

*Our Dedication to  
the Chinese Dream*

Agricultural Bank of China Limited Corporate  
Social Responsibility Report

**2013**



# Introduction

Only wealth that is **rich in love** is wealth in the true sense;  
only an enterprise that actively fulfills its **social responsibility**  
is an enterprise with true **competitiveness** and vitality.

—Excerpt from *Promoting Enterprise Social Responsibility*  
by Xi Jinping on January 15, 2007

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## Message from the Chairman



“Becoming a bank with a high sense of responsibility”

The Chinese dream about the great rejuvenation of the Chinese nation embodies the dreams and aspirations of millions of Chinese people. The Agricultural Bank of China (hereinafter referred to as "ABC" or the "Bank") holds the dream of "resolutely upholding the ideals and belief in socialism with Chinese characteristics and building a first-rate commercial bank". Such dream embodies the efforts and pursuit of everyone at ABC. As it continues to grow and forges ahead, the Bank must seek a unity and balance between the performance of social responsibility and the pursuit of commercial interests. Such effort is an inherent requirement and inevitable choice for ABC to fulfil the Chinese dream in the Bank.

Only an enterprise that actively fulfills its social responsibility is an enterprise of true competitiveness and vitality. As the backbone and pillar of the rural financial system of China, ABC shoulders the important task of boosting the development of "Sannong" (meaning agriculture, rural areas and farmers) and urban-rural integration. Over the years, ABC has been seeking a balance between the maximization of shareholders' value and providing inclusive services for "Sannong", which has become a unique competitiveness of ABC.

Only an enterprise that fulfills its social responsibility is a truly respected enterprise. The market positioning of "orientation toward Sannong" is a unique characteristic of ABC. Widespread network, wide service coverage, large business volume, diversified financial needs and high expectations from customers are the realities that confront ABC. A subject that ABC has always held as a point of focus and exploration is how to make ethical profits and provide better services for the economy, society and customers, while seeking its own stable

development. We need to give an even higher priority to the well-being of the general public, and gain the understanding, support and respect of customers and the public in fulfilling our corporate social responsibility ("CSR").

Only wealth that is rich in love is wealth in the true sense. The traditional Chinese culture has always revered benevolence, solidarity, generosity and ethics, and it is regarded as a virtue to do good and help the poor. In its development, ABC should focus on both economic benefits and social benefits, and on the accumulation of both wealth and ethics, to build ABC into a successful centuries-old company. To be rich in love requires a clever methodology. This is what the core meaning of CSR about. We will pursue this unflinchingly and determinedly, and fulfill the due responsibility of the Bank in the great journey of fulfilling the Chinese dream.

Jiang Chaoliang, Chairman

## Message from the President



“ **Successfully integrating social responsibility with business** ”

As a large state-controlled financial enterprise, ABC needs to fulfill its social responsibility. But this is by no means as simple as donating some money out of its annual profits to hold some charity activities. Instead, we must make a success of the in-depth integration of the Bank's development with the socio-economic progress from the perspective of strategy, business and the deepest of our thoughts.

**Serving "Sannong" is ABC's most important social responsibility.** ABC has more than 10,000 county-level outlets and 220,000 employees working in rural areas and remote areas. Over the years, ABC has continuously explored how to better serve "Sannong" and how to break the last barrier that prevents farmers from enjoying basic financial services. Now we have found the answer. It takes a combined approach composed of systems, mechanisms and products, including establishing the "Sannong Business Unit", implementing the "Kins Hui Nong Tong Project" and issuing the "Kins Hui Nong Cards".

**ABC strives to fulfill its social responsibility while developing business and serving customers.** The allocation of resources by a commercial bank is to a great extent a process of screening and guiding various economic subjects and economic activities. In the process, we have undertaken the responsibilities of implementing the State economic policies, financial policies and monetary policies to support the real economy, promote industrial restructuring, improve people's lives and advocate

green environmental protection. Meanwhile, in addition to the provision of personalized financial products for customers and the enhancement of the service experience, it is even more important for us to bear our responsibility and provide basic financial services for the farmers and herdsmen in former revolutionary base areas, areas inhabited by minorities, remote areas, poverty-stricken areas, and alpine and cold areas.

**ABC strives to fulfill its social responsibility while controlling risks and maintaining financial security.** The financial industry is an industry of high risks. The successful management of wealth for the State and the common people is the most fundamental social responsibility we have. We need to further intensify our risk awareness, establish the comprehensive risk management system and stick to the risk baseline, to ensure the value preservation and increase for the State and the people, and become a bank with which the people can rest easy.

Zhang Yun, President

## Message from the Chairman of the Board of Supervisors



“ Social responsibility is the essence of corporate culture ”

Culture is the internal force whereby the principal business of an enterprise remains ever vigorous, while social responsibility is the essence of corporate culture. An enterprise without culture cannot have a keen sense of social responsibility. Thus, responsibility reflects the spirit of ABC, highlights its commitment and is the source of its strength and wealth.

**Social responsibility has fostered the spirit of ABC.** For a long time, ABC has fulfilled its responsibility and mission, as mirrored by the ABC people in places where the conditions are hard, such as the borderlines of the motherland, regions of high elevation, forbidding areas for human life. In regions of high elevation, ABC people “lack oxygen, but do not lack spirit”; in places of hard conditions, they “face hard working conditions, but fear no hardship”; in developed regions, they “exert pressure on themselves and try to lead courageously” and would never be content with the second place if they can win the first place; in underdeveloped regions, they make every effort to strive for the possible best. Such spirit has become the soul of the good faith, integrity and the steady development of ABC.

**Social responsibility has forged the strength of ABC.** ABC uses culture as a guide in implementing its CSR and forges a powerful spiritual strength for its own continuous and steady development. It consolidates the strategic positioning of the enterprise while bearing in mind the overall interests; it strengthens the employees’ cohesion and solidarity via fulfilling

its responsibility; it enhances business development, product competitiveness and value creation via making pioneering efforts and contribution; and it intensifies the capability of building corporate image via enhanced exchanges and communications.

**Social responsibility has accumulated a profound culture.** An enterprise without culture may earn some money in the short term, but an enterprise with culture can succeed in the long term. Over the years, ABC has accumulated a profound corporate culture during fulfilling its social responsibility, a culture throughout the Bank and in the hearts of all ABC people to better serve “Sannong”, a culture to provide financial support to the border areas, a culture to better serve the general public and a culture to promote renewable and sustainable green services. Through fulfilling its CSR, ABC has built up the image of a first-rate modern commercial bank that features high quality, high efficiency and responsibility fulfilment. Such features provide inexhaustible power for the sound development of ABC.

Che Yingxin, Chairman of the Board of Supervisors



# 01

## About us

## Company Profile

### Organization

Headquartered in Beijing, the Agricultural Bank of China is located at No. 69, Jianguomen Nei Avenue, Dongcheng District and has a registered capital of RMB 324,794,117,000. By the end of 2013, ABC has 480,000 employees, 23,547 branch outlets in China, 10 overseas subsidiaries (excluding overseas majority-owned subsidiaries) and 12 domestic and overseas majority-owned subsidiaries. The 12 majority-owned subsidiaries include 3 in China - ABC-CA Fund Management Co., Ltd., ABC Financial Leasing Co., Ltd., and ABC Life Insurance Co., Ltd., 3 overseas - Agricultural Bank of China (UK) Limited, ABC International Holdings Limited, and China Agricultural Finance Co., Ltd., as well as 6 rural banks.

### Rankings

In 2013, ABC ranked 64<sup>th</sup> in *Fortune* Global 500; ranked 10<sup>th</sup> in *The Banker's* "Top 1000 World Banks" list in terms of Tier 1 Capital in 2012. In 2013, ABC was awarded the Best Managed Banking Institution in Asia by the *EuroMoney*; and ranked 2<sup>nd</sup> in Asia and 1<sup>st</sup> on the Chinese Mainland in the "2013 Competitiveness Rankings of Banks in Asia" by the *Asian Banker* (see the appendix hereto for details).

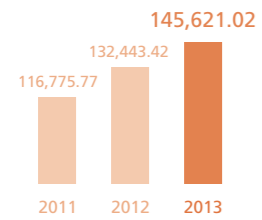




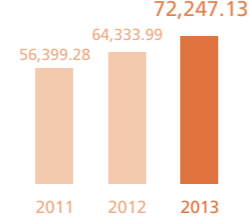
# Key Performance

## Economic Indicators

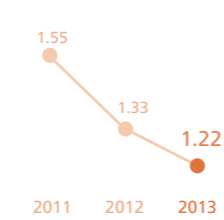
Total assets (RMB100 million)



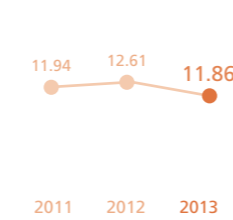
Total loans and advances (RMB100 million)



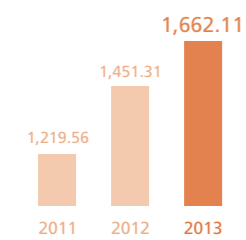
Non-performing loan ratio<sup>1</sup>(%)



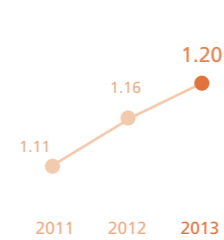
Capital adequacy ratio<sup>2</sup>(%)



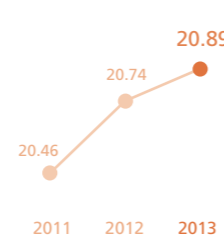
Net profits (RMB100 million)



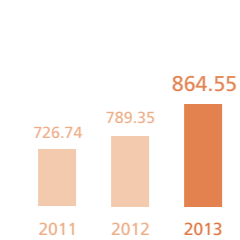
Return on average total assets<sup>3</sup>(%)



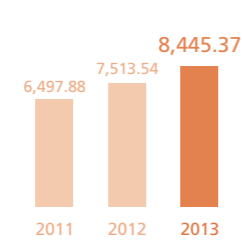
Return on weighted average equity<sup>4</sup>(%)



Taxes<sup>5</sup>(RMB 100 million)



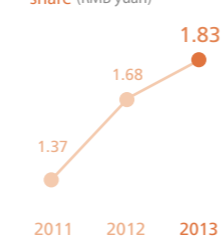
Shareholder's equity (RMB100 million)



Shareholder's dividends (RMB100 million)

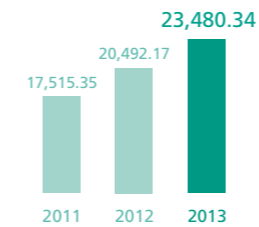


Social contribution value per share<sup>6</sup>(RMB yuan)

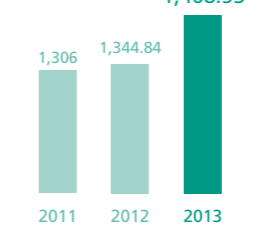


## Social Indicators

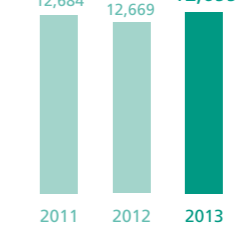
Total county area loans and advances (RMB 100 million)



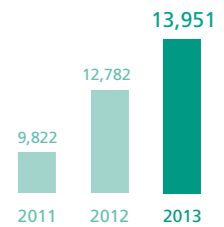
Balance of farmer loans<sup>7</sup>(RMB 100 million)



Number of county-level branch outlets



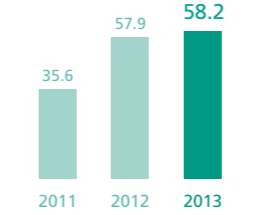
Total Hui Nong Cards issued (10,000)



Number of farm households benefiting from Hui Nong Cards<sup>8</sup> (10,000 households)



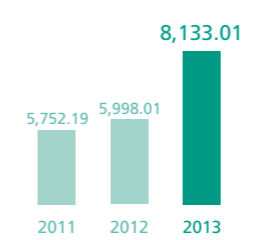
Number of Hui Nong Tong Service Outlets (10,000)



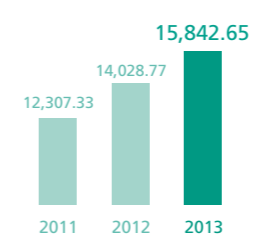
Proportion of administrative villages covered by Hui Nong Tong electronic devices (%)



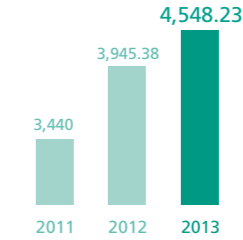
Balance of loans to small and micro businesses<sup>9</sup>(RMB 100 million)



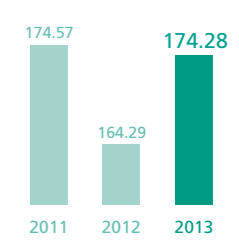
Total loans and advances to western regions<sup>10</sup>(RMB 100 million)



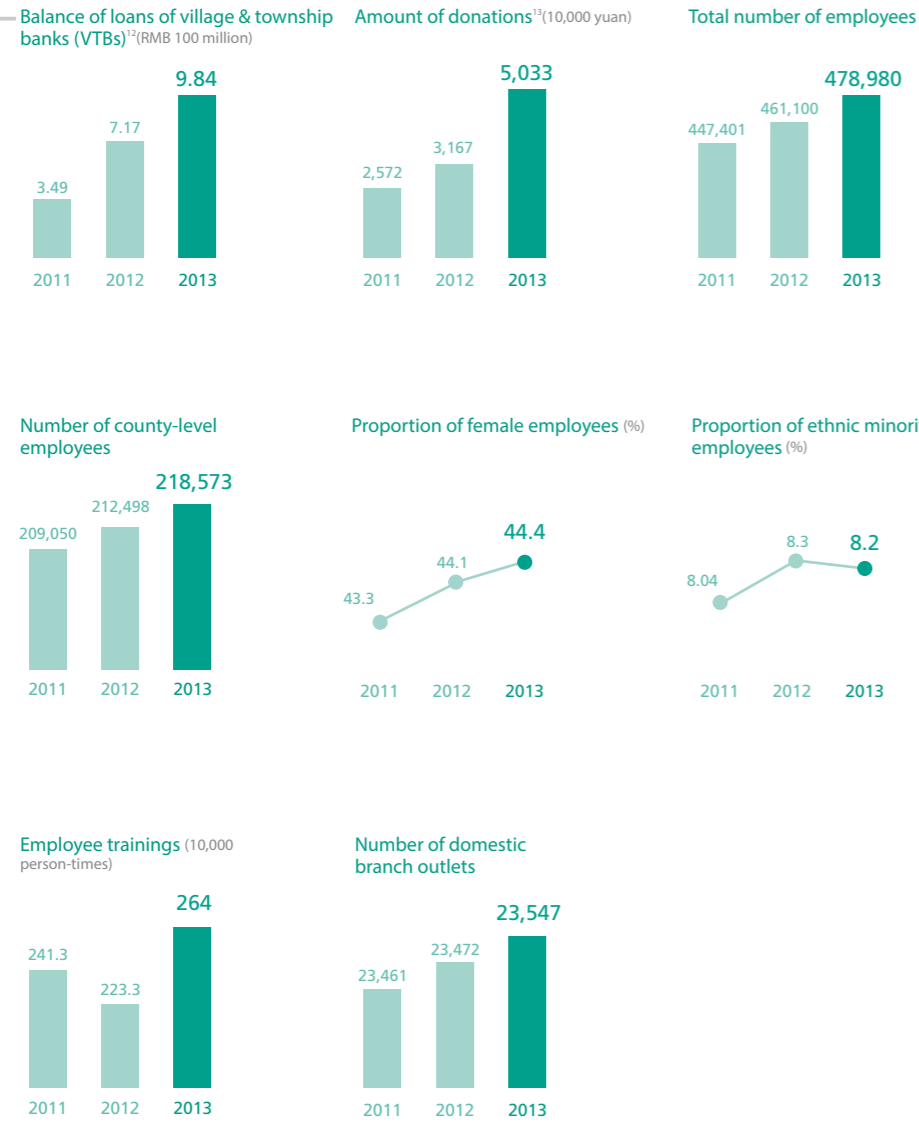
Total loans and advances to ethnic minority areas<sup>11</sup>(RMB 100 million)



Balance of loans for affordable housing projects (RMB 100 million)



## Social Indicators



<sup>12</sup>Non-performing loan ratio equals the balance of non-performing loans divided by total loans and advances.

<sup>13</sup>The data on December 31, 2013 are calculated according to the Measures for Management of the Capital of Commercial Banks (For Trial) and other relevant regulations. The data on December 31 of 2012 and on December 31 of 2011 are calculated according to the Measures for Management of the Capital Adequacy Ratio of Commercial Banks and other relevant regulations.

<sup>14</sup>Return on average total assets equals the net profit divided by the average value of total assets at year beginning and total assets at year end.

<sup>15</sup>Return on weighted average equity is 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 Equity and Earnings per Share (Revision in 2010) issued by the CSRC. The Bank has no dilutive potential ordinary shares.

<sup>16</sup>Taxes equal the total of corporate income tax (current), business tax and surcharges and other taxes.

<sup>17</sup>Social contribution value per share=basic earnings per share + (taxes + employee compensation and benefits + interest expense + amount of donations)/capital stock.

<sup>18</sup>Balance of farmer loans includes the balances of petty loans for farmers, production and operation loans for rural persons, house building loans for the farmers in quake-hit areas, loans for farm machines, loans for farmers going abroad to work, loans for farmers purchasing or building houses, other "Sannong" personal loans and other loans for production and operations.

<sup>19</sup>Number of farmer households benefiting from Hui Nong Cards = (Number of cards issued per household + Number of cards issued per capita)/4, and the number of cards issued per capita is converted based on 4 persons per household.

## Environmental Indicators



<sup>14</sup>In accordance with the Opinions of China Banking Regulatory Commission on Deepening the Financial Service for Small and Micro Enterprises (Yin Jian Fa [2013] No. 7), ABC has adjusted its statistical scope of the loans for small and micro enterprises to include the loans for individual businesses and the loans for owners of small and micro enterprises.

<sup>15</sup>Western regions include Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps Branch).

<sup>16</sup>Ethnic minority areas include Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang (including Xinjiang Corps).

<sup>17</sup>The number of village and township banks (VTBs) reached 4 in 2011, increased by 2 in 2012. The total number remained unchanged at 6 in 2013.

<sup>18</sup>The amount of donations means the amount donated by the Bank (domestically) and does not include the amount donated by its employees.

<sup>19</sup>Electronic channel transactions as proportion of total transactions in 2013 mean the proportion of the financial transactions completed through electronic channels to the financial transactions of the entire bank.

<sup>20</sup>Per person water consumption in offices in 2013 is counted on the basis of 4 office sites for the head office and Compound No. 15, while the counting thereof in 2011 and 2012 was based on 1 office site for the head office.

<sup>21</sup>Per person power consumption in offices is counted on the basis of 7 office sites for the head office and Compound No. 15, while the counting thereof in 2011 and 2012 was based on 1 office site for the head office.

# Map of Responsibility





# 02

## Responsibility Concept and Management

## Enhancing the Participation of Stakeholders

The bank identifies and keeps in mind the expectations and appeals of all stakeholders, continuously integrates them into its businesses, and takes the initiative to make innovations in practices and adopts relevant measures in response.

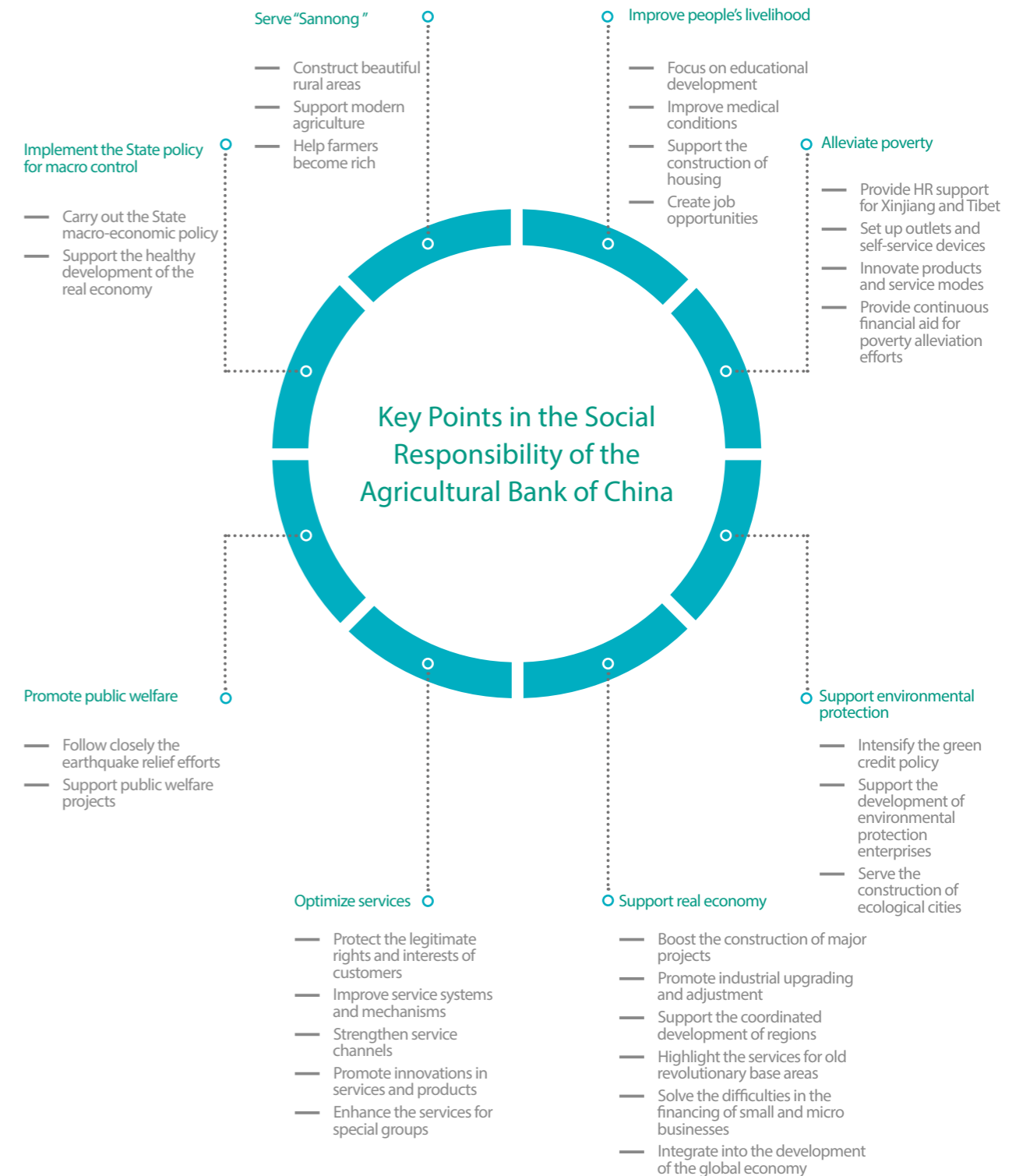
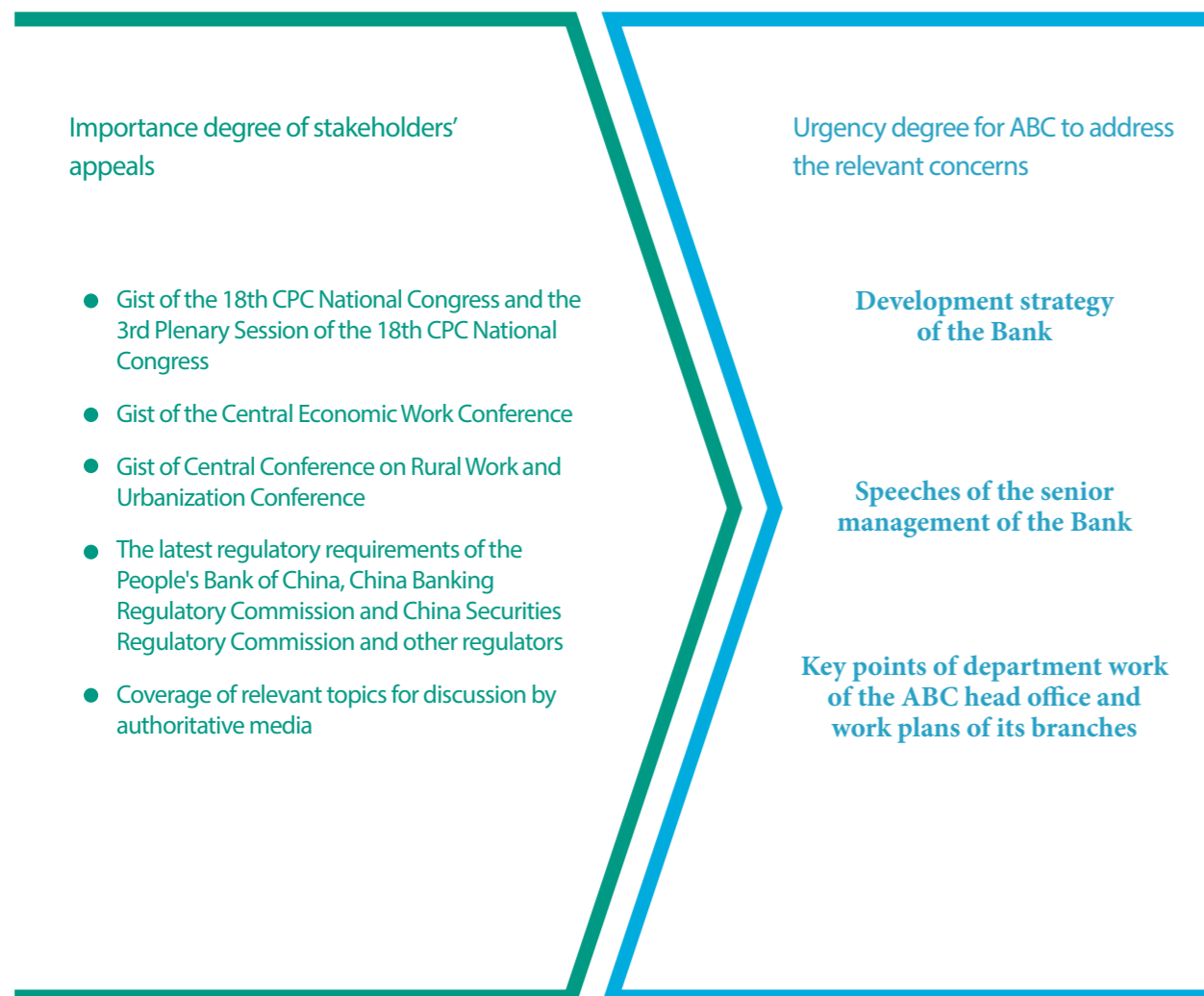
### Strategic Goals

Building a first-class modern commercial bank that caters to the needs of Sannong, capitalizes on the synergy between urban and rural areas, integrates into the international market and provides diversified products.

