

Agricultural Bank of China
Corporate Social Responsibility
Report 2020

March 2021

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Preface

“Besides economic and legal duties, an enterprise should also assume social and moral responsibilities. All enterprises exist within the society, and carry social attributes. On the social stage is where entrepreneurs show their talents, only those who sincerely repay the society and fulfill their social responsibilities can be truly recognized by the society, and can meet the requirements of the times.”

– President Xi Jinping

Message from the Chairman

Chairman of Agricultural Bank of China

Gu Shu

In 2020, facing the coronavirus pandemic, the worst pandemic in a century, and severe and complex economic and financial situations, Agricultural Bank of China followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and implemented the decisions and deployment of the CPC Central Committee and the State Council, to actively cope with risks and challenges. We made every effort to prevent and control the epidemic, to offer financial services, and to manage business operations. In doing so, we contributed to winning the battle of epidemic prevention and control, obtaining a decisive victory in poverty alleviation, and building a moderately prosperous society in all respects.

Joining Hands to Battle Against COVID-19

Facing the sudden outbreak of the coronavirus epidemic, the CPC Central Committee with Comrade Xi Jinping at its core, put people first and life first, led the nation in an all-out people's war against the virus. Our nation has achieved major strategic outcomes in the battle against the virus, and created another remarkable feat in mankind's struggles against diseases. During this process, ABC responded promptly to orders and was fully committed in the fight against the epidemic. With a strong sense of responsibility, we implemented various prevention and control measures in a solid and meticulous manner, weaved a tight net for epidemic containment, thus building a firm line of defense for life. We took the lead in issuing anti-epidemic policies, opened green channels for companies involved in epidemic prevention and control, and provided full support for the resumption of work and business activities in all walks of life. We lent a helping hand to the people of Hubei, and Wuhan, organized our staff to donate money and goods to the frontline of the epidemic, and provided exclusive financial services to the doctors and nurses marching straight into the center of the epidemic. ABC employees fought bravely on the frontline to contain the epidemic and to provide financial services. Uniting personal stake, collective honor and national interest as one, ABC employees have vividly interpreted the great anti-epidemic spirit with practical actions.

Shouldering Responsibilities to Fully Reduce Poverty

In the closing year for winning a decisive victory in poverty alleviation, ABC resolutely responded to the call of the CPC Central Committee. With the greatest determination, we made the utmost and unrelenting efforts to advance financial poverty alleviation. As we increased our loan issuance, the balance of loans for 832 key poverty alleviation counties administrative organizations pairing- assistance in Party building reached RMB 1.28 trillion, a 17.6% increase, 3.4 percentage points higher than the Bank's average growth rate; the balances of loans for targeted poverty alleviation, counties in extreme poverty, and 52 poor counties under strict supervision grew by 22.7%, 21.5%, and 36%, respectively, bring into play ABC's leading role in financial poverty alleviation. Solid progress has been made in east-west collaborative poverty alleviation, consumption-based poverty alleviation, targeted poverty alleviation, education-based poverty alleviation. The "Poverty Alleviation E-Mall" has offered an online sales platform for agricultural products from poverty-stricken

areas. Over the past three years, the “Golden Dream” college student subsidy program has funded more than 10,000 poor students. From the high altitude and hypoxic snowy plateau to the remote and inaccessible mountain villages, ABC poverty alleviation officials paired up with the poor, treated them like family, and led them out of poverty. These officials poured their heart and soul into poverty alleviation, leaving ABC’s footprints on the road to the comprehensive eradication of poverty. At the National Poverty Alleviation Summary and Commendation Conference, three ABC employees and five ABC institutions were awarded honors. They are our pride, and only a few of millions of ABC anti-poverty workers.

Focusing on “Sannong” Areas to Support Rural Revitalization

Rural revitalization is a must for national rejuvenation. “Born” because of agriculture and developed because of agriculture, ABC holds the honorable mission to serve “Sannong” and support rural revitalization. We fully implemented the strategic planning of rural revitalization, unswervingly allocated financial resources to “Sannong” areas, and firmly committed ourselves to serving, benefiting and facilitating agricultural development. By doing so, we strived to act as a major national financial service provider for “Sannong” and rural revitalization. Around the goals of high-quality and high-efficiency agricultural development, construction of livable and pro-business villages, and affluent farmers, we provided more support for key areas such as modern agriculture, food safety, and weak links in county-level infrastructures, and maintained the rapid growth of county-level loans. In 2020, our balance of county-level loans exceeded RMB 5 trillion, a 16.5% growth from the previous year, remaining higher than the average growth of all our loans. We vigorously promoted “the Fruit Loan”, “the Tea Loan”, “the Chinese Medicinal Herb Loan” and other specialty products based on the characteristics of agricultural and rural industries in order to leverage financial resources to help revitalize rural industries. In 2020, our loans to leading agricultural industrial enterprises, personal loans to production and businesses in rural areas, and loans to large and specialized agricultural family operations all grew by more than 20% from the previous year. We devoted major efforts to market our online product, “Hui Nong e-Loan”, giving financial “Sannong” services technological wings. In 2020, the balance of “Huinong e-Loans” exceeded RMB 350 billion, increasing by 79% from the previous year and benefiting 2.76 million rural households in the generation and increase of income.

Practicing Inclusive Finance to Serve People’s Livelihood

Facing the unprecedented economic and social impacts from the epidemic, ABC, under a consistent people-centered development philosophy, established a firm concept of finance for the people, and took a combination of measures to benefit the real economy. By doing so, we strived to be a leader in inclusive finance. We continuously optimizing the inclusive finance service system driven by the two wheels of “Sannong + Inclusive Finance”, created differentiated micro-credit loan policies and business processes, and improved the product system of “Small and Micro e-Loan”. We made efforts to enlarge loan coverage, increase loan amount, and reduce costs. At the end of 2020, our balance of inclusive finance loans for micro and small enterprises reached RMB 961.52 billion, up by 62% from the previous year; we granted inclusive loans to over 300 thousand micro and small corporate customers. We took every means to ensure security of main bodies of the market, job and basic living needs. We actively deferred payment of principal and interest on loans for

small and medium enterprises affected by the epidemic, and took a multi-pronged approach to help companies tie-over difficult times. We vigorously developed consumer finance for people's livelihood. The balances of loans for culture, education, medical care, and health grew rapidly, and solid achievements were made in protecting consumer rights and interests. We strengthened FinTech empowerment, comprehensively promoted digital transformation, and improved our online operations capabilities. With technology, we made financial services more inclusive, more accessible, and more efficient.

Developing Green Finance for a “Beautiful China”

As General Secretary Xi Jinping emphasized, “Clear waters and green mountains are as valuable as mountains of gold and silver.” Green is ABC's prominent background color, and we have a bounden duty to develop green finance. We consistently adhere to the concept of green and sustainable development and deeply implement the Green Finance Development Plan and relevant ESG requirements, striving to grow into a leading bank of green finance. In the key areas such as green transportation, clean energy, ecological and environmental protection, we continued to increase the granting of green credit, sped up to innovate green bonds, green funds, carbon financing and other products, and continuously improved our green finance service capabilities. We followed closely with the national adjustment on industrial and energy structures, strengthen credit control in industries with heavy pollution and high energy consumption. We granted new loans to companies with low emissions, and reduced loans of companies that have environmental risks, thus facilitated green and low-carbon transformation. In 2020, our balance of green credit loans was 1.51trillion.

The year 2021 marks the centenary of the founding of the Communist Party of China, and the first year of the 14th Five-Year Plan period in which we embark on a new journey to build China into a modern socialist country in all respects. 2020 is also the 70th anniversary of the founding of ABC. After many battles and trials, we are more grateful, more appreciative and more aware of the heavy social responsibilities as a state-owned commercial bank. Facing the new journey and new mission, we will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and always with the Party and the State in mind when strategizing our own work. We will ground our efforts in the new development stage, apply the new development philosophy, serve the new pattern of development, and provide solid financial services for “Sannong” areas and the real economy. ABC strives to take the lead in the tide of the times, and contribute strength to building China into a modern socialist country in all respects and realizing the Chinese Dream of national rejuvenation.

Message from the President

President of Agricultural Bank of China

Zhang Qingsong

In the past year, Agricultural Bank of China fully implemented the decisions and deployment of the CPC Central Committee and the State Council, and strictly followed financial regulatory requirements. Under the new development philosophy of “innovation, coordination, green development, opening up and sharing”, we coordinated epidemic control and prevention with business operation and management, and completed the task of financial poverty alleviation. Remarkable results have been made in serving “Sannong” and the real economy. New progress has been made in digital transformation. The foundation for sustainable development has been further consolidated. While serving national strategies and repaying society, we have achieved good business performance. In 2020, our major operational indicators remained among the top in the industry. Our total assets reached RMB 27.21 trillion, and generated a net profit of RMB 216.40 billion. Our ability to create comprehensive value and serve society improved continuously.

Keeping in mind our responsibilities, completing the mission of financial poverty alleviation.

As the only state-owned commercial bank among the members of the State Council Leading Group for Poverty Alleviation and Development, we earnestly fulfilled our responsibilities and mission in financial poverty alleviation. Focusing on extreme-poverty areas and the 52 remaining impoverished counties, we inspired bank-wide engagement and invested policy resources to the fullest, in our endeavor to help the poverty-stricken areas to be lifted out of poverty as scheduled. We continued to grant more credit funds. At the end of 2020, the balance of loans for the 832 key state-level poverty alleviation counties stood at RMB 1.28 trillion. Of that, the balance of loans for targeted poverty alleviation, counties in extreme poverty, and the 52 remaining impoverished counties under strict supervision reached RMB 483.58 billion, RMB 489.13 billion and RMB 77.60 billion and increased by 22.7%, 21.5%, and 36%, respectively, lifting a total of 16.46 million poor people out of poverty. We worked to change the impoverished people’s minds and to support local educational programs. We deepened collaboration on poverty alleviation between the eastern and western regions, boosted employment, and launched the “Golden Dream” subsidy program for impoverished college students. Through such non-credit-related actions for poverty alleviation, we gathered extensive resources to fully stimulate the internal motivation of poverty alleviation in poor areas. We created the e-commerce brand, “Poverty Alleviation E-Mall”, directly purchased RMB 305 million of agricultural products from poor areas, 4.3 times more than that of 2019, and helped sell RMB 1.67 billion of such products, 2.3 times more than that of 2019. ABC continuously extended our service channels, with 86 new physical outlets and 48 self-service banks newly opened; 43 mobile service vehicles were used in poverty-stricken areas; 89.5% of the 832 key state-level poverty alleviation counties were covered by “Hui Nong Tong” electronic devices. Taken into account of realistic situations in impoverished

areas and in areas with ethnic minorities, we developed and launched functions such as fingerprint signature, voice and text navigations in ethnic minority languages for super counters and cash-based self-service devices at outlets. In doing so, we provided warm financial services for people in impoverished areas.

Allocating targeted financial resources to the focused areas in the real economy.

Focused around the deployment of epidemic control and prevention, and to ensure stability on six key fronts and maintain security in six key areas, ABC continued to provide greater credit support for the key areas and weak links of the real economy, and strived to make our financial services more targeted, direct and effective. Throughout the year, the new loans for the real economy reached a record high of RMB 1.8 trillion. We timely issued a package of financial service policies and measures for epidemic prevention and control, fully meeting the financing needs of key anti-epidemic companies. In serving national strategies, we put forward plans to support the construction of the Hainan Free Trade Port and the Guangdong-Hong Kong-Macao Greater Bay Area, and fully supported China's regional development strategy and "the Belt and Road Initiative". In implementing the requirements of ensuring stability on operations of market entities, ABC provided private, micro and small enterprises with fee reduction and concessions, deferred repayment of principal and interest, and we actively supported the production resumption, transformation and upgrading of the manufacturing sector. Throughout the year, the new inclusive loans for micro and small enterprises reached RMB 369.2 billion, up by 62%, and the comprehensive financing cost decreased by 0.93 percentage point. In serving the replacement of old growth drivers with new ones, we made progress in financial service provision for innovative high-tech enterprises; we maintained a rapid growth momentum in the loans for modern manufacturing, strategic emerging industries, modern services, and people's livelihood consumption. Such financial efforts have driven the high-quality development of the real economy.

Holding to main responsibility and business to fully serve the rural revitalization strategy.

ABC has closely aligned ourselves with the rural revitalization strategy, and provided ever-greater financial support for the areas such as national food security, integrated development of rural industries, and construction of beautiful and livable villages. At the end of 2020, the balance of loans for food security reached RMB 117.3 billion, the balance of loans for new agricultural business entities reached RMB 371.2 billion, and the balance of loans for county-level urbanization reached RMB 862.3 billion, increasing by 30.19%, 25.45%, and 17.66%, respectively. In recent years, with redoubled efforts to innovate financial products for "Sannong", we have introduced a total of 230 financing instruments such as loans for industrial and agricultural parks, loans for industries, etc., covering all key areas of rural revitalization. Following the trend of digital rural development, ABC began the registration of farmer information, developed a complete set of online procedures for "Huinong e-Loan", and deeply refined the comprehensive service platform, "Hui Nong e-Merchant". By doing so, we strived to build a digital banking ecosystem providing the best inclusive financial services for "Sannong". Keeping pace with the reform of rural ownership, ABC vigorously promoted the management platform of rural collective funds, assets and resources. Currently, this online platform has been launched in 439 counties across

the country, promoting the deep integration of agriculture-related financial services and rural governance.

Strengthening technological empowerment to provide higher-quality and more efficient financial services.

Remaining committed to the people-centered development philosophy, we took people's satisfaction as our starting point and ultimate goal in developing FinTech. We followed the "Internet-based, data-based, intelligent and open" development idea to make outlets more intelligent and optimize the functions of online platforms. At the end of 2020, 69 5G Smart Banking branch outlets were built, and 7,309 outlets were introduced with "digital empowerment"; the number of monthly active mobile banking customers exceeded 100 million, and our financial services have become more personalized and convenient. During the epidemic, to cope with the inconvenience of offline financial services, we instructed customer managers to use online channels to introduce themselves to customers and provide timely services such as dealing with maturing products, insurances, and utility bill payments. Under the trend of faster economic and social digital transformation driven by the epidemic, we actively developed various scenarios such as smart medical care, smart government affairs and smart education. Throughout the year, ABC made a net increase of 80,500 in the number of Internet scenarios, striving to provide customers with integrated end-to-end financial services.

Developing Green Finance to help build a "Beautiful China".

Consistently upholding green development philosophy, ABC participated in financing the National Green Development Fund, innovated in green finance, and guided the flow of financial resources towards green industries, fully committed ourselves to building a beautiful China. At the end of 2020, the balance of green credit was RMB 1.51 trillion; 4 green bonds were issued, with RMB 2.78 billion of funds raised. In serving pollution prevention, we took various measures such as industry quota management, strict access standards, and more intense removal of customers with potential risks, to control the total credit lines. ABC put the national plans for the construction of pilot zones for green finance reform and innovations thoroughly into practice. The branches in these zones were encouraged to provide relevant pilot green finance services to create models in the area. We vigorously promoted paperless and green office, organized volunteers across the Bank to participate in various public welfare activities for environmental protection such as tree planting and the "Clean Your Plate" campaign 3,397 times. Through these efforts, we advocated and practiced the initiative to build our beautiful homeland.

The year 2021 is the first year of the 14th Five-Year Plan period and the key year for us to embark on a new journey to build China into a modern socialist country in all respects and march towards the second centenary goal. Looking ahead to the new year, we will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, ground our efforts in the new development stage, apply the new development philosophy, and serve the creation of a new pattern of development. Under the general principle of pursuing progress while ensuring stability, we will increase our services for "Sannong" and the real economy, speed up our own high-quality development, and strive to build a world-class commercial bank

group. By doing so, we will make new contributions to the sustainable economic, social and environmental development.

Message from Chairman of Board of Supervisors

Chairman of Board of Supervisors of Agricultural Bank of China

Wang Jingdong

The year 2020 was an extraordinary year in the history of the People's Republic of China. It was a year that Agricultural Bank of China overcame many difficulties and achieved important progresses. In the past year, we followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era closely, and put the guiding principles of the 19th National Congress of the CPC and the Second, Third, Fourth, and Fifth Plenary Sessions of the 19th Central Committee thoroughly into practice. Focusing on the goal of building a moderately prosperous society in all respects, we have pursued progress while ensuring stability. We have adhered to the new development philosophy, and taken Party building as the overarching principle, in an endeavor to advance the high-quality development in all of our undertakings. We have demonstrated our responsibilities as a major state-owned bank in supporting epidemic prevention and control, serving the real economy, facilitating poverty alleviation, developing inclusive finance, forestalling risks and other aspects.

Strengthening Leadership of Party Building to Forever Preserve Political Character

ABC has consistently upheld Party's leadership as a major political principle. We fully and rigorously exercised the Party's self-governance, and took enhancing the Party's political building as the overarching principle. We continued to arm ourselves with Party's new theories and consolidated, and expanded the educational outcomes of the campaign on the theme of "staying true to our founding mission". We strengthened the Party's organizational system, and trained a contingent of competent and professional officials and talents. We consolidated a sound and righteous political atmosphere within, improved the quality of Party building on all fronts, and laid a solid foundation for our reform and development.

ABC has consistently taken epidemic prevention and control as a major political responsibility. We resolutely implemented deployment of the CPC Central Committee and the State Council, established and refined relevant leadership and working mechanisms, and carried out various measures in a meticulous manner. In doing so, we built a solid line of defense for epidemic prevention and control. Our officials and employees took the initiative to tackle the difficulties by introducing targeted policies and measures, donate funds and goods to the anti-epidemic frontline, provide solid financial services to fully support epidemic containment and work resumption. ABC lived up to the expectations of both that of the Party and of the people.

We have consistently taken financial poverty alleviation as a major political task. For the areas in extreme poverty and the 52 remaining impoverished counties under strict supervision, ABC continued to input greater policy resources and strived to provide enhanced financial services. We tried our best to help solve the poor sales of agricultural products in poverty-stricken areas due to the epidemic, especially in Hubei Province. We solidly promoted the poverty alleviation collaboration between the eastern and western regions, targeted poverty alleviation, and education-based poverty alleviation, and administrative organizations pairing-assistance in Party

building with impoverished areas. With these all-out efforts, we fought to win the final decisive victory in poverty alleviation. For the interest of the general people, our poverty alleviation officials sacrificed their personal interests and struggled on the frontline. Their wholehearted dedication and hard work helped to put smiles on the faces of the impoverished locals.

Focusing on the Real Economy to Support the National Strategies

ABC has consistently taken serving the real economy as our starting point and ultimate goal. We continuously served the main tasks of the supply-side structural reform and focused on the key areas and weak links of economic and social development. We optimized our credit resource allocation and tilted financial resources toward “the Belt and Road Initiative”, the coordinated development of Beijing-Tianjin-Hebei, the integrated development of the Yangtze River Delta, the development of Guangdong-Hong Kong-Macao Greater Bay Area and Xiongan New Area, as well as other major regional development strategies. We provided greater support for advanced manufacturing, strategic emerging industries, modern services and other new driver areas, facilitating the high-quality development of the real economy.

We have consistently taken serving “Sannong” development as our historical mission. In fully implemented the rural revitalization strategy, we provided thorough financial services in terms of the “Seven Actions”: to serve the national food security strategy, rural industrial integration, reform of rural ownership system, poverty alleviation, construction of beautiful and livable villages, county-level happiness industries, “Sannong” and county-level green development. We offered higher-quality Internet financial services for “Sannong” and “No.1 Project”, and further promoted the brand of “Huinong e-Loan”, well playing the role of the leading force in serving “Sannong” and county development.

ABC has consistently taken developing inclusive finance as our due responsibility. We innovated our service models and product systems, made financing accessible and affordable, and expanded the granting scope and amount of inclusive loans for micro and small enterprises at a lower cost. Facing the impact of the epidemic, we fully carried out the policy requirements to ensure the operations of main market entities are security. We adopted every means to help small and medium-sized enterprises. The policy of deferred principal and interest payments was introduced for the small and medium-sized enterprises affected by the epidemic, and extended to all inclusive micro and small enterprises when possible.

Innovating Services and Products and Forestalling Risks

ABC has always taken digital transformation as our driving force. Adhering to the customer-centered approach, we built smart banks with first-class customer experience and fully promoted the high-quality development of online credit businesses. We improved the mobile banking service experience and expanded to smart government affairs, smart campuses, smart medical care and other various financial service scenarios. We relied on technology empowerment to provide the people with high-quality and efficient financial services and to better meet their diverse financial needs.

We have consistently upheld a customer-centered operation philosophy. While going

all out to maintain consumers' rights and interests, we actively launched programs to publicize financial knowledge so that the general population can better understand finance, and develop stronger risk prevention awareness. We redoubled efforts to build our volunteer teams, organized a variety of social welfare activities, and encouraged organizations and employees at all levels to care for vulnerable groups, to actively participate in public charity, and to contribute to people's well-being and social harmony.

ABC has consistently taken financial risk prevention and control as our eternal theme. We thoroughly implemented the CPC Central Committee's decisions and plans on forestalling and defusing major risks. We refined the lines of defense for financial security and the risk emergency response mechanism. We innovated our risk management concepts and methods and enhanced our risk management capabilities. We vigorously advocated and practiced our core values of "Integrity, Stability and Sound Operation" to resolutely safeguard state-owned financial assets.

Embarking on a new journey to build China into a modern socialist country in all respects, we will firmly carry out all decisions and deployment of the CPC Central Committee and the State Council, and stay true to our original aspiration. ABC will overcome difficulties, forge ahead with resolve, and celebrate the centenary of founding of the CPC with outstanding achievements!

About Us

1. Company Overview

The predecessor of the Agricultural Bank of China (“ABC” or “the Bank”) was the 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. The Bank conducts financial market businesses and asset management. Our business scope also includes, among other things, investment banking, fund management, financial leasing and life insurance.

In 2020, the Bank ranked No.35 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 22,938 domestic branch outlets at the end of 2020, 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 five branches directly managed by the Head Office), 396 tier-2 branches (including business departments of branches in provincial capitals and business departments of provincial branches), 3,372 tier-1 sub-branches (including business departments of branches in municipalities, business departments of branches directly managed by the Head Office and tier-2 branches), 19,073 foundation-level branch outlets and 51 other establishments. Our overseas branch outlets consisted of 13 overseas branches and 3 overseas representative offices. The Bank had 16 major subsidiaries, including 11 domestic subsidiaries and 5 overseas subsidiaries.

The Bank had total assets of RMB 27,205,047 million, loans and advances to customers of RMB 15,170,442 million and deposits from customers of RMB 20,372,901 million. Our capital adequacy ratio was 16.59%. The Bank achieved a net profit of RMB 216,400 million and paid RMB 104.002 billion in taxes, which contributed to RMB 2.34 of social contribution value per share.

2. 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.

3. 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, Fourth and Fifth Plenary Sessions of the 19th CPC Central Committee, and puts the general requirements for Party building fully into practice. It adheres to the Party’s political building as the overarching principle, and strengthens Party building within the system on all fronts. The Bank commits itself to fostering competent officials who are loyal to the Party, have moral integrity, and demonstrate a keen sense of responsibility, and to mobilizing the enthusiasm, initiative, and creativity of the entire staff. By doing so, the Bank has better contributed to winning a decisive victory in building a moderately prosperity society in all respects, in poverty alleviation, in coordinating epidemic prevention and control on a regular basis, and economic and social development.

Priorities in Party Building

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

- Implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and leading all Party members and officials towards more stringent compliance with “Four Consciousnesses”, “Four Confidences”, and “Two Upholds”.
- Consolidating and deepening the achievements in the educational campaign on the theme “staying true to our founding mission” to contribute to the cultivation of a tense atmosphere where all the employees stick to our found mission and assume responsibilities bravely.
- Carrying out seminars on the guiding principles of the Fifth Plenary Session of the 19th CPC Central Committee ,and the rotation training for officials

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

- Issuing the *List of Primary Responsibilities of Party Committee of Agricultural Bank of China for Full and Strict Party-governance* with specified detailed requirements.
- Issuing the *Measures to Review and Evaluate the Reporting from Secretaries of All*

Levels of Party Organizations of Agricultural Bank of China on Primary-level Party Building, to ensure solid and strict fulfillment of Party building responsibilities.

Having Party members play their roles in urgent, difficult and dangerous tasks

- Mobilizing all employees, including Party members, officials and general clerks, to devote every effort to epidemic prevention and control, and financial poverty alleviation.
- Urgently allocating an anti-epidemic Party fund of RMB 10 million at the beginning of the year, timely granting party organization work funds, and organizing 247,000 Party-member employees to donate RMB 23.93 million.
- Establishing Party Member Vanguard Teams, Task Forces and Service Teams, and promptly accepting 761 employees who performed actively and excellently in epidemic prevention and control as Party members.

