



Bank of Jinzhou Co., Ltd.
2017

Environmental, Social and
Governance Report

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2017
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Environmental, Social
and Governance Report



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About this Report

This report describes the performance of Bank of Jinzhou Co., Ltd. ("Bank of Jinzhou" , the "Bank" or "we") in fulfilling its social responsibility, and provides key disclosures of information pertaining to the Bank' s efforts to promote economic, social and environmental sustainability.

Reporting Period

From 1 January 2017 to 31 December 2017 (the "Reporting Period").

Reporting Cycle

This report is prepared annually.

Reporting Scope

Unless otherwise stated, this report focuses on Bank of Jinzhou as a main reporting entity, covering its subsidiaries, branches, sub-branches and special institutions.

Basis of Preparation

This report has been prepared in accordance with the disclosure recommendations of Appendix 27-Guidelines for Environmental, Social and Governance Reporting to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and with the reference to:

The Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI4.0);

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

Guidelines of the Shanghai Stock Exchange on Environmental Information Disclosure of Listed Companies of the Shanghai Stock Exchange;

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

Collection of Information

Part of the financial information contained in this report is based on 2017 financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") and audited by KPMG. Other information is sourced from statistical data of the Bank's internal systems and branches. Cases cited are real cases in the Bank's operations. Unless otherwise stated, renminbi is the functional currency throughout this report.

Report Assurance

The board of directors of Bank of Jinzhou Co., Ltd. (the "Board") and all directors undertake that the information in this report contains no false record, misleading statement or material omission, and assume individual and joint and several liabilities to the authenticity, accuracy and completeness of the information in this report.

KPMG Huazhen LLP was appointed to perform independent limited assurance on the report in accordance with the International Standards on Assurance Engagements ("ISAE") 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and issued an assurance report.

Issuance Form

This report is issued in the form of printed version and published on the websites at <http://www.jinzhoubank.com> and <http://www.hkexnews.hk>.

This report is available in Chinese and English. If there is any conflict between the Chinese version and its English translation, the Chinese version will prevail.

Preparer of the Report

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Message from the Chairman

The year 2017 is a year of great significance with opportunities and challenges intertwined. The 19th National Congress of the Communist Party of China depicted a grand blueprint for the new era of the Chinese characteristics socialism, and launched the mission of building a well-off society and a modernized socialist country. All employees of the Bank unite to face challenges and maintain a solid growth momentum. Through proactively serving the real economy, preventing and managing financial risks, the fervent practice of financial inclusion, and active involvement in social welfare activities, the Bank actively contributes to promoting economic growth, social harmony and environmental protection.

Strengthening the Party Building work and strictly maintaining compliance. The Bank strengthened the Party Building work, managed the Party and the Bank by the highest standard, and earnestly implemented “One Post, Two Duties” and “Three Important and One Large” decision making procedures, in order to enhance the governance structure and improve the ability of governance. In addition, the Bank actively responded to the new requirements of the financial regulation reform, rigorously maintained the risk bottom line, enhanced risk control, deepened the internal control construction, and solidified the compliance management foundation to ensure a firm and stable development.

Committing to serving the real economy and developing inclusive finance with multiple measures. The Bank kept in mind its financial mission and development orientation, and committed to the function of city commercial banks, i.e. “serving local economy, small and micro enterprises and urban and rural residents”, and focused on its principal business. Through “Two Grassroots Mobilization” model, the Bank effectively mobilized the grassroots branches and grassroots Party organization, developed a unique financial inclusion journey, and improved and enhanced finance supply by diversified, efficient and convenient financial services, to enable continuous growth of the Bank in the course of promoting the sustainable development of the economy and society. The Bank ranked 203rd among the “Top 1,000 World Banks” published by The Banker of UK, 47 places higher than the previous year.

Giving top priority to serving customers and embracing technological changes. The Bank has accelerated the innovation of products, services and technologies, promoting the construction of intelligent outlets and online banking to broaden customer service channels. Through the utilisation of technologies such as big data, artificial intelligence and biometrics, the bank has explored new financial service models and used modern technologies to improve the efficiency of financial services.

Adhering to social welfare and actively promoting poverty alleviation. The Bank has resolutely implemented the decision and deployment of the central government to liberating its people from poverty and practised the commitment of “Bank in the Hometown Serving People in the Hometown” and “Serving the Society and Bringing Benefits to the Hometown” to build a model of financial poverty alleviation with its own characteristics through policy support, industrial support and targeted poverty alleviation. The Bank is the only financial institution in Jinzhou that won the title of “The Enterprise Making Special Contribution to Poverty Alleviation”.

Focusing on the development of employees and paying attention to humanistic care. Adhering to the concept of developing the bank relying on talents, the Bank has continuously improved the level of human resources management, strengthening the building of a talent team, and providing employees with a multi-channel career development path. The Bank has paid attention to the healthy growth of employees and carried out various cultural and sports activities to enrich the leisure life of employees. The Bank has made efforts to provide employees with a safe and stable working environment and create a good space for development, building a harmonious bank that grows together with its employees.

Promoting green finance and fulfilling development with environmental protection. The Bank actively implemented the state's development strategy on green credit, and improved industrial credit policies to facilitate the development of energy conservation and emissions reduction and environmental protection industries. The Bank has actively guided employees and customers to participate in low-carbon environmental protection initiatives, advocated green operations, and practised green offices to jointly build a green ecological home.

The year 2018 is the first year for the full implementation of the spirit of the 19th National Congress of the Communist Party of China. It is also a crucial year for completing the progress of building a moderately well-off society in all aspects. Guided by the thought of socialism with Chinese characteristics in the new era of Xi Jinping and aiming at high quality development, the Bank will serve the real economy with more specialized financial products, practise inclusive finance with a stronger sense of responsibility, reward shareholders with more stable business performance and give back to the community with more continuous resources investment, making every effort to create comprehensive economic, social and environmental values.

ZHANG WEI
Chairman

Jinzhou, China
13th July, 2018

Message from the President

In 2017, under the complex and rigorous economic and financial and regulatory environment, the Bank's management thoroughly implemented the resolution and deployment and strategic planning of the Board of Directors, and overcame difficulties to forge ahead following the business principles of "changing models, adjusting structure, controlling risks and stabilizing development" to maintain overall performance quality and efficiency and steady progress in the business development, further enhancing the ability of sustainable development. In addition, we have taken into account both the creation of economic value and the realization of social values. We have the courage to shoulder the responsibilities and obligations of being a corporate citizen and allow stakeholders to share value results. We are committed to contributing to the sustainable development of economy, environment and the society.

Giving priority to quality and adhering to steady operation. In 2017, with an overall work approach of progressing steadily and focusing on the improvement of development quality, we have adjusted and optimized the business structure, adhered to the bottom line of risk compliance and improved the quality of operation and management to continuously improve our core competitiveness. As of the end of the Reporting Period, the Bank's total assets reached RMB723.418 billion, an increase of 34.2% year on year. Net profit was RMB9.090 billion, a year-on-year increase of 10.9%. The Bank issued \$1.496 billion overseas preferred stocks, an effective replenishment of its working capital. The Bank ranked 203rd among the "Top 1,000 World Banks" published by The Banker of UK in 2017 and ranked first among city commercial banks with an asset size of over RMB300 billion in terms of overall competitiveness, and was granted the Best City Commercial Bank Award.

Providing flexible financial supports to the real economy. Considering the requirements of building a modern economic system, we implemented a new development concept in 2017, focused on main business, returned to the position of "serving local economy, small and micro enterprises and urban and rural residents" and responded to "the revitalisation of the old industrial base of the Northeast China, the strategy for rejuvenating the countryside and the start-ups and public innovation" and other major national strategies and key projects, to promote industrial transformation and upgrading and facilitate the development of strategic emerging industries, actively injecting financial liquidity into the real economy and supply-side reform. We effectively improved our service quality for "Three Basics and Three Small's", vigorously supported the financing demands of small and micro enterprises and the agriculture-related issues and promoted inclusive finance based on the "Two Grassroots Mobilization" model.

Benefiting the public and enjoying a better life. We makes every effort to provide customers with safe, reliable, convenient and high quality financial services with customers as the centers through optimizing and upgrading products and services, and strive to provide customers with safe, reliable, convenient and high-quality financial services. Taking the change of

customers' financial behaviour as the breakthrough point, we embraced financial technologies in 2017, launching smart banking, smart robots, face withdrawals and smart teller machines and integrating E-banking into various life service scenarios to better meet customers' financial demands. In addition, we accelerated the transformation of business outlets and broadened the channels of customer service to create comfortable customer perceptions and experiences. We established an office of consumer rights protection to protect customer rights and ensure customer information security.

Creating human harmony and employees' happiness. We have paid attention to talents-based development, continuously strengthening the management and cultivation of human resources to build a harmonious bank and a happy home. In 2017, the bank-wide promotion of professional serials provided employees with a multi-channel development path to help employees achieve their career ideals. We improved the applicability of our trainings and made them more scientific. The "Excellent Learning and Leisure Enjoying" platform was officially launched, forming an online and offline multi-dimensional training model. We continuously helped employees balance work and life, and a variety of entertainment and sports activities enhanced the employees' sense of belonging and acquisition.

Co-existence and sincerely giving back to the society. In 2017, we continued to improve the green credit policy, guiding credit resources into the green field to create green values. We organized and participated in various types of environmental charity activities and comprehensively promoted green offices and energy conservation and environmental protection for daily operations. We carried out a wide range of activities to help people in difficulties and support poverty alleviation and social services, establishing a good social image. We carried out "hematopoietic" financial poverty alleviation through policy support, industrial support and precise positioning, vigorously facilitating the fight against poverty.

In 2018, in the blueprint of the new era, the Bank of Jinzhou, standing on a higher political position, will fully implement the spirit of the 19th National Congress of the Communist Party of China, the Central Economic Work Conference and the National Financial Work Conference to take the initiative to shoulder its responsibilities and fulfil its mission. Adhering to the principle of "serving the society and benefiting the public", the Bank will continuously create values for the economy, the environment and the society with financial strengths. Taking "quality, responsibility, warmth, vitality and reputation" as the labels of social responsibility, the Bank will make new and greater contributions to promoting economic prosperity and development and serving the people for a better life.

LIU HONG
President

Jinzhou, China
13th July, 2018



I. About Us

1.1 Company Profile

Bank of Jinzhou was founded on 22 January 1997, and is headquartered in Jinzhou, Liaoning Province, the People's Republic of China (the "PRC"). It was listed on the Main Board of the Hong Kong Stock Exchange Limited on 7 December 2015 (Stock Code: 0416). On October 27, 2017, it successfully issued \$1.496 billion of overseas preferred equities and was listed on the Hong Kong Stock Exchange (Stock code: 4615). As of the end of the Reporting Period, the Bank had 15 branches and seven village and township banks, and owned the Bank of Jinzhou Financial Leasing Co., Ltd. It operates a total of 232 branches, and has entered into a correspondent banking relationship with 517 banks over 70 countries and regions.

Adhering to the basic concept of "complying with laws and regulations is the foundation of the Bank" and conscientiously implementing the business principles of "changing modes, adjusting structure, controlling risks and stabilizing development", the Bank's performance has steadily progressed, management quality has been improved, corporate culture has been promoted and social influence has been greatly enhanced. As of the end of the Reporting Period, the Bank's total assets amounted to RMB723.418 billion, total loans amounted to RMB215.121 billion and total deposits were RMB342.264 billion.

The Bank has been fully recognized by the public, peer associations and investors with its good corporate governance and business performance. It has successively won the "2017 National Top Ten Commercial Banks Supporting the Development of Small and Medium Enterprises" and the "Special Contribution Enterprise for Poverty Alleviation" in Jinzhou City. The Bank ranked 203rd by Tier 1 capital as of December 31, 2016, among the "Top 1,000 World Banks" published by The Banker in July 2017, and ranked first among city commercial banks with an asset size of over RMB300 billion in terms of overall competitiveness, and was granted the 2016 Best City Commercial Bank Award.

1.2 Honours and Awards

Awarders	Honours and Awards	Awarded Time
China UnionPay	2016 Most Potential Award for UnionPay Card Business	January 2017
Liaoning Banking Association	The Best Organization of the 10th Anniversary of the Establishment of Quality, Civilized and Standard Services	January 2017
Jinzhou Municipal Party Committee and Municipal Government	Special contribution enterprise to poverty alleviation and overcoming difficulties	February 2017
National Inter-Bank Borrowing Center	2016 Inter-Bank Domestic Currency Market Excellent Members Selection	March 2017
Publicity Department of Liaoning Province, State-owned Assets Supervision and Administration Commission of Liaoning Province and Trade Union of Liaoning	Excellent Entity in Ideological and Political Work in Liaoning Province	June 2017
China Business Journal	2017 China Business Journal Financial Technology Growth Value Award	June 2017
2017 China Wealth Management Agency Junding Award	2017 Junding Award for Wealth Management Brand of Chinese City Commercial Banks (Rural Commercial Banks) 2017 Junding Award for Chinese Bank Wealth Management Products with Stable Income	July 2017
The Chinese Banker	The Bank ranked first among city commercial banks with an asset size of over RMB 300 billion in terms of overall competitiveness and was granted the 2016 Best City Commercial Bank Award	September 2017
China Association for Small & Medium Commercial Enterprises and China General Chamber of Commerce	Top Ten Commercial Banks in China for Supporting the Development of SMEs	November 2017
CFCA and China Electronic Banking Network	2017 Business Innovation Award for Best Internet Finance of Regional Banks	December 2017
2017 China Financial Development Forum and the 8th Jinding Award"	Excellent Asset Management Bank	December 2017

