to help win the battle against poverty.

In August 2017, ABC was the only financial institution to participate in the construction of “E-Commerce Poverty Alleviation Channel” initiated by the Ministry of Commerce. The Bank actively communicated with local governments of poor counties and social forces, promoted the consumption-based poverty alleviation model, and developed a unique channel to support poverty alleviation through e-commerce, which advocates consumption instead of donation.

On June 29, 2019, “The Poverty Alleviation E-Mall” on ABC’s mobile banking APP was officially launched to help consumers actively participate in poverty alleviation through consumption and contribute to poverty alleviation.

On October 16, 2019, the press conference for the unveiling of “The Poverty Alleviation E-Mall” was held in Beijing, symbolizing a

new stage for ABC's deepening cooperation with central SOEs and local units engaged in poverty alleviation.

On November 14, 2019, "The Corporate Internet Banking - Poverty Alleviation E-Mall" was officially launched. It provides a new channel for corporate clients to purchase poverty alleviation products and promotes sunshine procurement, helping the nation combat poverty.

On December 26, 2019, the Poverty Alleviation Cooperation Zone initiated by the Ministry of Foreign Affairs opened in "The Poverty Alleviation E-mall", which is the 100th poverty alleviation cooperation zone built for central and local poverty alleviation units.



"The Poverty Alleviation E-Mall" merchants are presenting specialty products from poverty-stricken counties (Photo by Li Xiangkai)

More consumption on the "E-mall", closer to a moderately prosperous society

The new version of "The Poverty Alleviation E-Mall" launched in 2019 has built an online platform for 832 key state-level poverty

alleviation counties to present and sell products. The platform provides non-delay internet-based financial services, and forms a large-scale ecology to promote consumption-based poverty alleviation.

As of the end of 2019, several thousand merchants opened online stores on “The Poverty Alleviation E-Mall”; over 5,000 products were presented on the platform, realizing an online sales volume of around RMB 40 million. Among the 832 key state-level poverty alleviation counties, 780 of them joined the platform, with a coverage rate of 93.75%. All of the 592 fixed-point poverty alleviation counties assisted by fixed-point Central poverty alleviation units were covered. Also, special poverty alleviation section for the 106 Central and locally designated poverty alleviation units opened on “The E-Mall”.

Distinctive Features of “The Poverty Alleviation E-Mall”

Developing a new path of targeted poverty alleviation on the internet

- Providing whole-process services for poor counties to present and sell specialty products, for consumers to make online procurement, and for Central designated poverty alleviation units to engaged in fixed-point poverty alleviation to promote consumption-based poverty alleviation.

Making collective efforts to win the battle against poverty

- Building professional institutions and teams in 832 key state-level poverty alleviation counties.
- Providing free marketing plans for merchants from poor counties and helping them develop sales channels.
- Supporting partners with professional operation personnel and

customized promotion plans, and carrying out marketing activities through “Seckilling”, “Special Offers” and “Show and Sales”.

- Providing solutions for partners to directly purchase products from fixed-point poverty alleviation counties.
- Providing a green channel for employees of partners to promote poverty alleviation through consumption.

Promoting supply-demand matchmaking to help raise people’s income in poor areas

- Upholding the principle of “directly operation” or “direct purchase from place of production”, and strictly examining the quality of products on sale; organizing field tours and regular inspections to investigate whether the products on sale on the platform are from poverty-stricken counties.
- Providing subsidies for “The E-Mall” merchants and helping consumers purchase quality products at lower prices.



“The Poverty Alleviation E-Mall” opens up an outlet for the specialty products from fixed-point poverty alleviation counties (Photo by Ye Yikun)

i. Reinforcing Basic Support

The Bank has promoted the profit linking mechanism in which the Bank surrenders part of its profit and enterprises play a leading role to

benefit the poor households. With enhanced loan support and prioritized resource allocation, the Bank has continued to advance poverty alleviation with financial services in China.

- **Policy guarantees**

The Bank formulated *The Opinions on Financial Support for Poverty Alleviation in 2019*, *The Opinions on Further Enhancing Financial Products Innovation for Poverty Alleviation*, *The Opinions on Implementation of Poverty Alleviation through Consumption*, *The Opinions on Implementation of Fixed-point Poverty Alleviation in a New Situation*, *The 2019 Implementation Plan on Direct Purchase of Agricultural Produce from Poor Areas*, and *The Action Plan of Agricultural Bank of China on Providing Financial Support for Poverty Alleviation Collaboration between the Eastern and Western Regions*, etc.

- **Resource allocation**

The Bank allocated the special credit loan program to its branches in 832 key state-level poverty-stricken counties, and an extra RMB 200 million to cover the business expense and RMB 200 million for special incentives. The Bank also provided its branches located in poverty-stricken areas with preferential policies on financial expenditure, fixed assets and resources donation, etc.

- **The innovation mechanism**

The Bank established the financial product innovation mechanism featuring “overall planning by the Head Office, R&D implementation at all levels”. With collective efforts, the Bank has pushed forward the innovation of financial products for poverty alleviation.



ABC inclusive finance benefits rural areas (Photo by Wang Xiuzhang)

ABC provides financial support for industrial development to promote poverty alleviation collaboration between the eastern and western regions

The Bank formulated *The Action Plan on Providing Financial Support to Promote Poverty Alleviation Collaboration Between the Eastern and Western Regions*. With the focus on modern agriculture, specialized industries, featured tourism, and model enterprises in poverty alleviation, the Bank has issued service measures including “prioritizing the review and approval of related financing projects” and “preferential pricing” to provide financial support for the western region in the fight against poverty.

In 2019, 12 branches in the East (in Shanghai, Tianjin, Jiangsu and Fujian, etc.) respectively assisted 12 areas in the “Three Regions and Three Prefectures”. 39 investment projects were promoted and 7 enterprises were introduced.

Content of the Action Plan

Financial support

- The Bank provides all-round financial support for major projects

and industries in poverty-stricken counties, as well as for enterprises that invest or develop businesses in the western region.

Information exchange

- The Bank invites poverty-stricken counties to introduce their locational advantages and investment environments, and invites enterprises to share their experience of poverty alleviation and intentions of investment, thus resolving the information gap problem.

Talent Support

- Every year, the Bank selects a group of outstanding officials and assigns them to temporary positions in local governments or sub-branches in poverty-alleviation counties. This exchange program has continuously conveyed talents to support industrial collaboration between the eastern and western regions.

Measures for guarantee

Prioritize the review and approval of related financing projects

- Build green channels to prioritize the review and approval of financing projects in the annual poverty-alleviation collaboration project database.

Prioritize credit allocation for related financing projects

- Actively meet reasonable capital needs of projects listed in the annual poverty-alleviation collaboration project database, and allocate credit properly according to projects' demands.

Provide preferential pricing

- Provide preferential interest rates for projects listed in the annual

poverty-alleviation collaboration project database, and offer settlement services at preferential interest rates.

Prioritize credit granting for related financing projects

- Carry out credit granting for both projects and enterprises in the annual poverty-alleviation collaboration project database.



ABC provided financial support to promote poverty alleviation collaboration between the eastern and western regions (Photo by He Chenggang)

Achievements of financial support for poverty alleviation

More loans granted

By the end of 2019, the loan balance of 832 key state-level poverty alleviation counties was RMB 1.09 trillion, up 78% from the end of 2015.

Enhanced financial innovation

A total of 213 featured “Sannong” products had been developed for poor areas, and 25 replicable targeted poverty alleviation models.

Improved coverage of service outlets

The coverage rate of business outlets in key national poverty-stricken counties reached 100%; the coverage rate of electronic machinery in

poor areas reached 80%.

Remarkable achievement

By the end of 2019, a total of RMB 394.19 billion of targeted poverty alleviation loans had been issued cumulatively, providing financial serves for 4.99 million existing and newly registered low-income population.

“Five Special Channels” to provide financial support for poverty alleviation

- Establish a special organization
- Formulate a special plan
- Allocate special resources
- Implement special review
- Provide special policies



Liuzhou Branch, Guangxi helped poor households in Sanjiang get out of poverty and be better off by providing financial support for industrial development (Photo by Jiang Qingqing)

ii. Focusing on Targeted Poverty Alleviation

In the critical period of poverty alleviation, the Bank has made targeted efforts to support poverty-alleviation industrial projects to meet the financial needs of poor farmers, enhance the innovation of poverty-alleviation products, and improve financial service efficiency to help people get out of poverty and increase income.

By the end of 2019, the targeted poverty alleviation loan balance of the Bank had been RMB 394.19 billion, up 19.4% from the beginning of the year. A total of 57 village outlets and 46 self-service outlets had been newly established in poor areas in 2019.

The role model of poverty alleviation --- Long Jun

Since 2015, Comrade Long Jun from Hubei branch has taken the initiative to brave the poverty-alleviation frontlines three times. He has helped lift 221 people out of poverty, who come from 59 registered low-income households in three villages of two counties. Moreover, he has helped two poverty-stricken villages shake off poverty and helped thousands of rural residents get on the road to wealth and happiness. During his term as the First Party Secretary of Yangping Village, Long Jun has focused on the development of plantation and breeding industries to help the village move into the fast lane of prosperity, including kiwi fruit plantation, orange plantation, as well as wild goose breeding and frog breeding, etc. He passed away on the road to Yangping Village in a traffic accident on July 29, 2019.

In 2019, Comrade Long Jun was posthumously awarded “Outstanding Party Member” and “May Day Labor Medal” by the Party Committee of the Agricultural Bank of China, and “Kindest

People for Poverty Alleviation in Hunan” and “Outstanding Party Member in Hunan” by the Hunan Provincial Party Committee。

“I was born and grew up in a village. I come back to the village to realize the value of my life, just like a seed into the.”

--- Long Jun, ABC official who stationed at Yangping Village, Baojing County, Hunan Province as the village’s Party Secretary



For more details of Long Jun’s story, please scan the QR code.

Industrial poverty alleviation helps poor areas lift themselves out of poverty

With the core of supporting poor farmers to get out of poverty and achieve wealth, Hainan Branch prioritizes the sustainable economic development of poverty-stricken areas to support poverty alleviation through industry development, multilateral collaborations and innovative approaches. As of the end of 2019, the targeted poverty alleviation loan balance had been RMB 4 billion; 52,600 registered low-income population had been supported.

Poverty alleviation through industry development ensures “efficacy” of poverty alleviation.

- Based on the situation of Xinxian Village in Lingao County, Hainan Branch formulated the industrial poverty alleviation model featuring “Enterprise + Cooperative + Cooperative Members + Bank”, and established a long-term mechanism in which “resources

are turned into assets, funds into share capital, and farmers into shareholders”.

- Based on abundant tourism resources of Baoting Li and Miao Autonomous County, Hainan Branch adopted the industrial poverty alleviation model of “Tourism +Poverty alleviation” to drive the development of local agritainment and promote employment for local residents in poverty.

Multilateral efforts ensure “collaboration” in poverty alleviation

- Hainan Branch and Hainan Provincial Party Committee Leading Group Office of Rural Work jointly formulated *The Plan on Innovation Pilot Program of Supporting Policies of Agriculture Industrialization Alliance*, to promote the establishment of risk compensation fund, and the implementation of agriculture industrialization alliance pilot programs, which will drive poverty alleviation for poor households in the supply chain through employment promotion and industrial development.

Innovative forms ensure “Innovation” in poverty alleviation

- Based on technology and data advantages of internet finance platforms, Hainan Branch has innovated in the micro-credit loan and financing model for poverty alleviation, which realizes online and scaled financial poverty alleviation.

Targeting the development of featured industries in the fight against poverty

In Qinghai, the yak breeding industry is large but not robust

enough; the highland barley plantation industry is good but not strong enough; the plateau featured tourism needs more momentum for development. All these are the “bottlenecks” in Qinghai’s development. Considering the situation, Qinghai Branch allocated a credit loan worth RMB one billion to featured “Sannong” finance products including “Plateau Stock Breeding Loans”, “Hui Nong e-Loans (loans for farmers)”, “Hui She e-Loans (loans for Cooperatives)”, and “Tourism Development and Construction Loans”, etc. With the credit loans, Qinghai Branch supported leading enterprises, special cooperatives for husbandry, family-run ranches, and micro and small businesses that play a vital role in industrial poverty alleviation.

As of the end of 2019, the balance of “Plateau Stock Breeding Loans”, “Hui Nong e-Loans”, “Hui She e-Loans”, and “Tourism Development and Construction Loans” totaled to RMB 34 million, RMB 2.07 billion, RMB 13 million and RMB 122 million respectively.

Charge through the “last kilometer” of financial support

Inner Mongolia Branch carried out the financial poverty alleviation campaign to support village development with its teams and loans. The branch built a “cavalry-style” financial support team to bridge the gap of inadequate coverage of outlets, and provided more financial support for county-level areas, especially villages and towns, to charge through the “last kilometer” of financial support for rural and pastoral areas.

As of the end of 2019, the balance of agriculture-related loans had

been RMB 18.36 billion. The campaign had covered 717 villages and towns (Sumu) and 8,553 administrative villages (Gacha). A total of 308 ABC mobile service teams consisted of pioneering Party members had been established to support financial poverty alleviation. 717 financial support teams had been dispatched to villages and towns (Sumu).

Provide preferential loan interest rates for registered low-income households

- Registered low-income households enjoy discount interest rates.
- For low-income households who do not enjoy discounted interest rates, a loan interest rate at 90% of the benchmark interest rate shall be provided.

Solve financing difficulties through credit rating

- Credit rating had been carried out for poor villages and low-income households. Registered low-income households enjoy a loan worth RMB 50,000 to RMB 100,000 and door-to-door mortgage-free, guarantee-free loan services.



The cavalry-style financial support team of Inner Mongolia Branch provides door-to-door service for herdsmen (Photo by Chen

Exploring the “four-pronged” poverty alleviation approach

Considering the reality of poor areas in Shanxi, Shanxi Branch proposed the four-pronged poverty alleviation approach, which covers morale enhancement, financial support, health support, and educational support. Through boosting morale, assisting enterprises, hosting charitable activities, and giving lectures, etc., the branch has made contributions to the fight against poverty in Shanxi.

As of the end of 2019, the branch had established 91 working organizations and dispatched 303 employees stationed at villages to provide assistance and financial support for poverty alleviation. The branch held 729 finance knowledge lectures for people in poor areas; RMB 1.05 billion of loans had been issued to 23,366 poor households.

The model for poverty alleviation through financial support

Morale enhancement and talents support before poverty alleviation

- Adopted the assistance measure of “a policy per person, a policy per household”, and guide poor households raise out of poverty on their own.
- Organized skills training in all forms, encourage villagers to seek employment outside the village, and transfer employment to places close by.
- Helped poor students with subsidies for education from pre-school to higher education.

Provide financial support for enterprises to develop businesses

- Introduced financial assistance to two poor villages and built solar power stations.
- Introduced investments for farming, husbandry, and forestry cooperatives, and introduced cattle breeding funds for husbandry companies.
- Raised money to build the luggage case manufacturing factory in Baipotou Village, trained technicians, and provided promotion bags orders.

Consolidate the foundation: promote poverty alleviation through industrial development

- Helped poor villages repair roads, get electricity, TV signals and internet.
- Adopted the village-level approach of photovoltaic-based poverty alleviation and supported local governments' new photovoltaic projects.
- Issued loans to poor households for breeding cattle, sheep, pigs and chickens.

Enhance Party building in poverty-stricken villages

- Carried out the poverty alleviation campaign of Party members pairing up with poor households, helped build Party building rooms, and established the base for Party building activities.



ABC Innovated the mode of "Public Welfare Exhibition and Sale + Consumption Poverty Alleviation" to promote the charity fair for poverty alleviation. As of the end of 2019, the Head Office provided a total of RMB 9.79 million in poverty alleviation assistance (Photo by Sun Ning)



ABC carried out the “Golden Dream” college student subsidy program to help children from registered low-income households afford higher education. Through the Bank and staff donations, ABC raised funds for college freshmen from registered poor households in deep-poverty counties, ABC’s fixed-point poverty-alleviation counties and key poverty-alleviation counties in the “Three Regions and Three Prefectures”. In 2019, 3,832 freshmen from registered poor households were subsidized. At the end of 2019, RMB 39.14 million had been

distributed to help 7,828 poor students realize their college dreams

(Photo by Chen Shunxi)



Xinjiang Corps Branch, to solve weak financial service network problem in poor areas, had established “Hui Nong Tong” service points in border areas to improve accessibility and convenience for poor households. As of the end of 2019, 3,822 “Hui Nong Tong” service points had been established in the Corps, which includes 1,089 money withdrawal service points and 5,565 electronic machines. The coverage rates of electronic machines in administrative villages (regiments) and villages and towns (corps) had reached 98% and 100% respectively

(Photo by Gui Mingfu)



Yun Nan Branch had established “Hui Nong Tong” pay point in Derung town to improve the convenience for the Derung Tribe (Photo by Liang Zhiqiang)

iii. Supporting Fixed-point Poverty Alleviation

The Bank has endeavored to support poverty alleviation of four fixed-point poverty alleviation counties, including Wuqiang County and Raoyang County in Hebei, Xiushan County in Chongqing, and Huangping County in Guizhou. The Bank formulated annual *Fixed-point Poverty Alleviation Effort* to make targeted efforts to enhance resource allocation and guidance, promote poverty alleviation in differentiated approaches, and fortify existing achievements.

As of the end of 2019, Xiushan County and Wuqiang County and Raoyang County had been lifted out of poverty; the poverty-stricken rate of Huangping County had been reduced to 1.13%.

In 2019, RMB 111.25 million was allocated as funds for poverty alleviation to the four fixed-point poverty alleviation counties, completed 278% of the planned quota; RMB 23.58 million of free financial assistance were introduced, completed 236% of the planned quota; the loan balance of the four counties totaled RMB 10.37 billion, with an increase of RMB 1.53 billion from the beginning of the year.

Measures of providing financial support for fixed-point poverty alleviation counties in 2019

Helped address prominent issues of “Two Securities and Three Guarantees”

- The Bank carried out 39 assistance projects in education, medical services, housing and drinking areas, provided financial assistance

worth RMB 21.28 million, and benefited 42,549 poor people.

Substantially promoted targeted poverty alleviation through industrial development

- The Bank made donations to support industrial poverty alleviation, issued RMB 590 million of loans for targeted poverty alleviation, and supported 1,755 poor people.
- The Bank maintained a micro-loan balance of RMB 306 million for four fixed-point poverty alleviation counties, and supported the production of over 7,000 poor people.

Mobilized social forces to enhance investment promotion

- The Bank held field inspections for 32 enterprises and signed 12 investment framework agreements. The contracted investment totalling RMB 2.88 billion. Seven projects were put into place, with a total of RMB 370 million invested.

Enhanced poverty-alleviation products innovation and model promotion

- The Bank released the policy enhancing innovation of financial poverty alleviation products, and enlarged product innovation authority of the branches in provinces where fixed-point counties are located.
- The Bank promoted “the government credit enhancement model of poverty alleviation” and the “characteristic industries poverty alleviation model”. The loans issued totaled RMB 269 million accumulatively.

Promoted publicity

- The Bank invited major central-level news media to conduct

interviews and feature reports, and 75 news reports on fixed-point poverty alleviation were released.

Financial innovation offers new impetus for poverty alleviation

After helping lift Raoyang County and Wuqiang County out of poverty, Hebei Branch has continued to use the financial advantages to fortify its poverty alleviation achievements. The branch, with an ecological map for poverty alleviation, has clarified their paths of assistance to help people increase income and hopefully move into the lane of common prosperity. As of the end of 2019, the balance of targeted poverty alleviation loan of Raoyang County and Wuqiang County totaled RMB 379 million, with 25.09 million registered low-income population supported.

- The branch issued *The Opinions of Supporting Raoyang County and Wuqiang County to Consolidate Poverty Alleviation Achievements and Continuously Advance Rural Rejuvenation*. Two fixed-point poverty alleviation counties were supported to shake off poverty and continuously promote rural rejuvenation.
- The Branch created a farmer loan model, where loans were issued to “villages and households with good credit records”. This established a new platform of basic financial services for farmers, and helped to create a good rural finance ecology. In 2019, 28 villages and 348 households were recommended; RMB 34.04 million of loans were cumulatively issued to 235 households among them.



The “Party building + Finance” model of Raoyang Branch, Hebei, which issued loans to villages and households with good credit records, has been reported on CCTV.

Li Haibo - an ABC official assigned to support poverty alleviation

Li Haibo from the Head Office of ABC is assigned to Raoyang County, Hebei as the County’s subprefect. In order to solve hard-to-get, expensive and slow financing issues the farmers experience, he made constant efforts to explore new solutions. He first launched the online loan review and approval system for government credit projects, connecting the government’s review and approval systems with the bank loan system. He promoted the establishment of the “10+1+1000” financial poverty alleviation mechanism, the development of a series of new products and services such as “Zhengyindai (government-bank loan)”, “Zhengyinbao (government-bank security)”, and “Zhengrongbao (government-financing-security)”. As a result, a total of 8,000 poor farmers have been assisted to have raised income and shake off poverty. In 2019, he won *The National Innovation Award for Poverty Alleviation*, becoming the only official in the nation’s financial system

to receive the honor.



Li Haibo discusses financing with the responsible person of a leading enterprise engaged in poverty alleviation (Photo by Chen Shunxi)

The “Party building + poverty alleviation” model supports targeted poor areas

Chongqing Branch encouraged its primary-level Party organization to play a key role and encourages Party members to play an exemplary role in the battle against poverty. The branch established the “Party building + poverty alleviation” model to advance Party building and promote the implementation of tasks in poverty alleviation.

● Encouraging primary-level Party organizations to play a key role

The primary-level Party organizations of Xiushan County-level Sub-branch organized paired activities with village Party organizations to promote poverty alleviation. Party members helped poor households address difficulties and combat poverty in Party building activities. As of the end of 2019, ten primary-level Party

organizations of Xiushan Sub-branch had coordinated ten Party organizations of poor villages and townships to support poverty alleviation.

● **Encouraging Party members to play an exemplary role**

Party members were assigned to support poverty alleviation at targeted poor villages. Chongqing Branch assigned 2 officials to targeted poor villages and townships. Its sub-branches assigned 3 officials to Red Star Village of Yajiang Town as the first secretaries, and 1 official to Pingsuo Village. Xiushan Sub-branch provided financial support for 20 poverty-stricken households, helping lift them out of poverty.

Financial measures help to alleviate poverty

Guizhou Branch provided credit loans, donations and talent support for Huangping County in the fight against poverty. Since 2015, RMB 1.9 billion of loans have been issued for poverty alleviation to support more than 20,000 registered low-income households.

Credit loan support. In 2019, the loan for poverty alleviation in Huangping County was increased by RMB 391 million, which substantially supported key projects such as shantytown renovation and key projects and characteristic industries such as tourism, Chinese herbal medicine and passion fruit plantation.

Donations. In 2019, RMB 45.84 million was allocated to support poverty alleviation projects in industries, Party building, and education and training, etc. RMB 1.93 million was raised to provide subsidies for students, and directly subsidized 385 college freshmen

from registered low-income households.

Investment promotion. In 2019, the branch introduced 12 enterprises to invest in Guizhou, and facilitated relevant enterprises to sign contracts with a total value of RMB 1.76 billion. Among which, grass plantation and cattle breeding industrial chain project was put into place.

E-commerce poverty alleviation. The branch set up 81 “Ju Lan Lifestyle Stores”. These comprehensive financial service stations cover 142 administrative villages.

Talent support. In 2019, the branch organized training for 579 primary-level officials of Huangping County, and organized skills training for 6,074 characteristic industry pioneers, as well as plantation and animal breeding farmers.



Please scan the QR code to watch the documentary of Guizhou Branch's efforts in fixed-point poverty alleviation in Huangping County



ABC Assists the industry development of passion fruit in Huangping County and has built passion fruit planting base of 1,200 mu. To help 1,658 people out of poverty by land circulation, labor employment, estate income (Photo by Ye Yikun)



The officials of Chongqing Branch stationed at Pingsuo Village, Aikou Town helped introduce black-spotted frog breeding to help the county achieve prosperity (Photo by Pan Yulin)

iv. Focusing on Poverty Alleviation in Areas in Extreme Poverty

The areas in extreme poverty are the most crucial and difficult roadblocks in winning the battle against poverty. Shouldering the responsibility of ending poverty in these areas, the Bank has formulated

The Twenty Measures on Supporting Poverty Alleviation in Areas in Extreme Poverty, which cover priority review and approval, resources guarantee, talent allocation, and preferential policies. Moreover, the Bank has carried out the pilot program of mobile financial service vehicles in the “Three Regions and Three Prefectures” and built the new five-pronged service system of “Manual outlets + Self-service outlets + Hui Nong Tong Service Points + Internet Online Channel + Mobile Service” to support poverty alleviation in areas in extreme poverty. Such financial services have covered a total of 190 counties that had received no such support before.