Stakeholders	Government	Supervisory Authority	Shareholders and Investors	Customers	Employees	Suppliers and Partners	Public and Community	Environment
<b>Expectations and Appeals</b>	<ul style="list-style-type: none"> <li>Enhance the capability of providing financial service for "Sannong"</li> <li>Support national industrial restructuring</li> <li>Support the development of small and micro businesses</li> <li>Increase the financial support for people's livelihood</li> <li>Achieve the steady growth of taxes</li> <li>Expand employment</li> </ul>	<ul style="list-style-type: none"> <li>Operate in good faith and compliance with laws and regulations</li> <li>Maintain financial stability</li> <li>Strengthen the total risk management system</li> </ul>	<ul style="list-style-type: none"> <li>Create sustainable returns on value</li> <li>Improve corporate governance</li> <li>Strengthen the management of investor relations</li> <li>Disclose information in a complete, true and accurate way</li> </ul>	<ul style="list-style-type: none"> <li>Continuously enhance service quality</li> <li>Intensify the capability of electronic services</li> <li>Carry out the publicity and education of financial knowledge</li> <li>Maintain the rights and interests of customers</li> </ul>	<ul style="list-style-type: none"> <li>Safeguard the legitimate rights and interests of employees</li> <li>Create diversified passages for career development</li> <li>Improve salary, incentive and benefit system</li> </ul>	<ul style="list-style-type: none"> <li>Fair cooperation</li> <li>Good faith in business and performance of contracts</li> </ul>	<ul style="list-style-type: none"> <li>Provide quality financial services</li> <li>Carry out volunteer activities</li> <li>Jointly construct the environment of civilized communities</li> </ul>	<ul style="list-style-type: none"> <li>Support green development</li> <li>Persist in green operations</li> <li>Implement green public welfare</li> <li>Promote environmental friendliness</li> </ul>
<b>Counter-measures and Effect</b>	<ul style="list-style-type: none"> <li>Increase the issuance of credit</li> <li>Launch the "Kins Hui Nong Tong" project</li> <li>Support the fields of people's wellbeing, e.g. medical care, education, housing, etc.</li> <li>Drive employment through the support for industries and the development of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>Strictly abide by laws and regulations</li> <li>Prevent financial crimes</li> <li>Improve the major risk management system</li> </ul>	<ul style="list-style-type: none"> <li>Improve corporate governance</li> <li>Create shareholders' value</li> <li>Strengthen the management of investor relations</li> <li>Strengthen the disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>Protect the legitimate rights and interests of customers</li> <li>Strengthen the construction of service channels</li> <li>Promote the innovation in services and products</li> <li>Improve the services for special groups</li> </ul>	<ul style="list-style-type: none"> <li>Push on the construction of the Agricultural Bank of China University</li> <li>Establish and improve the remuneration management system</li> <li>Build the performance management system and platform</li> </ul>	<ul style="list-style-type: none"> <li>Sign the agreement for strategic cooperation with local governments, enterprises and universities</li> <li>Carry out all-round and in-depth business cooperation with the international financial institutions of multiple countries</li> </ul>	<ul style="list-style-type: none"> <li>Spread financial knowledge</li> <li>Carry out publicity activities in 100 counties and 1000 towns</li> <li>Develop guiding documents and launch volunteer activities</li> </ul>	<ul style="list-style-type: none"> <li>Issue the Opinions of the Agricultural Bank of China on Implementing Green Credit</li> <li>Intensify the comprehensive environmental treatment of climate and water resources</li> </ul>

## Clarifying the Key Points

As required by the international standards, guides and domestic policies for social responsibility, the Bank collects the key expectations and appeals of stakeholders for our fulfilment of social responsibility, and solicits through interviews the opinions of the CSR supervisors in our functional departments and the experts in the field of social responsibility, to identify the key points of our social responsibility work on the basis of the 2D matrix "Importance Degree of Stakeholders' Appeals — Urgency of the Resolution of Relevant Concerns by the Agricultural Bank of China".



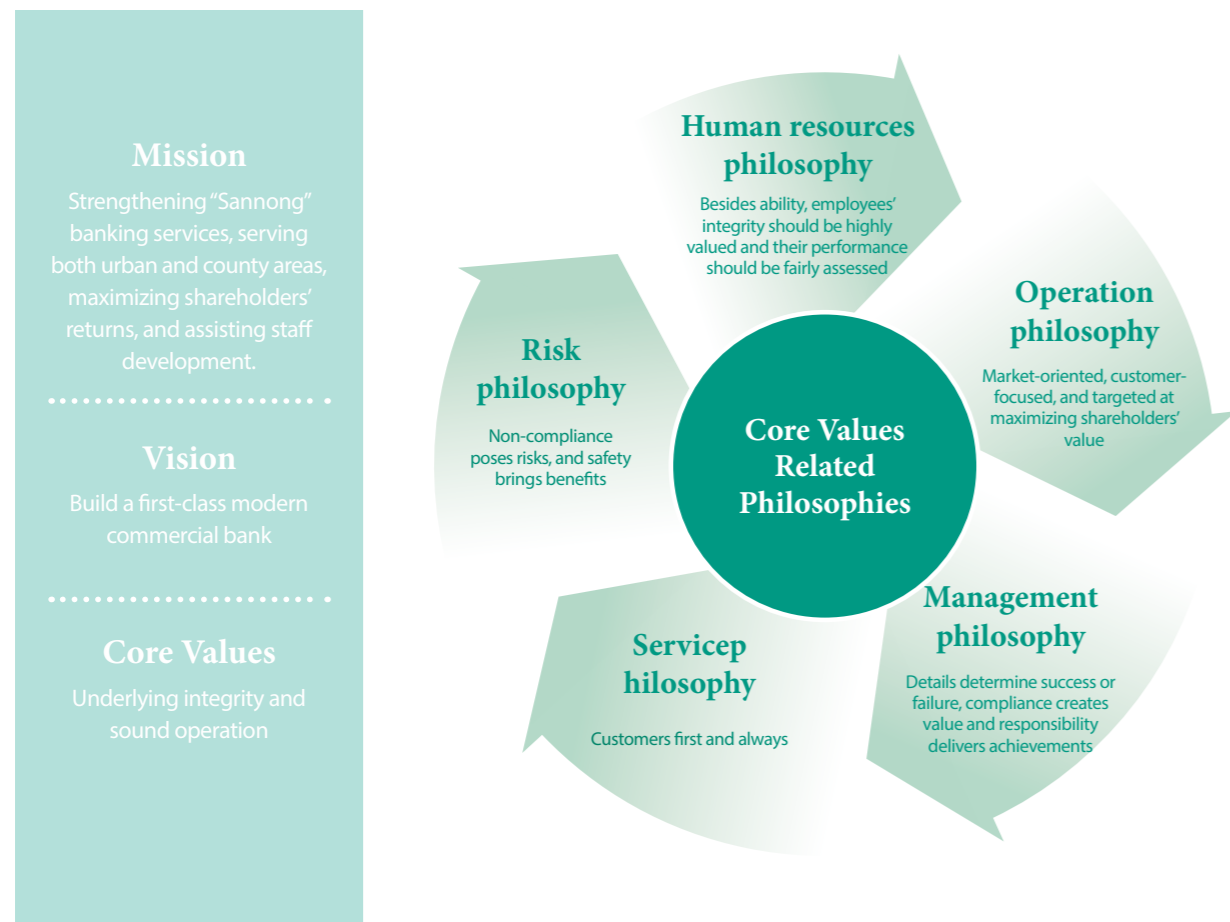
## Building the Work System

### Intensifying the Responsibility Philosophy

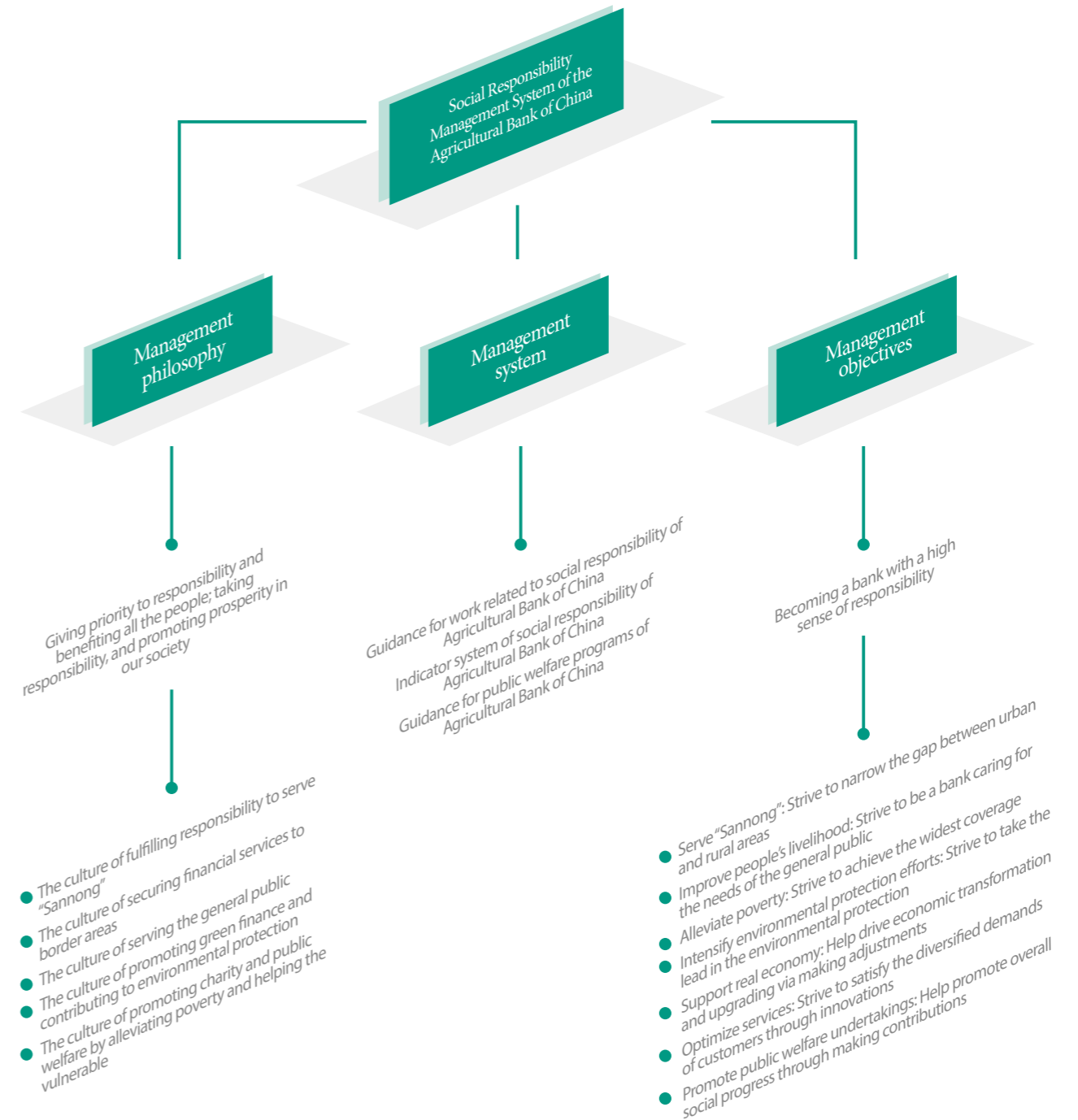
The bank implements the responsibility philosophy of “placing responsibility above everything to benefit the general public; determinedly assuming responsibility to benefit the whole society”; regards “becoming a bank with a high sense of responsibility” as the goal of its social responsibility; integrates the provision of services for “Sannong”, the fulfilment of social responsibility and the creation of shareholders’ value together; promotes the fulfilment of responsibility in the fields of “Sannong”, real economy, people’s livelihoods and environmental protection through

a differential development strategy and featured operation mode to boost the sustainable development of the economy, society and environment.

In July 2013, the Bank modified and released the core philosophy of its corporate culture so that it can better meet our own development strategy, as well as the expectations and appeals of stakeholders, and help give play to the important role of culture in becoming embedded in, being integrated into management and guiding responsibility.

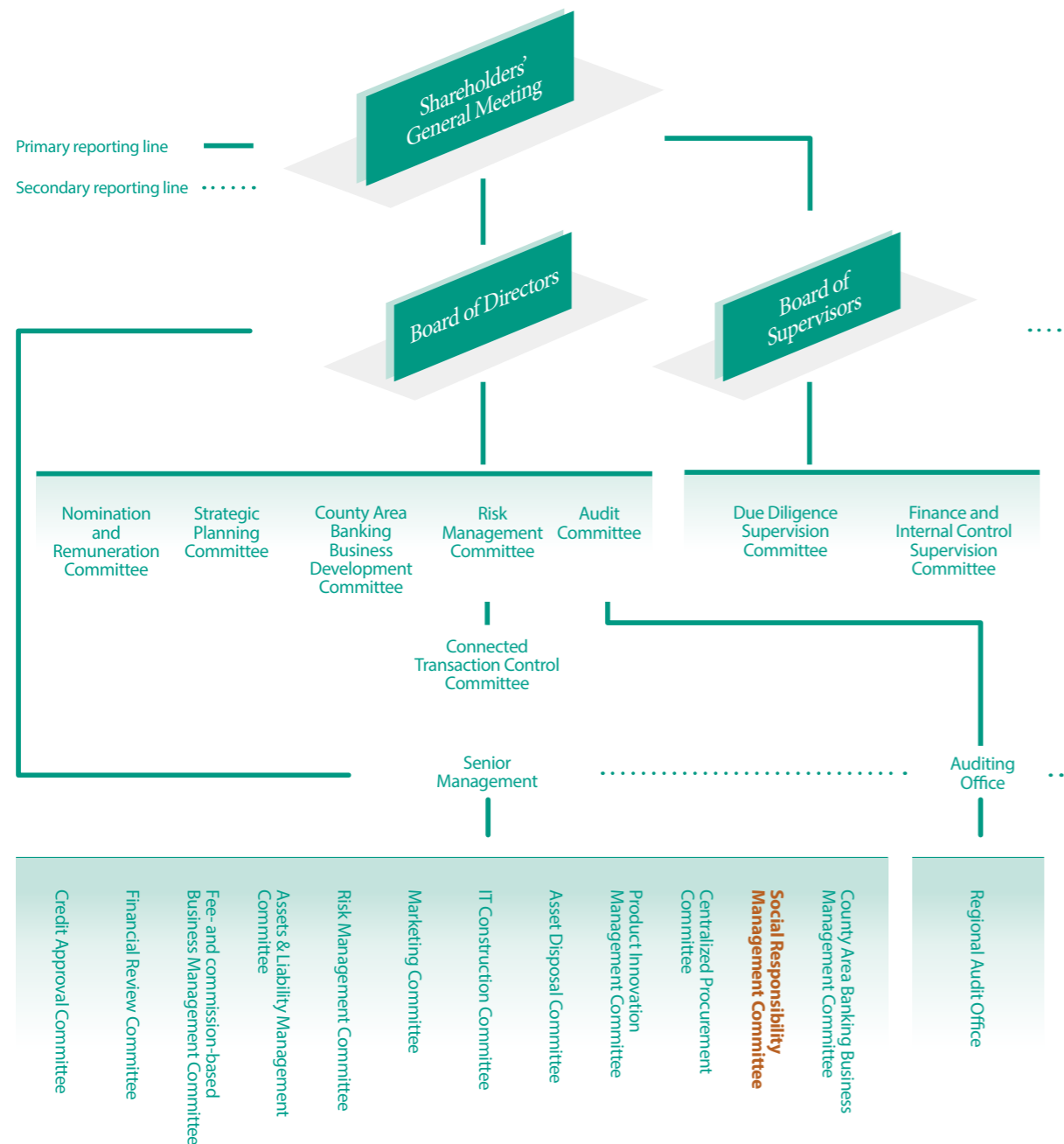


### Establishing the Management System



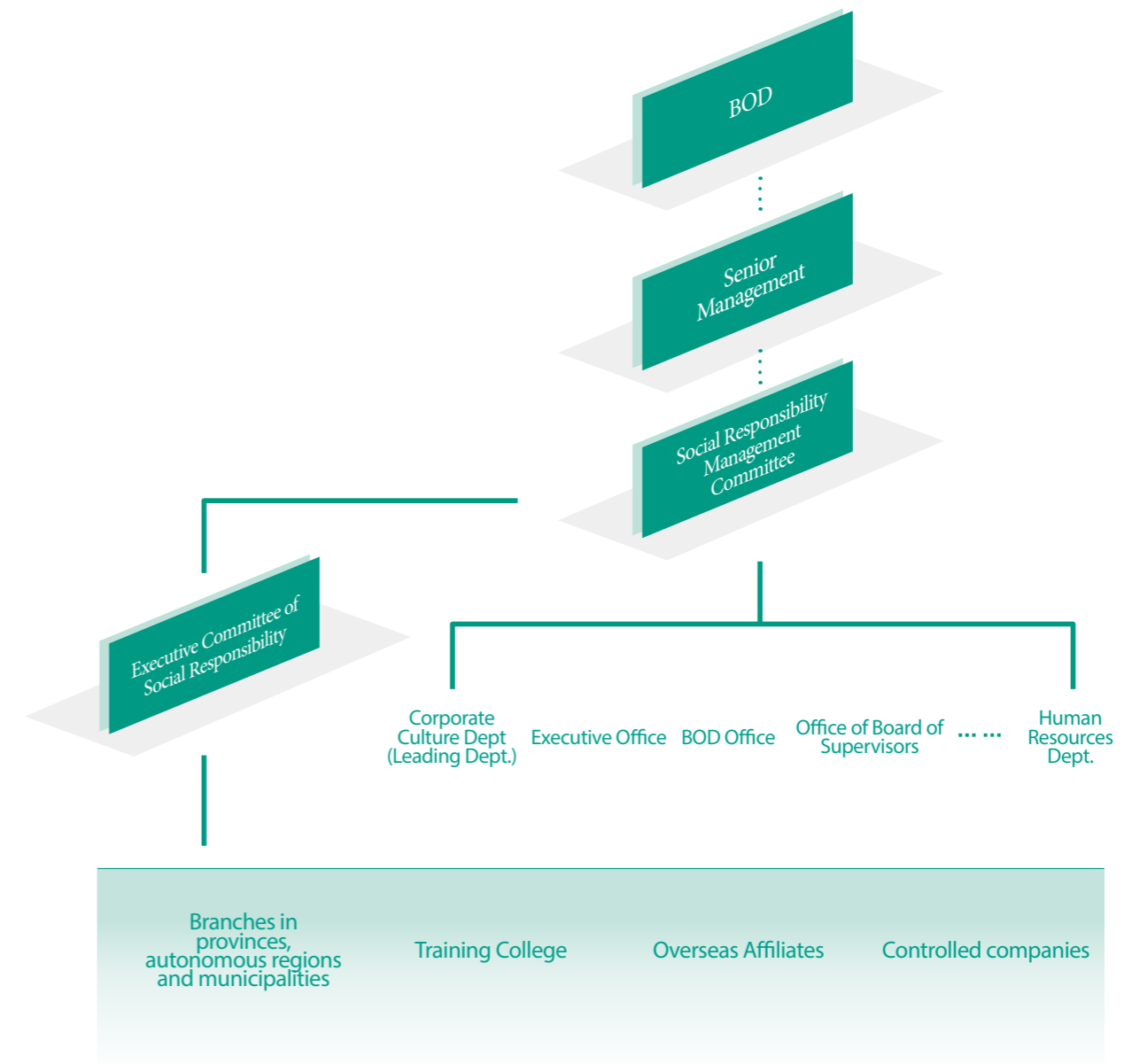
## Optimizing Organizational Structure

At the end of the reporting period, the Bank's Board of Directors has 15 directors, including 4 executive directors, 6 non-executive directors and 5 independent non-executive directors; the Board of Supervisors has 7 supervisors, including 2 supervisors representing shareholders, 4 supervisors representing employees and 1 external supervisor.



Corporate Governance Structure Chart of the Agricultural Bank of China

Under the direct guidance of the Board of Directors, the senior management of the head office has under it the Social Responsibility Management Committee, which undertakes unified planning and arrangement of the social responsibility endeavors of the head office. At the level of branches, the Executive Committee of Social Responsibility is set up to promote the fulfilment of various tasks. The Corporate Culture Department of the head office is the department in charge of social responsibility with the assistance of the commissioners in the other departments of the head office and the branches.



Social Responsibility Management System of the Agricultural Bank of China





# 03

## Responsibility Practices and Performance

# Serving "Sannong"

to Narrow the Urban-rural Gap

- 034 Building Beautiful Rural Areas
- 036 Promoting Modern Agriculture
- 040 Assisting Farmers in Becoming Better Off



## Section Story

### Undertaking the Important Task of Providing Funds for Integrated Urban-rural Development

Serving "Sannong" is the most important social responsibility of ABC. Over the years, the Bank has followed the basic goal of "building beautiful rural areas, supporting modern agriculture, and helping farmers become rich", continuously increased the credit input for "Sannong", unfolded innovations in products and services, continuously reinforced the institutional and mechanism assurance that centers on the "Sannong" business unit, meticulously carried the "Kins Hui Nong Tong" projects, worked hard to explore the new mode of integrated urban-rural development and kept on infusing financial vigor to boost "Sannong" development, optimize urban-rural structure and realize common prosperity.

Urbanization is an important mark that measures the modernization level of a country and a vital route for resolving the problems associated with agriculture, rural areas and farmers. In the course of serving the urbanization efforts, ABC actively cooperates with local governments to help resolve the problems related to the employment, inhabitation and public services of the farmers and their families in cities and increase the absorbability and attractiveness of towns for the rural migrant population.

ABC has 54% of its outlets and 46% of its employees in counties and maintains 582,000 service points

of "Kins Hui Nong Tong" project and 1,154,000 electronic devices in the rural areas below county level. The e-service coverage of ABC in administrative villages was 68.3%. In 2013, the Bank launched 6 credit products for urbanization and signed the agreement for strategic cooperation in urbanization with 8 provinces (autonomous regions), including Guangdong and Hubei, involving RMB 730 billion under intentional contracts. By the end of 2013, the balance of loans for rural urbanization reached RMB 78.16billion, an increase of 11.65%, which covered 691 counties (cities).

