

# 2018

CHINA MINSHENG BANK  
SOCIAL RESPONSIBILITY REPORT



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# RECORDS OF TARGETED POVERTY ALLEVIATION

Since 2002, China Minsheng Bank has continued to help the counties, Fengqiu and Hua Counties in Henan Province. Over the past 17 years, China Minsheng Bank has firmly established the concept of "responsible field", fully exerted the industry advantages in response to the actual needs of the two counties, increased the unpaid assistance and financial support, and integrated various resources to participate, thus forming a multi-layered, widely covered and strongly penetrated "seven-in-one" targeted poverty alleviation system, which takes education poverty alleviation as the root, medical poverty alleviation as the focus, equity poverty alleviation as the breakthrough, financial poverty alleviation as the support, skill poverty alleviation as the response, consumption poverty alleviation as the highlight, and e-commerce poverty alleviation as the exploration.

In November 2017, Hua County successfully achieved poverty alleviation. In 2018, 1,474 households, that is to say, 4,201 people were lifted out of poverty. The poverty rate was 0.81%, which was 0.34% lower than that of the previous year. The results of poverty alleviation were consolidated and improved.

In 2018, Fengqiu County lifted 22,616 people out of poverty from 7,958 households, and 40 villages were removed from poverty, with a poverty rate of 94.16% and a poverty incidence rate of 1.38%. The two counties have become "demonstration fields" of financial targeted poverty alleviation that are sustainable and can be promoted.

In the past 17 years, China Minsheng Bank has been devoted to poverty alleviation with continuous innovation, hard work and outstanding results, and embarked on a new road of poverty alleviation with unique features.



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## Message from the Chairman

Over the past four decades, China has witnessed great changes and the world is expecting new miracles. The year of 2018 was the 40th anniversary of China's reform and opening-up. In his open letter to the country's private entrepreneurs, General Secretary Xi Jinping noted, "The private enterprises have been thriving and the private economy have been growing in size and strength in the reform and opening-up drive over the past 40 years. The private economy has played a key role in promoting steady growth, innovation and employment as well as improving people's wellbeing, and it has become an important driving force for social and economic development," "I'm delighted to see an increasing number of private entrepreneurs actively shouldering social responsibilities, eagerly devoting themselves to the arduous battle to eradicate poverty, and helping many impoverished people to live a better life."

We are proud and grateful for the development and achievements of Minsheng Bank over the past years. Against the backdrop of China's reform and opening-up, Minsheng Bank has become a model of China's private economy. With the gene of reform and vitality of opening-up, Minsheng Bank have insisted on the ideal of "New Bank, New System." After 23 years of efforts, we have developed rapidly into a large commercial bank with total assets of RMB5.99 trillion, nearly 3,000 branches, sub-branches and outlets, and about 56,000 employees from a small bank with only RMB1.38 billion of

capital originally.

In 2018, Minsheng Bank, with united and determined efforts, have forged ahead and overcame difficulties, making new achievements in the new era. We have accelerated the implementation of the NSOE strategy and effectively improved the business development quality. We have fully promoted reform and transformation, established customer lists of strategic NSOEs at both the Head Office level and the branch level, continuously enhanced the professional, integrated, flat and comprehensive services, set exemplary models in serving strategic NSOEs, boosted the "SMEs Minsheng Project," and speeded up the implementation of the "Small Finance 3.0" in a deep-going way, making reform and transformation as the "fresh sources" in promoting high-quality development of Minsheng Bank. We have taken initiative to fulfill social responsibility, made solid efforts to fight against the "three tough battles" of preventing financial risks, reducing poverty and tackling pollution, conducted long-term targeted poverty alleviation projects in Fengqiu County and Hua County, two impoverished counties in central China's Henan Province, innovatively implemented the "seven-in-one" poverty alleviation model consisting of poverty alleviation through education, medical care, finance, industry development, skill training, consumption and e-commerce. The two poverty-stricken counties had been lifted out of poverty in 2018, receiving extensive attention from all sectors of society.

In 2019, Minsheng Bank, facing the changing circumstance and various challenges, will start a new journey from a higher starting point. We will accurately follow the key trends and market changes, firmly grasp policy opportunities, accelerate the implementation of the NSOE strategy, offer high-quality services for NSOEs, and speed up the establishment of brand advantages of Minsheng Bank, building the Bank into a benchmark bank for NSOEs. We will effectively promote reform and transformation and innovation-driven development, explore new business models, and comprehensively enhance service capability, market competitiveness and risk management and control. We will actively fulfill social responsibility, resolutely achieve victory in the fight against poverty, and continue to do a good job in targeted poverty alleviation. We will make special efforts to help impoverished people shake off poverty and achieve prosperity and promote comprehensive rural vitalization, thus realizing the goal of building a moderately prosperous society in all respects where no one should be left behind.

A great era calls for great vision, and great development requires great horizon. All the people of Minsheng Bank are working together for a new grand chapter of reform and transformation. We will achieve splendid results both for ourselves and for the new era. Moreover, we will strive to create impressive Chinese miracles.

洪崎



Hong Qi, Chairman of China Minsheng Bank



## Message from the President

The year of 2018 marked the first year of fully implementing the spirit of the 19th National Congress of the Communist Party of China, as well as the first year of Minsheng Bank in promoting comprehensive reform and transformation. We have maintained strategic focus, accelerated reform and transformation, and firmly held the strategic positioning of building Minsheng Bank into a bank for the NSOEs, a fintech-based bank, and a bank of comprehensive services. As a result, we have achieved new operating income, realized new progress in structural adjustment, and created new situation in risk management and made new results in Party building, thus writing a brilliant chapter in the process of building a sustainable bank and a time-honored enterprise.

We have insisted on the NSOE strategy and we have been dedicated to promoting transformation and upgrading. We have unswervingly promoted reform and innovation, and further implemented the NSOE strategy in order to build ourselves as a benchmark bank for NSOEs. The NSOE strategy brought along significant results and the balance of loans of strategic NSOEs reached RMB170.54 billion at the Head Office level. The "SMEs Minsheng Project" was implemented smoothly and a total of seven exemplary models were established. The small finance business entered its 10th year of development and the "Small Finance 3.0" was launched smoothly. The balance of loans of small business finance (Shang Dai Tong) amounted to RMB406.9 billion.

We have adhered to innovative ideas and provided support for inclusive finance. We enhanced the financial assistance to the country's central and western

regions which are less developed, and optimized credit layout to contribute to regional economic development. We have vigorously supported the rural vitalization strategy, strengthened the support for agriculture, rural areas and farmers, promoted inclusive finance in rural areas, improved the access to credit funds and accelerated the development of agricultural modernization and industrialization. We have promoted business development overseas and provided support for high-quality enterprises and leading companies to participate in the construction of the Belt and Road Initiative. We have constantly conducted innovations in financial products and services, upgraded direct banking, optimized mobile banking and improved online payment experience, striving to build Minsheng Bank into a trustworthy, reliable, easy-to-use and preferred bank for customers.

We have spared no efforts to fight against the "three tough battles" of preventing financial risks, reducing poverty and tackling pollution. We have always focused on preventing financial risks, earnestly implemented the primary responsibility for risk prevention and control and put forward the transformation toward active risk management. We have effectively conducted targeted poverty alleviation, improved poverty alleviation work mechanism according to the principles of overall planning, and made concerted efforts to establish new pattern for poverty alleviation. Therefore, we have achieved new results in implementing poverty alleviation work and helped Hua County and Fengqiu County, two impoverished counties in central China's Henan Province under the pairing assistance mechanism by Minsheng Bank, get rid of poverty successfully.

We have firmly followed the idea of green development, gave play to the role of financial leverage, promoted green credit practices, boosted green operation and supported green public welfare activities, making tireless efforts to achieve sustainable development of the economy, society, and environment.