As of the end of 2019, the loan balance of areas in extreme poverty totaled RMB 402.63 billion. The loan balance of extreme-poverty areas in the “Three Regions and Three Prefectures” totaled RMB 112.77 billion.

Adopting multiple measures to support poverty alleviation in areas in extreme poverty

Focusing on areas in extreme poverty, Yunnan Branch has innovated in financial products, enhanced credit loans allocation, promoted the upgrading of Internet access to rural areas in poor areas, and expanded service network to support the poverty alleviation in these areas.

As of the end of 2019, the balances of poverty alleviation loans and targeted poverty alleviation loans were RMB 140.18 billion and RMB 24.99 billion. Cumulatively, RMB 22.13 billion of loans were issued to 27 counties in extreme poverty.

Innovative financial products boost online and offline sales.

In order to support poverty alleviation through industry development, the Bank launched 20 innovative farmer loan products of the “Colorful Yunnan” series. This financial service realized online, bulk, convenient and inclusive transactions, which allow farmers in areas in extreme poverty to enjoy convenient modern financial services.

Prioritized resource allocation supports poverty alleviation in the “Three Regions and Three Prefectures”.

The Bank gives priority support to registered low-income households and enterprises that promote employment for poor households in the “Three Regions and Three Prefectures”, with an aim to reduce financing costs in these areas. As of the end of 2019, the loan balance of the “Three Regions and Three Prefectures” was RMB 11.29 billion, an increase of RMB 1.41 billion (14.28%) from the beginning of the year.

Expanded services of intelligent finance.

Six village and town-level outlets were set up in areas in extreme poverty, which are equipped with smart financing equipments, successfully extending the coverage of financial services. As of the end of 2019, the Bank possessed 17 village and town-level outlets, 10,929 Hui Nong Tong service points, 3,433 sets of smart financing equipments, and two mobile finance service vehicles in areas in extreme poverty. The coverage rate of electronic machinery in villages and towns reached 96.69%.

Launching the campaign of “Double Hundred” officials and talents pairing assistance

The Bank formulated *The Implementation Plan of Agricultural Bank of China on Launching the Campaign of “Double Hundred” Officials and Talents Pairing Assistance*. The Bank hopes to develop financial work teams that have expertise in agriculture, rural areas and farmers, and provide talent support for the frontlines of financial poverty alleviation and rural rejuvenation.

2019-2020

We will select 100 county-level sub-branches in extremely poor areas and in the “Three Regions and Three Prefectures” and 100 first-tier sub-branches in eastern developed areas to establish officials and talents pairing. This measure will help improve the capability of financial poverty alleviation of sub-branches in poor areas.

2021

We will establish and perfect the long-term mechanisms of officials and talents pairing that are aligned with the strategies of achieving continuous decrease in poverty and rural rejuvenation.

Four kinds of credit loan cards solve credit loan difficulty of local farmers and herdsmen

The four kinds of credit loan cards newly launched by Tibet Branch, i.e., “diamond, gold, silver, bronze” cards, have effectively solved the difficulty of poor farmers and herdsmen with inadequate mortgages to receive credit loans, and provided them with guarantee of production and living.

As of the end of 2019, the four kinds of credit loan cards had been issued to over 93% of farmers and herdsmen in Tibet. The number of

cards issued to Damxung County Sub-branch, located 4,500 meters above sea level, had reached 9,230. The card issuing coverage reached 97% while the card usage rate reached 98.5%.



A herdsman with a loan note of “diamond” credit loan card just completed loan renewal at Damxung County Sub-branch Wumatang Outlet (Photo by Awan Ciren)

Pushing forward poverty alleviation collaboration between the eastern and western regions

With the advantages in brand, capital, channels and products, Shanghai Branch made the assistance plan of “investment promotion, product sales, and guarantees” to advance poverty alleviation collaboration between the eastern and western regions. These efforts facilitated the development of agriculture in Nujiang Lisu Autonomous Prefecture, and helped local poor households shake off poverty. As of the end of 2019, the volume of poverty alleviation through consumption had totaled RMB 10.94 million in Nujiang and more than 4,300 registered low-income households were supported. Moreover, the

branch exhibited 68 commodities of 14 merchants and helped five merchants join the E-Commerce Poverty Alleviation Zone on the “Hui Nong E-Tong” Platform.

Details of assistance plan about “investment promotion, product sales, and guarantees”

Investment promotion

Introducing industrial investment to Nujiang

- Nujiang Investment Promotion Projects Brochures were distributed
- A whole scheme of Spring and Autumn tourism projects have been formulated.
- Corporations in the tourism service sector intended to invest in culture and tourism projects.
- Corporations in the pharmaceutical sector intended to purchase the Chinese herbal medicine project.

Products sales

Selling poverty alleviation products outside Nujiang

- Directly purchased agricultural produce from Nujiang’s suppliers and produce list.
- Helped local merchants join the poverty alleviation zone of “Hui Nong e-Commerce”.
- Established the offline commodity procurement mechanism and finalize the procurement list.
- Made posters of “Colorful Yunnan Nujiang Fair” and compile Micro-journals themed “Gifts from Colorful Yunnan”.
- Introduced poverty alleviation merchants to join the e-commerce platform benlai.com.

Guarantees

Providing all kinds of guarantees

- Established the work group of poverty alleviation collaboration between the eastern and western regions, which is led by branch presidents.
- All divisions collaboratively supported procurement and online promotion of agricultural produce in poor areas.
- Assigned several outstanding officials to provide financial services for poverty alleviation in Nujiang, Yunnan.



Baise Branch, Guangxi issues loans to villages and households with good credit records to promote the development of rural lodging tourism in areas in extreme poverty (Photo by Yang Shengyong)



Sichuan Branch distributes another ten mobile financial service vehicles to areas in extreme poverty in the “Three Regions and Three Prefectures” (Photo by Yang Jian)



Xiamen Branch joins hands with e-commerce businesses to unblock sales channels for almost 500,000 kilograms of apples in Yongjing County, Linxia Prefecture, Gansu Province (Photo by Zhongda)

II. Facilitating Rural Revitalization

SDGs:



The Bank earnestly implements the decisions and deployment of the CPC Central Committee and the State Council on “Sannong” services, remains true to our founding mission of serving “Sannong”, and regards serving rural revitalization as the fundamental goal for “Sannong” services in the new era. Focusing on the general principle of “thriving industries, ecological livability, rural civilization, effective governance, and prosperous life”, we have accurately grasped the changes in “Sannong” and county-level social economic changes, strengthen policy support and innovate in working methods. We have advanced the upgrade of the internet-based financial services for our No.1 Project, which is internet financial services for “Sannong”, and stepped up efforts in building a digital ecology that provides the best inclusive financial services for “Sannong”, contributing to agricultural transformation, rural modernization, and prospering farmers.

By the end of 2019, the balance of agriculture-related loans had reached RMB 3.75 trillion. The balance of farmer loans had reached RMB 321.97 billion. We provided loans totalling RMB 5.9 billion to support grain plantation corporate clients; the balance of pig breeding loans had reached RMB 9.82 billion.

Digital transformation first launched in “Sannong”

The Bank followed the new development trends of agriculture and

rural areas, and launched a new internet-based credit loan product called “Hui Nong e-Loan”. Based on the information of registered farmer households, the Bank utilized internal and external data to promote the online operation of “Hui Nong e-Loan”. This is a digital path of transformation for farmer household loans, which integrates front-end mobile data collection, mid-end automatic credit granting review, back-end loan allocation via ABC Banking App, and 24 X 7 services. In these endeavors, the Bank aims to build a Chinese banking brand with great popularity among farmers, social recognition and global influence.

As of the end of 2019, the balance of “Hui Nong e-loans” was RMB 198.62 billion; the Bank provided financial support for 1.74 million farmer households.

Advantages of “Hui Nong e-Loans”

Innovative

- Innovatively using the internet Big Data analysis technology, and adopting online and offline ways to review and approve loans.

Fast

- Automatic loan review and approval, fast loan allocation.

Accurate

- Meeting loan demands and providing targeted services for customers.

Credit-based

- Relying on the credit-based approach to issue loans, and supporting various types of securities for loans such as government credit enhancement, legal person guarantee, as well as mortgage and

pledge.

Simplified

- Offering a simplified process for loan application, and supporting multiple channels of operations, such as within our banking outlets, Online Banking and Mobile Banking App.

Preferential

- Implementing a preferential loan interest rate, reducing expenses of interests; supporting recycling credit loan quota and calculating interests of the actual days of use.

Advancing farmer household archive establishment

The Bank takes promoting farmer household information registration as a fundamental task for building “Hui Nong e-Loan” into a world-class brand. It has independently developed a farmer household archive system, in which through mining internal and external data, and assigning customer managers to conduct field visits for valid data collection, the Bank has established such archive in bulk. This has increased the coverage of “Hui Nong e-Loan”, improves work efficiency, reduces costs of operations, and enhances customer experience. ABC branches and sub-branches actively innovate in the work model and approach, clarify priority tasks, and take steps to advance the establishment of farmer household archives.

Work progress of farmer household archive establishment

Fujian Branch

- The Branch conducted a pilot program to develop the “Hui Nong e-Loan” mobile operation system.

- The Branch launched the farmer household archive system.

Anhui Branch

- The Branch began the farmer household archiving with leaders of rural rejuvenation.
- The first batch of archive establishment covered the following four customer groups: village officials, doctors and teachers, people commended for work excellence in rural rejuvenation, as well as large and specialized agricultural family operations (family farms).

Ningbo Branch

- Based on the farmer household credit loan archive system, Ningbo Branch conducted a pilot program of credit rating to select good “credit units”, covering villages, residential communities, counties and street communities.

Shandong Branch

- The Branch collaborated with agriculture-related organizations to promote farmer household archive establishment and improve archive coverage rate, such as, local governments, industrial associations, village Party branch committees and village committees, and financing guarantee companies for agriculture.



Guangxi Guilin Branch launches new financial products such as “Hui Nong e-Loan” to help farmer households gain wealth through oval kumquat plantation (Photo by Li Xiangkai)

i. Strengthening Policy Guarantee

The Bank earnestly implements the guiding principles of the Central Economic Work Conference, the Central Rural Work Conference, and the No. 1 Central Document. With a keen focus on the overall development of “Sannong” services, we have issued special guidance and implementation plans to provide policy supports and resource securities for rural revitalization.

system guarantees

- We formulated *The Implementation Plan for the Digital Transformation of “Sannong” and County-level Businesses* to clarify the overall requirements, priorities, supports and guarantees, and organizational measures of the digital transformation of “Sannong” and county-level businesses.
- We formulated *Opinions on Implementing the Guiding Principles of*

the 2019 No. 1 Central Document to Support Poverty Alleviation through Financial Inclusion and in “Sannong” Services, and Opinions on Supporting Financial Services for Organically Connecting Smallholder Farmers with Modern Agricultural Development to specify the objectives, projects and measures of the “Seven Actions” to serve rural revitalization.

- We developed *Guidelines on 2019 Sannong Credit Policy of Agricultural Bank of China* to deploy “Sannong” credit services.
- We developed *Opinions on the Specialized Guidance and Management of County-level Sub-branches* and *2019 Special Evaluation Plan for Specialized Guidance of County-level Sub-branches* to clarify the differentiated positioning and supportive policies, and promote the differentiated development of county-level sub-branches.

ii. Promoting Agricultural Development

The Bank continues to strengthen the support for agriculture with distinctive local features and advantageous agricultural products, helps to upgrade agricultural infrastructure construction, gives strong backing to new forms of agricultural business entities, and promotes the integration and development of rural industries. We continue to foster and secure important carriers and forces of national food security, and better serve the national food security strategy.

By the end of 2019, the balance of loans for leading enterprises of agricultural industrialization had reached RMB 143.3 billion, covering 61% of the leading enterprises at the provincial level; the balance of loans

for professional large farms and family farms had reached RMB 119.8 billion, an increase of RMB 37.8 billion from the beginning of the year.

Measures to Support the Development of Agricultural Industrialization

Provide better financial services for food security

- We served the National Food Security Action, and implemented the National Strategy of Quality Agriculture Development, with a focus on functional areas for grain production and protected areas for the production of important agricultural products. In addition, actively supported the development of the food security industrial chain, and the intensive grain processing in main production areas to promote the industrialization of staple foods.

Support food production of various agricultural business entities

- We provided across-the-board financial services for farmers' cooperatives and leading agricultural production enterprises. Moreover, we actively supported production and management entities, especially registered low-income households in the Spring ploughing, Summer sowing and harvesting processes.

Support the integrated development of agricultural industries

- We carried out Serving the Integrated Development of Agricultural Industries Action, and actively supported new models, platforms and business forms of integrated development of agricultural industries.

Support the development of featured agriculture

- We continued to implement the “Top 100 Featured Agriculture Production Areas” specialized action, and provided targeted support for 80 production areas with distinctive agricultural products.

Support the development of new agricultural business entities

- We advanced the “Ten Billion Financing for a Hundred Companies” and “Promotion of Ten Thousand Cooperatives” special campaign to support the moderate-scale operation of outstanding new agricultural business entities and extend the industrial chain.

Supporting the stable development of pig-breeding industry

The Bank has issued *Several Credit Loan Policies for Supporting the Stable Development and Accelerated Transformation and Upgrade of Pig-breeding Industry*. From promoting the pig-breeding industry’s production capacity recovery, transformation and upgrade, financial service model innovation, and resources allocation, etc., to promote effective credit loan allocation in the industry, in order to meet the financing demands, and ensure stable pork supply and pork price. As of the end of 2019, the balance of loans for pig breeding was RMB 9.82 billion.

Measures for supporting the stable production of pig-breeding industry

Facilitating the accelerated production capacity recovery

- Supporting the construction of pig-breeding infrastructure.
- Included on the list of active intervention industry.
- Avoiding blindly reducing, rescinding and withholding loans.

Promoting transformation and upgrade of the industry

- Supporting the research and development of core technology.
- Supporting the construction of intelligent modern pig-breeding farms.
- Supporting the construction of cold chain logistics network.
- Supporting the project of recycling pig farm waste.

Innovating the financial service model

- The “Company + Farmer household” model
- The “Company + Family farm” model
- The “Company + Cooperative” model

Prioritizing resources allocation

- Credit loan scale
- Loan interest rate
- Loan review and approval

Rolling out new measures to serve modern agricultural industrial parks

Guangdong Branch has selected two to three modern agricultural industrial parks, five leading agricultural production enterprises, and ten implementing entities of the “One Brand Per Village and One Industry Per Township” program as pilot projects for priority allocation of special loans, preferential loan rates, and professional service teams to promote the revitalization of rural industries.

By the end of 2019, Guangdong Branch had set up special fund accounts for 55 provincial-level modern agricultural industrial parks and granted RMB 4.85 billion of loans to 10,791 business entities in the industrial parks.

New measures for serving modern industrial parks

Tackling the problem of clients accessibility

- Issuing differentiated supportive policies for industrial parks in terms of clients classification, rating, credit granting, guarantee and credit enhancement, etc.

Addressing the difficulty of loan guarantee

- Launching special credit products such as “Leading Agricultural Enterprises’ Loan”, “Operating Entities in Farms Loan”, “Micro e-Loans for farms” and “Hui Nong e-Loans”.
- Providing relatively larger amounts of credit loans for clients including leading industrialized enterprises, as well as operating entities, micro and small enterprises, family farms (large and specialized agricultural family operations) in industrial parks.

Addressing high costs of financing

- Depending on the type and qualification of clients, the most preferential loan interest rate could be implemented for the same type of clients.

Addressing low efficiency of loan review and approval

- Developing green channels for credit loan review and approval, and implementing the priority review and approval system.
- Building professional service teams and assigning full-time customer managers to loan projects for industrial parks.



Guangdong Branch has supported the industrial development of Yingde City's featured agricultural products – black tea – through the “Black Tea Loan” (Photo by Fang Jian)

Improving financial services in old revolutionary base areas and Soviet areas

Fujian Branch actively integrates itself into the development of old revolutionary base areas and Soviet areas and has issued the “Ten Opinions” on the financial services in the old revolutionary base areas for rural revitalization, thus supporting the comprehensive development of old revolutionary base areas and Soviet areas with concrete actions. In the next five years, the branch plans to provide RMB 200 billion in additional credit loans to 68 counties (cities, districts) that used to be revolutionary bases.

As of the end of 2019, Fujian Branch issued RMB 267.73 billion of loans to old revolutionary base areas and Soviet areas, an increase of RMB 34.44 billion from the beginning of the year.



Scan the QR code for detailed information about Fujian Branch's measures for supporting the comprehensive development of old revolutionary base areas and Soviet areas with all heart

Supporting the spring ploughing of “two plains”

Heilongjiang Branch actively provide targeted services to the Sanjiang Plain and the Songnen Plain, and maked precise “adjustments” in areas such as target customers, loan methods, support priorities, and business models, in order to effectively improving the efficiency of financial services.

By the end of 2019, a total of RMB 860 million loans for Spring ploughing had been provided to support 8,000 farmers. The number of “Hui Nong Tong” service points had reached 12,000, covering 99.62% of townships, and 95.82% of administrative villages.

Measures for supporting Spring ploughing of the “two plains”

Guaranteeing credit loan scale to support the new type of entities

- Issuing *Regulations on Working Capital Loans for Farmers' Specialized Cooperatives* and *Regulations on Loans for Rural Industrial Chains*.

- Providing cooperatives with three financial services including guarantees, mortgage and pledge.
- Launching several new loan service models such as “Dumeng Modern Cattle Farm Project”, “Jiusan acquisition of large farm machinery”.

Building a financial flagship to promote modern agriculture

- Continuing to enhance support for the construction of the 40 million mu high-standard ecological farmland, large and medium irrigation areas, and water-saving irrigation projects in reclamation areas.
- Supporting the nation’s 14 major water conservancy projects in Heilongjiang to promote the construction of agricultural infrastructure.
- Promoting crops plantation, processing and sales, and enhancing support for leading modern agricultural enterprises.
- Providing clients with customized service plans including “Company + Farmer household” model and “Order + Farmer household” model.

Remaining true to the aspiration of benefiting farmer and implementing transparent processes of loan review and approval

- Allocating more loans to electronic machinery, further improving the use efficiency of the Jin Sui Hui Nong Tong project, and providing reliable guarantees for farmer households to make settlement of ploughing materials.
- Realizing the “one fast loan for one county” model to facilitate farmers to prepare for spring ploughing.

Supporting agricultural industrialization complexes for the

integrated development of industries

Anhui Branch has launched four industrialization consortium credit development models: industrial integration, forest tenure mortgage, government credit enhancement, and cooperation with agricultural credit guarantee companies, which helped achieve quantity, professional and efficient development of agricultural credit services. By supporting core enterprises of industrialization consortium to apply scientific research results in technological upgrading and integrated industrial development projects, Anhui Branch has promoted the integration of the primary, secondary and tertiary industries and achieved rapid industrial development. In 2019, it signed a strategic cooperation agreement with the Anhui Provincial Department of Agriculture and Rural Affairs that aims to provide RMB 50 billion of intentional credit support to the agriculture-related industry in three years.

As of the end of 2019, it had supported a total of 48,961 new business entities and cooperated with 178 provincial demonstration modern agricultural industrialization complexes, providing RMB 982 million of credit support.



Scan the QR code for detailed information about Anhui Branch's

measures for supporting agricultural industrialization consortium

Creating the “one feature for one industry” financial service model

Based on the construction of 10 advantageous featured agricultural bases, Henan Branch has developed special agricultural financial service products such as the “Hui Nong e-Loans - Chili Loan”, “Hui Nong e-Loans - Mushroom Loan”, “Hui Nong e-Loans - Tobacco Leaf Loan”, and “Hui Nong e-Loans - Apple Loan” to create a “One Feature Per Industry” financial service model.

As of the end of 2019, Henan Branch had provided “Hui Nong e-Loans - Chili Loan” for 147 households with the balance of loans reaching RMB 56.9 million.



ABC Signed the comprehensive cooperation agreement on serving rural revitalization strategy with Shanxi provincial department of agriculture and rural affairs, and released "Jin Sui Shanxi Fruit Loans", a series of products to support the development of management main

bodies along Shanxi's characteristic fruits' industrial chains (Photo from Shanxi branch)



Ningxia Branch supported the development of Tan sheep farmers in Zhongning County with “Tan Sheep e-Loan” (Photo by Ma Qiaoli)



Xinjiang Branch launched the “New Cotton Tong” business, effectively solving the funding constraints of cotton purchasing and storage enterprises. By the end of 2019, the Branch had issued RMB 3.18 billion of loans to meet the capital needs of 37 cotton purchasing and processing enterprises (Photo by Li Dongfang)



Helong Sub-branch, Jilin supports the rice harvest of Linyuan Crop Planting Specialty Farm in Dongcheng Township, Helong City, with its “Farmland Loan” (Photo by Li Chun)



Xinghua Sub-branch, Jiangsu strongly support the development of aquaculture in Xinghua (Photo by Huang Shurong)



Xinyu Branch, Jiangxi support the development of modern agricultural tourism vineyards (Photo by Wu Jiale)



Zhumadian Branch, Henan issued credit funds to support grain production so farmers can have a good harvest (Photo by Deng Guoyong)

iii. Building Pleasant Living Environments

The Bank actively supports the development of beautiful villages. By promoting county-level tourism financial services, and serving the reform of the rural collective property rights system, we have promoted the development of county-level happiness industries. In 2019, the Bank, together with the tourism authorities, issued the *Notice on*

Financial Support to Building Key Villages for Rural Tourism in China to jointly promote high-quality development of rural tourism in the new era.

As of the end of 2019, the balance of loan for county-level tourism had reached RMB 71.1 billion, an increase of 13.74 billion from the beginning of the year; the balance of loans for county-level urbanization was RMB 732.94 billion, up by RMB 70.27 billion as compared to the beginning of the year.

Measures for Rural Urbanization

Conduct urbanization business investigations and instructions

- The Bank conducted business investigations in Sichuan, Hebei, Chongqing and so on to identify financial services needs and problems in the business development of characteristic towns, beautiful villages, and agricultural industrial parks.

Increase county-level urbanization loans

- The Bank increased credit loans for urbanization projects for urban infrastructure, beautiful villages and characteristic towns.

Improve and innovate in urbanization-related products and services

- The Bank identified elements of optimization and upgrading of urbanization loan products, and formulated effective promotion and application plans.
- The Bank actively assisted and instructed its branches in developing well-adapted regional products with strong market competitiveness.
- The Bank summarized the new development model of its branches based on the practice of urbanization projects.

Continue to carry out the “Green Homes for Cities and Towns” initiative

- By the end of 2019, our financial service newly extended to 84 counties (including county-level cities), 280% of the annual target, and 231 towns, 159.31% of the annual target; and a total of RMB 70.27 billion of loans were newly issued, completing 140.53% of the annual target.

The first cultural tourism franchise bank in China was established

Zhejiang Branch actively promotes the in-depth cooperation of the government, banks and enterprises, to promote the deep integration of the financial and cultural tourism industries. In 2019, the first cultural tourism franchise bank in China—Hangzhou Cultural Tourism Sub-branch—was established to solve problems faced by cultural tourism enterprises, such as information asymmetry, lack of collateral, risk vulnerability, difficulty in accessing quick and affordable financing, and help Zhejiang build beautiful and livable villages and develop the cultural tourism industry. In 2019, the Sub-branch had 57 new cultural enterprise clients with the balance of cultural enterprises loan of RMB 858 million, and 60 new clients were from the tourism industry with the balance of tourism industry loan of RMB 6.4 billion.

Measures of Hangzhou Cultural Tourism Sub-branch to support the development of cultural tourism enterprises

- Building special teams and organizations to provide professional services.

- Providing considerate services including credit loan support, investment and loan linkage, and product innovation.
- Providing all-round financial and information consultation services for Zhejiang's key culture and tourism projects, key culture and tourism enterprises (group corporations) and relevant enterprises in the industrial chain.

Supporting the rural “Three Assets” management

In accordance with the new trends of the rural collective property rights system reform and the rapid development of the rural collective economy, the Bank follows the requirements of digital transformation of “optimizing scenarios and opening up channels” and has developed a widely applicable “Three Assets” (capital, property and resource) platform that combines administrative management with financial service functions based on the construction of smart rural scenarios.

It is planned that by the end of 2020, the “Three Assets” platform will be extended to 200 counties, covering 10,000 administrative villages.

Five functions of the “Three Assets” platform

1. Property and resource management
2. Capital management
3. Equity management
4. Villages governance
5. Financial services for rural areas

Establishing the “Serve Rural Revitalization Demonstration Villages”

Focusing on serving rural rejuvenation, Shandong Branch is fully committed to being the main financial force for rural rejuvenation with customizing special financial service solutions, developing the farmer information system, and promoting measures such as “whole village credit” and online financing. In 2019, the Branch helped build Sanyuanzhu Village, in Shouguang, into the first “ABC Serves Rural Revitalization Demonstration Village”, and will provide financial support for farmers, collective economic organizations and legal persons in the demonstration village.