By the end of 2013

the balance of loans for rural urbanization reached RMB

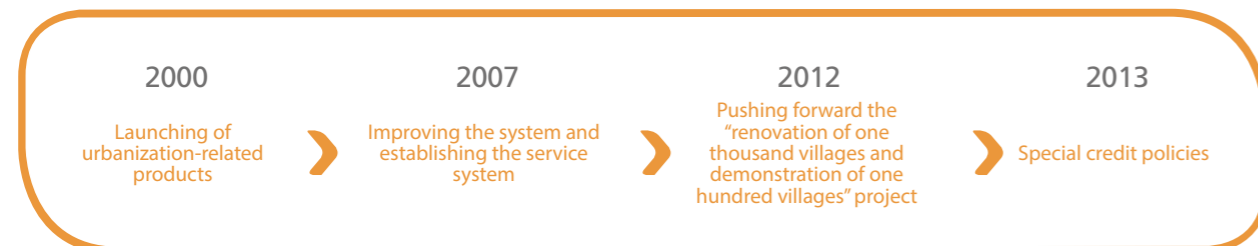
**78.16**  
billion

which covered

**691**  
counties (cities)

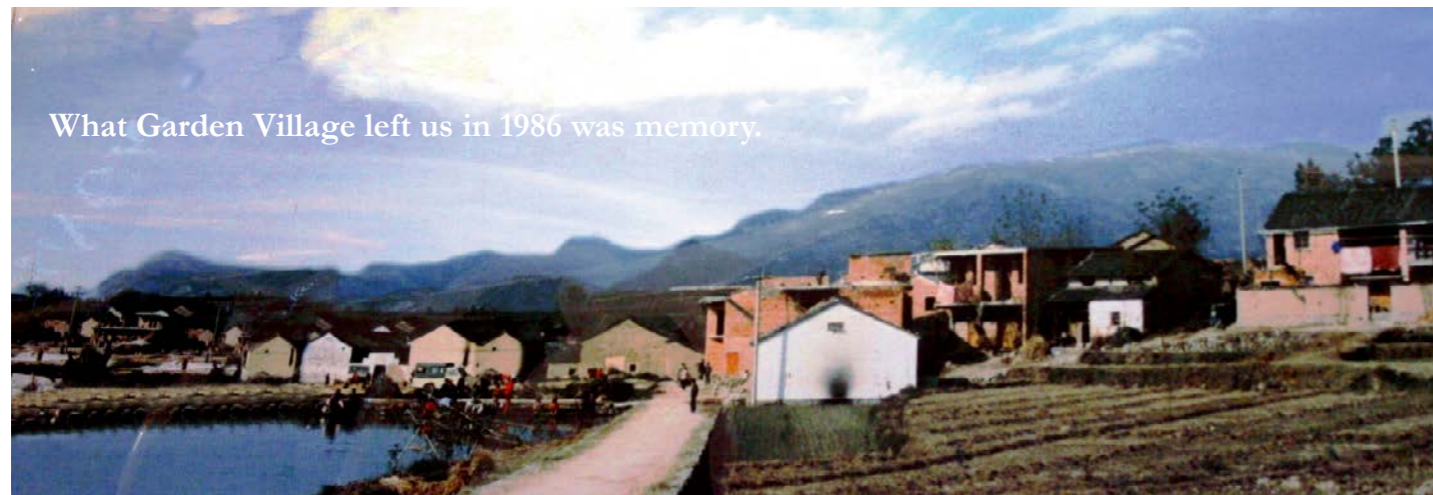
"Kins Hui Nong Tong" project: In rural areas, electronic devices such as account transfer telephones and POS card swiping machines are installed to provide the customers holding Hui Nong cards with convenient and fast basic financial services, e.g. petty cash withdrawal, account transfer and settlement, without the need for them to leave their village. The project uses Hui Nong cards as carrier, service points as support, electronic channels as platform, mobile service as addition and broader coverage of rural basic financial services as target.

Agricultural Bank of China Supporting Urbanization: History and Mechanism



Agricultural Bank of China Supporting Urbanization: System and Policies

Field	Name of System	Role
Overall Policy	Guide of the Agricultural Bank of China to Examination of the Credit Business for "Sannong"	Strengthen the standardization and lean management of "Sannong" credit business
	Guide of the Agricultural Bank of China to "Sannong" Credit Business in 2013	
	Guide of the Agricultural Bank of China to the Credit Policy for Urbanization	Clarify the guiding philosophy, development objectives, regional focuses, key points of projects and loan conditions in supporting urbanization business; put forth the policies and measures promoting business development; innovate the mode of guarantee
	Opinions of the Agricultural Bank of China on Supporting Urbanization	
Special Policy	Guiding Opinions of the Agricultural Bank of China on Supporting the Accelerated Development of Modern Agriculture	Clarify the work focuses, key objects and specific process of supporting agricultural development; intensify the support
	Opinions of the Agricultural Bank of China on Promoting the Financial Services for the Intensive Operations and Large-Scale Development of Agriculture	
	Plan of the Agricultural Bank of China for Operational Transformation and Special Risk Control in the Credit Business for Farmers in 2013	
	Measure of the Agricultural Bank of China for Management of Micro Loans for Farmers	
	Measures of the Agricultural Bank of China for Management of Loans for Personal Production and Operations in Rural Areas	Guide the branches in increasing the issuance of loans to farmers, with special focus on expanding new-type agricultural operators in rural areas
	Measures of the Agricultural Bank of China for Management of Loans for Farmers on the Industrial Chain of Agriculture (For Trial)	
Special Report	Measures of the Agricultural Bank of China for Management of Loans for Specialized Large Producers (Family Farms) (For Trial)	
	Report of the Agricultural Bank of China On "Sannong" Financial Services	Compiled and released starting from 2008 for systematic summarization of the "Sannong" financial services of the Bank.



What Garden Village left us in 1986 was memory.



What Garden Village left us in 2013 is yearning.

## Building Beautiful Rural Areas

In 2013, the Bank rolled out a number of innovative loan products to strongly support rural residents in improving their life environment by centering around the needs for rural infrastructure, developing small irrigation works for farmland and new water-saving high-efficiency agriculture, and focusing on improving rural public service facilities and social security system.

By the end of 2013, ABC cumulatively issued RMB 23.90 billion in loans for farmland irrigation infrastructure, and invested RMB 3.84 billion in funds to support market construction in furnishing and clothing manufacturing industries.

By the end of 2013

ABC cumulatively issued RMB  
**23.90**  
billion in loans for farmland  
irrigation infrastructure  
and invested RMB  
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billion in funds to support  
market construction in  
furnishing and clothing  
manufacturing industries

### Garden Village, Example of Rural Modernization in China

In 1980s, the per capita income of the farmers in the Garden Village was only RMB 78. Under the consistent support of ABC Dongyang Sub-branch in Zhejiang, their per capital annual income reached RMB 123,000 in 2013. Now, it has become an "example of rural modernization in Zhejiang" with buildings of unified planning and a clear division of industrial zone, living zone, administrative zone, educational zone and recreational zone.

Over the past 30 years, the Bank has provided the village with funds to support the transformation of the old village and improvement of infrastructure, construct a garden-like village with a beautiful living environment and enable the local enterprises to expand development and promote high-tech industries. As a result, Garden Group has grown from a small garment factory into a national-level enterprise group that is involved

in a number of industries, including biomedicine, mahogany furniture manufacturing, film & TV and culture. The group has 32 wholly-owned and controlled companies and ranks among the top 500 private enterprises of China.



Current look of Huaxi Village

### Huaxi Village, No. 1 Village of China

The first loan Huaxi Village received was a working capital loan in the amount of RMB 800000 provided by the then ABC Jiangsu Branch at the end of 1980s. Arguably, that loan opened the door to fortune for the village. 15 years later, in 2013, the total credit provided by the Bank for Huaxi had reached RMB 1.82 billion.

Li Qingping, first director of the Bank's Huaxi Office, has served for Huaxi for 13 years. Recollecting the experience, he said

that, at that time, in addition to deposit, loan and settlement service, he also needed to do note discount. Because of the regional difference in discount interest rate, he often needed to go to Yangzhou on the other side of the river to process discount for Huaxia so as to lower the financing cost, spending a whole day on a round trip of over 100km.

Over the years, the support of financial loans and the considerate services

provided by the ABC office in the village enabled Huaxi to embark upon the road of industrialization, urbanization and modernization, turning from a former small poor village into a national model in the construction of new countryside with an annual sales income of more than RMB 50 billion now and a new modern rural community that "is countryside if seen from a distance, a garden if seen nearby, a happy homeland if seen closely".

## Promoting Modern Agriculture

In 2013, the Bank focused on supporting 6 fields: large-scale production of farm products, new-type agricultural operators, leading enterprises of agricultural industrialization, construction of agricultural infrastructure, construction of modern rural area system, development of agricultural science and technology, to provide strong financial support for agricultural entities of intensive and large-scale development. By the end of 2013, the Bank's balance of loans in the fields of grain production and modern agriculture has topped RMB **1,000** billion.

By the end of 2013

the Bank's balance of loans in the fields of grain production and modern agriculture has topped RMB **1,000** billion

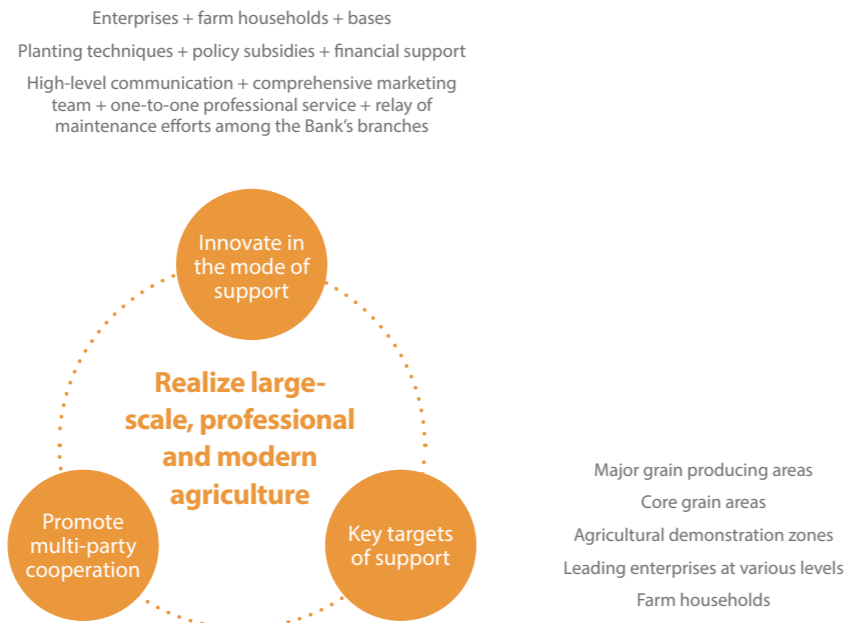
## Promoting Rural Industrialization

China is a country with a large population and, therefore the adequate supply of grains is always regarded as a matter of top priority in running State affairs. The Bank focuses on supporting the construction of 13 major grain producing areas throughout the country, and promoted the large-scale, specialized and modern operations of agriculture, to enhance the development quality

of rural industrialization and ensure the security and supply of grains. ABC has teamed up with the Ministry of Finance and the Ministry of Agriculture to provide diversified financial services for nearly **18,000** leading enterprises of agricultural industrialization, covering **81.44%**, **57.59%** and **22.84%** of such leading enterprises at national level, provincial level and the level of prefectural cities

or below. In 2013, the Bank provided dedicated credit support for **91** farm product wholesale marketplaces across the country and cumulatively input **4** billion yuan of loans. Its financial services covered over **70%** of the wholesale marketplaces designated by the Ministry of Agriculture.

Picture: Mechanism of the Agricultural Bank of China Supporting Agricultural Development



Agricultural Bank of China + General Supply and Marketing Cooperative of the Ministry of Agriculture



## Hui Nong Finance Supporting the Increase of Grain Output in Shandong

In 2013, Shandong achieved a total grain output of 45 billion kilograms, becoming the first in China that has increased total grain output for 11 years running and making contribution to the grain security of China and the stable and healthy development of its economy and society.

Shandong Branch provides complete support for the entire industrial chain of agriculture, including seeds, chemical fertilizer, agricultural machinery, farmers' production and irrigation construction, and provided RMB 26.3 billion of new loans in the regard in 2013. Meanwhile,

it makes full use of the over 800 outlets and 25,000 Hui Nong Tong service points in the rural areas to promptly issue the RMB 9.75 billion of funds from the governments at all levels to the farmers, thereby facilitating their agricultural production.



Vegetable greenhouse supported by Wangqing Sub-branch in Yanbian, Jilin



Head of the Cooperative expressing joy at the availability of the pilotless plane in an interview

### First to Provide Loans for Land Trust Circulation in Rural Areas

Shaxian County in Fujian is a pilot county for the standardized management and service of land contracting and management right in the rural areas of the whole country. In 2013, Shaxian County Sub-branch issued the Bank's first loan for the trust circulation of rural land, amounting to RMB600,000.

The new loan is provided against multiple modes of guarantee, including pledged forestry ownership and land contracting and management right. Take Yixin Cooperative for example. Through land trust circulation, its members have increased from 6 in 2008 when it was first set up to the present 158. The cooperative now has 105 agricultural machines that enable mechanized production in all the processes from seedling cultivation and plowing to harvesting. In December, 2013, it ordered an agricultural pilotless plane and plans to use for the paddy field production next year. The head of the cooperative commented: "The support of ABC is very important for our development."

### Supporting Leading Enterprises in the Industrialization of Agriculture and Animal Husbandry

Inner Mongolian Branch actively supports the 6 advantageous dominant industries of dairy, meat, woolen (hair), grains and oil, potatoes and fodders, and has increased the integrated financial services for the leading enterprises in the industrialization of agriculture and animal husbandry, such as Yili, Mengniu, Saifeiya and Horchin.

With Mengniu and Yili as model, ABC drew up a plan of integrated services— "high-level communications + combination of comprehensive marketing teams + one-for-one professional services from product lines + marketing maintenance by relevant branches", which focuses on the "one for one" pair-up between products and services in 16 aspects, including financing, cash management and international trade financing for milk source base projects, thus realizing the financial services for the whole process.

## Supporting Innovations in Agricultural Science and Technology

In 2013, the Bank intensified the support for agricultural technological parks, agricultural technology enterprises and agricultural technology projects to enhance the modernization of agriculture. By the end of 2013, the Bank provided RMB 12.8 billion of credit support for 266 leading enterprises in the industrialization of agricultural science and technology across the country, leaving a loan balance of RMB 7.5 billion, and established ties of cooperation with 65 national-level agricultural technological parks.

### Creating the Service Demonstration Zone of Huishan National Agricultural Technology Park

Huishan National Agricultural Technology Park is a "National Standardized Production Base for Green Food Raw Materials" and one of the "Top 10 Chinese Towns of Farm Product Logistics".

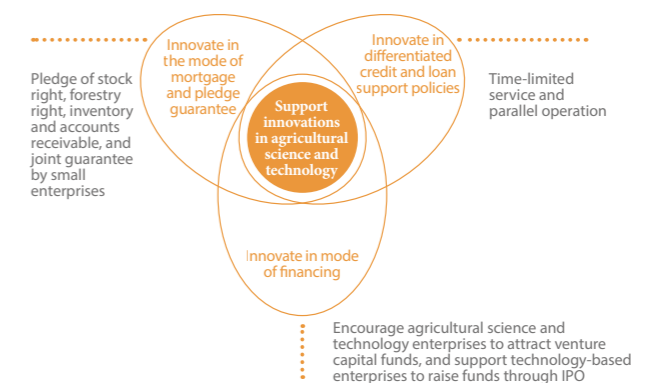
By the end of 2013, Liaoning Branch had provided RMB 2.5 billion of credits for the technological enterprises of agriculture in the park, which are engaged in dairy, animal husbandry and planting, with RMB 1.03 billion actually extended, covering 100% national-level leading enterprises of agricultural industrialization. It also provided financial services for 487 distributors and 1,411 merchants downstream on the industrial chain by erecting the e-business platform for online transactions and popularizing order placement via online banking, thereby achieving the circulation of the transaction funds on the industrial chain within the Bank and promoting coordinated urban and rural development and the common progress of business.

### Innovative Services Aiding the Development of Agricultural Science and Technology

Sichuan Branch deems the support to the innovations of agricultural science and technology as the top priority for serving "Sannong", and makes strong efforts to support agricultural enterprises in carrying out the innovations in agricultural science and technology and expanding their production.

By the end of 2013, the balance of the loans provided by Sichuan Branch for agricultural science and technology reached RMB 11.17 billion, focusing on modern financial services for 3 national-level and 75 provincial-level agricultural technological parks, and supporting 69 selected agricultural technology enterprises for innovations in new seeds and seedlings, pesticides, fertilizers and farm machinery.

### Picture: Measures by Sichuan Branch to Support Innovations in Agricultural Science and Technology



Assisting

## Farmers in Becoming Better Off



China has a population of 1.3 billion, including 900 million farmers. Only when the farmers have become well-off is it possible to realize all-round moderate prosperity. In 2013, the Bank formulated a policy for special farmer loans as part of the efforts made to explore a new mode of credit service for farmers. ABC beefed up featured products targeting large growers, family farms and farmers' cooperatives in light of different localities. Meanwhile, the Bank developed and introduced the loan products for the farmers on the industrial chain of agriculture to drive the overall development of the farmers both upstream and downstream.

By the end of 2013, the Bank's loans for farmers increased by RMB 12.37 billion, which supported 86,500 specialized large growers (family farms), and the balance of loans for farmers was 146.853 billion yuan.

By the end of 2013

the Bank's loans for farmers increased by RMB

**12.37**  
billion

which supported

**86,500**

specialized large growers (family farms)

and the balance of loans for farmers was

**1,468.53**  
billion yuan

### Shuang Lian Hui Nong Loans: Assisting Gansu Farmers in Becoming Better Off

Gansu Branch worked with the Department of Finance of Gansu Province in rolling out Shuang Lian Hui Nong loans for poor rural areas. Such loan products have following notable features: firstly, the financial departments at all levels injected funds to form 58 policy-related guarantee companies that provide whole-process and whole-amount guarantee for farmers; secondly, whole-process and whole-amount interest subsidies are provided out of provincial-level finance,

equal to RMB 200 million surrendered to the farmers in a year and RMB 1 billion in 5 years; thirdly, the Bank implements benchmark interest rate for the loans, which is unprecedented in the financial field of rural areas in China.

By the end of 2013, the Bank cumulatively issued RMB 7.66 billion of loans to 115,000 households in 58 poverty-stricken counties of Gansu Province, including RMB 7.02 billion issued in 2013 to 105,000 households.

*"I thought that I would not be able to access the loan. Unexpectedly, the loan arrived just one week later. I was so glad."*

— Wang Zhongren,  
a farmer in Pailou Village, Yuan Town,  
Yongdeng County, Lanzhou

### Hui Nong Services Leading to a Flourishing Family Farm

Yulin Branch in Guangxi launched the innovative family farm loan product by taking into account the characteristics, planting mode and fund demand of family farms. The simple formalities, low threshold, convenient and fast credit service is designed to support and guide family farm owners to start their business and pursue large-scale operations.

By the end of 2013, the branch had helped the joint family farm of farmers Quan Kai and Chen Yanguang in Dapingshan Town, Xingye County to rent 1,000 mu of land, from which 1.4 million kg of high-quality and pollution-free vegetables of all varieties were harvested, realizing an output value of RMB 4 million.

*"It is the loans provided by ABC that helped me to become a real farm owner."*

— Wang Ronghua,  
family farm owner with  
Labor Business License

### China's Largest Loan for a Single Farmer: 42.5 Million Yuan

Licorice is a Chinese medicinal herb in a large demand enjoys very good market situation. ABC Xinjiang Branch issued RMB 42.5 million of loans successively to Wu Jingfeng, a farmer in Hoboksar County, making him a retail farming loan recipient of the highest credit line from the Bank. With the help of ABC, the area of the licorice planting park he contracted for expanded from 20,000 mu to nearly 50,000 mu, providing jobs for more than 1,500 local farmers and herdsman.

Talking about the benefits brought by the loan, Wu said: "Thanks to the years of strong support of ABC, I changed from large grower of farm products to a large grower of licorice. Now, I have successfully become the head of a leading enterprise engaged in the industrialized operation of licorice, helping a large number of local farmers and herdsman onto the road toward common enrichment."

### Financial Autonomy in Rural Areas: Kindling the New Hope of Modern Far

Now in some villages in Yongkang, Zhejiang, whether a farmer can borrow loans and how much he/she can borrow are mainly decided through the collective consultations among farmers, while the Bank no longer decides everything alone. So long as the villager is credible, mortgage is no longer a condition. A loan with a term of 3 years may be signed and, within the term the villagers may withdraw or repay the loan at any time through multiple channels, e.g. online banking and Hui Nong Tong, without the need for them to go out of the village. Interest is calculated on the basis of the actual number of days when the loan is used. Many villagers now enjoy the convenience thanks to the financial autonomy for rural areas introduced by ABC Yongkang Sub-branch in Zhejiang.

From August 2012 when the experiment of the financial autonomy mode started in Yongkang to the end of 2013, the number of pilot villages increased from 1 to 58; the number of farm households receiving petty loan credit line increased from 59 at the beginning to 1,212; the amount of credit used increased from RMB 5 million to RMB 104.01 million. In future, more farmers will participate.

*"This is the first loan in my life and also the most important loan. It is ABC that has given me the right to pursue my dreams. I hope to provide my children with a better life through my own hands."*

—Zhu Xianjie,  
a specialized household of forklifts in  
Qiaoxiayi Village, Longshan Town



ABC employees explaining the use of Hui Nong Tong to villagers



**Hui Nong Loan Assisting in Fulfilling the Dreams of Starting a Business**

Huangjinsi Village, Fang County, Hubei Province, the home of the couple Zhang Yongjiang and Li Yunqing, is 61km away from the closest county. There is no financial institution within a radius of more than 20km around the village. Zhang learnt the techniques of growing mushrooms while working as a migrant laborer and wanted to contract for 700 mu of mountain forest of the village, which he wanted to transform into a wood of funguses and mushrooms using the techniques he had learnt. He approached a local financial institution to query about loan matters, but was told that

a loan could not be issued to him, since he lived in an outlying area and the loan management would be too difficult. That smashed his dream of starting his business and becoming better off. Hopelessly, he left home again to look for jobs in other places.

In November 2013, ABC Fang County Sub-branch in Hubei Province launched an extensive activity of providing loans in all the townships of the county for the farmers to become better off. After learning the idea of Zhang, ABC employees quickly held on-spot investigation and spent merely 2

days fulfilling all the formalities for a loan of RMB 300,000 yuan for him. By the end of 2013, he had contracted for 700 mu of mountain forest and absorbed 21 needy villagers into the planting base.

*"ABC people are very efficient, and issue loans very fast. They provide considerate support for us farmers. This is my actual experience this time."*

— Li Yunqing, a farmer of Huangjinsi Village, Fang County, Hubei Province



ABC Zhejiang Branch providing farmers with loans against mortgaged forestry right



A villager in Jingshan County, Hubei Province, showing the new social security card he has just received

**"Nong Bao Tong" Benefiting Millions of Farmers**

ABC Hunan Branch innovatively developed the "Nong Bao Tong" system, which features the following functions: it links up the system of the government with that of the bank for real-time exchange of data; it has erected an efficient platform for opening and issuance of cards, realizing the batch issuance of cards and pension; it enables

farmers to check, pay, deduct or withdraw pension 24 hours a day and provides the function of withdrawing agriculture-related funds.

Relying on the system, Hunan Branch processed 4.5 million withdrawal transactions by the end of 2013, involving

an amount of RMB 1.2 billion. The initiative has created a better payment and settlement environment in rural areas and benefited millions of farmers in the province.

## Improving People's Livelihood

to Become a Bank for the Common People

- 048 Focusing on Educational Development
- 050 Improving Medical Conditions
- 052 Supporting Housing Construction
- 054 Creating Job Opportunities



## Section Story

### Assisting in Improving People's Lives, Fulfilling Dreams of Decent Housing

Nothing concerning the common people is something trivial, and it is our joint wish to enable them to live even better. In 2013, the Bank provided full support in the crucial fields involving people's livelihood, such as medical care, education, endowment, housing and employment, and continuously enhanced its capability of rendering financial services and ensuring people's livelihood in a bid to fulfill its mission as a "responsible bank".

Tianjin Branch is the Bank's star branch in supporting national housing construction. Some residential areas in Qiaobei New District of Tianjin were built a long time ago and lack unified planning and infrastructure, forming "shanty town" in some of the places. This greatly deviates from the goal of building the district into an ecological and livable city, and has caused

tremendous impact on the construction of the new town. The living conditions of the residents are in urgent need of improvement.

In 2013, Tianjin Branch injected RMB 580 million of credit to support the construction of the project "Ninghe New Town (Transformation of the Shanty Area)". When completed,

the project will thoroughly improve the housing conditions of the local residents and benefit 22,024 people in 5,740 households. The project will also include the construction of complete auxiliary facilities, e.g. community nursing home, comprehensive service center, community clinic, cultural center, sports field, etc. to enhance the functions of the city.



Picture: Pupils of ABC Avenue Primary School built with the Bank's donations in Fuping County, Hebei

## Focusing on Educational Development

Education is the cornerstone of national revitalization and social progress. For over 10 years, the Bank cumulatively issued 1.2 million student loans amounting to RMB 7.50 billion, provided all-round financial services for nearly 1,000 institutions of higher learning all over the country, and helped some 400,000 college students complete their studies. By the end of 2013, the Bank's balance of loans for educational undertakings was RMB 23.31 billion.

By the end of 2013

the Bank's balance of loans for educational undertakings was RMB

**23.31**  
billion

student loans amounting to RMB

**7.50**  
billion

### Zhu Xue Bao Jie Loan — First Batch of Freshmen Completed Online Application

On August 12, 2013, the Bank's C3 system for "Zhu Xue Bao Jie Loan" went live successfully. On the day, the examination of the first such loan was completed in Quanzhou, Fujian.

This is an innovative student loan product rolled out jointly by the Bank and the property insurance company in March 2013, which fully covers the places where the students are sourced from and where they study. By the end of 2013, the Bank had issued RMB 130 million of such loan, benefiting nearly 30,000 college students.