We have been committed to promoting distinctive Party building work and took initiative to assume greater responsibility and to make greater contributions. We have comprehensively enhanced Party building and fully strengthened corporate governance, organically integrating the overall leadership of the Party with the improvement of corporate governance. We have effectively implemented the work of improving Party conduct and upholding integrity to provide a strong political underpinning for reform and development. We have promoted corporate culture development and built a cultural environment featuring lofty ideas and moral integrity. We have put people first, guaranteed rights and interests of employees, enhanced employee care, and broadened development platform, in order to build a homeland for employees and improve their sense of happiness.

The year of 2019 witnesses the 70th anniversary of the founding of the People's Republic of China, and this year is crucial for the country to win the battle against poverty and to build a moderately prosperous society in all respects. A new era calls for a new Minsheng Bank. Now, we are at a crucial stage where we must work harder to overcome difficulties. We will make joint efforts with all sectors of society to achieve the grand vision of building Minsheng Bank into a time-honored enterprise.

郑万春



Zheng Wanchun, President of China Minsheng Bank



## Fast Facts & Minsheng Bank

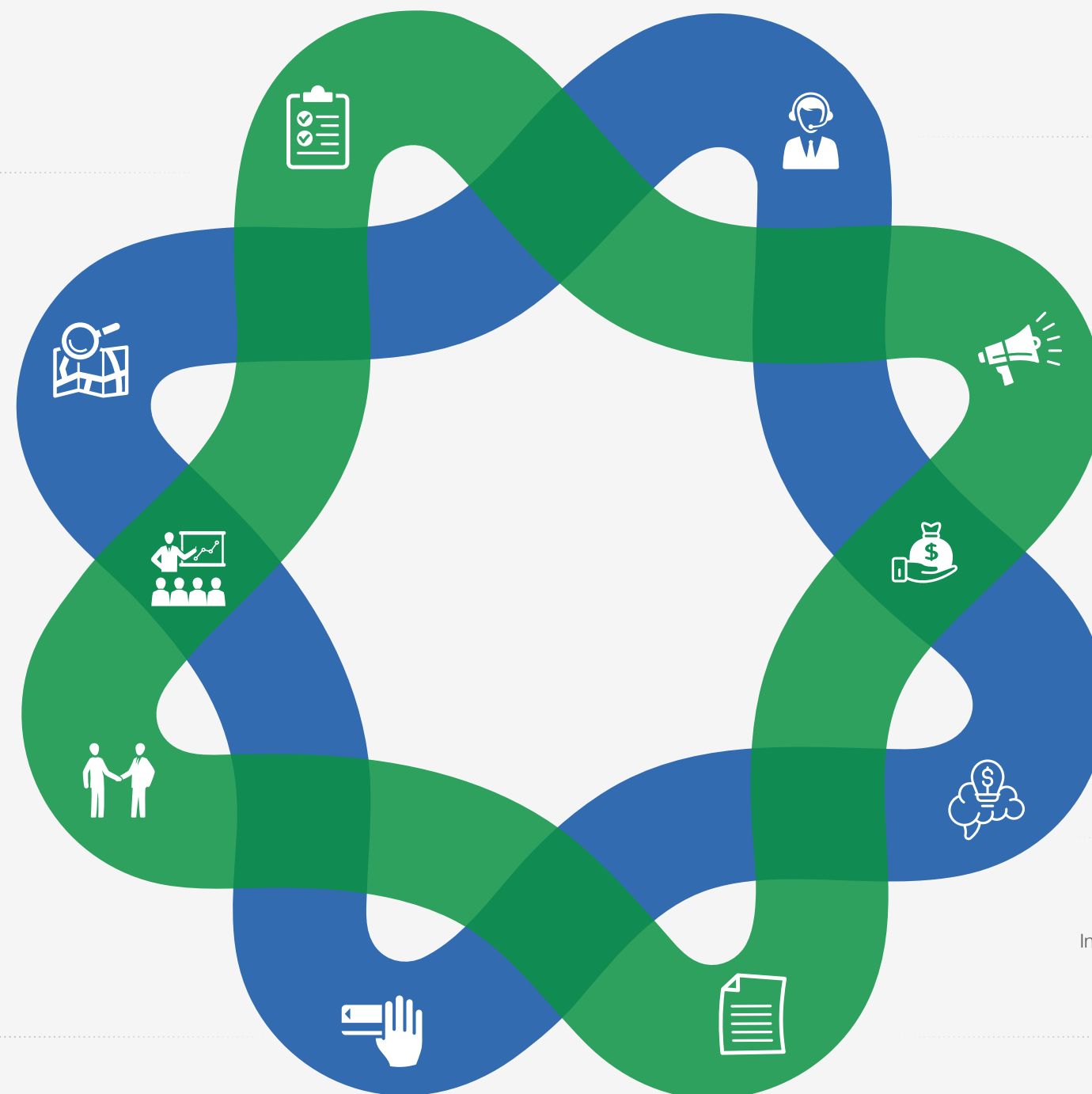
The Party building work has been incorporated into the Articles of Association, and the Party's leadership has been integrated into various links of corporate governance.

The Board has considered and approved the "Overall Implementation Scheme for Reform and Transformation and the Three-Year Development Plan of China Minsheng Bank," drawing a detailed roadmap of reform and transformation for the Company.

Compliance management has been enhanced; over **1,100** compliance trainings were held, and the participants reached about **170,000** attendances.

The strategy of serving NSOEs has been further implemented; the number of NSOE customers with outstanding loan balances reached **7,647** units.

Small business finance has been developed for 10 years; the loan balance of "Shang Dai Tong" reached RMB **406.9** billion.



Innovation in financial products has been promoted; the mobile banking 4.0 has been launched, and

**22** major classified functions have been upgraded and optimized.

Financial knowledge has been actively popularized; a total of **14,054** activities on financial knowledge were organized.

"Seven-in-one" targeted poverty alleviation model has been constructed; the total donations for targeted poverty alleviation reached RMB **23.34** million.

Support for green credit has been further enhanced; the loan balance of projects and services relating to energy-saving and environmental protection reached

RMB **25.075** billion.

Innovation in public welfare field has been constantly made, and the category of targeted poverty alleviation has been included into the 4th ME Charity Innovation Funding Scheme.



# About Us

## Corporate Profile

Formally established on January 12, 1996 in Beijing, China Minsheng Banking Corp., Ltd. (hereinafter referred to as "China Minsheng Bank," "Minsheng Bank," "the Bank" or "the Company") is China's first national joint-stock commercial bank with investments mainly from non-state-owned enterprises (NSOEs), and is a modern joint-stock financial institution founded in strict compliance with the "Company Law of the People's Republic of China" and the "Law of the People's Republic of China on Commercial Banks."

Since its establishment 23 years ago, along with the rapid growth of China's economy and the support from customers and various circles of the society, China Minsheng Bank has been taking full advantages of "new bank, new mechanism" and has developed from a small bank with capital of only RMB1.38 billion into a large-scale commercial bank with net tier-1 capital of over RMB426.55 billion, total assets of more than RMB5.99 trillion, nearly 3,000 branches, sub-branches and outlets, and around 58 thousand employees. Among the Top 1000 World Banks published in July 2018 by The Banker, China Minsheng Bank ranked 30th. In the Global 500 list published by Fortune in July 2018, China Minsheng Bank ranked 251st.

Being a pilot field of China's banking reform and adhering to the mission of "From the People, For the People," China Minsheng Bank actively practices reforms and innovations, in an aim to explore development path for China's modern commercial banks, provide professional and distinctive modern financial services to customers, and create higher market value and investment returns to investors. On December 19, 2000, China Minsheng Bank was listed on

the Shanghai Stock Exchange (A share code: 600016). On October 26, 2005, the Company became the first commercial bank in China to complete the Non-Tradable Share Reform. On November 26, 2009, the Company was listed on the Hong Kong Stock Exchange (H share code: 01988). By continuing improving corporate governance and promoting reforms and transformations, China Minsheng Bank has achieved outstanding performance and became a respectable listed company that attracts much attention from China's securities market.