As of the end of 2019, 27 demonstration villages had completed overall service plan approvals, with a balance of Hui Nong e-Loans of RMB 100 million; 74 demonstration villages with Hui Nong Tong service points had been established with the balance of deposits of RMB 584 million in service points, and 33 demonstration villages had opened collective economic organization accounts.

Measures for building a “ Demonstration Village”

Farmers

- Registering farmers with good credit based on the farmer information system and promoting the “whole village credit”.
- Formulating the overall service plan of Hui Nong e-Loans for farmers, and improving the differentiated credit granting model.

Collective economic organization

- Promoting credit loan products for agricultural collective assets.
- Exploring the financing model for agricultural collective economic organizations.

Legal person

- Developing feature industries of “Demonstration Village” to support the development of agricultural industrialization consortium
- Serving the order management of rural tourism, ecological agriculture, senior care and health care projects, etc.
- Adopting PPP and other ways to support key infrastructure construction projects of the new countryside.



Jiangsu Branch supported Xinghua City’s “Sannong” and key tourist spots’ constructions (Photo by Huang Shurong)



Hubei Branch supported tourist project of Xiaoxi village in Sheng Jiaba (Photo from Hubei Branch)



Maoming Branch, Guangdong strongly supports the development of island tourism, helping build Fangji Island Scenic Area into a national 5A island tourist attraction (Photo by Shang Jingjing)

iv. Helping Farmers Get Richer

Following the development trend of financial technology and implementing the National Digital Rural Strategy, the Bank relies on financial technology and innovation to optimize county-level outlet network, and promote the upgrade of the internet-based financial services for “The No.1 Project” of internet financial services for “Sannong”. The Bank has built the digital service platform, “Hui Nong e-Tong”, and first launched online financing products, which builds the “online and offline” rural basic financial service channels that allow modern financial services to benefit more farmers and continuously improves basic financial coverage and loan accessibility in rural areas.

By the end of 2019, 224 million Hui Nong Cards had been issued and the balance of loans for Farmer settlement had reached RMB 564.0 billion, an increase of RMB 80.2 billion from the beginning of the year. Moreover, completed the internet upgrade of 600 thousand Hui Nong Tong service points.

Rolling out Tibetan language menu on mobile banking APP

Tibet Branch has accelerated the promotion of mobile financial services in agricultural and pastoral areas. In 2019, the Branch

successfully launched the Tibetan language choice on its mobile banking APP menu, enabling farmers and herdsmen to enjoy financial services such as account balance inquiry, account details inquiry, and account master file inquiry without leaving home.

Expands Internet application scenarios for “Sannong” services

Liaoning Branch actively created a “Smart Life” channel on its mobile banking APP that provides county-level farmers with customized services such as payments, common payment items, and text reminders. As of the end of 2019, the “Smart Life” channel had provided 17 kinds of services for 14 counties, including water, electricity, gas, and communications.

In 2019, Tieling Branch provided comprehensive “Smart Health Care” solutions for Tieling Central Hospital with the support of Internet services and self-service payment machines, and helped the hospital realize online and offline payment methods through the “Smart Health Care” platform. The Branch provided online self-help appointment-making, outpatient payment, detail inquiry, report tracking and other services for county-level rural patients to reduce their queuing and waiting time.

Successfully creates the rural Internet financial service platform

Zhejiang Branch promotes the establishment of farmer household information files for the whole village to build a multi-dimensional farmer household database and has developed a rural Internet financial

service platform centered on “Hui Nong e-Loan” to access quick and affordable loans, and created a new model of low-cost, replicable rural inclusive financing. As of the end of 2019, files of 2.77 million rural households had been established, accounting for 45.56% of the total number in the province, and the balance of “Hui Nong e-Loan” was RMB 43.7 billion covering 164,500 households.

Successfully creates the rural Internet financial service platform

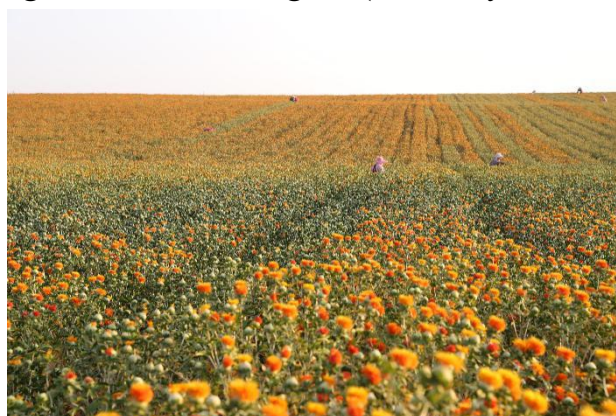
Guizhou Branch focuses on Guizhou’s characteristic and advantageous industries. Focusing on tobacco and rural tourism, the Branch sets “One Feature Per County” industry as the “X”, and innovatively launched 67 online e-loans including the “Hui Nong e-Loans - Rural Tourism e-Loan”, “Hui Nong e-Loans - Tobacco Farmer e-Loan”, providing farmers with targeted, convenient internet financing services with pure credit and favorable interest rates. By the end of 2019, the cumulative loan size had reached RMB 6.2 billion, and the loan balance was RMB 3.7 billion, directly supporting 66,100 farmers.



Fujian Xiapu County Sub-branch launched the “Quick Agricultural Loan” to support local kelp and seaweed industries, and promote the development of marine economy (Photo by Li Xiangkai)



Shandong Branch turns farmers into “Internet Celebrities” to promote local specialty agricultural products, realizing nationwide sales through “ABC e-Manager” (Photo by Chen Peng)



Xinjiang Corps Branch supported local safflower industry (Photo by Xin Xiaowu)



The Reception Manager of Xiaqu Banking Outlet in Biru County, Tibet, which is located 4,300 meters above sea level, provided serves for an elderly herdsman (Photo by Zhao Xinxi)



Shanxi Taigu County Sub-branch launched “Hui Nong e-Loan” to support characteristic agriculture in Yangyi Village (Photo by Zhang Dapeng)

III. Standing Fast to Our Founding Duty to Serve the Real Economy



Upholding the founding mission to serve the real economy, the Bank takes serving the major development strategies of the State as its own responsibility and takes serving supply-side structural reform as the main task. The Bank prioritizes credit support for high-end manufacturing and strategic emerging industries, and speeds up innovation in inclusive financial products with financial technology. The Bank also engages in service upgrades in multiple areas related to the well-being of the people, including smart cultural education, and medical care, and takes various measures to promote the high-quality development of the real economy.

As of the end of 2019, the total loans and advances issued by the Bank was RMB 13.36 trillion; The loan balance of the manufacturing industry was RMB 1,196.98 billion; the balance of inclusive financial loans for micro and small enterprises was RMB 592.3 billion; and the loan balance of the cultural industries was RMB 174.61 billion.

Enriching SME online financing products to solve financing difficulties

The Bank has made full use of the Internet and Big Data to mine internal and external data, accurately meet the needs of micro and small enterprises (SMEs), and draw a comprehensive “portrait” of customers. We innovate in product and business based on the concept of

“digitalization, intelligence and openness”, and establish a wide range of SME online financing products system covering both urban and rural areas. Thus, we have effectively improved inclusive financial services, and help solve the problems of financing difficulties and high financing expenses that private enterprises and SMEs face.

By the end of 2019, there were 149,000 customers served by SME online financing products, with an online loan balance of RMB 106.69 billion.

Make full use of digital means. We integrate internal data such as financial assets, settlement transactions, and credit delivery, introduce external data such as taxes, customs, judicial, and electricity, etc., and research, develop, and promote online pure credit products by focusing on SMEs financial services, so that customers could apply for financing, have applications reviewed, and receive loans within seconds.

Innovate supply chain financing model. Relying on the credit and value of core enterprises along the supply chain, we provide diversified loan services for upstream and downstream SMEs, speed up cooperation with external supply chain platforms, and connect with leading manufacturers such as CRRC Corporation Limited, TCL Group, and MI Group. We incorporate multi-level suppliers along the supply chain into the service scope, and form a new model of supply chain financing service in which SMEs are supported by large SOEs and private enterprises.

Promote mid-and-long term online products. We developed new ways to promote mid-and-long term online credit products for SMEs. Relying on Internet technology, we realize online marketing, mass

customer acquisition and intelligent approval of SMEs credit businesses. Each customer could obtain a loan as much as RMB 10 million for as long as 10 years. Thus, SMEs could effectively activate their fixed assets, and meet their requirements for a longer term with a larger amount.



Staff in Xiamen Branch introduces inclusive product “Tax Payment e-Loan” (Photo by Mao Wei)



Guangdong Branch develops Lianjie Loan, an online financing product that satisfies the financing need of more than 8,000 suppliers upstream and downstream of the TCL Group (Photo by Chen Jiajie)

Online microfinancing products

“Weijie Loan”

“Weijie Loan” mainly targets small scaled SMEs without guarantees. SMEs can borrow and repay loans online without leaving the house or the office, apply for loans anytime they need, and get applications reviewed within a minute’s time.

Typical Products: “Asset e-Loans”, “Tax Payment e-Loans”

Online Supply Chain Financing Products

“Lianjie Loan”

“Lianjie Loan” mainly targets the upstream and downstream customers along the supply chain of core enterprises. It provides mass, online and automatic financing services in connection with ERP transaction data of core enterprises.

Typical Products:

“Yingshou e-Loan”, “Baoli e-Financing”, “Bill e-Financing”

Intelligent Financing Products

“Kuajie Loan”

“Kuajie Loan” targets traditionally offline SMEs who require large amounts of financing. It sorts out the whole business process of the corresponding products and recreates them online, and thus serves SMEs online and offline.

Typical Products:

“Mortgage e-Loan”

i. Supporting the Implementation of National Strategies

ABC focus closely on major strategies of the State, including “The Belt and Road Initiative”, Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macau Greater Bay Area, Xiong’an New Area, free trade zones, and so on. Paying much attention to short-handed key industries such as railway, highway, marine transport, airport, energy, environmental protection, etc., and work to allocate more credit loans and distribute strategic resources more evenly to them, improving national economy quality and efficiency through financial support.

1. Fostering Comprehensive Opening-up

The Bank has continuously served the global service system, and fully met the financial needs of the “Going Global” of enterprises in agricultural cooperation, infrastructure construction, energy and resources investment and other areas, striving to help Chinese enterprises expand their businesses overseas.

(1) Serve “The Belt and Road Initiative”.

We have set up 22 overseas organizations and a joint venture bank in 17 countries and regions, six of which are from countries and regions along “the Belt and Road” By doing so, we have basically formed an overseas business network with close partnerships with major financial centers, and their neighboring countries and regions. We have also established close cooperation with 1,230 banks from 139 countries around the world and exchanged SWIFT codes, 500 of which are distributed among 53 countries and regions along “the Belt and Road”, thus realizing a business coverage on five continents.

In 2019, ABC completed USD 99.75 billion of international business in 62 countries along the “the Belt and Road”.

Measures for serving “the Belt and Road Initiative”

Improve the top-level design

- We have issued policies for supporting “the Belt and Road Initiative” through strengthened connectivity.
- We have developed opinions on international production capacity cooperation and equipment manufacturing.

Innovate in products and services

- We have promoted the innovation of cross-border financial products and launched more than 80 cross-border financial products in seven categories.
- We have released “Easy Construction Finance” to provide targeted comprehensive financial solutions for international engineering contractors.
- We have enhanced our support for cross-border RMB settlements.

Support key areas

- We have provided diversified cross-border financial services for the “Going Global” of agriculture-related enterprises.
- We have supported the investment in and construction of infrastructure projects.

Strengthen strategic financial cooperation for better foreign relations

- We have helped Sino-Congolese Bank of Africa to make steady improvement in financial services.
- We have continuously promoted financial cooperation between

China and Tajikistan.



Guilin Branch, Guangxi provides credit support for Guilin International Wire and Cable Group Co., Ltd. to explore the overseas markets along the Belt and Road (Photo by Wu Wenqiao)

Supporting COFCO Group in achieving stronger control over overseas sources of grain

ABC, as a strategic partner of COFCO Group, has provided loans for the establishment of various overseas clubs for the Group. The Bank supported COFCO Group in launching international bulk grain trade, conducting overseas grain collection and storage, international logistics, and construction of grain source bases. In 2019, the Bank provided USD one billion of loans to COFCO Group, ranking top in the industry.



The Bank and JP Morgan Chase Group will further cross-border finance and exchange to strengthen cooperation in the areas of internet exchange, financial management and investment (Photo by Chen Shunxi)

Supporting domestic enterprises “Going Global”

Qingdao Branch has focused on providing financial support for Chinese enterprises that invest mainly in Vietnam, Bangladesh, Romania, Brazil and so on, and has provided a total of RMB 1.5 billion of loans for these enterprises in total. To enhance the role of financial support in stabilizing foreign trade, Qingdao Branch actively provided export-oriented credit services for small and micro enterprises. By the end of 2019, the Bank had financed RMB 12.3 billion for trade projects, set up 22 investment capital accounts for “bringing in” projects, supported 15 “Going Global” investment projects, and completed 42 transactions worth USD 380 million in total.



Wujiang Branch, Suzhou provided comprehensive financial services for companies to expand export and improve competitiveness (Photo by Bu Yan)

(2) Serve the development of free trade zones

The Bank has constantly enhanced support for free trade zones by focusing on enhancing cross-border settlement, policy service ability, and risk control ability. In 2019, the Bank successively established the Special Area Branch of China (Shanghai) Pilot Free Trade Zone, Suzhou Area Sub-branch of China (Jiangsu) Pilot Free Trade Zone, Free Trade Zone Sub-branch of Qingdao Branch, and Yantai Free Trade Zone Sub-branch, etc.

Completing the first syndicated loan in the China (Shanghai) Pilot Free Trade Zone

Special Area Branch of China (Shanghai) Pilot Free Trade Zone, through cooperation with Frankfurt Branch and London Branch, completed the first overseas syndicated loan of the zone, and issued a EUR 35 million loan on October 25, 2019. The financing project of ZF Friedrichshafen AG (ZF Friedrichshafen AG is one of the world's largest automotive transmission and chassis technology suppliers, and a

Global Fortune 500 company) is about EUR 2 billion of bond-based syndicated loans with maturities of three to ten years. The project vigorously supports the group's overall business and the construction of two major R&D centers in the Shanghai-Asia-Pacific region.

2. Boosting Regional Economic Development

(1) Serve the coordinated development of Beijing-Tianjin-Hebei region

Focusing on the financial service needs of the Beijing-Tianjin-Hebei region, we have accelerated credit loan allocation to the key projects in the region and promoted the coordinated development of infrastructure construction, industrial transformation and upgrade of the region.

Facilitating the coordinated development of Beijing-Tianjin-Hebei region

Beijing Branch actively provides financial services for major projects to serve the coordinated development of the Beijing-Tianjin-Hebei region and promote the growth of national economy.

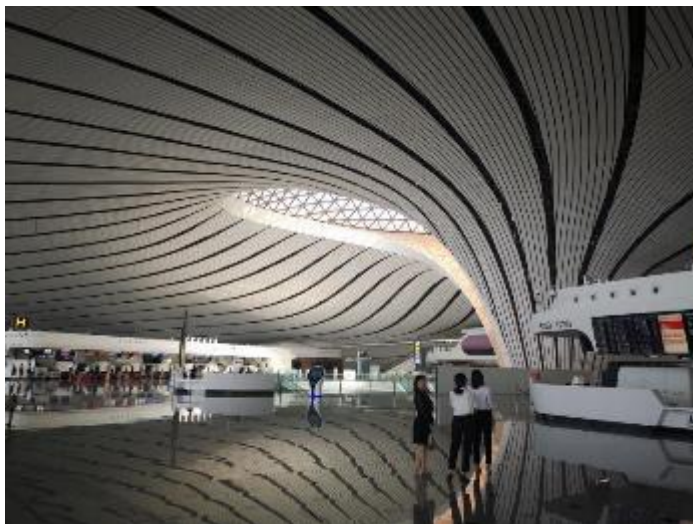
- Forming multiple financial service leading groups for the coordinated development of Beijing-Tianjin-Hebei, the construction of the sub-center of Beijing, the 2022 Olympic Winter Games, etc., to satisfy the financial demands of major projects.
- ABC, as the lead bank of the first phase of The Intercity Railway Connector of Beijing-Tianjin-Hebei Region project, and a supporting bank of major projects under the Beijing-Zhangjiakou Railway, Beijing-Shenyang Railway, and Beijing-Xiong'an Railway, has reviewed and approved RMB 30 billion of fixed assets

loans.

- To support metro construction in Beijing, Beijing Branch has issued RMB 30 billion loans to more than ten metro lines in Beijing.
- To facilitate the construction of supporting facilities for the 2022 Olympic Winter Games, Beijing Branch has provided RMB 1.5 billion of fixed asset loans for Xingyan Expressway and undertaken a total of RMB 800 million syndicated loans for major venues.

“The Beijing Daxing International Airport involves a total investment of RMB 79.98 billion, among which 40% comes from syndicated loans. During the five-year construction period, we also faced many economic challenges and the pressure of a tightened market. But the bank consortium led by ABC has provided strong support for the construction and guaranteed sufficient capital supply in time during the entire construction period. We worked with ABC as comrades and overcame all difficulties through concerted efforts, which ensured the smooth progress and completion of the new airport”.

——Wang Haiying, General Manager of the Finance Department of the Construction Command Division of Beijing Daxing International Airport



Beijing Branch supported the construction of Beijing Daxing
International Airport (Photo by Ma Sai)

**Supporting transportation integration in the greater
Beijing-Tianjin-Hebei region**

Support the transport of air passengers. ABC supports the second phase of the Tianjin Binhai International Airport project by increasing the line of credit by RMB 1.53 billion, all of which has been in place. The airport, after being put into use, can effectively alleviate the pressure of passenger transport of Tianjin International Airport as well as Beijing Capital International Airport.

Support the construction of expressways in the Beijing-Tianjin-Hebei region. ABC supports the construction of the Tianjin-Qinhuangdao High-speed Railway project and has provided RMB 800 million of loans to the project through factoring. The project has been put into operation, reducing the transport time between Tianjin and Qinhuangdao by one hour.



Tianjin Branch supported the construction of the second phase of the
Tianjin Binhai International Airport project (Photo by Li Zhu)

(2) Serve the development of the Yangtze River Economic Belt

The Bank has provided quality financial services for infrastructure construction, industry transformation and upgrade, new-type urbanization and other key areas in cities along the Yangtze River Economic Belt. By the end of 2019, the balance of loans for legal entities of domestic and foreign currencies from the 11 provinces along the Yangtze River Economic Belt was RMB 3.54 trillion, an increase of RMB 359.41 billion year on year.



Hubei Branch supported the construction of the Yangsigang Yangtze River Bridge in Wuhan (Photo by Yu Shengqin)



Guizhou Branch supported the construction of the Qingzhen Section, Guizhou of Shanghai-Kunming Expressway (Photo by Ye Yikun)

**Supporting traffic construction of the Yangtze River
Economic Belt**

Sichuan Branch provides strong support for 700 key projects in

Sichuan Province, such as Chengdu Tianfu International Airport Expressway and projects under Chengdu Metro. It is the exclusive loaner or the leading loaner to multiple landmark projects, including the Subway Line 18, Chongqing-Chengdu Expressway, Mianyang Utility Tunnel, Neijiang River and Tuojiang River Water Environment Management, etc. By the end of 2019, the branch had issued RMB 31.9 billion loans.

Supporting the Beijing-Shanghai Expressway expansion and renovation project

The Beijing-Shanghai Expressway expansion and renovation project is a key project of China, of which a 259.5-kilometer section is in Jiangsu Province. After its completion, the project will further improve the expressway network of Jiangsu province, promote the construction of the Yangtze River Economic Belt, and facilitate industry transformation and upgrade of Jiangsu province. The project involves a total investment of RMB 31.43 billion, and Jiangsu Branch alone provided RMB 3 billion of loans.



Jiangsu Branch and Jiangsu Communications Holding Co., Ltd. signs
The Bank Consortium Cooperation Agreement on the Beijing-Shanghai

Expressway expansion and renovation project (Photo by Pan Feng)

(3) Serve the construction of the Guangdong-Hong Kong-Macao Greater Bay Area

The Bank earnestly implements *the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area* and provides preferential policies for key projects of the Greater Bay area, including expanding transaction authorization, encouraging product innovation, and optimizing interest rate pricing. It has provided all-round financial support for the construction of the Greater Bay Area.

Measures for supporting the construction of the Greater Bay Area

Policy support

We printed and distributed *Opinions of the Agricultural Bank of China on Supporting the Construction and Development of the Guangdong-Hong Kong-Macao Greater Bay Area*.

Guiding philosophy

Adhering to transformation and innovation, the integrated and coordinated development, and the requirement of high-quality development, to support and serve the construction of the Greater Bay Area, which is an important “experimental site” and “demonstration field” for the Bank to accelerate business transformation and innovation.

Development objectives

To significantly enhance our overall financial service capabilities.

To further strengthen our leading role and market competitiveness.

To basically form a pattern of efficient collaborative innovation

with organizations of the Greater Bay Area.

Organizational guarantee

Explored the establishment of the Guangdong-Hong Kong-Macao Greater Bay Area Equity Investment Fund.

Explored ways to participate in the construction of the International Commercial Bank of the Greater Bay Area by means of equity participation.

Service system

Improved the financial service system for technological innovation.

Improved the financial service system for infrastructure construction.

Improved the financial service system for industry development.

Promote innovations in green finance.

Improved the financial service system for retail businesses.

Improved the financial service system for cross-border businesses.

Business connectivity

The Head Office had improved the model of coordinated customer services, improved the assessment mechanism for business coordination, and established an information sharing mechanism for business coordination.

Each ABC branch in the Greater Bay Area had established the joint conference system for organizations within the Greater Bay Area.

Promoting the construction of the “vegetable basket” industrial chain in the Greater Bay Area

Guangzhou Branch and the Bureau of Agriculture and Rural

Affairs of Guangzhou Municipality signed *The Guangdong-Hong Kong-Macao Greater Bay Area “Vegetable Basket” Industrial Chain Construction and Guangzhou-Qingyuan Integration Agreement*, aiming to give full play to the Bank’s customer resources and numerous channels. The branch had launched “Guava e-Loan” program and issued a total of nearly RMB 4 million loans by the end of 2019.



Guangdong Branch takes the lead in setting up the Huizhou CSCEC PPP Project to support the connectivity of the Greater Bay Area (Photo by Ge Hui)

(4) Measures for serving the construction of Xiong’an New Area

The Bank, closely focusing on the development positioning of the Xiong’an New Area, has built up the “innovative, intelligent, green, inclusive, and open” financial service system to provide strong financial support for the regional construction.

Measures for serving the construction of Xiong’an New Area

Institutional design

We printed and distributed *Opinions on Comprehensively Supporting the Construction and Development of Xiong’an New Area*.

Organizational structure

Under Xiong’an Branch, we have set up three tier-1 sub-branches,

13 outlets, 34 self-service banks, and 661 cash withdrawal points for rural areas with 343 employees. The Bank has become the financial institution in the Xiong'an New Area with the largest number of employees and the widest range of services.

Financial services

We prioritize the approval of loans for the Beijing-Xiong'an Intercity Railway project and provide financial services for the Rongcheng-Wuhai Expressway as well as Beijing Dezhou Expressway projects. We continue to support the Millennium Forest project and Citizen Service Center project of the Xiong'an New Area.

Serveing the construction of the Xiong'an New Area

Xiong'an Branch, Hebei has continued to support the Millennium Forest project of the Xiong'an New Area, and innovatively integrated the dual channels of online banking and cash management for forestation companies to the block-chain platform of China Xiong'an Group. In 2019, a total of 62 companies were connected to the platform, for which ABC provided a total of RMB 43.71 million block-chain loans to support afforestation of the areas.



Xiong'an Branch actively supports the Millennium Forest project of the

ii. Supporting the Transformation of the Manufacturing Industry

The manufacturing industry is a primary sector of the real economy and a key area where ABC's financial support is provided. The Bank allocates more credit loans to the sector, digs deep into the needs of customers, optimizes internal process and mechanism and improves key customer listing administration. The Bank has established a long-term working mechanism for supporting the transformation and upgrade of the manufacturing sector.

In 2019, the balance of manufacturing loans was RMB 1,196.978 billion, of which over RMB 450 billion was for advanced manufacturing. The number of debtors from the manufacturing industry was 80,900, increasing by 45,000 compared with that at the beginning of the year.