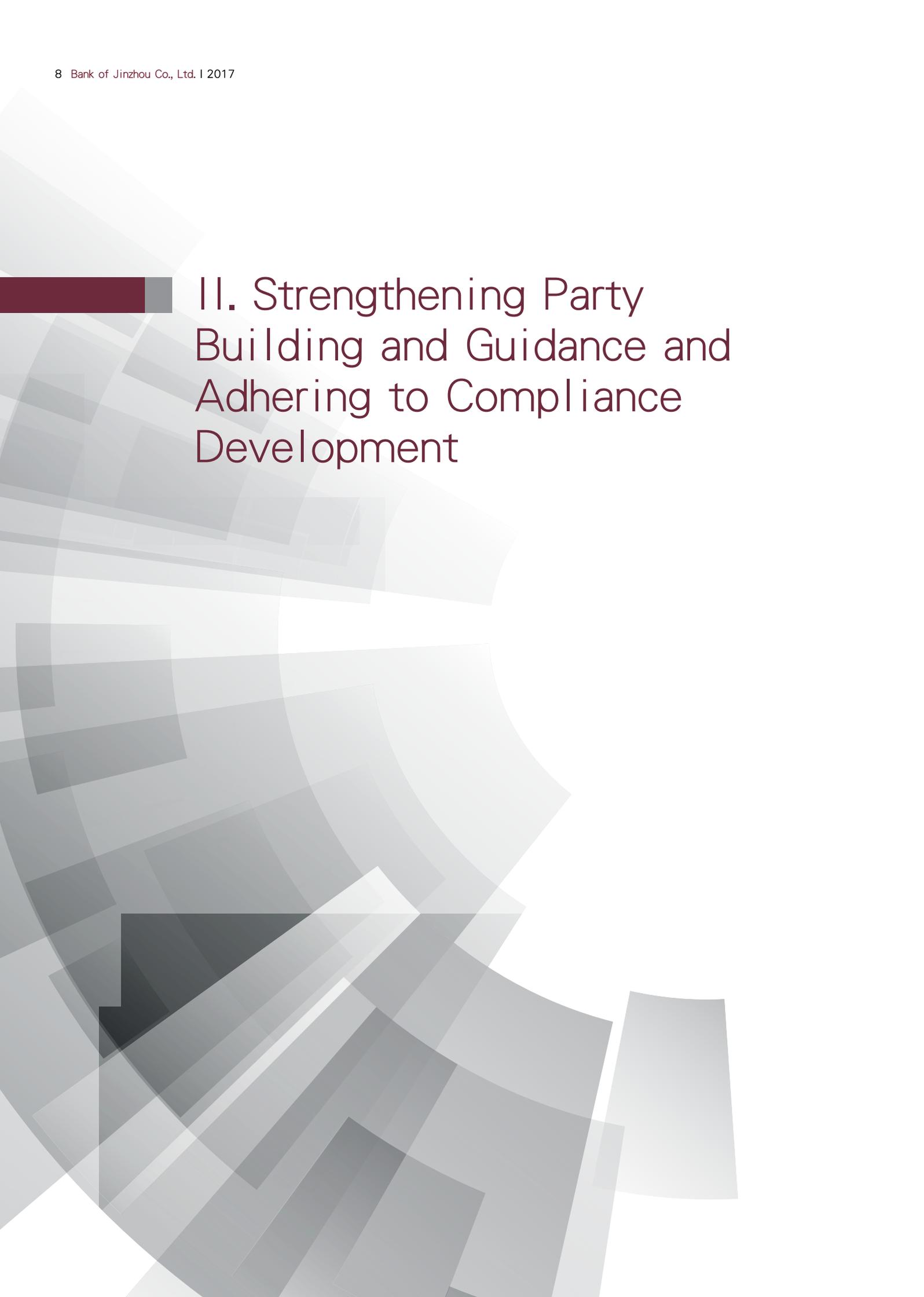
1.3 Key Performance Indicators

Type of KPI	Name of KPI	Unit	2017	2016
Economic KPIs	Operating income	RMB100 million	188.06	164.14
	Net profit	RMB100 million	90.90	81.99
	Basic earnings per share	RMB	1.32	1.40
	Total assets	RMB100 million	7,234.18	5,390.60
	Total deposits	RMB100 million	3,422.64	2,629.69
	Loans and advances to customers	RMB100 million	2,151.21	1,268.00
	Returns on average assets	%	1.44	1.82
	Returns on equity	%	21.03	25.16
	Non-performing loan ratio	%	1.04	1.14
	Allowance coverage ratio	%	268.64	336.30
Social KPIs	Capital adequacy ratio	%	11.67	11.62
	Total taxes paid	RMB100 million	41.72	41.90
	Charitable and other donations	RMB10 thousand	18,289	30
	Social contribution per share ¹	RMB	5.37	4.05
	Balance of loans to small and micro businesses	RMB100 million	1,011.48	610.44
	Customer complaints handling satisfaction rate	%	100	100
	Headcount ²	Person	5,796	5,519
Environmental KPIs	Proportion of female employees ²	%	59.27	59.03
	Replacement percentage of e-banking	%	75.69	62.66
	Head office power consumption	1 kWh	1,051,662	1,035,026
	Head office water consumption	Ton	6,646	5,423
	Head office paper consumption	Sheet	779,500	700,000
	Head office coal gas consumption	Cubic meter	19,182	Not Applicable
Head office Oil consumption ³	Liter	50,446	Not Applicable	

¹ Social contribution per share = (annual tax paid + staff salaries paid + loan interest paid to creditors + total outbound donations - other social cost arising from environmental pollution) ÷ total share capital + basic earnings per share.

² This indicator is the data of the Bank excluding subsidiaries.

³ The Bank has not yet established the statistical system of this KPI in 2016.



II. Strengthening Party Building and Guidance and Adhering to Compliance Development

2.1 Party Building and Guidance

The Bank has actively studied and implemented the spirit of the 19th National Congress of the Communist Party of China, and solidly promoted the "two studies and one work" study and education system and the "three real and three true" special study and education campaign. The Bank has strictly managed and governed the Party of the Bank, integrating the core leading and political role of the Party into all aspects of corporate governance, and implemented the requirements of the 19th National Congress of the Communist Party of China in all areas of the Bank's business reform and development. The Party building has been closely integrated with the enhancement of innovation ability and service level and promoted together with risk prevention and the compliance of internal control. The Party building of the Bank and the construction of leadership and staff team have been mutually promoted. The Bank has strengthened the building of a clean Party, keeping in mind its mission and responsibility.

2.1.1 Grassroots Level Party Building

In 2017, the Bank launched the "Year of Improvement of Grassroots Level Party Building", which proposed new standards and new requirements for grassroots Party building. The Bank focus on central work, Party building and promote development, and effectively promote the building of Party members. The Bank issued the "2017 Grassroots Party Secretary Training Plan of the Bank of Jinzhou" in the grassroots Party organizations. The Bank carried out the "Party members going into the community" volunteer service day activity to preach financial knowledge and provide financial services. As of the end of the Reporting Period, the entire group had a total of 146 Party organizations, including 1 Party committee of the head office, 17 grassroots Party committees, 3 general Party branches and 125 Party branches. The Bank had 2,153 Party members, accounting for 37.1% of the Bank's employees.

Case: Party Members Going into the Community

On 22 July and 23 July, 2017, the Party Committee of the Bank of Jinzhou organized 27 Party branches and 458 Party members to go into the community to participate in the "Double Hundred" action. They went to the community to help clean up the hygiene, remove small advertisements and beautify the city environment and help residents with difficulties in movements clean up their home, giving full play to the role of grassroots Party organizations and exemplary roles of Party members.



2.1.2 Building a Clean Party

The Bank has attached great importance to anti-corruption, raised political standing, strengthened political direction, adhered to the principle of strictly administering the Party, earnestly implemented "two responsibilities" and "two regulations" and practiced "four forms". Focusing on the core issue and serving the overall situation, the Bank has continuously promoted the construction of a system of punishing and anti-corruption, and strives to achieve new results in building a clean and honest government and fighting corruption. The Bank has strengthened its responsibilities, effectively implementing the "two responsibilities" and signing the "Responsibility for the Implementation of the Party's Work Style and Clean Government" and the "Commitment Card for the Implementation of the Party's Work Style and Clean Government" to further consolidate the responsibility of Party administration and promote the extension of subject responsibility and supervisory responsibility. The Bank has strengthened clean and honest education, improving the political awareness of Party members and cadres, deepening the study of "two studies and one work", truly keeping the requirements of Party constitutions and the spirit of the important speeches of General Secretary Xi Jinping in mind to build the ideals and beliefs. The Bank has strengthened the inter-Party supervision, earnestly doing a good job in investigating and handling cases, giving priority to small cases and dealing them earlier and taking the lead in practicing the "four forms", and attached great importance to the disciplines and rules. The Bank has held a warning education conference and watched warning education films to further enhance the awareness of honesty and self-discipline of Party members and cadres. The Bank has strictly implemented the talks about clean governance with leading cadres before the appointment and insisted on conducting the talks and education for each batch of adjusted cadres. The Bank has insisted on implementing the spirit of the Eighth Provisions of the Central Government, constantly improving the style of work, keeping an eye on the old issues, paying attention to new trends and correcting the "four behaviours" deeply. The strict disciplines should be used to regulate the behaviour of violation of rules and disciplines, promoting the building of the style of work to the whole chain of grassroots Party organizations and to cover the whole field.

The Bank strictly abided by laws and regulations including the Criminal Law of the People's Republic of China, and the Party's rules and regulations such as Disciplinary Punishment Ordinance of the Communist Party of China and Accountability Ordinance of the Communist Party of China, advanced the building of the internal control system and guarded against corruption, and sternly punished staff who violated laws and regulations.

Case: Hold a Meeting on the Work Style of the Party and Clean Government in 2017

On 13 March, 2017, the Bank held the 2017 Party Work Style and Clean Government Building Conference. The conference emphasized the establishment of political awareness, overall situation awareness, core awareness and awareness of conformity to strictly comply with the Party's political disciplines and political rules, implementing the Party's responsibility as a subject and supervision responsibility. The Bank deeply promoted "two studies and one work" education campaign, continued to carry out a solid and in-depth education, earnestly performed supervision and accountability, adhered to the unity of loyalty, clean and responsibility and the unity of politics and the improvement of the ability to accurately comply with the Party's disciplines, being a loyal defender of the Party's disciplines.

Case: Fuxin Branch Party Committee Organized a Visit to the Clean Government Education Base

On 6 July, 2017, the Party Committee members of Fuxin Branch visited the Party Cadre Education Base and the Anti-corruption Education Base of the Shenyang Railway Bureau, aiming at effectively implementing the requirements of comprehensively administering the Party to further strengthen the Party concept of Party members and cadres and their integrity and improve the sense of professionalism in order to build a clean and ethical political ecology and create a legal and compliant business atmosphere.



2.1.3 Ideological and Political Building

The Bank has carried out the special study education of "two studies and one work" and "three real and three true" to study and implement the spirit of the 19th National Congress of the Communist Party of China. Guided by the socialism with Chinese characteristics in the new era of Xi Jinping, the Bank has implemented the requirements of the 19th National Congress of the Communist Party of China in various fields and links of the business reform and development. Secretaries at all levels have personally taught Party members and held a contest of the knowledge about Party rules and regulations. All Party branches have actively organized life communication meetings and watched education films, actively learning from examples and models. In addition, the Bank has made full use of the internal media, such as newspaper, journal, OA system and WeChat group, creating a column and reporting the dynamics to create a good and practical atmosphere.

Case: Beijing Branch Organized Party Members to Visit and Celebrate the 90th Anniversary of the Founding of the Chinese People's Liberation Army

On 18 August, 2017, the Party Committee of the Beijing Branch organized Party members to visit the People's Revolutionary Military Museum of China to visit the theme exhibition "Remembering the Glorious History and Creating a Strong Army - Celebrating the 90th Anniversary of the Founding of the People's Liberation Army", leading the Party members to deeply understand the extraordinary development history and great achievements of Chinese People's Liberation Army and learn the spirit of the PLA soldiers that revolutionary ideal is the most important thing in the life and their spirit of loyalty, integrity, responsibility and hard work.

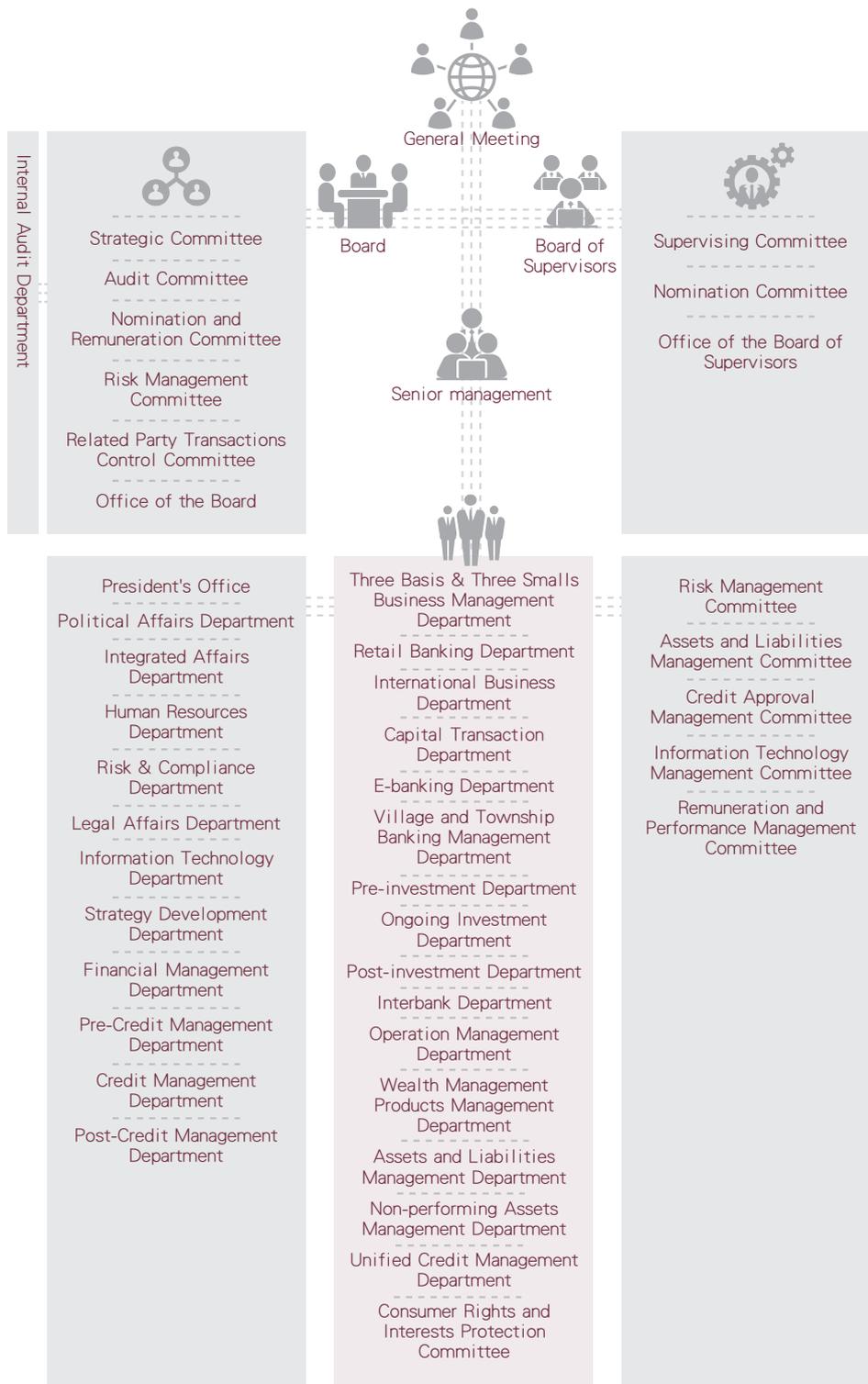


2.1.4 Building of Cadre Teams

The Bank has carefully implemented the good cadre standards of "Firm Belief, Serving the People, Diligence and Pragmatism, Daring to Take responsibility, Clean and Honest", "three strict and three real" and loyalty and clean. The Bank has earnestly implemented the "Regulations on the Selection and Appointment of Leading Cadres of the Party and Government", conducted trainings for cadres at different levels in ideas, work contents and working methods and strengthened the professionalism and pertinence of training to choose and use the cadres well, improving the overall quality and ability of the cadres.

2.2 Corporate Governance

The organisational structure of the Bank of Jinzhou as of the end of the Reporting Period is as follows:



The Bank has actively implemented the national economic policies and regulatory requirements, adapted to changes in the internal and external business environment and constantly improved the corporate governance structure and the management quality, achieving its own sustainable development. The Bank's general meeting of shareholders, the board of directors, the board of supervisors and the senior management have coordinated with each other, making checks and balances effectively. They have clear boundaries of duties and have actively incorporated the Party's governance in the corporate governance of the Bank to ensure that the Bank's governance is normative and efficient.

As of the end of the Reporting Period, Bank of Jinzhou had 12 directors, among whom four were executive directors, two were non-executive directors and six were independent non-executive directors. Independent non-executive directors accounted for over one third of the total directors in the Board. This is to ensure that the Board answers to all shareholders. As a supervisory body, the board of supervisors consisted of 13 supervisors, among whom five were the representatives of workers, three were the representatives of shareholders, and five were external supervisors, with one chairman and one vice chairman.

During the Reporting Period, the Bank held its first extraordinary general meeting on 8 February, 2017, the 2016 annual general meeting, the 2017 first domestic shareholders' class meeting and the 2017 first H shareholders' class meeting on May 25, 2017 and the second extraordinary general meeting on 29 December, 2017.

During the Reporting Period, the Bank held 12 Board meetings (including teleconferences), mainly deliberating and adopting 80 proposals including the 2016 annual board work report, 2016 final financial report, 2017 financial budget plan, 2016 annual report, 2016 profit distribution plan. The Board had five special committees, i.e. the strategy committee, the risk management committee, the related Party transactions control committee, the nomination and remuneration committee and the audit committee, and held 16 meetings and deliberated 55 proposals.

During the Reporting Period, the Bank held 12 Board of supervisors meetings, mainly deliberating and adopting 78 proposals including Work report of the 2016 Supervisory Committee, 2016 annual report, final financial report, profit distribution plan, hiring an accounting firm, and performance evaluation report for directors and supervisors. The Nomination Committee and the Supervising Committee held 10 meetings and deliberated 40 proposals.

On 29 December, 2017, upon approval of the second extraordinary general meeting in 2017, the Bank re-elected and elected the directors and supervisors for the new session. The terms of office of the newly appointed directors commenced from 13 February and 14 February, 2018 when they received the approvals of Liaoning Regulatory Bureau of the CBRC on their qualifications as directors until the expiration of the fifth session of the Board. The terms of office of the newly appointed supervisors commenced from the date of 2017 second extraordinary general meeting until the expiration of the terms of the fifth session of the board of supervisors of the Bank.