As China's economy has been transitioning from a phase of rapid growth to a stage of high-quality development, the economic and financial environment for the banking industry is undergoing profound changes, driving commercial banks to accelerate strategic transformation. In June 2015, China Minsheng Bank launched the Phoenix Project, an overall reform and transformation project aiming at responding to changes in the external environment. On April 27, 2018, the board of directors of China Minsheng Bank, on the basis of the core achievements and the three-year development plan, considered and approved the "Overall Implementation Scheme for Reform and Transformation and the Three-Year Development Plan of China Minsheng Bank," targeting to improve development quality and efficiency and to build the Company into a leading model bank featuring distinct characteristics, value growth, and constant innovation through reform and transformation under the customer-centric philosophy and in line with the three types of strategic positioning of being a bank for NSOEs, a fintech-based bank, and a bank of comprehensive services.





# Responsibility Management

## Responsibility Concept

China Minsheng Bank has adhered to the corporate mission of "From the People, For the People," upheld the corporate vision of "Build a sustainable bank and a time-honored enterprise," and insisted on the core values of "Integrity and honesty, mutual benefits and win-win results, putting people first, and pursuit of excellence." Being integrated organically into the corporate mission, corporate vision and core values, the corporate social responsibility concept of the Bank has rich connotation and denotation.



## Responsibility Governance

China Minsheng Bank has constantly perfected corporate social responsibility organizational system, promoted institutional and system building, set up public welfare decision-making committee, and established the Corporate Social Responsibility Management Division and the Art Institution Management Division at the Head Office, aiming at coordinately promoting corporate social responsibility management and project implementation, and at improving the professional level of corporate social responsibility management. In the reporting period, the Public Welfare Decision-Making Committee of the Bank held meetings to deliberate and approve a series of proposals relating to donations to public welfare projects and art institutions, and to vigorously promote the implementation of the HIV/AIDS program of China Red Ribbon Foundation, the ME Charity Innovation Funding Scheme, the Dunhuang protection project, and other key projects

## Responsibility Communication

### ■ Five-Star Rating on CSR Report for Two Successive Years

China Minsheng Bank completed the preparation work of the "2017 Corporate Social Responsibility Report of China Minsheng Bank" in a high-quality way. With original framework and structure, the report showed the characteristics of social responsibility performance of the Company; centering on the latest requirements of the Report to the 19th National Congress of the Communist Party of China (CPC) and the National Financial Work Conference, the contents of issues highlighted the duties of the Company in performing social responsibility; and the PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) conducted an independent assurance on the key information disclosed in the report. The Chinese Expert Committee on CSR Report Rating gave the report a five-star rating for the second year in a row and recognized it as an excellent corporate social responsibility report.



### ■ Participating in China Social Responsibility 100 Forum

On December 5, 2018, China Minsheng Bank, as a chairman unit, participated in the "Press Conference for the Research Report on Poverty Alleviation of Enterprises (2018) & the 3rd Summit on Targeted Poverty Alleviation by Enterprises" hosted by China Social Responsibility 100 Forum. At the forum, the Bank delivered a keynote speech, sharing the experience and achievements of targeted poverty alleviation, which enhanced responsibility communications with stakeholders.



China Minsheng Bank participated in the "Press Conference for the Research Report on Poverty Alleviation of Enterprises (2018) & the 3rd Summit on Targeted Poverty Alleviation by Enterprises"

## Awards & Honors

In 2018, the corporate social responsibility work of China Minsheng Bank was recognized by government departments, public welfare organizations, major media outlets, and other third-party institutions. The Bank won, among others, the 10th China Charity Award by the Ministry of Civil Affairs, which was the highest government award in the field of charity, the Outstanding Poverty Alleviation Case Award jointly by the Social Poverty Alleviation Department of the Poverty Alleviation Office of the State Council and the Chinese Academy of Social Sciences (CASS), the Best Charity Contribution Award by China Banking Association, the No. 1 in the Top 100 NSOE for Corporate Social Responsibility by the CASS, the No. 1 in the Social Responsibility Index of China's Banking Industry by the CASS, the Award for the Best 10 NSOE -- 10 Years of Social Responsibility Development of Chinese Enterprises by the CASS, the Corporate Social Responsibility Award by the Shanghai Securities News, and the Best Enterprises for Corporate Social Responsibility Award by the Southern Weekly.



The Outstanding Poverty Alleviation Case Award jointly by the Social Poverty Alleviation Department of the Poverty Alleviation Office of the State Council and the Chinese Academy of Social Sciences (CASS)



The 10th China Charity Award by the Ministry of Civil Affairs

# Corporate Governance

## Adopting Several Measures and Scientific Governance Model

### ■ Optimizing Governance Structure

China Minsheng Bank has attached great importance to the building of corporate governance structure, and constantly enhanced the corporate governance mechanism in practices in line with the guidance and requirements of regulators including China Securities Regulatory Commission and Shanghai Stock Exchange. The general meeting of shareholders, the board of directors, the board of supervisors, and the management have performed their respective duties and maintained highly efficient operation, effectively guaranteeing the fast, stable and sound development of the Bank.

As of the end of 2018, the board of directors of China Minsheng Bank had 15 members, including seven shareholder directors, two executive directors, and six independent directors. The independent directors within the board took a proportion of more than one-third. The professionalism, independence and diversity of the board members guaranteed the scientific integrity of decisions of the board.

### ■ Perfecting Governance Mechanism

China Minsheng Bank has carried out the revision work of the "Articles of Association." The revised "Articles of Association of China Minsheng Banking Corp., Ltd." has been considered and approved at the 2017 general meeting of shareholders on June 21, 2018.

In the reporting period, China Minsheng Bank formulated the "Guidance on Data Governance of China Minsheng Bank" and other eight regulations, revised and perfected the "Administrative Measures of China Minsheng Bank on Related Party Transaction" and other seven regulations. Through improving and perfecting major rules and regulations, the compliance and corporate governance level of the board of directors of the Bank have been constantly enhanced.



Increasing Values and Creating Win-Win Results

Enhancing Information Disclosure

The board of directors of China Minsheng Bank has strictly abided by the regulatory requirements, focused on the demands of investors, and taken initiative to keep close communication and contact with regulators, disclosing authentic, accurate and complete information in a compliant and efficient way and in a timely manner. In the reporting period, the Bank published 77 interim announcements on the Shanghai Stock Exchange, and 148 announcements, including 68 overseas regulatory announcements, on the Stock Exchange of Hong Kong. It also published the 2017 Annual Report, the 2018 quarterly reports, the 2018 Interim Report, and the 2017 Environmental, Social and Governance Report; the 2017 Annual Report won the Gold Award and the Technical Achievement Award by the League of American Communications Professionals LLC (LACP).

The number of interim announcements published on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong was

77

Protecting Rights and Interests of Minority Shareholders

China Minsheng Bank has guaranteed the right of minority shareholders to fully express opinions and pursuits. On May 18, 2018, the Bank participated in the "2018 Collective Reception Day of Listed Companies under Jurisdiction of Beijing" jointly held by the Listed Companies Association of Beijing and the SSE InfoNet Ltd., conducting adequate communication on profit distribution with minority shareholders. As of the end of 2018, the Bank had received 158 calls from minority shareholders with questions regarding development strategy, operating conditions, dividend policy, asset quality, and so on; nearly 100 percent of the questions had been solved at site through the phone.