Measures for supporting the transformation of the manufacturing industry

- Printed and distributed *Opinions on Supporting High-quality Development of the Manufacturing Industry*.
- Launched four exclusive product service packages for industrial clusters, green manufacturing, intelligent manufacturing, and platform cooperation.
- Innovated in and promoted five major financial service models, including mass marketing, cooperation with platforms, industrial chain finance, digital finance, and multi-channel financing.
- Established specialized institutions for the manufacturing industry and set up the first special bank to provide financial services for

high-end manufacturing among the banking industry of China.

- Promoted pilot projects for the transformation and upgrade of tripartite partnerships and financed six pilot branches in Jiangsu, Anhui, Ningbo and other cities with RMB 8.43 billion in total. To support the transformation and development of 348 hidden champions and little giant enterprises, we had issued over RMB 25 billion of loans.



On November 14, 2019, Beijing Branch officially became a Specialized Bank of Financial Services for High-end Manufacturing, becoming the first financial institution to provide financial services for high-end manufacturing in Beijing Economic-Technological Development Zone

(Photo from Beijing Branch)



Jilin Branch supports the development of the FAW Group (Photo from

Jilin Branch)

Supporting the transformation and upgrading of the manufacturing business of China Baowu

China Baowu Steel Group Corporation Limited (China Baowu) is a super-large steel group under the direct administration of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). By integrating internet-based lending with supply chain financing business models of “Xiao’e Bao” and “Chang Shang-yin”, we have constantly enhanced cooperation with high-quality steel manufacturing companies subordinate to China Baowu and thus participated, in depth, in the transformation and upgrading of China Baowu’s steel manufacturing ecosystem. The Bank has become the first commercial bank to provide financing services for China Baowu’s downstream customers, providing customers with efficient financial support through Smart IoT solutions.

Supporting manufacturing development with financial services

Guangdong Branch has adopted preferential credit policies on ‘Made in China 2025’, advanced equipment manufacturing, manufacturing industry park and other key areas, and fully supported leading manufacturers, such as Gree Group, Midea Group and GAC Group by providing them with comprehensive financial services in terms of basic settlement, wealth management, and debt issuance, thus boosting the transformation and upgrade of advanced manufacturing. As of the end of 2019, the branch’s balance of loans for the manufacturing industry was RMB 80.35 billion, an increase of RMB

22.75 billion over the beginning of the year and a growth rate of 39.5%. It is 23.8% higher than the average growth rate of corporate loans.

iii. Serving New Impetus for China's Economy

The Bank has formulated and implemented the guiding opinions on new economy and financial services. Focusing on developing new economy and new drivers of growth, the Bank has innovated in the review and access model for enterprises with “new technology”, “new business” and “new models” and those in “new sectors”. And it has substantially supported the development of new economy customers by prioritizing financial support for newly emerging industries such as IT, bio-pharmaceuticals, AI and new energy vehicles, thus fostering new drivers of growth to the new economy. In 2019, the balance of loans to strategic emerging industries was RMB 495.05 billion, an increase of 53.72% compared with the beginning of the year. The balance of loans to happiness industries was RMB 176.14 billion, up 25.29% from the beginning of the year.

Measures for supporting companies of the sci-tech innovation board

Enhance the top-level design

We have compiled the customer list of the sci-tech innovation board and issued the *Special Financial Services Program for Enterprises of the Sci-tech Innovation Board*.

Strengthen product innovation

We have launched new products under the Sci-tech Innovation Loan brand, including the “settlement credit loan”, “tax payment loan” and “salary loan”.

Cooperate with branches and sub-branches

Our branches have issued the list of unicorns and companies of the sci-tech innovation board in a timely manner to provide a reliable reference for sub-branches.

Supporting the development of “unicorns”

Based on the characteristics of unicorns and their efforts in product innovation, the Bank has strengthened collaboration with companies and enhanced the integration of loans and investments.

- The Bank allocated more than USD 122 million in the direct equity investments of seven unicorn companies, including ByteDance, Huochebang, and DJI UAV.
- In the first round of financing for Du Xiaoman Financial and Huochebang, ABC International was the first equity investor.
- ABC signed online merchant cooperation agreements with 13 unicorn internet platforms, including JD.com, Dingxiangyuan, Yiguo.com, and carried out business cooperation in terms of “Merchant e-Payment”, POS trade system, consumer installment, and online payment settlement.

Supporting TCL Group’s new display device project

To help TCL Group accelerate the industrialization of new display technologies, the Bank took the lead to set up a bank consortium and provide a syndicated loan of RMB 17 billion, which provided strong support for the 11th-generation ultra-high-definition new display device production line project, and help build the project into an exemplar for

China's smart manufacturing.

Supporting the development of new economic businesses

Hubei Branch, closely following the trend of new economic forms and new industries, has been actively supporting the development of the integrated circuit and panel industry, the logistics industry, the new energy vehicle industry, the internet and the Big Data industry. It has provided all-round financial support for companies from emerging sectors, such as Yangtze Memory Technologies Co., Ltd., China Star Optoelectronic Technology, BOE and Hubei Toutiao. By the end of 2019, Hubei Branch had identified a line of credit of RMB 25.54 billion for 40 companies in the list of new economic businesses, of which RMB 8.49 billion had been issued. By then, the Branch had provided financial support for five projects with an investment exceeding RMB 30 billion, and released RMB 20 billion of the financial reserve.

Supporting the replacement of old growth drivers with new ones

Reyoung Pharmaceutical Co., Ltd. is a comprehensive modern large-scale pharmaceutical enterprise that integrates R&D, production and sales. The company's 72 million lyophilized powder preparations project is a key municipal project for the replacement of old growth drivers with new ones. In response to the shortage of mortgageable assets, Zibo Branch, Shandong innovatively adopted the method that combined land mortgage with intellectual property rights and intangible asset pledge guarantees. It successfully approved RMB 300 million

intellectual property pledge loans for the company. In this way, the branch revitalized the idle assets of the company, solved the problem of insufficient collateral, and completed loan issuing in time.



Jiangsu Branch launches all-round cooperation with Ecovacs Robotics, a market leader in innovative home service robotics (Photo by Chen Xiaolin)

iv. Developing Inclusive Finance

Taking developing inclusive finance as its own responsibility, the Bank has advanced the establishment of the Inclusive Finance Department and constantly optimized the “Sannong + SMEs” dual-drive inclusive financial service system. We have stepped up efforts in financial products innovation and service improvement to better meet the financial needs of micro and small enterprises and non-state-owned enterprises, and help micro and small enterprises resolve financial difficulties. The Bank has played a pillar role in providing inclusive financial services. As of the end of 2019, the balance of inclusive finance loans for micro and small enterprises was RMB 592.3 billion, a year-on-year growth rate of 58.2%, higher than the loan growth rate of the Bank which stood at 46.3 percentage points. The number of

borrowers was 1.11million, an increase of 386,000 compared with that at the beginning of the year, with an increase of 53.37 percentage points.

1.Innovating in services and products to overcome financing difficulties

We have worked on creating digital product systems, including the “SME e-Loans” product system covering “Lianjie Loan”, “Kuaijie Loan”, and “Industry e-Loans” supply chain financial services so as to meet the financing needs of SMEs at different levels and under different scenarios.

Paths for innovation of SME financial products

Create a comprehensive product R&D model

We have established a product system with around 140 products in total represented by online products, such as “SME e-Loans”, and offline products, such as “Simple and Quick Loan”, “Industrial and Commercial Property Loan”, and “Sci-tech Innovation Loan”.

Enhance the innovation in online products

As of the end of 2019, the Bank had attracted 128,600 SME corporate customers through online products. The balance of new online loan products was RMB 95.83 billion, accounting for 81.54 % of the total balance of all new loan products.

Promote the intelligent offline businesses

We have introduced new business processes, such as mobile office, big data-assisted investigation, model-assisted decision-making, intelligent risk warning, automated collateral monitoring, whole-process trace verification, and electronic seals, to restructure business processes and models.

Issuing the first personal “Lianjie Loan”

The Bank had completed the development, testing, and acceptance and launching of the first batch of personal “Lianjie Loan” products. Lianjie Loan products break the boundaries between personal and corporate customers, eliminating barriers for credit granting from different regions, and realizing early warning on information sharing risks, thus enabling customers to borrow money via a bank card without leaving home.

“Data Network Loan” helps SMEs solve financing difficulties

Qingdao Branch has launched the online supply chain financial product “Data Network Loan” to tackle difficult financing for the suppliers of core enterprises. With no mortgage guarantees, suppliers only need to submit their orders or receivables with the core enterprises for applications on this online platform. As the end of 2019, Qingdao Branch had issued loans to 231 upstream micro and small corporate customers of 7 core enterprises in Qingdao, with a total amount of RMB 1.28 billion in 4,554 transactions. The balance of the loans was RMB 324 million.



Hunan Branch released “Xiangci Loan” to promote the development of the porcelain industry in Liling (Photo by Duan Yudong)

2.Promoting digital transformation to deal with inefficient financing

Following the development trend of digitalization, the Bank has formulated the “Four-in-one” Project Plan for the Digital Transformation of Small and Micro Enterprises to fully promote the digital transformation of financial services for SMEs and provide them with better and more efficient financial services.

“Four-in-one” Project Plan

- Make great efforts to establish a set of digital product systems to guarantee better financial services for SMEs with intelligent products.
- Create a digital customer service platform to improve the experience of SMEs customers.
- Build a digital operation and management system to meet the financial needs of SMEs with differentiated services.
- Establish a digital intelligent risk control system to contribute to the sustainable development of financial services for SMEs through scientific and technological means.

Launching "Tax Payment e-Loan" to solve SMEs financing difficulties

In March 2019, the Bank’s first online bank-tax interactive SMEs financing product “Tax Payment e-Loan" was launched by Shenzhen Branch. The project grants credit based on tax payment data, and it

only takes two minutes from loan application to loan delivery. The applications will be reviewed online in real time, and customers can borrow money or repay installments on the online platforms anytime. The size of the loan can reach as large as RMB three million, which provides practical support for SMEs to gain financing smoothly and conveniently. As of the end of 2019, Shenzhen Branch had invested RMB 4.36 billion in “Tax Payment e-Loan” for 7,146 SMEs.

Serving SMEs through “Weijie Loan”

“Weijie Loan”, adopts purely online credit operations based on the application of internet thinking and Big Data technology, and has effectively met SMEs’ needs for short-term, frequent, urgent, and convenient financing services. Mr. Hou, head of Longquan Oil Co., Ltd., in Yuncheng County, logged into the mobile APP of Agricultural Bank of China in his office and received a loan of RMB 400,000 issued by Yuncheng County Sub-branch, Yuncheng, Shandong in less than three minutes. As of the end of 2019, Shandong Branch’s balance of loans to SMEs was RMB 50.54 billion, an increase of RMB 5.28 billion from the beginning of the year. Among all the loans, RMB 6.47 billion “Weijie Loans” were issued, benefiting 8,034 SMEs.

“It is so convenient. I do not even need to go to the counter. When I need money, I can submit an application through my mobile phone, and the loan will be immediately issued after my application is approved. I can also repay the loan directly on the mobile banking APP. It saves not only my time and energy, but offers a preferential

interest rate.”

——Mr. Liu, General Manager of Heze Qiunan Machinery Co., Ltd.



Weifang Branch, Shandong sets up a professional team to visit clients on the White List of “Weijie Loan” (Photo by Bi Chengjie)

3.Reducing financing costs

Upholding the mission of “reducing fees to benefit enterprises and the people”, we take the initiative to disclose our list of charging items and service prices to customers in a prompt and comprehensive manner, and standardize and reasonably reduce financial service charges.

Promoting the LPR systems to reduce the burden on SMEs

The Bank has accelerated the adoption of loan prime rate (LPR) as the only benchmark rate for new lending, which can reduce the financing costs of SMEs.

- Beijing Power Supply First Switchgear Co., Ltd. once applied for a RMB three million loan from the Bank. After the implementation of the LPR system, the company newly applied for a secured loan with an 80bp decrease in the interest rate, which reduces the annual

interest by RMB 24,000, down 16% from the original interest.

- Xinyang Huadian Environmental Protection Engineering Technology Co., Ltd. received a “Sci-tech Innovation Loan” of RMB 4.6 million. After the implementation of the LPR system, the annual interest can be reduced by RMB 29,200.

Implementing the Smooth Financing Project to help private enterprises reduce financing costs

Zhejiang Branch actively implements the Smooth Financing Project in Zhejiang Province. The branch has provided all-round support for non-state-owned enterprises and SMEs, covering the aspects of systems, mechanism and service, etc. Continuous credit loans have been issued by the branch to support the non-state-owned economy. As of the end of 2019, Zhejiang Branch had increased loans to private enterprises by RMB 37.8 billion and achieved a loan balance of RMB 265.8 billion, accounting for 42% of all loans to legal entities. In the Evaluation of Bank by 10,000 Enterprises activity organized by the Zhejiang Provincial Government, the branch was rated as the Most Satisfactory Bank.



Fuzhou Branch, Fujian introduced “Small Business Self-service Revolving Loan” to Fuzhou Lisheng Co., Ltd. (Photo by Yang Zhiyu)

“I have made the calculation. It saves us half the financing cost to borrow from the Agricultural Bank of China.”

——Head of Fuzhou Lisheng Co., Ltd.

v. Enhancing the Well-being of the People

The Bank actively contributes to the well-being of the people, continuously optimizes resources allocation, and adjusts the credit loan structure. It also innovates in service channels and financial products, and improves the fields closely related to people’s livelihood, including culture and education, health care, housing, and elderly care.

1. Supporting the development of cultural and education

The Bank attaches great importance to the development of cultural industries and education, and continues to support the inheritance of traditions and creation of cultural products. Relying on new technologies such as artificial intelligence and Big Data analysis, we have carried out bank-university cooperation and build up “Smart Campus”.

As of the end of 2019, the balance of loans to cultural industries was RMB 174.61 billion, the balance of loans to the education industry was RMB 23 billion, and the Bank had launched “Smart Campus” with 336 organizations.

Setting up the Financial Service Center for Studying Abroad

On November 19, 2019, the Bank’s Financial Service Center for Studying Abroad was unveiled in Guangzhou. As the flagship outlet of Agricultural Bank of China for personal foreign exchange financing, the center is equipped with a team of personal foreign exchange experts to provide families with students studying abroad with a package of financial products and services, which include foreign exchange purchases for personal reasons, cross-border remittances, deposit certificates, credit cards for overseas students, pre-departure overseas accounts, wealth management in foreign currencies, information on studying abroad, and foreign exchange policy consultation. These services and products meet the financial needs of customers at different stages of studying abroad. In the next two years, the Bank plans to set up 300 Financial Service Centers for Studying Abroad in cities with the most students studying overseas, so as to provide more considerate, diversified, and better financial services for international students and their families.

Striving to build diverse smart education scenarios

Shenzhen Branch has signed a cooperation agreement on “Smart Schools in Longhua District” with the Education Bureau of Longhua District, Shenzhen and Tencent Cloud. Based on technologies such as Big Data, IoT and AI, a unified platform has been created to realize

smart administration of diverse scenarios in different schools, which contributes to building a smarter school ecology and fully promotes the digital transformation of the education sector. As of the end of 2019, the branch had provided smart financial service for nearly 1,200 schools of the basic education system in Shenzhen.



Scan the QR code to watch the 5th season of The Chinese Poetry Quiz Show sponsored exclusively by ABC and experience the charm of poetry



Jiangsu Branch launches the “Smart Campus” unmanned supermarket at Liyang High School (Photo by Sun Xuya)



Chongqing Branch sponsors the “Agricultural Bank of China Cup” 2019
Three Gorges International Marathon (Photo by Pan Yulin)

2. Supporting the improvement of medical services

With professional experience in bank-health care cooperation, diverse financial products and quality service, the Bank prioritizes financial support for the development of health care sector and strives to help improve the basic medical service system and provide smart medical services.

As of the end of 2019, the balance of loans to medical and health industries was RMB 37.2 billion and the cooperation hospital of Smart medical had projects 852 organizations.

Promoting social security card services

On December 27, 2019, the Bank and the Ministry of Human Resources and Social Security signed the Cooperation Agreement on Services for the Innovative Application of Social Security Cards, which will deepen cooperation of the two sides in issuing social security cards and digital social security cards, as well as digital empowerment, thus playing a leading role in tapping the potential of social security card. In 2019, ABC issued more than 200 million physical social security

cards, ranking first in the industry, and issued 1.31 million digital social security cards, ranking first among all banking channels.

Creating a new pattern of medical insurance payment

Qinghai Branch has successfully launched online medical insurance payment services for residents and employees in Xining and Haidong, becoming the first financial institution in Qinghai Province to provide online medical insurance payment services for urban and rural residents and employees. As of the end of 2019, the branch had received 70,900 online medical insurance payments from urban and rural residents in Xining and Haidong, an increase of 65.22% year on year, and the total transaction value reached RMB 65.36 million, an increase of 101.30% year on year. The number of customers has reached 27,006.



An employee of Jiangxi Branch introduced “Yinyitong” to a child and her father (Photo by Xu Liang)



Handan Branch, Hebei goes to construction sites to open accounts for migrant workers (Photo by Li Xiaolong)

3. Improving financial services for housing

The Bank regards supporting the improvement of residents' housing conditions as a key aspect to enhance people's livelihood. To achieve this goal, the Bank has improved differentiated credit policies and actively aligned with construction plans of government-subsidized housing projects, shantytown reforms, and other major housing projects. Credit support for affordable housing projects, homes with joint property rights and rental housing projects has been increased, thus helping our people live and work in contentment. As of the end of 2019, the Bank had issued RMB 241.09 billion to government-subsidized housing units, an increase of RMB 41 billion from the beginning of the year.

Supporting government-subsidized housing projects

- Beijing Branch vigorously supports the construction of homes with joint property rights. It has approved six projects and invested RMB 2.1 billion loans.
- The Sichuan Branch vigorously supports the construction of talents apartments, and has invested a total of RMB 1.3 billion in the construction of talents apartment projects in industrial parks and

Supporting the shantytown renovations

In the first phase of the shantytown renovation project in the area to the west of Tianhan Avenue, Xingyuan New Town, Hanzhong City, Shaanxi Province, the government needs a total of RMB 3.1 billion of loans. As of the end of 2019, Hanzhong Branch, Shaanxi had invested RMB two billion, which provided strong support for the smooth implementation of the shantytown renovation project.

4. Strengthening financial services for elderly care

The Bank concentrates great efforts on financial services for the elderly care industry to enhance the people's well-being.

Financial service models for the elderly care industry

- Strengthen the top-level design and guide the entire Bank to improve services for the elderly care industry.
- Improve customer service and provide comprehensive support for major elderly care projects in areas of the Bohai Economic Rim, Yangtze River Delta, Pearl River Delta, and southwest China.
- Promote product innovation, enhance the innovation and R&D of elderly care financial products, and encourage the implementation of pilot projects to play a demonstration role for future projects.
- Gather public and private forces to give full play to the Bank's strong customer base and online channels, and build an elderly care financial service brand for the Bank.

The Bank won Securities Times' 2019 Elderly Care Financial

Services Bank Tianji Award.

Launching Farmers' Pension Loan to relieve worries of the elderly

Hunan Branch has innovatively launched the "Farmers' Pension Loan". The farmers whose land is taken for public use can apply for the loan to pay off the endowment insurance, and use part of the pension to pay the loan after they retire, easing their difficulties in paying the endowment insurance. As of the end of 2019, the "Farmers' Pension Loan" had been promoted in 48 sub-branches of 10 secondary branches, and a total of RMB 13.68 billion in 29,400 loans had been issued with a loan balance of RMB 1.35 billion.



The Smart Parking project supported by Ningbo Branch launched in Ningbo Jihe Square (Photo by Xue Xiaoyu)



Chongqing Branch conducted activities to introduce and promote the
“Smart Community” project (Photo by Pan Yulin)

IV. Promoting the Practice on Creating a Beautiful China

SDGs:



Always bearing the development concept of “Clear waters and green mountains are as valuable as mountains of gold and silver” in mind, the Bank resolutely implements the national policies on green development and promote ecological progress. With a diversified product and service system covering multiple fields, we support the development of green industries such as energy conservation, environmental protection, clean production, and clean energy, with an aim to promote China’s industrial structure to be more resource-conserving and environment-friendly, and facilitate a more beautiful China.

In 2019, the balance of ABC’s green credit lending was RMB 1.19 trillion, which was equivalent to saving 33.67 million tons of standard coal. The Bank issued seven green bonds worth RMB 39 billion. Moreover, the Bank organized and participated in 3,588 environmental campaigns involving a total of 59,698 participants.

Targeting at ecological protection of the yellow river to serve the people and benefit the local

The Yellow River Basin is an important ecological barrier and economic zone in China. It plays a very important role in China's economic and social development and ecological security. The Bank continues to support the ecological protection of the Yellow River Basin, and help the Yellow River Basin to achieve high-quality development.

Qinghai Branch: Contributing to ecological restoration of plateau

Located in the upper reaches of the Yellow River, Talatan, Gonghe County, Hainan Prefecture, has an average altitude of 2,920 meters and an average sunshine duration of 8 hours per day. Thanks to its unique landform and climate, it is the home to China's largest photovoltaic power generation project. The branch actively contacted customers and supported Qinghai Guangheng New Energy Co., Ltd. to construct the 20MW grid-connected photovoltaic power generation project through an internal syndicated loan as much as RMB 110 million.



Qu Bay of the Yellow River, which flows through Xunhua County, in
Qinghai Province (Photo by Guo Deheng)

Gansu Branch: Preserving the clear water of Gansu

Chaijiaxia Hydropower Station is built to generate electricity, but could also beautify the city and contribute to tourism. The branch has set up a service team with a tailored financial service plan for the Station, and issued a fixed asset loan of RMB 300 million, providing strong support for the subsequent projects. Thus, the Station could bring benefits to the economy, society, and environment.



Gansu Branch provided credit loans for Chaijiaxia Hydropower Station

(Photo by Wang Shuangmei)

Shaanxi Branch: Guarding the green hills and clean water of Shaanxi

On August 15, 2019, the branch approved to provide RMB 500 million for the Xixian New Area to implement Western China Science and Technology Innovation Port's science and education sector's comprehensive energy project (heating and cooling by hot dry rock). The approval provided strong support for the smooth implementation of the hot dry rock project.



Shaanxi Branch actively supports ecological protection and high-quality development in the Yellow River Basin (Photo by Ma Haixiong)

Shanxi Branch: Drawing a picture of clear water for Shanxi

The branch pays close attention to the ecological progress of river corridors, strengthens cooperation with leading enterprises in water conservancy industry, and serves the ecological development strategy of "two mountains and seven rivers" (Taihang Mountain, Luliang Mountain, Fen River, Sanggan River, Hutuo River, Zhang River, Qin River, Shuishui River, and Daqing River) in Shanxi. As of December 2019, the branch has granted a total credit of RMB 6 billion and provided loans as much as RMB 800 million to water conservation, urban and rural water supply, sewage disposal and other projects in Shanxi Province.



Shanxi Branch supports the beautification of the Yellow River (Photo by Shi Xiaojie)

Henan Branch: Defending clear and calm water of Henan

The branch has issued a total loan of RMB 80 million to Sanmenxia Yellow River Pearl Holdings Co., Ltd, in order to improve the ecological environment around Sanmenxia Water Control Project and enhance its ability to manage sediment and water. Today, more than 200 square

kilometers of waters in the dam area have turned into the wetland of the Yellow River, becoming a beautiful ecological attraction of the region.

Inner Mongolia Branch: Protecting ecological barrier along northern national boundaries

The branch fully plays its financial advantages, and fosters the development of Inner Mongolia M-Grass Ecology and Environment (Group) Co., Ltd. by providing a green channel and a total loan of RMB 300 million for its ecological restoration project. As of December 2019, the branch has issued nearly RMB 1.02 billion loans in resource recycling and ecological restoration.

Ningxia Branch: facilitating quality upgrade of agriculture

The branch has continuously improved its financial services, promoted agricultural products with local characteristics to improve quality, build their own brands, transform and upgrade, and help Ningxia build up agricultural brand and achieve new results in agricultural green development.

Shandong Branch: Building efficient ecological agriculture

Focusing on leading local agricultural enterprises, the branch incorporates financial services in the upstream and downstream of the food industry chain. Since 2015, the branch has granted a total of RMB 9.72 billion to food industry in Binzhou City, and has initially realized the large circulation, full utilization and sustainable development of the food industry.

i. Green Credit

We have implemented the national industrial and environmental protection policies and financial regulatory requirements, practiced the concept of green development with clear development objectives and refined innovation measures. We continue to promote the deep integration of green credit business with industry credit policies and implement the “one-vote-veto system” on environmental protection performance to guide the financial resources to be greener, more circular and low-carbon, and support pollution prevention and control, thus injecting financial vitality into the development of green industries.

By the end of 2019, ABC’s green credit loan balances was RMB 1.19 trillion, equivalent to saving 33.67 million tons of standard coal, reducing 74.94 million tons of carbon dioxide, 420,000 tons of chemical oxygen demand, 40,000 tons of ammonia nitrogen, 890,000 tons of sulfur dioxide, 1.62 million tons of nitrogen oxides, as well as saving 31.79 million tons of water.