Exhibition held in the Operation Department of ABC Jiangxi Branch in 2013 to promote the financial services for overseas studies

## Improving Medical Conditions

Improving people's health reflects the people-oriented philosophy of ABC. The Bank has been increasing the financial support to medical care to help solve the concern of difficult and expensive doctor seeing encountered by common people. By the end of 2013, the balance of the Bank's loans for medical care was RMB 26.44 billion, including RMB 1.92 billion of loans issued in the year.

By the end of 2013

the balance of the Bank's loans  
for medical care was RMB

**26.44**  
billion

including RMB

**1.92**  
billion of loans  
issued in the year



Villager buying drugs from a drugstore with an ABC Hui Nong card, benefiting from the financial services of ABC Cangzhou Branch

### Seeing the Doctor Before Making a Payment Allows the New Rural Cooperative Medical System (NRCMS) to Be More Considerate

Difficult and expensive doctor seeing is a topic of people's livelihood that the whole society is highly concerned about. Through active explorations and brave practices, ABC Gansu Branch joined the Department of Public Health of the province in innovatively introducing the "NRCMS Co-Branded Card", which changed the traditional diagnosis and treatment mode of payment before seeing doctor. It is now nothing new that the farmers see doctor first and then make payment.

Li Wei, a villager of Liangbao Village in Huining County, Gansu Province, was found to have rectal cancer in 2011. The RMB 30,000 of surgical fee overwhelmed the family then. Thanks to the ABC "NRCMS Co-Branded Card", Li enjoyed the medical service mode of seeing doctor before making payment, relieving his family members of all worries. These innovative initiatives have enabled the common people to receive tangible benefits and warmth.

## Supporting Housing Construction



Affordable housing project is a major project that concerns people's livelihood. In 2013, the Bank actively implemented *the Measures of the Agricultural Bank of China for Management of the Loans for Transformation of Shanty town (For Trial)* to push on the construction of affordable housing and the transformation of shanty towns.

By the end of 2013, the balance of the Bank's loans for affordable housing projects was RMB **17.43** billion, including RMB 174 million of loans for construction of low-rent housing, RMB 5.73 billion for public rental housing, RMB 2.63 billion for development of affordable housing, RMB 1.88 billion for development of price-restricted commercial housing, RMB 6.53 billion for transformation of shanty towns and dilapidated housing in reclamation area, RMB 456 million for transformation of dilapidated housing in rural areas and RMB 28 million for the settlement projects of nomads.

### Fulfilling the Housing Dreams of the People in Border Areas

Supported by the Bank's loans for affordable housing, the number of farm households of all ethnic groups in Xinjiang that have moved into new homes has now exceeded 8,400 in Kashi Prefecture. One after another affordable houses that are spacious, bright, practical and good-looking have risen in the vast rural areas of the prefecture, making remarkable improvement of the housing and living conditions of the farmers and herdsmen of all ethnic groups. By the end of 2013 Xinjiang Branch had issued RMB 357 million of affordable housing loans in accumulation, which were used to support 9,858 farm households in building their affordable housing.

In 2005, ABC Tibet Branch started the issuance of loans for affordable housing projects, and drew up, modified and improved the Temporary Measures for Management of the Loans for the Affordable Housing of Farmers and Herdsmen, further promoting the steady development of the loans for the purpose. By the end of 2013, the branch had cumulatively issued RMB 4.6 billion of such loans to support the construction and renovation of 50 million m<sup>2</sup> of affordable housing, improving the living conditions of 1.2 million people of 300,000 farmer or herdsman households in Tibet.

*Quote by Noor Aihemaiti Sulaiman "Under the support of the RMB 90,000 loan from ABC, I have finally built my new home. ABC helped me to fulfill my dream to have a new home."*

— Noor Aihemaiti Sulaiman  
in Aketamu Township, Kashi  
Prefecture, Xinjiang



Affordable houses in Aketamu Township, Kashi, Xinjiang

### Issuance of loan for construction and transformation of old-age community, the first such loan ever issued by the banking industry

In 2013, ABC Beijing Branch approved a loan of RMB 80 million for the construction of an old-age community in Changping, making ABC the first bank to issue such loan. So far, RMB 80 million has been issued.

Beijing Branch has actively implemented the policies of the State Council and Beijing Municipal Government, effectively met the financing needs of enterprises, formulated and promulgated of Old-Age Communities to provide special fund support for the construction thereof. The first step taken in the banking industry toward supporting the old-age industry has evoked positive social response.

## Creating Job Opportunities

Credit staff in Tongxiang, Zhejiang Visiting Breeding Base



China now finds itself in an economic transition period when the issue of employment looms large and is very important. The Bank continuously increases the credit support for laid-off workers, youths and women seeking employment or starting their own business. By the end of 2013, the Bank had cumulatively issued 2.08 billion yuan of business-starting loans for rural youths, benefiting 28,266 people.

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### Assistance Given to Youths Launching Their Own Businesses

"I have covered these years step by step in the face of difficulties. Of all the difficulties, the difficulty of maximum pressure is the shortage of funds," said Yang Jiaoyang with mixed feelings when talking about her own startup experience. "At the beginning, the business-starting loans of ABC solved the difficulty I had in finding the startup funds of buying agricultural machines. All the way along, ABC has been by my side, helping me with its various products and services, such as production and operation loans, petty loans for farmers, etc."

In recent years, Zhejiang Branch worked with the Communist Youth League Zhejiang Provincial Committee to decide on the principle of "complementing each other with advantages and close cooperation", and launch the "Joint Meeting for Petty Loan Project of Business-starting Youths", a discussion organ, to boost the implementation and popularization of youth business-starting loans and Hui Nong Card petty loans.

By the end of 2013, Zhejiang Branch had issued business-starting loans to 3,175 graduates, involving RMB 228 million, 2.73 million Hui Nong Tong cards and RMB 7.234 billion of petty loans to business-starting youths.

### Aid Given to Business-Starting Women

In Guangxi, ABC Luzhai County Sub-branch has strengthened the cooperation with the local Women's Federation and used the platform of "Women's Business Starting Project" to issue petty loans directly to women. By the end of 2013, it had issued 2,677 petty loans to farmers, amounting to RMB 120 million, with a balance of RMB 36.93 million. The loans stimulated the enthusiasm of the rural women in the county for starting business. Liuzhou Branch provided financial interest subsidies for the petty secured loans provided to the business-starting women in the counties of Luzhai, Liucheng, Rong'an and Rongshui, which amounted to RMB 21.01 million in total. Such efforts strongly supported the rural women to start their own business.

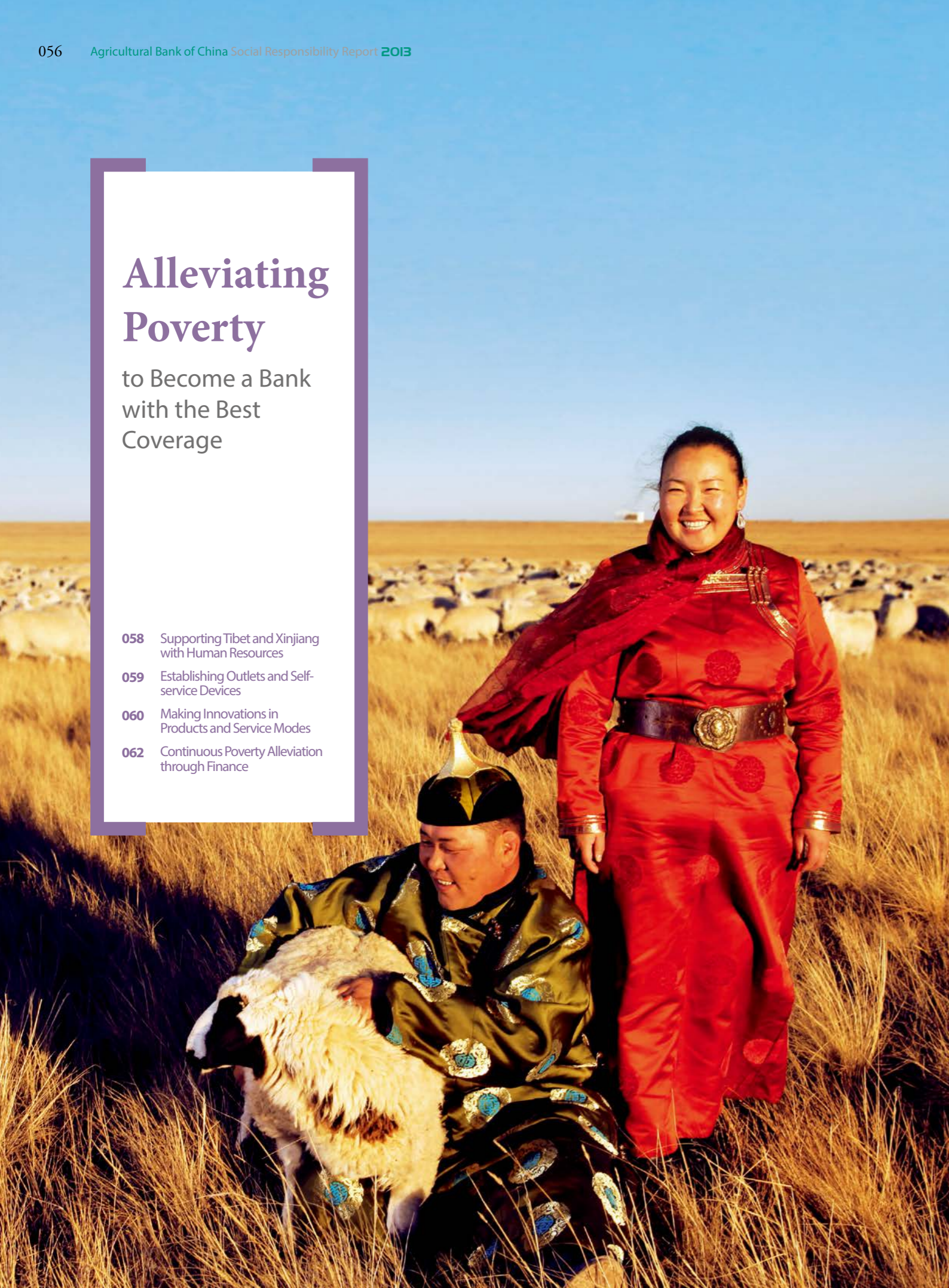


The Hui Nong loans of ABC Zhejiang Branch expediting the development of featured agriculture

# Alleviating Poverty

to Become a Bank with the Best Coverage

- 058 Supporting Tibet and Xinjiang with Human Resources
- 059 Establishing Outlets and Self-service Devices
- 060 Making Innovations in Products and Service Modes
- 062 Continuous Poverty Alleviation through Finance



## Section Story

### Pioneer of Frontier Finance

Our motherland is so vast in territory that the people in many border areas and outlying regions have yet to enjoy basic financial services. Always adhering to “inclusive finance” as its own mission, the Bank has been contributing to promoting the economic and social development of the border areas, cementing national unity, ensuring social stability and consolidating border defense.

ABC Tibet Branch has under it 504 branch outlets at or below county level, which have 4,768 employees, covering all the counties of Tibet. The branch has become a major financial service provider in the counties of Tibet. The Environment in Tibet is very harsh. Air oxygen content there is less than 40% of that in the hinterland, and also it has strong wind and biting cold all the year round. It is in such a harsh environment that the employees of our Tibetan Branch have worked for tens of years to provide financial services for the local farmers and herdsmen.

Mima Wangdai became general manager of ABC Tibet Branch in 2005. Since then, he has always shown concern for farmers and herdsmen, and innovated in petty credit products related to “diamond, gold, silver, copper”, reflecting the wholehearted efforts he



Mima Wangdai, General Manager of ABC Tibet Branch, on his way to Motuo Sub-branch

has made for the well-being of farmers and herdsmen.

The frontier ABC people represented by those working in Tibet, Xinjiang, Qinghai and Inner Mongolia. They have for long taken root in the regions of harsh conditions and made continuous

efforts and quiet contribution to the economic development and social stability of the border areas. They always adhere to the responsibility of ABC and provide most basic financial services for the farmers and herdsmen living in the border areas, no matter how harsh the conditions may be.

## Supporting Tibet and Xinjiang with Human Resources

The Bank enthusiastically implements the policy of the Central Government for supporting Tibet and Xinjiang, and has invested in all aspect of human resources, e.g. fostering of cadres and staff training, to enhance the financial services performed by the branches of Tibet, Xinjiang and Xinjiang Production and Construction Corps, providing talent and intellectual support for boosting the development and ensuring the long-term stability in Tibet and Xinjiang.



Employees from Genhe Sub-branch, Inner Mongolia, briefs local herdsmen on financial information

### Enhancing the Capability of Serving the Border Areas through Continuous Training

Starting from 2010, the Bank has provided training to support Xinjiang for 3 years running and Tibet for 4 years running, bringing up a large number of financial professionals for local places. By the end of 2013, the Bank had selected 333 business professionals to take part in such training support for Tibet and Xinjiang. Altogether 1500 training sessions were held, some 300 sets of training handouts and courseware were made, exceeding 5 million characters and achieving marked training effect.

In 2013, the Bank selected 100 business professionals from 17 coastal branches and dispatched them to Tibet and Xinjiang for field training, where they held nearly 500 training sessions and trained some 13,000 local cadres and employees. Meanwhile, the Bank selected 90 local trainers to coastal branches for three months of practices.

## Establishing Outlets and Self-Service Devices

In 2013, China Banking Regulatory Commission (CBRC) issued the Notice on Matters that the Banking Financial Institutions Better Serve Former Revolutionary Base Areas, Areas Inhabited by Minority Nationalities, Remote Areas and Poverty-Stricken Areas. In active response to the policy, the Bank has set up physical outlets, self-service banking devices and financial service platform in the border areas, promoting the well-being of the people living there and the economic and trade exchanges between China and the neighboring countries.



### China's Northernmost Financial Service Platform with the Highest Latitude

The Greater Khingan Range is China's northernmost border area with the highest latitude. In 2013, Huma County Sub-branch and Tahe County Sub-branch of ABC Heilongjiang Branch started business formally. So far, the Bank had realized the coverage of all the counties in the Greater Khingan Range, and erected China's northernmost finance service platform with the highest latitude.

After they were established, the two sub-branches have played an active role in meeting the needs of the domestic "going global" enterprises and local customers, focused on supporting the development of the ecology-led industries, e.g. green mining, ecological tourism and green food, and supported the economic and trade exchanges and activities between China and Russia.



## Making Innovations in Products and Service Modes

In 2013, the Bank initiated innovative approaches to its work, and supported the economic development of the former revolutionary base areas, areas inhabited by ethnic minorities, remote areas and poverty-stricken areas through the financial services for their self-improvement, effectively meeting the financial needs of the farmers and herdsmen in the border areas.



Employees of New Barag's sub-branch helped the poverty-stricken herdsmen.

### Providing Financial Services in Border Areas

Dalong Town Business Office under Langzika County Sub-branch of ABC Tibet Branch is 5,100m above sea level and serves 98 administrative villages and 163 natural villages. Irregularly in each month, it forms the "wheeled bank", which travels over 1,500km in the mountains to provide farmers and herdsmen with onsite deposit and account transfer services.

In recent years, Tibet Branch has promoted the "Kins Hui Nong Tong" project and intensified the poverty-alleviating credit for border areas by increasing the physical outlets there. By the end of 2013, Tibet Branch had set up 65 outlets on the borderline within its jurisdiction.

### Financial Innovations Boosting the Economic Development of County Areas in Inner Mongolia

The Inner Mongolian Branch has implemented over 10 innovative farmer service modes, such as "company + farm households", "cooperative + farm households" and "government risk compensation funds + farm households", which have initially formed an integrated service system that involves the production and life of farmers and herdsmen and which is wide in coverage, inclusive, sustainable and all-round.

By the end of 2013, the Branch had cumulatively issued 1.09 million Hui Nong cards in local counties, issued RMB 16.6 billion of loans to local farm households, become the agent of new farmers' insurance for 43 counties and the agent

of NRCMS for 5 counties, including the agent of both for 4 of the counties, serving nearly 400,000 farmers and herdsmen. Furthermore, it has installed over 10,000 electronic devices in the rural and pastoral areas of the counties, with a coverage of over 80%.

## Continuous Poverty Alleviation through Finance

In 2013, the Bank released the “Opinions of the Agricultural Bank of China on Strengthening the Financial Services for Concentrated and Contiguous Exceptionally Impoverished Areas”, “Plan of Pilot Financial Services for Regional Development and Poverty Alleviation in Wuling Mountains” and the “Implementation Opinions on Strengthening the Financial Poverty Alleviation for Concentrated and Contiguous Exceptionally Impoverished Areas in Liupan Mountains”. The bank also drew up financial service plans in light of the needs of needy areas, took an active part in issuing poverty-alleviating subsidized loans, carried out poverty alleviation of designated objects and the activity of offering assistance by staying in the villages to help the poor people become better off as soon as possible.

By the end of 2013, the balance of the poverty-alleviating loans provided by the Bank for national-level and provincial-level poor counties reached RMB **756.61** billion.

provincial-level poor counties  
reached RMB  
**756.61**  
billion

### Innovative Issuance of Subsidized Loans

In 2013, ABC Anhui Branch joined the provincial Poverty Alleviation Office and the provincial Department of Finance in issuing the Notice on Making a Success of the Poverty Alleviation with the Credits of the Agricultural Bank of China and the Important and Export Bank”. Conditional upon the commercialized operations of the Bank’s loans, ABC Anhui Branch undertook the plan of the province for RMB 1 billion of poverty-alleviating subsidized loans each year, which involved 211 enterprises, and issued RMB 805 million of loans.

By the end of 2013, ABC Anhui Branch increased its loans for national-level and provincial-level poor counties by RMB 4.2 billion from the beginning of the year, registering a growth rate of 26%, and provided credit line for 174 leading enterprises of industrialization throughout the province. The branch had a balance of RMB 4.22 billion of such loans, and helped some 8,300 farm households.

### Exploring and Supporting Poverty-Alleviating Ecological Resettlement Project

Guizhou Province launched its poverty-alleviating ecological resettlement project in 2012 and plans to move 2 million very poor farm households away from the concentrated contiguous exceptionally impoverished areas and regions of harsh environment by 2020.

To support the resettlement project, Guizhou Branch drew up the “Measures for Management of the Poverty-Alleviating Loans for Ecological Resettlement Project (For Trial)” in May 2013. By the end of 2013, the branch had completed

the examination and approval of RMB 90 million of loans for the ecological resettlement in Cengong County in the southeast of the province.



Exploring and supporting poverty-alleviating ecological resettlement project

## Supporting Environmental Protection

to Become a Leading Bank in Ecological Civilization

- 066 Drawing up the Policy for Green Credit
- 067 Supporting the Development of Environmental Protection Enterprises
- 069 Serving the Construction of Ecological Cities



## Section Story

### Assisting Beijing in Building the "Green Lung of the Capital"

In 2013, the Bank issued the "Opinions on Implementing Green Credit", which set the objectives of green finance and calls for implementing a differentiated green credit policy, prevention of the credit risks associated with industries of high pollution, high energy consumption and excessive capacity and establishment of the working mechanism and management system for green finance.

In 2013, Beijing Branch intensified its support in the fields of clean energy, energy saving and environmental protection. To reduce emissions from coal fires, the branch provided loans to support the coal-to-gas projects of 4 major thermoelectric centers so that in the future the proportion of clean heat supply will exceed 90% in the city. By the end of 2013, Beijing Branch had provided RMB 7.2 billion of credit line and RMB 2 billion of loans for these projects.

Additionally, to lower PM2.5, accelerate the abatement of environmental pollution and mitigate the hazy weather, the districts and counties under Beijing launched a plain afforestation project covering a total area of as much as 1 million mu. Through the innovative initiative of introducing third party gardening enterprises and public institutions as loan recipients, Beijing Branch has provided the project with long-term stable funding support. By the end of 2013, the branch had approved RMB 2.132 billion of loans for the plain afforestation project in Pinggu, Tongzhou and Shunyi districts, of which RMB 727 million has been provided and used to create 131,400 mu of afforested land.

*"Through years of efforts, an ecological environment of green hills and lush forest has essentially taken shape now in Pinggu District. We feel very pleased at the work done over the years, but we must not stop here. The afforestation works should continue into the future. Of course, this needs more cooperation from the financial institutions having a high sense of social responsibility, such as the Agricultural Bank of China Beijing Branch."*

— Shi Yue,  
Director of Gardening and Greening  
Bureau, Pinggu District



Drawing up

## The Policy for Green Credit

In 2013, ABC continued to implement the State policies for industries, energy saving and environmental protection, and uphold the relevant documents of CBRC, e.g. the guidelines, opinions and requirements for green credit. The Bank drew up and issued the opinions on implementing green credit.

Firstly, the Bank strengthened research in the related industries, e.g. green environmental protection, clean energy and recycling economy, and has issued credit policies for relevant industries, including wind power, hydropower, nuclear power, power grid and photovoltaic to encourage the increase of green credit in terms of credit scale, credit line, loan interest rate and economic capital;

Secondly, the Bank actively supports the enterprises and projects that meet the national requirements for environmental protection, pollution control, energy saving, emission reduction and ecological protection to spur the development of the green, recycling and low-carbon economy;

Thirdly, the Bank has sped up the innovation in green credit products and launched multiple products, including consultancy for energy saving and emission, energy management under contract, loans against pledged pollutant discharge rights and financing for advances of carbon transactions, effectively supporting the customers of industries of high energy consumption in carrying out technical upgrading and transformation for energy saving.

Supporting the

## Development of Environmental Protection Enterprises

In 2013, the Bank issued RMB **73.398** billion of loans for environmental protection, energy saving and emissions reduction, facilitating the change of economic development mode and the achievement of the targets set in the 12th Five-Year Plan for energy saving and emissions reduction, and realizing the sustainable development of its own credit business.

### Tailoring Services for Environmental Protection Enterprises

In Zhejiang, most of the environmental protection enterprises are small and medium enterprises, which generally face difficulty in obtaining guarantee for loans. To address the problems of these enterprises, ABC Zhejiang Branch has made innovations in its services to introduce the guarantee against pledged pollutant discharge rights, loans against pledged equity, loans against managed accounts of refunded value-added tax

for renewable resources to assist in the development and expansion of a number of small enterprises engaged in sewage treatment, energy-saving manufacturing, renewable resources and protection of natural ecology.

By the end of 2013, Zhejiang Branch extended RMB 10.53 billion of loans to 57 projects of green environmental protection, up by 6.61% year on year.



### Green Credit Turning Waste into Treasure

ABC Liuzhou Branch in Guangxi uses “green credit” to boost the energy saving and emission reduction of enterprises, support local industrial restructuring and promote the coordinated development of the economy and finance.

Since 2010, the branch has issued RMB 2.896 billion of loans to support Liuzhou Iron & Steel Group Co., Ltd. in constructing

over 10 projects for energy saving and environmental protection, including recovery of gas from blast furnaces and converters for power generation, coke dry quenching, desulfurization of sintering gas, centralized processing of industrial wastewater, which have turned the 3 major industrial waste products into valued resources through comprehensive utilization and have effectively reduced

the air pollution in downtown Liuzhou.

Furthermore, the branch provided RMB 76.3 million of loans for Ritian Silk and Pengxinyuan Raw Silk Company to support the enterprises in carrying out the technical transformation of their sewage treatment facilities to reduce the discharge of industrial wastewater and improve local water quality.

### Supporting the Energy Saving and Emissions Reduction of the Cement Industry

Conch Group is the first in the country to introduce the low-temperature residual heat in cement production for power generation. By establishing an all-round cooperative relationship with the company, the Bank strongly supports the energy saving and emissions reduction of the cement industry.

To help solve the funding problems of Brazilian and other foreign importers of power generation equipment using residual heat,

the Bank customized a financial service scheme to provide buyer's credit support in connection with the company's export trade. The Bank broadened the financing channels for the company by successfully underwriting RMB 10 billion of medium-term notes and RMB 6 billion of short-term financing bills, thus making strong support available for the company in further promoting this technology for energy saving and emissions reduction.



The residual heat power generating equipment of Conch Group supported by ABC Anhui Branch

## Serving the Construction of Ecological Cities

In 2013, the Bank made its utmost efforts in intensifying the comprehensive regulation of climate and water resources, strengthening the credit support for the recycling economy and

ecological demonstration zones, building ecological cities and achieving ecological housing, environmental optimization and the sustainable development of the society.

“ABC Summer” community evening party held by ABC Huzhou Branch in Zhejiang to spread the idea of “cultivating a beautiful China”



### Supporting the Construction of an Ecological Environment in Urban Areas

Changshu Branch in Jiangsu Province extended syndicated loans to support the environmental renovation of Shanghu Lake in Changshu City. By the end of 2013, the branch had cumulatively issued RMB 700 million of credit to support the wetland restoration project, including the relocation of the polluting enterprises around Kuncheng Lake, renovation of the surrounding environment and construction of Kuncheng Lake Forest Park. The credit also contributed to the success of Changshu “Shajiabang-Shanghu Lake” in being rated as a 5A tourist attraction.



Shenzhen Branch taking part in the activity of “Earth Hour”

### Green Credit for the Renovation of Taihu Lake

Taihu Lake is one of the five largest freshwater lakes in China. In 2007, however, a serious case of blue-green algae broke out in the lake, polluting the running water of the entire city of Wuxi and causing a serious shortage of household water and drinking water.