Information Disclosure and Investor Relations Management

The Bank disclosed information timely and normatively and implemented investor relations management more actively. In 2017, the Bank held the 2016 performance conference, communicating positively and directly with investors and the press. The Bank made timely announcements to the public through telephone, mail, visit reception, the investor relations column of company website and other channels, maintaining close and efficient communication with all stakeholders. Through accurate and standardized disclosures, the Bank strengthened market binding, maintained the interests of the shareholders and customers and built a bridge between the investors and stakeholders.

The Bank made regular reports (including audited financial report) and interim report in accordance with the "Measures for the Disclosure of Information of Commercial Banks", "the Securities Listing Rules of the Stock Exchange of Hong Kong Limited", the "Articles of Association" of the Bank and the "Information Disclosure Management System of Bank of Jinzhou" in electronic version on the websites of the Bank and the Hong Kong Stock Exchange. In 2017, the Bank issued more than 50 announcements and circulars.

2.3 Risk Management

In 2017, the Bank carried out comprehensive optimization of risk management in accordance with the regulatory requirements of CBRC's "Comprehensive Risk Management Guidelines for Banking Financial Institutions" (Yin Jian Fa [2016] No. 44). Based on the current risk management status of the Bank and referring to the external environment, the Bank designed a comprehensive risk management implementation plan, with management compliance as the bottom line and management improvement as the goal, using a combination of qualitative and quantitative methods to design a risk preference system that meets regulatory requirements and internal demand. The Bank comprehensively sort out and evaluated each business line and built a credit risk stress testing mechanism and system, laying a solid foundation for the subsequent refined risk management.

The Bank improved the risk preference system. By collecting and summarizing existing risk data, the Bank sort out risk preference policies, strategies and implementation status to built a risk preference system that is scientifically advanced and meets both regulatory requirements and the Bank's actual conditions, and a corresponding monitoring, early warning and reporting mechanism. The Bank improved the risk preference management method and risk preference statement, updated the risk preference quantitative indicators and risk limits and clarified the in-charge departments for risk preference indicator monitoring.

The Bank carried out the work of risk identification and evaluation. Considering regulatory requirements and best practice experience in the industry, the Bank defined risk classification standards, drew risk maps within the Bank, identified the Bank's main risk identification methods and established a comprehensive assessment methodology. The Bank identified the main risks that have a substantial impact on the Bank's business operations, which are measured from the two dimensions of the probability of occurrence of risk and the degree of impacts, assessing the specific risks and risk management levels faced by the Bank in a quantitative and qualitative manner. The Bank analysed various risks to form a risk assessment report based on the scores of the risks, assessing the overall risk status and risk management status.

The Bank built a credit risk stress testing system. It formulated the process, method and tools of credit risk stress test, and related test work was carried out from sensitive stress test and situational stress test, building a credit risk stress testing mechanism combining automation and multi-scenario and forming a stress test report.

The Bank optimized the current risk reporting framework and improved the framework and content of comprehensive risk reporting, realising data visualization and interactive presentation based on existing reporting content and data.

2.4 Compliance-based Operation

Adhering to the business philosophy of "Compliance with laws and regulations is the foundation of the Bank", strictly following regulatory requirements and adhering to the bottom line of compliance, the Bank has established a comprehensive and effective internal control compliance mechanism with responsibilities are clarified to continuously optimize business management processes and improve the level of internal control management.

2.4.1 Anti-money Laundering

The Bank has strictly fulfilled its obligations of anti-money laundering and actively carried out anti-money laundering and anti-financing laundering. According to "Anti-Money Laundering Law of the People's Republic of China", "Anti-money Laundering Regulations for Financial Institutions", "Administrative Measures for Large-Scale Transactions and Suspicious Transaction Reports of Financial Institutions", "Administrative Methods for the Identification of Customer Identity and Storage of Customer Identity and Transaction Records of Financial Institutions", "Guidelines for Money laundering and Terrorist Financing Risk Assessment and Customer Classification Management of Financial institutions", and other laws and regulations, the Bank has established and improved internal control system for anti-money laundering, finally forming an internal control system for anti-money laundering with 140,000 words and 25 regulations. The internal control system for anti-money laundering is based on the "Organizational Structure of the Leading Team of Bank of Jinzhou for Anti-Money Laundering and the Responsibilities of Member Departments", the "Anti-Money Laundering Management Measures of Bank of Jinzhou", "Administrative Measures for Large-Scale Transactions and Suspicious Transaction Reports of Bank of Jinzhou", "Administrative Methods for the Identification of Customer Identity and Storage of Customer Identity and Transaction Records of Bank of Jinzhou", "Administrative Measures for Classification of Risk Levels of Customers for Anti-Money Laundering and Anti-Terrorist Financing of Bank of Jinzhou", "Administrative Measures for Freezing Assets Relating to Anti-terrorism Financing and Terrorist Activities of Bank of Jinzhou", "Administrative Measures for the Analysis of the Types of Anti-money Laundering of Bank of Jinzhou and other regulations. The Bank has modified the internal control system in a proper time in accordance with the regulatory requirements and the status of anti-money laundering.

The Bank has continuously strengthened the building of the anti-money laundering system and upgraded the anti-money laundering system. In accordance with the requirements of the regulatory authorities, the Bank has established and improved the self-monitoring model of suspicious transactions, setting reasonable suspicious monitoring indicators and thresholds and fully tapping the data analysis potential of the anti-money laundering system to timely discover suspicious transaction behaviours and effectively prevent money laundering risks, combining manual analysis and identification.

The Bank has fulfilled its obligations to conduct anti-money laundering training and publicity, regularly organizing anti-money laundering personnel in the industry to participate in the anti-money laundering network training of the People's Bank of China and the independent training of anti-money laundering in the industry, and gradually expanded the scope of the staff participating in the training to the entire bank. The Bank has given full play to the role of financial institutions in anti-money laundering propaganda, using LED screens to broadcast slogans, setting up booths to distribute publicity materials and allocating staff to make on-site explanations about anti-money laundering to raise public acceptance for anti-money laundering.

Case: Harbin Branch Carried out Anti-money Laundering Propaganda Campaigns

In order to further popularize anti-money laundering knowledge, increase the prevention of money laundering risks and crack down on money laundering behaviour, on 20 September, 2017, the business outlets under the jurisdiction of Harbin Branch took unified actions to carry out propaganda campaigns with the theme of "implementing anti-money laundering regulations to monitor and prevent money laundering activities." By explaining knowledge of money laundering and disseminating publicity materials, the Branch enhanced the awareness of the money laundering risk prevention of shopping citizens, making more citizens understand the dangers of the criminal activities of money laundering to be vigilant against the risk of money laundering crimes to jointly safeguard financial order and ensure financial security.



2.4.2 Intellectual Property Right Protection

The Bank has always respected and protected others' intellectual property rights in its daily operations and publicity activities in accordance with the Advertising Law of the People's Republic of China, Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other laws and regulations. The Bank has regulated propaganda through various means, such as issuing legal risk warnings and implementing pre-examination of intellectual property rights, and effectively preventing the occurrence of intellectual property legal risks in publicity and marketing activities. It has set specific requirements for designing and preparing publicity materials. It is required that all pictures, special fonts and other elements shall be permitted and authorised by their copyright owners before they can be used in publicity materials independently designed and prepared by the Bank, unless the copyright owner has expressly stated that they can be freely used for commercial purposes, and the Bank shall pay royalties as required before such pictures, special fonts and other elements can be properly used within the permitted scope. In addition, the Bank must strictly verify material sources and refuse to use suspicious materials. It shall set up an intellectual property right inspection and a recordkeeping group, put in place an intellectual property right inspection mailbox and carry out inspection and recordkeeping work with respect to publicity and marketing materials to ensure that all pictures, videos, portraits, articles, fonts and other elements used in the Bank's daily operations and publicity activities are in line with relevant rules and regulations and subject to no intellectual property right violations.

In addition, in order to fully protect its intellectual property rights, standardise and enhance the management and use of intellectual property rights and build a good brand image, the Bank has strived to carry out registration and maintenance

work in respect of its trademark, Chinese and English domain names and the internet keyword in accordance with the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other laws and regulations.

The Bank strengthens advertising management and accelerate brand building and business development, the Bank issued the Measures for Publicity Management of the Huishang Bank and the “nterim Measures for Advertising Management of the Huishang Bank according to the Advertising Law of the People's Republic of China, the Regulations on Control of Advertisement and other applicable laws and regulations, which regulate the distribution and posting procedures of advertisements and other marketing materials, and provide that staff of the publicity department shall abide by applicable laws and regulations and shall not resort to exaggeration, falsehood, misleading claims or hype, in order to effectively boost reputation and prestige.

2.5 Social Responsibility Management

2.5.1 Social Responsibility Concepts

Core Concept:

The concept of corporate social responsibility of the Bank of Jinzhou is: aiming to “serving the society and benefiting the hometown” and committed to serving the local economy, small and micro enterprises and urban and rural residents, the Bank strives to develop competitiveness in social responsibility with its own characteristics, taking initiatives to bear its responsibilities in the economy, society and environment to promote mutual and sustainable development of both itself and stakeholders.

Three main goals:

The Bank of Jinzhou is committed to relying on the advantages of financial expertise to practice corporate social responsibility. Taking corporate social responsibility as an integral part of its core competitiveness, the Bank forms competitiveness in social responsibility with its own characteristics and contributes to the sustainable development of the economy, society and the environment.



In terms of economic responsibility

The Bank is committed to compliance and integrity, steady operation and the creation of more values for shareholders.



In terms of social responsibility

The Bank is committed to bringing benefits to the employees, customers and the community.

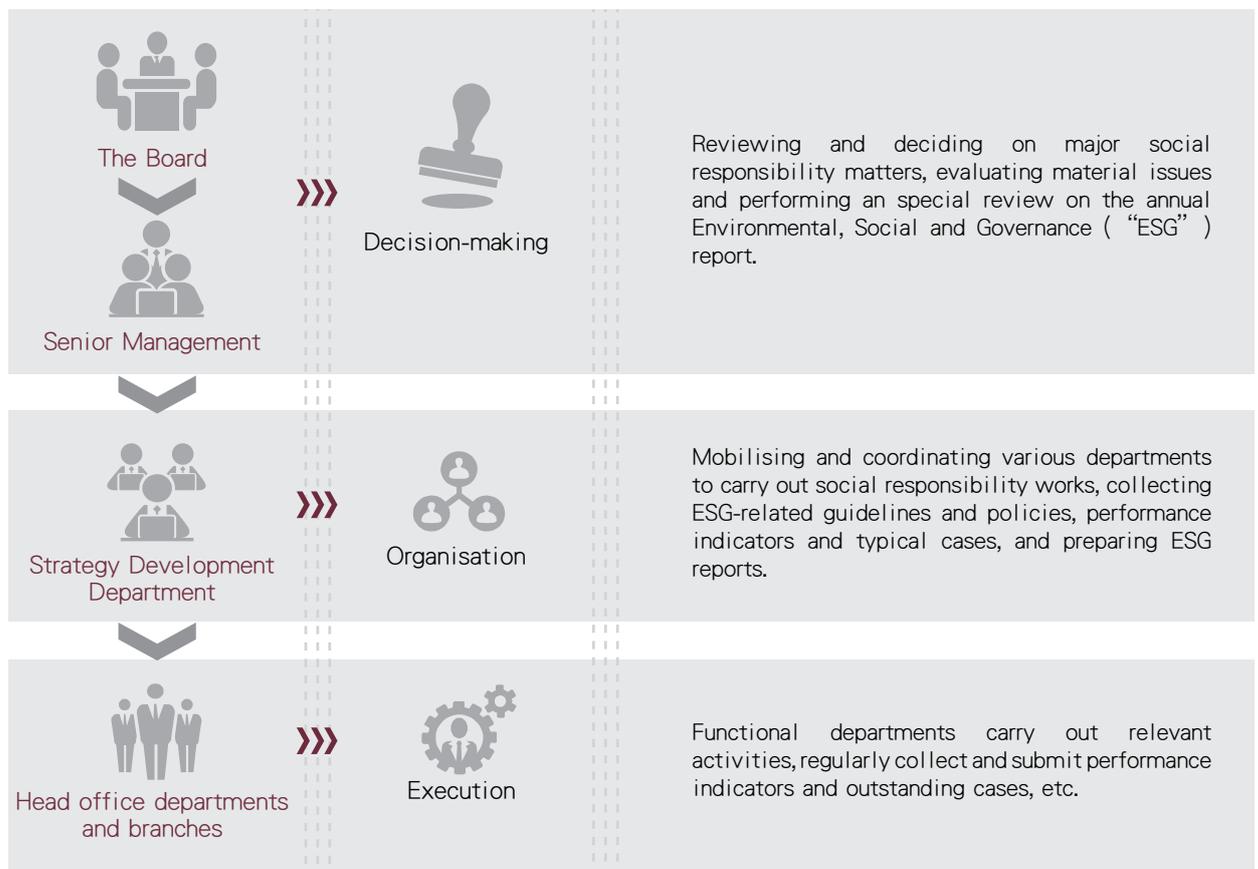


In terms of environmental responsibility

The Bank continues to promote green credit, vigorously build low-carbon banks and pursue sustainable and coordinated development.

2.5.2 Social Responsibility Management System

The Bank has embedded the concept of sustainable development in our daily operations, and built a social responsibility management system at the decision-making, organisation and execution levels. We formulate implementation strategies based on social responsibility priorities, and mobilise relevant departments to honour our social responsibility commitments in their daily operations.



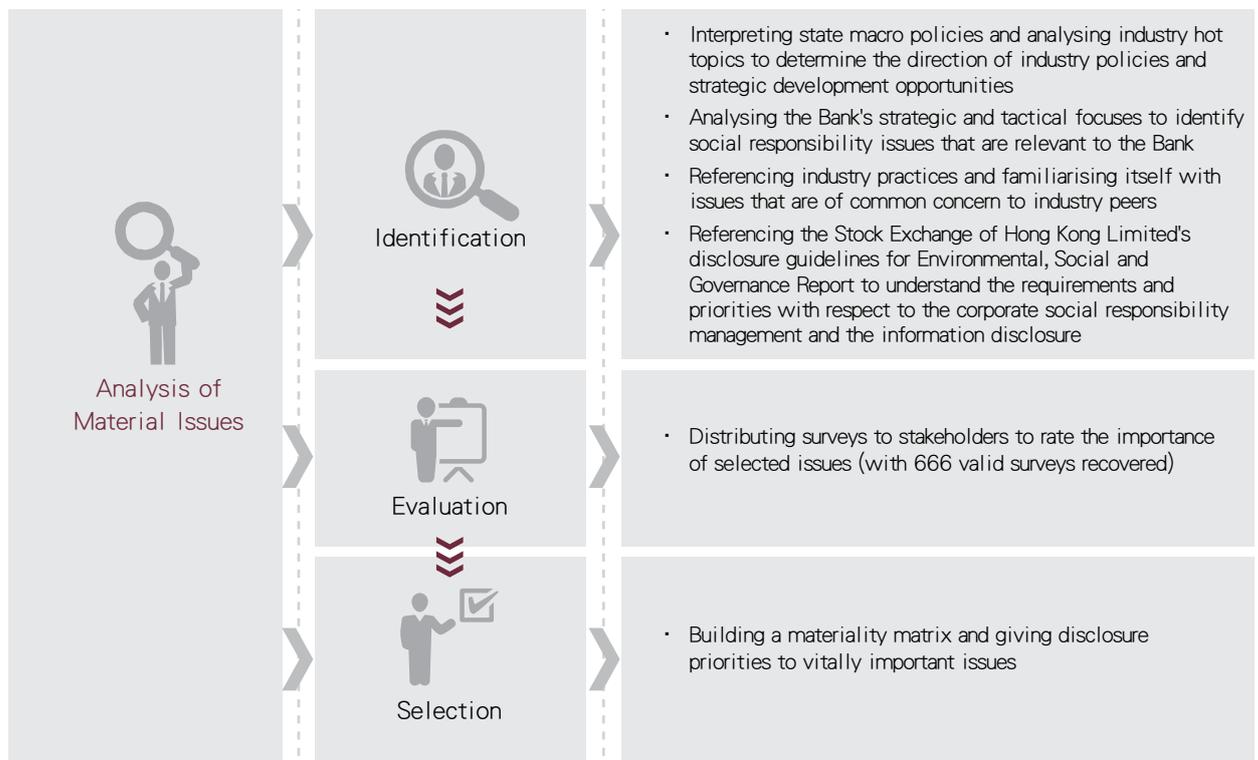
2.5.3 Stakeholder Participation

The Bank has put in place various means of communication in daily operations to enhance its communication and exchanges with stakeholders. It remained attentive to feedback from stakeholders and continued to improve its social responsibility governance capabilities and performance.