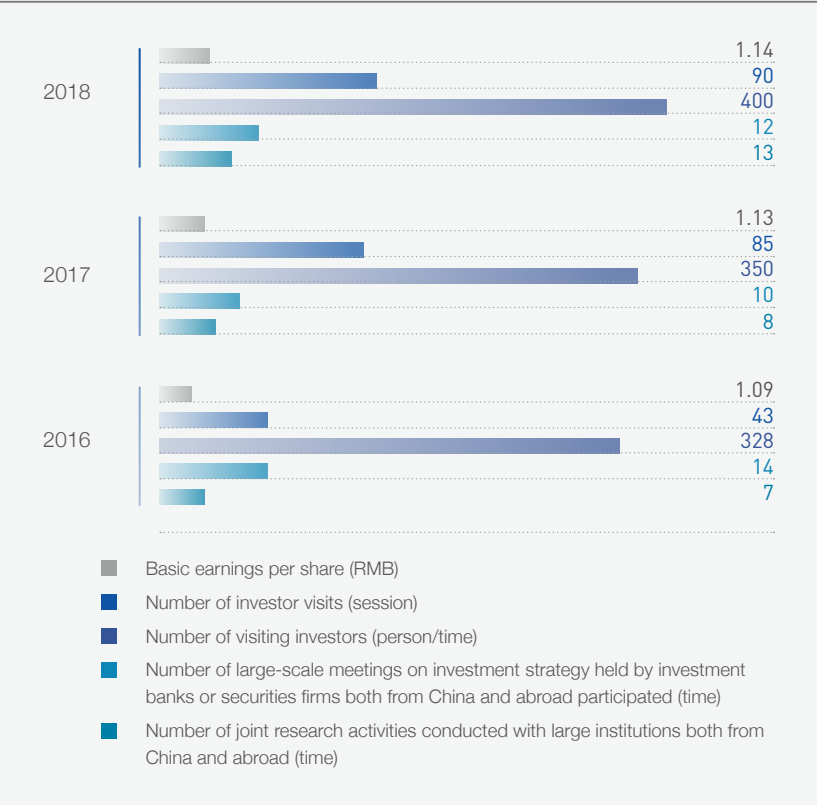
As of the end of 2018, the number of calls received from minority shareholders was

158

The questions had been solved at site by

100%

Table: Performance of Investor Relations Management



Preventing Risks and Achieving Far-Reaching Outcomes

Legal and Compliance Management

Strengthening Management System

China Minsheng Bank has formulated the "Three-Year Plan for Internal Control and Compliance," which clearly set the general objective of internal control and compliance management, and printed and issued 31 new regulations, preliminarily establishing an internal control and compliance management system covering the front, middle and back offices. The Bank has built an integrated compliance review mechanism featuring "routine compliance review + independent compliance review," optimized the methods for comprehensive evaluation, and established a governance system for the conduct of practitioners, which featured full coverage, clear authorization, and checks and balances.

Perfecting Organizational System

China Minsheng Bank has perfected the internal control organizational system, and set up internal control departments at branches, further enhancing the management foundation. The Bank has set a three-year goal for the allocation of compliance personnel, and built a talent pool for compliance review and inspection work.

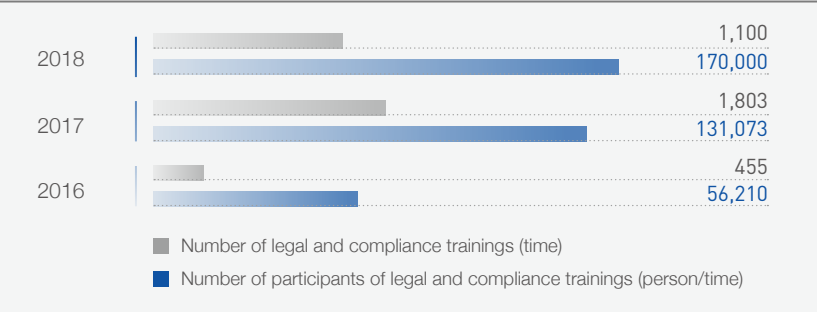
Conducting Compliance Training

China Minsheng Bank has conducted over 1,100 legal and compliance trainings covering the fields of employee code of business conduct, bottom line of compliance, operational risks, case prevention and control, compliance inspection, day-to-day routine work, warning cases, specific businesses, and so on; the participants of the trainings reached about 170,000 persons/times. The Bank has conducted major inspection programs including unannounced inspection on community-based outlets, internal control and compliance inspection on the ratification of chaotic practices, special inspection on foreign exchange business, and special inspection on branches, effectively enhancing the effectiveness of trainings.

The number of legal and compliance trainings covering the fields of employee code of business conduct, bottom line of compliance, operational risks, case prevention and control, compliance inspection, day-to-day routine work, warning cases and specific businesses that China Minsheng Bank conducted reached

1,100

Table: Performance of Legal and Compliance Trainings



Ensuring Thorough Implementation of Legal Education and Training

In the reporting period, China Minsheng Bank conducted a legal education activity themed "Say no to illegal financial acts," which focused on risk culture and bottom line of rule of law, and covered all of the operating institutions and the whole staff. The Bank also held 10 special trainings focused on the topic of rule of law, improving the legal consciousness and skills of employees.

China Minsheng Bank has conducted online and offline legal education activities. The Bank uploaded 24 legal programs on Minsheng Edu and its online learning platform, and a total of 41,118 people participated in the training programs. The Bank also organized 2,405 on-site legal trainings at branches, which focused on special topics and were systemic, and the number of participants reached 133,530 attendances.

The legal training credits were set in accordance with the post categories of employees and were linked to their annual performance appraisal and evaluation, which vigorously enhanced the effectiveness of the trainings.

The number of legal programs on Minsheng Edu and its online learning platform was

24

People participating in the training programs reached

41,118 persons

■ Anti-Corruption

In the reporting period, China Minsheng Bank established a leading group for prevention and control of ethical risks of employees in implementing its NSOE strategy, and published the "Research Report on Strengthening the Management of Ethical Risks of Employees in Implementing NSOE Strategy." The Bank also revised the management measures for outside employment of full-time employees, and upgraded the outside employment management system, enhancing the whole process management on outside employment.

China Minsheng Bank has vigorously conducted anti-corruption trainings. As of the end of 2018, the Bank had carried out 49 trainings, and the number of participants had reached about 54,000 attendances. The Bank has also conducted a company-wide lecturing tour, which covered a total of 48 institutions including 41 branches, three affiliates, three SBUs, and the Head Office, as well as the whole staff.

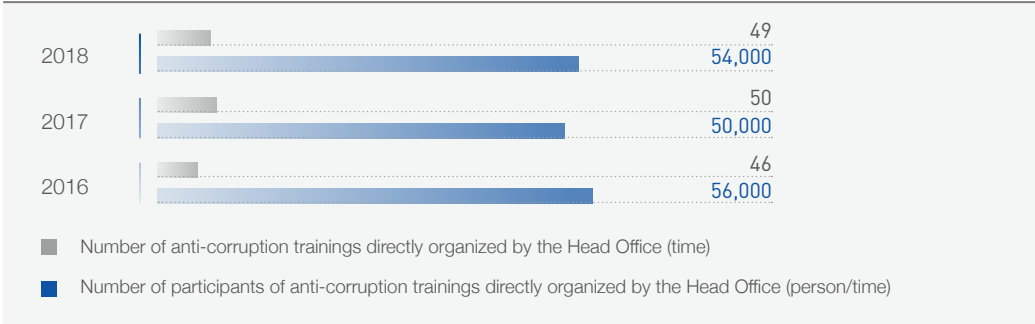


Company-wide lecturing tour-----in Nanjing



Company-wide lecturing tour-----in Suzhou

■ Table: Performance of Anti-Corruption Trainings



■ Anti-Money Laundering

Enhancing Internal Control and Management on Anti-Money Laundering

China Minsheng Bank has completed the ratification and improvement project for anti-money laundering, further perfecting the internal control and compliance system in this aspect. The Bank has consolidated the anti-money laundering system and the blacklist management system, realizing the function of suspicious transaction monitoring and name list management and control, which was based on a single customer and covered all of the transactions. The Bank has also conducted the work of identifying beneficial owners in a deep-going way, fully regulating and improving the customer due diligence standard.