After the incident, Jiangsu Branch introduced a rigorous policy

for environmental protection credit and established a long-term mechanism to ensure the lasting effect of the policy. By the end of 2013, Wuxi Branch alone had issued nearly RMB 5 billion of loans to support 9 projects for the integrated treatment of agricultural pollution sources and the watercourses feeding Taihu Lake, effectively improving the environment surrounding the lake.

## Supporting Businesses

to Boost Economic Transition and Upgrade the Industrial Structure

- 072 Boosting the Construction of Major Projects
- 074 Promoting Industrial Upgrading and Adjustment
- 079 Supporting Coordinated Regional Development
- 080 Priority Services for Former Revolutionary Bases
- 082 Solving the Financing Difficulties of Small and Micro Businesses
- 084 Merging into Global Economic Development

## Section Story

**Giving Play to the Role of Financial Leverage to Support the Development of the Real Economy**

China is now at the crucial stage of changing its development mode and adjusting and upgrading its industrial structure. The Bank attaches great importance to the key fields and weaknesses in the development of the real economy, gives play to the leverage of finance in the allocation of resources and explores ways for modern finance to support economic development so as to provide maximum support to economic transition, structural upgrade and sustainable development of the country.

**Multiple measures have been taken to promote the healthy development of the real economy.**

In line with actual conditions, a series of policies supporting the real economy have been formulated to address the weaknesses of the real economy, intensify the launch of credit, enhance services and optimize the financial environment for the development of the real economy.

**Credit structure has been optimized to boost the transition and upgrade of the real economy.**

According to the orientation of the national industrial policies, the Bank made great efforts to support the execution of key projects; has boosted financial services for the high-end manufacturing industry and new service industry that have a strong capability of innovation, a high technological level and promising development prospects; supports the development and prosperity of the cultural industry, and works to accelerate the transformation of the economic development mode and the adjustment of the economic structure.

**Innovations have been made in systems and mechanisms to highlight the services for small and micro businesses.**

The Bank has integrated the services for the real economy with support for the development of small and micro businesses; established some 1000 special agencies providing financial services for small enterprises, forming a specialized operation and management system with a network covering the whole country and services both urban and rural areas to support the coordinated and healthy development of the real economy through innovative products.

## Boosting The Construction of Major Projects

Infrastructure projects, such as water works, road networks and power grids, have an impact on people's productivity and life, and also constitute the lifeline of the country's economic and social development. In 2013, the Bank issued RMB 90 billion of loans to 225 key construction projects, including highways, railways, shipping ports, grid transformation, clean energy, and urban rail transit, achieving a service coverage of 30%.

By the end of 2013

Issued  
**255**  
loans to key  
construction projects  
a total of RMB  
**90**  
billion

Landscape of the midline channel of the "South-to-North water diversion" project



### Serving the Water Works in the Middle Segment of the "South-to-North Water Diversion" Project

This is a strategic project designed to address the serious shortage of water resources in the north and curb the deterioration of the water ecology. As one of the participating banks providing syndicated loans for the project, ABC Danjiangkou Sub-branch in Hubei Province set up a service team led by its General Manager who served as the lead customer manager, thereby gaining an in-depth

understanding of the progress and the financial needs of the project to provide all-round services for the construction thereof.

By the end of 2013, the sub-branch had issued 22 syndicated loans, amounting to RMB 895.7 million, effectively ensuring the on-schedule progress for completion in 2014. After being commissioned, the

project will raise the flood control standard in the middle and lower reaches of the Hanjiang River from the standard for a once-in-20-years to the standard for a once-in-100-years flood, thus eliminating the threat of flooding for some 700,000 people and mitigating the water shortage affecting 36.48 million people in North China.

### Supporting the Transformation of Rural Power Grids

As a major lender for the construction of nationwide rural power grids, the Bank has taken 7 effective measures to support the construction of projects, including: giving priority to the satisfaction of the funding needs of rural power grids, implementing the policy of preferential prices, widening financing channels, and establishing a special customer service team. The new rural power grids will be built so as to be safe, reliable, energy-saving, environment-friendly, advanced in technology and standardized in management to fully meet the needs of rural residents for household power and essentially ensure the power supply for agricultural production.

In 2013, the Bank cumulatively issued RMB 197.562 billion of loans to county-level power enterprises and others on the power supply chain.

### Innovative Financing Mode Supporting the "West-East Gas Pipeline" Project

In 2013, the Bank successfully invested RMB 5 billion in the equity financing program for the western pipeline project of PetroChina west lines 1 and 2 through an innovative equity financing mode with buyback options, strongly supporting the construction of the project and contributing to the efforts to improve China's energy structure, safeguard energy security, and promote energy saving and emissions reduction.



Construction scene of "West-East Natural Gas Pipeline" project

## Promoting Industrial Upgrading and Adjustment

In 2013, the Bank continued to intensify the support for strategic emerging industries and the cultural industry, paid special attention to the development of the small and medium enterprises that meet the State requirements for transformation and upgrading, and actively promoted industrial upgrading and transformation.

### Supporting Strategic Emerging Industries

In 2013, the Bank continued to provide monetary support for the development of strategic emerging industries, such as the industries of new energy, energy saving, environmental protection and high-end equipment manufacturing. By the end of 2013, the balance of the Bank's loans for the purpose was RMB 140.143 billion.

By the end of 2013

the balance of the Bank's loans for the purpose was RMB

**140.14**  
billion



A Unity Laser Co., Ltd. workshop

### Finding Good Customers through Keen Insight

*"In the process of our growth from a small steel plant to the large group we are today, the financial services and credit support of ABC have played a decisive role."*

— Ma Jianxing,  
President of Sunan Group

Suzhou Branch found out that Sunan Group had already assembled some of the most complete and advanced equipment among Chinese manufacturing enterprises and, therefore, had good potential for market development and broad prospects. As the enterprise was facing a funding bottleneck, the branch provided full support for it to enhance its innovative technology and competitiveness. By the end of 2013, the balance of the credit granted to Sunan Group reached RMB 1.895 billion, which enabled it to bring in RMB 4.4 billion of operating income, up 19.2% year on year.

### 20-years of "United" Partnership

The company is one of the three dominant players of the domestic laser industry. As early as the beginning of the 1990s, ABC Hubei Branch was astute enough to see that this small enterprise would have great potential and provided a loan of RMB 200,000 to help the company make its breakthrough. In the 20-year cooperation, the branch has done its utmost to meet the development needs of the enterprise and customized a number of innovative products in respect of loan and leasing to support its efforts to grow large and strong. In 2013, ABC Hubei Branch provided RMB 446 million of new loans for the company to provide funds for its plan of building an overseas laser processing station in 2015 and boost its growth and expansion.

*"In the cooperation of the past 20 years, ABC has given much help to the company."*

— Feng Xun,  
Deputy General Manager of  
Unity Laser Co., Ltd.



## Boosting the Major Development of the Cultural and Tourism Industries

In 2013, the Bank focused on supporting the development of the cultural industrial chain, including films, TV, publishing and recreation, facilitating the fusion of the cultural industry with other industries, e.g. tourism and architecture, thereby driving local economic development and protecting local characteristic culture. By the end of 2013, the balance of the Bank's loans for the cultural industry and related industries reached RMB 50.183 billion, an increase of 10.01 billion from the beginning of the year.

By the end of 2013

the balance of the Bank's loans for the cultural industry and related industries reached RMB

**501.83**  
billion

an increase of

**10.01**  
billion from the beginning of the year



Shenzhen Branch supporting the development of Shenzhen Huaqiang Cultural Technology Group Co., Ltd.

### Innovative Products Supporting the Development of the Cultural Industry

The cultural industry is marked by fewer physical assets, a shortage of tangible collateral, a long financial payback period and uncertain growth. Taking into account these features, Jiangsu Branch explored and innovated financing modes to provide cultural units of good reputation and greater strength with financing through "account-supervised loans". For film and TV customers, the branch developed "film,

TV and cartoon loans" to provide them with financing through pledged accounts receivable and factoring. For customers in radio, TV, web, scenic spots and parks, the branch provided financing through "loans based on operating fixed assets", using ticket proceeds or the net cash flow generated by other operating activities as the source of funds for repayment.

By the end of 2013, Jiangsu Branch had issued over RMB 2.07 billion of loans to 50 cultural enterprises through these innovative financial products, including the Jiangsu Provincial Radio, TV and Cable Information Network Co., Ltd.

### Propelling a Booming Cultural Industry in Shenzhen

The cultural industry has become the 4th pillar industry of Shenzhen. Catering for the characteristics of the cultural industry, ABC Shenzhen Branch made a breakthrough in credit policy and helpful explorations in the expansion of financing channels. In 2004, the branch cooperated with Shenzhen Radio, Film and TV Group and provided a package of financial services for the

upstream/downstream enterprises to foster the small and medium enterprises with development prospects in the cultural industry. Since 2010, Shenzhen Branch has cumulatively provided over RMB 4 billion of loans for the cultural industry of the city, promoting its boom.

## Supporting the Development of Marine Industry

In 2013, the Bank actively supported the steady development of the marine and fishery industry and marine eco-tourism and increased construction of outlets on offshore islands, thus playing an important role in the development of the ocean economy. By the end of 2013, the balance of loans was RMB 4.52 billion for fisheries and RMB 67 million for the fishery-related service industry.

By the end of 2013

the balance of loans was RMB  
**4.52**  
billion

for fisheries and RMB  
**67**  
million for the fishery-related  
service industry



Maritime financial service point of Jiaocheng Sub-branch established in Ningde

### Financial Support for the “Ocean Economy”

In Lingao County, Hainan Province, the scale of deep-water net cage fish farming has reached 3,042 net cages, generating an income 20% higher than using traditional net cages in the bay. But, the growers generally complain that golden pomfret breeding has high costs and is vulnerable to risks so that they have no money to build deep sea cages. Hearing the complaints, Hainan Branch contacted a leading local operator Lingao Siyuan Industrial Co., Ltd, which agreed to provide loan guarantee by its subsidiaries so that Hainan Branch could issue RMB 180 million of loans to 60 eligible fishermen to help them develop deep-sea net cage fish farming.

## Supporting Coordinated Regional Development

On the basis of the strong support given to the eastern regions in leading the development, the Bank has channeled more resources to the central and western regions to promote the optimization of economic structure in the central, western and eastern regions and narrow regional differences. In 2013, the loans for the central and western regions increased by RMB 291.24 billion from a year ago, up 13.32%.

By the end of 2013

the loans for the central and western  
regions increased by RMB  
**291.24**  
billion from a year ago

up  
**13.32%**

### Exploring the Mode of Clustered Financial Services by Focusing on the Development of Circles

The first of its kind in Hubei Province, the “Chamber of Commerce of Wuhan Urban Circle” consists mostly of small, medium and micro businesses and plays a vital role in economic development. In financing, however, it faces many challenges.

Considering the financial needs of the entrepreneurs and the member enterprises of the Chamber, Hubei Branch developed products for the financing, settlement, wealth management and financial consultancy of small enterprises, successfully finding a mode of providing financial services for small and medium enterprises that leverages the Chamber as an intermediary.

In 2012, Hubei Branch and the Chamber signed an agreement for all-round strategic cooperation and RMB 10 billion of credit. By the end of 2013, the branch had already provided RMB 500 million of loans to the Chamber, benefiting 18 enterprises.

### Trading of Small Commodities in the Northeast Entering the E-business Age

Shenyang Wuai Market is one of China’s famous commodity wholesale marketplaces and the largest trading center of light industrial products in the Northeast Asian Economic Circle and Bohai-Rim Economic Circle. “Wuai Gou” online shopping mall, a joint project between our Liaoning Branch and Shenyang Wuai E-business Information Co., Ltd., formally went live on February 20, 2013.

The e-business platform has for the first time integrated the online trading marketplace with the B2C of ABC and the third-party payment, to facilitate wholesale and retail transactions within the same bank or across different banks. The e-business platform also enables the sharing of commission fees among partners and the processing of returned goods and refunds. The commissioning of the platform marks an important step by Wuhai Marketplace toward consumer service transition and structural upgrading and is a sign that the trading of small commodities in the Northeast of China has entered the e-business age.

## Priority Services for Former Revolutionary Bases

Former revolutionary bases are mostly located in rural areas, where economic development is comparatively weak and the number of financial institutions is small. In supporting the development of such areas, ABC is steadfast in shouldering responsibility. In 2013, the head office of ABC provided convenient, fast, quality and efficient financial services and, meanwhile, strongly supported the development of advantageous and distinctive industries for the revitalization of the areas.

A workshop of Qingyuan Food Co., Ltd. enjoying the support of Yishui County Sub-branch



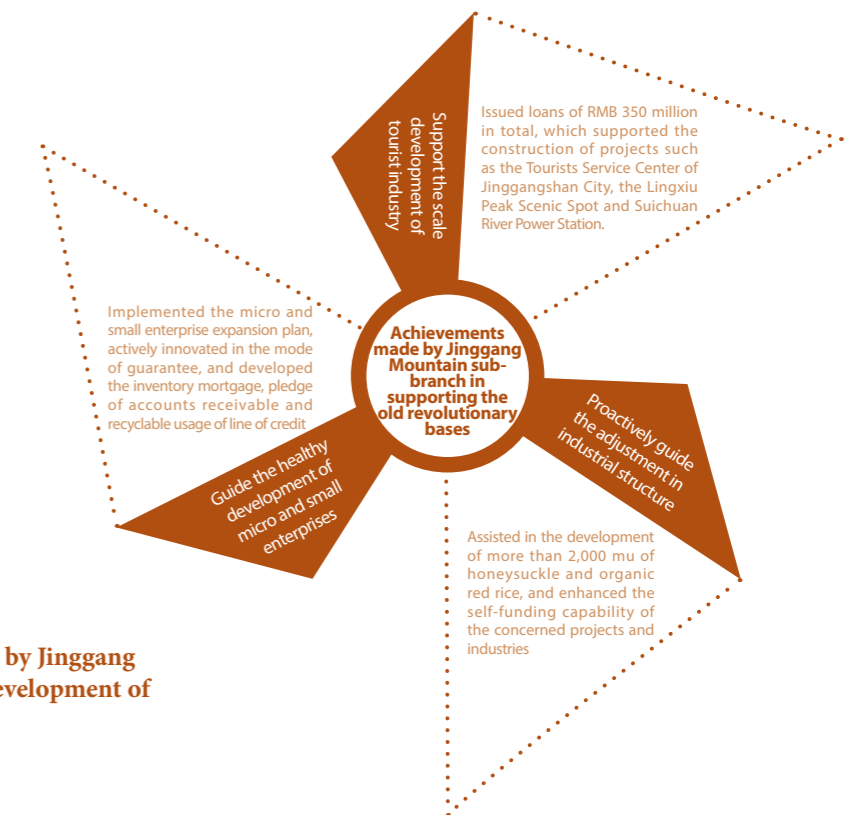
### Support Given to Yimeng

Yishui County in Shandong is the hometown of the "Red Sister" of the revolutionary tale. As a financial institution in the former revolutionary base, Yishui County Sub-branch provides full support for its construction despite its backward economic foundation and deficient financial resources.

Since 2008, the branch has issued RMB 2.4 billion of loans and provided a package of

financial services, including financing and settlement, for 36 projects, contributing to the smooth commissioning of 4 new projects, including the wind power project of CNNC. Of the projects it supported, 5 have an annual output value of more than RMB 100 million and 25 projects of technical transformation are at an advanced domestic level, forming an important engine driving the economic growth of the county.

To promote the development of small and medium enterprises, the branch has created a catalogue of small and medium enterprises and cooperated with 68 growing small and medium enterprises, providing them with a package of financial services, including financing, settlement and wealth management. Over the years, it has issued RMB 1.3 billion of loans to the small and medium enterprises, 11 of which have now grown into city-level enterprises.



### Effect and Mode of the Support Given by Jinggang Mountain Sub-branch to Boost the Development of the Former Revolutionary Base Area

#### Financial Services Supporting the Economic Development of Former Revolutionary Base Areas

Tongjiang County in Sichuan is part of the second largest former Soviet area of China and a typical impoverished area. ABC Tongjiang Sub-branch has intensified the issuance of credit and improved the provision of financial services, and actively supports the construction of major projects, characteristic economy and expansion of the small and medium enterprises of the county, accelerating the modernization and industrialization of its agriculture and strongly supporting its economic development.

By the end of 2013, the branch provided RMB 245 million of loans to support the construction of Tongjiang River valley cascade hydropower station; RMB 34.5 million of loans to support the production, processing and sales of funguses by the leading provincial-level enterprise of agricultural industrialization; supported 26 small and medium enterprise loan recipients by using simplified and fast loans, self-service recyclable loans and other products for small enterprises.

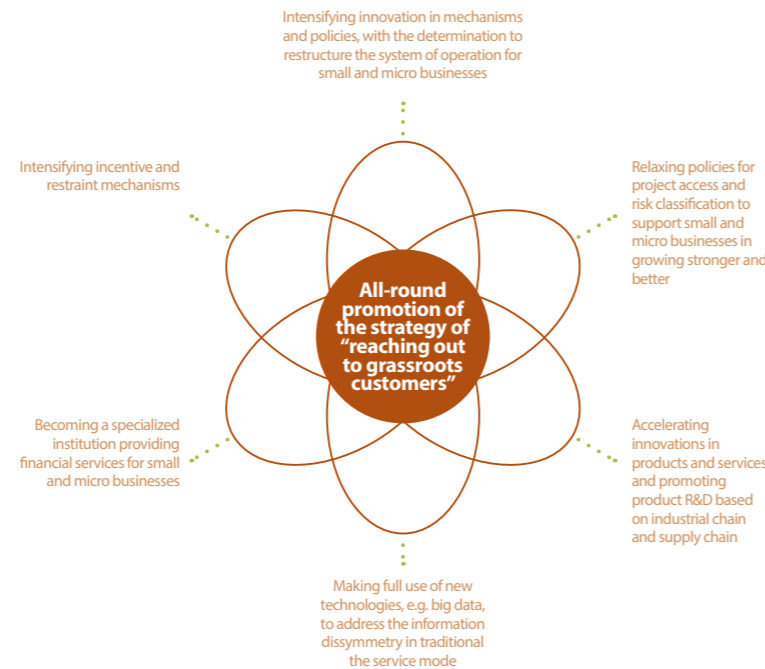
#### Filling the Gap in the Financial Services for Former Revolutionary Bases

Wen'anyi Town, Yanchuan County, Yan'an City, Shaanxi Province is an important town in Yan'an and a city-level model of small town construction, with a focus on building modern and efficient agricultural facilities as well as modern industrial parks. But, there was no financial institution in the town. In July 2012, the Bank signed an agreement for strategic cooperation with Yan'an City People's Government to provide financial support for revitalizing the former revolutionary base area. In July 2013, the Bank set up Wen'anyi office, thereby filling a historical gap as there had been no financial institution in the areas surrounding Wen'anyi Town.

## Solving the Financing Difficulties of Small and Micro Businesses

An extensive consensus has been reached on the role played by small and micro businesses in employment promotion, tax revenue increase and economic transformation. It is the common responsibility of all financial institutions to support the expansion of small and micro businesses. In 2013, the Bank innovatively introduced the examination and approval mode of "batch credit" for small and micro businesses and simplified the credit approval process; explored the mode of supply chain financial services that meet the characteristics of small and micro businesses and made adequate use of new techniques and new tools to serve the development of small and micro businesses.

By the end of 2013 the Bank had reached a number 226,000 small and micro enterprise credit customers, with an increase of 72,000 from the beginning of the year and the balance of loans was RMB 813.30 billion demonstrating a growth rate of 11.6% higher than growth rate of the Bank's other loans



By the end of 2013

the Bank had reached a number  
**226,000**  
small and micro enterprise credit customers

of loans was RMB  
**813.30**  
billion

with an increase of  
**72,000**  
from the beginning of the year and the balance

demonstrating a growth rate of  
**11.6**  
higher than growth rate of the Bank's other loans

### The Daye Mode: Customization of Financial Services

Starting with the mismatch between the demand for and supply of financial services, ABC Daye Sub-branch under Hubei Branch took the lead in carrying out a series of innovations in products and services, forming the Daye mode that addresses the difficulty experienced by small and micro businesses in financing and provides small and micro businesses with customized financial services. The sub-branch introduced simplified & fast loans and secured loans against mortgaged assets and the cross guarantee of enterprises. Relying on the guarantee company of Daye Mining

Association as a platform, the branch is the first to promote industry-specific customer services and broaden the application of new products like mortgaged mining rights and pledged inventory.

By the end of 2013, Daye Sub-branch had provided financial services for 168 small and micro businesses and the cumulative amount of loans topped RMB 4 billion.

### Consolidating the Funding Support for Technological Enterprises

In response to the needs of technological innovation enterprises, Jiangsu Branch set up 9 technology sub-branches to provide special support for the development of small and micro technology enterprises. Founded in 2007, Junzhi Technology is an Internet enterprise that produces communication cables. When it was first established, Jiangsu Yixing Sub-branch provided RMB 30 million of loans to help break the funding bottleneck encountered by the enterprise at its startup stage. In 2009, it issued a timely RMB 100 million fixed asset loan plus a RMB 50 million loan as circulating funds to meet its needs for the construction of its cable project. In 2012, the company was listed on the main board of the Hong Kong Stock Exchange, becoming one of the major suppliers of the three leading communications operators.

*"An enterprise that intends to become large and strong cannot do without the support of funds. The loans of ABC helped us to go out of Jiangsu and step into the national arena, becoming the leader of the industry."*

— Head of Jiangsu Junzhi Technology Co., Ltd.

## Merging into Global Economic Development

As the economic and financial reform and opening of China steadily deepen, the Bank's international financial business has also entered a new development stage in conjunction with the continuous enhancement of its capability for global operations and services so that it can provide full-fledged services and support for enterprises that are going global.

### Service Institutions "Going Global"

In recent years, the Bank has steadily pushed ahead with its overseas layout and development according to the overall requirement of "Focused on Domestic Operation, Engaged in International Market, Setting up Reasonable Network, Carrying on Prudent Operation and Solid Risk Management". In 2013, the Bank opened branches in Dubai, Tokyo and Frankfurt. So far, the Bank has set up 13 overseas affiliates (including 3 overseas subsidiaries) in 11 countries and regions (see the chart on the right) and established relations of correspondent bank with 1,497 banks in 135 countries and regions, leading to the steady enhancement of its capacity for integrated internationalized operations.



#### London Subsidiary

The London subsidiary joined Dubai Branch in participating in the refinancing project of China Investment Corporation (CIC) for purchase of a Deutsche Bank building through non-contribution of capital, which involved 20 million pounds, thus providing quality financial services for the Chinese enterprises going global through the joint actions of overseas institutions.

#### Hong Kong Branch

The branch was invited to lead a syndicated transitory loan of 6 billion USD, which is used to support CNOOC in launching the project to acquire Nexen Inc, a Canadian energy company, and made it one of the top 5 contributing banks.

#### Seoul Branch

The branch processed RMB 200 million of offshore financing against domestic guarantee business for AUX Electric (Hong Kong) Limited to strongly support its expansion of overseas business.

#### New York Branch

The branch provided Fuxing International with 450 million USD of loans for the acquisition of Morgan headquarters building, a commercial real estate property.

## Serving Enterprises "Going Global"

To cooperate with the "going global" strategy of enterprises, the Bank has built out a platform of 24-hour operation of forex funds around the globe, a global cash management platform, a multi-currency transnational settlement network and a cross-border RMB liquidation network.

### Assisting Midea Group in its "Going Global" Endeavor

Midea is a domestically well-known large comprehensive enterprise group that focuses on the manufacturing of home appliances and sells its products in more than 200 countries and regions. To support the enterprise in expanding the scale of overseas purchase of raw materials, the Bank has strengthened domestic and overseas synergy to process offshore financing against domestic guarantee business for Midea Electrical Appliances (BVI) Co., Ltd., the cumulative amount of which reached RMB 400 million in 2013. Meanwhile, the Bank customized the new mode of nationwide centralized documents processing, which requires domestic presentation of documents and overseas collection of forexes. By the end of 2013, Midea Electrical Appliances (Singapore) Trading Limited had cumulatively presented 433 documents, involving an amount of USD 82.6 million.



A production workshop of an overseas Midea company supported by the Bank

### Assisting TBEA in Creating a World-class High-tech Enterprise Group

TBEA Co., Ltd. is the largest national-level high-tech enterprise group in Xinjiang and a leading enterprise in China's power transmission and distribution industry. Xinjiang Branch strongly supports TBEA in creating a world-class high-tech enterprise group. In 2013, the overall credit reached RMB 6 billion along with support in multiple business categories, e.g. credit, domestic factoring and wealth management.

By the end of 2013, the company had provided high-end equipment and system integrating services for more than 70 countries and regions and built energy bases and power grid projects in India, Vietnam, Kyrgyzstan and Tajikistan, strongly promoting the development of the local economy.