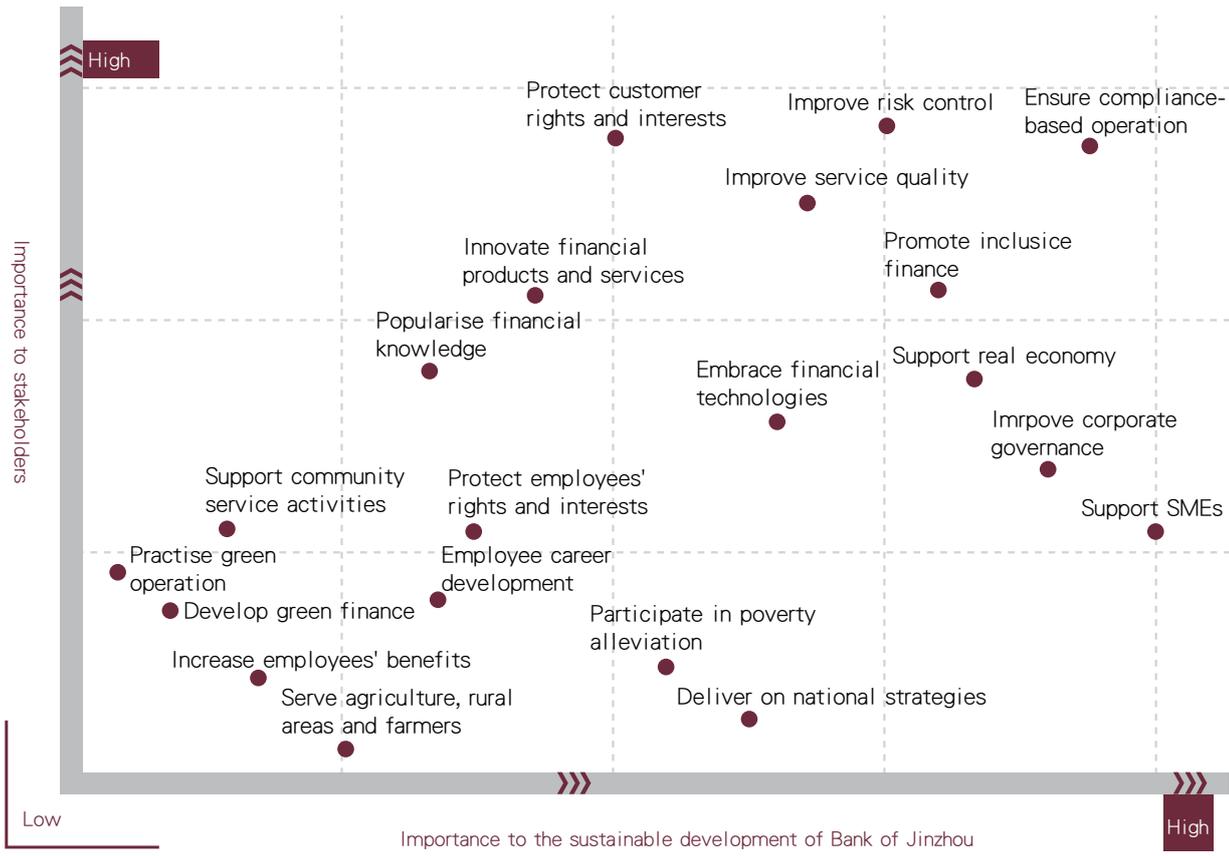
Stakeholders	Expectations and requirements	Means of communication	Responses and measures
Governments	<ul style="list-style-type: none"> Support the sound development of real economy Deliver on macroeconomic policies Develop inclusive finance 	<ul style="list-style-type: none"> Policy documentation and guidelines Work meetings Information distribution Seminars 	<ul style="list-style-type: none"> Support regional strategies such as the Belt and Road Initiative and the Beijing-Tianjin-Hebei Integration Provide financial support for the revitalisation of the old industrial base of the Northeast China Better serve small and micro entities ("SME"s) and agriculture, rural areas and farmers affairs Support the development of emerging industries
Regulators	<ul style="list-style-type: none"> Compliance-based operation Maintain financial stability Fulfil social responsibilities 	<ul style="list-style-type: none"> Regulatory policies Surveys and on-site visits Progress reporting 	<ul style="list-style-type: none"> Strengthen the compliance management Improve the comprehensive management system Advance precision poverty alleviation undertakings
Shareholders	<ul style="list-style-type: none"> Ensure sustained business operation Increase core competitiveness Increase corporate value 	<ul style="list-style-type: none"> General meetings of shareholders Information disclosure Performance roadshows 	<ul style="list-style-type: none"> Improve the corporate governance structure Formulate corporate development plans Improve the profitability Enhance investor relation management
Customers	<ul style="list-style-type: none"> Improve service quality and efficiency Provide quality financial products Ensure information and fund security Expand service channels 	<ul style="list-style-type: none"> Marketing activities Customer service hotline Surveys WeChat, e-banking and other digital platforms 	<ul style="list-style-type: none"> Optimise the business procedure Innovate financial products Protect customer rights and interests Increase business establishments
Employees	<ul style="list-style-type: none"> Improve employee benefits Protect employee rights and interests Provide career development opportunities Enrich free-time activities 	<ul style="list-style-type: none"> Trade union General meetings of employee representatives Seminars President's mailbox Visits and interviews 	<ul style="list-style-type: none"> Improve the compensation and welfare system Enhance the democratic management Improve the training system Organise rich recreational and sports activities Offer care to employees in need
Vendors	<ul style="list-style-type: none"> Fair procurement Performance in good faith Cooperation for win-win outcomes 	<ul style="list-style-type: none"> Negotiations Cooperation agreements Tendering and bidding 	<ul style="list-style-type: none"> Build a procurement management system Enhance business cooperation
Partners	<ul style="list-style-type: none"> Mutually beneficial cooperation Communication and exchanges of ideas with industry peers 	<ul style="list-style-type: none"> Meetings Project cooperation Daily communication 	<ul style="list-style-type: none"> Conduct surveys and on-site visits Enhance exchanges and cooperate with industry peers
Communities	<ul style="list-style-type: none"> Organise community activities Help vulnerable groups 	<ul style="list-style-type: none"> Visits and interviews Community service activities 	<ul style="list-style-type: none"> Provide financial aid to students Popularise financial knowledge Organise volunteer activities supported by employees
Environment	<ul style="list-style-type: none"> Environmental protection with low carbon Sustainable development 	<ul style="list-style-type: none"> Policies on energy conservation and emission reduction Green public service activities 	<ul style="list-style-type: none"> Provide green credit Create a green office

2.5.4 Analysis of Material Issues

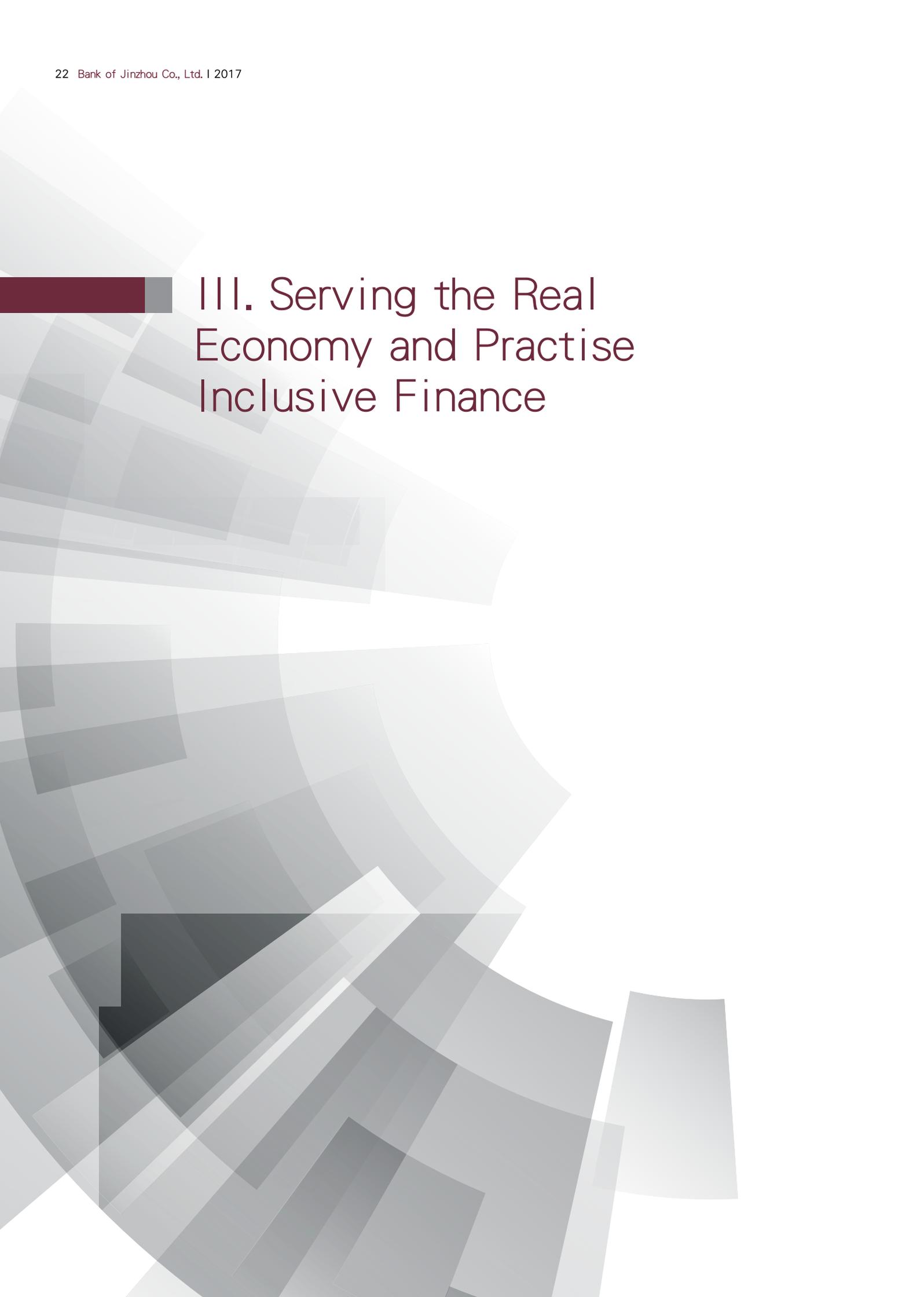
The Bank identifies social responsibility issues by taking in account the expectations of stakeholders, interpreting state macro policies, analysing industry hot topics, examining the Bank's strategic and tactical focuses and referencing industry practices and the Stock Exchange of Hong Kong Limited's disclosure guidelines for Environmental, Social and Governance. It evaluates the importance of each social responsibility issue to its sustainable development and stakeholders, and determines material issues to be disclosed in the report accordingly.



2.5.5 Importance analysis matrix







III. Serving the Real Economy and Practise Inclusive Finance

3.1 Supporting the Growth of “Three Basics and Three Smalls”

Adhering to the market positioning of “serving local economy, small and micro enterprises and urban and rural residents”, the Bank has developed unique credit business for “three basics and three smalls” (“Three Basics” refer to basic accounts, basic customer groups, basic settlement volume, “three smalls” refer to small stalls, small stores, small enterprises), establishing separate policy, technology, products and service systems, setting up a credit service center for “Three Smalls” within the jurisdiction and allocating special professional account managers to provide all-round supports for “Three Smalls” customer development. As of the end of the Reporting Period, the balance of “Three Smalls” business reached RMB9.729 billion. The development trend of the “Three Basics” business remained good, with 72,100 settlement accounts and a basic settlement volume of 50.64 million.

The Bank has provided a wide range of credit products for “Three Smalls” customers of different types and characteristics, and developed “Happy Three Smalls” service brand for “Three Smalls” customers, including “Business Creation Plan”, “Growth Plan”, “Soaring Plan” and “Quality Life Plan” product lines, with a total of 36 products. In particular, the Bank has designed credit products with different types of guarantees and credit lines for various types of operators in different, including start-up loans such as civil servants' guarantee loans and women's start-up and employment loans, small business growth funds, Changshangtong and small stalls loans for companies of different types or in different stages, as well as products with different guarantee methods, such as confirmed warehouse and inventory mortgage, resolving the lack of guarantee of “Three Smalls” through various guarantee schemes.

In order to improve the efficiency of the “Three Smalls” credit business services, under the premise of controllable risks, the Bank has delegated the approval authority to sub-branches and adopted an independent reviewer approval system with no more than three approval procedures, greatly improving the efficiency of the loans for the “Three Smalls”. In order to improve the customer experience of the “Three Smalls”, the Bank has proposed a service commitment of “five not to allow”, striving to minimize the cost of customer financing.

Case: Typical Case Analysis of Tianjin Branch on Promoting the Development of Technology Enterprises

In October 2014, Binhai Sub-branch of Tianjin Branch became a cooperative bank of Tianjin TEDA International Entrepreneurship Center (the “Entrepreneurship Center”). The Entrepreneurship Center recommended excellent SMEs to the Bank and beared part of the risk compensation for each account's credit line. The Bank provided credit loans for the enterprises and no default or non-performing business occurred.

A Science and Technology Development Co., Ltd. in Tianjin, one of the technology SMEs recommended by the Entrepreneurship Center, has cooperated with the Bank in credit business for three years since 2015. The credit financing support provided by the Bank for the enterprise not only broke through the restrictions on mortgages and pledges, but also significantly increased financing efficiency and reduced financing costs, enabling rapid and steady development of the enterprise and steadily increase in sales revenue. The enterprise is currently applying for listing on NEEQ.

Case: Xinbin Sub-branch of Fushun Branch Helped Farmers Get Rid of Poverty

Wang, an ordinary villager in Shansong Village, Weiziyu Town, Xinbin County, Fushun City, Liaoning Province, is a poor farmer recorded in Xinbin County. In order to resolve the shortage in capital for Wang's start-up of business, Xinbin Sub-branch of Fushun branch provided a loan for him after earnest visits and researches. Through carefully learning mushroom cultivation knowledge, Wang continuously improved the yield of mushrooms and significantly improved living conditions and life quality. Currently, he has repaid all of the Bank's loans and successfully got rid of poverty. The loan successfully helped the farmer escape from poverty and enhanced his life quality.

3.2 Improving the Capabilities of Providing "Agriculture, Rural Areas and Farmers" Financial Services

Based on the market positioning of supporting agriculture-related and helping small and micro enterprises, with the principle of "safety, mobility and efficiency", the Bank has operated prudently and developed steadily. Combining various policies for benefiting farmers introduced by the central government, provinces, cities and counties, the Bank has done a lot of meticulous and in-depth work. After understanding the policies accurately, through the issue of leaflets, establishment of consulting desks and loan business exhibition boards, as well as regular promotion and visiting households, the Bank has extensively and deeply promoted various policies for benefiting farmers, including interest rate discounts and simplified loan procedures, improving the customer's understanding of the Bank's policies benefiting farmers.

In order to improve the capacity in providing financial services for agriculture, rural areas and farmers, do a good job in rural financial services, help the masses of peasants to increase production and improve their life quality, the Bank, in line with its actual situation, has formulated a system to serve the agriculture, rural areas and farmers. Specifically, first, adhering to the market positioning of serving agriculture, rural areas and farmers and in the principle of small-scale and decentralized business, the Bank has provided financial services for urban and rural residents, rural economic organizations, individual households and small and micro enterprises in rural areas. Second, the Bank has given priority to loans for agriculture, researching precisely and optimizing examination and approval procedures to ensure the timely availability of credit funds to meet the financing needs of farmers. The Bank has increased the amount of loans for rural households and supported the rapid development of the agriculture-related economy. Third, the Bank has strengthened the innovation of services for agriculture, rural areas and farmers. Aim at various needs of farmers, the Bank has innovated different financial products and strengthened supports for agriculture and small enterprises.