Advancing the building of primary-level Party organizations

- Carrying out the activity of “Quality Improvement Year for Primary-level Party Building” to promote the standardization of primary-level Party organizations, and to deeply integrate primary-level Party building with business operations.
- Advancing the implementation of the five-year education and training plan for Party-member employees, and solidly conducting the three programs of the “Leader”, the “New Force” and the “Benchmark”.
- Compiling and releasing *Excellent Regulations on the Work of Party Branches*, *Prominent Plans for Party Day Activities*, and *Remarkable Cases of Pairing with Primary-level Party Organizations for Joint Party Building*.
- Fully launching the activity of “Party Lecture” ,and the online program, “Party Branch Secretary’s Live Class”.



Note: Ningxia Branch sets up a Party-member Vanguard Team to fight on the frontline of epidemic prevention and control. (Photo by Zhang Yinghan)



Note: The “Voluntary Agricultural Aid Team” made up of Party-member employees of the ABC Fenghuang Branch in Hunan helps farmers with the autumn harvest. (Photo by Xiong Dejun)



Note: To address the difficulties of accessing affordable financing in farming and pastoral areas, ABC Inner Mongolia Branch launched a special poverty alleviation program, “Mobile Service Teams and Loan Support for Villages”. The Bank dispatched numerous Anti-Poverty Pioneer Teams composed of ABC Party-member employees to all towns (“Sumu” in Mongol) and administrative villages (“Gacha” in Mongol) in Inner Mongolia, to provide mobile services for the local residents. At the end of 2020, the Bank dispatched 355 pioneer teams to the towns and villages across Inner Mongolia and granted a total of RMB 48.80 billion of loans to farmers. These loans covered all towns and 89.97% of administrative villages in the autonomous region, supported 365,700 farmers and herders, and benefited 91,100 registered impoverished households. In the photo, the Pioneer Team of the Shangdu County Sub-branch in Ulanqab, Inner Mongolia, is going deep into the pastoral areas to provide financial services. (Photo by Liu Yong)

4. Key Performance Indicators

Economic Performance

| Indicators | 2018 | 2019 | 2020 |
|---|------------|------------|------------|
| Total assets (RMB 100 million) | 226,084.52 | 248,774.91 | 272,050.47 |
| Total loans and advances to customers (RMB 100 million) | 119,403.22 | 133,603.42 | 151,704.42 |
| Non-performing loan ratio ¹ (%) | 1.59 | 1.40 | 1.57 |
| Capital adequacy ratio ² (%) | 15.12 | 16.13 | 16.59 |
| Net profit (RMB 100 million) | 2,026.31 | 2,129.24 | 2,164.00 |
| Return on average total assets ³ (%) | 0.93 | 0.90 | 0.83 |
| Return on weighted average net assets ⁴ (%) | 13.66 | 12.43 | 11.35 |
| Taxes ⁵ (RMB 100 million) | 838.32 | 929.81 | 1,040.02 |
| Shareholders' equity (RMB 100 million) | 16,747.87 | 19,538.61 | 22,107.46 |
| Shareholders' dividends ⁶ (RMB 100 million) | 608.62 | 636.62 | 647.82 |

¹ The NPL ratio is calculated by dividing the balance of nonperforming loans (excluding accrued interests) by the total loans and advances to customers (excluding accrued interests).

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, added-value tax and other taxes.

⁶ Dividends of ordinary shareholders (tax included).

Environmental Performance

| Indicators | 2018 | 2019 | 2020 |
|---|----------|----------|----------|
| Electronic channel financial transactions as proportion of total transactions (%) | 98 | 98 | 99 |
| Balance of green credit ⁷ (RMB 100 million) | 10,504 | 11,910 | 15,149 |
| Water consumption per capita in Head Office ⁸ (m ³ /person) | 44.31 | 47.61 | 46.88 |
| Electricity consumption per capita in Head Office ⁹ (kwh/person) | 5,866.87 | 6,042.16 | 5,931.81 |
| Gas consumption per capita in Head Office ¹⁰ (m ³ /person) | 63.04 | 62.82 | 48.15 |

Social Performance

| Indicators | 2018 | 2019 | 2020 |
|---|------|------|------|
| Social contribution value per share ¹¹ (RMB) | 2.06 | 2.27 | 2.34 |

⁷ The data of green credit businesses at the end of 2020 was calculated under the statistical scope the China Banking and Insurance Regulatory Commission (CBIRC) specified for green financing in 2020, and the data of green credit businesses at the end of 2018 and 2019 was calculated under the statistical scope the CBIRC specified for green credit in 2013.

⁸ The calculation scope of water consumption in Head Office covered the Southern and Northern Building of ABC Plaza, Fengtai Science and Technology Plaza and the office building at Zhanlan Road.

⁹ 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, Glorious Oriental Plaza and office buildings at Gongzhufen and Zhanlan Road.

¹⁰ The calculation scope of gas consumption in Head Office covered the Southern and Northern Building of ABC Plaza, Fengtai Science and Technology Plaza, and the office building at Zhanlan Road.

¹¹ Social contribution value per share = basic earnings per share + (taxes + employee compensation and benefits + interest expense + amount of donations)/capital stock

| | | | |
|---|-----------|-----------|-----------|
| Total county area loans and advances (RMB 100 million) | 40,058.82 | 45,528.09 | 53,053.05 |
| Balance of farmer loans ¹² (RMB 100 million) | 2,499.87 | 3,219.68 | 4,352.67 |
| Number of county-level branch outlets | 12,622 | 12,566 | 12,599 |
| Total Huinong Cards issued (Million) | 216.01 | 223.98 | 230.79 |
| Proportion of administrative villages covered by "Hui Nong Tong" electronic devices in the 832 key targeted counties in the state poverty alleviation program (%) | 69.8 | 86.6 | 89.5 |
| Balance of inclusive loans for micro and small enterprises ¹³ (RMB 100 million) | 3,744 | 5,923 | 9,615 |
| Balance of loans of village & township banks (VTBs) ¹⁴ (RMB 100 million) | 15.03 | 16.26 | 17.95 |
| Total amount of donations ¹⁵ (RMB 10,000) | 6,686 | 11,900 | 19,917 |

¹² Balance of farmer loans: including the balances of micro loans for farmers (offline), personal loans to production and businesses in rural areas (offline), loans for farmers purchasing or building houses, and “Huinong e-Loan”, etc.

¹³ 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 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).

¹⁴ 6 village and township banks (VTBs).

¹⁵ The amount of donations means the amount donated by the Bank (domestically) and does not include the amount donated by its employees.

| | | | |
|---|-----------|-----------|-----------|
| Total loans to western regions ¹⁶ (RMB 100 million) | 26,407.13 | 29,704.70 | 33,538.20 |
| Balance of loans to ethnic minority areas ¹⁷ (RMB 100 million) | 7,366.85 | 8,169.01 | 9,350.18 |
| Balance of loans for affordable housing projects (RMB 100 million) | 2,001.20 | 2,410.89 | 2,597.88 |
| Total number of employees | 473,691 | 464,011 | 459,000 |
| Total number of county-level employees | 200,556 | 194,892 | 191,354 |
| Proportion of female employees (%) | 46.1 | 45.6 | 45.3 |
| Proportion of ethnic minority employees ¹⁸ (%) | 8.40 | 8.49 | 8.49 |
| Total number of employee trainings (10,000 person/times) | 97.95 | 78.73 | 89.58 |
| Number of employees overseas ¹⁹ | 961 | 1,024 | 1,012 |
| Total number of domestic branch outlets | 23,381 | 23,149 | 22,938 |

Feature One: Meeting the Mission of Poverty Alleviation with Remarkable Performance

As the only commercial bank among the members of the State Council Leading Group for Poverty Alleviation and Development, ABC always keeps in mind its responsibility and mission in financial poverty alleviation. Under the basic strategy of “targeted poverty alleviation”, the Bank gives full play of its advantages as a large state-owned bank, invests various policy resources to the fullest to help secure an all-round victory in poverty alleviation.

¹⁶ Western regions included Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

¹⁷ Ethnic minority areas included Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

¹⁸ Comprehensive operation subsidiaries and rural banks was newly included in the statistical scope of 2020.

¹⁹ “Overseas” included overseas subsidiaries, representative offices and subsidiaries.



Note: Scan the QR code to watch ABC's poverty alleviation documentary, *Commitment*.

Events in Poverty Alleviation

2014-2016 Top design and meticulous deployment

- In October 2014, ABC signed the *Financial Poverty Alleviation Cooperation Agreement* with the State Council Leading Group Office for Poverty Alleviation and Development.
- In December 2015, the Head Office established the Poverty Alleviation and Development Banking Department, responsible for coordinating and managing the Bank's financial poverty alleviation and development work.
- In January 2016, ABC established a leading group for financial poverty alleviation and issued the *Opinions of Agricultural Bank of China on Doing a Good Job in Financial Poverty Alleviation in the 13th Five-Year Plan Period*.
- In March 2016, ABC issued the *Policies of Agricultural Bank of China on Supporting Fixed-Point Poverty Alleviation*.

2017-2018 Bank-wide engagement and comprehensive actions

- In October 2017, ABC held a meeting to promote its financial poverty alleviation in areas in extreme poverty.
- In January 2018, ABC launched the "Thousand Talents Plan" to recruiting fresh college graduates from poor families in areas in extreme poverty.
- In April 2018, the Head Office included Leishan and Taijiang in Guizhou, Weiyuan and Zhouqu in Gansu and Shicheng in Jiangxi into its assistance scope.
- In June 2018, ABC launched the "Golden Dream" subsidy program to support college students from the areas in extreme poverty.
- In August 2018, ABC developed ten models for financial poverty alleviation: micro-credit, government credit enhancement, leading enterprise reliance, featured industry development, tourism development, livelihood project construction, Internet finance, professional cooperatives reliance, employment,

and photovoltaic project construction.

- In December 2018, ABC held a meeting to promote east-west cooperation in poverty alleviation.

2019-2020 Perseverance efforts in building a moderately prosperous society in all respects

- In March 2019, ABC issued the *Opinions on Further Enhancing Financial Products Innovation for Poverty Alleviation*, the *Opinions on Implementation of Poverty Alleviation through Consumption*.
- In April 2019, ABC issued the *Twenty Measures of Agricultural Bank of China on Supporting Poverty Alleviation in Areas in Extreme Poverty*, and the *Action Plan of Agricultural Bank of China on Providing Financial Support for Poverty Alleviation Collaboration between the Eastern and Western Regions*.
- In May 2019, ABC issued the *Implementation Plan of Agricultural Bank of China on Launching the Campaign of “Double Hundred” Officials and Talents Pairing Assistance*.
- In July 2019, ABC publicized a *Collection of New Models and Cases of Financial Poverty Alleviation by Agricultural Bank of China*, with 25 models of financial poverty alleviation summarized and promoted.
- In March 2020, ABC issued the *Opinions on Providing Solid Financial Services for Poverty Alleviation in 52 Poverty-stricken Counties and 1,113 Poverty-stricken Villages under the Supervision of the State Council Leading Group of Poverty Alleviation and Development*.
- In May 2020, ABC issued the *Plan for Establishing Special Task Forces with Stronger Supervision on Sub-branches’ Financial Poverty Alleviation Efforts in 52 Counties Remaining Impoverished*.
- In October 2020, ABC held a press conference titled as “ABC Strength on the Road of Poverty Alleviation”, and with contributing to winning a decisive victory in financial poverty alleviation as the main theme.

Honors

In recent years, the Bank has assigned over 2,400 Party members and officials to poor villages for pairing assistance. Living, eating and working together with the poor, these officials made earnest efforts to solve local peoples’ problems, and thus received the titles of “Pepper Secretary”, “Oil-tea Camellia Secretary”, and “Yak Secretary” from the local people. Their endeavors served as a strong guarantee for meeting the goals of poverty alleviation. On February 25, 2021, at the National Poverty Alleviation Summary and Commendation Conference held in the Great Hall of the People, three ABC employees were honored as “National Outstanding Individuals in Poverty Alleviation”, and five ABC institutions were honored as “National Outstanding Institutions in Poverty Alleviation”.

National Outstanding Individuals in Poverty Alleviation

Geng Jianguo Customer Manager, Personal Loan Center, Yangxin Sub-branch in Shandong

Long Jun Work Team Leader and First Secretary stationed in Yangping Village, Maogou Town, Baojing County, Hunan Province and Assistant Economist of Comprehensive Management Department of Baojing Sub-branch in Hunan before his death

Fu Zhiqiang First Secretary stationed in Lifengzhuang Village, Zhouwo Town, Wuqiang County, Hengshui City, Hebei Province and Deputy Director of Comprehensive Management Office, International Finance Department, Head Office.

National Outstanding Institutions in Poverty Alleviation

Poverty Alleviation and Development Banking Department, Jiangxi Branch

Xiushan Sub-branch in Chongqing

Anshun Branch in Guizhou

Tibet Branch

Poverty Alleviation Finance Office, Poverty Alleviation and Development Banking Department, Head Office

i. Expanding the Road to Wealth through Targeted Poverty Alleviation

In targeted financial poverty alleviation, the Bank has launched a series of exclusive financial policies, as well as directed financial products and models which are distinctive and commercially sustainable, for the infrastructure construction, featured industries and poor households in impoverished areas.

By the end of 2020, the balance of loans for 832 counties which were key targets in the state poverty alleviation program reached RMB 1.28 trillion, increasing by RMB 191.73 billion from the beginning of the year. The balance of targeted poverty alleviation loans stood at RMB 483.58 billion. With such loans, a total of 16.46 million people were lifted out of poverty.

Innovative Products and Service Models of Financial Poverty Alleviation

Since 2016, the Bank has launched and promoted 25 service models and 27 types of innovative loans for financial poverty alleviation in the counties which were key targets in the state poverty alleviation program, to meet the differentiated financing needs of the local poverty alleviation enterprises and poor households.

| | |
|--|--|
| (Some of) Models of Financial Poverty Alleviation | (Some of) Loans for Financial Poverty Alleviation |
|--|--|

| | |
|--|---|
| Issuance of micro-credit | Poverty alleviation loan issued by Anhui Branch through inter-agency collaboration |
| Development of featured industries | “Jinsui Huinong” Targeted Poverty Alleviation Loan issued by Gansu Branch |
| Internet finance | |
| Government credit enhancement | Poverty alleviation loan issued by Hebei Branch |
| Tourism development | “Huinong Loan” issued by Hubei Branch |
| Assistance from outstanding representatives getting rid of poverty | Poverty alleviation loan issued by Tibet Branch for relocated farmers |
| Assistance from leading enterprises | “Zhengnongtong” micro-credit issued by Xinjiang Branch for targeted poverty alleviation |
| Development of livelihood projects | |
| Employment | “Micro e-Loan” issued by Guangxi Branch for poverty alleviation |
| Development of photovoltaic projects | Poverty alleviation loan issued by Qinghai Branch for the hand-pulled noodles industry |
| | “Walnut Poverty Alleviation Loan” issued by Liangshan Branch in Sichuan |
| | Industrial Poverty Alleviation Loan issued by Chongqing Branch with government credit enhancement |
| | |

Targeted Financial Services for Counties Remaining Impoverished

In the final year for poverty alleviation, the Bank specially issued the opinions on lifting the 1,113 poor villages in the 52 counties remaining impoverished out of poverty. It introduced the best personnel and resources as well as the most favorable policies to these counties to lift them out of poverty. Each member of the Head Office Party Committee was assigned to at least one sub-branch in the counties in extreme poverty to supervise and support local poverty alleviation. Each Party organization of the Head Office department contacted a village in extreme poverty for pairing assistance, and formulated a targeted strategy and plan for each county and each village. By doing so, the Bank put the poverty alleviation policies and measures in place in all the poor counties, villages and households.



Note: According to the characteristics of industries in the plateau, Tibet Branch launches a batch of easy-to-operate agricultural loans, such as the “Yak Loan”, the “Highland Barley Loan”, the “Tibetan Tea Loan”, and the “Happy Home Loan”. As at the end of 2020, Tibet Branch launched more than 20 featured products, with a total of RMB 281 million of loans granted. The photo shows the issuing ceremony of “Xueyu Huinong e-Loan · Highland Barley Loan”. (Photo by Wang Yejun)



Zhou Mubing, former Chairman of the Bank, visits Raoyang County, Hebei Province to survey the progress of financial poverty alleviation. (Photo by Xiao Jianwen)



Note: Oil-tea Camellia industry, an important agricultural economic pillar in Baise, Guangxi, is one of the main income sources of local farmers. To support the development of local oil-tea camellia enterprises and planters, Baise Branch has actively promoted the financial service model of “ABC + oil-tea camellia enterprises and planters + government credit enhancement or guarantee companies”. These products and services have directly helped lift over 2,000 poor people from more than 500 impoverished households out of poverty. (Photo by Ye Lingchong)



Note: Zhaotong Branch in Yunnan supports the construction of the large-scale planting base of high-quality apples. In this program, poor households can gain income through land transfer, capital contribution, as well as working for plantations, entrusting plantations to future buyers and learning skills in the field. Eventually, this project made more than 6,400 poor households rich. (Photo by Tang Mingwei)



Note: ABC sub-branch in Horqin Right Wing Middle Banner, Inner Mongolia utilizes the product, “Live Cattle Loans”, to help lift the farmers and herders out of poverty to pursue new development. Scan the QR code to watch CCTV’s relevant report. (Photo by Lu Na)



Note: Through the coordinated development model of “Party branch + Farmer Cooperative + Base + Impoverished Households”, Xingcheng Branch in Liaoning supports Baimiaozi Village, Jianchang Township in constructing a green ecological park integrated with fruit bases, leisure and sightseeing, self-picking, catering and entertainment. Such efforts have helped lift the local people out of poverty towards moderate prosperity. The photo shows part of the ecological park. (Photo by Yang Yong)

ii. Solving “Last-mile” Problem in Financial Services

To address the problem that impoverished areas, especially the remote areas with harsh natural environments, were generally provided with less financial channels and insufficient financial services, the Bank has continuously improved the five-pronged channel system of “Manual outlets + Self-service outlets + ‘Hui Nong Tong’ service stations + Internet online channel + Mobile services”. Through the extended service network, the Bank has used technological means to deliver the services to the villages and households in the poor areas, allowing more impoverished customers to enjoy ABC’s modern comprehensive services.

- Nationwide, the Bank has 12,599 county-level institutions and 191,400 employees who have been long working in counties, rural and remote areas.
- In Tibet, the Bank has 519 outlets, accounting for 72% of the total outlets in the autonomous region. Among these outlets, 220 are located above the altitude of 4,000 meters, and 21 above the altitude of 4,800 meters.
- In Xinjiang, ABC is the only financial institution with two provincial level branches: Xinjiang Branch and Xinjiang Production and Construction Corps Branch.

Since 2016,

- 168 manual outlets and 599 self-service ones have been built in poor villages and towns, directly serving and radiating over 12 million people there.
- 89.5% of administrative villages in the 832 counties which were key targets in the state poverty alleviation program have been covered by "Hui Nong Tong" electronic devices.
- 43 mobile service vehicles have been put in use in poor areas, providing financial services for over 100,000 people in 622 remote towns and villages.
- In the 832 counties which were key targets in the state poverty alleviation program, more than 39 million households have used ABC Banking App, and more than 40 million households have enjoyed online banking services.

Case: FinTech Empowered Poverty Alleviation

The Bank continuously promotes technology empowerment to improve the quality

of Internet financial services so that the people in poor areas can enjoy convenient services anytime and anywhere. Xiji is the largest and poorest county in the southern mountainous area of Ningxia. To help transform the county's traditional industries such as potato planting and processing, beef cattle breeding, and side crops planting into advantageous industries, Xiji Sub-branch provided local farmers with a batch of targeted online products under the "Huinong e-Loan" series, such as "Potato e-Loan" and "Celery e-Loan" and "Beef Cattle e-Loan". At the end of 2020, Xiji Sub-branch granted RMB 390 million of "Huinong e-Loan" to one third of the farmers in Xiji County, driving nearly 10,000 farmers to get out of poverty and become rich.

Case: All-round Efforts to Improve Basic Financial Service Environment in Poverty-stricken Areas of Guizhou

Intelligent transformation of outlets. 24 super counters have been provided for the outlets in poor areas; electronic fingerprint signature has become available at the counters of the outlets in 66 poor counties; electronic fingerprint signature has become available at the super counters of the outlets in the "9+3" counties that remaining impoverished.

Building of self-service channels. 164 self-service cash terminals have been installed in poverty-stricken areas; the third phase of smart functions for ATMs have been independently developed, allowing customers to manage their accounts, loans, wealth management and the like through the self-services of "One tap + face-swiping" at ATMs.

Upgrading and transformation of "Hui Nong Tong" projects. Efforts have been made to optimize the application and system functions of electronic devices at "Hui Nong Tong" service stations. That helped improve the convenience service capabilities of "Hui Nong Tong" service stations. At the end of 2020, a total of 16,000 "Hui Nong Tong" electronic devices were provided for 11,472 administrative villages in poverty-stricken areas.

Rural scenario development. The first smart rural scenario, "Huinong e-Village", has been independently developed based on the rural production and life scenes. The four functions of "village affairs, Party building, agriculture, and finance" have facilitated online rural governance by providing villagers with services that are within reach.



Note: In July 2020, Liangshan Branch in Sichuan simultaneously set up seven township branches to fill the gap of local financial services. (Photo by Anu Niha)



Note: Maqu County Sub-branch in Gannan, Gansu Province uses mobile service vehicles to provide account opening services for villagers in Xingchang Village, Cairima Town. (Photo by Li Yafeng)



Note: Shandong Branch helps poor households get rid of poverty by supporting the photovoltaic project. In this photo, an impoverished resident is withdrawing his project income at a "Hui Nong Tong" service station. (Photo by Zhang Wei)

iii. Making Meticulous Efforts to Fulfill Responsibilities in Poverty Alleviation

The Bank took multiple measures to supervise and assist in the fixed-point poverty alleviation in Wuqiang County and Raoyang County of Hebei, Xiushan County of Chongqing, and Huangping County of Guizhou. In 2020, the Bank input RMB 130 million and introduced RMB 26.59 million of aid funds to the four counties, and trained 12,820 primary-level officials and 33,153 technicians for the four counties.

Main Actions for Fixed-point Poverty Alleviation

- Organizing 17 companies to research the four counties, helping reaching five investment agreements with a total amount of RMB 3.9 billion, among which, RMB 316 million were newly put in place in the last year.
- Inputting RMB 14.06 million of aid funds to ensure rural poor people have no worry about food and clothing and have access to compulsory education, basic medical services, and safe housing, and carrying out 19 aid projects in education, medical care, housing and other sectors.
- Assisting the fixed-point poverty alleviation counties in establishing early warning and assistance mechanisms against return to poverty; inputting RMB 52 million to set up a RMB 8 million “Anti-repoverty Fund” and a RMB 5 million “Industrial Poverty Alleviation Development Fund for Rural Revitalization” in each county for consolidate results in poverty alleviation.
- Dispatching excellent officials from the Head Office to each fixed-point poverty alleviation county to serve as anti-poverty leaders, one serving as deputy county head, one as first secretary stationed in a certain village, and one as deputy general manager of local sub-branch; dispatching one more official

to Raoyang County in Hebei and Xiushan County in Chongqing, respectively, to serve as deputy directors of local poverty alleviation offices.



Note: In 2020, the Bank held eight sessions of “Jinsui Fuzhi” program to help train the primary-level officials and technicians in the fixed-point poverty alleviation counties. In this photo, ABC is holding a training for the rural doctors in Huangping County, Guizhou Province. (Photo by Ma Lei)



Note: Chongqing Branch supports Xiushan County, a fixed-point poverty alleviation county, in developing the featured industry of Gold Chrysanthemum. (Photo by Pan Yulin)



Note: Wuqiang County Sub-branch in Hengshui City, Hebei Province supports the development of local musical instrument industry. (Photo by Guo Hongzhu)

iv. Offering Sound Non-credit Services for Poverty Alleviation

The Bank has promoted consumer spending on products from poor areas, carried out cooperation between the eastern and western regions, launched educational programs, and facilitated the employment of impoverished people. All these actions and beyond have gathered the strength of the entire Bank and formed a strong synergy in poverty alleviation.