## Optimizing Services with Innovations

to Meet the Diversified Needs of Customers

- 090 Protecting the Legitimate Rights and Interests of Consumers
- 092 Improving Service Systems and Mechanisms
- 094 Strengthening the Construction of Service Channels
- 096 Promoting the Innovations in Services and Products
- 098 Enhancing Services for Special Groups



## Section Story

### Cash Withdrawal Services Provided to Customer for 20 Years

Over the years, the Bank has always upheld the principle of “Customers First and Always” as its service philosophy, provided whole-hearted services for customers and introduced a number of rules and policies to protect the legitimate rights and interests of consumers. In 2013, the Bank further deepened the transformation of outlets, built smart outlets, developed Internet-enabled finance and improved the financial services for special groups. In the year, the score received in a customer satisfaction survey reached 84.8 points, reflecting further improvement in customer satisfaction.

This is a story about something that has lasted 20 years.

The hero of the story is Wang Youmin, who is 100 years old this year.

It was in 1993, when there was no debit card and a retiree had to receive his pension personally at the counter. The day when the pension is deposited into an account is not fixed and cannot be found out in advance through inquiry. The employees of Shenzhuang Sub-branch in Shanghai could not sit still when they saw the elderly people struggling along back and forth, often in wind and rain, and sometimes queuing up at the counter to receive the pension. Through careful inquiry, they found out the addresses of the dozen elderly people who came for their pension every month at that time. Under the assistance of the business department, the employees established a rigorous system for

receipt, delivery and signoff on behalf of the old people and formed service teams for the home delivery of the pension. They ascertained every route of delivery and assigned a delivery team to each. This is how they started the practice.

At first, there were a dozen elderly people receiving the service. As time passed, some of them moved away, some passed away and some have a bankcard with the bundled service of text message notification. Wang

Youmin is the old man who remains in contact with the employees of Shenzhuang Sub-branch. Therefore, at the beginning of each month, so long as his pension comes in, one of the employees will immediately deliver the pension to him despite wind or rain. Considering that he lives alone, the employees will go to visit him with gifts on the festivals. They have kept on doing so for 20 years, establishing deep bonds between the old man and the ABC people.



Retired old man Wang Youmin receiving the pension delivered by an employee of Shenzhuang Sub-branch in Shanghai

## Protecting The legitimate Rights and Interests of Consumers

In 2013, the Bank further strengthened the management of information security, intensified the protection of personal financial information and implemented compliance management through the improvement of systems and strict enforcement of the standard for collection of service charges to actually fulfill the tasks related to the rights and interests of consumers.



ABC Shaanxi Branch winning second place in a quiz on the protection of consumers' rights and interests in the Shaanxi banking industry

### Intensifying Fee Collection Management and Rectification of Problems

- Improving systems to provide institutional support for standardizing fee-collecting behavior
- Strictly implementing the preferential policies for "Sannong" business, small and micro businesses and accounts involving people's livelihood
- Strictly implementing the management of the standardized collection of service charges to achieve zero increase in fee-incurring services, and zero raise in fee charging standards
- Conducting fee collection inspection to promote operations in compliance with regulations



## Improving Service Systems and Mechanisms

In 2013, the Bank earnestly solicited customers' opinions, heard what they had to say, streamlined its processes, and established and improved the systems and mechanisms that are conducive to customer services.



ABC Shaanxi Branch winning second place in a quiz on the protection of consumers' rights and interests in the Shaanxi banking industry

### Listening to Customers' Opinions and Making Prompt Improvements

To hear the opinions of customers and farmers face to face, the 8 presidents of the Bank went to the common people in 16 provinces and municipalities, including Shanghai, Guangdong and Gansu, to listen extensively to the opinions and suggestions of employees, customers and local governments.

In 2013, the head office gathered 655 opinions and suggestions through the in-depth exchanges with more than 400 representatives of customers and ordinary employees, which involve some prominent problems experienced by those branches serving common people, e.g. suggestions about the services for "Sannong", credit

policy and business processes. The leaders of the branches carried out 1,056 surveys to solicit the comments of employees and customers.

Stakeholders' needs summarized in the surveys

ABC's Responses

Some farmers complained that "Kins Hui Nong Tong" lacks functions and is rarely used.

Continue to increase the coverage of the villages not yet covered; 2. improve the functions of the electronic devices to tie them to the new farmers' insurance, NRCMS, agricultural subsidies and fee payment items to really enable the farmers in outlying areas to enjoy convenient financial services; 3. deploy training in spreading financial knowledge in rural areas throughout the bank to cover 11,000 administrative villages throughout the country.

Owners of small and micro businesses complained about the difficulty in getting loans.

Formulated and issued the "Implementation Opinions on Accelerating the Development of Small and Micro Businesses" to optimize the system and accelerate product innovation; introduced the strategy of "Customers First and Always"; took 12 specific measures to support the development of small and micro businesses credit, such as the separate formulation of plans for them and the diversion of all the recovered loans from small and micro businesses back into small and micro enterprise loans, to meet their financing needs to the maximum extent possible.

Large family cultivation operators complained about the amount of loans are too small, weak guarantee measures and short term of loans.

Formulated and issued "Measures for Management of the Loans for Specialized Large Growers (Family Farms)", making it clear the highest amount of loans for a single household is up to RMB 10 million; more scientific, flexible and practical loan term and repayment methods have been established according to the characteristics of the operating cash flow of customers, extending the longest loan term from 3 to 5 years; made innovations in multiple modes of guarantee, including the mortgage of agricultural machinery, mortgage of farm products and by-products and pledge of rural new property rights.

Some leaders in Xinjiang suggested that there should be more business items for common people and the service processes should be simpler.

On the basis of the series of special policies supporting the development of Tibet and Xinjiang, the Bank again studied and introduced 22 measures designed to support leapfrog development of Xinjiang. In 2013, RMB 5 billion was added to the credit line to open up a "green passage" for the key projects, accelerate the improvement of the outlet facilities in the border areas, and work hard to provide even better financial services for the local people and the troops guarding the frontiers.

## Strengthening The Construction of Service Channels

The Bank has always persisted in placing customers at the center. On the one hand, it implements the outlet distribution strategy of “controlling the total quantity, maintaining a stable number of outlets in rural areas, adjusting locations in various counties, optimizing distribution network in cities” to continuously improve the network and layout of outlets and push forward the standardization of outlets. On the other hand, it persists in following the lead of science and technology to use advanced network and information technologies in actively broadening the electronic channels.

By the end of 2013, a total of 2,993 physical outlets were renovated and transactions via electronic channels accounted for 76.54% of the total.



“Micro bank” in Yao mountains

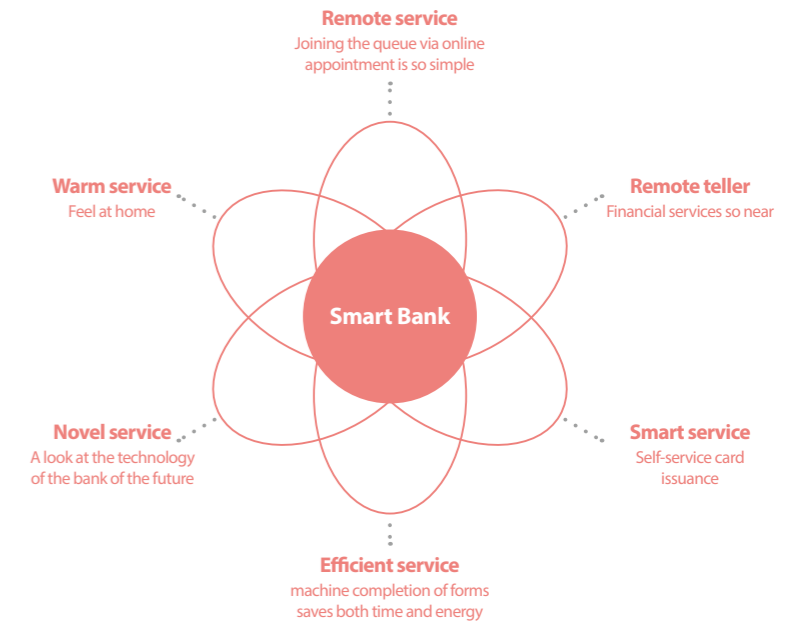
### Out-of-bank Self-service Banking and “Manned Services + Self-service Bank”

Cangnan Prefecture in Zhejiang now has 10 central towns, but only 5 of them have a physical outlet. To meet the needs of the local people for financial services, Cangnan Sub-branch explored an all-round and multiple-channel service network featuring “physical outlets + out-of-bank self-service outlets + manned self-service

bank + electronic banking” and introduced the self-service bank with “manned service + self-service bank”, solving the problem of insufficient service channels in towns, suburban areas and communities.

### Smart Outlets Leading a New Life Style

The Bank’s first “smart outlet” was put into formal operation in Jianguomen Sub-branch, Beijing. Here, customers are able to join the queue via online appointment scheduling, and enjoy smart completion of forms and self-service issuance of cards. A banking reform triggered by IT is occurring here.

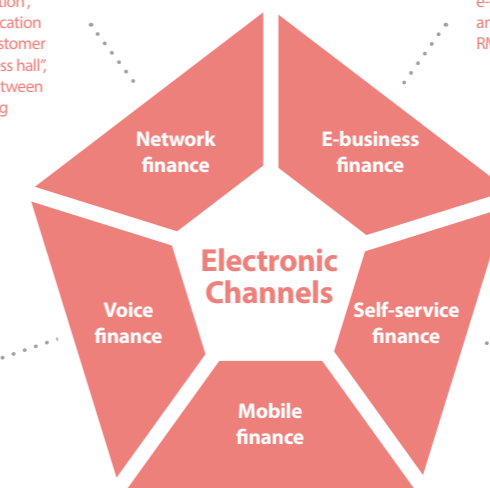


Improved the professional channels of the portal websites, built the financial franchise stores with 6 functions: “wealth management e-station”, “interactive e-station”, “application e-station”, “life e-station”, “customer services”, and “online business hall”, opened up the passages between websites and online banking

Set up a unified e-business financial payment and settlement platform. By the end of 2013, the number of e-business merchants reached 8,212 and the total of transactions reached RMB 828 billion

Added the service channels of “online customer service”, “WebChat customer service”, “Twitter customer service”, “email customer service”. By the end of 2013, the call completion rate of customer service reached 89.53%

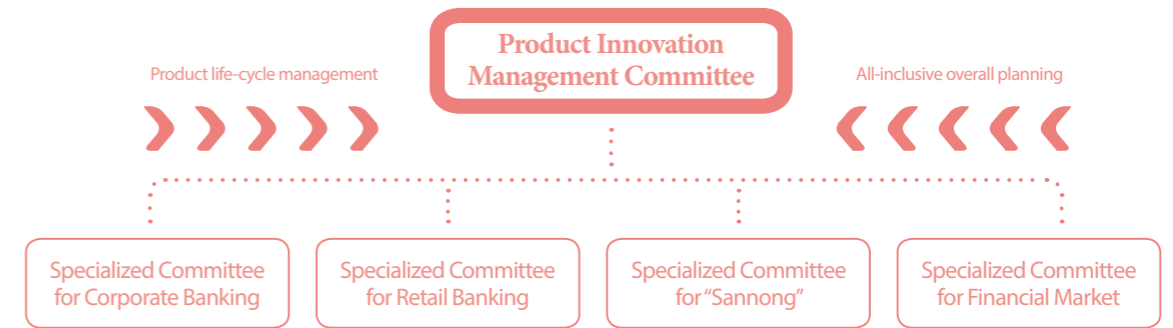
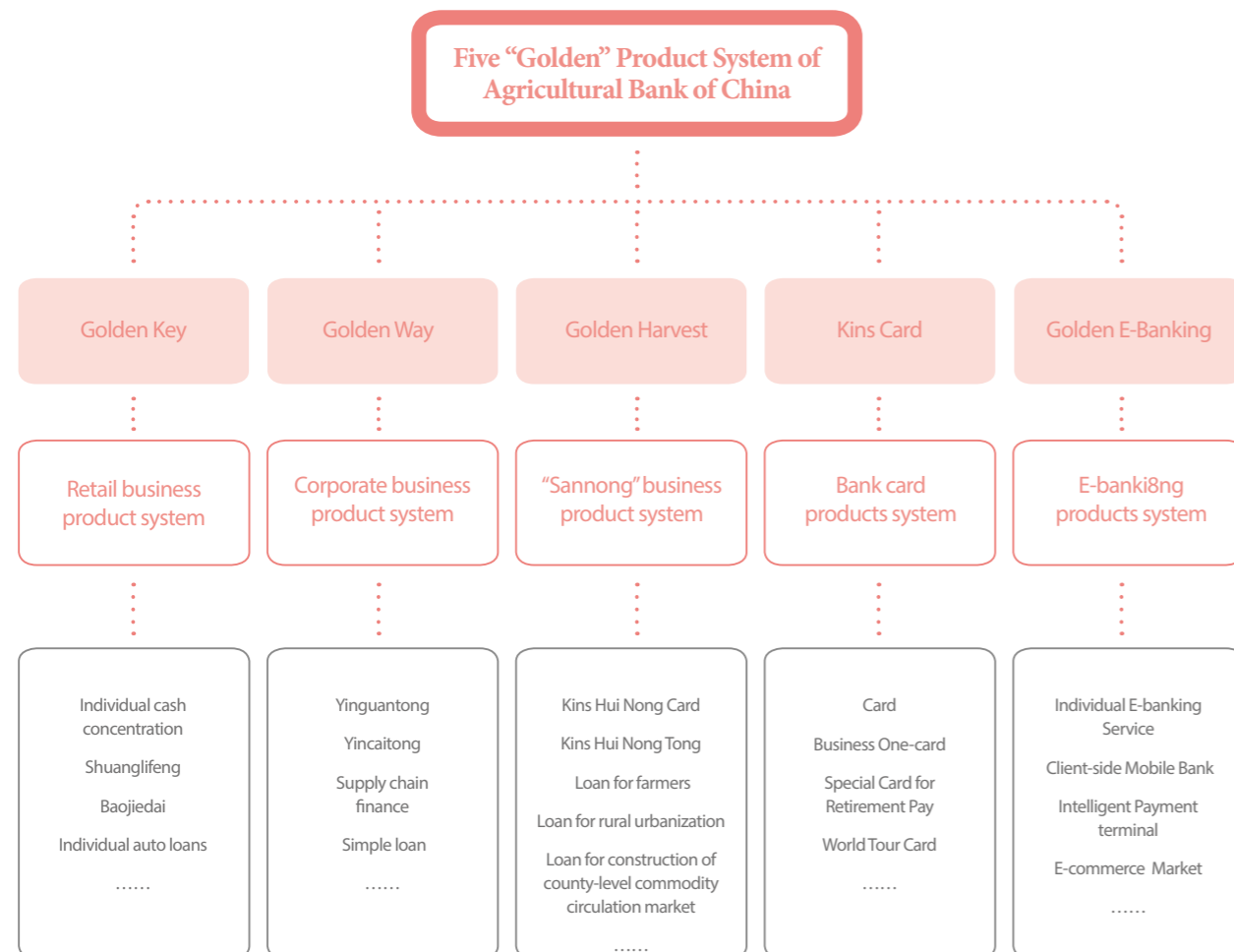
Improved the self-service system; developed new service terminals and introduced new self-service payment tools such as “self-service contract signing terminal system” and “standard version Sannong smart payment”



Spread the mobile finance platform and TSM platform; introduced the handheld bank—iPad customers terminals. By the end of 2013, the number of handheld bank customers reached 8,297 and the total of transactions reached RMB 1547.3 billion

## Promoting The Innovations in Services and Products

In 2013, the Bank issued the “2013-2015 Plan of the Agricultural Bank of China for Product Innovation” to improve the product innovation management system that focuses on customers at the center, emphasizes on overall planning, implements whole-process management and requires the participation of all members (see the chart below). By the end of 2013, the number of innovative products of the head office reached 117, including 11 products for “Sannong”; the number of innovative products of the branches reached 2,077, including 142 for “Sannong”.



Provision of IT resources: Scientific and technological resources, product innovation teams, product information management platform



Dieshan Sub-branch in Nanchang, Jiangxi presenting products in an innovative manner

### “Baosteel Online Supply Chain Financing” Product

In 2013, Shanghai Branch innovatively rolled out the product “Baosteel online supply chain financing” and realized the whole-process electronic operation of customer business through the docking between the electronic financing platform of Easternpay and the Bank’s Baosteel online supply chain financing system. Meanwhile, based on the credit and supply chain management of Baosteel, the Bank made coordinated arrangements for

the financing and cash flow of the enterprises upstream and downstream on the supply chain to rationally distribute the fluidity of the nodes and come up with a structural solution for the accounts receivable and inventory of the upstream and downstream supply chain of Baosteel, thereby minimizing the financial cost of the entire supply chain and enhancing the overall operation efficiency.



## Enhancing Services for Special Groups

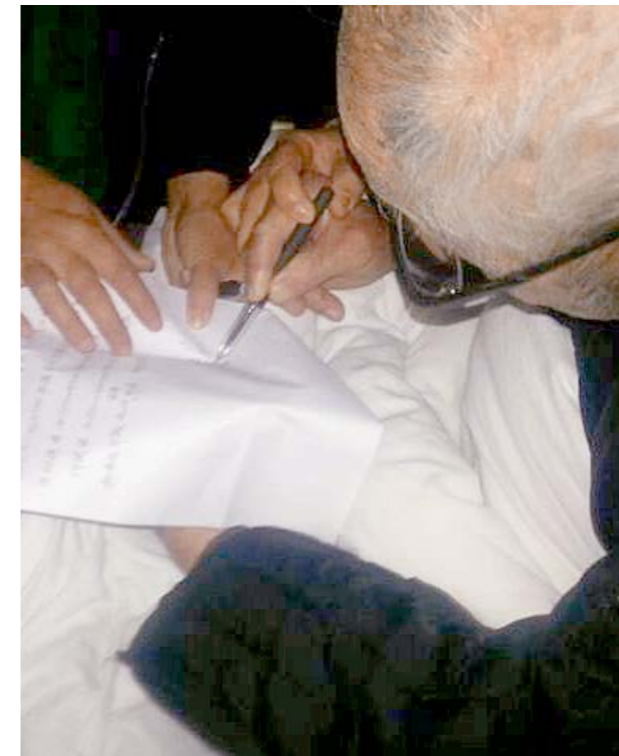
Special customers, such as the elderly, children, those undergoing medical treatment and the disabled, have special needs for finance. All along, the Bank has persisted in using standardized and considerate services to solve difficulties for customers that are members of these special groups and doing all within its power to provide personalized services.

### Home Delivery Services Showing Our Warmth

In January 2013, the employees of Steeltown Sub-branch in Tianxin District, Changsha, Hunan Province, came to Changsha Welfare House to facilitate the early withdrawal of a certificate of deposit by He Binji, an old man who could not process the business in the service hall due to illness.

He was advanced in age and had been bedridden undergoing treatment for over a year. In urgent need of money, his family members could get nowhere with his certificate of deposit that had not yet fallen due. Under the regulations, he was required process the premature withdrawal personally at the counter, but he could not possibly leave his sickbed

due to illness. Learning about the situation, Sub-branch promptly sent its staff members to the hospital for fulfillment of the relevant formalities in consideration of the urgent need of the patient's family. The old man and his family members were deeply touched by the considerate service of the Bank that values customers like its own family.



Providing services for the elderly in his ward



A letter of thanks from the family of the old man

# Public Welfare and Charity

Contributing to the All-Round Progress of the Society

- 102 Focusing on Earthquake Relief
- 104 Supporting Public Welfare Projects



## Section Story

### Water Purification Project — a Project Designed to Ensure Safe Drinking Water for Students in Impoverished Rural Areas

In recent years, the Bank has, on the one hand, committed itself to social welfare projects and activities, e.g. poverty alleviation, earthquake relief and donations, and on the other hand, actively brought up public welfare figures and taken a lead in enhancing the positive forces of the whole society to build up a corporate image of harmony, fraternity and kindness.



“让更多孩子喝上干净健康的水！”  
——中国农业银行

项目介绍：中国农业银行自2011年起，携手“清源计划”公益组织，在全国范围内开展农村饮水安全项目。项目旨在通过提供水质检测、设备维护、人员培训等服务，保障农村饮水安全，改善农村饮水条件，提高农村居民的生活质量。

In 2013, the Bank provided water purification equipment and voluntary services for 20 middle and primary schools in impoverished rural areas in Hebei, Inner Mongolia and Ningxia by relying on YouChange China Social Entrepreneur Foundation. In the year, the Bank provided 6 training courses on awareness of health and sanitation of drinking water to improve the quality of the drinking water of the schools in poverty-stricken areas and indirectly enhance the education of the students. Li Yin, headmaster of Laowa Primary Boarding School, said: “The use of water purification

equipment will enable more than 1,000 pupils to drink clean and healthy water. This is really a very practical and good deed of great effect.”

By the end of 2013, the project had covered 20 middle and primary schools in the impoverished areas, benefiting some 13,000 teachers and students and enabling more children to drink clean and healthy water.

## Focusing on Earthquake Relief

In 2013, the Bank joined the China Foundation for Poverty Alleviation in setting up a passage for emergency donations to the disaster areas, which enabled timely rescue efforts in and donations to the areas hit by earthquakes, including Ya'an and Lushan in Sichuan and Dingxi in Gansu. By the end of 2013, the Bank had donated RMB 44.22 million for public welfare in the year and the balance of the loans for house construction by the farmers in the disaster areas reached RMB 243 million.

By the end of 2013

the Bank had donated RMB

# 44.22

million for public welfare  
in the year

Beijing Branch provided remittance services free of handling charges for earthquake relief



### Multiple Measures Taken to Provide Emergency Financial Services for the Earthquake Relief Efforts

At about 8 a.m. on April 21, 2013, less than 24 hours after a strong earthquake hit Lushan, Sichuan, Lushan Sub-branch under our Sichuan Branch became the first local bank to resume financial services by launching a wheeled mobile bank while making a success of its own rescue. Meanwhile, the Bank promptly drew up a solution to support the earthquake relief efforts in Ya'an by reducing or waiving handling charges. The successful

implementation of the plan brought tangible benefits to the people in the disaster area.

After the occurrence of the "7.22" earthquake in Dingxi, Gansu Province, Gansu Branch went all out performing the allocation of funds and provided sufficient cash for the sub-branches in Min County and Zhang County. The sub-branches in Dingxi and Gannan sent 560 pieces (boxes)

of relief goods to the people in the disaster area, including tents, instant noodles and first-aid supplies. The 7 business outlets and 6 mobile service points under the two sub-branches of Zhang County and Min County handled 14802 business transactions for the people in the disaster area, including inquiry, withdrawal, exchange and account transfer, and issued 1,297 loans totaling RMB 22.02 million.

### Supporting the Production and Self-rescue of Melon Farmers after the Typhoon Disaster

By the end of 2013, the No. 30 strong typhoon "Petrel" swept Hainan, inflicting damage to some 280,000 mu of crops in Ledong County, Hainan Province, causing RMB 1.2 billion worth of direct economic losses.

On the second day, Ledong County Sub-branch under Hainan Branch formed a credit investigation team, which went to the hardest-hit Foluo Town despite the wind and rain for on-site appraisal and assessment of the real losses suffered by the specialized rural cooperatives and farmers. It also opened a "green passage" for loans assisting farmers in the disaster relief and in production. In just days, more than RMB 60 million of credit reached the cooperatives and farmers in batches.

*Zhang Guodong quote: ABC is really a bank for farmers, and is quick to respond to farmers' needs. While helping farmers to address the problems in production, it also helps the government to solve the shortage of short-term disaster relief funds, playing a positive role in stabilizing post-disaster social order and invigorating the local economy."*

—Zhang Guodong,  
Chairman of Ledong County PPCC



Yuyao Sub-branch in Ningbo used its own generator to generate power during a typhoon to provide citizens with phone charging facilities so that they could talk with their families over the phone

## Supporting Public Welfare Projects

In 2013, the Bank formulated the “Guidelines of the Agricultural Bank of China on Public Welfare Projects” and carried out volunteer activities providing care for disadvantaged groups and protecting intangible cultural heritage. By the end of 2013, the number of registered young volunteers of the Bank reached 21,000; 38,000 of the Bank’s staff took part in volunteer activities; the volunteer services reached 165,000 person-hours.

An inheritor of intangible culture sharing her weaving techniques



### Implementing the Plan to Support the Inheritors of Intangible Cultural Heritage

The plan is a public welfare project that focuses on living inheritance and productive protection. Since 2012, the Bank has teamed up with YouChange China Social Entrepreneur Foundation to support the transmission and protection of intangible cultural heritage, including the protection of the techniques of inheritors, building of handicraft facilities and transmission of traditional culture.

In 2013, the Bank continued to focus on supporting the craftspeople in the Miao villages in Guizhou to promote the techniques of intangible cultural heritage, e.g. Miao embroidery, silver jewelry and traditional papermaking. Skills training, cultural education and mutual visits were held to boost the recognition and exchanges of different cultural techniques and carry forward and inherit the humanitarian value of handicraft arts.

### “Postal Parcels for Mothers”-a Public Welfare Project

In recent years, the Bank has supported the development of undertakings for women by taking part in a number of public welfare projects, such as “Mother’s Water Cellar”, “Spring Bud Program”, and Happiness Project —— Aiding Needy Mothers.

The donation activity “postal parcels for mothers” is another specific move of the Bank to care for women and promote the harmonious development of the society. In 2013, the Bank donated RMB 10.94 billion to China Women’s Development Foundation, which was used mainly to implement the project. The “postal parcels for mothers” will be sent to the disaster areas in Gansu, Heilongjiang, Liaoning, Jilin and Guangdong as well as Tibet and the central and western provinces, benefiting 80,000 needy mothers and their families.