As of the end of the Reporting Period, the Bank has seven village and township banks, with a total loan balance of RMB4.134 billion, representing an increase of 23.8% compared with the end of last year. We made efforts to build "the Village Bank of the Bank of Jinzhou" into an "example" of all village banks with the characteristic of serving "agriculture, rural areas and farmers", strong competitiveness and controllable risks, which is managed normatively, driven by innovations, operates orderly and grows relying on improvements in technologies and the quality of production factors.

Case: Give Financial Supports for Agriculture Industry

In order to solve the shortage in funds of a grow seedlings company in Beizhen City, caused by the construction of greenhouses and the payment of land contract fees, in accordance with relevant national laws and regulations and policies in financial supports for agricultural industries, as well as the documents issued by the Beizhen Municipal Government on confirming the rights of contracted rural land and agricultural facilities, the Bank decided to provide a loan with a transferred land as a mortgage for the enterprise, supporting the company's production and operation timely and effectively and creating job opportunities for local surplus labor. The Bank negotiated with the borrower to hire more poor households in the long-term.



Case: A Model of “Bank + Enterprise + Farmer”

Liaoning Heishan Village Branch of the Bank of Jinzhou signed a cooperation agreement of “Bank + Enterprise + Farmer” with a Biotech Co., Ltd. in Liaoning and a Feed Co., Ltd. in Jinzhou. According to the agreement, the feed processing company recommends excellent farmers as borrowers and provides guarantees for them. The Bank provided loans for the purchase of feed to resolve the difficulties in financing of farmers due to the lack of guarantees, increasing the sales revenue and sales channels of the company and achieving the original goal of the Bank to serve the agriculture, rural areas and farmers.



3.3 Supporting the Development of Emerging Industries

With the aim of serving the society and bring benefits to the hometown, the Bank has focused on the key areas of “Made in China 2025”. Starting from its own operating characteristics and business advantages, the Bank has increased credit loans for high-end equipment manufacturing, new generation of information technology, biology, energy conservation and environmental protection, new energy, new materials, new energy vehicles and other strategic emerging industries with bright prospects and huge market demands, supporting the technological innovation and transformation of enterprises. In addition, the Bank has identified the focus of services for strategic emerging industries, implemented differentiated credit policies, accelerated credit product innovation, expanded credit loans with mortgages (pledges), such as accounts receivable, equity and products with intellectual property rights, and increased loans for technological innovation and equipment update of high-tech enterprises and projects. As of the end of 2017, the balance of the loans for strategic emerging industries were RMB1.895 billion.

Case: Supporting the Upgrading of Wastewater Treatment Technology and Recycling of Reclaimed Water

A water company operated and constructed an urban sewage treatment and reclaimed water project in Jinzhou. In order to effectively handle a large amount of discharged industrial wastewater and domestic sewage, the company started the construction of a first-phase reclaimed water and second-phase sewage and reclaimed water projects. In order to complete the projects smoothly, the Bank has provided credit loans for the company. After the completion, reclaimed water project reached the “Reclaimed Water Quality Standard”, and the sewage treatment reached the national Grade-A water discharge standard and passed the environmental protection inspection organized by the Provincial Environmental Protection Agency, bringing significant social and economic benefits.

Case: Supporting Development of Cable Television Network

A software technology company in Beijing, based on a county-level local cable television station or relying on a digital TV network company, gradually extended to provincial-level platforms and expanded its African business based on years of domestic business experience. It has obtained digital TV and mobile multimedia service licenses in 13 African countries and has already started operations in 9 countries. In order to support the company in the development of cable television network systems, the Bank has offered working capital loans to the company, facilitating the innovation of a new generation of information technology. The company has become a high-tech enterprise and software enterprise supported by the state. Its business scope covers many provinces and cities across the country and gradually moves to the world.

3.4 Promoting Inclusive Finance based on the Two Grassroots Mobilization model

Since the establishment of the Bank, it has adhered to the unique development path of inclusive finance, focused on the joint action of grass-roots branches and grass-roots Party organizations, extended basic service functions and innovated service products and methods, focusing on the “last mile” of financial services. Taking poverty alleviation and helping people in difficulties as the starting point of the two grassroots mobilization, the Bank has shown its own characteristics in supporting small and micro economy, serving the people's lives and assuming social responsibility, building a good social image of “being friendly to the people, facilitating the people and benefiting the people” .

In recent years, the Bank has continued to increase its outlets in counties and townships, where financial services are rare. It has 61 outlets in county and township areas, and has vigorously promoted the layout of banking outlets in villages and towns. There are currently 7 banking outlets in villages and towns, among which five are in Jinzhou, one in Chaoyang City, one in Benxi City, with a total of 24 sub-outlets. In addition, the Bank has constructed ATM machines throughout urban and rural areas to meet the financial needs of the community.

Focusing on serving “agriculture, rural areas and farmers” , the Bank has promoted the effective provision of agriculture-related loans, supported the development of the real economy and enhanced the effectiveness of loans for benefiting farmers. As of the end of the Reporting Period, the agriculture-related loans in the jurisdiction were RMB33.920 billion. The Bank has endeavored to promote the deep integration of precision poverty alleviation and financial support and effectively supported poverty-stricken population in the start-up of business, facilitating the solid advancement of financial assistance to eliminate poverty. As of the end of the Reporting Period, the bank's balance of loans for poverty alleviation was RMB504.08 million, of which RMB495.42 million was for loans for leading poverty alleviation enterprises and RMB8.66 million was interest-free loans for poverty-stricken households. The Bank provided loans for 518 women for entrepreneurship and laid-off and unemployment, with a balance of RMB35.62 million.

In 2017, the leaders and staff of the whole bank visited the community more than 7,000 times, visited 1.3 million customers, held more than 20,000 lectures in the hall, held 12,000 marketing and publicity activities, carried out 1,563 community networking activities and held 1,300 lectures for spreading financial knowledge into the community. Among these, the Bank carried out 149 visits to credit customers and 308 visits to entity customers, involving 10,433 customers. The Bank held 325 credit-related seminars, with the number of residents participating in the event reaching 94,349 and 509,468 publicity materials were distributed.

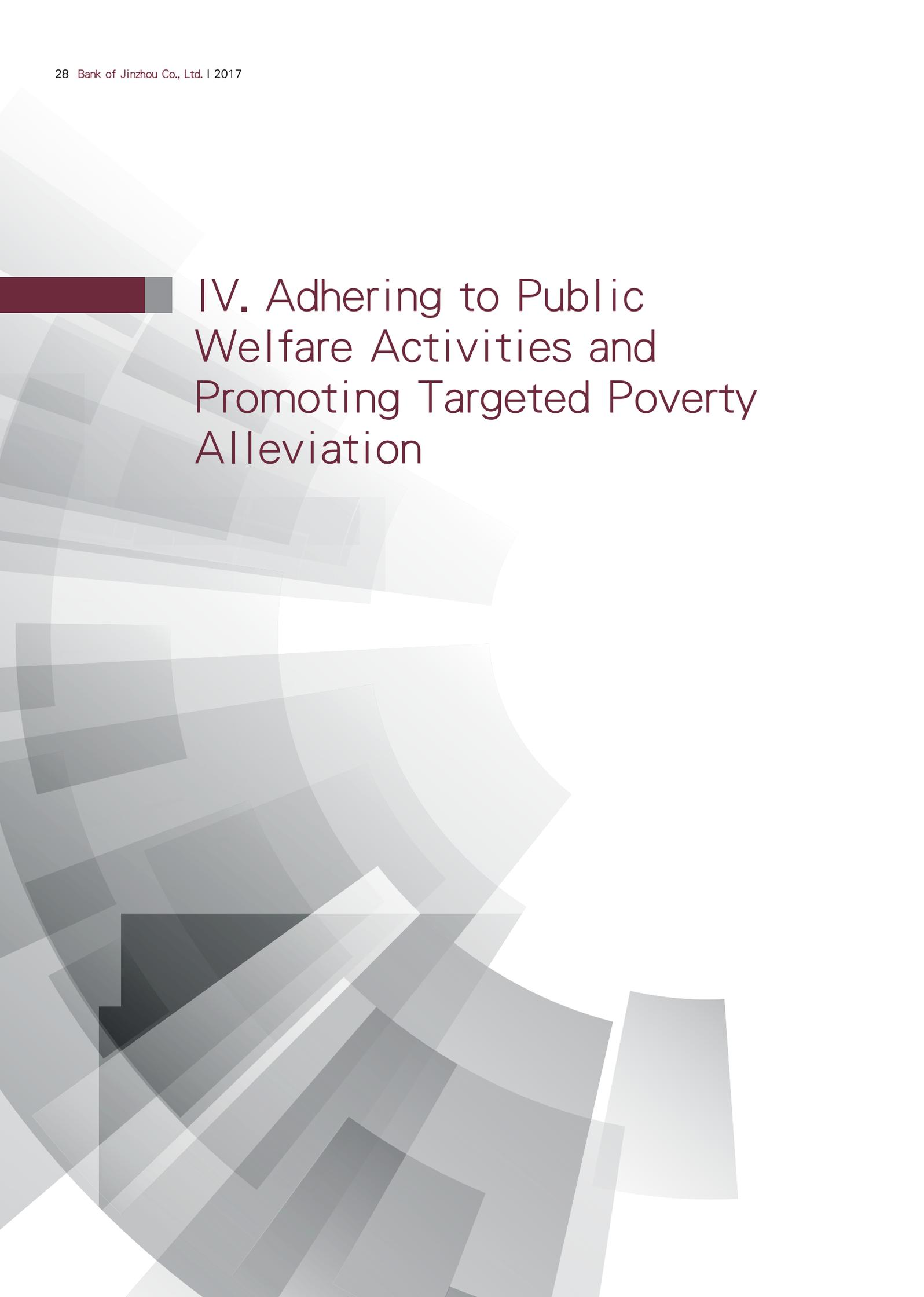
Based on the Two Grassroots Mobilization, the Bank has shown positive energy in spreading financial knowledge, serving urban and rural communities and fulfilling social responsibilities. It has actively shouldered its social responsibilities and fully supported the real economy, fulfilling its commitment of “spreading financial services in urban and rural areas and benefiting the people” with practical actions.

Case: Small Business Financial Service Center Went to the Countryside to Carry out Propaganda Campaigns of Loans for Women

In order to better support and encourage laid-off and unemployed women to re-employment and help women get rid of poverty and get rich, on 8 September, 2017, the Small Business Financial Service Center and the Women's Federation of Songshan New Area jointly entered the Qiaoniao Representative Office to carry out propaganda campaigns of financing policies and credit products for Women. The Bank explained the characteristics of the credit products, the qualification of the customers, guarantee methods and the processes of applying for a loan, demonstrating the Bank's determination to practise “inclusive finance” and fulfilling its social responsibility of “supporting agriculture and helping the poor” .







IV. Adhering to Public Welfare Activities and Promoting Targeted Poverty Alleviation

4.1 Promoting Targeted Poverty Alleviation

The “Thirteenth Five-Year Plan” period is the decisive period for winning the battle against poverty. With a political attitude and in response to the national poverty alleviation challenge, the Bank has conscientiously met the requirements of precise poverty alleviation and fulfilled the promise of “Bank in the Hometown Serving People in the Hometown” and “Serving the Society and Bringing Benefit to the Hometown”. In addition to doing a good job in inclusive finance, increasing credit supports and broadening industrial support, in accordance with the “Six Accuracy” requirements put forward by General Secretary Xi Jinping, the Bank will innovate ideas in poverty alleviation, make solid progress, strengthen organizational leadership and facilitate poverty alleviation.

Attaching Great Importance and Strengthening Leadership

The Bank established the Office of Poverty Alleviation and established a project on the Board of Directors to clarify the direction of targeted poverty alleviation. It devoted itself to local poverty alleviation and development. Through on-site research and study, the Bank selected poverty alleviation projects around poverty-stricken villages and towns. The proceeds will be used free of charge to help poverty-stricken households get rid of poverty and the Bank implemented its poverty alleviation work.

In-depth Researches and Setting up Targeted Projects

After in-depth researches, the Bank has identified Liulonggou, Liulongtai, Dicangsi and Dadingbao in the western remote mountainous region of Yi County as targeted villages and towns to help. The Poverty Alleviation Office of the Bank has actively cooperated with the Yi County Party Committee and County Government and taken the initiative to unite the leaders at the county, township and village levels to form an inspection team to travel several thousand kilometers to many provinces and cities for investigation and research, which lasted two months and learn advanced experience in poverty alleviation and formulated “Three-Year Plan for Accurate Poverty Alleviation in Four Towns in the West of Yi County”. Based on this, combined with visits to dozens of poor households in 29 villages in four towns, the Bank understood the basic situation and the causes of poverty. After a full demonstration, the Bank finally identified photovoltaic power generation, pig breeding and greenhouse cultivation as the first batch of projects for poverty alleviation, breaking the conventional thinking of “alleviating poverty through providing loans” by financial companies. It determined a unique poverty alleviation model of “banks providing funds, enterprises responsible for project construction, county and township governments supervising project operations to provide jobs for poverty households with labour capacity, provide entrepreneurial opportunities for poverty households with entrepreneurial willingness and provide direct assistance to poverty-stricken families who have lost their ability to work.”

Hard Working and Helping Overcome Difficulties

The Bank provided funds to support the local government in establishing a photovoltaic power generation company and a development company in Jinzhou responsible for the coordination and promotion of the photovoltaic power generation, greenhouses construction and pig breeding projects with cooperative enterprises, as well as the follow-up of fund allocation to poverty households.

Photovoltaic Power Generation Project.

The Bank signed a project contract with a group company to design and construct a 15 MW distributed photovoltaic power station. Currently, PV module installation, booster station construction, transmission line construction and substation transformation have been completed.



Greenhouse Project

The Bank signed a cooperation agreement with a company in Shandong, and built fruit and vegetables and flower greenhouses in Dadingbao Town.

Pig Breeding Project

The Bank cooperated with a technology group company in Beijing, building four pig breeding bases in four towns and constructing a total of 20 pig-fattening houses. The Denmark's advanced automatic feeding line was introduced and its automation level is leading in the Northeast China, with an annual breeding capacity of 40,000 heads. The bases provided one-stop service of "supply, production and sales".

The project can directly provide jobs for hundreds of poor people and help them get rich after the operation. The annual stable income of the projects can ensure nearly 10,000 poor households in four poor towns and villages to achieve the goal of getting rid of poverty. It is noted that all the local poor households who participated in the project construction at the beginning of construction have escaped from poverty in advance.

4.2 Helping Disadvantaged Groups

Adhering to the principle of “serving the society and benefiting the public”, the Bank supports and encourages employees to contribute to the society through various forms, actively carrying out activities such as funding poor students and helping people in difficulties to sincerely give back to the society and practise the social responsibility of the company.

Case: Lingyun Sub-branch Visited Citizens in Poverty

Adhering to the spirit of Lei Feng, Lingyun Sub-branch constantly practises the purpose of serving the hometown and fulfils its social responsibilities, and is committed to spreading love to every corner of Jinzhou City. On June 21, 2017, the representatives of the Lingyun Sub-branch's trade union visited the blind, low-income people who lived in the Yangtze River community with rice and other living materials. They sent the most useful care of the Lingyun sub-branch, a bank with Leifeng Spirit, to the people in poverty.



Case: Fushun Branch Went into Haiyang Primary School to Carry out Voluntary Activities with Leifeng Spirit

On March 3, 2017, the Youth League Committee of Fushun Branch organized youths from the branch to form the “Lei Feng Love Team” and walked into Haiyang Primary School in Nankouqian Village, Qingyuan County to donate a complete set of stationery for 44 poor left-behind students, including a Pinyin version of Lei Feng Diary, which is easy for primary school students to read. The Pinyin version of Lei Feng Diary allowed children to contact Lei Feng spirit and learn the glorious tradition. The branch also donated footballs and basketballs to them, so that children can actively participate in sports activities, run on the playground and grow up healthily.



Case: Huludao Branch's Community Activities of Caring for the Disabled to Spread Social Positive Energy

On 15 September, 2017, Huludao Branch teamed up with the Huashun Community of the Huaji Street to launch a community event with the theme of "Caring for the Disabled to spread social Positive Energy", and invited 10 disabled residents to gather together with the other residents to make dumplings, recall the past, express their opinions and communicate with each other to celebrate the National Day. The residents brought a wonderful solo and chorus. The Huludao branch also sent blessings and gifts for the festival, which enhanced the emotional communication between the branch and the community, laying a solid foundation for the cooperation between the bank and enterprises.