Conducting Anti-Money Laundering Publicity and Training Activities

In the reporting period, China Minsheng Bank conducted more than 10,200 trainings for, among others, anti-money laundering publicity and anti-money laundering qualification examination, and the number of participants reached over 214,000 persons/times. A total of 855 employees of the Bank passed the training examination organized by the People's Bank of China, and the pass rate reached 99.9 percent; accumulatively, a total of 10,866 employees had passed the examination. The Bank also organized an anti-money laundering publicity month activity, sending over 20 million pieces of online information, which effectively improved the influence of anti-money laundering work.

The pass rate in the training examination organized by the People's Bank of China reached

99.9%

The number of employees who had passed the examination was

10,866

■ Risk Management

Establishing Total Risk Management System

China Minsheng Bank has integrated the goal of total risk management into the reform and transformation work, and established a total risk management system. The Bank has set the Internal Control and Compliance Department, constantly streamlining and perfecting risk institutional system. It has also introduced the "Administrative Measures on Total Risk Management," the "Administrative Measures on Risk Management of Subsidiaries," and other administrative measures, and actively promoted the building of the support mechanism of risk to strategic decision-making, the GRC (governance, risk management and compliance) mechanism and the risk reporting system.

Focusing on Risk Prevention and Control in Key Fields

China Minsheng Bank has formulated differentiated policies and strategies by region, industry, customer and product, focused on serving customers who are in line with the requirements of NSOE strategy and the high-quality small and medium-sized enterprises on the industry chain of those customers, constantly optimized asset mix and customer structure, and strictly controlled the loans granted to industries with high energy consumption, high pollution or overcapacity. The Bank has paid close attention to development trends of relevant industries and policy changes, and released the "Interpretation and Analysis on Corporate Risks," adjusting credit policies in a dynamic way.

Enhancing Case Risk Prevention and Control

China Minsheng Bank has established the case prevention and management system, and formulated the "Administrative Measures of China Minsheng Bank on Case (Risk) Information and Case Disposal," the "Administrative Measures of China Minsheng Bank on Case Prevention," and other measures, which clarified the new assignment of responsibility, elaborated the requirements of case prevention, and enhanced the management of case prevention data. The Bank has set up a leading group for combating illegal fund-raising, illegal lending and financial fraud, effectively implementing the requirements of China Banking and Insurance Regulatory Commission (CBIRC).

Conducting Publicity and Training on Risk Prevention and Control

As of the end of 2018, the tier-one and tier-two branches of China Minsheng Bank had conducted a total of 1,321 trainings on risk prevention and control, and the number of participants had reached over 51,000 persons/times. The Bank had also carried out 173 risk culture publicity activities, covering 42 branches and all of the SBUs.

As of the end of 2018, the number of risk prevention and control trainings conducted by the tier-one and tier-two branches of China Minsheng Bank was

1,321

The number of participating employees was

51,000



# Featured Story

## Pursuing Excellence Through Reform and Transformation

“

China Minsheng Bank is rooted in and strives to promote reform. We are not afraid of reform, never and ever. Pursuing excellence flows in the blood of our body, and keeping the courage of innovation and the pioneering spirit is our inherent nature.

——Hong Qi, Chairman of China Minsheng Bank

The new era entrusts a new mission to us, and new success shall be achieved on the new journey. Only by adapting to the changing world, identifying the correct positioning, exploiting the advantages to the full, and accelerating reform can we seize the opportunity, get ahead in development, and shape the high-quality, sustainable business development and growth model, becoming one of the leading commercial banks in China and the world at large.

——Zheng Wanchun, President of China Minsheng Bank

”

Phoenix Project, which was launched by China Minsheng Bank in June 2015, is an overall reform and transformation project aiming at responding to changes in the external environment. As of the end of 2017, the design work of a total of 30 sub-projects in three batches had been completed, and fruitful results had been achieved in the aspects of strategic focus, governance model optimization, innovation in business models, and management capacity enhancement.

To counter the severe challenges of the new market environment, and to turn challenges into opportunities, rebuild competitiveness and resume performance growth, the board of directors of China Minsheng Bank, on the basis of the core achievements of Phoenix Project, considered and approved the "Overall Implementation Scheme for Reform and Transformation and the Three-year Development Plan of China Minsheng Bank" on December 27, 2017. The implementation scheme, which is characterized by the NSOE strategy, outlines a blueprint for reform and transformation from two aspects of business and management, and formulates corresponding organizational system, supervision and inspection mechanism, as well as appraisal and review mechanism, so as to guarantee the realization of the expected goals of reform and transformation.

### Vision of reform and transformation

China Minsheng Bank will insist on the customer-centric philosophy, and take the improvement of development quality and efficiency as core objective, striving to build itself into a leading model bank featuring distinct characteristics, value growth and constant innovation, and to realize maximization of market capitalization.

## Three types of strategic positioning

A bank for NSOEs

A fintech-based bank

A bank with integrated services

With its focus on NSOEs and the people, the Company will focus on large and medium-sized high-quality NSOEs, small and medium-sized enterprises along the upstream and downstream of the supply chain of high-quality core enterprises, and small and micro enterprises, and serve as a financial steward of NSOE customers and their senior management with integrated, customized and comprehensive financial services. It will strive to become the host bank and preferred bank of the NSOE customers.

The front office of the Company will vigorously develop direct bank, small business online credit, credit card online customer acquisition, and other businesses, and the middle and back offices will further enhance science and technology strengths to support management transformation. The Company has established a science and technology enterprise. It will accelerate the deployment of new technologies, strengthen the capacity building of science and technology, and strive to build an Internet bank with best customer experience in China.

The Company will insist on the customer-centric philosophy, establish the "One Minsheng" integrated service system, and provide customers with integrated and comprehensive services through diversified businesses and the coordinated mechanism of front, middle and back offices.

## Business development goals and portfolio strategy

Strengthening three primary businesses

Achieving the first place among the three major joint-stock commercial banks in terms of direct bank, small business finance, and investment banking

Consolidating three leading businesses

Achieving leading position among the three major joint-stock commercial banks in terms of credit card, supply chain finance and asset management

Enhancing five major business segments

Strengthening corporate finance	Enhancing retail finance	Optimizing financial markets	Highlighting Internet finance	Boosting comprehensive operation
Insist on NSOE strategy	Establish niche NSOE customer group	Promote interbank operation	Take leading position in direct bank business	Accelerate multi-business deployment
Build comprehensive finance	Embrace technology finance	Realize breakthrough in business conducted on behalf of customers	Build digital ecosystem	Promote integrated operation
Improve stock value	Driven by data marketing	Accelerate asset management transformation	Empower corporate retail business	Advance the "One Minsheng" strategy
Enhance high-quality liability	Standardization and verticalization	Upgrade bill custody business	Strengthen traffic operation	Improve comprehensive efficiency

The year 2018 was the start of China Minsheng Bank in implementing reform and transformation. After a year of unswerving efforts, the Bank, focusing on the implementation of key measures for reform and transformation, has made progressive achievements in the aspects of blueprint and plan formulation, building of systems and mechanisms, strategy implementation, and operating performance, laying a solid foundation for the comprehensive implementation in 2019 and the realization of the goals of its three types of positioning.