- **Consumption-based Poverty Alleviation.** Through direct purchase and strengthened external cooperation, the Bank helped to promote the specialty products from the poor areas and to increase impoverished people's incomes. At the end of 2020, the Bank directly purchased RMB 390 million and helped sell RMB 2.49 billion of agricultural products.
- **Poverty alleviation collaboration between the eastern and western regions.** ABC organized 12 eastern branches to pair with the extreme-poverty areas in the "Three Regions and Three Prefectures" in the west to fully support their poverty alleviation. The Bank organized the officials and talents from 100 eastern branches to pair with 100 county-level sub-branches in extreme-poverty areas for targeted assistance. The Bank assigned 295 "Double Hundred" officials as leaders of these sub-branches to improve their financial poverty alleviation capacities.
- **"Golden Dream" subsidy program.** Since 2018, ABC has carried out the "Golden Dream" college student subsidy program for three consecutive years. The Bank annually provided RMB 5,000 for each college freshman from registered poor households in extreme-poverty counties, ABC's fixed-point poverty-alleviation counties and key poverty-alleviation counties in the "Three Regions and Three Prefectures" as well as the impoverished villages pairing with the Head Office and coming from the counties remaining impoverished. Over the three years, the Bank has funded 10,264 such students with a total donation of RMB 51.78 million.
- **Employment-based poverty alleviation.** Since 2018, ABC has carried out

special recruitment of college graduates from registered poor families for three consecutive years and recruited 1,167 impoverished graduates from extreme-poverty areas.

Special Actions of Consumption-based Poverty Alleviation

- **Promoting “Poverty Alleviation E-Mall”.** On ABC Banking App, online banking and other terminals, ABC established exhibition and sales platforms for the special agricultural products from poverty-stricken counties; ABC cooperated with 388 central and local anti-poverty institutions, and provided separate exhibition zones for the poverty-stricken counties receiving these partners’ targeted assistance. In 2020, RMB 792 million of agricultural products from poverty-stricken areas were sold through the “Poverty Alleviation E-Mall”.
- **Helping expand external sales.** ABC mobilized a wide range of leading agricultural enterprises among its customers nationwide to establish stable production and marketing connections with the agricultural product production bases and planters in poverty-stricken areas.
- **Exploring the new sales form of “livestream marketing”.** The Bank actively explored the new form of “livestream marketing” to promote sales, thus developing a new chain of “direct supply and sales” for the special agricultural products from poverty-stricken areas.
- **Helping Hubei Province solve the dull sale of agricultural products caused by the epidemic.** In 2020, ABC and its staff directly purchased RMB 12.46 million of special agricultural products from Hubei and helped this province sell RMB 39.11 million of agricultural products.



Note: Chongqing Branch worked with the People's Government of Shizhu County to launch a "livestream marketing" program anchored by an Internet celebrity. Aiming to promote consumer spending on products from Zhongyi Township, Shizhu County, this program titled "Hui Life Livestreaming" has become the first charitable poverty alleviation brand. In the photo, a young lady from Chongqing Branch and an Internet celebrity are anchoring the agricultural product livestreaming. (Photo by Pan Yulin)



Tang Jun, Head of Dispatched Discipline Inspection Team, visits the registered poor households in Cenhua Village, Huangping County, Guizhou Province. (Photo by Ye Yikun)

Feature Two: Fighting the Epidemic with Cohesive Efforts

The early 2020 saw the menacing outbreak of the novel coronavirus pneumonia. ABC firmly implemented the CPC Central Committee and the State Council's decisions and deployments on epidemic containment. While solidly preventing and controlling the epidemic, the Bank made cohesive efforts to serve economic development and support the resumption of work, spring plowing and farming preparations, and stability in production and supply. In doing so, the Bank has contributed financial strength to winning the fight against the epidemic.

Main Results in the Fight against the Epidemic

- In supporting epidemic prevention and control and ensuring basic living needs, the Bank granted a total of RMB 33.6 billion of anti-epidemic loans to the enterprises listed by the central bank.
- The Bank organized staff members to donate money and goods to the anti-epidemic frontline, with a total donation of RMB 180 million made to Hubei.
- The Bank raised a fund of RMB 60 million among the employees.

- The Bank launched the campaign of “Love Donations to Epidemic Areas in Hubei” through the channels of ABC Banking App and online banking, raising social donations of RMB 700 million in total.
- The Bank donated 1.469 million pieces of anti-epidemic goods such as masks and protective suits to Hubei.
- The Bank offered exclusive insurance free of charge for 465,000 anti-epidemic workers fighting on the frontline.

i. Ensuring the Stability of Financial Services

The Bank promptly set up a leading group for epidemic prevention and control, introduced 18 measures in preferential credit support, financial service enhancement, donations and other areas and comprehensively arranged the epidemic prevention and control and financial services. The Bank strictly implemented the “daily reporting and zero reporting” system of epidemic prevention and control to timely know the staff’s health conditions and to ensure the provision of stable and orderly financial services.

Ensuring Efficient Business Operation

- **Strengthening the management of health and epidemic prevention.** ABC provided the employees working on the frontline with masks, disinfection materials, body temperature monitor devices and other protective appliances, and regularly disinfected the outlets. As a result, 23,000 outlets had “zero infected case” and saw no infection clusters.
- **Guaranteeing outlets’ service efficiency and capacities.** During the early outbreak and the regular prevention and control of the epidemic, ABC had the largest number of open outlets among the four major banks. Overall, 97%-98% of its ATMs remained in normal operation.
- **Intensifying online services.** ABC eased the payment limits on the interbank transfer of its corporate online banking and the business restrictions on its micro-payment system, in an effort to support large-amount interbank fund transfers in epidemic areas; ABC provided 7x24 hours services in its online banking, mobile app and self-service terminals to reduce unnecessary cross-infection risks.
- **Building online medical consulting platforms.** ABC launched the “Online Fever Consulting System” and the “Management Platform of COVID-19 Prevention and Control” through WeChat applets, WeChat official accounts and other channels, to meet the medical needs of remote county areas. The Bank launched the “WeDoctor Internet Hospital” on ABC Banking App, providing the customers with online consultation from more than 15,000 respiratory, infection and internal medicine experts.



Note: ABC Bazhong Branch in Sichuan disinfects its outlet. (Photo by Ma Lunkun).



Note: Liuzhou Branch in Guangxi assists the Fever Clinic of Liuzhou Hospital of Traditional Chinese Medicine in cash collection. (Photo by Lan Baogang)



Note: An anti-epidemic poster (Drawn by Jiang Yan)

ii. Guaranteeing the Supply of Anti-epidemic Materials

In addressing the shortage of medical supplies during the epidemic, the Bank timely adjusted the credit direction, opened green channels, and acted at full speed and all strength to meet the capital needs of the enterprises engaged in epidemic prevention and control. In doing so, the Bank vigorously guaranteed the production of anti-epidemic materials (masks, goggles, protective suits, respirators, virus detection reagents, etc.), procurement and manufacturing of pharmaceutical products, construction of public health infrastructure, scientific research and the beyond.

Case: ABC's Faster Actions in Financial Services

Located in the core area of the fight against the epidemic, Hubei Branch, together with the Head Office and other branches and sub-branches in Hubei, gathered strength, raced against time and went all out to provide high-quality financial services for epidemic containment.

- Xiaogan Branch supported the construction partners of the “Leishenshan Hospital” project in Wuhan by granting it a credit line of RMB 150 million and loans of RMB 33 million
- Qianjiang Branch issued a loan of RMB 39 million to a medical supplies company in Hubei. The Branch granted a loan of RMB 20 million to a medical material company in Qianjiang to ensure mask supply in the city.
- Xiantao Branch granted a credit line of RMB 240 million within one day to a leading company producing medical protective clothing materials and masks, helping it achieve a daily output of 1.1 million surgical masks.



Note: Despite road blocking in many places and system transfer limits, the employees of ABC Xunlimen Sub-branch in Wuhan transferred RMB 50 million to China Construction Third Engineering Bureau Group for the “Huoshenshan Hospital” project within 3 hours. (Photo provided by Hubei Branch)



Note: A customer manager of Longtou Sub-branch in Zaozhuang, Shandong visits a local 84 Disinfectant manufacturer to understand its demand on credit funds in a snowstorm. (Photo by Wang Wenteng)



Note: Cixi Branch in Ningbo grants a loan of RMB 5 million to a major provincial mask manufacturer to support its production of anti-epidemic materials.
(Photo by Chen Feng)

iii. Helping Ensure Stable Production and Supply

Following the central government’s plans for epidemic prevention and control and for ensuring stability on six key fronts and maintaining security in six key areas, the Bank introduced a series of measures to support spring plowing and farming preparations and to ensure the stable production and supply of agricultural products and hogs. The Bank intensified financial services for agriculture-related farming, processing, circulation and other links. The Bank supported the “Vegetable Basket” and “Rice Bag” projects to ensure the supply of products vital to people’s livelihood and the economic and social stability. At the end of 2020, the Bank supported 5,117 key enterprises involved in the programs of ensuring stable production and supply of agricultural products, with the balance of loans reaching RMB 182.38 billion, up by RMB 50.81 billion from the beginning of the year.

Supporting Spring Plowing and Farming Preparations

- The Bank formulated and issued the *Notice on Providing Better Credit Services for Epidemic Containment and Spring Plowing* and delivered targeted support for spring agricultural production.
- The Bank actively surveyed how the enterprises producing agricultural machinery, pesticides and other materials were affected by the epidemic, granted larger credit lines and cut loan interest rates, in a full endeavor to meet the credit needs of agricultural material production.
- For credit customers suffering temporary difficulties due to the epidemic, instead of withdrawing their loans in advance, canceling their loans, or delaying loan granting, the Bank extended all the due loans to help the affected customers ride through the rough times.
- ABC set up special counters or “green channels” for services and streamlined the procedures of loan application, to ensure the funds could be rapidly in place.
- The Bank provided Internet-based “Sannong” financial services. Through the “Hui Nong e-Tong” platform, “Sannong” customers could enjoy more convenient online credit services, including loan application and repayment, payments and settlements, agricultural material purchase and agricultural product sales, for spring plowing and farming preparations.

Ensuring Stable Grain Production and Supply

At the end of 2020, the balance of loans for enterprises involved in food security stood at RMB 117.26 billion, and the balance of loans for grain cultivation stood at RMB 6.15 billion.

Prompt planning

- The Bank issued the *Notice on Relevant Policies for Actively Responding to the Impact of COVID-19 and Vigorously Supporting the Stable Production and Supply of Agricultural Products*, and introduced 12 policies to support the stable production and supply of agricultural products.

Targeted support

- The Bank provided targeted policies and standardized support for planters, breeders, farmers’ professional cooperatives, leading agricultural industrial enterprises, enterprises producing and circulating agricultural materials, enterprises promoting agricultural socialization, etc.

Foundation consolidation

- The Bank made overall planning of credit support for spring plowing, summer sowing, autumn harvest and the work of ensuring the stable production and supply of agricultural products and hogs.
- The Bank increased its resource investment in key areas such as the high-standard farmland construction, the farmland water conservancy construction, the reform of the grain purchasing and storage system, the transformation and upgrading of the grain industry, innovative promotion of agricultural technology, the innovation projects for the seed industry, and agricultural mechanization, to promote the agricultural supply-side structural reform.

Supporting Development of Whole Hog Industry Chain

At the end of 2020, the Bank provided credit support for 74,586 enterprises and farmers engaged in hog-related industries, with an increase of 22,539 from the beginning of the year. The balance of loans to the whole hog industry chain reached RMB 55.45 billion, increasing RMB 31.95 billion from the beginning of the year; specifically, the balance of hog breeding loans stood at RMB 34.38 billion.

- The Bank introduced 19 policies to support the development of the hog industry. For the customers engaged in the hog-related industry, the Bank implemented preferential policies in loan access, credit granting and guarantee.
- After closely communicating with the People's Bank of China, the Ministry of Agriculture and Rural Affairs, and the China Banking and Insurance Regulatory Commission, ABC offered to contact over 110 key enterprises in the hog industry and expressed the cooperative intention and preferential conditions to support their hog production.
- The Bank issued the "List of Hogs with an Annual Supply of More Than 5,000 Hogs", the "List of 500 Large-scale Hog Breeding Enterprises with a Supply of More Than 30,000 Hogs", and other lists of key support targets, and organized the branches to contact these customers one by one to meet their fund needs.
- The Bank timely included the hog-related enterprises in the list of key enterprises involved in the epidemic prevention and control.
- The Bank incorporated the hog loan indicator into the performance assessment for branches and the special marketing activities in counties.

Case: Issuing Innovative Epidemic Prevention and Control Bonds

In 2020, the Bank cumulatively participated in underwriting 20 issues of epidemic prevention and control bonds. Among the total offering size of RMB 26.60 billion, RMB 16.98 billion was underwritten by ABC. The issuers of these bonds were 19 key enterprises including Jiangsu Guoxin, China Eastern and SANY. In serving these customers, ABC set a series of precedents on the market.

The Bank underwrote China's first epidemic prevention and control bond offered by a private enterprise, Tasly Pharmaceutical Group Co., Ltd. Through this underwriting, the Bank supported this company's production of anti-epidemic pharmaceuticals at lower financing costs. The Bank also underwrote China's first epidemic prevention and control bond offered by an enterprise engaging in the business of agricultural product wholesale markets, namely, Shenzhen Agricultural Products Group Co., Ltd. Through this underwriting, the Bank facilitated this enterprise in acting as a cornerstone for the "Vegetable Basket" Project to ensure the stable market supply and prices of agricultural products.

Case: Providing Timely Loan Support for “National Key Enterprises Involved in Epidemic Prevention and Control”

Wens Foodstuff Group is China’s leading hog farming company, largest broiler breeding company, and main livestock supplier for Hong Kong. After the outbreak of the epidemic, Wens Foodstuff Group urgently needed funds to expand the supply for its pork, chicken and other agricultural products. Upon learning the news, Guangdong Branch launched the “Green Channel of Loans for Epidemic Prevention and Control”. On the second day after the Group was listed as a “National Key Enterprise Involved in Epidemic Prevention and Control”, the Branch provided the Group with a loan of RMB 1 billion. Based on the farmer information archive, the Branch granted the Group’s breeding partners with over RMB 13 million of loans. All these actions guaranteed people’s production and livelihood during the epidemic.

Case: Chongqing Branch Granted China’s First “Hog Lot Mortgage Loan”

Chongqing Branch granted China’s first “Hog Lot Mortgage Loan” to help hog-breeding companies solve the long-standing problems that hog lots were deemed as attachments to the transferred rural land, that no functional departments determined the ownership of hog lots or issued relevant ownership certificates, that the value determination for hog lots were vague, and that hog lots could hardly be used as a collateral for mortgage. This action provided dynamic financial resources for the stable production and supply and transformation and upgrading of the hog industry.



Note: For the ultimate goal of ensuring stable production and supply, Heilongjiang Branch provides resource guarantees to help farmers achieve high yields of grains and output increases. (Photo by Yuan Bin)



Note: Beihai Branch in Guangxi organizes credit clerks to visit a hog-breeding company to deeply understand its business. (Photo by Liang Yunlin)

iv. Boosting Enterprises' Resumption of Work

The Bank has taken strong measures, such as interest rate concessions, reduction of service charges, and deferred principal and interest repayments, to improve the quality and efficiency of financial services, to alleviate the difficulties of micro and small enterprises, and to facilitate the resumption of work and business activities.

Supporting epidemic-affected enterprises' resumption of work

For the industries affected severely by the epidemic, like wholesale, retail, accommodation, catering, logistics, transportation, culture and tourism, and the enterprises that had development potentials yet suffered temporary difficulties due to the epidemic, the Bank strictly implemented the requirements of “no withdrawal, cancellation, or delaying of loans”. The Bank supported these companies' resumption of production and operation through credit restructuring, loan extension, adjustment of loan interest rates and repayment plans, issuance of new credit loans and medium and long-term loans and other means.

Supporting the resumption of work of micro and small enterprises' resumption of work

For the micro and small enterprises that could not repay the principal as usual due to the epidemic, ABC launched a policy package of “Grace Period + Loan Extension + Loan Renewal + Medium and Long-term Loans”, 16 difficulty relief measures, and an online product of “Xu Jie e-Loan” to delay their repayment deadlines. The Bank deferred 109,000 cases of principal and interest repayments for more than 80,000 such enterprises, with a total amount of RMB 131.60 billion involved.

ABC was the first bank in China to launch the “Work Resumption Loan”, a portfolio loan product for micro and small enterprises' resumption of work. Such move was reported by the *People's Daily* as a “Model Case of

Anti-epidemic Support with Chinese Inclusive Finance”. Meanwhile, ABC issued the first small-credit bond with the theme of epidemic prevention and control among the major banks. By the end of 2020, the Bank supported over 400,000 micro and small enterprises’ resumption of work.

Case: Providing Faster Lending Services to Boost Taiwanese Enterprises’ Resumption of Operations

Tenfu Tea Industry Co., Ltd. is the largest Taiwanese-funded enterprise in the Zhangpu Taiwan Farmers Pioneer Park, Zhangzhou, Fujian. March used to be a peak season in previous years, due to the epidemic, the company suspended operations of outlets and faced difficulties in capital turnover. Zhangzhou Branch offered to visit the company and promptly granted it a loan of RMB 30 million. Thus, Tenfu Tea Industry Co., Ltd. smoothly pulled through and resumed the normal operations of its outlets and production lines.

“This time, as we urgently needed a sum of funds in a short period of time, they completed the procedures from document preparations to loan granting in just three days. I’m amazed, and I’m also very satisfied with ABC’s efficiency.

– Zheng Zhiyong, General Manager of the Second General Management Division of Tenfu Group



Note: Zhangzhou Branch in Fujian supports the production of the Taiwanese company, Tenfu Tea Industry Co., Ltd. (Photo by Lin Hongyuan)



Note: Xinjiang Production and Construction Corps Branch supports the resumption of individual business activities with the “Gong Shang e-Loan”. (Photo by Zhao Guiju)



Note: Suqian Branch in Jiangsu promptly grants credit funds to the national key enterprises involved in epidemic prevention and control, helping them quickly resume their production. (Photo by Chen Hao)

I. Unswervingly Facilitating Rural Revitalization

SDGs:



Following the guiding principles of the Central Economic Work Conference and the Central Rural Work Conference, the Bank has actively shouldered the major mission of becoming a leading bank in serving “Sannong” and further promoted the services for rural revitalization strategy. The Bank has endeavored to solve rural financial problems and support the high-quality and high-efficiency agricultural development, the construction of livable and business-friendly villages, and farmers’ getting rich.

At the end of 2020, ABC’s balance of agriculture-related loans reached RMB 4,290.667 billion, among which the balance of loans for farmers was RMB 435.267 billion, serving 3.89 million farmers.

Stepping it up with Digital Transformation of “Sannong” Financial Services

The Bank has vigorously promoted technology-empowered services for “Sannong” areas.

Actively developing Internet financing services. The Bank launched “Huinong e-Loan”, an Internet financing product enabling online application, approval, issuance, and repayment of farmer loans, thus making these loans more accessible in a wider area. At the end of 2020, the balance of “Huinong e-Loans” stood at RMB 353.41 billion, increasing by RMB 156.14 billion from the beginning of the year, and benefiting 2.76 million farmers.

Promoting innovative scenarios with county characteristics. The Bank launched various digital scenarios such as the management platform of rural collective funds, assets and resources, smart rural tourism, smart parks, smart markets, smart business districts, thus making agricultural more modernized and rural governance more information-based. At the end of 2020, the Bank built a total of 5,482 effective county scenarios and launched the management platform of rural collective funds, assets and resources for 64,800 administrative villages in 439 counties.

Redoubling efforts to promote ABC Banking App. The Bank enriched the featured “Sannong” functions of ABC Banking App to meet the financial needs of rural residents, and promoted the App from village to village to develop demonstration villages in the use of ABC Banking App. By doing so, the Bank expanded the coverage of its mobile banking services and offered farmers easy access to financial services. At the end of 2020, the Bank had 165 million mobile banking customers and 46.89 million monthly active users, and developed 14,000 demonstration villages in the use of ABC Banking App.

i. Modernizing Rural Industries.

ABC provided ever-increasing support for diversified rural business entities and injected new momentum to the rural industrial development. At the end of 2020, the Bank’s balance of loans to leading agricultural industrial enterprises, family farms,

farmers' professional cooperatives and other new agricultural business entities reached RMB 371.20 billion; the Bank's service covered 57.70% of leading agricultural industrial enterprises at the provincial level.

Measures to Support Rural Industrial Development

| Measure | Content |
|---|---|
| Actively supporting the development of leading industrial enterprises | Providing targeted priority services for key leading enterprises. Extending financial services to the upstream and downstream enterprises in the industry chain with the leading enterprises at the core, and finally covering the whole industry chain. |
| Supporting the development of agricultural industrialization consortiums | Listing the agricultural industrialization consortiums, their core member enterprises, and other members and providing them with special support policies; offering comprehensive financial services to leading agricultural industrial enterprises, farmers' cooperatives, and family farms and other new agricultural business entities meeting relevant policy requirements. |
| Strengthening business innovation | Considering the agricultural resource endowment of different regions to innovate "Sannong" financial products with regional characteristics, and to support the development of the key areas and entities such as rural industrial integration, featured agriculture, and new business entities. Strengthening the cooperation with agricultural guarantee companies and other external institutions to optimize credit guarantee measures and to solve the difficulties faced by the enterprises of agricultural industrialization in accessing affordable financing. |

Case: "Different Plans for Different Industries" to Support Featured Economy of Old Revolutionary Base Areas

Putian Branch in Fujian adopted the model of "Different Plans for Different Industries" to formulate differentiated plans with solid and meticulous financial services for the featured agricultural industries in the old revolutionary base areas. At the end of 2020, the Branch worked out service plans for 12 featured industries including pomelo and loquat; through "Huinong e-Loan", and granted a total credit line of RMB1.50 billion for 11,754 farmers. The Branch also granted a total credit line of RMB 2.94 billion for eight key projects including the tourism of permanent venue of the World Mazu Culture Forum and the Water Environment Comprehensive Treatment of Nanyang River System.



Note: Putian Branch in Fujian supports the flower industry development of old revolutionary base areas. (Photo by Song Xiaohan)



Note: Shandong Branch supports the construction of Xiaowang Village, Shanxian County into a demonstration village of rural revitalization with “Qiang Cun Loans”. (Photo by Cao Mingzhao)



Note: Xihe County Sub-branch in Gansu grants the “Fumin Industry Loan” to help the local county develop the industry of Chinese medicine material processing.
(Photo provided by Gansu Branch)



Zhang Xuguang, Executive Vice President of the Bank, watches the employee of the Farmer Specialized Cooperative of Matsutake Processing, Zhula Township, Gongbo'gyamda County, Tibet Autonomous Region, operating on the Poverty Alleviation E-Mall. (Photo by Dolgar)



Lin Li, Executive Vice president of the Bank, visits Shibadong Village, Huayuan County, Hunan Province to survey the poverty alleviation progress and greet local poor households. (Photo provided by the Office)

ii. Providing More Inclusive Financial Services for Farmers

The Bank deeply studied agriculture-related financial needs and innovated more channels, products and the like to make basic financial services more and more accessible in wider rural areas.

At the end of 2020, the balance of farmer loans reached RMB 435.267 billion, serving 3.89 million farmers.

Inclusive Measures

Expanding the coverage of inclusive finance

- The Bank developed the “six-pronged” rural basic financial service system integrated with the online and offline channels of “manual outlets, self-service banking, remote banking, “Hui Nong Tong” Project, Internet services and mobile financial services”.

Making inclusive loans more accessible

- The Bank formulated the *Policies to Support “Sannong” and County-level Business Development in 2020*, providing farmers with differentiated credit and easing the criteria for their loan application.

Increasing technological empowerment

- The Bank promoted the FinTech tools such as online banking and mobile banking, thus achieving the “rapid application, approval, and granting” for farmer loans online.

Case: Sweet Life in Hami Melon Farm

Longlin County Sub-branch in Guangxi granted RMB 100,000 of “Huinong e-Loan” to Yang Binyi and his wife from Agaotun, Baoshang Village, De’e Town to assist in their planting of mountain Hami melons. In 2020, their 60 acres of mountain Hami melons ripened and went on the market. The couple earned a family income of RMB 150,000 and helped local low-income people increase an average income of RMB 60,000 per capita through labor employment.



Note: An ABC account manager is checking the growth of Hami melon together with the planter. (Photo by Yang Shengyong)

Case: “Sannong” Financial Products to Solve Financing Problem of Farmers’ s

Large-scale rice planting, which is a long pursuit of many individual farmers and an effective way to increase grain supply, often involves huge fund gaps. For the farmers hoping to expand their rice planting scales, Qingyuan Branch in Guangdong has provided financial guarantees through the products such as “Agricultural Guarantee Loan”, “Rapid Agricultural Loan” and “Convenient Loan”. At the end of 2020, the Branch granted loans to 43 grain farmers, and the balance of the loans reached RMB 9.98 million.