Case: Beijing Branch Attends Launch Ceremony of Charity Action of Chaoyangmen Community Foundation

On 8 March, 2017, Beijing Branch participated in the launching ceremony of "learning from Lei Feng and sending donations to poor mothers during the celebration of Women's Day" initiated by Beijing Chaoyangmen Community Foundation. The foundation always aims to help the community, optimize services, improve community livelihoods and promote community development. In this donation activity, Beijing Branch actively fulfilled its social responsibilities and paid attention to distressed mothers and donated 1,000 household multi-use bags. The employees of the Branch also actively engaged in the activity to deliver their love.



4.3 Carrying out Voluntary Services

The Bank persisted in carrying out social charity activities to serve the society to cultivate employees' dedication spirit and foster the spirit of charity and collective values within the bank. It actively organized voluntary activities such as blood donation and learning from Lei Feng, fulfilled the obligations of a corporate citizen and delivered love and warmth to the community to promote the public to pay attention to social charity, practising corporate social responsibility.

Case: Blood Donation

On 26 August, 2017, the Small Business Financial Service Center of the Bank participated in the “Warm Project, Red Action” blood donation event jointly organized by the Liaoning Representative Office of the China Lions Federation and the Central Blood Station of Jinzhou City, making full use of the opportunity to practise inclusive finance and fulfil social responsibilities



Case: Benxi Branch Set up “Lei Feng Station”

The Benxi Branch of the Bank of Jinzhou continued to exert the full enthusiasm of its employees for learning from Lei Feng and set up “Lei Feng Station” at the pedestrian street in front of the Branch. The Station was prepared with sphygmomanometers, weight scales, medical kits, city maps, chewing gum, drinking water, umbrella stand and mobile phone charging devices, providing warm services to the public and getting closer to the people.

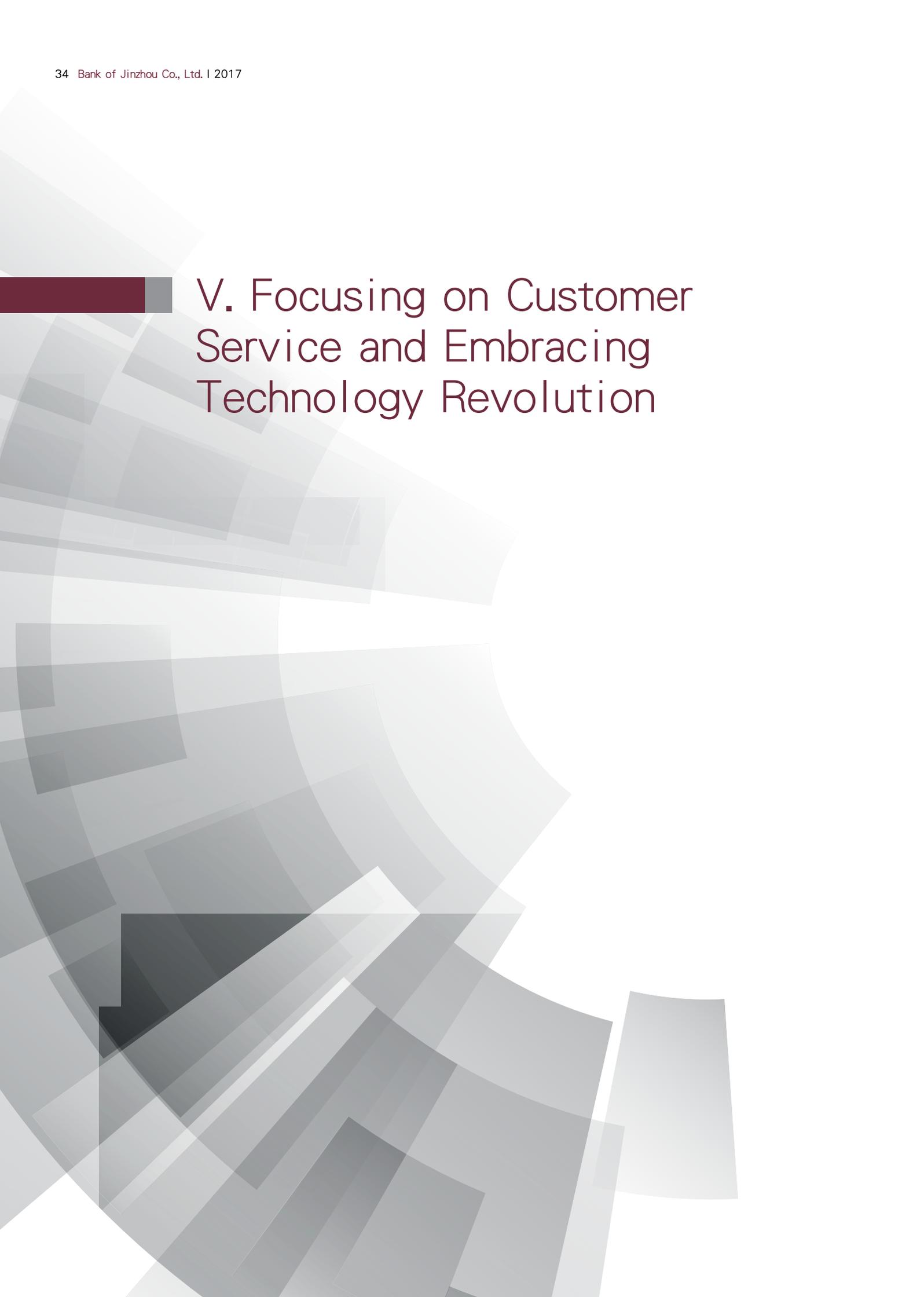


Case: Party Members of Beijing Branch Participated in the Voluntary Services for the “Belt and Road” Summit

During the “Belt and Road” International Summit in Beijing, the third Party branch of the Beijing branch got in touch with the north community of Jinbao Street and actively participated in community voluntary security work. From 11 May to 16 May, 2017, the volunteers of Party members of the Beijing Branch came to the guard post at noon every day to replace community volunteers for two hours. They provided voluntary services for passers-by enabling community volunteers to go home to eat and get enough rest.







V. Focusing on Customer Service and Embracing Technology Revolution

5.1 Improving Service Quality

In 2017, pursuant to the Assessment and Evaluation System for Civilised and Standardised Service of China Banking Outlets (CBSS10003.0), with the working goal of “Enhancing Service Management and Improving Service Quality”, the Bank soundly promoted the implementation of Services Management Measures and Standards of Bank of Jinzhou. During the year, the Bank continued to enhance the construction of hard-soft environment by participating in the “Star-rated Outlets” selection activity organised by the China Banking Association; set up a “Service Quality Management Year” activity column through the normalisation of OA system, so as to highlight the meanings from the role of examples; effectively promote the comprehensive improvement of the Bank’s staff service quality and marketing skills through service scenarios demonstration and operational skills competition, and build a high-quality service brand of the Bank.

Case: Fushun Branch Launched "10-minute Middy" Service Etiquette Training Activity

In order to improve service quality and better demonstrate the quality and style of employees for outsiders, on 19 June 2017, all employees of Fushun Branch held special training on service etiquette, the branch etiquette internal trainers vividly explained in detail by focusing on sitting, standing, walking, stepping, meeting and seeing off and other basic service etiquettes, demonstrated and corrected by employees on the site. Fushun Branch took the “10-minute Middy” Service Etiquette Training Activity as an opportunity to deeply improve standardised service, and lay a solid foundation for the branch to establish its service brand and achieve rapid development.



Case: Jinzhou Branch Conducted Outlets Monitoring and Peer-assessment Activities

From 1 June to the end of 2017, Jinzhou Branch launched Outlets Monitoring and Peer-assessment Activities. Through mutual competition, mutual learning and peer-assessment, a strong atmosphere of improving service quality has been created across the Bank.



5.2 Expanding Service Channels

Proper Distribution of Outlets

During the Reporting Period, the Bank established 1 branch and 5 sub-branches. As at the end of the Reporting Period, the Bank (excluding its subsidiaries) had 207 outlets. In addition to headquarters, we had 15 branches, 185 sub-branches, 2 community sub-branches, 3 micro sub-branches and 1 franchise in total. All the outlets have realised good results, with regional development goals well implemented.

Rapid Promotion of Self-service Facilities

As at the end of the Reporting Period, the Bank had 558 ATMs (CDMs) (excluding subsidiaries), representing an increase of 80 or 16.7% compared with the previous year. ATM (CDM) accumulated 10.296 million transactions throughout the year, with the transaction amount of RMB14.23 billion. The Bank had a total of 11,958 POS merchants, representing an increase of 2,314 or 24.0% compared with the previous year; a total of 14,808 POS terminals were dispatched, representing an increase of 2,766 or 23.0% compared with the previous year; POS consumption accumulated 6.041 million transactions throughout the year, with the transaction amount of RMB23.54 billion; a total of 88 self-service card dispensers were distributed, representing an increase of 37 units compared with the previous year; 114 multimedia inquiry machines were distributed, representing an increase of 8 compared with the previous year, with cumulative number of 500,000 transactions, providing the public with convenient services such as withdrawal, deposit, transferral and payment.

The Bank promoted UnionPay Card micro payment business, created the first smart food market in western Liaoning, and launched the creation of “Smart Market” and the promotion of payment applications in Jinzhou, introduced an intelligent robot named Jinhang. ATM face recognition service goes live. Smart automated teller machines go live.



Launch of Bank Card Withdrawal Service in Rural Areas

As at the end of the Reporting Period, the Bank had set up 149 bank card withdrawal service outlets, with a total of 16,718 withdrawal transactions, totalling RMB24.634 million, offering convenience to the villagers for their financial transactions.

Case: Bank Card Withdrawal Service Outlets in Rural Areas

With the help of the low-cost model of “one machine for one merchant”, Jinzhou Branch successfully has broken through the restrictions from outlets and extends financial services to the vast rural market. Through preliminary research, a pilot program was carried out at a supermarket on Niangniangong Town and a health center in Yi County to establish a pilot bank card withdrawal service outlet. The holder of debit cards are offered with a variety of financial services such as small-amount withdrawals, transfers, payment and balance inquiries, applicable for all UnionPay partners. In the meantime, for the purpose of benefiting and offering convenience for the villagers, the Bank also reduced certain business fees for holders of debit card. Currently, these successful experience of the pilot program has been fully rolled out in all townships such as Heishan County and Beizhen County.

5.3 Protecting Customers' Rights and Interests

During the Reporting Period, the Bank adhered to the customer-centric principle and established the Consumers' Rights and Interests Protection Office to actively promote the implementation of protection of various customers' rights and interests. While improving the services, the Bank continued to strengthen the protection of consumers' rights and interests, so as to enhance customer satisfaction and create value for customers on a continuous basis.



5.3.1 Open up Consulting and Complaining Channels

The Bank attached great importance to customer complaints, therefore, the Bank optimised the complaint handling mechanism, improved service management ability and enhanced customer satisfaction from diversified dimensions including complaint acceptance timeliness, complaint follow-up processing and complaint feedback. The Bank clearly presented the complaint channels by publicising the complaints telephone and complaint handling procedures at the prominent position of the portal website of Bank of Jinzhou, business hall, 24-hour self-service area and e-banking experience zone. In the meantime, 96178 customer service center was designated as the lead department for complaints handling, specifying the timeliness requirement. A unified and efficient complaints handling process and a strict and effective complaints management mechanism were established.

5.3.2 Safeguard the Customers' Assets

The Bank guided its staffs to enhance business learning and awareness of safety risks and actively took measures to ensure the safety of customers' assets from various aspects such as account opening, account using, front-desk service and business outlets security.

Attention lines, baffles and alarming apparatus were established in the business windows and self-service areas, and each business outlet is fully equipped security officers to increase the security of the business premises and protect the customer's assets.

In the meantime, the Bank attempted to cultivate the ability of its staffs to analyse suspicious transactions and deal with suspicious cases, conducted regular drills around the prevention of looting, theft, fire and telecom fraud, and improved supervision and inspection.

Case: Benxi Branch Launched Anti-terrorism and Firefighting Training and Exercises

In order to further enhance the staffs' awareness of security and fire safety, effectively improve their ability to deal with various types of emergencies and prevent the occurrence of fire, on 29 June, 2017, Benxi Branch, together with the Inside Guard Team of the Public Security Bureau and Fire Department of Benxi City, organised and conducted anti-terrorism and firefighting knowledge training and exercises. This event improved the staffs' awareness of security and anti-robbery skills, further enhanced the staffs' safety awareness and the ability of responding to emergencies and self-saving and escaping, with expected goal of exercises achieved.

5.3.3 Spread Financial Knowledge

The Bank always adheres to the "customer-centric" business philosophy, and continuously promotes consumer protection. Through such activities as Bringing Financial Knowledge into Thousands of Families of the China Banking Regulatory Commission, Special Month for Spreading Financial Knowledge of the People's Bank of China and Spreading Financial Knowledge of China Banking Association, with the help of various promotion channels, including banners, LED displays, LCD TVs, multimedia touch screens, self-service facilities, distributing brochures on the streets, presentations by staffs of outlets, and holding financial knowledge salons, carrying out public and regular financial knowledge education and training for target consumer groups.

Case: Bringing Financial Knowledge into "Public Lecture Hall"

On 13 May, 2017, the financial knowledge lecture themed with Spreading Financial Knowledge and Preventing Financial Risks, organised by the Department of Politics of the Head Office and Jinzhou Branch, together with the Propaganda Department of Jinzhou Municipal Committee and through the Municipal Ideological and Political Work Conference, was brought into the "Public Lecture Hall" of Jinzhou. The Bank's speakers started with the methods of RMB identification and the exchange methods of damaged currency, interpreted in a comprehensive and meticulous, simple and profound manner regarding the popular financial knowledge such as How to Prevent Financial Telecom Fraud and Financial Fraud, Stay Away from Illegal Fund-raising and Personal Wealth Management and other hot topics by vivid examples and lively interactions using easy-to-understand language. This event gave the citizens correct financial knowledge and enhanced their experience in preventing financial risks and personal wealth management. By serving the lives of the people, interpreting the hot topics concerning the people and popularising financial knowledge for the people, the Bank, as a financial institution, is truly playing a positive role for benefiting the people.

Case: Jinzhou Branch launched Financial Knowledge Courses, Morning and Evening Financial News and Other Activities

Jinzhou Branch launched Financial Knowledge Courses, Morning and Evening Financial News and other activities. Among them, the propaganda of combating forged notes conducted through various means such as hall counselling, WeChat platforms, associations and symposia, have achieved remarkable results. A total of more than 120,000 promotional materials were distributed by all outlets in Jinzhou, and more than 160,000 people were guided for questionnaires. The Bank visited more than 300 communities, 6,700 shops, 200 campuses, 1,600 large-scale enterprises and 700 trading centers. This not only increased the public's awareness of the new 2015 version of RMB, but also enhanced the public's ability to recognise and defend against forged money.



5.3.4 Protection of Consumer Rights and Interests

The Bank strictly followed the regulatory requirements to implement the protection of the rights and interests of financial consumers, continued to promote the establishment of the Bank's consumer rights and interest protection work system, effectively safeguarded the legitimate rights and interests of consumers and improved financial customer satisfaction. The protection of consumer rights and interests has been deemed as a long-term strategy for the Bank's development, adhering to the principle of people-oriented, service-oriented and social responsibilities, the Bank fulfilled the duty of publicising information to consumers, fair treatment of consumers, and abiding by the principle of fair trade and safeguarding consumers' legitimate rights and interests. The service fees were ensured to be transparent and open, and the Announcement on the Charge Detail of Bank of Jinzhou printed by the Head Office were distributed across all outlets, covering the list of all service prices with preferential measures indicated. The Announcement on Charge Detail of Bank of Jinzhou were presented through business hall posters and display stands in a common format.

The Bank regarded fulfilling its social responsibilities as its own and focused on the extended customer services. Particularly regarding the care of special groups, attention to details and thoughtful geniality was taken as the basic guideline for the service of special groups. Passage for the disabled, Asking for Help Hotline, braille cards and Braille Edition Service Guides were provided at qualified outlets. Door-to-door service was also provided for customers who were not allowed to handle business at the bank on their own.