主銀行  
HENG BANK



## Being Leader in Serving NSOEs

Channeling More Financial Resources into Small and  
Micro Enterprises  
Supporting NSOEs with Financing and Financial Strengths



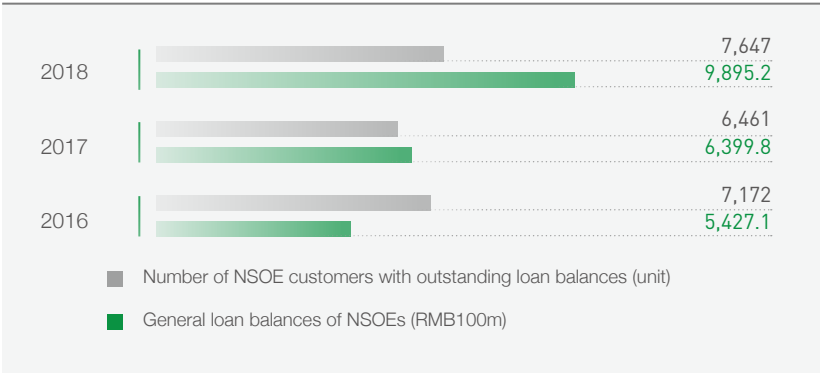
# Supporting NSOEs with Financing and Intelligence

China Minsheng Bank has actively implemented the spirit of the important speech delivered by CPC Central Committee General Secretary Xi Jinping at the symposium on private enterprises, and the requirements of China Banking and Insurance Regulatory Commission. The Bank has made serving NSOEs a top priority among the three types of strategic positioning, and focused on four major NSOE customer groups, namely strategic, niche, emerging and fundamental NSOE customers.

## Promoting Comprehensive Development Model of NSOE Strategy

China Minsheng Bank has established strategic NSOE customer lists both at the levels of Head Office and branch, and provided them with support in the aspects of capital allocation, credit quota, special financial items, and science and technology supporting resources. According to the principle of "One Customer One Policy," the Bank has set up a "five-in-one" service team, launched the "1+3" operation model, and enhanced the professional, integrated, flattened, and comprehensive services, striving to build a specialized service system for strategic NSOE customers. As of the end of 2018, the loan balance of strategic NSOE customers had reached RMB170.54 billion, up 8.6 percent from a year earlier.

Table: Performance of NSOEs Services



Conference of Comprehensive Development Model of NSOE Strategy

As of the end of 2018, the loan balance of strategic NSOE customers had reached

RMB **170.54** billion

The increase compared to that of last year was

**8.6%**

### CASE

#### Jinan Branch upgrades financial services for NSOEs

Jinan Branch of China Minsheng Bank optimized the services for strategic NSOEs, established a leading group to provide comprehensive services for strategic NSOE customers, strengthened the high-level meeting mechanism, and took innovative measures to enhance the services for strategic NSOE customers. The Branch promoted the "1+3" operation model, created customer profiles for strategic NSOEs in line with specific requirements and corporate demands, and provided them with a package of targeted financial services including professional commercial banking, scenario-based transaction banking, convenient online banking, customized investment banking, comprehensive wealth management, and personalized private banking. Since the comprehensive launch of the development initiative for strategic NSOEs, the Branch has conducted high-level meetings with Aude Gas Co., SDLG, Lihuayi Group, and other strategic NSOE customers. The "One Customer, One Policy, the "Teamwork Model," and the high-quality services provided by the Branch were recognized by customers.



Vice president Shi Jie met with SDLG

## Achieving Initial Results in New Supply Chain Finance

The NSOE strategy of China Minsheng Bank attaches importance to categorized management of customers and targeted services, and builds the leading supply chain financial service platform with niche NSOE customer group at its center, aiming at establishing multi-level and cross-boundary service capacity. Based on financial demands of customers and designed to build a comprehensive service platform that is driven by science and technology and empowered by finance, the supply chain financial business of China Minsheng Bank provides, among others, financing, settlements, and value-added services for core enterprises on the supply chain and their upstream and downstream customers, funding parties, regulators, logistics companies, information service firms, and other entities, striving to build the supply chain financial ecosystem.

### CASE

#### Taiyuan Branch builds home of financial service for NSOEs

Taiyuan Branch of China Minsheng Bank unswervingly implemented the NSOE strategy of Head Office, and made continuous efforts to build a home of financial service for NSOEs. On November 28, 2018, the Branch and Shanxi Meet All United Supermarket Holding Co. held the signing ceremony for strategic cooperation and supply chain financial services. In line with the agreement, the Branch will comprehensively enhance the support for Shanxi Meet All United Supermarket Holding Co. by offering financing services including credit financing and supply chain finance, give full play to the advantages of technology finance, and use diversified products to provide one-stop, high-quality, customized and comprehensive financial services for the company and its affiliates. As of the end of 2018, Taiyuan Branch, through the "wholesale credit granting approval + industry chain finance" model, had accumulatively granted nearly RMB680 million of loans to Shanxi Meet All United Supermarket Holding Co. and more than 60 upstream suppliers and manufacturers of the company.

As of the end of 2018, the number of upstream suppliers and manufacturers of the Company was

**60**

with loan amount of

RMB **680** million



CASE

Shenyang Branch fosters development of NSOEs

To meet the diversified demands of small and medium-sized enterprises on the supply chain, Shenyang Branch of China Minsheng Bank established the project team consisting of "product manager + customer manager + risk manager," and focused on targeted customers in, among others, automobile, liquor, pharmaceutical, household appliance, construction industries in Shenyang and its surrounding area. The Branch also set the goals for supply chain finance business: The near-term goal is to explore the advanced payment financing model for automobile dealers; the middle-term goal is to explore the supply chain "Credit Sale E" model for pharmaceutical and construction industries; and, the long-term goal is to establish close cooperation relations with core enterprises, to develop the upstream and downstream customers of those enterprises in a large-scale manner, and to provide comprehensive and convenient settlements and cash management services for those enterprises and their customers mentioned above, and at the same time, to accumulate high-quality assets of accounts receivable, to explore supply chain ABS business, and to offer customized services to small and medium-sized enterprises at different development stages and with different financial demands on the supply chain.

Implementing SMEs Minsheng Project Effectively

The "SMEs Minsheng Project" is the core content of China Minsheng Bank in effectively implementing the NSOE strategy and promoting the reform and transformation of the business for small and medium-sized enterprises. With its focus on the cluster regions of small and medium-sized enterprises including the Yangtze River Economic Belt, the Pearl River Delta, the Capital Economic Circle, and the Strait Economic Belt, the Bank has launched the Cooperation Project, Foundation Project, Win-Win Project, and Shimmer Project for small and medium-sized enterprises. On the basis of system platform building, service process optimization, and convenient, efficient competitive products, the Bank has improved the comprehensive service quality for small and medium-sized enterprises in the aspects of settlements, financing, wealth management, and so on, and helped those enterprises achieve growth and become stronger. As of the end of 2018, the "SMEs Minsheng Project" had accumulatively initiated 95 bulk projects, forming the first batch of seven major "role models."

CASE

Beijing Branch builds benchmark bank for NSOEs

Beijing Branch of China Minsheng Bank implemented the "SMEs Minsheng Project" of Head Office in a deep-going way. Centering on Beijing's new functional positioning of the "Four Centers," the Branch enhanced the financial support for bioengineering, energy and environmental protection, new materials, and other strategic emerging industries, and conducted cooperation with the enterprises in the Zhongguancun Science Park and other high-tech parks in the aspects of investment, financing and settlements in an all-around way. The Branch offered "Fuxing – Minsheng Special Account Program," "Express Loan," "e-Financing Platform," "Minsheng Bridge – Investment-Connected Loan," and other products to small and medium-sized NSOEs, so as to meet their differentiated financial demands.