Note: Qingyuan Branch in Guangdong provides financial support for large-scale rice planting. (Photo by Jiang Yongjun)

**Case: Development of “Demonstrative Villages in the Use of ABC Banking App”
Made Farmers Feel More Satisfied with Financial Services**

Shigatse Branch in Tibet developed the “Demonstrative Villages in the Use of ABC Banking App” in its jurisdiction. The Branch provided diversified Internet-based financial services for farmers and herdsmen in remote areas, further expanding the coverage of inclusive finance. At the end of 2020, the Branch developed a total of 1,673 “Demonstrative Villages in the Use of ABC Banking App”, covering all the administrative villages in the counties from the bordering Yadong County in the east and the cold-high and hypoxic Zhongba County in the west. These villages completed a total of 35,900 transactions on the App, involving an amount of RMB 7.62 million and benefiting 23,900 people.



Note: A loanee of Jilin Branch has a good corn harvest. (Photo by Zhang Shengli).



Note: Zhan Dongsheng, Executive Vice President of the Bank, visits Sanjiang County, Guangxi Province, to investigate the progress of financial poverty alleviation there. (Photo by Guo Ning)

iii. Empowering New Urbanization

New urbanization is an important approach to develop county economy. The Bank innovated financial products and business models to facilitate urbanization and hastened to create county-level financial scenarios. In doing so, the Bank helped to gradually turn the “beautiful resources” into “beautiful economy”, and to finally develop a beautiful, ecological and livable homeland.

At the end of 2020, the balance of loans for the county-level urbanization and the construction of beautiful and livable villages was RMB 862.3 billion, up by RMB 129.4 billion from the beginning of the year; the balance of loans for county-level hospitals, schools, tourism and other happiness industries was RMB 128.9 billion, up by RMB 30.3 billion from the beginning of the year; the balance of loans for county-level manufacturing enterprises was RMB 641.3 billion, up by RMB 57.8 billion from the beginning of the year.

Measures to Support County Economic Development

Strengthening system guarantee

- The Bank formulated the *Opinions on Providing Solid Financial Services for Poverty Alleviation and “Sannong” Development in 2020*.

Improving operating systems

- The Bank specified the philosophy of integrated development in “Sannong” areas and optimized departmental assessment indicators.

Enhancing rural banks’ service capabilities

- The Bank issued the *Notice on Further Strengthening the Management of ABC Rural Banks* to guide rural banks in providing good county-level services for “Sannong” areas and micro and small businesses, thus improving the Bank’s capacities in serving the rural revitalization strategy.

Providing integrated online and offline services

- The Bank relocated outlets to counties and set up light branches and off-bank self-service banking outlets in some areas; the Bank promoted online service channels and strengthened its capabilities in remote banking services.

Measures to Support New Urbanization

Strengthening system guarantee

- The Bank issued the documents such as the *Guiding Principles on Deeply Promoting Financial Services for New Urbanization*.

Innovating products and policies

- The Bank instructed branches to develop highly adaptive and competitive regional products, and released support policies for major water conservancy projects, public facilities and other key work.

Bolstering areas of weakness

- The Bank issued the *Notice on Providing Credit Support for County Seats in Bolstering Areas of Weakness and Advancing Urbanization* together with the National Development and Reform Commission and other five banks.

Cooperating with partners

- The Bank signed the *Memorandum of Comprehensive Cooperation on Providing Financial Services for Construction of the Most Beautiful Villages* with the Association of the Most Beautiful Villages of the China Tourism Association, in a bid to jointly support the construction of the “Most Beautiful Villages”.

Efforts to Improve Living Environment of County Residents

Improving housing conditions for farmers

- Jiangsu Branch offered exclusive loan programs to farmers to meet their fund demands in the demolition, building and purchase of houses as well as other links in urban-rural integration. At the end of 2020, the Branch granted RMB 21.3 billion of loans to 64,000 farmers, helping improve the housing area of over 9.5 million square meters.

Improving domestic waste treatment

- For the prominent garbage siege problems in the seven counties including Weishan County, Yucheng City, and Juancheng County, Shandong Branch actively contacted the local governments and designed credit service programs to support the waste incineration power generation project. After completion, the project will process 1.64 million tons of garbage, generate 460 million kilowatt-hours of on-grid electricity from green energy, and benefit 4.27 million people.

Case: “One-stop Financial Services for Farming”

Zhejiang Branch has launched the “One-stop Financial Services for Farming”, an intelligent platform embedded with “Huinong e-Loan” and other digital products, to provide planters with integrated financial services for seeding, maintaining, harvesting, selling and other agriculture-related links. This platform allows customers to know the information on land transfer, agricultural material procurement, field technology and the like in real time. The Branch promoted the upgrading of the local digital rural development and enabled more county residents to enjoy the digital development dividends of the times.



Note: Scan the QR code to watch the report on the intelligent platform of “One-stop Financial Services for Farming”

Case: Launching “Rural Housing Loan” to Support the Construction of Beautiful Villages

Rural self-built houses are closely related to the rural environment and the local people’s life. Suzhou Branch thoroughly understood customers’ financial difficulties in house renovation and offered to give them door-to-door advice. In 2020, the Branch issued RMB 132 million of loans to 462 customers with rural self-built houses in Kunshan. This filled the funding gap that the locals have for house renovation, and directly contributed financial forces to the construction of beautiful villages.



Note: Guangxi Branch launches “Farmhouse Credit Loan” to help Multinational Autonomous County of Longsheng build the most beautiful terraced fields. (Photo by Wu Wenqiao)



Note: Hezhang County Sub-branch in Guizhou supports the healthy development of local tourism by financing the construction of Jiucaiping Scenic Area. (Photo by Ye Yikun)



Xu Han, Executive Vice President of the Bank, visits Wanzhang Village, Yedonghe Town, Huangping County, Guizhou Province. (Photo by Ye Yikun)

II. Standing Fast to Original Aspirations to Support the Real Economy

SDGs



With the mission of serving the real economy, the Bank implements the new development philosophy, focuses on national strategies and regional development, and provides ever-greater support for manufacturing, emerging sectors, micro and small enterprises and green industries. The Bank guides financial resources to the key areas related to economic development and people's livelihood, as well as ecological conservation projects. By doing so, the Bank firmly promotes the high-quality economic development.

At the end of 2020, the balance of corporate loans and advances totaled RMB 8.53 trillion; the balance of loans for manufacturing exceeded RMB 1.47 trillion; the balance of inclusive financial loans for micro and small enterprises reached RMB 961.5 billion; the balance of green credit reached RMB 1.51 trillion; 4 green bonds were issued.

Highlighting Financial Services to Ensure Stability on Six Key Fronts and Maintain Security in Six Key Areas

- “Ensure stability in investment”: The Bank formulated comprehensive financial service plans for “new infrastructure” to meet the diversified financing needs of customers in this sector.
- “Ensure stability in financial operations”: The Bank actively transmitted the central bank's monetary policy, fulfilled commercial obligations, and assisted in stabilizing the market expectations for currencies, bonds, foreign exchange and precious metals.
- “Ensure stability in foreign trade”: The Bank issued the policy documents such as the *Guiding Opinions on Improving Foreign Trade Financial Services* and the *Opinions on Furthering the Work of Ensuring Stable Foreign Trade and Foreign Investment*, to promote the development of international business.
- “Ensure stability in employment”: The Bank released the documents on the issues such as supporting the reform and development of private enterprises and stepping up the provision of medium and long-term manufacturing loans. The Bank provided financial support for the innovation pilots of innovative high-tech enterprises and bolstered the expansion of various market entities.
- “Ensure food and energy security”: The Bank released sound credit policies to support “epidemic containment and spring plowing”. The Bank provided greater support for the key customers involved in “spring plowing” and the major customers greatly affected by the epidemic.
- “Ensure stable industrial and supply chains”: The Bank implemented the *Opinions on Promoting Regulated Development of Supply Chain Finance in Support of Stable Circulation, Optimization and Upgrading of Supply Chains and Industrial Chains* jointly issued by the eight ministries and commissions including the People's Bank of China. According to the

characteristics of the supply chain, the Bank specified a package of differentiated credit policies, with intensified comprehensive financial services provided to the core enterprises in the chain and other upstream and downstream entities involved in all links.

i. Serving Major National Strategies

The Bank strengthened the guiding role of credit, investment and financing policies to provide all-round financial services for the effective implementation of national strategies and the coordinated regional development.

1. Supporting “the Belt and Road Initiative”

The Bank has set up 21 overseas organizations and a joint venture bank in 17 countries and regions. Among these institutions, five are located in the main countries and regions along “the Belt and Road”. These ABC branches and subsidiaries worldwide work together to provide high-quality international settlement, investment and financing, and other cross-border financial services for domestic and foreign enterprises. By doing so, the Bank aims to better serve the “going global” strategy for Chinese enterprises and the “bringing in” strategy for foreign enterprises.

In 2020, ABC completed USD 114.04 billion of international business covering 64 countries along “the Belt and Road”.

Major Measures

| | |
|---|---|
| Optimizing products and services | <ul style="list-style-type: none"> ● The Bank introduced policies on optimizing the products oriented to the “going global” strategy to meet the changing market demands. ● The Bank promoted the cross-border use of RMB in the countries along “the Belt and Road”. |
| Supporting key areas | <ul style="list-style-type: none"> ● The Bank provided diversified cross-border financial services for the “going global” of agriculture-related enterprises. ● The Bank served “the Belt and Road” green and sustainable projects. ● The Bank supported energy resource cooperation projects. |
| Coping with epidemic prevention and control | <ul style="list-style-type: none"> ● The Bank issued differentiated policies to meet the credit needs of high-quality “going global” customers for epidemic prevention and control. ● The Bank provided sound financial relief for the projects affected by the epidemic. |
| Strengthening strategic financial cooperation for better foreign relations | <ul style="list-style-type: none"> ● The Bank supported the steady development of Sino-Congolese Bank for Africa. ● The Bank participated in the 12th China-ASEAN Financial Cooperation and Development Leaders Forum. |

Case: Facilitating the Implementation of “the Belt and Road Initiative” in Southeast Asia

Singapore Branch has offered high-quality financial services to “the Belt and Road” projects regarding food, energy and other areas closely related to the national economy and people’s livelihood. The Branch has provided financial guarantee for the post-epidemic recovery and reconstruction of the supply and industrial chains and the implementation of “the Belt and Road Initiative” in Southeast Asia. In 2020, the Branch granted nearly USD 3.90 billion of loans and trade financing for “the Belt and Road” related projects and achieved a settlement amount of approximately USD 7.80 billion.



Note: Dubai serves as an important hub along the Belt and Road. Dubai International Financial Center Branch participated in the Syndicated Loan Program for the project of 950 MW Concentrating Solar Thermal Power Plant in Dubai. After completion, the power plant will be the world’s largest individual concentrating solar thermal power facility. (Photo by Wang Shiyin)

2. Serving the coordinated development of the Beijing-Tianjin-Hebei Region

Following the national strategic plan for the coordinated development of Beijing-Tianjin-Hebei region, the Bank has provided comprehensive financial support for transportation integration, ecological environmental protection, industrial transfer, transformation and upgrading, preparations for the Winter Olympics, major infrastructure construction and other areas. At the end of 2020, the balance of loans for customers involved in the coordinated development of the Beijing-Tianjin-Hebei region exceeded RMB 808.20 billion.

Case: Full Support for the Winter Olympics Preparations

In recent years, Hebei Branch has provided comprehensive credit support and financial services for the Winter Olympics preparations in ice and snow industry, infrastructure construction, tourism and other sectors. In 2020, the Bank granted RMB 2.58 billion of credit to relevant industries for their development. In Zhangjiakou, the capital of Hebei and the main division for the snow projects of the Winter Olympics, Taizicheng Sub-branch has become the first and only bank operating foreign business.



Note: Zhangjiakou Branch in Hebei supports the construction of Chongli Yunding Ski Resort. (Photo by Ren Yuelong)

3. Supporting the construction of Xiongan New Area

The Bank put the Implementation Opinions on Comprehensively Supporting the Construction and Development of Xiongan New Area into practice and strengthened the support for key areas and projects, in a bid to promote the high-standard and high-quality construction of Xiongan New Area. At the end of 2020, the balance of loans for the construction of Xiongan New Area reached RMB 2.40 billion.

Key Areas under the Bank's Support in Construction of Xiongan New Area

| | |
|-------------------------------|--|
| Rail transport | The Bank approved a loan of RMB 16.70 billion for the Beijing-Xiongan Intercity Railway Project, with the credit support ranking among the top in the industry. |
| | The Bank approved RMB 11 billion of fixed asset loans for the construction of new Rongcheng–Wuhai Expressway, with RMB 378 million already granted. |
| Technology empowerment | To provide financial services for the “Millennium Forest” project, the Bank integrated the dual channels of online banking and cash management for forestation companies into the block-chain platform of China Xiongan Group. The Bank granted 14,000 sums of project funds and labor wages with a total amount of RMB 125 million. |
| Ecological protection | The Bank has approved RMB 10.50 billion of loans for the five sub-projects under the “Millennium Forest” project. |

4. Supporting the integrated development of the Yangtze Economic Belt and the Yangtze River Delta

The Bank offered high-quality financial services to provinces and cities along the Yangtze Economic Belt, and actively supported major projects and industries. By doing so, the Bank served the integrated and high-quality development of the Yangtze

River Delta. At the end of 2020, the Bank's balance of domestic and foreign currency loans for legal entities from the 11 provinces along the Yangtze Economic Belt stood at RMB 3.97 trillion.

Main Measures to Support the Integrated Development of the Yangtze River Delta

| | |
|-----------------|---|
| Shanghai Branch | Establishing a financial service leading group for the integrated development of the Yangtze River Delta to coordinate the internal policy decisions and action plans on how to support the development of the Yangtze River Delta. |
| | Setting up two more outlets in the Hongqiao Business District and a sub-branch at the Yangtze River Delta integration demonstration zone in Shanghai to expand the coverage of offline services. |
| | Providing differentiated financial services for innovative high-tech enterprises in the demonstration zone. |
| Zhejiang Branch | Launching the innovative “online credit authorization” service to improve the application efficiency of “Micro e-Loans”. |
| | Signing a strategic cooperation agreement with Loongson Zhongke Technology Corporation Limited to support the construction of smart industrial parks, to advance Loongson's ITAI adaptation and renovation projects, and to facilitate the domestically manufactured of chips. |
| Jiangsu Branch | Supporting a series of projects to strengthen, extend, and complement the industrial chains for Hengli Group, Shenghong Refining & Chemical, Trina Solar and other companies. |
| | Having Zhangjiagang Branch in Suzhou issue China's first e-bank acceptance draft and process all bill businesses online. |
| | Working with the Jiangsu Market Supervision and Administration Bureau to allow users to make appointments for account opening services via the official website, the mobile App, the enterprise WeChat, and the government service platform. |
| Anhui Branch | Supporting the construction of the inter-city three-dimensional transportation network, and granting credit to the first-phase projects of Wuhu Light Rail Train Line 1 and Line 2, two demonstration projects where monorail rubber tire vehicle technology has been first applied in China. |



Note: Guizhou Branch supports the construction of local transportation infrastructure. The structure in the photo is the Beipanjiang Bridge, the highest bridge in China. (Photo by Ye Yikun)

5. Serving the Guangdong-Hong Kong-Macao Greater Bay Area

The Bank issued the *Work Plan for Strengthening Financial Services for the Guangdong-Hong Kong-Macao Greater Bay Area* to fully support the development of this area. At the end of 2020, the corporate loans for the development of Guangdong-Hong Kong-Macao Greater Bay Area increased by RMB 149.5 billion from the beginning of the year; 1,371 projects regarding the Bay Area development were included in the major project management database; and 288 major customers engaged in new economy businesses were listed as the targets to be supported with differentiated policies.

Major Measures

Improving the quality of cross-border financial services

- The Bank has helped 651 enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area create Free Trade (FT) accounts. With these accounts, the enterprises can flexibly participate in domestic and foreign markets and conduct more convenient trade, investment and financing activities.

Enhancing the capabilities in financial service innovation

- The Bank has actively participated in the Cross-border Wealth Management Connect business and the pilot program of cross-border cash pooling business integrating domestic and foreign currencies. The Bank has steadily promoted the development of cross-border asset business and offshore RMB market.

Improving comprehensive service quality

- The Bank actively offered exclusive online services regarding all aspects of import and export trade to the buyers and exhibitors at the Canton Fair.

Case: Supporting the Construction of Hong Kong International Airport

Hong Kong Branch has worked as the leading bank to organize a syndicated loan of HKD 35 billion for the Airport Authority Hong Kong to construct the third runway of Hong Kong International Airport. This major infrastructure project was listed in the



Note: Guangdong Branch serves as the exclusive loan provider for the reclamation of Zhuhai-Macao Frontier Port Artificial Island. (Photo by Yang Jie)

ii. Boosting Industrial Upgrading

Committed to providing financial services for the high-quality development of manufacturing, the Bank has vigorously supported the key areas such as advanced manufacturing, strategic emerging industries, as well as new infrastructure, new urbanization initiatives and major projects. In doing so, the Bank has promoted the optimization of the national economic system.

At the end of 2020, the Bank granted loans to over 230,000 manufacturing customers, with a balance of nearly RMB 1.47 trillion; the balance of loans to advanced manufacturing customers grew by 33%; the balance of loans for strategic emerging industries exceeded RMB 600 billion, increasing by 22%. The Bank's all indicators ranked among the top of the industry.

Measures to Support High-quality Development of Manufacturing

Improving system guarantee and credit strategy

- The Bank released implementation opinions and action plans to support the high-quality development of general and high-end manufacturing, and built a long-effect financial service mechanism for manufacturing.
- The Bank provided preferential interest rates and special credit scales for manufacturing customers, supported their product innovation, and utilized special fault tolerance mechanisms for these enterprises.

Setting up specialized organizations and innovating featured products

- The Bank worked actively to construct featured institutions such as the sub-branches of FinTech and the specialized banks for high-end manufacturing. The Bank launched the innovative featured products such as loans for advanced manufacturing and loans for green and high-quality manufacturing.

Innovating service models and strengthening service quality and efficiency

- The Bank launched five innovative financial service models for the manufacturing sector: the mass marketing service model for industrial clusters, the platform cooperation service model based on industrial Internet, the industrial

chain financial service model for core manufacturers, the digital financial service model based on rich big data, and the diversified financing service model for the enterprises featuring financial disintermediation and the asset-light companies.

Measures to Support the Development of Strategic Emerging Industries

| | |
|--|---|
| Formulating policies and systems to guide preferential allocation of credit resources | <p>For strategic emerging industries, the Bank established differentiated credit policy systems, allocated separate business resources, and urged branches to market targeted products more actively.</p> <p>To support key product innovation, credit policies, and risk control, the Bank rolled out differentiated policy arrangements to promote the preferential allocation of credit resources towards strategic emerging industries.</p> |
| Establishing marketing systems to improve diversified service capabilities | <ul style="list-style-type: none"> ● The Bank established an inter-agency and multi-layered marketing system with stronger coordination between the Head Office and branches, bank and subsidiaries, and between corporate and individual businesses. For major projects, the Bank set up teams, held intensive discussions, and organized parallel operations. ● The Bank vigorously promoted the businesses and products such as debt-equity combination financing, M&A loans, industrial funds, collective notes, bond underwriting and investment, financial leasing, to provide diversified financial services for enterprises in strategic emerging industries. |
| Innovating financing products to meet personalized financial needs | <p>The Bank focused on researching the business characteristics of strategic emerging industries and innovating multi-type, full-cycle, and personalized financial products for customers. The Bank made innovative combinations of the services such as credit, investment banking, asset management, settlement, and international business to fully meet the needs of customers.</p> |
| Cultivating industrial clusters to provide exclusive integrated services | <p>To cope with trend toward industrial agglomeration, the Bank gathered the resources from all parties to form financial service synergy. The Bank established a FinTech ecosystem incorporating the government, parks, associations and other institutions, to provide enterprises with exclusive services integrated with financing, credit and intelligence.</p> |

| | |
|--|--|
| Transformation and upgrading of energy structure | TBEA is a company that provides clean energy system solutions globally. In TBEA's issuance of RMB 500 million Super & Short-term Commercial Papers, Xinjiang Branch served as the joint lead underwriter with a quota share of 40%. In this project, ABC facilitated China's progress towards achieving CO ₂ emissions peak before 2030 and carbon neutrality before 2060. |
| | Shenzhen Branch kept deepening its cooperation with China General Nuclear Power Corporation, China Resources Power Holdings Co., Ltd, BYD and other high-quality energy-saving, emission-reducing, green and eco-friendly companies. Through such cooperation, the Branch provided financing services for the strategic emerging industries such as clean energy and new energy vehicles. |
| Iterative Breakthroughs in information technology iteration | As China focuses on supporting the flat panel display sector, ABC organized the RMB 22 billion syndicated loan project for the production line of the 6th-generation flexible active matrix organic light emitting diode (AMOLED) of Hefei Visionox Technology Co., Ltd. After completion, this project will bring huge development opportunities to the small and medium enterprises in upstream and downstream industries. |
| | ABC served the 5G "new infrastructure" projects of China Mobile, China Telecom, China Unicom, China Tower, etc. At the end of 2020, the Bank launched 1,500 accounts for leading "new infrastructure" enterprises, granted them nearly RMB 10 billion of loans, and underwrote nearly RMB 10 billion of bonds for these enterprises. |



Note: Jining Branch in Shandong supports the major transportation and water conservancy projects. In 2020, it granted over RMB 500 million of loans to Yongchang Road & Bridge Group, the tap water production and supply project of Shandong Public Holdings Co., Ltd., the expressway management and maintenance project of Shandong Qilu Ningliang Expressway, and other projects. (Photo by Zhang Qingling).



Note: Dalian Branch supports the construction of Dalian Metro Line 5. (Photo by Qu Wenpeng)

iii. Vigorously Promoting Green Finance

Practicing the concept of green development, the Bank has continuously innovated green products and services and refined the green financial management mechanism. The Bank has actively guided resources toward green industries to help achieve CO₂ emissions peak before 2030 and carbon neutrality before 2060, and used financial forces to protect lucid water and green hills.

Creating Green Finance System

Green credit

- Identifying the key areas of green credit business
- Improving the green credit policy system
- Establishing the environment and social risk evaluation and management system

Green investment banking and innovative business

- Fully participating in domestic and overseas green bond markets
- Moving faster to develop green asset securitization business
- Working with the government to participate in financing the National Green Development Fund

Financial business for green consumption

- Operating credit business for green consumption
- Launching green and environmental-friendly credit cards
- Building a green consumption ecosystem

Green finance services for “Sannong” areas

- Granting more credit loans for rural environmental governance
- Working faster to promote green ways of production and living in rural areas
- Actively supporting the development of new industries and business models regarding green agriculture
- Relying on bank-government cooperation to expand financial services for green agriculture

1. Green credit

By the end of 2020, the balance of green credit was RMB 1.51 trillion, equivalent to reducing 87.13 million tons of carbon dioxide, 450,000 tons of chemical oxygen demand, 80,000 tons of ammonia nitrogen, 1.64 million tons of sulfur dioxide, 1.39 million tons of nitrogen oxides, as well as saving 52.94 million tons of water.

Key Support for Six Major Green Industries

- Energy conservation and environmental protection
- Clean production
- Clean energy
- Ecological environment
- Green upgrade of infrastructure
- Green services

Green Credit Measures

Strengthening policy guidance for green credit

- Identifying development goals, key tasks and management requirements for green credit
- Keeping granting more loans to green industries
- Incorporating the five green credit indicators of efficiency, benefit, environmental protection, resource consumption and social management into the newly formulated or revised industrial credit policies, with green credit indicators included in more than 50 industrial credit policies

Innovating regional credit products

- Supporting Zhejiang Branch in launching the financial service product of “Ecological Restoration Loan”
- Supporting Huzhou Branch in Zhejiang in launching the financial service product of “Green Finance Manufacturing Loan”

Strengthening environmental and social risk management

- Implementing the requirements of environmental and social risk management in all links of credit business
- Taking differentiated measures based on the levels of customers’ potential environmental and social risks
- Keeping strengthening credit management in industries with overcapacity and heavy pollution
- Boosting environmental and social risk screening to forestall relevant risks

Improving incentive mechanisms

- Taking multiple measures to guide green credit business

Consolidating management foundation

- Training employees already working with green credit and new staff members
- Reinforcing the management on green credit data

Fully supporting the development of green energy

Incorp Anhui Branch actively guided financial resources to weight toward green industries, and increased efforts in credit supply to clean energy sector by matching credit scale and policies and setting up specialized service teams. As at the end of 2020, the Branch scaled up support to nearly 80 clean energy projects, with a cumulative amount of RMB 15 billion, which saved 4 million metric tons of standard coal per year, and reduced carbon dioxide emissions by 16 million tons.