Note: This is a project to help needy mothers to address the difficulties in daily life. China Women’s Development Foundation joined China Post in purchasing women’s daily necessities through social donations and mailing them to the poor mothers in need.



Issuing a postal parcel to a needy mother



Nan'an Sub-branch in Chongqing caring for needy children left behind by migrant worker parents

### Organizing the Volunteer Activity to Provide Support for the Growth of Young Students

In recent years, Hong Kong Branch has fulfilled its social responsibility by putting into action ongoing volunteer activities to provide support for the growth of young students and holding festival celebrations and has set up good cooperative relationships with well-known charity organizations, such as Caritas Hong Kong Social Service Center and Lok Sin Tong in Kowloon.

In 2013, Hong Kong Branch continued to carry out the volunteer activity of providing support for the growth of young students and sent volunteers 74 person/times to offer a variety of training and exchanges for the students in St. Francis’ Canossian College and Marymount Secondary School.





# 04

## Responsibility Capability and Commitment



# Spreading Financial Knowledge

Spreading financial knowledge to enable the public to understand and take part in finance is an important aspect of efforts to bolster the power and financial capability of the nation. In 2013, the Bank carried out publicity activities known as “bringing financial knowledge to millions of homes”, “a long march for financial knowledge” and “100 counties, 1000 towns” to gradually increase the public awareness of financial knowledge, especially for farmers. During the year, various organizations of the Bank at all levels went down to 11,519 administrative villages to deliver Hui Nong services to villages. 24,418 people took part in the activity, distributed 1,205,900 copies of publicity materials and provided financial knowledge to 1,392,700 rural users.

By the end of 2013

various organizations of the Bank at all levels went down to **11,519** administrative villages to deliver Hui Nong services to villages

distributed **1,205,900** copies of publicity materials

Financial knowledge is growing in schools



## Supporting a Project to Popularize Financial Knowledge in Rural Middle Schools

In 2012, the Bank and China Financial Education Development Foundation jointly launched a project to popularize financial knowledge in rural middle schools, by spreading basic financial knowledge among middle school students in the national level impoverished counties in the central and western regions through the compilation of

teaching materials that popularize financial knowledge, training of volunteers and teachers, and granting of scholarships.

Over 3 years, the project will be promoted to 40 township middle schools in 13 counties of 8 provinces and involve 17,400 person/times. The Bank enthusiastically supports

the development of rural education and works hard to enable more children to learn finance, understand finance and develop a genuine interest in finance.



Employees of ABC Heilongjiang Branch distributing financial knowledge leaflets in the fields

## Organizing Activities to Popularize Financial Knowledge in Rural Areas

The Bank designated July 2013 as the month of Hui Nong financial services in villages. Coupled with marketing and publicizing retail products, the Bank conducted extensive publicity of the country's financial policies favoring agricultural, rural areas and farmers, popularized awareness of the prevention of financial risks and use of modern financial tools, and disseminated information on distinctive products of “Sannong” and key retail products, in a bid to cultivate and reinforce the farmers’ awareness of financial services. The Bank had 4,419 outlets engaged in the education campaign, of which 2,519 were involved in a program known as “delivering financial knowledge to rural areas”.

*“I used to believe that a bank was a place for rich people. Through the publicity, I learnt that a bank can also help with payment of fees and solve many problems, such as the circulation of smaller sums. These matters can be handled just near my home. That is really convenient.”*

— A villager of Shibatai Village, Baogulao Town, Beipiao, Liaoning Province

## “Sannong” Financial Tutors: Ready Financial Consultants for Farmers

In 2013, Gansu Branch established the system of “Sannong” financial tutors in all of its subsidiaries and opened the Sina official twitter known as “Sannong financial tutor of ABC Gansu Branch”, which is used specially to publicize and introduce “Sannong” policies, knowledge, laws and regulations, “Sannong” information and the “Sannong” business of Gansu Branch.



# Promoting The Development of Employees

ABC is a large bank with 480,000 employees. Every one of them is a valued asset. We must train and put them in effective roles so that they have a sense of ownership, fulfillment and happiness. This is also an important aspect of the social responsibility we bear.

In 2013, the Bank continued to strictly implement relevant State laws and regulations and establish legal and harmonious labor relations with employees to protect their legitimate rights and interests; improved the remuneration management system and optimized career development to mobilize employees' incentives and potential. Besides, the Bank attached great importance to strengthening the overall competitiveness of ABC corporate culture.

## Strengthening the Training of Employees

With regards to human resources, the Bank takes the view that "Besides ability, employees' integrity should be highly valued and their excellence should be fairly assessed", maintains a reform orientation toward marketization and modern corporate governance, and continuously furthers the reform of the HR management system. The Bank pushes ahead with the construction of the Agriculture

Bank of China University, makes innovations in training, makes efforts to widely transmit the humanistic spirit, management thinking and corporate culture of ABC to form a powerful force that drives the Bank's sustainable development.

## Enhancing Education and Training

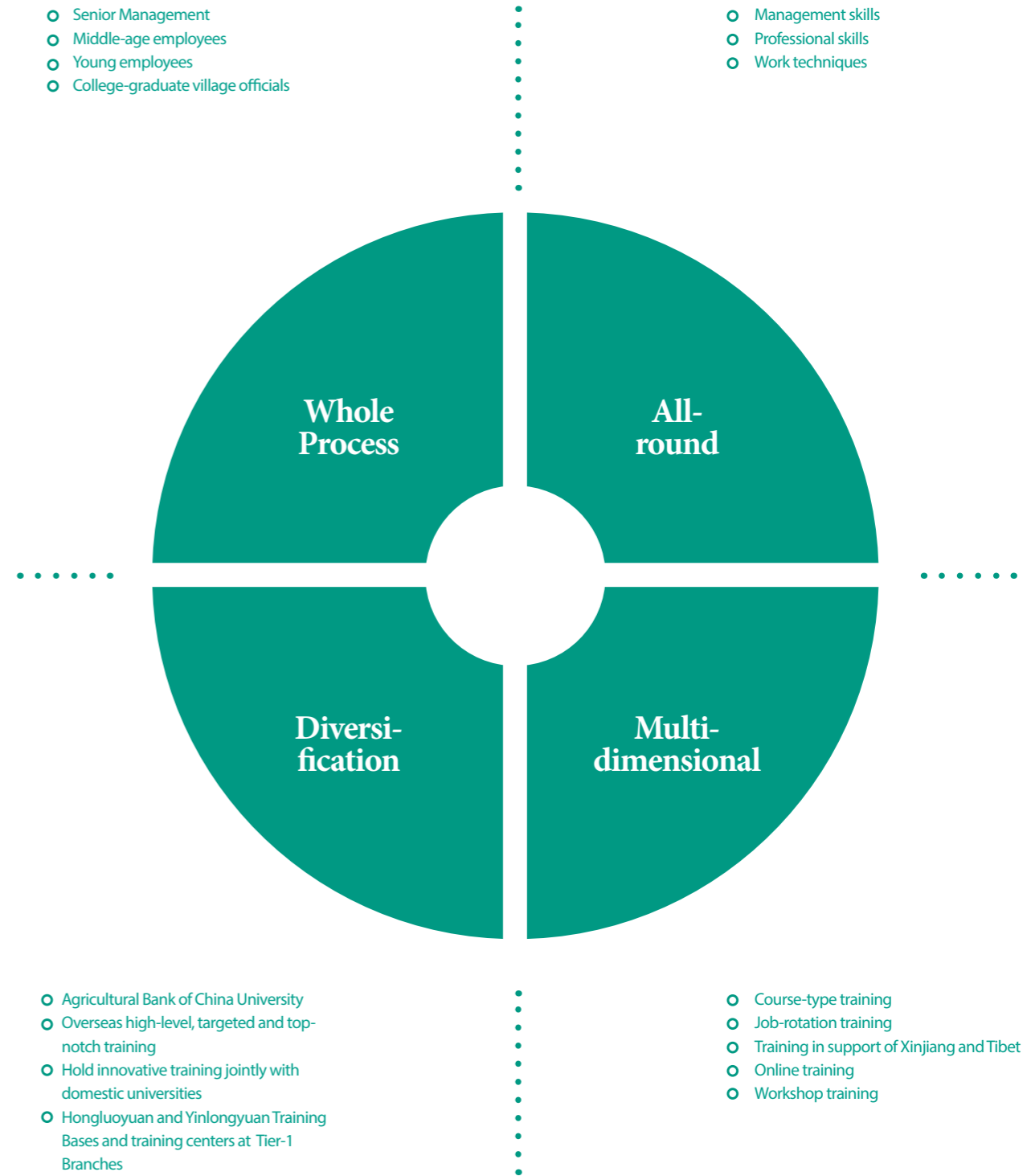
The Bank continues to actively build a universal, whole-process education and training system that covers all job categories and levels horizontally, and all aspects of career development of employees vertically. Building the Agriculture Bank of China University and establishing a scientific and efficient education and training system provides strong human and intellectual support for the reform and development of the whole bank. In 2013, the Bank held 42,000 training sessions, with an attendance of 2.64 million person/times. Also in the year, the Bank completed the qualification examinations for 10 job categories, involving the participation of nearly 230,000 people.

By the end of 2013  
 the Bank held **42,000**  
 training sessions  
 with an attendance of **2.64**  
 million person/times

## Education and Training System of the Agricultural Bank of China

- Senior Management
- Middle-age employees
- Young employees
- College-graduate village officials

- Management skills
- Professional skills
- Work techniques





Students of Agriculture Bank of China University in class discussion

### Establishing the Agriculture Bank of China University to Build up ABC's Unique Brand for Training

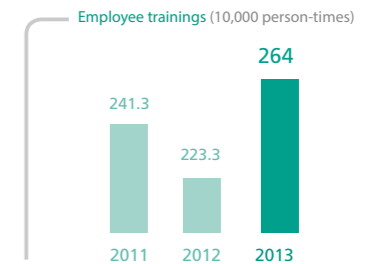
The attainment of the goal of building a first-rate commercial bank requires substantial human and intellectual support. In 2013, the Bank integrated three training colleges, the level-1 branch training schools, the Hong Kong training center and the college of online education into the Agriculture Bank of China University to integrate resources, contents and timing for training. The university is for three types of personnel - managerial, professional and operational personnel - to form a "all-in-1" multi-tier training system.

In 2013, the university held 117 training sessions and trained 220,000 person/days.

Agriculture Bank of China University	Training Subjects
The three colleges in Tianjin, Changchun and Wuhan	Middle-level and senior personnel
All sub-branches of training schools/centers	Primary and middle-level personnel
Hong Kong Training Center	Middle-level and senior managerial personnel; professional personnel
College of Online Education	Platform for corporate-level learning, training and knowledge management

### Improving the Path for Career Development

The Bank vigorously implements an HR strategy to increase its strengths, promotes the building of human resources in all three categories of managerial, professional and skilled personnel, works hard to open up multiple paths for the employee development, create a new pattern for their career development that features "vertical promotion, lateral flow, multi-dimensional development, and dynamic adjustment" and continuously broadens the space for their career development.



### Promoting the Building of Pathways for the Lateral and Vertical Career Development of Employees

Jiangsu Branch formulated and implemented the "Opinions on Building Pathways for the Career Development of Employees", which set the organizational development goal of "streamlining management category, expanding professional category and enhancing operational category" and identified the objectives for the career growth of the employees at 24 job levels in 3 categories by focusing on career development of the employees of professional job category and job level.

The branch focuses on standardizing efforts to strongly promote the implementation paths for the multi-channel development of employees:

#### Horizontal: focusing on coordinated training

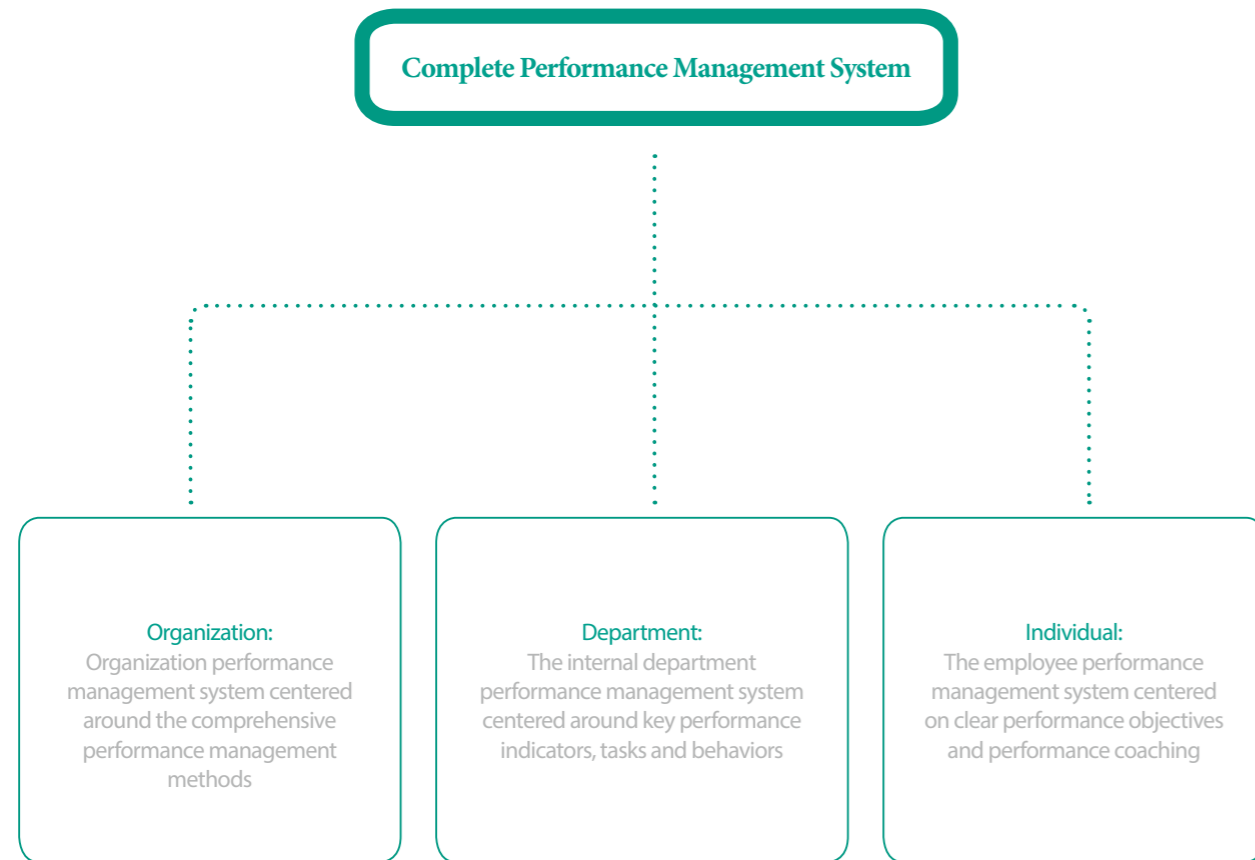
- Using targeted training to spur the career development of employees and make them more capable of selecting and adapting themselves to positions;
- Using planned job rotation to widen the career development of employees, and train and retain diversified talents;
- Using policy-based arrangements to extend the careers of employees and continue their careers.

#### Vertical: focusing on classified planning

- Focusing on erecting a platform for the tempering and growth of potential leaders and implementing the plan for growth of the employees in assistant positions to improve the training process for those from the front lines;
- Strongly promoting the rational distribution of professionals based on stratified and classified professional training and implementing the access system for professional competence and qualifications of the professional category;
- Open up the growth channels for talents with competent skills by implementing the system of taking posts with certificate and level management and establishing a system of long-term incentives for outstanding employees that began in entry-level positions.

### Optimizing Performance Assessment System

The Bank has set up a complete performance management system according to the management philosophy and operational requirements for the human resources of modern commercial banks, which covers all levels of the organization, departments and individual persons, is value-oriented, "3-in-1" and embraces the whole process.



The Agricultural Bank of China performance management system

## Strengthening the “Soft Power” of Corporate Culture

### Identifying the Orientation of Corporate Culture Development

In 2013, the Bank formulated the “Agricultural Bank of China Plan for Building Corporate Culture (2013-2015)”, modified the core thinking of its corporate culture and worked hard to drive “solid development” with “soft power”.

### Introducing the ABC Plan for Building Corporate Culture (2013-2015)

The plan identifies the basic content of efforts to promote corporate culture and elaborates on five aspects: shaping a sound cultural system, boosting brand awareness, improving the corporate culture mechanism, intensifying behavioral culture and strengthening accountability culture.

The plan has established “high quality, high efficiency and responsibility” as the overall aim in building its corporate culture. Specifically, high quality means the business attainment and cultural character that ABC ought to possess as a first-rate commercial bank; high efficiency is the important manifestation of a sound institutional structure and corporate capability; responsibility means the professional integrity, cultural ethics and humanistic spirit that are in line with economic and social development and progress.

The plan not only points out the way for building the corporate culture of the entire sector, but also is a seamless combination of cultural strategy and specific actions. It deepens efforts of the whole bank in building corporate culture through effective means of culture, such as strengthening the construction of carrier of culture, carrying out cultural activities, implementing cultural projects and intensifying the internal/external cultural communication.

### Carrying Out Corporate Culture Campaigns

By holding cultural activities, including reading clubs, association of poets, storytelling and sports events, the Bank aims to direct its mainstream thoughts, gathers momentum for development and enhances the quality of life of its employees.



Exhibition of calligraphic and painting works effective in enriching the cultural life of employees

### Zhang Liang’s Antarctic Expedition on Foot

Zhang Liang, an employee of Shenzhen Branch, successfully climbed to the top of Mount Everest and Mount Kilimanjaro and crossed the South and North Poles on foot, becoming the first in the national financial sector to do so and the first Chinese climber who has reached the top of 9 snow-capped mountains over 8000m high in the capacity of an amateur.



Zhang Liang on top of Mount Kanchenjunga on May 20, 2013

## Caring for Employees

The Bank focuses on providing its employees with humanistic support, is concerned about their living conditions and mental health and holds diverse cultural activities to create an optimistic and positive atmosphere of corporate culture.

### Caring for the Health of Employees

The Bank cares for the physical and mental health of its employees, provides health checks for all of them regularly and has established the mechanisms to provide assistance in case of serious illness and difficulty in obtaining medical care. In 2013, the head office achieved a 91.1% rate of participation in regular health checks, held 8 health lectures, released 6 issues of electronic journals on health and issued 2,805 test reports reflecting personal mental health. For the female employees, the Bank arranges regular physical examinations to protect their rights and interests, securing a 72.2% rate of participation.

### Establishing the Mechanisms to Help the Employees in Difficulty

In 2013, the Bank set up the ABC Charity Fund, which aims to respond to emergencies and hardships and adheres to the principle of being open, fair and just in helping employees in difficulty and building a long-term assistance mechanism. The Fund helped 28,698 such employees in 2013.



Donations given to a needy family by an employee of Balikun County Sub-branch in Hami, Xinjiang

### Focusing on Humanistic Support and Caring for Ordinary Employees

The Bank solicited the opinions of multiple parties, heard the voices of ordinary employees and held a working conference focusing on humanistic support and caring for ordinary employees to address their excessive work pressure, the harsh conditions of some outlets and blocked pathways for career development. The Bank formulated the guidelines on focusing on humanistic support and caring for ordinary employees, which call effectively addressing 6 practical matters to enhance their sense of identity, sense of ownership and sense of happiness.

Problems facing ordinary employees	Effectively addressing 6 practical matters	Solutions to be enacted
Slow construction of diversified channels; high intensity of work	Working really hard to reduce the pressure on ordinary employees	Taking 28 measures designed to improve the institutional processes, and structure, performance review system and working styles, ensure the allocation of resources to the grassroots, make efforts comprehensively to address the problems
Low salary	Further increasing the distribution of earnings toward ordinary employees	Taking into account both efficiency and fairness, giving priority to pay increases for ordinary employees, continuously improving the minimum pay system for grassroots employees, placing reasonable controls on the income gap
Lack of sense of happiness and sense of ownership	Holding "home building" activities	Arranging a special fund to build the Staff Home into a truly cozy accommodations; incorporating the existing 2,047 county-level sub-branches and their subordinate business outlets into the scope of "5 small" and constructing staff dormitories
Living in poverty	Establishing an ABC Charity Fund	Identifying where the money can be sourced from; setting up a Fund Management Committee to decide where the money should be used and ensure that the donations are used where they are needed the most and for the employees in greatest difficulty to ensure true effectiveness.
High Staff Turnover Rate	Caring for the career development of ordinary employees	Undertaking career planning for the employees; establishing a staffing orientation that values ordinary employees and advocates solid work; intensifying training; improving the staffing incentive mechanism
Mental and physical exhaustion, mental strain, and stress	Caring for the physical and mental health of ordinary employees	Implementing paid leave system to ensure the rest and leave of employees; strengthening psychological counseling of employees to reduce mental pressure; enriching the spiritual and cultural life of employees



## Enhancing Operation Efficiency

### Building a Modern Operation System

In 2013, the Bank further deepened the reform of its operation management system and gradually turned operation management into the operation center, control center and service center for the business of the whole Bank by integrating the effective resources supporting its business operation to strengthen the capability of operation and assurance.

In 2013, the average daily turnover of the core banking system of ABC increased by 30% from a year ago and daily turnover reached 248 million transactions at peak times. While the turnover reached all-time highs repeatedly, the efficiency, quality and stability of production and operation was also continuously enhanced.



### Carrying out Disaster Preparedness Drills

In 2013, the Bank continued to strengthen emergency and disaster preparedness management, improve emergency plans, maintain regular emergency drills and enhance its disaster preparedness capability, enabling it to be the first financial institution to resume operations after each earthquake. By the end of 2013, the Bank had conducted 46 disaster preparedness drills, involving the participation of 8,472 person/times.

By the end of 2013

the Bank had conducted  
**46**  
disaster preparedness drills

involving the participation of  
**8,472**  
person/times

### Disaster Preparedness Drills Involving the Participation of the Whole Bank

On May 2013, the Bank successfully held a business-level drill for the disaster recovery of the information system that involved the participation of the whole bank. Led by the Department of IT Management, 17 other departments of the head office and 36 branches took part. The drill started at 17:30. In 10 minutes, the disaster recovery people of both the head office and the branches

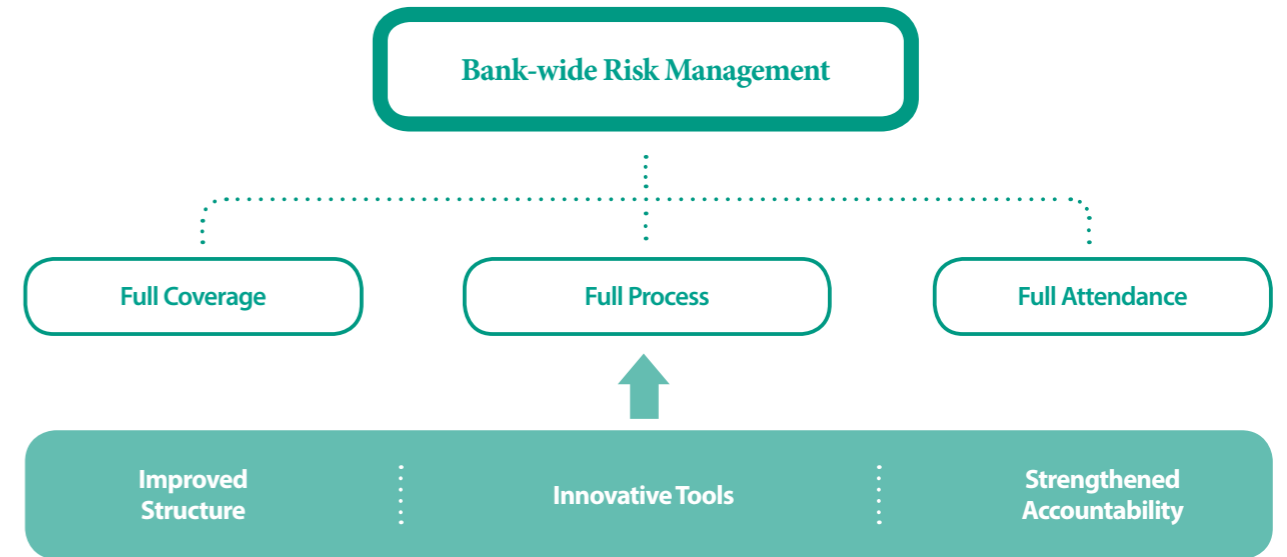
completed their assembly; in 75 minutes, 9 types of core business were restored, including public applications, internal accounting, bank books, bankcards, customer information, interbank business, cash management, treasury cash and accounts off balance sheet, and passed the business authentication of the operation outlets of the 36 branches across the country.

# Ensuring Asset Safety

## Intensifying the Internal Control of Risks

### Improving the "Big Risk" Management System

In 2013, the Bank drew on advanced international risk management methods and improved its "big risk" management system in light of its own operation characteristics to incorporate the risks inside/outside the balance sheet and the country as well as the risks of both the parent company and the subsidiaries into the scope of management, perfected the "across-the-board" risk management system and organization system, and accelerated the innovation and application of risk management tools and models.