As of the end of 2018, the number of SMEs Minsheng Projects accumulatively initiated was

95

Channeling More Financial Resources into Small and Micro Enterprises

The year 2018 was the 10th anniversary of the launch of "Small Business Finance" by China Minsheng Bank. For the over 10 years, the Bank has always insisted on the strategic positioning of small business finance, enhancing the support for small and micro enterprises in an all-around way.

Building "Trunk Line"

China Minsheng Bank has further promoted the development of its distinctive business of small business finance, which is also a strategic business of the Bank.

Consolidating "Guarantee Line"

China Minsheng Bank, on the basis of the establishment of Small Business Finance SBU, namely Inclusive Finance SBU in 2017, has effectively promoted the "Five Professionals" operation mechanism, and provided policy support for small business finance in such aspects as offering subsidies for profit-making customers or granting preferential loans.

Developing "New Navigation Line"

China Minsheng Bank has enhanced innovation in online products, expanded service channels, and vigorously promoted the rollover loan services, striving to provide convenient, customized and comprehensive financial services for small and micro enterprises.

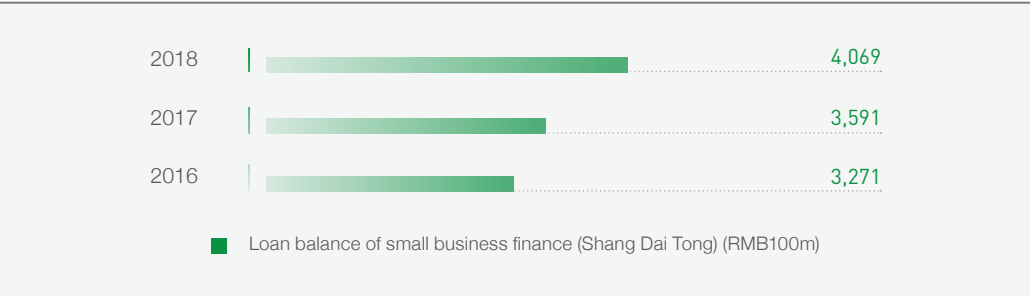
Sticking to "Security Line"

China Minsheng Bank has constantly collected and integrated the internal and external information to establish risk data mart and data model for small business finance, so as to realize the identification and monitoring of risks in the whole process.

Improving "Horizontal Line"

China Minsheng Bank has made special efforts to enhance the building of specialized institutions and teams for small business finance, striving to improve the professional service level.

Table: Performance of Small Business Finance Services





Solving Difficulties of Small and Micro Enterprises  
by Financial Innovation

China Minsheng Bank has enhanced the use of data-driven technology, big data risk control, mobile Internet, and other information technologies, and combined the online and offline services, striving to solve the pain points and difficulties involved in operation and development of small and micro enterprises and to provide them with financing, settlements, wealth management and other financial services. The Bank has constantly launched new products including "Value-Added Loan," "Online Loan", "Cloud Loan," and "Cloud Account," meeting the differentiated demands of small and micro enterprises.



Cloud Account



Cloud Loan



Online Loan

CASE

Small Business 3.0 project successfully completed

On November 22, 2018, the Phase II of the "Small Business 3.0" model, a science and technology project of China Minsheng Bank, was successfully completed. The contents of Phase II include the online service and management platform for payment acquiring of small businesses, the optimization of "Cloud Loan" for small businesses, and the optimization of SA channel operation and other key functions, involves the module transformation of channels, products, and big data application, and covers lobby services, payment acquiring, inflow and outflow of large value funds, online mortgage loan products, bill payment services for small businesses, and integrated marketing for loan customers, and so on. The successful launch of this project laid a solid foundation for promoting the reform and transformation of small business finance, and for deepening the new development model of this business.



Small Business 3.0 project successfully completed

CASE

One-stop comprehensive service platform of "Cloud Registration + Cloud Account"

China Minsheng Bank, relying on its distinctive operation model and sophisticated science and technology advantages, built the one-stop integrated service platform of "Cloud Registration + Cloud Account" to provide customers with easy, convenient, and efficient service experience. Through the building of "Cloud Registration" platform for enterprise customers, the Bank advanced the contact with customers to the time of enterprise registration. And the process reengineering-based "Cloud Account" lifted the restrictions on corporate account opening, further enhancing the account opening capability of the Bank.



"Cloud Registration + Cloud Account"

“To open a corporate account at China Minsheng Bank, the application through the official WeChat account of the Bank can be finished in 10 minutes. Once the application approved, the account opening can be completed in 10 to 30 minutes at the counter, and the permit for opening bank account can be obtained in four days. The ‘Cloud Account’ is really convenient!

——Li Xiaojie, a customer of Guangzhou Branch of China Minsheng Bank

”

Building Specialized Institutions for Small and Micro Enterprises

China Minsheng Bank has set up specialized sub-branches for small and micro enterprises, which provides one-stop comprehensive services for customers with "loan + settlement service with account management at center + value-added service with asset management at center + non-financial value-added service," at the light-type outlets since 2017, aiming at enlarging the service radius of inclusive finance, and enhancing the support for small and micro enterprises. As of the end of 2018, the Bank had established 51 specialized sub-branches for small and micro enterprises and 157 sub-branches for small and micro enterprises, providing customers with professional, convenient, efficient and comprehensive financial and non-financial services.

As of the end of 2018, the number of specialized sub-branches for small and micro enterprises was

51

# Featured Story

## Achieving joint development with strategic NSOE

The film, "Dying to Survive," brought the long-standing problem of "expensive medical bills and difficult access to quality medical services" back into the spotlight. In the past 40 years of reform and opening-up, the reform of medical care system has always been a key area for improving the people's livelihood. The focus of China's medical care reform is in Fujian Province, and that of Fujian is in Sanming City. As a pilot area of medical care reform, Fujian has achieved breakthrough results, benefiting the people there. During over 20 years of development, Luyan Pharma Co., Ltd. (short for Luyan Pharma) has actively responded to national policies for medical care system reform, and the reform and development trends of pharmaceutical distribution industry, grasped opportunities and blazed new trails in a pioneering spirit, and enhanced endogenous growth and exogenous expansion, achieving sustainable development.



Headquarters of Luyan Pharma

China Minsheng Bank established cooperation relations with Luyan Pharma in June 2011, when the pharmaceutical market in Fujian was in fierce competition. By grasping opportunities, Luyan Pharma has gained a firm foothold in pharmaceutical distribution industry in Fujian, and become a leading pharmaceutical distribution enterprise of the province. Xiamen Branch of China Minsheng Bank offered considerate services to Luyan Pharma and established stable cooperation relations with the enterprise during the latter's reform period. However, under various restricted conditions, the products and services offered by the Branch to Luyan Pharma at the initial stage of cooperation were very limited.

Luyan Pharma, relying on the advantages brought by the pilot implementation of "Two-Invoice System," as well as the strength of capital market and the platform for listed companies, has vigorously promoted horizontal expansion and vertical development, achieving continuous progress. With the increasingly diversified financial demands, the traditional banking services were no longer meeting the needs of the enterprise. In 2018, the Branch listed Luyan Pharma as a strategic NSOE customer, and rebuilt the financial service team. With the coordination between the Branch and sub-branches, and relying on the "1+3" operation model of the Head Office in serving strategic NSOEs, the Branch fully analyzed the demands of Luyan Pharma, and conducted several research and investigation tours

to the enterprise. Based on the detailed analysis and research results, the Branch developed a distinctive financial service plan for Luyan Pharma, and established a supervision mechanism. The differentiated services provided by the Branch won recognition of Luyan Pharma, and quickly activated the extensive cooperation between the two parties. The business areas in cooperation covers, among others, traditional credit extension, transaction banking, investment banking merger and acquisition, and financial markets, and the in-depth cooperation has also brought along post-settlement depositions.