Note: Qinzhou Branch in Guangxi supports the construction of Longmen Wind Farm in Pubei County (photo by Wang Hongmei)

Case: Support for the Protection of the Mother River, the Yangtze River

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 provided professional financial services for the projects of Yangtze River Coordinated Protection. The Bank has assisted in establishing industrial funds and provided financial support for the green development of the Yangtze Economic Belt. At the end of 2020, the Bank supported 14 projects of the Yangtze River Coordinated Protection, granting a total credit line of over RMB 10 billion and benefiting more than ten counties and cities in six provinces in the Yangtze River Basin. In 2020, the Bank won the title of “Excellent Member of the Yangtze River Eco-Environmental Protection Industry Alliance”, becoming the only financial institution to receive this honor in China.

Measures for Yangtze River Coordinated Protection

- Setting up a professional service team
- Improving approval efficiency
- Coordinating relevant resources and follow up the projects in the provinces and municipalities along the Yangtze River
- Providing comprehensive financial services regarding financing and intelligence



Note: Jiangsu Branch grants RMB 900 million of loans to support the construction of the Jianghuai Ecological Great Corridor to protect the ecological environment at the source of the east route of the South-to-North Water Diversion Project. (Photo by Sun Chen)

Case: Vigorous Support for Ecological Protection of Yellow River Basin

Ningxia Branch focuses on the key projects, industries and areas in the ecological environment protection of the Yellow River Basin. The Branch has applied for RMB 2 billion to participate in the ecological protection of the Yellow River Basin in Ningxia and to contribute equity to the Construction Fund for the High-quality Development Pilot Zone. Meanwhile, the Branch has supported the projects related to the ecological environment protection of the Yellow River Basin in Ningxia through the investment from the National Green Industry Fund.

Case: The Pioneer of Sustainable Financing in Singapore

Singapore Branch has innovated the Sustainable Financing Framework for green club loan financing. The issued loans have been evaluated by a third-party independent institution as compliant with the relevant requirements and reporting standards on fund use under the framework. In 2020, this model won the “Demonstration Case of Chinese Services” award from the China International Fair for Trade in Services.

2. Green investment banking

Serving the national green economy strategy, the Bank has continuously expanded green bonds, green asset securitization, green M&A and other businesses, and provided more effective green investment banking services. In 2020, ABC issued two green asset securitized products with a total size of RMB 2.34 billion, participated in four green bond offerings raising RMB 6 billion, and underwrote a share of RMB 2.78 billion in the total amount.

Diversified Green Investment Banking Services

Green M&As

- Supporting customers’ mergers and acquisitions in transportation construction, environmental governance, sewage treatment and other sectors
- Approving green M&A loans of nearly RMB 10 billion, a year-on-year increase of nearly 40%
- Issuing green M&A loans of over RMB 6 billion, a year-on-year increase of

over 30%.

Green bonds

- Participating in two green bond offerings with RMB 4 billion raised, and underwriting a share of RMB 2.5 billion among the total amount
- Participating in two green financial bond offerings with RMB2 billion raised, and underwriting a share of RMB 275 million among the total amount

Green syndicated loans

- Supporting the projects in rail transit, sewage treatment, hydropower, wind power and other new energy sectors
- Signing syndicated contracts with a total scale of over RMB 60 billion

Participating in Setting up the National Green Development Fund to Support Green Sustainable Development

The Bank put up RMB 8 billion to co-establish the National Green Development Fund. The fund is the only national-level green fund that will focus on investing in environmental protection, pollution prevention, ecological restoration and other areas.

Case: Innovative Green Asset Securitization

The Bank served as the lead underwriter for the issuance of SIENSOL EP GREEN ASSET-BACKED NOTES 2020-1. With a total size of RMB 555 million, this series of notes were backed by the assets of two sewage treatment plants with an annual disposal capacity of 10.353,700 tons. This project can annually reduce 2,753.32 tons of COD, 9.59 tons of TP and 120.03 tons of NH3-N. It is China's first green Asset Backed Note (ABN) in pledged on the income right of industrial sewage charges, and has won the "2020 Asset Securitization Mediate Award".



Note: NextEra Energy Capital Holdings Inc. is a diversified clean energy company headquartered in North America and the world's largest supplier of wind and solar renewable energy power generation. New York Branch has participated in granting a syndicated loan of USD 4.3 billion to help this company develop, construct and operate renewable energy projects. (Photo by Zhang Zhouyang)

iv. Supporting Healthy Development of Micro and Small Enterprises

To address the financing difficulties of micro and small enterprises, the Bank has increased the supply of inclusive financial products, developed financial service systems across the entire enterprise lifecycle, optimized processes, and made fee reductions and concessions. By doing so, the Bank has provided higher-quality and more efficient financial services for private, micro and small enterprises and helped them expand.

At the end of 2020, the balance of inclusive financial loans for micro and small enterprises was RMB 961.5 billion; 1.57 million such enterprises received loans from the Bank, and 4.57 million such enterprises enjoyed financial services from the Bank.

Addressing Financing Difficulties of Micro and Small Enterprises

Laying a solid foundation for Internet-based technology development

- The Bank initially built a set of product brand systems, an operation management system, a customer service platform, and an intelligent risk control system for the digital transformation of inclusive finance. The Bank provided more Internet-based and intelligent services, utilizing data to allow users to apply for and repay loans in a quick and convenient manner.
- The Bank enriched the online product systems by optimizing the products of “Small and Micro e-Loan” and “Industrial e-Loan” and launching the new product of “First-time e-Loan”. The Bank exported inclusive financial services to various digital government affair platforms of national ministries and local governments to broaden service channels.

Keeping adjusting the credit structure

- The Bank remarkably increased the proportion of first-time loans, manufacturing loans and credit loans.
- Under the campaign of “Banking Services for Enterprises”, the Bank prioritized financing support for the micro and small enterprise clusters such as demonstration bases for innovation and entrepreneurship, science and technology parks, industrial parks, and featured industry gathering areas, micro and small enterprises listed on the NEEQ, recommended by government affair platforms, and included in industry associations. The Bank granted more credit loans to innovative technology companies featuring specialty, professionalism, uniqueness, and novelty and green environmental protection enterprises.
- The Bank actively supported the micro and small enterprise clusters in the upstream and downstream supply and industrial chains of large and medium-sized enterprises, especially the micro and small enterprises, new rural business entities, planters and breeders and other entities in the upstream and downstream industrial chains of core customers, key customers in advantaged industries, and leading agricultural industrial enterprises.

Reducing financing costs of enterprises

- The Bank lowered the loan interest rate for micro and small enterprises to an annual average of 4.18%.
- The Bank offered to bear the mortgage valuation fee, insurance fee, mortgage/pledge registration fee and other fees charged by third-party institutions.

- The Bank followed the general principle of “making interest concessions as possible as it can” and exempted relevant service fees for the loans to micro and small enterprises.

Enhancing financial service capabilities

- The Bank set up “Inclusive e-Stations” at mobile and online banking platforms to service micro and small enterprises.
- The Bank set up “Inclusive Finance Service Zone” at featured outlets and continuously expanded the coverage of inclusive finance.
- The Bank developed 1,000 head-office-level and 900 branch-level specialized inclusive finance institutions, giving them special policy support for their development of higher-quality inclusive finance service capabilities.

Case: The Package of “Four Products and One Platform” Helped Self-employed Catering Businesses Pull Through

Hangzhou Branch in Zhejiang launched a financial service package of “Four Products and One Platform”, namely, Supporting Loans, Consumption Coupons, Preferential Policies, Green Channels, and the “Huiqi” Platform, to solve the operational problems of micro and small catering companies and help them resume work. At the end of 2020, the service package benefited over 4,000 merchants engaging in catering, entertainment, travel and other industries.

- **Supporting Loans:** Providing convenient financing services to enterprises of the Food & Beverage industry through exclusive financing products such as “rental loans”, “remuneration loans” and “tax loans”.
- **Consumption Coupons:** Based on the customer resources on ABC Banking App, Hangzhou Branch worked with catering companies to launch consumption coupons, in a bid to attract customers and stimulate catering consumption.
- **Preferential Policies:** The Branch adopted the means such as relaxing access criteria, lowering loan interest rates, extending due repayment date, and exempting payment handling fees, to address the enterprises’ problems in debt repayment, capital turnover and financing expansion.
- **Green Channels:** The Branch helped build a coordination mechanism for catering revitalization and created green channel for approval. The Branch gave priority to special issues and handled them with special methods and as quickly as possible to meet enterprises’ financing needs.
- **“Huiqi” Platform:** This platform provides enterprises with free access to the “Warm Employment”, a public welfare platform of recruitment and job hunting, the “Warm Home Delivery”, an online ordering platform, and “Work Resumption Kit”, a visitor management system. All these have helped enterprises reduce costs and increase efficiency.

Case: “Credit Enhancement e-Loan” to Broaden Credit Channels for Micro and Small Enterprises

In conjunction with Beijing Capital Financing Guarantee Co., Ltd., Beijing Branch has launched the “Credit Enhancement e-Loan”, a loan product for the private, micro and small enterprises with insufficient collaterals or other problems that cannot be solved online. Qualified enterprises can apply, draw down and repay the loans and

complete other operations via the corporate online banking system. This product has made inclusive financial products more accessible. In 2020, the Chaodong Sub-branch in Beijing granted the first “Credit Enhancement e-Loan” and cumulatively granted RMB 16.60 million of loans.

Case: Integrating Powerful “Inclusive Finance” Products to Support Healthy Growth of Private, Micro and Small Enterprises

In the campaign of “Banking Services for Enterprises”, Hedong Sub-branch in Tianjin grasped the opportunity to survey the financing needs of local private, micro and small enterprises via text messages, phone calls, WeChat messages, door-to-door visits and other means. By actively working with the Tianjin Municipal Bureau of Financial Work in organizing bank-enterprise partnering meetings, the Sub-branch provided the companies suffering cash flow shortages and operation difficulties with exclusive inclusive finance products such as “Taxation e-Loan”, “Wejie Loan”, “Data-based Internet Loan”, “Mortgage e-Loan” and “Salary e-Loan”. By the end of 2020, the Sub-branch had provided tangible financial support for private, micro and small enterprises, with a total credit line of RMB 192 million as well as RMB 130 million of new financing loans for micro and small enterprises.



Note: The employees of Hedong Sub-branch in Tianjin visit the local subdistrict office for bank-enterprise cooperation. (Photo by Sun Lei)



Note: Wuzhong Branch in Suzhou grants RMB 10 million of loans to Suzhou Guangheng Hardware Products Co., Ltd. for its production scale expansion. (Photo by Xu Qing)

III. Serving Social Wellbeing with People-oriented Approach

SDGs:



The Bank has stepped up digital transformation to actively explore how to deeply integrate financial services with the scenarios regarding science, education, culture, health, clothing, food, accommodation, travelling and other aspects. By doing so, the Bank aims to turn financial services from “ubiquitous” to “ever-present” and build a smart bank that meets people’s living needs and provides customers with first-class experience. Meanwhile, the Bank has attached great importance to consumers’ property safety and made earnest efforts to maintain their legitimate rights and interests.

At the end of 2020, the Bank reported a net increase of 80.5 thousand in the number of Internet scenarios which served 67.53 million customers. The Bank had 360 million mobile banking customers and 8.31 million corporate online banking customers.

“iABC” Strategy

For better technology empowering and supporting capabilities, the Bank has put forward the “iABC” strategy advocating the efforts to build an “intelligent and integrated ABC with technological impetus and personal banking services”. This strategy was advanced through “seven technologies, five pillars, six middle offices, and two guarantees”.

Seven technologies

- Closely following the FinTech development trend, the Bank redoubled efforts to improve its basic capabilities in key FinTech areas from the seven aspects: the big data service system, the cloud computing technology capability, basic capability in AI, distributed architecture R&D and application, blockchain technology innovation, technological strength in information security, and innovation in network technology.

Five pillars

- Focusing on the key projects in the crucial initial stage of digital transformation, the Bank took the user-centered approach and relied on technology empowerment to transform and upgrade the businesses in the five areas of products, scenarios, data, risk control and channels.

Six middle offices

- Focusing on the urgent needs in business transformation, the Bank selected key business areas for the pilot construction of enterprise-level business architecture. That provided an important channel for the transmission of “corporate strategy - business capability planning - technology realization”, and also contributed to creating the middle offices for the six major areas, namely, data, credit, open banking, retail marketing, corporate marketing and operations.

Two guarantees

- The Bank strictly ensured production safety and information security, adhered to the bottom line of production safety, and pursued innovation development at the same time.
- The Bank optimized the IT governance framework and production relations from the five aspects of organizational structure, management mechanism, control process, compliance system and talent team building, to guarantee IT development.

i. Focusing on People's Livelihood

The Bank worked hard to use financial services as a “golden key” to help improve people's livelihood. With the “Internet-based, data-based, intelligent and open” development idea, the Bank moved faster to deeply integrate online and offline services and build financial scenarios, launched the service scenarios such as smart government affairs, smart medical care and smart campus and kept providing better services for people.

At the end of 2020, the Bank's balance of loans for the cultural industry was RMB 219.914 billion; the balance of loans for the education industry was RMB 46.74 billion; and 402 education institutions were included in the bank-university cooperation program.

1. Guaranteed housing needs

The Bank provided greater credit support for affordable housing projects, homes with joint property rights and rental housing projects to help people live in peace and contentment. In 2020, the Bank issued more than RMB 40 billion of new loans to affordable housing projects.

Case: “1+3” Service Model to Resettle Fishermen

For the orderly implementation of 10-year comprehensive fishing ban in the Yangtze River waters, Zhenjiang Branch in Jiangsu launched the “1+3” financial service model to help the local fishermen resettle and shift to other work. The Branch provided high-quality financial services to support the resettled fishermen's needs in housing, employment and business startups.

- “1”: The Branch provided resettlement compensation funds for the relocated fishermen. Up to now, a total of RMB 35.50 million has been allocated to all the 400-plus fishermen households. The Branch properly provided personalized fund use schemes for these fishermen under the premise of fully respecting their will.
- “3”: The Branch provided micro-credit to support business startups and consumption of durable goods like housing and automobiles. The Branch granted 12 housing loans totaling RMB 5.23 million and five home decoration installment loans totaling RMB 80,000; the Branch granted 19 personal business loans totaling RMB 2.17 million and auto installment loans totaling RMB 8.04 million for 47 applicants. All these services have greatly helped the fishermen engage in other industries and increase incomes.

Case: Financial Support to Renovate Old Communities

Chongqing Branch actively participated in the renovation of old communities. In 2020, the Branch granted loans of RMB 63 million within nine days for relevant renovation projects, becoming the first financial institution in Chongqing to do so and contributing to the local people's construction of clean, tidy and beautiful new homes.



Note: Chongqing Branch supports the renovation of old communities. (photo by Pan Yulin)



Note: Weifang Branch in Shandong supports the renovation of local shanty towns. (Photo by Fu Qihong)

2. Convenient government services

The Bank played the advantages in financial resources and technology to actively build a new model of smart government services, and to create a full-scenario ecosystem environment covering the Government-side, Business-side and Customer-side businesses. The Bank launched over 100 high-frequent government services and financial services in the modules of “Administrative Charges” and “Government Services” on the ABC Banking App. The “Government Services” module provided “online services” and “one-stop services” to help the government

further streamline administration and delegate power, improve regulation, and upgrade services, and raise people's satisfaction. The "Administrative Charges" module provided more convenient payment channels for 19 utility bills including water bills, electric bills, and transportation fines and penalties. By the end of 2020, the Bank cooperated with 31 provincial and 172 municipal governments in government services, opened 5,658 outlets and upgraded 12,600 self-service devices, making government services available for appointment, inquiry and handling.

Logic Diagram

New model of smart government services

- Integration of "Government affair + Technology"
- Integration of "Government service + Financial service"
- Integration of "Government service + Government management"
- Integration of government services, financial services and customer production and life scenarios
- Integration of social credit building, credit utilization and credit information system

Taking the lead and setting an example in connecting with the national government service platform

- Connecting with the "Policy Communication" program of the national government service platform to push in real time the relevant policies serving the SMEs' resumption of work and the "Sannong" areas
- Building the national-level models of bank-empowered government services

Acting as a service partner for the construction of digital government

- Creating the three model of "embedding, co-construction and unified construction" and the models at national, provincial, municipal and county levels
- Developing comprehensive solutions featuring "financial service + industry application", and "online integration + offline extension"

Relying on innovation to inject new momentum into the construction of intelligent society

- Making innovations in account, payment and settlement, bill payment, financing, certification, inquiry and other financial services
- Launching social governance and public service applications and solutions

Fostering new business forms for the development of digital economy

- Practicing and exploring Government-side services amid the construction of "new infrastructure"
- Issuing guidance and creating demonstration models to guide the entire Bank towards the evolution of "data-based business - data capitalization - asset valuation"

Case: "i Xiangyang", a Popular Smart Government Affair APP

On June 29, 2020, the Bank officially released the "i Xiangyang" App jointly

developed with Xiangyang Municipal Party Committee and Government of Hubei, ushering in a new chapter in supporting China's construction of "new smart cities". As a model of unified construction for smart government affairs, the "i Xiangyang" App is the first smart government affair mobile application that "benefits people, enterprises, farmers and governance" in the banking industry. Covering more than 2,200 government services and administrative items in social security, transportation and travel, provident fund, education and examination, housing security, medical treatment and health, and other aspects, this App can meet the people's needs in all aspects.



Note: The release conference of "i Xiangyang" App (Photo by Cao Chenggang)

3. Accessible medical care

As one of the first batch of banks cooperating with the National Healthcare Security Administration on the reform of electronic medical insurance certificates, the Bank promoted the electronic medical insurance certificate through "online + offline" channels. At the "Smart Medical Care" platform on ABC Banking App, the Bank created four modules, namely, smart diagnosis and treatment, smart finance, smart management and regional medical treatment, to enable the relevant functions of appointment, registration and payment. During this process, ABC continuously improved the patients' and medical workers' satisfaction. At the end of 2020, the Bank launched "Smart Medical Care" over 1,000 medical institutions, promoted the application of electronic medical insurance certificate codes nationwide, with more than 8.5 million mobile banking users activating these codes.

Case: Electronic Medical Insurance Certificate Made Medical Insurance Services More Convenient

As a partner to promote the application of electronic medical insurance certificate codes in Jiangsu, Jiangsu Branch has created medical consumption scenarios and enriched application channels for medical insurance customers. In these scenarios like hospitals and pharmacies designated by the National Healthcare Security Administration, insured customers can easily scan these codes to make payments and inquire medical insurance payment records. By the end of 2020, the Bank realized application of 288,000 electronic medical insurance certificate codes on ABC Banking App.



Note: The electronic medical insurance certificate display developed by the Bank.
(Photo provided by Institutional Banking Department)

4. Accessible schooling

The Bank offered student customers an exclusive product system covering student financing, credit consumption, overseas finance, commercial student loans, the “College Student Card”, and the “Overseas Study Kit”. By doing so, the Bank supported the development of education and served the strategies of reinvigorating the country through science, education, and the development of a high quality workforce. The Bank set up a “Smart Campus” platform with four modules (smart finance, smart school affairs, smart educational administration and smart services). The Bank provided students, parents, teachers and schools with new functions, such as leave management, class management and campus dynamics, to meet the needs of intelligent and diversified needs of universities, primary and secondary schools. By the end of 2020, the Bank had launched this platform for over 30,000 schools.



Note: Nantong Branch in Jiangsu gives instructions on the operation of “Smart Campus” platform to students from Nantong University. (Photo by Lu Nan)



Note: Zhangzhou Branch in Fujian promotes smart campus financial services at Minnan Normal University. (Photo by Zheng Baixian)

ii. Upgrading Customer Service Experience

The Bank continued to build intelligent and light outlets. Driven by “finance + technology + data”, the Bank optimized service standards and business processes, provided intelligent and integrated service experience for customers, and improved their service satisfaction. At the end of 2020, a total of 69 model outlets of 5G Smart Banking were established in 28 provincial branches in Beijing, Shanghai and Shenzhen. Among these model outlets, 15 were located in counties.

In 2020, the Bank’s Remote Banking Center received a total of 289 million incoming calls, with a customer satisfaction of 99.63% and a customer complaint settlement rate of 100%; the Bank had more than 100 million monthly active customers on ABC Banking App and 8.24 million registered users of outlet Wi-Fi.

Ushering in a New Era of “5G+” Smart Services

On May 30, 2020, Mudanjiang Branch, the first “5G+” smart outlet of Heilongjiang Branch, ushered in a new era of “5G+” smart services.

“Smart Shelf” to meet the needs of people’s livelihood

- Financial product display and QR code scanning through ABC Banking App
- Display of daily payment items and QR code scanning through ABC Banking App
- Display of promotional information from merchants around an outlet

Accurate “Customer Profile” to provide convenient services

- Accurately recommendation of financial products
- Intelligent processing of business transactions

“Fitting Room” for precious metal, bringing real experience

- Virtual wearing of precious metal ornaments through the AR screen



Note: Shenzhen Software Park Sub-branch of 5G Smart Bank was opened on August 18, 2020, becoming ABC’s first “Caizhihui” service site. (Photo by Yu Shiyin).



Cui Yong, Executive Vice President of the Bank, attends the press conference of “Cloud Opening Ceremony” of the outlet oriented to poverty alleviation. (Photo by Chen Shunxi)

Optimizing Pain Points and Hot Business Processes

For the “pain points” and difficult problems in service experience, the Bank continuously optimized product design and business process and greatly improved processing efficiency to improve customer experience.

Optimization of counter business processes

Faster account closing

- One-click closing of multiple accounts
More efficient contract rescission
- One-click termination of multiple contracts
Streamline confirmation
- Confirmation number of account activation and inquiry businesses reduced by 50%

Hot business process optimization

- Pre-filling of debit card application form
- Reservation of foreign currency withdrawal
- Self-service registration of mobile banking
- Online application for personal certificate of deposit
- Fast and virtualized application for credit card replacement
- Self-service uploading of materials to prove that the cardholder denies the credit card transactions

Case: Online First-class Experience for Individual Customers

Through mobile banking, online banking, WeChat banking and other channels, the Bank built a comprehensive online financial service platform to provide one-stop online services for individual customers. By the end of 2020, ABC had 360 million personal mobile banking customers, 356 million personal online banking customers, and 174 million WeChat banking customers.

Personal Internet financial services

- Lowering the use threshold and optimizing the registration process.
- Improving the query function of credit and debit details, and supporting the downloading of records within five years.
- Enriching the payment and settlement product system and launching the new function of transfer reservation
- Revising the investment and wealth management functions, optimizing the interactive process and enriching the product categories
- Refining the online loan system by adding various loan products
- Upgrading the “monthly statement” and keeping track of the assets and mobile banking transactions at any time

Case: “Digital Account” Allowed Customers to Enjoy Better Account Opening Experience

Shanghai Branch has integrated the reservation for corporate account opening into the new digital scenario model. By directly connecting with the systems of industrial and commercial administrations, the People’s Bank of China and other departments, the Branch launched the “digital account” project with one-stop account service processes. That made business processing more automated and the counter processing for account opening more efficient.

Advantages of “Digital Account”

- Real-time transmission of enterprises’ registration information recorded at industrial and commercial administrations
- Less manual processing links
- Greater customer experience
- Only half a day needed for account opening

Intelligent Services to Meet Financial Service Needs of Special Groups

Services friendly to the elderly

- Lobby managers of outlets instructed the elderly customers to use self-service devices and helped them adapt to the intelligent services as soon as possible.
- The elderly inconvenient to use smart devices were given the priority to enjoying traditional over-the-counter services.
- Outlets were equipped with warm convenience facilities such as barrier-free ramps, reading glasses, caring seats, first aid kits, mobile phone charging stations, drinking equipment for the elderly.

- The elderly with mobility impairments were offered with a “green channel” and door-to-door services.
- The targeted services of large fonts, voice control and family account linking for the elderly were available on the interface of ABC banking App.

Ethnic minority groups

- The Bank added five ethnic minority languages in interface display and voice navigation at outlet devices in ethnic minority area to provide local minority customers with convenient services.
- The Bank developed Tibetan and Uyghur versions of ABC Banking App, to provide farmers and herdsmen in Tibet and Xinjiang with convenient services.

Case: Easy Languages for Ethnic Minority Customers

Xinjiang Branch has smoothly launched the Uyghur and Kazakh versions of super counters and self-service terminals, and has made the free switch among Chinese, Uyghur, and Kazakh available at the self-service facilities. Thus, ethnic minority customers can follow the voice prompts in any of the three languages to conveniently complete the financial service application processes. Xinjiang Branch has become the first bank in Xinjiang to provide customers with Chinese, Uighur, and Kazakh voice services at outlet devices. Through such action, Xinjiang Branch has provided ethnic minority customers in Xinjiang, especially those in the areas in extreme poverty in South Xinjiang, easy access to self-help services.