Green credit measures

1. Enhance the guiding role of green credit policies

- Guide credit funds to green projects and green industries, and increase support for green credit business.
- Achieve full coverage of credit policies and customer list management for high-polluting, high-energy consuming industries and those with over-capacity.
- Formulate credit policies for the biomass power generation industry, to promote the healthy development of credit business for the new energy industry.

- Embed green credit indicators of efficiency, benefit, environmental protection, resource consumption, and social management into industry credit policies.

2. Innovate in regional credit products

- Supporting the Huzhou Branch, Zhejiang in launching its dedicated financial product, the “Green Finance Manufacturing Loan”.

3. Strengthen environmental and social risk management

- Implement differentiated, classified management according to customers’ environmental and social risks throughout the Bank.

- Integrate the requirements related to environmental and social risk management into all aspects of credit business, implement whole-process management, and strictly implement the “one-vote-veto system” regarding environmental and social risks.

- Sign the statement of responsibility with clients involved in major environmental and social risks, to promote prevention with legal contracts.

4. Consolidate the foundation of business management

- Provide the special training on green credit to explicate the China’s regulatory policies on green credit, the development of green industries, and the Bank’s green credit management system.

- Strengthen the data management of green credit and improve data quality.



Jiangsu Branch supported the Longyuan Rudong Intertidal Wind Farm in
Nantong (Photo by Xu Ya'nan)

Providing support for floating solar power plant

The 150MW floating solar power plant built by Huainan Photovoltaic Power Generation Co., Ltd., a subsidiary of China Three Gorges New Energy Co Ltd., also the world's largest solar power plant of its kind, can save 53,000 tons of standard coal and 54,000 m² of forest per year. Anhui Branch used “Yin Lin Tong” to provide RMB 700 million in financial support for the project. In just two months, the project was successfully financed.



The floating solar power plant in Huainan, Anhui Province (Photo by Sun Chengju)

Deepening the cooperation of environmental protection enterprises to boost the green development of Shenzhen

Since the cooperation with the MSW incineration power generation sector of Shenzhen Energy Group Co., Ltd. in 2015, Shenzhen Branch has issued over RMB one billion in operating fixed-asset loans to the company's "Baoan Phase II MSW Incineration Power Generation Project", which have been used for equipment renovation and upgrade to solve the local garbage problem in Shenzhen and support Shenzhen's Blue Sky Sustainable Action Plan. In 2019, Shenzhen Branch reached cooperation agreements with more than 15 projects in the MSW incineration power generation and wind power generation sectors of Shenzhen Energy Group Co., Ltd., with loans worth over RMB 4.11 billion approved for environmental projects.

Signing the Green Investment Principles for the Belt and Road

In April 2019, during the 2nd Belt and Road Forum for International

Cooperation, ABC signed *The Green Investment Principles for the Belt and Road* issued by the Green Finance Committee of China Society for Finance and Banking, and the City of London's Green Finance Initiative. It was among the first batch of financial institutions who signed the principles in China. Under the guidance of such principles, the Bank will make full use of green financial instruments to finance green projects and promote green supply chain management.

Supporting the development of clean energy in Dubai

In early 2019, Agricultural Bank of China (ABC) Dubai Branch in the DIFC (Dubai International Financial Center), as the joint lead bank, signed a syndicated loan agreement for the Dubai 950 MW Concentrated Solar Power (CSP) + Photovoltaic (PV) Power Project, and issued a loan exceeding USD 2.5 billion. The Dubai 950 MW CSP + PV Power Project is the first renewable energy project invested by a Chinese-funded sovereign investment institution as an investor in the Middle East. The power project, also constructed by a Chinese company, will be the world's largest single concentrated solar power plant after its completion, which will have a profound demonstration effect on the development of the renewable energy industry in the Middle East and North Africa.

“Sustainable Financing Framework” successfully issues its first Green Club Loan

ABC Singapore Branch developed a “*Sustainable Financing Framework*” in a joint effort with United Overseas Bank (UOB) and BNP Paribas, and successfully launched a USD 200 million Green Club Loan in August, 2019. The branch has utilized all the funds from 6 international banks to finance and refinance the green project in accord

with the Principles, Guidelines and Standards of the *Sustainable Financing Framework*.



Jiangxi Branch offers financial supports for the Duchang Wind Farm project in Jiujiang (Photo by Duan Ye)



Jilin Branch provided credit support for biomass power generation project (Photo by Zhang Chunyang)



Shanxi Branch paid a visit to eco-friendly production facilities (Photo by
Zhang Dapeng)

ABC and CTG work together to protect the Yangtze River

The well-coordinated environmental conservation efforts in the Yangtze River Basin is one of the important directions for the cooperation between the Bank and China Three Gorges Corporation (CTG). As the vice chairman of the Yangtze River Eco-Environmental Protection Industry Alliance and the leading member of the financial committee of the organization, ABC has played a leading role in providing financial support for well-coordinated environmental conservation efforts in the Yangtze River Basin together with financial institutions including the Industrial & Commercial Bank of China, China Construction Bank, Bank of China, China Development Bank, Agricultural Development Bank of China, and China Life Insurance. Meanwhile, ABC has carried out cooperation with these institutions in green funds for the Yangtze River. As of the end of 2019, the Bank has approved nearly RMB 10 billion in credit lines for comprehensive water management projects in cities along

the Yangtze River, including Jiujiang, Wuhu, Yueyang, etc.



ABC and CTG work together to protect the Yangtze River

ii. Innovative Green Products

The Bank integrates green development into its business development, credit management and product design process, continuously improves the green financial service and management system, and innovates in green financial products. It also actively supports the enterprise credit demand characterized by advanced technology, resource conservation, ecological environment protection and cleaner production. All of these efforts help to achieve the goal of “bluer sky, greener mountains, cleaner water and better environment” .



1. Green Asset-backed Securitization (ABS)

The Bank attaches importance to the research and development of

green financial instruments, actively carries out the innovation of green ABS and creates a new model to employ green asset-backed securities to promote the green industries and ecological civilization. In 2019, ABC issued 2 green asset-backed bonds involving RMB 2.71 billion.

Underwriting and issuing the first green leasing asset securitization product in China's financial leasing industry

The Bank was the leading underwriter for the successfully issued SUZU GREEN FINANCIAL LEASING ASSET SERIES 2019-1 TRANCH B, with a total amount of RMB 1.92 billion. This product is the first green financial leasing security-backed product in China's financial leasing industry, and won the "2018 Asset Securitization Jiefu Award – the Outstanding Demonstration Green Financing Product Award".

Green Asset-Backed Note of COSCO Shipping Leasing Co., Ltd. issued successfully

ABC is the leading underwriter of COSCO SHIPPING LEASING COMPANY LIMITED 2019 GREEN ASSET-BACKED NOTE SERIES 2. The size of the note is RMB 790 million, and the basic assets in the asset pool are used for the development of ten hydropower generation leasing projects. Compared with traditional thermal power projects, these hydropower generation projects can save about 615,500 tons of standard coal each year, and reduce CO² emissions by about 1.64 million tons, SO² by 16.00 million tons, NOX by 13.74 million tons, and smoke and dust by 6.67 million tons.

2. Green Bonds

By underwriting and issuing green bonds, the Bank provides support

for green financing projects which cover low-carbon development, environmental protection, resource conservation, and clean energy.

In 2019, seven green bonds worth RMB 39 billion were issued, of which RMB 4.9 billion was raised by ABC.

Underwriting and issuing the first green + poverty alleviation debt instrument in China

In September 2019, China Longyuan Power Group Corp. Ltd., completed the issuance of green ultra short-term financing bonds (for poverty alleviation) worth RMB 500 million, which is the first green + poverty alleviation debt instrument of China independently underwritten by the Bank. The funds raised will be used solely on green projects, and parts of the funds will be invested in wind power projects in Weining Yi and Hui Autonomous County of Guizhou Province, a state-level impoverished county. The bonds provide strong financial support for the development of green industries in ethnic minority areas, promote the rational utilization of renewable energy sources, and help lift poor people out of poverty and become rich.

The green bond of ABC Financial Leasing Co., Ltd. issued successfully

In June 2019, Shanghai Branch led the underwriting and completed the issuance of the green bond of ABC Financial Leasing Co., Ltd. in the interbank market with an amount of RMB three billion. The bond is the debut of ABC Financial Leasing Co., Ltd. in the inter-bank bond market, and is also the first green bond in Shanghai issued by a financial leasing company. The funds will be used for green projects within one year.

3. ESG Products

The Bank has incorporated social responsibility into its investment decision-making process by prioritizing clean energy, energy conservation, ecological protection and other green industries. It also takes into account poverty alleviation by financial support, rural revitalization, support for small and micro businesses, bailouts of private companies, etc., to practice our concepts of ESG investment while providing customers with returns on investments, thus also supporting the development of green industries. In 2019, ESG products launched by ABC reached RMB four billion.

iii. Green Operation

The Bank highly values energy conservation and environmental protection, and actively responds to national policies in this aspect. Therefore, it has integrated energy conservation and emission reduction into the entire business and operational process, trying to improve the efficiency of resource utilization, and enhance our capabilities of green operations. In 2019, the number of transactions through electronic channels accounted for 98% of the total transactions.

1. Green Office

ABC practices the concept of green development and advocates a simple, moderate, green and low-carbon way of production and life. The Bank promotes paperless operation and green office to contribute to an energy-saving bank, and cultivates energy-saving awareness of employees, encourage them to adopt sustainable and green working mode, which promotes energy conservation and lower carbon emissions.

Waste Statistics of Departments or Organizations of Head Office in

Beijing in 2019

Microcomputer (host) processing capacity (set)	660
Display processing capacity (set)	458
Laptop processing capacity (set)	3,258
Printer processing capacity (set)	36

Measures for green office

1. Grasp the trends

Follow national policies and development trends regarding energy conservation and emission reduction closely.

Participate in meetings and training programs organized by the Beijing Municipal Commission of Development and Reform, and the Beijing Ecology and Environment Bureau.

2. Build mechanisms

Establish an energy management working group with clear responsibilities.

Establish a leading group on water conservation.

Develop a water-saving management system covering management policies, regular meetings, rewards and punishments, etc.

3. Take actions

Optimize the energy-saving operation scheme of central air conditioning, lighting system and other key energy consuming equipment.

Carry out a range of technological transformation projects to reduce energy consumption.

Concentrated disposal of computer hard disks are conducted by the

Confidential Office, and disposal of office electronic equipment is entrusted to qualified equipment disposal agencies.

4. Improve awareness

ABC issued *Energy Saving Notice*, and organized water saving and power saving trainings.

Carry out energy conservation publicity and education, and popularize energy-saving knowledge.

5. Track the effectiveness

Compile *The Energy Conservation Self-Inspection Report*, *The Energy Utilization Report*, and *Record of Personnel Responsible for Energy Management*.

Complete *The Carbon Emission Verification Report* and carbon emission trading compliance.

Chart: Energy consumption data

Item	Unit	Departments or Organizations of the Head Office in Beijing ¹	Beijing Branch
Electricity ²	kilowatt-hour	32,798,382.81	39,669,323
Natural gas	cubic meter	436,110	256,106.52
Liquified petroleum gas	ton	0	40.74
Gasoline ³	ton	31.43	199.20
Diesel	ton	3.07	135
Purchased heating power	million kilojoules	125,819.17	65,563.74

¹ The scope of the Head Office in Beijing: the Southern and Northern Building of ABC Plaza, Exhibition road office building, Chemsunny Plaza, Fengtai Science and Technology Plaza, Office Building in Gongzhufen, Glorious Oriental Plaza, Jintang International Finance Building and Daoxianghu Science and Technology Park.

² The data centers of ABC are mainly in Shanghai, so the electricity consumption in Beijing is lower than that of other banks.

³ The diesel is mainly prepared for the backup generators of the Data Center.

Range 1: direct greenhouse gas ⁴	ton	1,143.71	2,127
Range 2: indirect greenhouse gas emission ⁵	ton	57,026.12	35,492.27
Total greenhouse gas emission ⁶	ton	59,311.29	39,741.31
Comprehensive energy consumption ⁷	ton of standard coal	12,368.72	8,012.67
Water consumption	ton	285,382.47	389,423.39
Sewage ⁸	ton	242,575.10	331,009.88

2. Green Procurement

The Bank advocates green procurement and actively implements the national green procurement policy. Aligning with the main task of environmental protection, the Bank guides suppliers to establish the concept of green development, preferentially selects suppliers with little impact on the environment during their production process and also improves the procurement management system. Based on various e-commerce platforms and e-management, it reduces manpower and paper and thus promotes the sustainable development of society.

In 2019, there were 353 suppliers in the Head Office level cooperation period, covering the Bohai Economic Rim (53%), Yangtze River Delta (22%), Pearl River Delta (14%) and other regions (11%).

Measures for green procurement

⁴ The calculation of greenhouse gas is in accordance with the Greenhouse Gas Protocol — The Calculation and Report Standards for Enterprises of WRI and WBCSD, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Fourth Assessment Report in 2007 of Intergovernmental Panel on Climate (IPCC).

Direct greenhouse gas emissions in range 1 include greenhouse gas emitted by natural gas, liquified petroleum gas, gasoline, and diesel.

⁵ The emission factor of electricity in range 2 refers to China Regional Power Grid Baseline Emission Factor released by the Climate Change Division of National Development and Reform Commission.

⁶ Total greenhouse gas emissions include the direct greenhouse gas emissions in range 1 and indirect greenhouse gas emission in range 2.

⁷ We adopt the statistical and conversion method of National Bureau of Statistics.

⁸ The sewage equals to water consumption*0.85. The sewage discharge coefficient refers to the Code of Urban Wastewater Engineering Planning (GB 50318-2017) and relevant documents of National Bureau of Statistics.

Products and services provided by suppliers must comply with the corresponding national green certification standards, and take into account various factors such as the health and safety of users, resource conservation, recycling, environmental impact, etc.

Under the same conditions, the Bank selects suppliers who adopt clean production and logistics models, provide environmentally friendly products and services, and advocate green corporate culture.

The Bank promotes green procurement together with suppliers, and guides suppliers to carry out technological innovation for green products and services through centralized procurement, thereby saving energy, reducing environmental pollution and jointly fulfilling green development responsibility.

iv. Engagement in Green Charity

The Bank actively organizes green charitable activities to guide its employees to establish the environmental concept of “It is everyone’s duty to take care of the environment”, so as to further enhance their sense of responsibility and mission for resource conservation and environmental protection as well as building a green home. In 2019, the Bank organized and participated in 3,588 environmental campaigns involving a total of 59,698 participants.

Launching the Youth Tree Planting Campaign

On April 12, 2019, nearly a hundred young employees visited Gaoyi County, Hebei Province, and participated in the launching ceremony of the “ABC Youth Forest” and the Communist Youth League Day activity under the special theme of “Follow the Party with a Young Heart and Make Contributions to the New Era”, where the young volunteers planted

trees together, contributing their own strength to China's ecological progress.



“Little ABC-ers” visit communities to learn garbage classification

(Photo by Ying Rui)



Honghe Branch, Yunnan carries out voluntary services with
“Learning from Lei Feng to Build Green Land” as the theme (Photo by
Zheng Jiabin)



Ulanqab Branch, Inner Mongolia - Building the ecological shield along the north frontier, and constructing the green great wall (Photo by Zhang Zhijun)



Employees of New York Branch took part in voluntary environmental activity in Central Park (Photo by Zhang Zhouyang)



Baoshan Sub-branch, Shanghai participated in a Party building campaign focusing on raising people’s awareness of garbage classification (Photo by Tang Zhijia)



Gansu Branch carried out voluntary work on protection of the Yellow River (Photo by Wu Liang)

V. Providing Satisfactory Services

SDGs:



Being customer-oriented and upholding the service philosophy of “customers first and always”, ABC leverages the financial technologies and business innovations to build a smart bank with first-class customer experience. It is committed to providing customers with digital and intelligent financial services as well as sincere, considerate, responsible, high-quality, and customized services, practically safeguards the legitimate rights and interests of consumers, and constantly improves customers’ recognition and trust for the Bank with better reputation, thus gradually establishing a trustworthy and sound brand image.

In 2019, The number of our mobile banking clients and corporate e-banking clients reached 310 million and 7.22 million respectively, and the client satisfaction rate was 99.59%, properly handling 99.98% of complaints. We assisted in tracking 900,000 telecommunications frauds and helped retrieve RMB 200 million for customers.

Creating “Smart + Scenario” financial service ecosystem

The Bank follows the trend of the digital revolution and promotes digital transformation and online-offline integration. Focusing on the three major areas of government affairs and people’s livelihood, consumption and retail, and the industrial chain, it continues to build scenarios, create the “ABC Intelligent +” scenario brands to improve customer services. In 2019, 2,540 new scenario projects were added.

“Smart Government”: handling affairs more conveniently

In May 2019, China National Government Service Management Platform (hereinafter referred to as the National Platform) was put into trial operation for the first time for the public. As one of the first financial institutions to launch a national platform, the Bank took the initiative to build a “smart government” program that integrated five aspects as the core, which includes “Government + Technology”, “Government Service + Financial Service”, “Government Service + Government Management”, “Government services, financial services, and customer production and life scenarios” and “Social credit building, credit utilization and credit reporting system”. In addition to providing solutions and implementation plans for smart cities and digital governments, the Bank has also provided exemplary programs and demonstrations for the construction of scenarios and ecology in various sub-sectors of the industry.



Zhangjiajie sub-branch, Hunan sets up a special financial service window in the payment hall of the non-tax and government management center to provide convenient financial services for customers (Photo by Cui

Ling)

“Smart Property”: Making life better

Jiangsu Branch has actively responded to customer demands and launched “Smart Property” to provide online access control, property payment, and financial consultation services to the public, which further standardizes property management from the source and contributes to a better life.

One Platform: WeChat Official Account named “ABC Jiangsu Branch Kins Navigation”.

Manage the Household: Owners input the “face” information of relatives and friends, which could ensure the safety of the community and improve the living experience.

Smart Parking: Owners manage vehicle information, which prevents illegal parking.

Open Data: Data is shared among the Bank, property companies and owners, which realizes the transparency of owners’ expenditure in property management.

Shops Offer Discounts: New and regular owners can quickly discover the surrounding facilities, and enjoy preferential consumption.

“Smart Travel”: Keeping the traffic smooth

Shaanxi Branch has seized the opportunity brought by digitalization in the travel industry, and deepened the “smart travel” scenarios such as ETC recharge, parking, and refueling. By strengthening in-depth cooperation with dominant Internet enterprises and carrying out system connection and platform service cooperation with customers, Shaanxi Branch has promoted the in-depth integration of financial technology and customer travel, and provided smart and customized intimate services for customers.

- To carry out business cooperation with large local freight service enterprises and make truck drivers pay for ETC card recharge, expressway, refueling, and other scenarios online.

- With mobile banking, the branch has launched the auto-parking payment project which offers automatic payment after customers sign up for convenient services online. This project reduces the cost and increases the efficiency in parking lots and also improves customer experience.

- The branch has worked with gas stations to realize auto-refueling services through the mobile banking APP.

“Smart Medical Care”: Making medical care easier

Yunnan Branch has firmly grasped the opportunity brought by “Healthy Yunnan” and “Digital Yunnan” construction, which are championed by the Yunnan Provincial Government, and accelerated the construction of “smart medical care” to facilitate the masses to see the doctor.

- **Internet connection of “Yinyitong” Project:** In May 2019, the branch launched the “Internet + Payment” which enables users to pay for prescription bills through scanning QR codes. It has improved the comprehensive services of the hospital and the payment experience of patients.

- **Internet connection of ordinary medical institutions:** Relying on the online payment platform, the branch enables patients to register, pay and inquire about medical records online, which effectively eases the difficulties in medical treatment and payment.

- **Internet connection of the medical community:** The branch

provides an all-round service plan for the construction of a unified information platform for the medical system, the internet connection of business, the unified collection of funds of public medical institutions, and the construction of a health care website in Yun County.



Employees of Xiamen Branch introduce banking business to customers (Photo by Huang Zhixiang)

i. Improving Service Quality

The Bank identified 2019 as “the year for transformation and service improvement”. Focusing on deepening outlet transformation, strengthening service management, and improving service quality and efficiency, the Bank worked towards comprehensive outlet financial scenarios to improve its professional service ability and strive to provide customers with more convenient and high-quality financial services.

1. Promoting the Intelligent Transformation ABC Outlets

Focusing on building a financial ecosystem of outlets, we have worked on establishing a digital operation system, and innovated in service models to speed up the integration of online and offline channels, and enhance customer service ability and value creation ability of local and foreign currencies integration. By the end of 2019, the Bank had completed the intelligent transformation of 22,000 outlets of ABC, and the new-generation super counters and machines had been installed for all

outlets. ABC became the pioneer in the industry to realize the integration of cash, bills and non-cash businesses.

Building transformation model outlets to meet customers' multiple demands

In November 2019, the first model outlet of transformation of Ningbo Branch, Haishu Sub-branch, was opened. According to the movements of customers, the outlet is divided into seven open areas, namely the self-service area, intelligent service area, marketing service area, comprehensive service area, cash service area, wealth management service area and office area. A special cultural display area also is set up to present the strong cultural atmosphere of Haishu Old Town to customers.



An employee of Haishu Sub-branch introduces the distinctive culture of Haishu to a customer (Photo by Chen Yurong)

The first light smart outlet of Shanxi Province in a poverty-stricken region launched

In July 2019, Shanxi Branch launched the first light smart outlet of Shanxi Province in a poverty-stricken region, Guqianbao Town Sub-branch in Tianzhen County. The sub-branch features

people-centered function areas, smart equipments, and better customer experience. It provides customers with professional, comprehensive, and diversified intelligent services, and handles businesses two to three times faster than traditional outlets. By now, a total of 94% of the original operations of the sub-branch have been undertaken by super counters.



An employee of Guqianbao Town Sub-branch in Tianzhen County, Datong City, Shanxi, introduces the smart equipments to customers

(Photo by Huangfu Ding Qi)



Suzhou Branch set up Guangfu Street Boutique Self-service Bank in Wujiang District (Photo by Bu Yan)

Empowering smart outlets with 5G technology

Since the trial run of the Wuzhen Sub-branch, a smart outlet in 2018, the Bank has been comprehensively promoting the in-depth integration of advanced financial technologies with outlet transformation. We have created a new smart network of “Smart Identification + Customization + Scenario Integration + Remote Interaction”, and realized new service functions such as “Cloud Hotline” and “Mobile Bank” to provide customers with “accessible” financial services in a more flexible and convenient channel.

In October 2019, under the theme of “5G + Scenarios”, the Bank held the Brand Launching for Intelligent Bank to comprehensively present the Bank’s transformation results.



The “5G + Smart Bank”, Beijing Daxing International Airport Branch,
integrates the Smart Experience Hall + Scenario Exclusive Cabin +
Internet-famous Site (Photo by Wu Na)



The first 5G smart outlet of Shenzhen Branch (Photo by Xu Yao)



The first 5G smart bank outlet in Xiong'an new area, the Xiong'an citizen service center branch was officially opened for business on December 10, 2019 (Photo by Yang Shan)



Sansha Branch, Hainan completed the construction of the “5G + Scenarios” smart outlet (Photo by Lin Hui)



Jinhe Sub-branch, Mayang Miao Autonomous County, Hunan realizes faster launches of new businesses and products for agricultural products through the 5G “Smart Rack” (Photo by Liu Lan)

2. Optimizing Business Processes

We continue to deepen the transformation of business processes, optimize service processes, cut red tape, and shortened customer waiting time, with an aim to realize efficient and convenient customer service, and effectively improve customer service quality and efficiency.

Canceling the account-opening permissions for corporate customers

We cancelled the account-opening permissions for corporate customers in Jiangsu, Zhejiang, and Ningbo in February 2019, and promoted the practice among all branches of the Bank by July 22. As of the end of 2019, the Bank, after cancelling account-opening permissions, newly opened a total of 650,000 basic deposit accounts and temporary deposit accounts. When all the required account opening materials are prepared, the account-opening time can be shortened from three or four days to one day when the application is submitted, and customers can use

their accounts for transfers right away once the account is opened.

Innovative measures provide convenience for enterprises to open accounts

Shanghai Branch optimizes its business environment and aims to provide enterprises with more convenient account opening services from five aspects.

Efficient account activation: Shanghai Branch has cancelled the account-opening permissions for corporate customers, and shortened the time for online material submission to 5 minutes. The corporate account is activated once the account opening process is completed.

Fewer processes for centralized declaration: The branch seamlessly connect the Head Office's super-counter corporate business system with the centralized account management system of the branch, reducing processes at the outlet-level.

Efficient grouped fee collection: The branch has developed a "one-click fee collection" model for account opening of corporate customers so that customers can pay for the fee through various channels, including cash, transfer, WeChat Pay, and Alipay.