### Explorations and Practices Made by Local Branches in Risk Prevention and Control

In 2013, the Bank put risk management as the top priority of internal management and the local branches implemented the "Bank-wide Risk Management" philosophy in light of their own realities to continuously enhance their risk prevention and control capability.

Beijing Branch refined its job responsibilities, standardized business operations, took back the authority of the sub-branches for risk classification and reassigned the authority separately to the supervising president, the head of the Department of

Risk Management and the risk compliance manager dispatched by the branch to the sub-branch. The branch further adjusted and improved the organizational structure of its Risk Management Committee and the three specialized sub-committees under it, clarified their responsibilities and rules of procedure, and made it clear that the business operation departments of the branch should be the first line of defense for risk management.

Guangdong Branch developed a capital transaction inquiry system for credit

customers, which collects the customer transaction information of 17 trading systems/channels of the branch, including the online banking transaction channel for repeated matching, supplementation and correction of the data from the trading systems, thus establishing a centralized and unified platform for the capital transaction information of customers to fully reflect the source and flow direction of the funds of each transaction and continuously monitor the funds getting into and out of the accounts of businesses.

### In strict Compliance with Laws and Regulations

The Bank strictly meets regulatory requirements, takes compliance culture as the guidelines and promotes bank-wide legal compliance with the help of information technology. Internal control has been enhanced by perfecting the system, optimizing processes, intensifying implementation and making scientific assessments.

### Using the Information System to Optimize Internal Control

In 2013, the Bank pushed on the commissioning of the optimized functions of related party transaction management modules of the internal control compliance management information system, implemented the internal transaction management system, established the system of contact persons for internal transaction management, adopted the mode of double-line submission, gathered internal transaction information from three levels, i.e. the transaction departments of the head office, branches and affiliates, to gain a complete picture of the internal transactions of the group, strengthened training in related party and internal transactions, and provided special training for different target audience.

## Preventing Financial Crimes

### Intensifying the Fight against Corruption

In 2013, the Bank released the "Implementation Measures of the Agricultural Bank of China for Position-related Consumption of Principals (For Trial)", which include 46 clauses in 4 chapters that standardize and quantify the official cars and travel expenses of leaders; incorporated the anti-corruption content into the required courses of the Agricultural Bank of China University; carried out a questionnaire among the senior executives. By the end of 2013, the Bank conducted 2,249 anti-corruption training sessions, involving the participation of 589,300 person/times.

### Enhancing Resistance against Financial Crimes

In 2013, the Bank continued to strengthen and improve its anti-money laundering compliance management system, and explored and established a centralized working process for anti-money laundering. By the end of 2013, the Bank conducted compliance training for 623,400 people/times and carried out 2,300 events publicizing compliance operations, which had an audience of about 280,000 people.

### Practicing Frugality in the Fight Against Corruption and Rectification

In November 2013, the head office organized 5 teams which conducted inspections on 7 branches and 2 subsidiaries in their implementation of the 8-point regulations of the CPC Central Committee and practice of frugality. Additionally, as required by the Commission for Discipline Inspection of the CPC Central Committee, a special campaign was launched among the officials of disciplinary inspection and supervision for them to surrender their membership cards. The Discipline Inspection Committee of the branches at all levels studied, publicized and made arrangements for the special campaign. 12,879 officials engaged in discipline inspection and supervision made a "no possession of cards" statement and commitment.

### Carrying out Anti-money Laundering Training

On September 24, 2013, ABC Singapore Branch exposed all its employees to anti-money laundering training in non-work time. An invited senior expert talked to the employees about the latest regulatory development in the international anti-money laundering

efforts, used examples to present actual practices in this field and advised on how to further improve the anti-money laundering bid of the Bank, providing really useful help to the efforts.

Employee of Shangyu Sub-branch in Zhejiang teaching farmers to identify counterfeit money





## Editors' Note

2013 has passed and gone, 2014 is unfolding before us. We feel relieved and enriched after compiling the 2013 social responsibility report, for we have gone all out and have made some achievements in both serving "Sannong" and supporting businesses; both improving people's livelihoods and assisting the far and remote areas; both boosting environmental protection and contributing to charity; both repaying the shareholders and benefiting the employees.

However, we understand deeply that our responsibilities are endless and can never be completely fulfilled. What we have done still falls considerably short of what people expect of us.

We understand deeply that it requires the effort of each organization and individual to develop a social force towards positivity and goodness.

Now, the spring breeze of the 3rd Plenary Session of the 18th CPC Central Committee has swept across the wonderful land of China. We will work diligently, make innovative approaches and earnestly fulfill ABC's responsibility for realizing the Chinese dream, and make ABC a truly responsible bank.



# 05

## Appendixes

## Honors and Awards

Field of Responsibility	Awarding Agency	Honors and Awards
Comprehensive	Euromoney	"Best Managed Banking Institution in Asia" in the Best Managed Companies in Asia survey
Comprehensive	The Asian Banker Journal	2nd in Asia and 1st on the Chinese mainland in 2013
Comprehensive	The 21st Century Business Herald	Best Inclusive Financial Services Bank in Asia in 2013
Comprehensive	People's Daily People's Daily Online	People's Financial Award for "Innovative Products and Services in 2013"
HR Management	China Human Resource Development Association	2013 National Human Resources "Award for Innovations in Human-Oriented China"
Science and Technology	State Intellectual Property Office (SIPO)	Two patents, one for a handling method and system for workflow abnormality; the other for a control method and device for workflow and concurrency model
	China Banking Association	Financial Institution of the Year for Social Responsibility
	Taxation Bureau of Haidian District	Enterprise with Grade-A Tax Payment Credit in Beijing
	People's Daily Online	Annual Enterprise Award of 8th People's Award for Corporate Social Responsibility
	First Financial Daily	Award for Outstanding Enterprises on the "2013 Ranking List of First Financial Daily · Chinese Corporate Social Responsibility"
Social Responsibility	Southern Weekend	Best Enterprise of the Year on the 2012 Ranking List of Corporate Social Responsibility of State-owned Listed Companies
	Beijing Rongzhi Corporate Social Responsibility Research Institute	"Award for Best Social Responsibility Report" in the 2013 Selection of Top 50 Chinese Companies for Public Transparency
	WTO Tribune	Golden Bee 2013 Excellent Corporate Social Responsibility Report - Leading Companies

Field of Responsibility	Awarding Agency	Honors and Awards
Corporate Governance	The Asset	2013 "Platinum Award" for Corporate Governance
Brand Image	Brand Finance	Top 3 Most Valuable Global Banking Brand Asia
	First Financial Daily	Best Inclusive Financial Institution of the Year
Cultural Progress	China Research Institute of Enterprise Culture	"Top 10 Model Organizations of Corporate Culture Competitiveness at the 35th Anniversary of Reform and Opening" at the Summit on Chinese and Foreign Corporate Culture
	The 21st Century Business Herald	Award for 2013 Best Corporate Citizen of China · Best Corporate Culture
	Organizing Committee of China International Financial Exhibition	Award for Excellent Financial Services for Sannong
Sannong	People's Bank of China	Excellent Team in Improving the Payment Service Environment in Rural Areas (26 institutions, including ABC Hubei and Gansu Branches)
	Financial Times Financial Research Institute of the Chinese Academy of Social Sciences	Best "Sannong" Serving Bank of the Year
Small and Micro Businesses	Academy of Social Sciences China Business	2013 Financial Bank for Small Businesses of Excellent Competitiveness
	National Business Daily	Award for Financial Contributions to Small and Micro Businesses

Field of Responsibility	Awarding Agency	Honors and Awards
Customers Service	CBRC China Banking Association	Award for Outstanding Contributions of Financial Institutions of the Banking Industry
	China Banking Association	Award for Best Outlets of the Year in Making Special Contributions to Social Responsibility
	JRJ Wudaokou Financial School, Tsinghua University	2013 Award for Best Security of Leading National Corporate Online Banking
	Academy of Social Sciences China Business	2013 Award for Excellent Competitiveness and Service Innovations in Personal Loans
	Global Finance	Best Bank for Bond Underwriting
	Euromoney	Best Private Bank of China for Commodities Investment
	China Times	Best Bank of Retail Business Service in 2013
	China Banking Association	Award for Best Growth in Trade Finance
	The Banker	Top 10 Financial Products Innovation Award (Kins QQ Co-branded IC Credit Card)
	Sina	Credit Card of Best Creative Marketing
Innovations in Business/Products	Moneyweek	2013 Best Wealth Management Product of Bank (structured products of Ruyi series)
	JRJ	Best Mobile Phone Bank
	Horizon Consulting	Award for Service Front (Student Loans)
	China Banking Association	Award for Best Green Finance
Environment	China Banking Association	Award for Best Green Finance
Public Welfare	China Banking Association	Award for Outstanding Public Welfare and Charity Projects
Society	ChinaHR	"Top 50" and "Best Employer of National Banking Industry" in the 11th Selection of Best Employer by University Graduates

## Independent Assurance Report

### To the Board of Directors of Agricultural Bank of China Limited

We have been engaged by the Board of Directors of Agricultural Bank of China Limited (the "Bank") to perform a limited assurance engagement on the selected key data as at 31 December 2013 and for the year then ended as defined below in the 2013 Corporate Social Responsibility Report ("the CSR Report").

We have also been engaged to gain an understanding of the Bank's application of the G4 Sustainability Reporting Guidelines pertained to the principles of stakeholder inclusiveness and materiality.

### The Board of Directors' responsibilities

The Board of Directors are responsible for the preparation and presentation of the key data in accordance with the basis of report and the definition of key data of the CSR Report (the "basis of reporting"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected key data and making estimates that are reasonable in the circumstances.<sup>1</sup>

In addition, the Board of Directors is responsible for the Bank's adherence to the G4 Sustainability Reporting Guidelines and its principles.

### Practitioner's responsibilities

Our responsibility is to express a conclusion on the selected key data in the CSR Report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected key data in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected key data as at 31 December 2013 and for the year then ended in the CSR Report is not prepared in all material respects in accordance with the basis of reporting.

The selected key data of the Bank's CSR Report that is covered by this report is as follows:

- Balance of farmer loans
- Number of county-level branch outlets
- Total number of Hui Nong Cards issued
- Total amount of donation
- Total number of employees
- Total number of county-level employees
- Proportion of female employees
- Proportion of ethnic minority employees
- Total number of employee trainings
- Total number of domestic branch outlets
- Water consumption per capita in office
- Electricity consumption per capita in office
- Gas consumption per capita in office
- Volume of recycled and reused water (Treated water system)
- Percentage of recycled and reused water (Treated water system)

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material non-compliance of the selected key data prepared in accordance with the basis of reporting.

1. Agricultural Bank of China Limited is responsible for its website, and we do not accept responsibility for any changes that may have occurred to the reported subject matter information or criteria since they were initially presented on the website.

### Approach, limitation and scope of work

Our work was performed at the Head Office of the Bank and its Beijing branch.

Within the scope of our work we performed the following:

- Interviews with management and personnel in the Departments involved in providing information in relation to the selected key data for inclusion in the CSR Report;
- Analytical procedures;
- Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- Recalculation; and
- Other procedures deemed necessary

Our work was limited to the selected key data as of 31 December 2013 and for the year then ended in the CSR Report. We have not performed any procedures over other data included in the CSR Report for 2013, nor have we performed any procedures on other data or data for 2012 and years before. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.

### Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected key data as at 31 December 2013 and for the year the ended has not been prepared, in all material respects, in accordance with the basis of reporting.

### Supplementary observations

We have also gained an understanding of the Bank's application of the G4 Sustainability Reporting Guidelines pertained to the principles of stakeholder inclusiveness and materiality by making inquiries and holding interviews with management representing the different functions in the Bank involved in the preparation of the CSR Report. Our work was restricted to gaining an understanding of the Bank's application of the principles of stakeholder inclusiveness and materiality of the G4 Sustainability Reporting Guidelines. Hence, we do not express any assurance opinion as to whether the Bank has adhered to the principles of G4 Sustainability Reporting Guidelines.

We have the following observations:

#### Stakeholder inclusiveness

The Bank has a social responsibility goal of "being a responsible bank" and fulfil its responsibility in the field of "Sannong", real economy, people's livelihood, environment, charity and other areas. In this respect, the Bank has established a social responsibility management framework. The Bank has identified its key stakeholders and established various communication channels to understand their expectations and needs as the basis for determining the key topics to be included in its CSR Report. We suggest that the Bank should continuously improve the stakeholder communication mechanisms so that the Bank could further identify and analyse stakeholder expectation and disclose its response accordingly.

#### Materiality

The Bank took into account its own practice of social responsibility and drew reference to the two areas of the G4 Sustainability Reporting Guidelines including "influence on stakeholder assessment and decision" and "significance of economic, environmental and social impact", to determine key topics to be included in its CSR Report. We suggest that the Bank may consider further improving the criteria, process and procedures in accordance with the G4 Sustainability Reporting Guidelines in order to facilitate the identification, assessment and reporting of significant issues that are relevant to its CSR Report.

*PricewaterhouseCoopers*  
 PricewaterhouseCoopers Zhong Tian LLP  
 Shanghai, China, 25 March 2014



## The Key Data Compilation

### Social Performance

#### Balance of Farmer Loans (100 million):

the balances of petty loans for farmers, production and operation loans for rural persons, house building loans for the farmers in quake-hit areas, loans for farm machines, loans for farmers going abroad to work, loans for farmers purchasing or building houses, other "Sannong", personal loans and other loans for production and operations.

#### Number of County-level Outlets:

the number of county branches and licenced below-county outlets under the management of the 37 tier-1 branches in mainland. County branches are the branches located within the jurisdictions of "county" or equivalent administrative divisions that are determined by the national government, including county-level city, county, autonomous county, banner, autonomous banner, special district at county-level, and forestry district. Below-county outlets are the branches that are within the jurisdictions of below-county areas or equivalent administrative divisions, or administrative unit below county level, including town, township, sumu, ethnic township and ethnic sumu. The statistics includes all licensed county branches, including the ones licensed but not yet opened.

#### Total Number of Hui Nong Cards Issued (10,000):

the number of Kins Hui Nong Cards issued. Kins Hui Nong Card is a standard Union Pay debit card issued to farmers by the ABC. Apart from its functions of cash deposit/withdrawal, money transfer and settlement, consumption and wealth management, Kins Hui Nong Card also provides small loans and fiscal subsidiaries, coupled with certain free-of-charge benefits to card holders.

#### Total Amount of Donation (10,000RMB):

amount of donations made for public welfare and other similar contributions. Donations for public welfare is 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.

#### Total Number of Employees:

number of employees who hold labour contracts within the group level, including those working in domestic and overseas branches and domestic subsidiaries.

#### Total Number of County-level Employees:

number of employees who hold labour contracts and work at county-level branch outlets within the group level. County-level branch outlets are defined as county branches and licenced below-county outlets under the management of the 37 tier-1 branches in mainland. County branches are the branches located within the jurisdictions of "county" or equivalent administrative divisions that are determined by the national government, including county-level city, county, autonomous county, banner, autonomous banner, special district at county-level, and forestry district. Below-county outlets are the branches that are within the jurisdictions of below-county areas or equivalent administrative divisions, or administrative unit below county level, including town, township, sumu, ethnic township and ethnic sumu.

#### Proportion of Female Employees (%):

proportion of female employees is defined as number of female employees divided by the number of 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 and overseas branches, domestic 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.

**Proportion of Ethnic Minority Employees (%):**

proportion of ethnic minority employees is defined as number of ethnic minority employees divided by the number of employees. The number of employees is defined as the number of employees who hold labour contracts within the group level, including those working in domestic and overseas branches, domestic 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.

**Total Number of Employee Trainings (10,000 person times):**

defined as the number of employee attending in the trainings for which the ABC sends formal notices. The scope includes the headquarters, 37 tier-1 branches and 3 training colleges.

**Total Number of Domestic Branch Outlets:**

domestic branch outlets includes the headquarters, exclusive institutions at the headquarters, tier-1 branches (directly subordinate), tier-2 branches (operation departments of provincial branches), tier-1 sub-branches (municipal cities, operation departments of directly subordinate branches and operation departments of tier-2 branches), operation departments of local branches and other institutions. The statistics includes all licensed branches, including the ones licensed but not yet opened.

**Environmental Performance****Water Consumption Per Capita in Office (m3/person):**

total water consumption at the headquarters in 2013 divided by the number of employee at the headquarters.

**Electricity Consumption Per Capita in Office (kwh/person):**

total electricity consumption at the headquarters in 2013 divided by the number of employees at the headquarters.

**Gas Consumption Per Capita in Office (m3/person):**

total gas consumption at the headquarters in 2013 divided by the number of employees at the headquarters.

**Volume of Recycled and Reused Water (treated water system, ton):**

defined as the total volume of recycled and reused water in 2013 at the headquarters.

**Percentage of Recycled and Reused Water (treated water system, %):**

defined as the total volume of recycled and reused water at the headquarters in 2013 divided by the total water consumption at the headquarters.

**GRI4.0 Index of GRI Indicators**

Ranking	Content	Index
<b>Strategy and analysis</b>		
G4-1	Provide a statement from the most senior decision-maker of the organization.	Used
G4-2	Provide a description of key impacts, risks, and opportunities.	Used
<b>Organizational profile</b>		
G4-3	Report the name of the organization.	Used
G4-4	Report the primary brands, products, and services.	Used
G4-5	Report the location of the organization's headquarters.	Used
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Used
G4-7	Report the nature of ownership and legal form.	Used
G4-8	Report the markets served (including geographic break down, sectors served, and types of customers and beneficiaries).	Used
G4-9	Report the scale of the organization, including: Total number of employees Total number of operations Net sales (for private sector organizations) or net revenues (for public sector organizations) Total capitalization broken down in terms of debt and equity (for private sector organizations) Quantity of products or services provided.	Used
G4-10	Report the total number of employees by employment contract and gender. Report the total number of permanent employees by employment type and gender. Report the total workforce by employees and supervised workers and by gender. Report the total workforce by region and gender. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Report any significant variations in employment numbers.	Used Used Used Used Not used Used
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Used
G4-12	Describe the organization's supply chain.	Used
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Used
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Used
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Used
G4-16	List memberships of associations (such as industry associations) and national or international advocacy	Used
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Used Not used
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	used Used
G4-19	List all the material Aspects identified in the process for defining report content.	Used
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Used
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	Used

Ranking	Content	Index
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Used
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Used
G4-24	Provide a list of stakeholder groups engaged by the organization.	Used
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Used
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Used
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Used
<b>Report profile</b>		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Used
G4-29	Date of most recent previous report (if any).	Used
G4-30	Reporting cycle (such as annual, biennial).	Used
G4-31	Provide the contact point for questions regarding the report or its contents.	Used
G4-32	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	Not used Used Used
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Used Used Used Used
<b>Governance</b>		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Used
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Used
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Used
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Used
G4-38	Report the composition of the highest governance body and its committees.	Used
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Used
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Not used
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Not used

Ranking	Content	Index
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Used
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Used
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	Not used Not used
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Used Not used
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Used
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Used
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Used
G4-49	Report the process for communicating critical concerns to the highest governance body.	Used
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Used
G4-51	Report the remuneration policies for the highest governance body and senior executives. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Not used Not used
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Not used
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Not used
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Not used
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Not used
<b>Ethics and integrity</b>		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Used
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Used
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Used

Ranking	Content	Index
<b>Economic</b>		
G4-EC1	Direct economic value generated and distributed.	Used
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Used
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Used
G4-EC4	Financial assistance received from government.	Used
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Used
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	Used
G4-EC7	Development and impact of infrastructure investments and services supported.	Used
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Used
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Used
<b>Environmental</b>		
G4-EN1	Materials used by weight or volume.	Used
G4-EN2	Percentage of materials used that are recycled input materials.	Used
G4-EN3	Energy consumption within the organization.	Used
G4-EN4	Energy consumption outside of the organization.	Used
G4-EN5	Energy intensity.	Used
G4-EN6	Reduction of energy consumption.	Used
G4-EN7	Reductions in energy requirements of products and services.	Used
G4-EN8	Total water withdrawal by source.	Inapplicable
G4-EN9	Water sources significantly affected by withdrawal of water.	Inapplicable
G4-EN10	Percentage and total volume of water recycled and reused.	Used
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Used
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Used
G4-EN13	Habitats protected or restored.	Used
G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Inapplicable
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1).	Inapplicable
G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2).	Inapplicable
G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3).	Inapplicable
G4-EN18	Greenhouse gas (ghg) emissions intensity.	Not used
G4-EN19	Reduction of greenhouse gas (ghg) emissions.	Not used
G4-EN20	Emissions of ozone-depleting substances (ods).	Inapplicable
G4-EN21	Nox, Sox, and other significant air emissions.	Inapplicable
G4-EN22	Total water discharge by quality and destination.	Inapplicable
G4-EN23	Total weight of waste by type and disposal method.	Not used
G4-EN24	Total number and volume of significant spills.	Inapplicable
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Inapplicable
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Inapplicable
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Used
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Inapplicable

Ranking	Content	Index
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Inapplicable
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Inapplicable
G4-EN31	Total environmental protection expenditures and investments by type.	Used
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Not used
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Inapplicable
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Inapplicable
<b>Employment</b>		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Not used
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation.	Not used
G4-LA3	Return to work and retention rates after parental leave, by gender.	Not used
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Not used
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Inapplicable
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Not used
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Inapplicable
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	Used
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Used
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Used
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Not used
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Used
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not used
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Not used
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Not used
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Not used
<b>Human rights</b>		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Not used
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Used
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	Inapplicable
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	Inapplicable
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Inapplicable
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	Inapplicable
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	Not used



Ranking	Content	Index
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	Used
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Inapplicable
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Not used
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Inapplicable
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Inapplicable
<b>Society</b>		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Used
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	Used
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Used
G4-SO4	Communication and training on anti-corruption policies and procedures.	Used
G4-SO5	Confirmed incidents of corruption and actions taken.	Not used
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Inapplicable
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not used
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Inapplicable
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Not used
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Not used
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	Inapplicable
<b>Product responsibility</b>		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Used
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Not used
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Used
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Inapplicable
G4-PR5	Results of surveys measuring customer satisfaction.	Used
G4-PR6	Sale of banned or disputed products.	Inapplicable
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Inapplicable
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Used
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Inapplicable

## Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2013. To provide you and other stakeholders with even more valuable information and improve our ability to fulfill CSR, we sincerely welcome any opinions and suggestions you may offer on the report via:

Fax: 010-85108214

Mail to: 69 Jianguomennei Avenue, Dongcheng District, Beijing, PRC

Postcode: 100005

### Which of the following stakeholder types apply to you?

- Government
  Regulatory Authority
  Shareholder and Investor
  Customer
  Employee
  Supplier and Partner
  Community
  Public and Media

### Do you think the Report has fully satisfied your expectations for the Agricultural Bank of China?

- Yes
  No

### Which of your expectations do you think is not reflected in this Report?

#### Do you think the Agricultural Bank of China has met your expectations well?

- Yes
  No

### Which of your expectations do you think has not been met well?

#### Do you think the arrangement of content and layout design of the Report provide easy ready?

- Very good
  Good
  Average
  Below average

### What other opinions and suggestions do you have on our fulfillment of social responsibility and this Report?

## Notes on the Report

### Scope of time covered:

This is an annual report that covers the period from January 1 to December 31, 2013. Part of the content is in excess of the above scope.

### Scope of organization:

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 (referred to as "ABC" and "Bank" herein).

### Basis for compilation of the Report:

This Report was prepared in accordance with the Sustainable Development Reporting Guidelines of the Global Reporting Initiative (GRI 4.0) and its Financial Service Sector Supplemental Guidelines; ISO26000 Social Responsibility Guidelines (2010); the Opinions on Strengthening Social Responsibilities of Banking Institutions issued by the China Banking Regulatory Commission (CBRC); the Guidelines on Corporate Social Responsibility of Banking Institutions of the China Banking Association (CBA); the Guidelines of the Shanghai Stock Exchange on Environmental Information Disclosure of Listed Companies and the Guidelines for the Preparation of Reports on Performance of Corporate Social Responsibilities of the Shanghai Stock Exchange; SEHK Environmental, Social and Governance Reporting Guide and other relevant opinions and guidelines.

### Notes on data:

Some financial data in this Report were originally included in the Bank's annual financial statement for 2013 (which had been audited by PWC). Other data mainly originate from the statistics of the internal system and the affiliates of the Bank for 2013.

### Assurance method:

To ensure its truthfulness and reliability, this Report is submitted to PWC for limited assurance of the key data disclosed therein in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information.

### Publication:

This Report is released both in hardcopy and electronic form. The latter is available at the Bank's website ([www.abchina.com](http://www.abchina.com)). This Report is published both in Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

### Contact information:

Corporate Culture Department of Agricultural Bank of China Limited  
Address: No. 69 Jianguomennei Avenue, Dongcheng District, Beijing 100005, PRC  
Fax: 86-10-85108214





**中国农业银行**

AGRICULTURAL BANK OF CHINA

No. 69 Jianguomennei Avenue, Dongcheng  
District, Beijing, PRC  
Customer Service: 95599  
Zip code: 100005  
[www.abchina.com](http://www.abchina.com)



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website of Agricultural  
Bank of China