Case: Organised the 3.15 Financial Consumer Rights Day to Carry Out Propaganda Activities

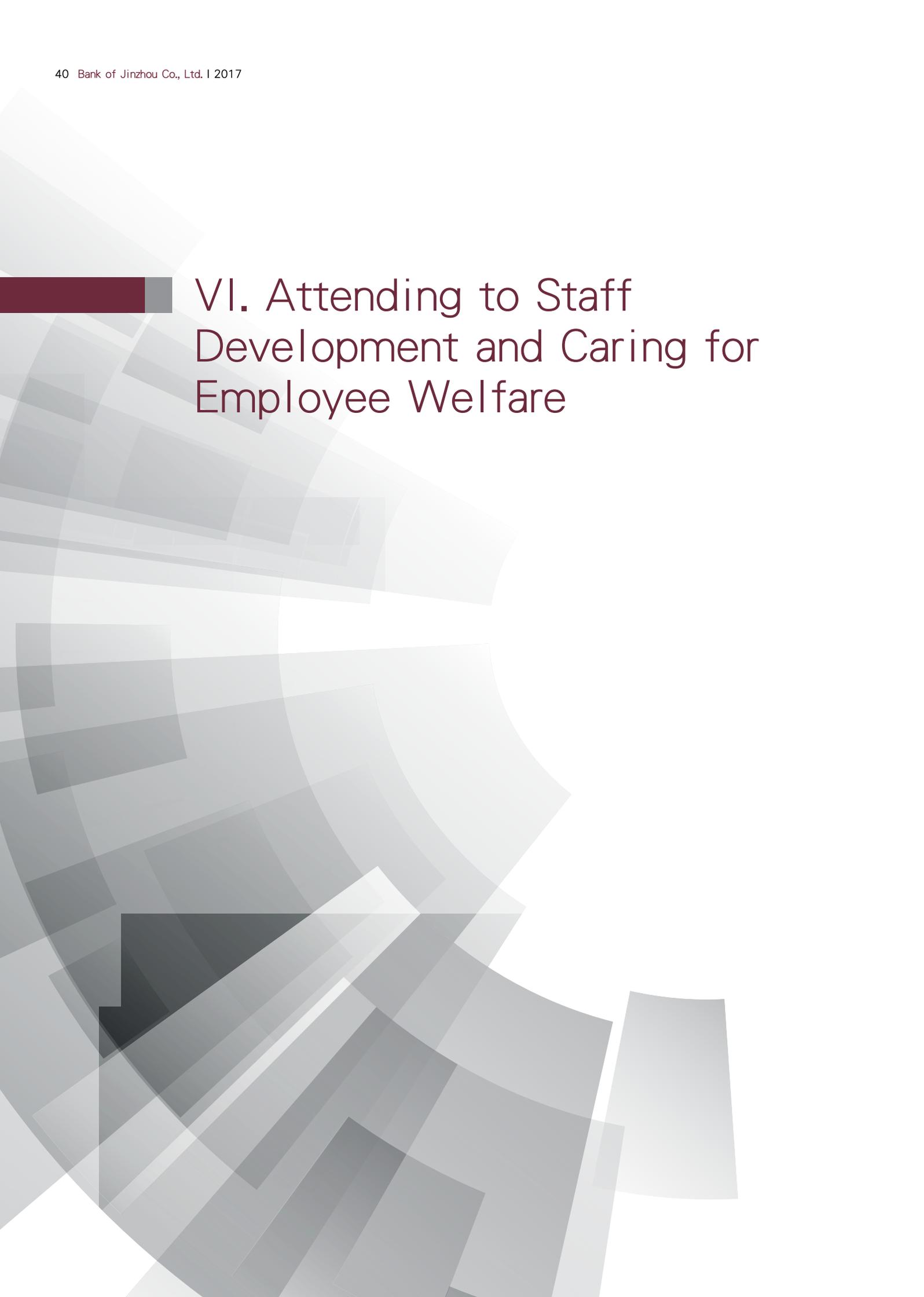
On 15 March, 2017, all branches of the Bank organised the 3.15 Financial Consumer Rights Day to carry out propaganda activities, formulate activity programs, clarify the themes, contents and forms; promotional leaflets were produced and the WeChat platform of Bank of Jinzhou was used to disseminate among the public. During the propaganda period, a total of more than 100,000 leaflets were distributed by more than 2,000 propaganda personnel.



5.3.5 Protect Customers' privacy

The Bank attaches great importance to protecting customers' information and safeguarding customers' fundamental interests. In order to strengthen the protection and management of personal financial information involved in personal account opening and high risky business, the Bank formulated the Administrative Measures of Bank of Jinzhou for the Protection of Consumers' Rights and Interests, the Administrative Measures of Bank of Jinzhou for Renminbi Deposit Business and the Administrative Measures of Bank of Jinzhou for Confidentiality, in accordance with the Guidelines on Protection of Banking Consumer Rights and Interests and the Measures for the Evaluation and Appraisal of the Protection of Consumer Rights and Interests in Banking Financial Institutions (Revised Edition). In order to protect the privacy of customers' identity information, the Bank strictly protects the confidentiality of its customers. Since the opening of accounts, large withdrawals and loss reports require the verification of the customers' ID card, the Bank strictly implemented relevant procedures. In order to protect the privacy of customers' account information, the Bank strictly followed the principle of Voluntary Deposit, Free Withdrawal, Interest-bearing Deposit and Keep Confidential for Depositors.

E-banking stores sensitive information such as customer passwords in the database through one-way encryption. The contents of sensitive fields, such as user passwords, are also blocked in system log. The process summary of message transmission between systems and sensitive information such as passwords are transmitted in cipher text format. The encryption process is completed in the encryption equipment, the password shall not appear in the system memory, thereby protecting the interests of customers' sensitive information and ensuring the security of sensitive information. E-banking customer-related information display is also shielded to ensure customers' information security to the maximum extent.



VI. Attending to Staff Development and Caring for Employee Welfare

6.1 Protecting the Rights and Interests of the Staff

Employee Statistics Form ⁴		As of 31 December 2017	
		Number	Percentage (%)
Headcount		5,796	100
By gender	Male	2,361	40.73
	Female	3,435	59.27
By type of employment	Contract-based employee	4,605	79.45
	Dispatch system employee	1,191	20.55
By age group	Below 30 years old (inclusive)	2,246	38.75
	From 31 to 40 years old (inclusive)	1,649	28.45
	From 41 to 50 years old (inclusive)	1,392	24.02
	Over 50 years old	509	8.78
By region	Within Liaoning province	5,050	87.13
	Beyond Liaoning province	746	12.87
By education background	Associate degree	2,114	36.47
	Bachelor's degree	3,154	54.42
	Master's degree	521	8.99
	Doctoral degree	7	0.12

⁴ The data in the table concerns the Bank, exclusive of the Bank's subsidiaries.

Pursuant to the Labour Law of the People's Republic of China and other laws and regulations, the Bank treats employees equally, regardless of their nationalities, genders, religious beliefs and cultural backgrounds.

The Bank has always attached importance to labour contract management and has formulated the Management Measures of Labour Contracts of Bank of Jinzhou to facilitate management. The Bank has signed labour contracts with all contract-based employees according to the Labour Contract Law of the People's Republic of China and relevant laws and regulations, where it specifies the working hours, holidays, labour protection and working conditions for the employees and makes clear the rights and obligations of both parties and the protection of employees' lawful rights and interests. The Bank has also formulated the Attendance Management Measures of Bank of Jinzhou, Holiday Management Measures of Bank of Jinzhou, as well as the Management Measures of Social Insurance and Housing Fund of Bank of Jinzhou to protect employees' labour rights and pay the housing fund and basic social insurance for the employees, such as basic pension, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

Under the principles of legal employment, total headcount control, standardised recruitment and legal management, The Bank has established and improved an employment mechanism applicable for the Bank's labour employment system, and formulated the Management Measures of Labour Employment of Bank of Jinzhou to strengthen labour employment management and guarantee the employment of labour based on law and reduce labour risk. During 2017, the Bank did not employ child labourers or compel any labourers. In the course of operation and management, there were no work-related injury or death.

The Bank has formulated the Management Measures of Labour Dispatch of Bank of Jinzhou to regulate the management of labour dispatch and safeguard the lawful rights and interests of dispatched employees; and the Bank has also formulated the Management Measures of Promoting Dispatched Employees of Bank of Jinzhou (Trial) where specifies specific plans and operational procedures to reduce the ratio of labour dispatch. The Bank has adopted effective methods to gradually reduce the proportion of dispatched employees.

The Bank attaches importance to improving the management of employee turnover, the Management Measures for Employee Turnover of Bank of Jinzhou has been formulated based on the Bank's circumstances and in accordance with relevant national laws and regulations, so as to standardise the procedures for employee resigning procedures, safeguard the legitimate rights and interests of employees and ensure the stable operation of the Bank.

The Bank's remuneration, performance and welfare management are in line with the Bank's strategic operating objectives, competitiveness enhancement, personnel cultivation and risk control. The Bank has formulated Remuneration Management Measures of Bank of Jinzhou in accordance with Regulatory Guidelines for the Stability of Remuneration in Commercial Banks and other related national laws and regulations, to fully mobilise the enthusiasm and creativity of the employees, establish a scientific and reasonable incentive and restraint mechanism, strengthen internal risk control, improve economic efficiency and management level, promote the healthy and rapid development of the business and ensure the Bank achieves its management objectives. All types of statutory insurances and housing fund are contributed in a timely manner, and formulated the Administrative Measures of Bank of Jinzhou for the Safety and Health and the Administrative Measures of Bank of Jinzhou for Annual Leave measures such as physical examination and paid annual leave are taken to further ensure the physical and mental health of employees.

The Bank is committed to creating a safe and comfortable working environment for its employees. The Bank strictly abides by the Fire Control Law of the People's Republic of China and Emergency Response Law of the People's Republic of China and other laws and regulations, and has formulated Management Measures of Fire Safety of Bank of Jinzhou (Trial), Anti-terrorism Precaution Work Plan of Bank of Jinzhou and Security Instructions of Bank of Jinzhou, so as to effectively improve the level of safety production and further protect the physical and mental health of employees through the implementation of health lectures, physical examinations and other measures.

6.2 Supporting Career Development

The Bank attaches great importance to the quality of the staff, lays emphasis on the overall improvement of the leadership of management personnel and the business skills of the staff and carries out training to promote the realisation of the various business goals. During the Reporting Period, the Bank optimised and upgraded the online learning platform, built a vehicle for internal training and demand surveys, and combined the online interaction with the key tasks of the Bank through the implementation of the hybrid training program, effectively making up for on-site training time, space restrictions, to ensure the coverage of training for all staffs and boost the mutual development of the staff quality level and the competitiveness of the Bank.

In order to meet the staffing needs brought about by the rapid development of the Bank and its business expansion, the Bank selected and trained a group of talents with high quality, strong capability, and high level of business, innovation, and management potential through campus recruitment to realise the purpose of talents reserve and development. Furthermore, the Bank formulated management trainee programs for the campus recruiting groups, and steadily promoted its management and training. Through round-the-clock assessment, centralised training exchanges at the Head Office and protection period system, the Bank effectively improved the sense of belonging among employees and the overall quality of employees, and the quality of training.

The Bank adhered to the philosophy that the quality of the staff is the first index of an enterprise, therefore, a dual development channel of professional career and management career has been designed for the employees of the Bank to carry out career development plans based on the individual characteristics and willingness of the employees. The Bank formulated the Management Measures for Professional Career of Employees of the Head Office of Bank of Jinzhou (Trial) and the Management Measures for Professional Career of Employees of the Branches of Bank of Jinzhou (Trial), and set up a number of sequences and grades based on employees' abilities, and established a multi-dimension assessment system based on performance, contributions, capabilities and attitudes to achieve dynamic adjustments in employee positions and salaries to enable employees to define their career paths more clearly.

Case: 2017 “Three Smalls” Account Managers Qualification Examination

On 19 August, 2017, the Bank held 2017 “Three Smalls” Account Managers Qualification Examination. A total of 15 examination rooms were prepared in 12 foreign branches and Jinzhou area for this examination with 490 participants. This examination was to perform a comprehensive test of the latest in-house policy system, recent regulatory requirements and key points of practical operation, strengthen the theoretical knowledge of the “Three Smalls” account managers, consolidate the basic skills of the “Three Smalls” account managers, and propel the team construction of the “Three Smalls” account managers, thereby laying a solid foundation for the professional construction of the “Three Smalls” lines of the Bank.



Case: 2017 Pre-service Training for Management Trainees

On 28 July, 2017, the Pre-service Training for Management Trainees was successfully completed. The training lasted for 20 days and covered various aspects including military life experience, outdoor quality development, theoretical knowledge training, professional skills training and psychological quality improvement. This training helped the new management trainees to successfully complete the transition from campus to society, fully experience the corporate culture of the Bank and adapt to the pace of work.



6.3 Enhancing Humanitarian Care

The Bank actively carried out employee care activities to create a quality work environment for employees, regularly organised medical examinations for all employees on the job, held health promotion lectures, fully paid attention to the physical and mental health of employees, and stimulated employees' enthusiasm for work and life.

Case: Fushun Branch Launched Health Promotion Lectures

In order to prevent occupational diseases, alleviate work stress and enhance employees' health awareness, on 23 May, 2017, Fushun Branch launched a public health promotion lecture themed with “Patriotic Health. Healthy Liaoning”. Experts from the China Safety and Health Education Center explained the ambulance knowledge, the harm and protection of environmental pollution, the prevention and improvement of occupational safety and chronic diseases, and the comprehensive management of mental health and sub-health through specific cases. While enabling employees to learn how to prevent occupational diseases and relieve work stress and other common senses, the level of health and quality of life of the employees were further improved.



6.4 Enriching the Leisure Life of the Staff

The Bank attaches importance to the balance between work and life of the staffs, and actively organises a variety of cultural and sports activities such as sports competitions and condolence performances, and conducts competitions such as speech competitions and photography contests to enhance friendship among employees and create a united and friendly corporate atmosphere, and to improve the staffs' sense of happiness and belonging for their leisure life.

Case: Basketball Competition

The Bank attaches importance to the cultural and sports activities of the employees. The "Wantong Cup" Staff Basketball Competition was a grand event of the Bank's traditional cultural and sports activities. A total of more than 300 participants from 17 teams of the Bank participated in the 9th "Wantong Cup" Basketball Competition team. It has promoted mutual exchanges among employees of the Bank, common progress and friendship, providing a stage for employees to demonstrate their skills and expertise.



Case: Table tennis and Badminton Competition

On 23 September, 2017, for the table tennis and badminton final of The Third Employees Sports Meeting of National Financial System organised by the China Trade Union of Financial Sector and the Financial and Sports Association of China, the table tennis team of Liaoning Financial Union consisting of 29 athletes from the Bank of Jinzhou won the table tennis championship and third place of badminton through their brave and courageous struggle.



Case: Employees Amusing Sports Meeting

On 23 January, 2017, The third season of big games competition "Love Family will Win - Run! Fushun Branch" began. 10 teams of more than 200 cadres and staff members gathered together. The teams of all teams fought bravely to demonstrate the spirit of the fight with laughter. This competition has further enriched the staff's cultural life, enhanced communication and condensed the resultant force of development.



Case: Singing Competition

On 21 January, 2017, the Jinzhou Branch held a staff chorus competition themed with “To Promote the Great Spirit of the Long March and Strive for the Revitalising of the Bank of Jinzhou” . The event included performance teams and teams participating in the competition from the branch office and 21 sub-branches. The competition was attended by more than 1200 cadres and staffs to commemorate and pass on the spirit of the Long March, and drive the employees to remain true to time-honoured purpose and make further progress.



Case: Speech Competition

On 11 November, 2017, the Credit Department of Beijing Branch held a speech competition themed with “Remain True to Time-honoured purpose, Vigorously Seeking Progress” —— “The Course of My Growth” . The competitors' speeches were full of passion and affection, and shared their experiences and insights. This competition not only summarised and promoted the implementation of comprehensively deepening of the reform in an all-round way, serving economic entities, preventing financial risks, but also the continuous creation of innovative businesses under the premise of legal compliance, strengthening of public deposits marketing, improving of public-private interaction, and conducting of full-scale visits and marketing by the Bank. The competition demonstrated the demeanour of the team of account managers of the Beijing branch, and a young team that was particularly able to endure hardship, to fight, to tackle problems, and to dedicate.