Fewer form content: The branch has gradually cancelled the *Corporate Customer Additional Information Collection Form* and the *Customer Information Due Diligence Form* which used to have to be filled in manually. This improves the efficiency of due diligence conducted by the account manager.

One-stop service: The branch has implemented the "Yinzhengtong" project and set up one-stop service windows for business registration, account opening, and tax registration.



Dalian Branch launched the publicity campaign under the theme of
“Optimizing Account Opening to Enjoy the Convenience of the Times”

(Photo by Lin Gang)



The Bank successfully organized the “Dingxin Cup” Most Popular Retail
Products and Best Retail Process Optimization Project Evaluation

(Photo by Chen Shunxi)

3. Improving Customer Complaint Mechanisms

We have provided smooth customer complaint channels and standardized complaint management with more efforts on improving the rapid linkage mechanism of handling customer complaints, so as to

timely respond to customer demands, improve the complaint handling rate, protect the legitimate rights and interests of customers, and improve customer satisfaction.

In 2019, the customer service center received a total of 340 million phone calls from customers. More than 100 million were transferred to operators, and nearly 92 million calls were replied, realizing a connection rate of 91.56% and achieving a customer satisfaction rate of 99.59 %. In addition, the complaint settlement rate reached 99.98%.

Complaint management mechanisms

1. Improve the complaint management system

Promote a financial consumer complaint management system, upgrade and optimize joint customer service system, customer service seat system and other functions, and newly build a supervision, transfer, and complaint recording system to realize electronic registration of supervision, transfers, and complaints.

2. Set complaint management standards

Fully introduce the industry standard for the classification of complaints of financial consumers to conduct authentic, complete, accurate, and timely classification of consumer complaints.

3. Enhance joint customer service management

Improve the joint customer service management, unblock channels for collaboration among all branches and sub-branches of the Bank, clarify work responsibilities in joint customer service work and handle customer complaints in compliance with related rules and regulations, to ensure efficient and standardized customer service.



An employee of Shandong Branch serves a customer with a sincere smile

(Photo by Chen Peng)

ii. Improving Service Efficiency

In respond to the development trend of financial technology and the change of customer demand, oriented towards customer needs and scenario-based services, we have deepened the reform of the technological and product innovation system to improve the match between products and services with realistic business scenarios, continuously increasing our service efficiency.

1. Promoting the R&D of Financial Products

Supported by the key financial technologies and oriented towards internet, data, intelligence and openness, the Bank made every effort to promote the establishment of smart banking and open banking platforms to enhance the application of financial technological innovations and devote to building a smart bank with first-class customer experience.

Accelerating the innovation of Nongyin e-Payment Express to restructure the payment ecology

Relying on mobile banking APP version 2.0, the Bank has optimized some core functions of the Nongyin e-Payment Express to realize Business Identifier Code (BIC code) based payment and optimize the experience of bus ride scenarios. We have also launched the innovative product of “Express e-Payment + Realtime Payment”, and become a pioneer in the industry to support payments with the balance of wealth management products. We have developed and launched the payment method based on mobile phone number to broaden payment channels for customers, and added the function of payment with credits and coupons. In addition, the Bank provides payment registration certification and aggregate payment services in third-party APPs, thus providing payment support for the Bank’s scenario construction and online business expansion.



Chongqing Branch holds the “Kins Cup” Competition on the Digital Transformation and Innovation of Banks under the theme of “Empower Banks with Technology, Lead the Digital Transformation” (Photo by Pan Yulin)

“Aggregate Payment +” series released successfully

On December 14, 2019, ABC and China UnionPay hold the “One-code Aggregation for Smart Life” payment product launching ceremony. The product integrates “Aggregate Payment +” series into the scenarios of everyday life and stimulates the digitalized innovation of payment solutions. With this effort, the Bank aims to build a finance-life ecosystem with convenient payment, preferential sharing and service interconnection.

2. Expanding Customer Service Channels

Supported by electronic and information technologies, we have enriched our customer service methods, so that we can provide customers with real-time, efficient and high-quality financial services, meet the diverse needs of customers, and build closer relationships with customers.

In 2019, the number of registered clients of outlet Wi-Fi was 48.43 million.



On a metro in Guizhou sponsored by ABC, a passenger scans the QR code to get more information about the businesses of the Bank (Photo by Ye Yikun)



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AGRICULTURAL BANK OF CHINA

Relying on cutting-edge technologies, the Bank has created a highly intelligent new version of mobile banking APP, which displays customized homepages for users and recommends intelligent products, greatly improving human-computer interaction and security protection capability (Photo from the Internet Finance Department)



The Bank has successfully put the intelligent broadcast control system into operation, which helps realize the digitalization and interaction of the transmission of information and displays customized content for each outlet. As of the end of 2019, the system had displayed over 600 marketing posters, announcements, and personnel qualifications, more than 50 videos, and more than 110 scrolling texts (Photo by Li Chao)



Hebei Branch promotes the integrated cash-bill machine in outlets of the province to provide customers with intelligent cash and bill services

(Photo by Ren Yuelong)

Number of mobile banking clients in 2017 - 2019

	2017	2018	2019
Number of mobile banking clients (RMB million)	206	257	310

Number of e-banking clients in 2017 - 2019

	2017	2018	2019
Number of personal clients (RMB million)	223	265	312
Number of corporate clients (RMB million)	5.32	6.20	7.22

Number of WeChat banking clients in 2017 - 2019

	2017	2018	2019
Number of followers of the “Agricultural Bank of China” WeChat official account (RMB million)	67.05	90.81	133.88
Page views of the “ABC micro-service” mini program (RMB million)	22	31	52

iii. Protecting the Rights and Interests of Consumers

The Bank attaches great importance to the protection of consumers’ rights and interests. Under the guidance of the Board of Directors and senior management, we have improved our working system and conscientiously implemented the requirements of the whole process consumer rights protection system. Starting from awareness raising, sales management, employee behavior management and control, financial knowledge publicity and education, we aim to improve the ability of consumers to identify and prevent financial risks, and fully protect their rights and interests.

1. Information Security

We have formulated *Privacy Policy of Agricultural Bank of China (For Personal Clients)*, *Online Financial Data Management Measures of Agricultural Bank of China*, and other documents to clarify the Bank's rights and obligations in the collection, processing, and protection of the information of personal clients, and guarantee clients' right to know and information security. We have also improved the technical protection system and strengthened data security training, thus raising data security and privacy protection awareness of all employees and curbing the risk of information leakage.



The Bank carried out China cyber security week activities (Photo by Lin Tao)

Taking quick actions to prevent identity thefts through cloned cards

In January 2019, the customer service center of Guangzhou Branch successively received calls from customers of a certain region of Guangdong Province to complain about the problem of identity theft overseas. In addition to reporting the incidents to superior administrative unit right away, as well as taking fast and orderly

follow-up operations, the supervisor quickly communicated with the branch to investigate the fraudulent cases and take effective measures to prevent capital and reputational risks. With the support of the Head Office, the customer service center of Guangzhou Branch successfully froze 14 suspectable accounts and effectively protected the safety of customers' funds.

2. Financial Crimes Prevention

Risk prevention and control is at the core of our operation. We strengthen the concept of compliance and integrity in our business, cultivate employees' good professional ethics and enhance their capabilities to prevent financial crimes so that we can keep the bottom line of risk control and effectively maintain the safety of financial assets.

Anti-money laundering

We benchmark against the highest international standards and best practices in the industry and strive to build a global anti-money laundering compliance management system with efficient management, orderly operation and strong guarantee. We also improve the policies and systems related to anti-money laundering and sanctions compliance management to enhance the monitoring of high-value and suspicious transactions and improve our ability of anti-money laundering compliance governance, thus effectively preventing money laundering risks and terrorist financing.

Carrying out anti-money laundering work earnestly

Tianjin Branch emphasizes the Bank's compliance culture. Through lectures, meetings, trainings, examinations and other methods, the branch has enhanced employees' understanding of regulatory

requirements about anti-money laundering and sanctions, and improved their anti-money laundering compliance management capabilities. At the same time, the branch strengthens publicity on anti-money laundering. It explains the characteristics and harms of money laundering and popularizes anti-money laundering knowledge to the public by distributing publicity materials, setting consultation desks, visiting communities, and posting information on new media platforms.



Guangxi Branch holds a special anti-money laundering business training class (Photo by Wang Tongti)

Anti-counterfeit currency

The Bank strictly implements the work requirements of the People's Bank of China on anti-counterfeit currency, and guides the implementation of cash identification and sorting at county-levels and city-level outlets. In strict accordance with the principle of “performing duties according to law, strengthening cooperation, sharing resources, and combining punishment with prevention”, the Bank has set up counterfeit currency monitoring response sites at institutions designated by the People's Bank of China and public security authorities to support a

dynamic counterfeit currency monitoring mechanism across the entire network, and help detect counterfeit currency-related crimes. By organizing anti-counterfeiting training sessions and publicity campaign, it has enhanced the anti-counterfeiting ability and prevention awareness of staff, and strengthened the self-protection and anti-counterfeiting responsibility of the public.

ABC holds the anti-counterfeiting front line to protect currency security

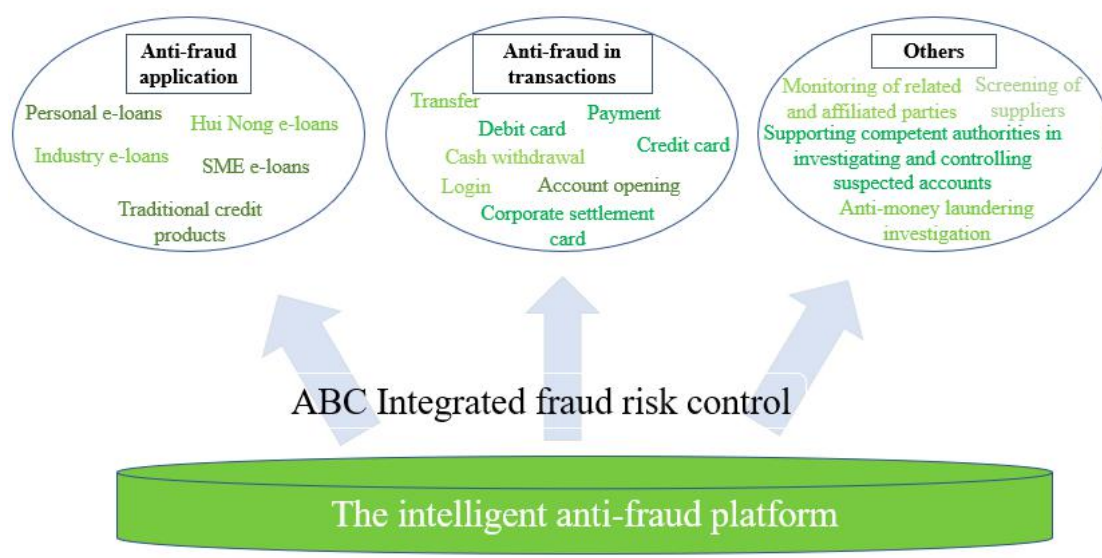
In May 2019, a sub-branch of Anyang Branch, Henan received 17 notes of the fourth series of RMB, totaled RMB 1,370, that were suspected to be counterfeits, when a customer came to deposit money. The staff inquired into the source of the notes and promptly called the police. In view of the fact that the customer got the notes from his father who had no common sense about counterfeit currency. The police made the decision for the sub-branch to confiscate the fake notes, without holding the customer accountable. Then the sub-branch explained the ways to identify the counterfeit currency in detail.



Qinghai Branch held a publicity activity to promote the new series of RMB and disseminate the methods to distinguish between fake and authentic notes (Photo by Ma Qingcuo)

Anti-fraud

To comprehensively promote the establishment of a company-level intelligent anti-fraud platform, the Bank has made great efforts to build the “five centers” of fraud risk monitoring, fraud risk control, fraud risk disposal, fraud data assets, and anti-fraud products. It also actively developed a new framework for fraud risk prevention and control that features data integration and sharing, intelligent and efficient models, diversified monitoring methods, classified risk control, and unified and targeted products, with an aim to effectively prevent external fraud, safeguard the interests of customers and enhance the security value. In 2019, the Bank assisted public security authorities in tracking 900,000 telecommunications frauds, freezing 58,000 transactions judicially, monitored and restricted 82,000 suspected telecommunications fraud transactions, and helped retrieve RMB 200 million for customers.



Promoting the establishment of an intelligent anti-fraud platform

Promote integrated fraud risk management through technological means: We conduct real-time monitoring of fraud risks regularly. We have enhanced anti-fraud efforts for online businesses and gradually integrated various types of fraud risk monitoring and early warning operations of the Bank to realize intelligent risk identification and evaluation.

Enrich fraud risk detection methods through AI solutions: Based on comprehensive historical data and expert experience, we have built a flexible quantitative model to transform linear prevention and control to distributed prevention and control evolution, thus making fraud prevention and control more accurate.

Increase the value of fraud data through deeper exploration: We have constructed a fraud risk data “market” to provide “customized” fraud data sharing services and “panoramic” anti-fraud products, and have actively pre-judged the characteristics and trends of fraud risks.



Jiangxi Branch carried out publicity of anti-fraud knowledge (Photo by
Tang Kun)

Preventing illegal fund-raising

The prevention and disposal of illegal fund-raising cases is a key political task to win the tough battle against major risks, and to maintain economic and financial order and social stability. We have steadily promoted the prevention and disposal of illegal fundraising risks in accordance with the model that features internal collaboration, division of labor and responsibility among departments, regular monitoring and early warning, as well as special investigation and governance.

Preventing illegal fundraising

- **Improved working mechanisms:** We have set up an anti-money laundering compliance management committee. We will gradually establish leading teams for preventing and fighting illegal fundraising, illegal loan issuing, and financial frauds at all levels, with clear responsibilities and specific tasks.
- **Regular monitoring and early warning of illegal fund-raising:** We have established the abnormal transaction monitoring mechanism and continuously improved the transaction monitoring model.
- **In-depth investigation and governance:** Based on the analyses of model clues, we have carried out special governance of risks such as illegal fundraising.
- **Publicity and education:** Giving full play to rich resources of our branches and electronic channels, we have carried out various publicity and education to enhance the public's awareness of risk prevention at multiple levels.



Dalian Branch carried out a publicity campaign on the prevention of
illegal fundraising (Photo by Wei Na)

Crack down on organized crimes

To eliminate all financial sources of organized gangs and crack down on organized crimes, we have launched series targeted actions and also established a regular mechanism of early warning, investigation and governance for cracking down on organized crimes. Through close cooperation with administrative, judicial, and regulatory departments, we provide customers with significant clues in a timely manner, and investigate and freeze the accounts involving organized crimes conscientiously.

Cracking down on organized crimes

By integrating the crackdown on organized crimes into the campaign on the theme of “staying true to our founding mission”, we have realized synergies of supervision.

By applying big data solutions, we have developed and improved the early warning and monitoring model, and conducted off-site monitoring and analyses conscientiously.

With a variety of methods, including outlet inspection, customer visit, video surveillance, complaint collection, and information search at political and legal authorities, we have strengthened the investigation of clues for organized crimes.

We have continuously carried out education activities and risk warnings among the public in our outlets, networks, self-service machines, and various other channels.

VI. Demonstrating the Strives of the Fighters in the New Era

SDGs:



ABC adheres to the people-oriented principle, regards employees as the most valuable asset, and continuously builds a platform that fosters employee development. The Bank has established the compensation, benefits and promotion systems, provided all-round and multi-tiered trainings, and protected the legitimate rights and interests of employees. The Bank also cares about the physical and mental health of employees, empowers them to realize their career dreams, and shares the sustainable development value with employees.

By the end of 2019, ABC had 464,011 in-service employees in total and helped nearly 30,000 employees in need; the Bank had held 13,700 training courses with 787,289 participants.

Gathering positive energy of youth and building dream for ABC

The Bank has actively implemented the central government's guiding principles of vigorously finding, training and selecting outstanding young staff to meet the requirements of the new era, and complied with the trend of urban-rural integration development and digital transformation. In 2019, the Bank formulated and issued the *Implementation Plan for ABC Young Employees V.3.0 Project* to comprehensively promote the training and development of outstanding young staff in primary-level branches and sub-branches. It aims to unblock the channel for integrated training of urban-rural young employees, accelerate the discovery, training and promotion of

outstanding young employees, and provide basic and strategic talent support for winning the fight against poverty, implementing rural revitalization, developing inclusive finance and urban finance, and building an international first-class commercial bank group. By the end of 2019, a total of 14,000 county-level young employees had been trained and promoted, whose average age is 29.

County-level Young Employees Project

2013: Launched and implemented County-level Young Employees Project

2016: Issued the *Implementation Plan for County-level Young Employees V2.0 Project*

2019: Issued the *Implementation Plan for ABC Young Employees V3.0 Development Project*

County-level Young Employees V3.0 Project

Focus: Satisfy branches' needs for leader team in the next 5 to 10 years.

Training objective: Build a team of high-quality professional young employees who are faithfully committed to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, loyal to the CPC, worthy of heavy responsibilities, with fine conducts, abundant in quantity, and full of vitality. The project aims to train steady flow of outstanding young employees who are loyal, clean, responsible, perform well in the practice in primary levels, and adapt to the development of urban-rural integration as the leaders in branch and sub-branch and the officials of the Bank.

Training target: Outstanding employees born in 1980s, 1990s and

2000s.

Training methods: Train the heads of outlets, vice-presidents of tier-one sub-branches and presidents of tier-one sub-branches through the “primary - intermediate - senior” progressive training plan and by adopting “grassroots training - job rotation - post training”.

He Zhu, a young employee from a county-level branch



As a young employee from county-level branch, she has dedicated to the mission, been strict with herself and practiced hard in basic business skills. She worked on the transformation of outlets, guided the construction of self-service banks, and help set up the first township financial convenience store in that branch. She has become the backbone of the transformation of outlets. With outstanding work performance, she has won such honors as National Finance Service Star, May 1st Labor Medal in Hebei Province, Youth Post Expert in Hebei Province and Medal of Most Beautiful Youth at Counties.



Young county-level employees of Jiujiang Branch, Jiangxi Province

(Photo by Duan Ye)

i. Respecting Rights and Interests of Employees

To protect the rights and interests of employees is an important approach for ABC to strengthen the employees' sense of ownership in the company and their work, and forge an interactive synergy. We have tangibly promoted “managing the Bank based on democracy”, and built up and improved the democratic management mechanism. While carrying out strict management of labor relations, democratic management, remuneration and benefits, we provide stable jobs and constantly improve the compensation and benefits system, thus safeguarding the legitimate rights and interests of employees.

1. Standardizing Employment System

The Bank strictly abides by the *Labor Contract Law* and the *Administrative Measures on Labor Contract*, to sign labor contracts with employees according to laws and regulations and implement the full-staff contract management. It strictly complies with *Employment Promotion Law* and other relevant national laws and regulations, provides equal employment opportunities for workers, firmly opposes employment discrimination, and prohibits forced labor and child labor. Employees of

different nationalities, religious beliefs and cultural backgrounds and of different races and genders are treated equally and fairly.

By the end of 2019, ABC had 464,011 in-service employees in total, 735 of which were in overseas branches and representative offices, 8,459 in subsidiaries running comprehensive business and rural banks, and 12,472 were newly-hired graduates and college-graduate village officials, increasing 532 compared with the number of last year.

Age	Number of people	Proportion (%)
Under 30 years old	89,697	19.33%
31-40 years old	88,018	18.97%
41-50 years old	159,282	34.33%
Over 51 years old	127,014	27.37%

Gender	Number of people	Proportion (%)
Female	211,715	45.6%
Male	252,296	54.4%

Educational background structure	Number of people	Proportion (%)
Ph.D. degree	528	0.1%
Master's degree	28,408	6.1%
Bachelor's degree	234,804	50.6%
Vocational school or lower	200,271	43.2%

Total employee turnover	5,514
Employee turnover rate (%)	1.21%

2. Improving Democratic Management

ABC improves the democratic management system with the workers' representative conference as the basis, and unblocks the channels for employees' appeals, interests coordination and rights protection. The Bank brings tangible benefits to employees by promoting democratic management, thus improving the effect of democratic engagement. By the end of 2019, the membership rate of Trade Union was 100%.

- The Bank carried out the proposal solicitation activity on the workers' representative conference, and collected 133 proposals, covering reform and development, innovation and efficiency, internal management, human resources, humanistic care, etc.

- The Bank organized staff representatives to review the *Code of Conduct for Employees of Agricultural Bank of China* and perform democratic review procedures.

- The Bank carried out research and evaluation on the policies and systems related to the vital interests of grassroots employees and corresponding implementations, and then formulated and issued *the Implementation Opinions on Care Actions for Grassroots Employees*.



The first meeting of the Third Workers' (trade union members)
Representative Conference (Photo by Chen Shunxi)

3. Improving Compensation and Benefits

ABC has set up a unified compensation system, and built and improved a compensation and benefits system. The Bank has established an enterprise annuity and supplementary medical insurance system covering the whole bank, and optimized the management of the enterprise annuity and welfare fund, to guarantee the pension of employees. The Bank gives favor to grassroots in compensation allocation to ensure the income of grassroots employees, and strives to provide various benefits to employees, including remuneration, social insurance, holidays and rests, and labor protection. By the end of 2019, the enterprise annuity and welfare fund amounted to RMB 111.3 billion, the cumulative investment income of the two funds is RMB 37 billion, with an annual investment return of 8.64%.

ii. Boosting Employee Development

The Bank sets up a platform for the growth of employees to broaden their career development path. To tap the potential of employees, the Bank organizes diversified training activities to help employees realize

their career pursuit and life value.

In 2019, the Bank held 13,700 sessions of training programs, with a total of 787,300 participants.

Gender	Number of trainees
Male	395,934
Female	391,355

Position Rank	Number of trainees
Grassroots personnel	685,000
Middle managerial level and above	105,000

1.Occupation Growth

ABC has formulated the *2019-2022 Talent Development Plan*, which stimulates the measures to improve the “dual channel” promotion mechanism of management and professional sequence posts. The Bank has promoted over 1,300 employees to senior professional posts or higher, improved the training and selection mechanism of excellent young leaders, and optimized the career development paths for staff at section chief level or below, thus creating a favorable environment for the sustainable growth of talents.

Employees development strategy in digital transformation

Department settings: Establishing the organizational system that adapts to digital transformation, setting up the General Office for Digital Transformation, building the Division for Advancing Digital Transformation in business units and data analysis teams at tier-branches, and establishing ABC (Xi'an) R&D Center and ABC (Wuhan) R&D Department (tier-2 department).

Talent support: The *Talent Team Construction Plan for Digital Transformation* was issued and we also devoted great efforts to building the “four teams” of product managers, customer managers, data analysts and technology project managers.

Post optimization. We printed and distributed the *Guidance on Optimization and Adjustment of Outlet Transformation Posts*, set up post guidance by classification, and reasonably simplified post setting in accordance with the principle of "generalization, integration and differentiation".

2.Diverse Training

Centering on the needs of corporate growth and employee development, the Bank has formulated and implemented *Education and Training Plan 2019-2022* to enhance special trainings on digital transformation, and improve hierarchical and classified training mode. The plan expands training methods such as online videos, mobile banking APP and micro courses to facilitate employees upgrade their knowledge frame, and realize the transformation from a large-scale human resource reserve to a bank supported by talents. **Improving the employee education and training system**

Highlighting the priority

- 344 special trainings on digital transformation were organized, with 23,000 participants.

- 478 career development sessions for grassroots staff and job-transfer trainings for counter managers were held, with 39,000 participants.

Innovating in training methods

- To broaden the strategic horizon of senior managers, nine overseas training session were organized, with 225 participants.

- To build a “learning-oriented” Head Office, 91 sessions of ABC Lecture were held with 23,000 participants.

- To facilitate the cultivation of international talents, 51 young employees were selected to study in overseas organizations.

Strengthening the foundation

- Promoting the upgrade of the online college and the development of ABC University mobile application.

- Improving the certification system for internal trainers, and organizing the “Outstanding ABC Lecturers with Excellent Courses” competition.

- To “improve learning through testing”, certification exams were organized for 161,000 employees at various posts across ABC.



ABC Training Program for Supervisors in Overseas Organizations (Photo by Liu Ruining)

Organizing employees to study in overseas organizations

The Bank highly values the training of international talents and the internship of young employees, and strengthens the two-way communication and business liaison between the Head Office and

overseas organizations. Since 2017, ABC has organized the study of head office employees in overseas organizations. The Bank regularly selects young employees to study in branches of Hong Kong, Singapore and Sydney in batches, and carries out on-the-job business learning, internal training, visiting customers and exchange activities, in the hope of training potential employees in multiple dimensions. In 2019, 51 young employees were selected to study in overseas organizations.