Note: The employees of Nanchang High-tech Sub-branch in Jiangxi provide door-to-door social security card activation service for the elderly and special group customers. (Photo by Huang Meiling)

iii. Protecting People's Property

ABC has taken preventing and cracking down on illegal fund-raising and lending, financial fraud and other illegal financial activities as an important task to forestall and defuse major risks. By establishing work mechanisms, conducting three-dimensional monitoring, carrying out regular publicity and taking other means, the Bank has combated illegal financial activities and safeguarded people's legitimate rights and interests and financial stability.

1. Preventing financial crimes

Operating by laws and regulations, the Bank strengthened the prevention and control on case risks through monitoring, early warning, screening and resolution to prevent and identify illegal financial activities.

Measures to Prevent and Control Case Risks

- **Initiating the three-Year "Sharp Arrow Plan"**
The Bank formulated a three-year "Sharp Arrow Plan" (2020-2022) to prevent and control case risks, with clear goals, tasks and requirements set for different stages and areas.
- **Screening and resolving major risks and hidden dangers**
The Bank screened the major risks and hidden dangers in the existing business areas of credit, counter operations, inter-banking, IT, anti-money laundering and sanctions compliance, and employee management. The Bank took 70 measures to resolve the roots of hidden dangers in the 32 key protection and control areas in the seven fields.
- **Further reinforcing the primary responsibilities for case risk prevention**
The Bank made comprehensive efforts to develop the "two-line management" accountability system, strengthened the "two-line" management responsibility evaluation, and kept cultivating a stronger sense of responsibility for case prevention among the management at all-levels.
- **Intensifying the monitoring on risks from unusual employee behaviors**
ABC innovated models to monitor unusual behaviors of employees. The Bank launched special campaigns to regulate employee activities such as private purchase of POS machines for cash-out, gambling, and illegal use of customer credit funds among farmer account managers.
- **Strengthening the abilities of technology-based case risk prevention**
The Bank optimized the monitoring and early warning platform for case prevention, built a monitoring system for employee compliance risks, and strengthened the monitoring on employees' compliance risk profile and transaction indicators as well as the management of their behaviors. The Bank developed a custom query device for online big data query, and put into production the intelligent clue module for classified clue management.

Measures to Prevent and Identify Illegal Financial Activities

- **Regular monitoring and early warning against illegal financial activities.** By fully utilizing big data technology and the coordination and complementation of multiple information systems, ABC monitored and analyzed abnormal accounts and high-risk customers, and warned against, verified and reported the suspicious transaction information. The Bank combined real-time early warning with regular analysis to timely detect and resolve illegal financial activities. The Bank established long-effect risk warning and resolution mechanisms, followed the changes of new illegal behaviors, and kept optimizing the monitoring models for illegal fund-raising, financial fraud, illegal private banks, transactions related to drugs, gambling, terrorism and taxation, as well as other activities.
- **Thorough screening and resolution.** ABC coordinated the actions to screen case risks, to warn against risks through case study, to regulate market violations and the like. The Bank launched extensive campaigns to rectify illegal fund-raising and lending, financial fraud and other activities. The discovered clues to customers' involvement in illegal financial activities were submitted to local regulators and public security institutions in accordance with regulations.
- **Intensively combating organized crime and rooting out local criminal gangs.** The Bank set up leading groups at all levels to combat organized crime and to root out local gangs. The Bank established regular monitoring, early warning, screening and resolution mechanisms to promptly discover and deal with gang-related clues and behaviors. The Bank developed and optimized the early warning monitoring model and conducted solid off-site monitoring and analysis. It also took a variety of measures, such as outlet inspections, customer visits, video surveillance, public reports, and inquiries and collections of public information from political and legal agencies, to intensify the screening of gang-related clues. In close cooperation with administrative, judicial, and regulatory agencies, the Bank timely provided clues and worked meticulously in searching and freezing gang-related accounts.

Currency Anti-counterfeiting

- The Bank established a regular anti-counterfeiting training mechanism to make the all-level staff more capable of fighting currency counterfeiting.
- The Bank fully launched the currency query system based on sequence numbers, allowing people to track currency circulation and ensuring their legitimate rights and interests.
- The Bank cooperated with the People's Bank of China on improving the anti-counterfeiting features of the new 50-yuan notes and lower-value ones, and upgraded cash machines in all outlets and trained all staff to identify counterfeit notes.
- The Bank organized all-level branches to carry out "anti-counterfeiting month" activities to expand social influence, to motivate enthusiasm for anti-counterfeiting, and to raise the public's self-protection awareness and anti-counterfeiting responsibility.

- The Bank set up the counterfeit currency monitoring and response stations at the institutions designated by the People's Bank of China and the public security organs, and established dynamic monitoring networks for the detection of counterfeit currency cases.

Case: Bank-police collaboration to Crack Down on Telecom and Cyberspace Fraud

Xiamen Branch has established a strategic cooperation base with the local police, in a joint effort to crack down on new violations and crimes related to the telecom and cyberspace. Playing the advantages as a strategic base and technology platform, Xiamen Branch launched a campaign to combat fund fraud. This campaign featured an innovative early warning model based on financial big data. The queries and analysis of fraudulent fund chains could help accurately locate the victimized customers, and their further losses could be prevented by the police's door-to-door publicity, dissuasion and/or other actions.



Note: The employees of the Bank and the police pose for a group photo after working together to promote the prevention of telecom and cyberspace fraud. (Photo provided by the Security Department)

2. Popularizing financial knowledge

With the outlet advantages and online channels, the Bank carried out intensive financial knowledge publicity and daily prompt activities to raise financial consumers' awareness and self-protection abilities in risk prevention.

At the end of 2020, the Bank carried out more than 35,000 intensive publicity activities involving nearly 390,000 publicists and nearly 63 million consumers, with 37 million pieces of publicity materials distributed. In 2020, the Bank was rated by the Financial Rights Protection Bureau of the China Banking and Insurance Regulatory Commission as an excellent organizer of joint publicity and education.

Ways to Popularize Financial Knowledge

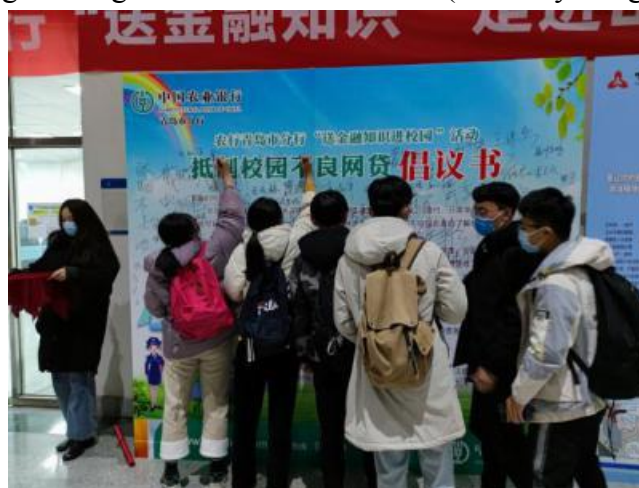
- **Developing publicity fronts at outlets.** The Bank had publicity financial knowledge posters and videos repeatedly displayed at more than 20,000 business outlets, over 120,000 electronic displays, 22,000-plus ATMs, super

counters, multimedia and other self-service devices.

- **Conducting active online publicity.** By producing series of original videos, cartoons, long pictures and other promotional materials, the Bank integrated professional financial theories with vivid cases and common life knowledge, and pushed these materials to consumers through internet channels.
- **Carrying out various offline activities.** The Bank carried out “door-to-door financial knowledge publicity”. In schools, communities, enterprises, villages and towns and other places, the Bank held various educational and experiential activities adaptive to the current knowledge levels and needs of students, community residents, elderly groups, migrant workers and farmers.



Note: An employee of Nanping Branch in Fujian popularizes financial knowledge among middle school students. (Photo by Song Xiaohan)



Note: At the “Financial Knowledge Publicity in Campus” campaign held by Qingdao Branch, the students of Shandong University of Science and Technology students sign the proposal. (Photo provided by Qingdao Branch)



Note: Heilongjiang Branch publicizes financial knowledge. (Photo by Lan Huaizhong).



Note: Ulanqab Branch in Inner Mongolia launches a campaign of “3·15 Financial Knowledge Publicity in the Countryside”. (Photo by Liu Yong)

IV. Offering Warm Assistance to Social Public for a Shared Beautiful Life

SDGs:



The Bank addressed the needs of employees, worked together with them for common growth, and participated in protecting property safety of community residents and rebuilding homes for people affected by disasters. Through joint efforts to safeguard the harmonious homeland, the Bank continued to make people feel more satisfied and happy.

The Power of Role Models

In 2020, four outstanding employees were awarded the honor of “National Model Workers”; four outstanding institutions and seven outstanding employees were awarded “the National Financial May 1st Labor Certificates and Medals”; 60 employees were awarded the honorary title of “Model Workers of Agricultural Bank of China”; three employees were awarded the honorary title of “Global Outstanding Employees of Agricultural Bank of China”. The basic information of the “National Model Workers” is as follows:

Li Xiangyang

Deputy Secretary of Party Committee and Vice President of Linfen Branch in Shanxi

Linfen City in Shanxi Province had a large number of population in extreme poverty. The extensive means like a deluge of stimuli or the aimless allocation of limited resources could hardly lift this city out of poverty. So, Li Xiangyang led his poverty alleviation team to the local impoverished sites to thoroughly survey the registered impoverished households with credit needs. Li and his team helped cultivated a batch of agriculture-related projects with regional advantages, lifting 9,730 registered impoverished households out of poverty. Linfen Branch in Shanxi has been awarded the “Advanced Institution of Poverty Alleviation” for three consecutive years.



Note: Li Xiangyang (the second from the left) visits Sheli Village in Yonghe County, a national-level impoverished county in Shanxi Province, for poverty alleviation. (Photo by Wang Yin)

Chen Ru

**Deputy Director of Business Department of Sanyuan County Sub-branch,
Xianyang, Shaanxi**

Since joining ABC in 1984, Chen Ru has worked at the primary-level branches for 36 years. With solid political literacy and excellent performance, Chen Ru always thinks as customers think and care about what they care about. She has made outstanding contributions to the development of the county-level branches and set a model in improving the quality of county financial services.

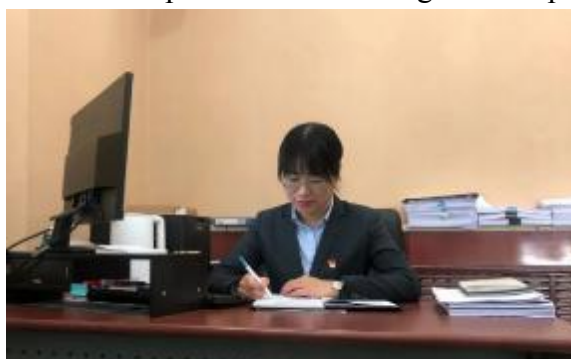


Note: Chen Ru (the first from the right) patiently answers the questions from the customer. (Photo by Guo Jia)

Yue Hong

**Vice President of Maqin County Sub-branch, Guoluo Tibetan Autonomous
Prefecture, Qinghai**

Upon graduating from university, Yue Hong resolutely followed her father's footsteps to work in Guoluo Tibetan Autonomous Prefecture, a high-altitude area 600 kilometers away from her hometown which is the relatively advanced Hehuang Valley of eastern Qinghai. As a second-generation official supporting Guoluo, Yue Hong devotes herself to ABC's poverty alleviation in Guoluo, a place deficient in oxygen but rich in enthusiasm. She works hard to practice skills, to study Tibetan, and to create opportunities for the local poor households to get out of poverty.



Note: Yue Hong at work (Photo by Han Kejian)

Li Haibo

Director of Business Management Office of Corporate Banking Department of Head Office (Dispatched to Serve as Subprefect of Raoyang County, Hebei)

Raoyang was a key county in the national poverty alleviation and development. As a dispatched official from ABC, Li Haibo kept exploring how to help local farmers access fast and affordable financing. Under his assistance, more than 8,000 poor farmers successively increased incomes and got rid of poverty. In 2019, Li Haibo was awarded “the National Innovation Award for Poverty Alleviation”, becoming the only official in the nation’s financial system to receive the honor.



Note: Li Haibo (the first from the right) visits Raoyang County for poverty alleviation. (Photo provide by Hebei Branch)

i. Providing Sincere Care for Employees

Regarding employees as an important component of corporate competitiveness, the Bank has focused on working environments, capacity development and corporate culture to create a positive paradise for employees’ work and growth. In 2020, the Bank was awarded the title of “China’s Top 100 Employers of the Year” from Zhaopin.com.

1. Boosting employee development

The Bank has strived to promote team building of professional talents, implement the youth talent project, train outstanding young officials, and open up channels for employees to grow into professionals. In 2020, the Bank paid attention to staff education and training, held 7,900 training courses and trained 895,800 employees.

Case: Strategies to Develop Digital Transformation Talents

Institution optimization

The Bank laid out its businesses in cutting-edge technology innovation fields and set up a FinTech innovation center in Xiongan, invested more staffing and other resources in technology departments. It renamed the Customer Service Center as the Remote Banking Center and established a team to promote digital RMB innovation.

Talent guarantee

The Bank built the teams of product managers, customer managers, data analysts and technology project managers, with a total size of more than 90,000 people. The Bank recruited more talents in IT and other science and engineering sectors and held a series of training programs on digital transformation, thus enriching the base of digital transformation professionals

Outlet transformation

To collaborate with retail businesses and outlets transformation, and the implementation of the “N+M” model for outlet posts, the Bank set post guidelines based on the categories of outlets, appropriately reduced posts, and drive primary-level branches to optimize their organization of labor.

With a focus on educating and training employees, the Bank held 7,900 training sessions for 895,800 people throughout the year.

Case: Creating a New Employee Learning Platform under Regular Epidemic Prevention and Control

To meet employees’ capacity development needs under regular epidemic prevention and control, the Bank has developed the intranet platform within the Online College of ABC, the outer net platform, “Cloud Classroom”, the micro-lecture platform, “e-classroom”, and the book-listening platform, “Bo Xue Classroom”, as well as other online learning platforms. These resources have allowed employees to learn at anytime, anywhere, whether via internal or external networks, on computers or on mobile phones. At the end of 2020, the online training of ABC University served 670,000 employees, with wide recognition and positive feedback.



Note: ABC Cloud Classroom (Photo provided by the Human Resources Department)



Note: In 2020, from the Head Office, branches and sub-branches, ABC engaged internal trainers to spread knowledge and experiences regarding its 41 specialized business lines within the Bank. That contributed to forming a good atmosphere for mutual learning and common growth. At the end of 2020, the Bank certified and engaged 1,604 internal trainers at the head-office-level, and 3,270 internal trainers at the branch level. (Photo provided by the Human Resources Department)

2. Caring for Employees in Life

Attaching great importance to employees' physical and mental health and life quality, the Bank took five solid actions to care for primary-level employees and present all employees with an atmosphere of happy home in the workplace. During the COVID-19 pandemic, labor unions at all levels worked actively to care for employees, investing a total of RMB 133 million in anti-epidemic material purchase and assistance provision for employees. At the end of 2020, the Bank helped and cared for a total of 28,000 people in difficulties.

Targeted Care for Employees in Three Aspects

- Providing targeted care for employees' intellectual life. The Bank held cultural and sports activities based on local conditions to enrich employees' intellectual and cultural life, held mental health knowledge training sessions, and provided psychological counseling and guidance, emergency assistance, etc., thus improving their mental health self-management abilities.
- Providing targeted assistance and warm care for employees with difficulties. The Bank established a classified assistance mechanism with clear priorities to help and care for the employees with difficulties.
- Providing targeted warm services. The Bank planned and held orientation activities for newcomers, and retirement ceremonies for the retiring employees. The Bank established a database of singles, carried out affective education, organized social activities, built a dating platform, and took other means to help young employee date and befriend others.



Note: The employees of Tieling Branch in Liaoning participate in the table tennis match. (Photo by Diao Rui)



Note: Hangzhou Branch in Zhejiang launches quality development training for employees. (Photo by Chen Jiwei)



Note: Shanxi Branch holds the New Year Party. (Photo by Liang Chenxiao)



Note: The employees of Shaanxi Branch participate in the Xi'an Marathon. (Photo by Bu Lu)

ii. Building Harmonious Communities

ABC has actively participated in charitable volunteer activities, and mobilized all staff members to take part in the voluntary, to serve communities, and protect our beautiful homeland with love, enthusiasm and responsibility.

1. Staying committed to charitable volunteer services

Carrying forward the voluntary service spirits of “dedication, fraternity, mutual assistance, and progress”, the Bank relied on the large base of young employees to organize and participate in a series of charitable activities such as blood donation, poverty alleviation, assistance for the weak, and ecological protection, successfully spreading their positive energy. In 2020, ABC donated RMB 199.17 million, with more than 55,000 young employees providing over 140,000 hours of volunteer services. The Bank organized and participated in 3,397 environmental campaigns involving a total of 35,000 participants.

Case: “Small Bonus Points for Big Dreams” Charity Donations for Poverty Alleviation

ABC Youth League Committee has worked with the China Youth Development Foundation on embarking on the charitable campaign, “Small Bonus Points for Big Dreams”, for six consecutive years. In 2020, this campaign mainly provided a total of RMB 806,500 for 655 left-behind impoverished children in 10 targeted poverty alleviation counties. The young volunteers from ABC were organized to visit the Hope Project Primary School, where they kindly greeted and accompanied the left-behind children, tutored them in schoolwork, and provided other care services. In doing so, the volunteers helped these children grow up with confidence, health and dignity.

Case: “Happy Sunshine” Volunteer Campaign Won Award

Since 2016, the Youth Volunteers Association of ABC R&D Center has set in motion the “Happy Sunshine” volunteer campaign to organize the charitable volunteer activities such as “Happy Sunshine Retirement Home”, annual free blood donation, voluntary tree planting, and “Sunshine from Parallel World” through

mobile, Internet and other channels. These activities cover many aspects including poverty alleviation, epidemic containment, caring for disadvantaged groups, and environmental protection. At the end of 2020, this association had 1,499 registered volunteers, organized more than 50 charitable volunteer activities of various kinds, and provided more than 2,000 hours of direct voluntary services for more than 10,000 people.

In 2020, the “Happy Sunshine” volunteer campaign won the bronze medal in the 5th China Youth Volunteer Service Project Competition jointly organized by the Central Committee of the Communist Youth League, the Office of the Central Commission for Guiding Cultural and Ethical Progress.



Note: The charitable sales themed at “Donations for Primary School Library to Support Children’s Dreams”. (Photo by Wu Mi)

Case: Planting Zelkova Trees for Anti-epidemic Medical Workers Who Have Supported Hubei

March 12, 2020 marked China’s 42nd Tree-planting Day. Considering the epidemic prevention and control, the authorities of Jinhua, Zhejiang launched a youth campaign to combine the themes of epidemic containment and green maintenance. During this campaign, the youth representatives of Jinhua Branch planted water elm trees for the local young anti-epidemic medical workers who had supported Hubei. These trees were jointly signed by the medical workers and the youth representatives from Jinhua Branch. The forest of newly planted water elm was named as “Young Anti-epidemic Medical Workers’ Forest” in honor of them.



Note: Young employees of Jinhua Branch in Zhejiang plant water elm trees.
(Photo by Zhang Lu)



Note: The employees of Xincun Sub-branch in Xiamen are dispatched to Xiamen Red Cross Society for voluntary services. In the picture, they are counting the cash donations. (Photo by Huang Zhixiang)



Note: Linzhou Sub-branch in Henan organizes the employees to visit a retirement home and to send the elderly the Double Ninth Festival wishes. (Photo by Li Chuan)



Note: Changsha Branch in Hunan establishes a caring post for sanitation workers. (Photo by Zhao Puzhen)



Note: Nyingchi Branch in Tibet organizes employees to participate in the voluntary blood donation activity of “Brotherly Support”. (Photo by Pasang Tsering)



Note: Mingzhou Sub-branch in Ningbo carries out a mountaineering public welfare activity themed at “low-carbon, health and green life” for environmental protection. (Photo by Lin Xile)



Note: Guangzhou Branch in Guangdong launches a series of environmental protection public welfare activities with “Practicing Strict Thrift to Build a Green ABC” as the theme, in a bid to promote thrift and oppose waste. The pictures above are the outstanding award-winning works in the poster design competition among these activities. (Photo provided by the Labor Union Department)

2. Supporting flood prevention and control

In the summer of 2020, many areas of China suffered severe flooding. Facing the flood disasters, ABC branches at all levels made early preparations and appropriate responses. While ensuring personnel and property safety as well as operation security, all branches actively participated in local flood control and disaster relief activities and ensuring to their fullest abilities that financial services are provided in the affected areas.

Case: Building a “Financial Levee” for Flood Fighting and Disaster Relief

Upon the arrival of the flood season, Jiangxi Branch activated the emergency response plan and made sound arrangements in organization, management, emergency plans, systems, personnel, and materials for flood prevention.

Flood prevention at outlets

The Branch had important items such as machinery and archives at the severely-affected outlets transferred away, thus minimizing property losses. For the outlets that may be flooded, the Branch had their important materials like vouchers and archives transferred to safe areas in advance. After the flood subsided, the Branch organized all subordinate outlets to resume normal operations as soon as possible.

Patrol and guard

In Jiujiang and other cities of Jiangxi, many Party members and officials applied to patrol the Yangtze River embankments to guard against water levels. They rapidly arranged the duty schedules, set up the work sheds, and had flood control materials and on-duty personnel in place. While ensuring their own safety, the Party members and officials completed the patrol and guard tasks with high quality.

Support for flood control and emergency rescues

The sub-branches involved in flood control dispatched their employees to work at the local flood prevention command centers, to purchase daily necessities urgently needed for flood control, and to visit the workers and soldiers participating in flood control.

Assistance for micro and small enterprises to tide over difficulties

The Branch recommended “Taxation Loan” and other products to the micro and small enterprises based on their property losses due to the flooding, in a bid to help them resume production as soon as possible. For the promising micro and small enterprises temporarily suspending their operations due to the impacts of the flooding, the Branch deferred their principal and interest repayments rather than withdrawing the loans in advance, cancelling the loans, or delaying the loan granting. At the end of 2020, the Branch extended loans for a total of 373 micro and small enterprises, with an amount of RMB 611 million involved, and renewed loans for 48 micro and small enterprises, with an amount of RMB 127 million involved.



Note: The Party-member task force of Huangmei Sub-branch in Hubei urgently repairs the breach of the river embankment in the rain. (Photo by Zhou Zhongming).



Note: The employees of Chongqing Branch actively participate in flood control and disaster relief. (Photo by Zhang Xiaoqin)



Note: Yingshan Sub-branch in Nanchong, Sichuan provides mobile financial services for the residents in severely affected areas. (Photo by Zhai Qibin)

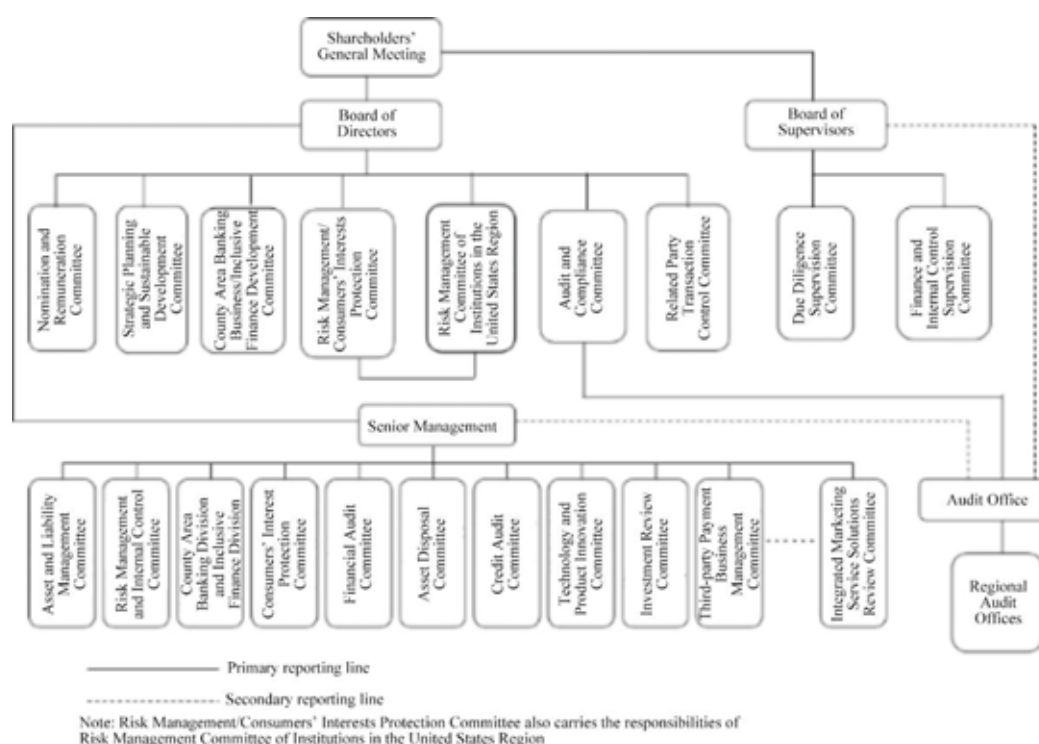
V. ESG Report

i. Corporate Governance

Aiming to forge a world-class commercial bank group, ABC has been consistently and constantly committed to modernizing corporate governance, optimizing corporate governance frameworks, mechanisms and systems, and laying a solid foundation for consolidating the governance foundation for risk resistance, return growth, and sustainable development. The Bank has maintained efficient communication with stakeholders, timely followed up the latest regulatory dynamics, and strengthened the contact with regulators. The Bank has disclosed effective and substantial information and enhanced the exchanges and interactions with the capital market. In 2020, the Bank disclosed 348 documents on the Shanghai Stock Exchange (SSE) and The Stock

Exchange of Hong Kong Limited (SEHK). The assessment on our information disclosure by the Shanghai Stock Exchange was rated “A”.