VII. Promoting green finance and practising environmentally-friendly development

7.1 Supporting Green Credits

The Bank has actively implemented the national development strategy on green credit, formulating the “2017 Credit Investment Guidelines” (the “Guidelines”) in accordance with the “Overall Plan for Ecological Civilization System Reform” issued by the State Council, the “Energy Efficiency Credit Guidelines” jointly issued by the China Banking Regulatory Commission and the National Development and Reform Commission and the “Green Credit Guidelines” issued by the China Banking Regulatory Commission. The Bank has strongly promoted green credit, supported balanced development and green development, implemented the national policies on energy conservation and emission reduction and increased supports for the green economy, low-carbon economy and circular economy.

The “Guidelines” make it clear that the Bank’s green credit will give priority to loans for manufacturing procedures of energy conservation and environmental protection, new energy, new energy vehicles and other strategic emerging industries, and for energy conservation and environmental protection projects and services. Based on the client’s environmental and social risk assessment criteria, the Bank has assessed the client’s environmental and social risks dynamically and used them as an important basis in rating, credit access, management and exit. The Bank has established a green credit innovation mechanism to give priority to supporting green credit business on the premise of risk control and commercial sustainability. The Bank has established an environmental risk exit mechanism for the enterprises with unqualified energy consumption and environmental protection, decreasing loans for such enterprises. The credit for enterprises with smelting, electroplating, pulp, printing and dyeing, heavy pollution chemicals and other enterprises that may seriously pollute the environment must strictly following the environmental protection standards and implement the one-vote-down system.

As of the end of the Reporting Period, the balance of loans for energy conservation and environmental protection projects was RMB210.7384 million, an increase of RMB6.7042 million from the beginning of the year. The Bank has no balance of loans for corporate with material environmental and safety risks.

Case: Loans for Green Transportation Projects

In order to meet the financing needs of a transportation group company in Yingkou for updating pure electric buses, the Bank provided credit funds for the company after field investigation. Under the premise of strictly controlling risks, the Bank gave priority to the approval of the funds and opened a green channel to offer credit funds for the enterprise very soon. It reduced the financing cost of the enterprise on the basis of comprehensive consideration of cost effectiveness and risk mitigation methods. The newly-added 125 buses has boosted the company’s operating income and the urban transportation pressure has been effectively alleviated.

At present, the Bank’s financial measures for overcapacity industries are to support the rational capital needs of state-owned key steel companies, increase financial support for mergers and acquisitions of steel companies, and strictly control the credit supply for new steel production capacity.

The Bank has formulated credit risk prevention measures for overcapacity industries and clearly stated in the “Guidelines” to “gradually compress loans for and withdraw from overcapacity industries”. The Bank has strictly controlled new loans for steel, iron ore, coal, coke, ferroalloy, non-ferrous metal smelting, non-ferrous metal minerals, flat glass, paper making, printing and dyeing industries, and adopted a policy of ensuring and compressing loans for them. The Bank has continuously optimized the customer structure and gradually get rid of stock loans. For enterprises that are profitable, promising, and voluntarily withdraw from low-end and inefficient production capacity, resolve excess capacity and carry out mergers and acquisitions, the Bank will provide credit support in accordance with the principles of risk control and commercial sustainability. The Bank has further improved the handling of “zombie enterprises”, strengthening risk investigations and actively and steadily compressing credit exposures.

7.2 Developing E-banking

7.2.1 Mobile Finance

In 2017, Personal Online Banking continued to optimize its product features and customer service experience on the next generation of online banking system. A number of smart savings products such as Youyuebao and Lingcunbao were launched, realizing the online selling of opening wealth management and morning and evening wealth management products. The bank also launched on-line tax payment service to provide one-stop financial services for individual clients. The Bank's corporate online banking has improved the account details query function and enhanced the efficiency of corporate customer account inquiries and verifications. The Bank also optimized corporate online banking's electronic commercial bills services, making them more quality and convenient. As of the end of the Reporting Period, the number of personal online banking customers reached 249,229, an increase of 20.7% over the end of the previous year; the transaction amount was RMB212.324 billion, an increase of 14.9%; the number of transactions was 6.9820 million, an increase of 64.6%. The number of corporate online banking customers reached 29,597, an increase of 29.5% over the end of the previous year; the transaction amount was RMB2.309684 trillion, a year-on-year increase of 39.6%; the number of transactions was 2.2324 million, an increase of 37.7%.

With the popularization of mobile finance and the application of emerging financial technologies, customers are increasingly demanding mobile terminals such as mobile banking and WeChat banking. In order to meet the personalized and diversified needs of customers, the Bank has continued to upgrade the functions of mobile banking and WeChat banking. It has successively launched convenience services such as banking medical services and payments for heating. In addition, it has launched large-value deposit certificates, open-end wealth management, revolving loans, credit cards and other financial products to serve customers with more products and convenient operation. As of the end of the Reporting Period, the Bank's mobile banking customers totalled 222,864, an increase of 54.9% from the end of the previous year; the transaction amount was RMB25.195 billion, a year-on-year increase of 30.2%; the number of transactions was 1.9708 million, an increase of 16.3%. The number of customers of WeChat banking reached 97,153, an increase of 87.1% over the end of the previous year; the transaction amount was RMB2.113 billion, up 206.2% year on year; the number of transactions was 220,800, an increase of 4.6%.

7.2.2 Smart Finance

With the concept of "smart finance", the Bank's Internet finance focuses on payment and life scenarios, helping enterprises and institutions to achieve "smart finance" and satisfying customers' needs for food, clothing, housing and transportation. The Bank has successively launched smart campus, taxi management fee payment service, aggregated QR code acquiring products and UnionPay QR code products, which comprehensively and deeply meet the fund settlement needs of corporate customers and enhance the payment convenience of customers. Through connecting with Alipay, WeChat, Apple pay and other fast payment methods, the Bank has met the diversified payment needs of customers. The E-Shopping APP of the Bank of Jinzhou has launched group purchase, cinema, business travel, daily payment and other services, providing customers with a convenient one-stop service.

7.3 Advocating Green Operation

The Bank always follows the concept of environmental protection, actively implements relevant policy requirements of national energy conservation and environmental protection, focuses on the harmonious development with the environment, and implements energy conservation and environmental protection during daily work by improving energy use rate and reducing resource and energy consumption. The Bank will comprehensively implement green office and promote the concept of green finance into financial services and operations management, and work together with our employees, customers, external suppliers and the public to achieve the goals of green operation.

Category	Unit	2017
Electricity consumption of the head office	1 kWh	1,051,662
Water consumption of the head office	Ton	6,646
Paper consumption of the head office	Sheet	779,500
Head office oil consumption	Liter	50,446
Head office natural gas consumption	Cubic meter	19,182
Head office greenhouse gas emission	Ton carbon dioxide equivalent	793.11
-- --Direct greenhouse gas emission	Ton carbon dioxide equivalent	119.05
-- --Indirect greenhouse gas emission	Ton carbon dioxide equivalent	674.06

Emission Reduction

The Bank strictly complied with Environmental Protection Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China and other related laws and regulations and attached importance to environmental protection in its daily operation. As a financial institution, the Bank did not generate industrial waste water, waste gas or emit hazardous waste. Also, the Bank only generated small amount of office and household waste water and household garbage. The Bank advocated its staff pay attention on details; for example, the staff should not wash their cups or other objects with the water in the drinking fountains; the crew on duty of maintenance team should inspect and examine the water network after 17:00 each day; the lights should be turned off and the electricity should be cut off when people leave the office. Through these methods, the staff's awareness of environmental protection was strengthened.

Resource Conservation

The Bank issued Initiative for Frugality in 2014, which covered green operation, green office, green procurement and other related system. The staff across the Bank responded actively to the initiative and strictly complied with the initiative, reducing the consumption of resources and energy and controlling the emissions of greenhouse gas and pollutants, so as to minimise the impact of business operation on environment.

1. Procurement application of all units should be approved according to the standards of equipment, office furniture and vehicles of branches and sub-branches. The procurement beyond the standards should not be approved, except in special circumstances.
2. The head office should perform open tendering for single large-amount procurement and bulk large-amount procurement within the standards, announce the controlling prices of single items for the purchased assets under the authority of the branches monthly and strengthen the vertical management of the head office over the procurement of the branches and sub-branches.
3. The Bank should keep a record for the vacant office furniture and make adjustment across the Bank. Those purchased equipment and vehicles beyond the new standards should be allocated among the branches to fully and effectively utilise the assets.
4. The procurement authority of laptops of the branches and sub-branches should be revoked, except for the iPads used for wealth management in the halls of the retail line. It is forbidden that the branches and sub-branches purchase new laptops.

5. Mobile storage device including portable hard drives and USB flash disk should no longer be distributed as office supplies. Toner cartridges, ink cartridges, mark pens, pens, scissors, glue and glue sticks should be traded with the old ones. The types and number of the issued office supplies should be reduced to ensure repeated use. Bulk and sudden application for the office supplies should be forbidden unless under special circumstances.
6. The procurement and distribution of duplicating paper should be managed by usage purposes. High-quality paper should be purchased at 20% of the actual usage amount of the previous year and should be only used to print the materials submitted to the regulatory departments. Low-cost paper used in daily work should be purchased at 80% of the actual usage amount of the previous year, and both sides of the paper should be used.

Green Office

In order to develop the appeals on energy conservation and environmental protection and fulfill social responsibilities, the Bank continued to promote the construction of office information, and established an information platform integrating process management, centralised office processing, regulations real-time enquiry and in-house information dissemination, covering all aspects of office management, thereby improving the paperless office level of the Bank.

Green Procurement

The Bank implemented centralised procurement and management by different levels to standardise the tendering and agency and improve the quality of procurement. Procurement Management Measures of Bank of Jinzhou put forward clearer and stricter requirements for managing the suppliers. The suppliers with environmentally friendly certificates should be the first choice on the basis of comprehensive consideration of suppliers' operating conditions and green environmental protection factors. More attention should be paid to the repeated use and recycling of the products and energy saving. Attach importance to supplier's business ethics and social ethics. Suppliers are required to comply with procurement laws and regulations, and abide by the principles of good faith and fair competition. The Bank carried through a concept of life cycle cost in the equipment procurement, including procurement cost, consumption cost and other costs into the total costs and realised systematic green procurement.

Green Public Welfare Activities

In 2017, the Bank continued to spread the concept of environmental protection, actively organised environmental protection activities at all levels of business units, carried out environmental protection activities, knowledge lectures and other public welfare activities, and guided all employees regarding frugality and low-carbon and environmental protection, and disseminated the concept of green environmental protection among the public, driving all sectors of the society to participate in the practice of environmental protection through actions from the Bank.





Prospect for 2018

The year 2018 is the first year for the full implementation of the spirit of the 19th National Congress of the Communist Party of China, and it is also a crucial year for the victory in building a well-off society in an all-round way. Under the blueprint of the new era, Bank of Jinzhou will keep in mind its financial mission and development orientation, focus on the business and social benefits simultaneously, actively serve the real economy, effectively prevent and control financial risks, deepen the development of inclusive finance, actively contribute to public benefit, and continue to create value for the economy, environment and society by using the financial power.

Follow our national strategy and serve the real economy. In the fight against the risk prevention and reduction within the banking industry, Bank of Jinzhou will continue to improve corporate governance and deepen comprehensive risk management, and closely observe the financial risk tolerance; focus on the main business and serve the supply-side reform, support the development of small and micro enterprises, agriculture-related and emerging industries, strengthen financial service support, and improve the efficiency and level of serving the real economy.

Execute the inclusive finance and sincerely contribute to the community. Continuously improve the service management framework system, implement the inclusive finance with “Two Grassroots Mobilization” as a starter; strengthen scientific and technological innovation, focus on financial technology, and provide customers with more efficient and intelligent services; continue to increase poverty alleviation efforts and strive to win over the fight against poverty alleviation; we will invest in public welfare, poverty alleviation and volunteer service, and strive to become an important participant and promoter of nurturing the society; constantly improve the career development channels of employees, create a comprehensive training system to improve the overall quality of employees; attach importance to employees’ physical and mental health, enabling them to obtain a sense of belonging and happiness.

Develop green finance and assist in green development. Continue to uphold the concept of sustainable development, increase credit support for environmental protection industry and new energy sector, rapidly develop green finance; implement green office, enhance employees' environmental protection awareness and reduce our impact on the environment; advocate the concept of environmental protection among the public; carry out green public welfare practices and work together to create a better environment.

In 2018, Bank of Jinzhou will continue to follow the principle of “serving the society and benefiting the public” , adhere to the basic orientation of “serving local economy, small and micro enterprises and urban and rural residents” , actively respond to the interests of stakeholders and promote the further integration of sustainable development strategy and enterprise operation strategy so as to achieve the common sustainable development with stakeholders.

Independent Limited Assurance Report

Independent Limited Assurance Report

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

We were engaged by the Board of Directors of Bank of Jinzhou Co., Ltd. (“the Bank”) to provide limited assurance on the 2017 Environmental, Social and Governance Report of the Bank for the year ended 31 December 2017 (“the ESG Report”).

Responsibilities of the Board of Directors

The Board of Directors of the Bank is solely responsible for the preparation and presentation of the 2017 ESG Report, including the information and assertions contained within it, in accordance with the disclosure recommendations of The Stock Exchange of Hong Kong Limited’s Guidelines for Environmental, Social and Governance Reporting (“SEHK’s Guidelines”).

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

Responsibilities of KPMG

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

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

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

Independent Limited Assurance Report (continued)

Summary of work performed

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

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

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

Conclusions

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the ESG Report of the Bank for the year ended 31 December 2017 is not prepared, in all material respects, in accordance with the SEHK's Guidelines.

KPMG Huazhen LLP

Beijing

13th July, 2018



ESG Indicator Index

ESG Indicator Index

Subject Areas and Aspects	General Disclosures	Disclosure location
A. Environmental		
A1 Emissions	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	51-52
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	51-52
A3 Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	51-52
B. Social		
B1 Employment	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	41-47
B2 Health and Safety	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	41-47
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	42-43
B4 Labour Standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	41

KPIs	Disclosure location
A1.1 The types of emissions and respective emissions data.	51
A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	51
A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable
A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	51
A1.5 Description of measures to mitigate emissions and results achieved.	51-52
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	51-52
A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	51
A2.2 Water consumption in total and intensity (eg. per unit of production volume per facility).	51
A2.3 Description of energy use efficiency initiatives and results achieved.	51-52
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	51
A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	51-52
B1.1 Total workforce by gender, employment type, age group and geographical region.	41
B1.2 Employee turnover rate by gender, age group and geographical region.	Note 1
B2.1 Number and rate of work-related fatalities.	41
B2.2 Lost days due to work injury.	41
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	41-47
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Note 1
B3.2 The average training hours completed per employee by gender and employee category.	Note 1
B4.1 Description of measures to review employment practices to avoid child and forced labour.	41
B4.2 Description of steps taken to eliminate such practices when discovered.	Not Applicable

ESG Indicator Index(Continued)

Subject Areas and Aspects	General Disclosures	Disclosure location
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	52
B6 Product Responsibility	Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	15-16, 37-39
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	10, 14-15
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	29-32, 52

KPIs	Disclosure location
B5.1 Number of suppliers by geographical region.	Note 1
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	52
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
B6.2 Number of products and service related complaints received and how they are dealt with.	37
B6.3 Description of practices relating to observing and protecting intellectual property rights.	15-16
B6.4 Description of quality assurance process and recall procedures.	Not Applicable
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	39
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Not Applicable
B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	14-15
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	29-32, 52
B8.2 Resources contributed (e.g. money or time) to the focus area.	29-32, 52
Note 1: The Bank plans to gradually disclose in the future.	

Feedback from Readers

Feedback from Readers

Thank you for reading the 2017 Environmental, Social and Governance Report of Bank of Jinzhou. With the aim of enhancing the Bank's work for performing social responsibilities, we hope that you can evaluate this report and provide us with your valuable comments and suggestions. You can fill out the below feedback form and choose any of the following ways to send us your opinions.

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1. Your general evaluation on this report:

Poor

Average

Good

Excellent

2. Your evaluation of Bank of Jinzhou in performing social responsibilities for stakeholders:

Poor

Average

Good

Excellent

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

No

Average

Yes

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

No

Average

Yes

5. Do you have any other comments or suggestions on the report and on the improvement and development of Bank of Jinzhou for performing social responsibilities?

Thank you for your caring and support for Bank of Jinzhou!





2017
Bank of Jinzhou
Environmental, Social
and Governance Report





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