The Bank's employees studied financial market and asset liability business knowledge in Singapore Branch (Photo by Zhao Boyang)

The ABC University Faculty Workshop was jointly held with Beijing Normal University for the first time

The Bank and the Training College of the Department of Education of Beijing Normal University held the ABC University Faculty Workshop. The workshop introduced contents on case study methods, training demand analysis, teaching design principles, educational sociology, educational psychology, teaching research methods, etc., to help improve the training management and teaching R & D level of the Bank's teachers and thus provided guarantee for

high-quality training of employees. In 2019, a total of 61 young and middle-aged teachers from three training schools of the Party School of ABC participated in the workshop.



ABC and Beijing Normal University jointly hold the ABC University Faculty Workshop for the first time (Photo from Human Resources Department)



The Bank carried out the women's leadership enhancement training to improve women's strategic thinking and leadership ability, and train high-quality women officials (Photo by Qiao Yubin)



The Bank carried out induction training for new employees to help them transform from “graduates” to “ABC-ers” (Photo by Wang Anqi)



ABC held a training course on reform management and digital transformation at Cambridge University (Photo by Shi Xin)

iii. Caring for Employees in Life

The Bank attaches great importance to the physical and mental health and quality of life of its employees, promotes the five actions of caring for grass-roots employees in a down-to-earth manner, improves the health security system, promotes the construction of workers’ homes, implements the system of paid leave, deepens the care and assistance of employees, and effectively promotes their sense of acquisition, happiness and security.

1. Health Protection

We organize regular physical examination and set up “internet +” health management platform to continuously track employees’ health. We always show care to employees’ psychological health, hold mental health lectures, and “psychological care for grassroots staff” activity to fully ensure the physical and mental health of employees. In 2019, the Head Office provided physical and mental health examinations for 5,000 employees.

The Staff Canteens of the Southern and Northern Building of ABC Plaza (ABC Head Office) won the title of “Beijing Healthy Lifestyle Action Demonstration Canteen” in 2018-2019.

Providing training on first aid knowledge and skills for the Head Office staff

The Bank continues to promote the new management system of employee health. To effectively enhance the ability of employees for self and mutual medical aid and dealing with health emergencies, we invited the professionals of first aid centers to provide training on first aid knowledge and skills. By the end of 2019, more than 300 employees had been trained in total, achieving the goal of 5% coverage of first aid knowledge training.



ABC Research Center's First Aid Training (Photo by Lu Yi)



Hebei Branch held a walking themed with “Pursuing Dreams and Enjoying Life” (Photo by Li Xuan)

2.Employee Assistance

The Bank unblocks assistance channel for employees in need, provides the centralized and immediate assistance, and guarantees the assistance for the special groups such as the employees (family members) who are injured, disabled or died in the line of duty, model workers in need, single mothers, and disaster affected employees, to boost employee happiness and sense of belonging. In 2019, we helped nearly 30,000 employees in need.



The bank attaches great importance to the ideological trends of grassroots staff, and keep abreast of the work and life demands of grassroots staff through visits and field research (Photo from Shanghai Management Department)

The Bank pays attention to the growth and development of women employees and gives them health examinations on a regular basis. Besides, the Bank provides paper-cut, flower arrangement, tea rituals, book clubs, cheongsam show and other cultural activities to enrich the life of women employees. A safe, private and warm “Care Room” has been built to provide special care and support for women employees during their pregnancies and lactation periods. In 2019, the Head Office built 2,460 “Mommy’s Rooms”.



Mommy’s Rooms (Photo by An Dongmei)

3.Diverse Employee Life

We earnestly care for employees and continuously strengthen our team cohesion and unity. We have organized diversified cultural and sports activities so that employees can show their talent and charm, cultivate their taste, and develop a healthy and vigorous culture and life environment.

Hold “Athena Cup” Data Mining Competition

The “Athena Cup” Data Mining Competition, jointly hosted by ABC and the magazine *Financial Computerizing*, aims to build an independent and controllable integrated competition platform, and bring a new experience to the competitors. The competition focuses on deepening the integration of industry and technology and exploring the application of cutting-edge technologies such as Big Data and artificial intelligence. It provides competition topics based on the hot and difficult issues encountered in business development. More than 1,400 employees of 556 teams from 24 Head Office departments and 37 branches of ABC participated in the internal competition. Finally, 386 model optimizations were completed in terms of technological innovation mode, digital transformation and industry-university alliance.



“Athena Cup” Data Mining Competition Award Ceremony (Photo by

Shi Keyu)

“Thanks for all the leaders of the Third Department of Beijing Research And Development Center who have been with us until midnight for many times; thanks for the guidance of experts who helped us better understand the business significance of basic data; thanks for the understanding and help of our colleagues in this period of time.”

——A contestant team



Employees of Hefei Branch, Anhui participated in KTV program of Anhui TV station (Photo by Li Wenpei)



Oil painting created by Sun Tingying, an employee in ABC Hainan Branch, for ABC Model Worker Wang Dongyun. The painting was displayed in “Staff Painting and Calligraphy Exhibition in Celebration of the 40th Anniversary of the Reestablishment of the Agricultural Bank of China”



Ningbo Branch organized Female Staff Yoga Exchange Exhibition Activity (Photo by Xu Li)



Dalian Branch held the Legal Knowledge Competition themed with “Rooting in Legal Culture and Building a Law-based ABC” (Photo by Lin Gang)



Employees of Sydney Branch participated in New South Wales Cycling Challenge (Photo from Sydney Branch)



Guangxi Branch sang *My Motherland and Me* to celebrate the 70th anniversary of the founding of the People's Republic of China (Photo by Wang Guangqiang)



Scan the QR code to watch the ABC people sing *My Motherland and Me*

iv. Carrying Forward the Spirit of Heroes

Being dedicated, passionate and diligent, the employees of the Bank stay true to their original aspiration, take on responsibilities, keep the

mission in mind and forge ahead, creating extraordinary achievements in their posts with wisdom and sweat, and becoming a batch of devoted, assiduous and enterprising pioneers and heroes of the era to push the financial industry forward. In 2019, the Bank recognized the contribution of heroes and carried out the selection of models. 41 Model Employees were selected. The Bank also held a report meeting of ABC's models to affirm the hard work of employees, inspire other employees and advocate the spirit of fighters in the new era.

National May 1st Labor Certificate

Cixi Branch, Ningbo



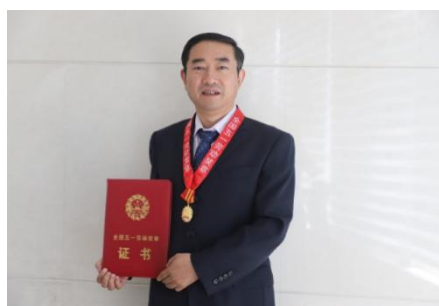
Serving “Sannong” and supporting the local economic development is the important standards to test all work of Cixi Branch, so it has successively implemented “Kins Grape Loan” and “Kins Jinzu Loan”. Now it has achieved credit coverage of more than 70% of “Top 100 Companies in Cixi” and more than 80% of “Top 50 industry Taxpayer” in Cixi City. As the first national civilized unit in Cixi City, Cixi Branch has actively engaged in social welfare, supported rural primary schools for 23 consecutive years, and carried out the charitable senior care project.

For 10 consecutive years, Cixi Branch has been rated as an excellent financial institution serving the local economy, and has been rated as

A-class bank in comprehensive evaluation by People's Bank of China and A-class bank in foreign exchange management evaluation for many times. In 2011, it was awarded the honorary title of "National Civilized Unit" by the Central Guidance Committee of Cultural Civilization Construction, and in 2013, it was awarded the title of "National Model Staff Home" by All-China Federation of Trade Unions.

National May 1st Labor Medal

Bu Tongliang



Bank teller of Sales Department, Chiping County Sub-branch, Shandong

He was a disabled veteran who won the Order of Merit in the Vietnam War, and also is a bank teller of ABC for more than 30 years. He always insists on practicing his business skills and ranks first in every business examination of "liability business, asset business, intermediate business". During business processing, he needs to frequently stand up and sit down, which often causes bleeding of his amputated leg. However, he has never made any special requests for physical reasons. Even if the work place is more than 30 kilometers away from his home, he still arrives on time. In 2015, he was awarded the National May 1st Labor Certificate for Financial Organization by Chinese Financial

Worker's Union, and in 2016, he was rated as the Most Charming Person in Banking Industry by China Banking Regulatory Commission. He served as the representative of the 19th National Congress of the Communist Party of China in 2017.

National May 1st Labor Medal

Li Yizhong



General Manager of Internet Finance Department, Nanhai Branch, Guangdong

Li Yizhong is recognized as “the fastest and best person to write codes” in Nanhai Branch system. The online savings system, which he led the research and development, realizes the deposit and withdrawal in different outlets and has won the Guangdong Financial System Science and Technology Progress Award. He developed the first “Timely Deposits” product in the ABC system to solve the difficulty in deposit and withdrawal for fixed deposits. He developed the financial standard of Regional Medical Insurance IC card, which was fully adopted by Nanhai District Social Security Bureau. He is in charge of a number of online financial businesses, and these assessment indicators has ranked first in the ABC system in Guangdong for many years. The technology projects led by him have won many first prizes in the Product Innovation Competition of Guangdong Branch.

VII. Building a Harmonious Society Together

SDGs:



The Bank always practices social responsibilities as a responsible corporate citizen, and gives full play to its own advantages to improve the social welfare service system, enhance brand charity activities, and encourage employees to participate in social welfare undertakings. We have carried out various charity activities such as financial knowledge promotion and popularization, disaster relief and rescue, supporting people in distress and difficulties, and donations to schools, to nurture the employees' social welfare awareness, and pay back to society with concrete actions, thus creating better and more harmonious life.

By the end of 2019, ABC has carried out “Small Bonus Points for Big Dreams” charity brand activities for five consecutive years; ABC volunteer team has carried out "My Voice and Your Eyes" volunteer project for visually impaired people for six consecutive years; there were more than 96,000 participants provided over 241,000 hours of volunteer services; the total amount of foreign donations was RMB 119 million.

Donating ABC bonus points for public welfare

To contribute to public welfare, the Bank has started “Small Bonus Points for Big Dreams” action with the China Youth Development Foundation since 2015. The Bank has built a platform for users to donate ABC credit card points for public welfare, straightened the

channel among "cardholders-the Bank-public welfare projects-recipients", and gathered the bonus points of credit card holders to convert them into charitable funds for Hope Projects, the healthy growth of left-behind children, ecological environmental protection and other social causes. The Bank has made a positive contribution to create dense atmosphere of "Learn from Lei Feng and Show Love" in the whole society.

By the end of 2019, the Bank raised RMB 3.2 million for charitable funds, supported 535 Hope Primary Schools to build "Happy Book Corner", and 1,241 left-behind children to complete their studies, and with 905 mu of green ecological forest planted.

Model of Small Bonus Points for Big Dream Activity

Participants

- Cardholders
- Young volunteers

Fields

● Happy Reading programs of Hope Projects, the healthy growth of left-behind children, Protection of Mother River, Home of Youth and other charitable projects.

Donation channels

● Feature web pages, online banking, telephone banking, SMS, WeChat, and smart mobile banking APP, facilitating credit card holders to donate bonus points quickly.

Extensive publicity

- Carefully design public welfare films and posters, vigorously

advocate the concept of "micro-public welfare" through online shop screens, newspapers, WeChat, Weibo and other media, and mobilize cardholders to donate points.

Volunteers

- Set up youth volunteer association in 2016 to standardize the management of volunteer services, expand the ranks of youth volunteers, and promote the implementation of volunteering activities.

Openness and transparency

- Count the donation of bonus points regularly, and publish information such as the progress of the project and the ranking list of donations on the featured websites to ensure that the donation activities are open, fair and transparent.

Public welfare projects supported by Small Bonus Points for Big Dream Activity

- Happy Reading Programs of Hope Projects -One Book Affects the Life of Rural Children

- Healthy Growth of Left-Behind Children –Join Hand in Hand to Warm Left-Behind Children

- Protect Mother River-Increase Green, Reduce Haze, and Rebuild Blue Sky

- Home of Youth- "Small Love to Realize Dreams" for Left-Behind Children

Sowing the seeds of hope in the name of love

In 2016, Ningbo Branch launched the “Small Bonus Points for Big

Dream” activity to care for the healthy growth of left-behind children. The branch provided left-behind children in Siming Mountain Town of Yuyao City with stationery, supported the children's learning life and cared about their psychological growth through home visits, helping fill in the missing warmth of parents. Every Children's Day in June 1, volunteers take children out of Siming Mountain to experience life outside. In 2019, Ningbo Branch launched the campaign Micro-Donation to Spread Love through Books, and set up libraries in schools. With love and hope, the campaign strives to build a warm and beautiful world for children.



Lingtai County Sub-branch of Pingliang, Gansu, carried out the “Golden Dream” student subsidy program and Small Bonus Points for Big Dream activity (Photo by Sun Ying).



Chengde Branch, Hebei, launched "Small Bonus Points for Big

Dream" brand charitable activity (Photo by Yu Shaoli).



Join the "Small Bonus Points for Big Dream" activity by scanning
the QR code

i. Popularizing Financial Knowledge

We implemented the *Rules for the Financial Knowledge Publicity and Education* and the *Financial Knowledge Publicity and Training Plan 2019*. We visited the communities and campuses to provide financial knowledge publicity for the elderly, teenagers, migrant workers and other groups. By the end of 2019, a total of 46,000 centralized campaigns were carried out and more than 17.86 million copies of publicity materials were distributed to 70 million consumers.

1. Community Campaign

The Bank carries out activities such as “March 15 Consumer Rights Protection Education Week”, “Popularizing Financial Knowledge, Safeguarding Your Wallet”, “Popularizing Financial Knowledge Over Great Distances” and “Financial Knowledge Going Into Thousands of Households Month” to pass on financial knowledge for the public, such as monetary and financial knowledge as well as personal credit reporting, anti-counterfeit currency, anti-money laundering, anti-fraud and illegal fund-raising prevention.

Multi-form innovative activities

- Themed comic brochures and promotional videos
- Financial literacy games
- Practical publicity materials, such as notebooks, temporary parking signs, umbrellas, water cups

Multi-level targeted focus groups

- For self-employed group, we publicize the knowledge of corporate account, payment and settlement, third party payment, illegal fund-raising, etc.
- For community residents, we publicize information about personal information management, personal credits, anti-counterfeiting, anti-money laundering, financial management, etc.
- For rural residents and impoverished groups, we organize activities such as "knowledge of small poverty alleviation loans" and "successful cases of poverty alleviation".
- For migrant workers, the elderly, people with disabilities and other vulnerable groups, we carry out the theme education of "Telecommunications Fraud Prevention to Ensure Property Security".
- For the military community, we introduce the prevention of telecommunications and internet fraud, illegal fund-raising prevention and so on.



Chizhou Branch, Anhui launched 3.15 financial knowledge popularization (Photo by Tang Qisheng)



Quanzhou Branch, Fujian organized business backbones to visit the factory community and popularize financial knowledge for migrant workers (Photo by Lian Weiwei)



Tianshui Branch, Gansu visited leading local agricultural enterprises to publicize financial knowledge (Photo by Hu Heping)



Employees from Huaping County Sub-branch of Yunnan passed on financial knowledge for the public (Photo by Liang Zhiqiang)

2. Financial knowledge on campus

Teenagers are a reserve for social development. The Bank has help developed the awareness of financial security and risk prevention of young people by carrying out education programs in universities, secondary and primary schools, such as "Little Bankers" and "Little staffs from ABC", to popularize financial knowledge in classes.

Launching the “Financial Knowledge on Campus” campaign

Qinzhou Branch, Guangxi organized the “Financial Knowledge on Campus” campaign in Qinzhou Agricultural School, and provided the briefing session on payment security to enhance students' ability to identify and resist harmful online lending business. The content covered bank card business, financial security, banking consumer rights protection, anti- illegal fund raising and other knowledge.



Employees of Qinzhou Branch, Guangxi explains financial knowledge to students (Photo by Lao Ying).



Guiyang Branch, Guizhou launched the activity of "Little bankers achieve great dreams" to help primary school students prevent telecommunication fraud (Photo by Yu cheng)



Xingtai Branch, Hebei conducted the activity of “popularizing financial knowledge in campuses” (Photo by Gao Hongshui)

ii. Contributing to Community Development

The Bank actively fulfils its social responsibilities, continuously innovates public welfare forms, encourages and guides employees to

participate in social public welfare activities, drives the whole society to help communities and vulnerable groups, actively participates in emergency relief and post-disaster assistance and construction work, and contributes to people's happiness and social harmony. In 2019, the Bank donated RMB 119 million in total.

1. Engaging in Voluntary Activities

ABC advocates the concept of public welfare, is enthusiastic about public welfare, carries forward the spirit of volunteers, continues to carry out voluntary service activities, promotes the normalization and brand development of public welfare undertakings, and actively spreads the social customs of civilization and harmony. In 2019, over 96,000 participants provided over 241,000 hours of volunteer services.

ABC Volunteer Team helps "Reckoning Theater" to set Guinness World Record

The "My Voice and Your Eyes" volunteer team of the Bank strives to create an integrated supporting environment for the visually impaired people. Every month, the team offers film telling service and records audio books for the visually impaired friends in the Reckoning Theater, and also accompanies them to go outside. On June 29, 2019, the volunteer team cooperated with Beijing Foundation for the Visually Impaired and the Disabled and other units to screen the film *Hong Kong-Zhuhai-Macao Bridge* for 1,260 visually impaired audiences in 11 cities simultaneously, creating the Guinness world record for the vocal commentary film (multiple venues) with most audiences.



"My Voice and Your Eyes" volunteer team in Chengdu venue provides audio commentaries on the film for visually impaired friends

(Photo by Wu Ju)



Scan the QR code to watch the relevant report of Beijing Satellite TV about "Reckoning Theater" breaking the Guinness World Record

Actively carrying out elderly care volunteering

Xiamen Branch developed new models of "Craftsmanship in Social Welfare", initiated "ABC, Where Dreams Set Sail" volunteer campaigns to care for the elderly. Every sub-branch will take turn in organizing month volunteer campaigns. The volunteer activities include hosting birthday parties at Yuanquan Mountain Villa Senior Care Center, and organizing young volunteers to visit and accompany senior citizens. By the end of 2019, Xiamen Branch had organized 40

birthday parties, and provided volunteer haircut service to 2,580 senior citizens; a total of 1,430 volunteers had provided over 3,000 hours of service.



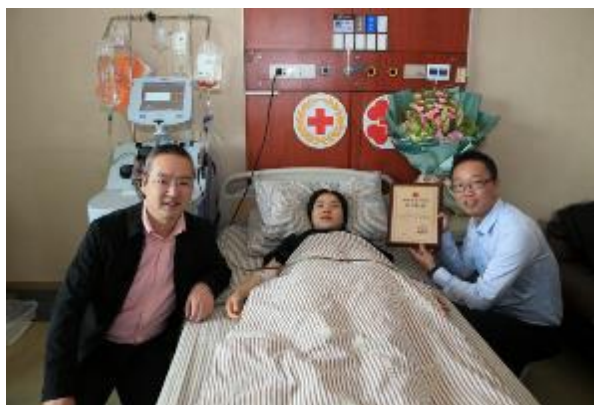
Xiamen Branch “ABC, Where Dreams Set Sail” Volunteer Team hosted a birthday party for the elderly (Photo by Huang Zhixiang)

Supporting the "Little Master of Dream" large-scale charitable activity

Jilin Branch participated in the "Little Master of Dream" large-scale charitable activity initiated by Jilin Working Committee on Caring for the Next Generation. The branch drafted the *Comprehensive Cooperation Plan Between Jilin Branch of Agricultural Bank of China and Jilin Working Committee on Caring for the Next Generation*, established the part-time "financial instructor" team and developed the standardized curriculum of financial practice education with colorful financial education practices, such as “Little Journalists Visit ABC Outlets” and “Financial Knowledge Shared in the Classroom”. In 2019, five financial education practice bases of “Little Dream Masters” were established, and two primary schools were successfully connected.



Jilin Branch's part-time financial instructors visited primary school to provide financial enlightenment training and teach the course of “origin of money” (Photo by Changchun Branch)



Hu Tianxin, an employee of Zhejiang Branch, became the third hematopoietic stem cell donor of ABC in Zhejiang (Photo by Qiu Chunxi)



Hunan branch carries out the charitable activity to donate “ABC Library ” for Zaoshi Tower Central Primary School (Photo by Chen

Wen)



Wulanchabu Branch, Inner Mongolia organized young volunteers to help the left-behind elderly do cleaning in Jianguo village, Huade County

(Photo by Zhang Zhijun)



Tokyo Branch volunteers donated food and daily necessities to Family House sick children and their families (Photo from Tokyo

Branch)

2. Participating in Disaster Relief

Disaster is the command, and rescue is our responsibility. The Bank actively participates in the rescue and relief work and post-disaster reconstruction. It prioritizes the life and safety of people, supports the rehabilitation of financial services and provides credit aid to disaster-stricken areas while helping with flood fighting and emergency rescue, thus helping the affected areas recover production and life as soon

as possible.

Providing effective financial services for areas affected by "Typhoon Lekima"

In August 2019, "Typhoon Lekima" hit Zhejiang, Shanghai, Shandong and other regions. Local branches and sub-branches of ABC responded positively, resumed operation quickly, and helped affected enterprises and residents pull through.

Zhejiang Branch: Luqiao Sub-branch learned about the situation of Sanyou Holding Group Co., Ltd. the first time and appropriated RMB 10 million of disaster relief loan.



The customer manager of Shihuang Sub-branch, Zhejiang, went to the field to investigate the disaster situation of farmers and help them solve practical difficulties (Photo by Xu Canfa).

Ningbo Branch: The branch organized 8 special disaster relief teams, and sent 198 people to participate in disaster prevention and relief within 2 days.

Shanghai Branch: The Chengxi Sub-branch restored power supply and unblocked network the first time, completed system

operation and commissioning in the next day, and resumed normal operation in the shortest time.

Shandong Branch: Zouping Sub-branch purchased a large number of food and 60 military cots and sent them to the residential settlement for the victims.



Shandong Branch leaders went to Xiaowangjia village, Jitai town, Shouguang to support flood control and drainage (Photo by Wang Dianchang)

Anhui Branch: Ningguo Sub-branch donated all kinds of daily necessities in time; the branch invested RMB 1.6 million to 16 affected farmers and issued RMB 3.15 million of "Tax e-Loan" to four micro and small enterprises seriously affected by the typhoon.