Under the premise of legitimacy and compliance, the Bank strictly followed the principle that each governance body operates independently, counterbalances effectively, and cooperates and coordinates efficiently. The Bank constantly optimized the operational mechanism in which the Board of Directors makes scientific decisions, the Board of Supervisors strictly supervises, and the Senior Management efficiently executes. At the end of 2020, the Board of Directors comprised 13 directors, including 3 executive directors, 5 non-executive directors and 5 independent non-executive directors. The Board of Supervisors comprised of 8 supervisors, including 2 supervisors representing shareholders, 3 supervisors representing employees, and 3 external supervisors. The Bank had a total of 7 senior executives.



Corporate Governance Structure

ESG Organization Structure

In 2020, the Board of Directors of the Bank reviewed and passed the proposal of *Adjusting the Setting of Special Committees of the Board of Directors*, renaming the “Strategic Planning Committee of the Board of Directors” to the “Strategic Planning and Sustainable Development Committee of the Board of Directors”. The new committee is responsible to “formulate the Bank’s sustainable development strategies and goals and regularly assess the risks and strategy implementation related to sustainable development”. The Bank was rated as the Excellent ESG Enterprise of 2020 at the Fifth “Golden Achievement Awards” and awarded the ESG Gold Award of 2020 by the Hong Kong magazine *The Asset*. The Bank’s ESG rating was upgraded to BBB by MSCI (Morgan Stanley Capital International).

Analysis of Substantive Issues

ABC has analyzed material topics, and identified sustainable topics.

Identification

Collecting feedback through various means:

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

Review

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

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.

| | |
|---|--|
| 1. Serving stable production and supply 2. Revitalizing rural industries 3. Developing rural inclusive finance 4. Serving county economy | SDGs: 2. Zero hunger |
| 5. Supporting national strategies 6. Serving the development of emerging industries 7. Serving micro and small enterprises | SDGs: 8. Work and economic growth 9. Industry, Innovation and Infrastructure |
| 8. Serving people's well-being | 4. Quality education 9. Industry, Innovation and Infrastructure |

| | |
|---|--|
| 9. Improving service quality 10. To strengthen the protection of consumers' rights and interests | 16. Peace, justice and strong institutions |
| 11. Green finance 12. Green operation 13. Environmental protection activities | SDGs: 7. Affordable and clean energy 11 Sustainable cities and communities 12 Responsible consumption and production 13 Climate action |
| 14 Protecting the rights and interests of employees 15 Facilitating the growth of employees 16 Caring for the employees | SDGs: 3 Good health and well-being 5 Gender equality 8. Work and economic growth |
| 17 Staying committed to charitable volunteer services 18 Popularizing financial knowledge for the public 19 Support for flood control and emergency rescues | 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"> ● Supporting 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 ● To proactively pay taxes ● To continue providing inclusive financial services |

| | | |
|----------------------------|---|---|
| | according to the law ● To promote employment | |
| Regulatory authorities | ● To operate according to the law ● To maintain financial stability ● To prevent risks effectively | ● Compliance management ● To receive supervision and evaluation ● To perform comprehensive risk management |
| Shareholders and investors | ● Sustainable investment return ● To improve corporate governance ● To protect the rights and interests of shareholders ● To strengthen information disclosure | ● To realize stable operations ● To create value for shareholders ● Truthful, accurate, and complete information disclosure |
| Customers | ● To safeguard consumers' rights and interests ● Improving service quality ● To continuously promote product innovation | ● To strengthen the protection of consumers' rights and interests ● To comprehensively improve service quality ● To accelerate product innovation ● To build an IT-based bank |
| Employees | ● To protect the legitimate rights and interests of employees ● To promote the improvement and career development of employees ● People focused | ● 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 | ● Fairness and transparency ● Integrity and honoring agreements | ● To improve procurement management ● To innovate cooperation |

| | | |
|----------------------------|--|--|
| | <ul style="list-style-type: none"> ● Mutually beneficial cooperation | models |
| 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 |

Risk Management

The Bank has highly valued risk control as a means to safeguard national financial security and made ever-greater efforts to prevent risks. Keeping highly alert of co-related, cross-border and destructive risks, the Bank has established a scientific and applicable risk policy system framework with clear layers and full coverage. The Bank has refined the comprehensive risk management system, improved risk management capabilities, and guarded against risks. By doing so, the Bank has ensured the standardized operation of various risk management activities.

By the end of 2020, the Bank's NPL ratio was 1.57%, up by 0.17% from 2019. The provision coverage ratio was 261%, showing a high level of resilience to risks and strong ability to absorb losses.

Formulating and Revising Risk Management Policies and Systems

| Risk Categories | Policies and Systems |
|----------------------------|---|
| Comprehensive risks | Formulating the <i>Administrative Measures for Risk Assessment</i> and the <i>Implementing Rules for Assessment and Review of Product Innovation Risks (Trial)</i> , and revising the <i>Administrative Measures for Risk Reporting</i> |
| Credit risk | Revising the <i>Measures for the Management of Credit Concentration Risk</i> , the <i>Measures for the Management of Residual Credit Risk</i> , the <i>Measures for the Management of Credit Card Business Risk</i> , and the <i>Measures for the Management of Tolerance for Farmers' Non-Performing Loans</i> |

| | |
|---|--|
| Market and liquidity risk | Formulating the <i>Measures for the Management of Liquidity Risk Limits</i> |
| Information technology risk | Revising the <i>Measures for Management of Information Technology Risk</i> to strengthen the management of information technology risk and business continuity |
| Risks of overseas and affiliate institutions | Revising the <i>Risk Management Measures for Overseas Branches</i> and the <i>Risk Management Measures for Subsidiaries</i> |

Measures for Risk Management

| Risk Categories | Management Measures |
|---|--|
| Credit risk | <ul style="list-style-type: none"> ● Strengthening asset quality control during the epidemic period ● Well coordinating industrial credit quota management ● Establishing a risk control mechanism for online credit business |
| Market risk and liquidity risk | <ul style="list-style-type: none"> ● Keeping improving the market risk management system, and enhancing the management of the risk of financial market business and the monitoring and analysis on the risk of financial services. |
| Risks of “Sannong”-related businesses | <ul style="list-style-type: none"> ● Moderately raising credit risk appetite for “Sannong”-related businesses, issuing policies to support financial poverty alleviation and “Sannong” businesses, and improving the risk identification and measurement standards for “Sannong”-related loans; ● Making adequate allowances for impairment to ensure the risk offsetting ability of “Sannong”-related loans; managing the tolerance for farmers’ non-performing loans, with optimized customer structure and strengthened risk disposition. |
| Country risk and the risk of institutions implementing | <ul style="list-style-type: none"> ● Strengthening the assessment and management |

| | |
|------------------------------|--|
| aggregate data system | <p>on country risk.</p> <ul style="list-style-type: none"> ● Refining the integrated risk management mechanism, carrying out continuous and sound monitoring and assessment on the risks of all overseas institutions and the institutions implementing aggregate data system, and strengthening the risk isolation mechanism to build a firm firewall system between all legal entities within the bank. |
|------------------------------|--|

Compliance Operations

Following the prudential concepts of “Compliance creates value” and “Safety brings benefits”, the Bank has taken the Articles of Association as the core to fully implement rigorous self-governance. The Bank has adopted multiple measures to strengthen the compliance management capabilities and guide all employees towards regulation compliance.

Measures to Optimize Compliance Operations

| Direction | Measures |
|---|--|
| Keeping deepening reforms and refining systems and mechanisms | Revising the <i>Basic Regulations for Compliance Management</i> , establishing and refining the system for compliance management system, standardizing relevant fundamental requirements, and preventing compliance risks, to ensure the safe and stable operation across the bank |
| Strengthening education and guidance, to cultivate strong awareness of risk prevention. | Carrying out regular educational publicity on the full and strict Party-governance and training on “primary responsibilities in the full and strict Party-governance”. Organizing employees to thoroughly study the <i>Code of Conduct for Employees</i> , urging and instructing them to correctly perform their duties, and drive the employees to develop stronger awareness of compliance, risk, safety and responsibility |
| Reviewing the regulation on related-party transactions | Revising and issuing the <i>Implementing Rules for the Management of Related Party Transactions</i> and speeding up technological empowerment to advance the transformation and upgrading of related transaction management. Strengthening the Bank’s management of internal transaction limits and formulating the <i>Operating Procedures for the Management of Internal Transaction Limits (Trial)</i> , to build a solid firewall against internal |

| | |
|---|--|
| | transaction risks |
| Keeping implementing the Group's requirements for integrated management | Steadily implementing the Group's requirements for integrated management according to the subsidiaries' orientation as "institutions serving ABC Group with controllable risks and business sustainability". Keeping instructing overseas institutions and subsidiaries to improve their internal control and compliance systems and strengthen the management of authorization, compliance monitoring, internal control assessment, anti-money laundering as well as sanction compliance, internal transactions and related-party transaction. Redoubling efforts to develop compliance teams and organize training sessions on internal control and compliance for overseas institutions and subsidiaries, in a bid to further improve their capabilities in internal compliance management. |

ii. Environmental Impacts

Emissions

In an active response to the national call, the Bank has raised the management of energy conservation and carbon reduction to a strategic height.

Reducing carbon emissions. The Head Office departments formulated work plans for energy conservation and strictly controlled the invalid/inefficient use time of energy-using equipment according to local conditions. The Bank promoted the use of high-efficiency equipment, actively applied new technologies, and implemented technological improvements for energy conservation. It regularly convened energy management work conferences and organized evaluations on energy-saving effect. The branches with good effect were rewarded, and those with bad effect were punished and sent with specialists for rectification supervision and inspection.

Advocating garbage classification. The Head Office departments formulated plans to implement the classification of household garbage and carried out relevant publicity and training. According to the four categories of garbage, the Bank set more than 500 new classified garbage bins with clear layout maps in public areas.

Stopping food waste. The Head Office departments issued an initiative, *Strictly Practicing Thrift and Opposing Waste*, calling on employees to make frugal consumption and carry forward the traditional virtues of industry and economy. The Bank regularly carried out the "Clean Your Plate" Campaign to reward the food-saving behaviors. Relying on catering service Apps and other IT-based tools, the Bank promoted the "on-demand meal preparation with supply and demand balance" to reduce waste in raw materials procurement, preparation and meal supply. The Bank conducted daily patrols to warn employees who are caught wasting food, and are officially exposed.

“Paperless” office model. The Head Office has launched the “Smart Space Conference System” to create a new mobile, paperless, shared, and scenario-based office model. This green and low-carbon office system allows any meeting to be held at any time, any place, and without printed paper meeting materials.

Use of Resources

To build a resource-saving and environment-friendly bank, the Bank carried out water and energy conservation work based on local conditions. It kept publicizing energy conservation concepts, monitored energy use changes in real time, and supervised the energy management and conservation performance of relevant institutions. The Bank optimized energy use, strengthened the management on air-conditioning operation, refined the lighting system management, and reduced domestic water consumption in various buildings. The Bank focused on the operation of high-energy equipment, and timely replaced old electric and water devices. In 2021, the Head Office departments aim to reduce energy consumption by 2% (from that of 2019).

Climate change

The Bank issued more credit policies to guide branches towards coping with climate change and encouraged them to innovate product and service models. The Bank provided stronger support for key areas and actively followed up the regional pilot projects of climate investment and financing. All these were the Bank’s sound financial services to cope with climate change.

Quantitative performance in Aspect A

| | Head Office Institutions in Beijing ²⁰ | Beijing Branch |
|--|---|----------------|
| Total greenhouse gas emissions | | |
| Category 1: Direct greenhouse gas emissions ²¹ (Tons) | 1,114.52 | 2,173.43 |
| Category 2: Indirect greenhouse gas | 68,004.59 | 31,100.23 |

²⁰The Head Office institutions in Beijing included the Southern and Northern Building of ABC Plaza, the office building at Zhanlan Road, Chemsunny Plaza, Glorious Oriental Plaza, Fengtai Science and Technology Plaza, the office building at Gongzhufen, Jintang International Financial Building, and the Technological Innovation Park at Daoxiang Lake.

²¹Greenhouse gas calculations were based on the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* and the *Fourth Assessment Report 2007* of the Intergovernmental Panel on Climate Change (IPCC) as well as other standards.

Category 1: Direct greenhouse gas emissions include greenhouse gas emissions generated through the use of natural gas, liquefied petroleum gas, gasoline, and diesel.

| | | |
|--|---------------|---------------|
| emissions ²² (Tons) | | |
| Total greenhouse gas emissions ²³ (Tons) | 69,119.11 | 33,273.66 |
| Per capita greenhouse gas emissions (Tons/person) | 8.24 | 4.05 |
| Energy consumption | | |
| Electricity ²⁴ (kW·h) | 81,722,866.44 | 34,022,188.00 |
| Natural gas (Cubic Meters) | 411,961.00 | 170,710.83 |
| Per capita use of natural gas (Cubic meters/Person) | 49.10 | 20.80 |
| Liquefied petroleum gas (Tons) | 0 | 38.09 |
| Gasoline (Tons) | 35.58 | 171.78 |
| Diesel ²⁵ (Tons) | 3.05 | 258.00 |
| Power purchase (MkJ) | 89,328.03 | 62,543.93 |
| Comprehensive energy consumption ²⁶ (Tons of standard coal) | 13,381.66 | 7,236.36 |
| Water consumption (Tons) | 319,454.32 | 337,132.33 |
| Per capita water consumption (Tons/Person) | 38.08 | 41.07 |
| Wastewater ²⁷ (Tons) | 271,536.17 | 286,562.48 |
| Waste from Head Office Institutions in | | |

²²The latest Chinese Regional Grid Emission Factor (2017) issued by the Climate Department of the Ministry of Ecology and Environment of the People's Republic of China was used as reference for the grid emission factor in the calculation of emissions in Category 2.

²³The total greenhouse gas emissions were the sum of the direct greenhouse gas emissions in Category 1 and the indirect greenhouse gas emissions in Category 2.

²⁴As the Bank's data centers are mainly concentrated in Shanghai, the electricity consumption in Beijing is lower than that of other banks.

²⁵ Diesel is mainly used for backup generators in data centers.

²⁶The energy statistics conversion method of National Bureau of Statistics was adopted.

²⁷Wastewater was calculated by water consumption*0.85, and the GB 50318-2017 *Code for Urban Wastewater and Stormwater Engineering Planning of the People's Republic of China* and relevant documents of the Bureau of Statistics were used as reference for the wastewater discharge coefficient.

| | | |
|---|-------|--|
| Beijing | | |
| Number of disposed desktop computers (Hosts) (Sets) | 485 | |
| Number of disposed displays (Sets) | 392 | |
| Number of disposed laptops (Sets) | 2,249 | |
| Number of disposed printers (Sets) | 27 | |

iii. Social Impacts

Employee and Labor Standards

In strict accordance with the *Labor Contract Law*, the *Company Law*, the *Employment Promotion Law* and other relevant laws and regulations of China, the Bank has provided the employees with equal and fair job opportunities, and eliminated the discrimination against nationality, race, gender, religious beliefs and cultural background. The Bank has formulated the *Labor Contract Management Measures* based on national laws, signed contracts with all employees, and prohibited forced labor and child labor. It has protected employees' rights and interests and developed a positive and transparent working environment. During the reporting period, the Bank received 310 demobilized soldiers and recruited 97 college-student village officials.

Health and Safety

The Bank formulated the *Implementing Opinions on Caring for Primary-level Employees* and established a health insurance system integrated with "basic medical insurance + supplementary medical insurance + critical illness assistance + critical illness insurance". The Bank organized regular physical examinations for employees and provided them with targeted psychological counseling and emergency assistance services. The Bank built more than 6,000 new staff home facilities like small cafeterias and activity rooms, to make employees feel more satisfied, happy and secure.

Development and Training

The Bank has improved the employee training system and provided multi-level online and offline training to continuously empower employees and facilitate digital transformation. The Bank has further implemented the *Talent Development Plan for the Period of 2019-2022*, with a focus on cultivating sufficient professional teams of various specialties to meet the requirements of the new era.

Supply Chain Management

The Bank has used open tendering, open application and other means to choose excellent potential suppliers from the public and made the procurement more transparent and competitive. The Bank formulated the *Administrative Measures of*

Agricultural Bank of China for Supervision, Examination and Evaluation of Suppliers of Procurement Projects, the Administrative Provisions of Agricultural Bank of China on Questioning and Complaints against Centralized Procurement, the Interim Provisions of Agricultural Bank of China on the Management of Suppliers' Bad Behaviors in Centralized Procurement and other regulations. By setting appropriate qualification requirements based on laws and regulations, the Bank implemented supplier access review, and timely discovered hidden dangers such as violations of laws, dishonesty, and collusive tendering, in an endeavor to avoid procurement risks. The Bank carried out regular risk monitoring on all contractual suppliers and closely followed whether these suppliers operated in compliance with laws and performed their social responsibilities. It also improved contract terms and set out work plans to timely forestall and defuse supply risks, and regulated the supervision, examination and evaluation on all the suppliers of centralized procurement projects. Regular bank-wide sampling inspections were organized to check the acceptance results of the suppliers' performance. The suppliers' bad behaviors were timely discovered and dealt with. Thus, the Bank maintained a fair competition.

Following the concept of green procurement, the Bank required all institutions to give purchase priority to energy-saving and eco-friendly products and practice other relevant principles.

Product Responsibility

- Intellectual property

The Bank thoroughly implemented the national laws and policies on intellectual property protection, and regulated and strengthened intellectual property management in accordance with the *Intellectual Property Management Measures of Agricultural Bank of China*. The Bank established and refined the patent incentive mechanism, actively screened risks, advocated independent innovation, and forestalled legal risks.

The Bank made ever-greater efforts to safeguard its own intellectual property, with a total of 344 patents and 98 registered trademarks applied in 2020. It properly defused all types of intellectual property risks, intensified the publicity and education on intellectual property, and created a good atmosphere to respect and protect intellectual property.

- Consumer privacy

The Bank formulated the *Measures of Agricultural Bank of China for the Management of Online Financial Data*, specifying the rights and obligations in the collection, processing, and protection of personal information, and demanding the efforts to protect customers' right to know and to maintain secure information. The Bank updated the *Privacy Policies of Agricultural Bank of China* for individual and corporate customers respectively and published the two versions online and offline. The Bank well protected customers' personal information by the means like improving standard contract texts.



Note: Privacy Policies of Agricultural Bank of China (for individual customers)



Note: Privacy Policies of Agricultural Bank of China (for corporate customers)

- Customer complaints and management

The Bank continued to strengthen customer complaint management and smooth customer feedback channels, timely followed up customer demands and kept improving customer service experience. First, the Bank issued the Customer Complaint Management Measures to standardize the complaint handling process and strengthen the primary responsibility of complaint handling; second, during the COVID-19 period, the Bank well managed the financial services and complaints, actively following and responding to customer complaints; third, through the enhanced coordinated management, the Bank rapidly responded to complaints with short procedures and good experience; fourth, the Bank sorted out the “Voice of Customers” on a monthly basis, analyzed the causes of hot complaints, and optimized products and services, to reduce complaints from the source.

In 2020, ABC received 262,000 individual customer complaints²⁸ through the customer service channel. The Bank focused on meeting customer appeals and enhancing customer experience, kept optimized debit cards, credit cards, personal loans and other products which customers intensively complained about, and urged Guangdong Branch, Hebei Branch, Shandong Branch and other outlets with large individual customer bases to constantly improving service quality. In 2020, ABC scored 94.07 points in customer satisfaction with outlet services.

Anti-corruption

The Bank carried out regular training on case prevention and code of conduct for employees, and continued to organize the educational activities on anti-corruption and Party integrity for all employees. By integrating Party building with anti-corruption work, the Bank focused on the education on ideals and beliefs, party discipline and regulations, and professional ethics, and leveraged the fundamental role of theoretical and political education in combating corruption and promoting integrity. It also continued to deepen the reform of stationed institutions, established and refined the bank-wide supervision system, and strengthened the information sharing,

²⁸ Whereas the identification standards and statistics scopes of customer complaints vary with banks, the number of complaints disclosed by the Bank is not comparable with those disclosed by the peers.

communication and cooperation with the stationed discipline inspection and supervision team. The two sides worked together to develop Party integrity and clean governance and to optimize and innovate the anti-corruption mechanisms, thus forming a strong synergy in cracking down on the duty-related law violations and crimes committed by officials.

- Anti-money laundering

The Bank continued to develop the “three lines of defense” and “five pillars” for anti-money laundering, giving priority to the major tasks such as reforming the global anti-money laundering center and regulating the supervision and punishment on anti-money laundering. The Bank formulated the rules and regulations such as the *Governance Rules for Global Anti-Money Laundering and Sanction Compliance*, the *Guidelines for the Review of Anti-Money Laundering Clauses of Business Systems*, and the *Operational Rules for Due Diligence to Corporate Customers Conducting Cross-border Transactions*. Constantly improving the framework of anti-money laundering governance, the Bank carried out more thorough evaluation on money laundering risks, refined management of due diligence on customers, and frequent high-quality anti-money laundering training. Meanwhile, the Bank took multiple measures to strengthen anti-money laundering publicity. It aligned itself with the highest international standards, striving to establish a first-class anti-money laundering compliance system that matches the scale, business complexity and risk level of global systemically important banks.

- Anti-fraud

The Bank worked faster to establish an enterprise-level intelligent anti-fraud platform (“Tianpeng”) featuring risk classification control, comprehensive scenario coverage, diverse monitoring methods, and data integration and interoperability. By doing so, the Bank developed the ability to accurately intercept and combat all fraud risks, achieving integrated management. It went all out to lead the combat against telecom and cyberspace fraud, efficiently traced the accountability of the accounts involved in telecom fraud, and improved the abilities to prevent and control account risks. The Bank issued the *Action Plan to Combat Telecom and Cyberspace Fraud*, devoting more targeted and effective efforts in organizational labor division, measures, system construction and aspects to crack down on telecom and cyberspace fraud.

Community Investment

The Bank regulated outward donation in accordance with the *Administrative Measures of the Agricultural Bank of China for Donation* and other internal rules and regulations. In 2020, the Bank donated RMB 199.17 million, among which, RMB 108.03 million was for poverty alleviation and RMB 91.14 million of funds and materials was for epidemic prevention.