Tieling Branch, Liaoning fully supported the people affected by the typhoon, and distributes food to them (Photo by Chen Ying)



Yancheng Branch, Jiangsu provided voluntary blood donation to the injured people in the "3.21" explosion accident in Xiangshui (Photo by Pan Jun)

CSR Honors and Awards



First Prize of Banking Technology Development
2018 (Two-Location and Three-Center Project
Based on Dual Active Data Centers in Different
Locations)

2019 Best Performance Award for Syndicated
Loans

Outstanding Contribution Award in “The Three
Tough Battles”

Best Bank for Inclusive Finance Results

Best Green Finance Award



First Prize (Team) of Customer Service Excellence
Award in the “Looking for a Good Voice”

Competition organized by Bank Industry Customer
Service Center

Best Performance Company of 2019 Great Journey
for Popularizing Financial Knowledge Activity

2019 Excellent News of Chinese Banking Industry

The Top China Banking New Media News Stories
of 2019



Securities Times

2019 Tianji Award for Best Nationwide Bank

2019 Tianji Award for Best Custodian Bank

2019 Tianji Award for Best Universal Investment
Bank

2019 Tianji Award for Best Pension Finance Service

2019 Junding Award for Bank Asset Management
Brand

Top 100 Listed Companies on the Main Board of
China

	Award for Best Chinese-Listed Companies in Capital Management
	Top Investment House Commercial and Investment Bank China/Hong Kong Rank 1
	Most Innovative Digital Collaboration
	Most Innovative Risk Management Project
	Most Innovative Public Sector System
	Most Innovative Retail Payment Project
	Best Private Bank (Highly Commended)
	Best Domestic M&A Deal China
	Best Bank for FinTech of the Year
	2019 Best Assessment Management Bank
	Best Private Bank in 2019
	Best Corporate Culture Award of the year
	Excellent Retail Bank in Asia
	2019 “Golden Wealth Management” Asset Management Excellence Award of the Year
	2019 Best Retail Bank
	Best Private Bank for Impact Investing
	Best Overall National Retail Bank
	Best Retail Bank for Online Banking
	China’s Best Cash Manager
	Best Chinese Bank in the Middle East & Africa for China’s Belt & Road Initiative (BRI)
	Best Project in the Middle East & Africa for China’s Belt & Road Initiative (BRI)
	2019 Annual Model Enterprise in Targeted Poverty Alleviation

Southern Weekly	2019 Outstanding Responsibility Management Award
 AFCA Asian Financial Cooperation Association 亚洲金融合作协会	First Prize for 2019 Best International Cases in Industrial Finance
<i>The Banker</i> magazine	Global Bank of the Year 2019 Bank of the Year in Asia-Pacific 2019 Bank of the Year in China 2019
China Banking and Insurance Regulatory Commission	Outstanding Organizer of “March 15 Consumer Rights Protection Education Week” in 2019 Outstanding Organizer of “Financial Knowledge Going Into Thousands of Households Month” in 2019
China Central Depository & Clearing Co., Ltd. (CCDC)	Settlement Top 100 – Excellent Proprietary Institution
China Foreign Exchange Trading System & National Interbank Funding Center (CFETS)	2018 Award for Best Post-Trade Support Service in the Foreign Exchange Market Core Dealer in 2019 Interbank Currency Market Assessment Outstanding Currency Market Dealer Outstanding Bond Market Dealer
<i>The Economic Observer</i> <i>magazine</i>	2019 China’s Most Admired Enterprise
<i>China Securities Journal</i>	2018 Golden Bull Wealth Management Bank Award
Sina Finance	Best Bank for Responsible Investment Excellent Financial Planner Cultivation Award
<i>Global Finance</i> magazine	Best Bank for SOE Reform

China Youth Development Foundation	Hope Project Best Partner Award Hope Project Outstanding Contribution Award
People's Daily Online	Enterprise of the Year in the 14th People's Enterprise Social Responsibility Award
Shanghai Commercial Paper Exchange Corporation Ltd.	Outstanding Member Bank of 2018 Outstanding Bank Dealer
National Interbank Funding Center	2018 Interbank Currency Market ABS Market Contribution Award
Payment & Clearing Association of China	Outstanding Organizer of the Promotion Week of "Payment Security and the Prevention of New-Type Telecommunications Fraud"
<i>China Business Network (Yicai) Magazine</i>	2019 China Financial Value Ranking – Poverty Alleviation Contribution Award
<i>China Financial Market</i> magazine	Best Listed Company Award
The Paper	Financial Institution of the Year FinTech Institution of the Year
<i>Caijing</i> magazine	Evergreen Awards – Sustainable Development Contribution Award
China.org.cn	Poverty Alleviation Pioneer Award
<i>Hong Kong Commercial Daily</i> magazine	"Inclusive Finance Intelligent Marketing System" won "Top 10 Innovative Achievements in Finance Innovation Serving the Real Economy in 2019" "Lefenyi" Installment Product won "Top 10 Financial Products in Finance Innovation Serving the Real Economy in 2019"
Hexun.com	Outstanding Financial Institution in 2019
Jiemian	Credit Card Center of the Year

<i>China Business Journal</i>	2019 Banks of Excellent Competition Inclusive Financial Practice
<i>WEALTH magazine</i>	Best Domestic Private Bank - Best Risk Management Award (State-Owned Banks)

Responsibility Commitments

2020 is the year to finish building a moderately prosperous society in all respects, and it is also the final year for the 13th Five-Year Plan (2016-2020). Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era continuously, the Bank thoroughly implement the guiding principles of the 19th CPC National Congress, the Second, Third and fourth Plenary Session of the 19th Central Committee of the CCP, fully implemented the decisions and deployment of the Central Economic Work Conference, the Central Conference on Rural Work and the work meeting of the Board of Supervisors, and became more aware of the need to uphold political integrity, keep in mind the bigger picture, follow the CPC as the core of the Chinese leadership, act consistently with CPC Central Committee policy. We maintained our confidence in our path, guiding theories, political system, and culture, and remained firmly safeguarding President Xi's status as the core of the CPC Central Committee and the whole Party, as well as the authority and centralized, unified leadership of the CPC Central Committee. To contribute to building a moderately prosperous society in all respects and following the general principle of pursuing progress while ensuring stability, we firmly adhered to the new development concepts. Taking serving supply-side structural reform as our main task, we focused on serving the development of the real economy and prioritized the deployment on stabilizing employment, finance, foreign trade, foreign investment, investments and expectations. We continued to make up for our shortcomings and improved our weaknesses to consolidate our foundation. We overcame all difficulties during the reform,

transformation, innovation, and development, prevented various risks untiringly, and made every effort to make new breakthroughs along the path of creating a world-class commercial bank group.

Providing Financial Support for Poverty Alleviation	<ul style="list-style-type: none"> • Carrying out the profit linking mechanism in which the Bank surrenders part of its profit and enterprises play a leading role to benefit the poor households • Accurately support industrial poverty alleviation projects to target the needs of poverty-stricken farmers and increase the financial products for poverty alleviation. • Prioritizing resources and guidance for targeted poverty alleviation, differentiating the supporting work and consolidating the results of poverty alleviation • Giving priority to the approval of loans, the guarantee of resources, the allocation of officials and the preferential policies to the deep poverty-stricken regions
Facilitating Rural Revitalization	<ul style="list-style-type: none"> • Increasing support for featured agriculture and advantageous agricultural products, and promoting the upgrading of agricultural infrastructure construction • Cultivating important carriers and forces to

	<p>guarantee national food security to serve national food security strategy</p> <ul style="list-style-type: none"> • Serving the reform of rural collective property right system, and promoting the development of county happiness industry to support the construction of beautiful villages • Vigorously promoting the “No.1 Project” of internet financial service for “Sannong” so that modern financial services can benefit more farmers
<p>Standing Fast to Our Founding Duty to Serve the Real Economy</p>	<ul style="list-style-type: none"> • Optimizing services in key areas to serve major national development strategies • Supporting the development of strategic emerging industries and high-end manufacturing industries • Deeply expanding inclusive finance and financial services in people's livelihood
<p>Promoting the practice on creating a beautiful China</p>	<ul style="list-style-type: none"> • Giving full play to professional advantages to lead the development of green finance • Adhering to green office and green procurement to improve green operation level • Carrying out environmental protection actions to help build a beautiful China

Providing Satisfactory Services	<ul style="list-style-type: none">• Accelerating the digital transformation to innovatively promote the retail business and branch outlet transformation• Continuously strengthening innovation capabilities to practically enhance business operation power and vitality• Holding the bottom line of risk and accurately controlling risk cases to protect the legitimate rights and interests of consumers
Demonstrating the Strives of the Fighters in the New Era	<ul style="list-style-type: none">• Fully safeguarding the rights and benefits of employees• Organizing diversified trainings to broaden the career development path of employees• Carrying out colorful recreational and sports activities to enrich employees' spiritual life
Building a Harmonious Society Together	<ul style="list-style-type: none">• Vigorously publicizing financial knowledge to improve public financial literacy• Devoted to social public welfare to contribute to social harmony

Appendix

Basis of Reporting

Total amount of donations (RMB 10 thousands): amount of donations made for public welfare and other contributions, excluding employee donations. Donations for public welfare are made to the public welfare, as defined in the *Law of the People's Republic of China on Donations for Public Welfare*, through public welfare organizations or governments at county-level or above.

Balance of farmer loans (RMB 100 millions): including the balances of general loans to Comfortable Housing Project for farmers and herdsmen, house building loans for the farmers in quake-hit areas, loans for farmers purchasing or building houses, personal loans for farm machines, personal loans to production and business in rural areas, micro loans for farmers, other agriculture-related loans to individuals, personal agricultural loans, and “Jinhuikuainong” loans.

Total number of employees (persons): number of employees who hold labour contracts within the group level, including those working in domestic branches, overseas branches, subsidiaries and representative offices, subsidiaries with integrated operations and rural banks, excluding labour dispatch employees.

Total number of county-level employees (persons): number of employees who hold labour contracts or who work as labour dispatching at tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the foundation-level establishments under their administration listed in the directory of County Area Banking Division.

Proportion of female employees (%): proportion of female employees is defined as number of female employees divided by the number of total employees. The number of employees is defined as the number of employees who hold labour contracts within the group level, including those working in domestic branches, overseas branches, subsidiaries and representative offices, subsidiaries with integrated operations and rural banks. The number of female employees is defined as the number of female employees who hold labour contracts within the group level, including those working in domestic branches, overseas branches, subsidiaries and representative offices, subsidiaries with integrated operations and rural banks.

Proportion of ethnic minority employees (%): proportion of ethnic minority employees is defined as number of ethnic minority employees divided by the number of employees. The number of employees is defined as the number of employees who hold labour contracts in domestic (excluding subsidiaries with integrated operations and rural banks). The number of ethnic minority employees is defined as the number of ethnic minority employees who hold labour contracts in

domestic (excluding subsidiaries with integrated operations and rural banks).

Total number of employee trainings (10 thousands person time): defined as the number of employee attending in the face to face trainings for which the ABC sends formal notices. The scope includes the headquarters, 37 tier-1 branches and 3 training colleges.

Total number of domestic branch outlets (units): domestic branch outlets includes the headquarters, exclusive institutions at the headquarters, tier-1 branches (directly subordinate), tier-2 branches (operation departments of provincial branches), tier-1 sub-branches (municipal cities, operation departments of directly subordinate branches and operation departments of tier-2 branches), operation departments of local branches and other institutions. The statistics includes all licensed branches, including the ones licensed but not yet opened.

Number of county-level branch outlets (units): number of county branches including tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the foundation-level establishments under their administration listed in the directory of County Area Banking Division.

Water consumption per capita in the Head Office (m³/person): total water consumption in the Head Office in 2019 divided by the number of employees in office in the buildings of the Head Office.

Electricity consumption per capita in the Head Office (kwh/person): total electricity consumption in the Head Office in 2019 divided by the number of employees in office in the buildings of the Head Office.

Gas consumption per capita in the Head Office (m³/person): total gas consumption in the Head Office in 2019 divided by the number of employees in office in the buildings of the Head Office.

Independent Practitioner’s Assurance Report

To the Board of Directors of Agricultural Bank of China Limited

We have been engaged to perform a limited assurance engagement on the selected 2019 key data (the “key data”) in the 2019 Social Responsibility Report of the Agricultural Bank of China Limited (“the Bank”).

Selected key data

The selected key data in the Bank’s 2019 Social Responsibility Report that is covered by this report is as follows:

- Total amount of donations
- Balance of farmer loans
- Total number of employees
- Total number of county-level employees
- Proportion of female employees
- Proportion of ethnic minority employees
- Total number of employee trainings
- Total number of domestic branch outlets
- Number of county-level branch outlets
- Water consumption per capita in the Head Office
- Electricity consumption per capita in the Head Office
- Gas consumption per capita in the Head Office

Our assurance was with respect to the year ended 31 December 2019 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2019 Social Responsibility Report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2019 Social Responsibility Report are set out in the definitions of the key data (the “basis of reporting”) in the front of this assurance report.

The Board of Directors’ Responsibilities

The Board of Directors is responsible for the preparation of the selected key data in the 2019 Social Responsibility report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant

to the preparation of the selected key data in the 2019 Social Responsibility Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner’s Responsibilities

It is our responsibility to express a conclusion on selected the key data in the 2019 Social Responsibility Report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”. This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank’s 2019 selected key data in the 2019 Social Responsibility Report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2019 Social Responsibility Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have performed the following procedures in the Headquarters of the Bank and the Beijing Branch. The procedures we performed comprised:

1) Interviews with relevant departments of the Bank involved in providing information for the selected key data within the Social Responsibility Report; and

2) Analytical procedure;

3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;

4) Recalculation; and

5) Other procedures deemed necessary

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2019 selected key data in the 2019 Social Responsibility Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

March 30, 2020

Reporting Index

GRI Content Index

Standard number and description		Page	Note
GRI 101: Foundation			
GRI 102: General disclosures			
Organization profile	102-1 Name of the organization	P23-24	
	102-2 Activities, brands, products, and services	P23-24	
	102-3 Location of headquarters	P279-281	
	102-4 Location of operations	P23-24	
	102-5 Ownership and legal form	P23-24	
	102-6 Market served	P23-24	
	102-7 Scale of the organization	P30-32/P161-163	
	102-8 Information on employees and other workers	P48-50/P161-163	
	102-9 Supply chain	P171-172	
	102-10 Significant changes to the organization and its supply chain		No significant change
	102-11 Precautionary Principle or approach	P32-36/P196	
	102-12 External initiatives	P40-42	
	102-13 Membership of associations	P244-248	
Strategy	102-14 Statement from	P1-22	

	senior decision-maker		
	102-15 Key impacts, risks, and opportunities	P24-26/P34-37	
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	P37-39	
	102-17 Mechanisms for advice and concerns about ethics	P37-40	
Governance	102-18 Governance structure	P30-32	
	102-19 Delegating authority	P39-40	
	102-20 Executive-level responsibility for economic, environmental, and social topics	P39-40	
	102-21 Consulting stakeholders on economic, environmental, and social topics	P42-45	
	102-22 Composition of the highest governance body and its committees	P30-32	
	102-23 Chair of the highest governance body		
	102-24 Nominating and selecting the highest governance body		
	102-25 Conflicts of interest		
	102-26 Role of highest governance body in setting purpose, values,		

	and strategy		
	102-27 Collective knowledge of highest governance body	P39-40	
	102-28 Evaluating the highest governance body's performance		
	102-29 Identifying and managing economic, environmental, and social impacts		
	102-30 Effectiveness of risk management processes	P36-37	
	102-31 Review of economic, environmental, and social topics		
	102-32 Highest governance body's role in sustainability reporting	P39-40	
	102-33 Communicating critical concerns		
	102-34 Nature and total number of critical concerns		
	102-35 Remuneration policies		
	102-36 Process for determining remuneration		
	102-37 Stakeholders' involvement in remuneration		
	102-38 Annual total compensation ratio		

	102-39 Percentage increase in annual total compensation ratio		
Stakeholder engagement	102-40 List of stakeholder groups	P42-45	
	102-41 Collective bargaining agreements		
	102-42 Identifying and selecting stakeholders	P39-42	
	102-43 Approach to stakeholder engagement	P42-45	
	102-44 Key topics and concerns raised	P42-45	
Reporting practices	102-45 Entities included in the consolidated financial statements	P279-281	
	102-46 Defining report content and topic Boundaries	P279-281	
	102-47 List of material topics	P40-42	
	102-48 Restatements of information	P261-274	No restatement information
	102-49 Changes in reporting	P261-274	No significant change on the topics of the report
	102-50 Reporting period	P279-281	
	102-51 Date of most recent report	P279-281	
	102-52 Reporting cycle	P279-281	
	102-53 Contact point for	P279-281	

		questions regarding the report		
		102-54 Claims of reporting in accordance with the GRI Standards	P261-274	
		102-55 GRI content index	P261-274	
		102-56 External assurance	P257-260	
GRI 200 Economic topics	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	P40-42/P85-112/P113-152/P279-281	
		103-2 The management approach and its components	P85-112/P113-152	
		103-3 Evaluation of the management approach	P85-112/P113-152	
GRI 201 Economic performance		201-1 Direct economic value generated and distributed	P47-50	
		201-2 Financial implications and other risks and opportunities due to climate change	P153-175	
		201-3 Defined benefit plan obligations and other retirement plans	P210	
		201-4 Financial assistance received from government		
GRI 202 Market presence		202-1 Ratios of standard entry level wage by gender compared to local minimum wage		

		202-2 Proportion of senior management hired from the local community		
GRI 203 Indirect economic impacts		203-1 Infrastructure investments and services supported	P85-112/P113-152	
		203-2 Significant indirect economic impacts	P85-112/P113-152	
GRI 204 Procurement practices		103 Management approach	P171-172	
		204-1 Proportion of spending on local suppliers		
GRI 205 Anti-corruption		103 Management approach	P196-203	
		205-1 Operations assessed for risks related to corruption	P196-203	
		205-2 Communication and training about anti-corruption policies and procedures	P196-203	
		205-3 Confirmed incidents of corruption and actions taken		
GRI 206 Anti-competitive behavior		206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		
GRI 300 Environmental topics	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	P40-42/P153-175/ P279-281	
		103-2 The management	P153-175	

		approach and its components		
		103-3 Evaluation of the management approach	P153-175	
GRI 301 Materials		301-1 Materials used by weight or volume		
		301-2 Recycled input materials used		
		301-3 Reclaimed products and their packaging materials		
GRI 302 Energy		302-1 Energy consumption within the organization	P50/P170-171	
		302-2 Energy consumption outside of the organization	P170-171	
		302-3 Energy intensity	P170-171	
		302-4 Reduction of energy consumption	P50	
		302-5 Reductions in energy requirements of products and services	P168-172	
GRI 303 Water		303-1 Water withdrawal by source		
		303-2 Water sources significantly affected by withdrawal of water		
		303-3 Water recycled and reused	P170-171	
GRI 304 Biodiversity		304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas		

	of high biodiversity value outside protected areas		
	304-2 Significant impacts of activities, products, and services on biodiversity		
	304-3 Habitats protected or restored		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		
GRI 305 Emissions	305-1 Direct (Scope 1) GHG emissions	P170-171	
	305-2 Energy indirect (Scope 2) GHG emissions	P170-171	
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity	P170-171	
	305-5 Reduction of GHG emissions		
	305-6 Emissions of ozone-depleting substances (ODS)		
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	P158	
GRI 306 Effluents and waste	306-1 Water discharge by quality and destination		

		306-2 Waste by type and disposal method	P168-171	
		306-3 Significant spills		
		306-4 Transport of hazardous waste		
		306-5 Water bodies affected by water discharges and/or runoff		
GRI 307 Environmental Compliance		307-1 Non-compliance with environmental laws and regulations		
GRI 308 Supplier environmental assessment		308-1 New suppliers that were screened using environmental criteria	P171-172	
		308-2 Negative environmental impacts in the supply chain and actions taken	P171-172	
GRI 400 Social topics	GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	P40-42/P204-226/ P279-281	
		103-2 The management approach and its components	P204-226	
		103-3 Evaluation of the management approach	P204-226	
GRI 401 Employment		401-1 New employee hires and employee turnover	P207-209	
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P210	

	401-3 Parental leave	P210	
GRI 402 Labor/Management relations	402-1 Minimum notice periods regarding operational changes		
GRI 403 Occupational Health and Safety	403-1 Workers representation in formal joint management–worker health and safety committees		
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	P217-218	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	P217-218	
	403-4 Health and safety topics covered in formal agreements with trade unions		
GRI 404 Training and education	404-1 Average hours of training per year per employee		
	404-2 Programs for upgrading employee skills and transition assistance programs	P210-216	
	404-3 Percentage of employees receiving regular performance and		

	career development reviews		
GRI 405 Diversity and equal opportunity	103 Management approach	P40-42/P207-209/ P279-281	
	405-1 Diversity of governance bodies and employees	P207-209	
	405-2 Ratio of basic salary and remuneration of women to men	P207-209	
GRI 406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		
GRI 407 Freedom of association and collective bargaining	103 Management approach		
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		
GRI 408 Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor		
GRI 409 Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		
GRI 410 Security Practices	410-1 Security personnel trained in human rights policies or procedures		
GRI 411 Rights of indigenous	411-1 Incidents of		

peoples	violations involving rights of indigenous peoples		
GRI 412 Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessments		
	412-2 Employee training on human rights policies or procedures		
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		
GRI 413 Local communities	103 Management approach	P40-42/P227-243/ P279-281	
	413-1 Operations with local community engagement, impact assessments, and development programs	P227-243	
	413-2 Operations with significant actual and potential negative impacts on local communities		
GRI 414 Supplier social assessment	414-1 New suppliers that were screened using social criteria	P171-172	
	414-2 Negative social impacts in the supply chain and actions taken		

GRI 415 Public policy	415-1 Political contributions		
GRI 416 Customer health and safety	103 Management approach	P176-203	
	416-1 Assessment of the health and safety impacts of product and service categories	P194-203	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417 Marketing and labeling	417-1 Requirements for product and service information and labeling	P195-196	
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		
GRI 418 Customer Privacy	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data		
GRI 419 Socioeconomic compliance	103 Management approach		
	419-1 Non-compliance with laws and regulations		

	in the social and economic area		
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ESG Content Index

Indexes		Disclosure status
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P168-171
A1.1	The types of emissions and respective emissions data.	P168-171
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P170-171
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P168-171
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P168-171
A1.5	Description of measures to mitigate emissions and results achieved.	P168-171
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P168-171
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P168-171
A2.1	Direct and/or indirect energy consumption by type (e.g.	P170-171

	electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P170-171
A2.3	Description of energy use efficiency initiatives and results achieved.	P168-171
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P168-171
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	No applicable
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P158-159/P168-171
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P158-159/P168-171
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P207-210
B1.1	Total workforce by gender, employment type, age group and geographical region.	P208
B1.2	Employee turnover rate by gender, age group and	P209

	geographical region.	
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P217-218
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, how they are implemented and monitored.	P217-218
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P210-216
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P211
B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	P207-208
B4.1	Description of measures to review employment practices to	P207-208

	avoid child and forced labor.	
B4.2	Description of steps taken to eliminate such practices when discovered.	
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P171-172
B5.1	Number of suppliers by geographical region.	P171-172
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P171-172
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P195
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
B6.2	Number of products and service related complaints received and how they are dealt with.	P188
B6.3	Description of practices relating to observing and protecting intellectual property rights.	
B6.4	Description of quality assurance process and recall procedures	
B6.5	Consumer data protection and privacy policies, how they are implemented and monitored.	P195
Aspect B7: Anti-corruption		

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P32-34/P196-203
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P196-203
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P227-243
B8.1	Focus areas of contribution (such as education, environment, labor's needs, health, culture and sport).	P227-243
B8.2	Resources contributed to focus areas (such as money and time).	P227-243

About the Report

Reporting scope

The Report covers the Head Office, tier-1 (directly subordinate) branches within the territory, the training colleges, directly subordinate organizations and overseas organizations of the Agricultural Bank of China Limited. This is an annual report that covers the period from January 1 to December 31, 2019. Part of the content is in excess of the above scope.

Compilation Conformance

This Report was prepared to comply with relevant standards and guidelines, including *GRI Sustainability Reporting Standards* (GRI Standards) issued by Global Sustainability Standard Board (GSSB) and *GRI Financial Service Sector Supplemental Guidelines*; *ISO 26000 Social Responsibility Guidelines (2010)*; *The Opinions on Strengthening Social Responsibilities of Banking Institutions* issued by the China Banking Regulatory Commission (CBRC); *The Guidelines on Corporate Social Responsibility of Banking Institutions of the China Banking Association (CBA)*; *The Guidelines of the Shanghai Stock Exchange on Environmental Information Disclosure of Listed Companies* and *The Guidelines for the Preparation of Reports on Performance of Corporate Social Responsibilities of the Shanghai Stock Exchange*; *SEHK Environmental, Social and Governance Reporting Guide* and other relevant opinions.

Data

Some financial data in this Report were originally included in the Bank's annual financial statement for 2019 (which had been audited by PWC). Other data mainly originates from internal system statistics and the affiliates of the Bank for 2019.

Assurance method

To ensure its truthfulness and reliability, this Report is submitted to PWC for limited assurance of the key data disclosed therein in accordance with *The International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

Publication

This Report is released both in hardcopy and electronic form. The latter is available at our official website (www.abchina.com).

This Report is published in Simplified Chinese, Traditional Chinese and English. If there is any conflict or inconsistency between the three versions, the Simplified Chinese version shall prevail.

References

For readability, the "Agricultural Bank of China", "ABC" and "the Bank" in this report refer to the Agricultural Bank of China Limited.

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Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2019. To provide you and other stakeholders with more valuable information and improve our ability to fulfill CSR, we sincerely welcome any opinions and suggestions you may offer on the report.

Which of the following stakeholder types apply to you?

☐Government ☐Regulatory Organizations ☐Shareholder and Investor
☐Customer ☐Employee ☐Supplier and Partner ☐The Public and Community ☐NGO ☐Others ()

Do you think the report covers all that you expect to see about the CSR work of Agricultural Bank of China?

☐Yes ☐No, what else do you expect to see in the report ()

How do you think the content and layout design of the Report in readability?

☐Very good ☐Average ☐Poor

What other opinions and suggestions do you have on our social responsibility work and this CSR Report?

In 2019, we have selected 18 key CSR topics by studying their importance to the sustainable development of Agricultural Bank of China and importance to stakeholders. We will report on these key topics in future reports. Please select five topics that you are most concerned about.

We will prioritize these topics according to the feedback and respond in future CSR fulfillment and report compilation.

- ☐Serving agriculture
- ☐Serving rural areas
- ☐Serving farmers
- ☐Financial poverty alleviation
- ☐Serving national strategies
- ☐Serving people's livelihood
- ☐Serving the development of emerging industries
- ☐Inclusive finance
- ☐Green finance
- ☐Green operation
- ☐Protecting the rights and interests of customers
- ☐Improving service quality
- ☐Protecting the rights and interests of employees
- ☐Promoting the development of employees
- ☐Caring for the employees
- ☐Popularizing financial knowledge for the public
- ☐Emergency relief and reconstruction
- ☐Others _____



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