Quantitative Performance in Aspect B

| | |
|--|------|
| | 2020 |
| Number of employees (formally contracted) (persons) | |

| | |
|--|---------|
| Total Number | 459,000 |
| Female | 208,151 |
| Male | 250,849 |
| By type of employment (persons) | |
| Formally contracted workers | 459,000 |
| Dispatched workers | 7,184 |
| By age (persons) | |
| Age 30 and below | 87,274 |
| Age 31-40 | 96,947 |
| Age 41-50 | 140,716 |
| Age 51 and above | 134,063 |
| By education (persons) | |
| Doctor | 549 |
| Master | 31,547 |
| Bachelor | 242,595 |
| Diploma of junior college and vocational technical schools | 149,551 |
| Below junior college | 34,758 |
| By region (persons) | |
| Head Office | 11,777 |
| Yangtze River Delta | 63,525 |
| Pearl River Delta | 50,590 |
| Bohai Rim | 65,572 |

| | |
|---|---------|
| Central region | 94,187 |
| Northeastern region | 44,311 |
| Western region | 119,637 |
| Overseas branches and representative offices | 732 |
| Comprehensive operation subsidiaries and rural banks | 8,669 |
| Employee turnover rate of domestic branches (%) | 1.07 |
| Employees attending trainings (10,000 person-times) | |
| Primary-level employees | 78.0 |
| Managers at middle-level and above | 15.9 |
| Female | 43.5 |
| Male | 46.1 |
| Customer satisfaction and complaint handling | |
| Customer satisfaction (%) | 99.63 |
| Customer complaint settlement rate (%) | 100 |
| Total number of incoming calls at the Remote Banking Center (100 million) | 2.89 |
| Number of incoming calls transferred to manual operators (100 million) | 0.95 |
| Number of incoming calls answered (10,000) | 8,698 |
| Connection rate (%) | 92.06 |
| Number of head-office-level suppliers | |

| | |
|---|--------|
| by region | |
| Number of suppliers | 381 |
| Bohai Rim (%) | 49 |
| Yangtze River Delta (%) | 24 |
| Pearl River Delta (%) | 16 |
| Central Region (%) | 3 |
| Western Region (%) | 3 |
| Northeastern Region (%) | 1 |
| Overseas and others (%) | 4 |
| Resources used for community investment | |
| Total amount of donations (RMB10,000) | 19,917 |
| Total service time of youth volunteers (10,000 hours) | 14.0 |
| Participants in youth volunteer activities (10,000 persons) | 5.5 |

CSR Honors and Awards

| | |
|---|---|
|  中国人民银行 THE PEOPLE'S BANK OF CHINA | First Prize of Banking Technology Development Award 2019 (Full-stack technological middle office of ABC) |
| China Banking and Insurance Regulatory Commission | Excellent Organizer of Joint Publicity and Education in 2020 |
|  中国银行业协会 CHINA BANKING ASSOCIATION | Special Prize for the Best Technological Innovation Award (Full-stack technological middle platform) Best Contribution Award in “The Three Tough Battles” Best Bank for Inclusive Finance Results Best Outlet with Special CSR Contribution Best CSR Manager |
|  | 2020 Tianji Award for Best Universal Investment Bank 2020 Tianji Award for Best Inclusive Finance Services CSR Award of Chinese Listed Companies |
|  | ESG Gold Award Top Investment House, Bank, China/Hong Kong , Rank 2, Asian G3 Bond Best Private Bank in China Best Custodian, Pension Funds Best Mobile Banking Application Retail Best API Project Best Data Analytics Project Best Risk Management Project |

| | |
|---|---|
| | Best Cybersecurity Project |
| | Best ESG Company of 2020 |
| | Inclusive Finance Bank of 2020 |
|  | 2020 Excellent Retail Bank in Asia |
| | Best Private Bank of 2020 |
| | Excellent Corporate Citizen of 2020 |
| | Best Commercial Bank of 2020 |
|  | Best Green Bond Bank |
| | Best Retail Precious Metal Bank |
| China Foreign Exchange Trading System | 2019 Award for Best Post-Trade Support Service in the Inter-bank Foreign Exchange Market |
| | 2019 Best Comprehensive Market Maker in the inter-bank foreign exchange market |
|  | Outstanding Responsible Enterprise of the Year |
| | Influential Enterprise of the Year |
| | Annual Model Enterprise in Targeted Poverty Alleviation |
| China Central Depository & Clearing Co., Ltd. | Outstanding Issuer of Financial Bond Issuing Institutions |
| | Outstanding Initiator of ABS Issuing Institutions |
| | Outstanding Underwriter |
| | “Top 100 Settlement Companies – Excellent Dealer” of 2019 |
| | “Top 100 Settlement Companies – Excellent Custodian” of 2019 |
| The Banker | Top Ten Innovative Investment Bank |
| | Top Ten Bank with Innovative Financial Services for Micro and Small Enterprises |
| | Top Ten Bank with Innovative Consumer Finance |
| | Top Ten Bank with Innovations in Intelligent Risk Control |



Best Precious Metal Service Provider
“Best Custodian Bank” in China

Shanghai Commercial
Paper Exchange
Corporation Ltd.

Outstanding Member Bank of 2019
Outstanding Bank Dealer of 2019
Outstanding Acceptance Institution of 2019
Outstanding Custody and Settlement Institution of 2019
Outstanding Bill Payment Service Provider of 2019
Outstanding Information Statistics Institution of 2019

Caijing Magazine

Evergreen Award·Bank of the Year with Outstanding and Innovative Services

Hong Kong
Commercial Daily

Special Anti-epidemic Contribution Award in Chinese Financial Industry
Top Ten Innovative Institution in Inclusive Finance
Top Ten Innovative Technology in Inclusive Finance



Outstanding Financial Institution of the Year

Jiemian.com

2020 Excellent Finance Award – Outstanding Institution



2020 State-owned Commercial Bank with Excellent Competitiveness

Sina Finance

Best Bank for Responsible Investment

Shanghai Securities
News

Asset Management Excellence Award of the Year

The Economic
Observer magazine and

2019-2020 Outstanding Financial Enterprise – Model of ESG Responsible Investment Industry

| company | |
|--------------------------------------|---|
| National Interbank Funding Center | Core Dealer in 2020 Interbank Currency Market Assessment |
| Shanghai Gold Exchange | Award of Special Contribution to Market Stability During the Epidemic Outstanding Member Bank of 2019 |
| Bond Connect Company Limited | Outstanding Bond Connect Market Maker of 2020 Outstanding Bond Connect Issuer of 2020 |

Responsibility Commitments

The year 2021 is the centenary of the CPC and the first year of the 14th Five-Year Plan period. It is the year where the timeframes of the two centenary goals converge and China embarks on a new journey to develop into a modern socialist country in all respects. Facing the new historical mission in the new era, the Bank will follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and implement the guiding principles of the 19th CPC National Congress and the Second, Third, Fourth and Fifth Plenary Sessions of the 19th CPC Central Committee, and the plans of the Central Economic Work Conference, the Central Rural Work Conference and the Fifth Plenary Session of the 19th Central Commission for Discipline Inspection. The Bank will ground the efforts in the new development stage and apply the new development philosophy to provide strong financial support for economic and social development and to keep moving towards a world-class commercial banking group.

Fulfilling the Political Responsibility of Serving “Sannong”

- The Bank will continue to integrate comprehensive poverty alleviation and rural revitalization, and take providing sound financial services for “Sannong” as an important means to support the rural revitalization strategy.
- The Bank will actively respond to the Party Central Committee’s calls to ensure stable food production and supply and to support the resumption of hog breeding, and guarantee the stable supply of livelihood commodities to help maintain social stability.
- The Bank will move faster to narrow the gap between urban and rural development. Great efforts will be devoted to make basic finance and loans more accessible in wider rural areas, and financial services will be provided for the construction of beautiful villages.

Redoubling Efforts to Be Integrated into the New Development Pattern

- The Bank will actively serve national strategies and coordinated regional economic development, and provide high-quality financial services for the Belt and Road Initiative, the coordinated development of Beijing-Tianjin-Hebei region, the Xiongan New Area, the Yangtze Economic Belt, the integrated development of the Yangtze River Delta, the development of Guangdong-Hong Kong-Macao Greater Bay Area and beyond.
- The Bank will unswervingly serve the real economy, tilting resources towards advanced manufacturing and strategic emerging industries, in an endeavor to promote high-quality economic development.
- The Bank will make financial services more and more inclusive and adaptable, intensify the innovation in inclusive finance products, and actively explore more convenient and efficient financing service models.

Building a digital bank

-
- The Bank will establish a more open and efficient digital financial service model and proactively participate in the construction of digital society and government to deeply integrate the digital economy and the real economy.
 - The Bank will work faster to develop smart banks, actively cultivate the new driver of integrated online and offline development, and build new brands of digital financial services.
 - The Bank will safeguard data security, protect customer privacy, and make cyber information and data safer.

Facilitating low-carbon development

- The Bank will grant more green credit and actively innovate financial products such as green bonds, green funds and carbon finance, to advance the development of green finance.
- The Bank will establish and refine the environment and social risk management system to improve the abilities in green finance services.
- The Bank will carry out green public welfare activities to help employees develop stronger sense of responsibility for saving resources and protecting the environment, and building a beautiful low-carbon homeland.

Building Models in Pursuing Common Growth of Employees and Enterprises and Building Harmonious Communities

- In strict accordance with various labor laws and regulations, the Bank will work and grow together with employees, provide them with equal and clear access to career development, strengthen primary-level democracy, and build smooth channels for two-way communication.
- The Bank will proactively deliver the information on financial security to the people, protect their legal property with professionalism, and repay them with sincerity.
- The Bank will encourage employees to participate in volunteer activities to help local people positively deal with extreme weather disasters and minimize losses.

Appendix

Basis of Reporting

Total amount of donations (RMB 10,000): the amount of public welfare donations (for domestic organizations only) by Agricultural Bank of China Limited. Public welfare donations 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 million): including the balances of micro-credit for farmers, the balance of loans for individual operation business in rural areas, the balance of house building loans for the farmers in quake-hit areas, the balance of loans for farmers purchasing or building houses, and the balance of “Huinong e-Loan”.

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, comprehensive operation subsidiaries 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 dispatched at tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the primary-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, comprehensive operation subsidiaries 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, comprehensive operation subsidiaries 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. Specifically, the number of employees is defined as the number of employees who hold labour contracts within the Group level, including the total employees of domestic institutions, overseas branches, subsidiaries and representative offices, comprehensive operation subsidiaries and rural banks. The number of ethnic minority employees is defined as the number of ethnic minority employees who hold labour contracts within the Group level, including the total employees of domestic institutions, overseas branches, subsidiaries and representative offices, comprehensive operation subsidiaries and rural banks.

Employees attending trainings (10,000 Person/times): defined as the total number of employees attending in the trainings for which the ABC sends formal notices.

Total number of domestic branch outlets (Units): domestic branch outlets includes the headquarters of the Head Office, Business Department of the Head Office,

specialized institutions managed by the Head Office, tier-1 branches (directly subordinate), tier-2 branches (including business departments of branches in provincial capitals), tier-1 sub-branches (including business departments of branches in municipalities, business departments of branches directly managed by the Head Office and tier-2 branches), foundation-level branch outlets and other establishments excluding outlets. 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 2020 divided by the number of employees in office in the buildings of the Head Office.

Electricity consumption per capita in the Head Office (kW·h/person): total electricity consumption in the Head Office in 2020 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 2020 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 2020 key data as defined below in the 2020 Social Responsibility Report ("SR report") of the Agricultural Bank of China Limited (the "Bank").

Selected Key Data

The selected key data in the Bank's 2020 SR 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 who took part in training
- 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 year ended 31 December 2020 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2020 SR report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2020 SR report is set out in the basis of reporting of the key data (the "basis of reporting") before this assurance report.

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The Board of Directors' Responsibilities

The Board of Directors of the Bank is responsible for the preparation of the selected key data in the 2020 SR 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 2020 SR 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 the selected key data in the 2020 SR 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 2020 selected key data in the 2020 SR 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 2020 SR report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected

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depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have performed the following procedures in the Head Office and Beijing Branch of the Bank. We have not conducted work in other branches.

- 1) Interviews with relevant departments of the Bank involved in providing information for the selected key data within the SR report; and
- 2) Analytical procedures;
- 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 2020 selected key data in the 2020 SR 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, 2021

Reporting Index

Content Index of GRI Standards

| Standard number and description | | Disclosure status | Note |
|---------------------------------|---|----------------------------------|-----------------------|
| GRI 101: Foundation | | | |
| GRI 102: General disclosures | | | |
| Organization profile | 102-1 Name of the organization | Company Overview | |
| | 102-2 Activities, brands, products, and services | Company Overview | |
| | 102-3 Location of headquarters | About the Report | |
| | 102-4 Location of operations | Company Overview | |
| | 102-5 Ownership and legal form | Company Overview | |
| | 102-6 Market served | Company Overview | |
| | 102-7 Scale of the organization | Company Overview/ Social Impacts | |
| | 102-8 Information on employees and other workers | Social Impacts | |
| | 102-9 Supply chain | Social Impacts | |
| | 102-10 Significant changes to the organization and its supply chain | | No significant change |
| | 102-11 Precautionary | Protecting | |

| | | | |
|----------------------|--|--|--|
| | Principle or approach | People's Property/ Corporate Governance | |
| | 102-12 External initiatives | Corporate Governance | |
| | 102-13 Membership of associations | CSR Honors and Awards | |
| Strategy | 102-14 Statement from senior decision-maker | Message from the Chairman/Messag e from the President/ Message from Chairman of Board of Supervisors | |
| | 102-15 Key impacts, risks, and opportunities | Corporate Governance | |
| Ethics and integrity | 102-16 Values, principles, standards, and norms of behavior | Philosophy on CSR | |
| | 102-17 Mechanisms for advice and concerns about ethics | Philosophy on CSR/ Corporate Governance | |
| Governance | 102-18 Governance structure | Corporate Governance | |
| | 102-19 Delegating authority | Corporate Governance | |
| | 102-20 Executive-level responsibility for economic, environmental, and social topics | Corporate Governance | |
| | 102-21 Consulting stakeholders on economic, | Corporate Governance | |

| | | | |
|--|---|------------------------|--|
| | environmental, and social topics | | |
| | 102-22 Composition of the highest governance body and its committees | Corporate Governance | |
| | 102-23 Chair of the highest governance body | Refer to Annual Report | |
| | 102-24 Nominating and selecting the highest governance body | Refer to Annual Report | |
| | 102-25 Conflicts of interest | Refer to Annual Report | |
| | 102-26 Role of highest governance body in setting purpose, values, and strategy | | |
| | 102-27 Collective knowledge of highest governance body | Corporate Governance | |
| | 102-28 Evaluating the highest governance body's performance | Refer to Annual Report | |
| | 102-29 Identifying and managing economic, environmental, and social impacts | Corporate Governance | |
| | 102-30 Effectiveness of risk management processes | Corporate Governance | |
| | 102-31 Review of economic, environmental, and social topics | Corporate Governance | |
| | 102-32 Highest governance body's role | Corporate Governance | |

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|------------------------|---|------------------------|--|
| | in sustainability reporting | | |
| | 102-33 Communicating critical concerns | Corporate Governance | |
| | 102-34 Nature and total number of critical concerns | | |
| | 102-35 Remuneration policies | Refer to Annual Report | |
| | 102-36 Process for determining remuneration | Refer to Annual Report | |
| | 102-37 Stakeholders' involvement in remuneration | Refer to Annual Report | |
| | 102-38 Annual total compensation ratio | Refer to Annual Report | |
| | 102-39 Percentage increase in annual total compensation ratio | Refer to Annual Report | |
| Stakeholder engagement | 102-40 List of stakeholder groups | Corporate Governance | |
| | 102-41 Collective bargaining agreements | Corporate Governance | |
| | 102-42 Identifying and selecting stakeholders | Corporate Governance | |
| | 102-43 Approach to stakeholder engagement | Corporate Governance | |
| | 102-44 Key topics and concerns raised | Corporate Governance | |
| Reporting practices | 102-45 Entities included in the consolidated financial statements | About the Report | |

| | | | |
|--|---|----------------------|---|
| | 102-46 Defining report content and topic Boundaries | About the Report | |
| | 102-47 List of material topics | Corporate Governance | |
| | 102-48 Restatements of information | Reporting Index | No restatement information |
| | 102-49 Changes in reporting | Reporting Index | No significant change on the topics of the report |
| | 102-50 Reporting period | About the Report | |
| | 102-51 Date of most recent report | About the Report | |
| | 102-52 Reporting cycle | About the Report | |
| | 102-53 Contact point for questions regarding the report | About the Report | |
| | 102-54 Claims of reporting in accordance with the GRI Standards | Reporting Index | |
| | 102-55 GRI content index | Reporting Index | |

| | | 102-56 External assurance | Independent Assurance Report | |
|------------------------------|--------------------------------|--|--|--|
| GRI 200 Economic topics | GRI 103 Management approach | 103-1 Explanation of the material topic and its boundary | Corporate Governance/ Unswervingly Facilitating Rural Revitalization/Sta nding Fast to Original Aspirations to Support the Real Economy/About the Report | |
| | | 103-2 The management approach and its components | Unswervingly Facilitating Rural Revitalization、 Standing Fast to Original Aspirations to Support the Real Economy | |
| | | 103-3 Evaluation of the management approach | Unswervingly Facilitating Rural Revitalization/Sta nding Fast to Original Aspirations to Support the Real Economy | |
| GRI 201 Economic performance | | 201-1 Direct economic value generated and distributed | Key Performance Indicators | |
| | | 201-2 Financial implications and other risks and opportunities due to climate change | Vigorously Promoting Green Finance/ Supporting Healthy Development of Micro and Small | |

| | | | |
|-----------------------------------|--|--|--|
| | | Enterprises | |
| | 201-3 Defined benefit plan obligations and other retirement plans | | |
| | 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 | Unswervingly Facilitating Rural Revitalization/ Standing Fast to Original Aspirations to Support the Real Economy | |
| | 203-2 Significant indirect economic impacts | Unswervingly Facilitating Rural Revitalization/ Standing Fast to Original Aspirations to Support the Real Economy | |
| GRI 204 Procurement practices | 103 Management approach | Social Impacts | |
| | 204-1 Proportion of spending on local suppliers | | |
| GRI 205 Anti-corruption | 103 Management | Protecting | |

| | | | | |
|--|-----------------------------------|--|---|--|
| | | approach | People’s Property Social Impacts | |
| | | 205-1 Operations assessed for risks related to corruption | Protecting People’s Property/ /Social Impacts | |
| | | 205-2 Communication and training about anti-corruption policies and procedures | Protecting People’s Property/ Social Impacts | |
| | | 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 Environm ental topics | GRI 103 Management approach | 103-1 Explanation of the material topic and its boundary | Corporate Governance/ Vigorously Promoting Green Finance/ Supporting Healthy Development of Micro and Small Enterprises/ About the Report | |
| | | 103-2 The management approach and its components | Vigorously Promoting Green Finance/ Supporting Healthy Development of Micro and Small Enterprises | |
| | | 103-3 Evaluation of the management approach | Vigorously Promoting Green | |

| | | | Finance/ Supporting Healthy Development of Micro and Small Enterprises | |
|-------------------|---|--|---|--|
| 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 | Key Performance Indicators/ Environmental Impacts | | |
| | 302-2 Energy consumption outside of the organization | Environmental Impacts | | |
| | 302-3 Energy intensity | Environmental Impacts | | |
| | 302-4 Reduction of energy consumption | Key Performance | | |
| | 302-5 Reductions in energy requirements of products and services | Vigorously Promoting Green Finance | | |
| 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 | Environmental Impacts | | |

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|----------------------|---|-----------------------|--|
| 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 | Environmental Impacts | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Environmental Impacts | |
| | 305-3 Other indirect (Scope 3) GHG emissions | | |
| | 305-4 GHG emissions intensity | Environmental Impacts | |
| | 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 | Environmental Impacts | |

| | | | | |
|---|-----------------------------|--|--|--|
| GRI 306 Effluents and waste | | 306-1 Water discharge by quality and destination | | |
| | | 306-2 Waste by type and disposal method | | |
| | | 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 | Social Impacts | |
| | | 308-2 Negative environmental impacts in the supply chain and actions taken | Social Impacts | |
| GRI 400 Social topics | GRI 103 Management approach | 103-1 Explanation of the material topic and its boundary | Corporate Governance/ Serving Social Wellbeing with People-oriented Approach/ About the Report | |
| | | 103-2 The management approach and its components | Serving Social Wellbeing with People-oriented Approach | |
| | | 103-3 Evaluation of the management approach | Serving Social Wellbeing with People-oriented | |

| | | | Approach | |
|--|---|---|----------|--|
| GRI 401 Employment | 401-1 New employee hires and employee turnover | | | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | | | |
| | 401-3 Parental leave | | | |
| 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 | | | |
| | 403-3 Workers with high incidence or high risk of diseases related to their occupation | | | |
| | 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 | Providing Sincere Care for Employees/ Social Impacts | | |

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|--|--|---|--|
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Providing Sincere Care for Employees/ Social Impacts | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | | |
| GRI 405 Diversity and equal opportunity | 103 Management approach | Corporate Governance/ About the Report | |
| | 405-1 Diversity of governance bodies and employees | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | | |
| 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 | | |

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|--------------------------------------|--|---|--|
| | labor | | |
| GRI 410 Security Practices | 410-1 Security personnel trained in human rights policies or procedures | | |
| GRI 411 Rights of indigenous peoples | 411-1 Incidents of 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 | Corporate Governance/ Building Harmonious Communities、 About the Report | |
| | 413-1 Operations with local community engagement, impact assessments, and development programs | Building Harmonious Communities | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | | |

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|------------------------------------|---|--|--|
| GRI 414 Supplier social assessment | 414-1 New suppliers that were screened using social criteria | Social Impacts | |
| | 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 | Serving Social Wellbeing with People-oriented Approach | |
| | 416-1 Assessment of the health and safety impacts of product and service categories | Protecting People's Property | |
| | 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 | | |
| | 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 concerning breaches of customer privacy and | Social Impacts | |

| | | | |
|----------------------------------|--|--|--|
| | 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 | | |

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. | Environmental impacts, Quantitative performance in Aspect A |
| A1.1 | The types of emissions and respective emissions data. | Emissions, Quantitative performance in Aspect A |
| A1.2 | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Quantitative performance in Aspect A |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Quantitative performance in Aspect A |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of | Quantitative performance in |

| | | |
|---|--|--------------------------------------|
| | production volume, per facility). | Aspect A |
| A1.5 | Description of measures to mitigate emissions and results achieved. | Emissions |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | Emissions |
| Aspect A2: Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Use of Resources |
| A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Quantitative performance in Aspect A |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Quantitative performance in Aspect A |
| A2.3 | Description of energy use efficiency initiatives and results achieved. | Use of Resources |
| A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. | Use of Resources |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Not applicable |
| Aspect A3: The Environment and Natural Resources | | |
| General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources. | Vigorously promoting green finance, |

| | | |
|-------------------------------------|---|---|
| | | Environmental impacts |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Vigorously promoting green finance, Environmental impacts |
| 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. | Employee and Labor Standards |
| B1.1 | Total workforce by gender, employment type, age group and geographical region. | Quantitative Performance in Aspect B |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | Quantitative Performance in Aspect B |
| 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. | Health and Safety Providing Sincere Care for Employees |
| B2.1 | Number and rate of work-related fatalities. | Plan to Disclose |

| | | |
|--|---|---|
| | | in the Future |
| B2.2 | Lost days due to work injury. | Plan to Disclose in the Future |
| B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Health and Safety |
| Aspect B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Development and Training Boosting employee development |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Quantitative Performance in Aspect B |
| B3.2 | The average training hours completed per employee by gender and employee category. | Quantitative Performance in Aspect B |
| 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. | Employee and Labor Standards |
| B4.1 | Description of measures to review employment practices to avoid child and forced labor. | Employee and Labor Standards |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | Employee and Labor Standards |

| Aspect B5: Supply Chain Management | | |
|---|--|--------------------------------------|
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Supply Chain Management |
| B5.1 | Number of suppliers by geographical region. | Quantitative Performance in Aspect B |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. | Supply Chain Management |
| 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. | Supply Chain Management |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Not applicable |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | Quantitative Performance in Aspect B |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Product Responsibility |
| B6.4 | Description of quality assurance process and recall procedures | Not applicable |
| B6.5 | Consumer data protection and privacy policies, how | Product |

| | | |
|--|--|---|
| | they are implemented and monitored. | Responsibility |
| 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. | Anti-corruption |
| 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. | Plan to Disclose in the Future |
| B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | Quantitative Performance in Aspect B |
| 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. | Feature One: Meeting the Mission of Poverty Alleviation with Remarkable Performance Feature Two: Fighting the Epidemic with Cohesive Efforts Building Harmonious Communities |

| | | |
|------|---|--|
| B8.1 | Focus areas of contribution (such as education, environment, labor's needs, health, culture and sport). | Building Harmonious Communities |
| B8.2 | Resources contributed to focus areas (such as money and time). | <p>Feature One: Meeting the Mission of Poverty Alleviation with Remarkable Performance</p> <p>Feature Two: Fighting the Epidemic with Cohesive Efforts Building Harmonious Communities</p> <p>Quantitative Performance in Aspect B</p> |

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, 2020. 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 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; the *Guidelines on Corporate Social Responsibility of Banking Institutions of the China Banking Association*; 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 2020 (which had been audited by PricewaterhouseCoopers Zhong Tian LLP). 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 PricewaterhouseCoopers Zhong Tian LLP 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.

Contact Information

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Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2020. 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.



Scan the QR code and fill in the feedback form

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 2020, 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 the development of emerging industries
 - ☐Inclusive finance
 - ☐Serving people's livelihood
 - ☐Green finance
 - ☐Green operation
 - ☐Green public welfare
 - ☐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_____