Discussions with customers



Managers of the Branch conducted investigation tour to a subsidiary of Luyan Pharma

The Branch has always maintained good communications with Luyan Pharma, and pushed business opportunities under relevant financial policies, as well as solutions to pain points and difficulties in corporate development to those enterprises. It has also attached importance to different development stages of enterprises, taking initiative to establish cooperation relations. Thus, as in the case of Luyan Pharma, the Branch achieved common growth with the enterprise.

Adhering to the spirit of corporate culture of "Self-Improvement, Commitment to Excellence," Luyan Pharma has blazed new trails in a pioneering spirit on the path of medical care system reform. Insisting on the corporate mission of "From the People, For the People," China Minsheng Bank has focused on serving NSOEs, and strived to achieve common growth with NSOEs.



# Being Practitioner of Inclusive Finance

Adjusting Credit Deployment to Serve National Strategies  
Adopting Fintech to Improve Customer Experience  
Using Comprehensive Services to Meet Demands of Customers





# Adjusting Credit Deployment to Serve National Strategies

## Optimizing Regional Credit Deployment

China Minsheng Bank has taken initiative to align with national and regional strategic plans, supported the construction in national key fields and of major projects, spared no efforts to boost the development of Beijing-Tianjin-Hebei region, and enhanced financial support for the underdeveloped central and western regions of the country. The Bank, through the optimization of credit deployment, has made contributions to regional economic development.

### CASE

#### Beijing Branch supports Haidian's largest rebuilding project

The rebuilding of run-down areas in Weigongcun Community is the largest land requisition project of Beijing Municipality in terms of the size of social capital investment. The project set the record for the first time in Beijing to release the decision of requisition in advance within the first month, and created another record with 203 days from the date of signing requisition agreements to the date of demolition. The Beijing Branch of China Minsheng Bank, centering on this project, immediately formed a working group to conduct the review work in line with principle of strictly preventing and controlling risks. The north China region review team and the property review team of the Head Office also provided strong support for the Branch. In July 18, 2018, the project was finally approved, and the first loan of RMB500 million for the project was granted on August 24, 2018.

### CASE

#### Lhasa Branch boosts local economic development

As China's first national joint-stock commercial bank to enter the Tibet Autonomous Region, Lhasa Branch of China Minsheng Bank has taken root in the snow-capped plateau since its opening in Lhasa five years ago. Taking the integration of its businesses into the economic mainstream of Tibet as objective and centering on major areas, major industries and major enterprises, the Branch has enhanced the finance support for infrastructure, urbanization construction, cement, water resources, and key pillar industries of the autonomous region. As of the end of 2018, the Branch had granted about RMB14 billion to those mentioned fields, becoming a "new engine" in boosting the development of real economy in Tibet.



The 5th Anniversary of Lhasa Branch

As of the end of 2018, the loans that the Branch had granted to those mentioned fields were

RMB **14** billion

## Optimizing Industry Credit Deployment

### Supporting Development of Agriculture, Rural Areas and Farmers

China Minsheng Bank has vigorously supported the rural vitalization strategy, enhanced the support for agriculture, rural areas and farmers, accelerated the development of agricultural modernization and agricultural industrialization, promoted inclusive finance in rural areas, and improved the availability of credit funds. The Bank has actively responded to national policies, and spared no efforts to support the new rural construction. Xiang'an Rural Bank, Ningguo Rural Bank, Zhidan Rural Bank, Tiantai Rural Bank and other several Minsheng rural banks were recognized for their contributions to support the development of agriculture, rural areas and farmers.

### CASE

#### Tiantai Rural Bank supports rural vitalization through financial services

The agriculture, rural areas and farmers have great demands for financial services, and sustainable and stable credit support is very important to them. In line with the characteristics of "fragmented distribution of customers, high costs, and low benefits," Tiantai Rural Bank of China Minsheng Bank launched the "Village-Based Credit Extension" project, turning retail into wholesale. Through this approach, the rural bank greatly enlarged the coverage of financial services in rural areas. As of the end of 2018, a total of 71 villages had obtained the rural bank's village-based credit extension, and accumulatively, 1,380 households received preferential loans with a total amount of RMB192.0241 million. Currently, the rural bank still has 715 households of customers under this project and the loan balance reaches RMB102.9771 million.

“ Our village has strived to promote farm-based tourism in recent years, while much of our money had been used to housing construction, resulting in shortage of working capital. The ‘Village-Based Credit Extension’ Project launched by Tiantai Rural Bank really helped us a lot. The easy and convenient loan extension process and the preferential loan rates for farmers of the rural bank offered practical and tangible help to us. —Cai Yong and his wife, farmers at Shantouxia Village in Jietou Town, Tiantai County ”

### CASE

#### Jiangxia Rural Bank supports development of modern agriculture

Jiangxia Rural Bank of China Minsheng Bank has always focused on serving the local economic development and the agriculture, rural areas and farmers. As of the end of 2018, the loans involved in agriculture, rural areas and farmers had taken 86.24 percent of the total extended loans of the rural bank, contributing to the growth and development of modern agriculture there.

In 2018, the government of Wuhan City established the Emergency Fund for Financing of Agricultural Enterprises with an initial financial allocation of RMB50 million. On November 21, 2018, Jiangxia Rural Bank signed a cooperation agreement on the fund with Wuhan Agricultural Investment Co., Ltd., becoming the first bank to establish cooperation relations with the fund. According to the agreement, the fund will provide short-term transitional funds for agricultural enterprises that meet the conditions of the rural bank for the renewal of loans but have temporary difficulties in repaying the earlier loans in full amount, which reduces the operating costs of agricultural enterprises and realizes the fast and efficient use of the capital own by those enterprises.



Jiangxia Rural Bank signed a cooperation agreement on the fund with Wuhan Agricultural Investment Co., Ltd.



Supporting Development of Strategic Emerging Industries

China Minsheng Bank has firmly grasped the opportunities of the transformation and upgrading of manufacturing industry and the upgrading of consumption, given priority support for the advanced manufacturing industry and strategic emerging industry that have been integrated into the "Made in China 2025" strategy. Those industries feature high technology content, great growth potential and high profitability, and include advanced manufacturing industries such as new generation information technology, rail transport equipment, communication and network equipment, aerospace equipment, UHV transmission and transformation equipment, maritime engineering, large-scale integration, and biomedicine, and strategic emerging industry such as energy-saving and environmental protection, new information, biotech, new energy, and new materials.

Optimizing International Strategic Deployment

In the reporting period, China Minsheng Bank strived to explore cross-border financial market demands and the more comprehensive and convenient financial service model, and took initiative to support enterprises to go global.

CASE

Chengdu Branch strives to develop international business

In 2016, in the face of the overproduction of cement industry in domestic market, relevant enterprises needed to transfer production capacity urgently. Under that circumstance, Chengdu Design & Research Institute of Building Materials Industry Co., Ltd. signed an eight-year-long lump sum contract on cement production line project with a contract amount of EUR1.053 billion with the Ministry of Defense and Military Production of Egypt. The project had a tight schedule and was faced with heavy tasks, but the demands of the customer were clear. So, any bank involved in such a project should act quickly to solve the financing problem. Chengdu Branch of China Minsheng Bank conducted coordination work on this project with the International Business Department of Head Office. Through comprehensive development and expansion of information channels and thorough research and investigation, and by using cross-border coordination and other measures to prevent and control risks, the Branch set foot on the international banking syndication market for the first time. As of the end of 2018, Chengdu Branch had granted a total of RMB200 million of comprehensive credit line and EUR 45.5 million of bilateral loans, which not only brought benefits to China Minsheng Bank, but also enhanced its present in international banking syndication market.



Chengdu Design & Research Institute of Building Materials Industry Co., Ltd. participated in the lighting ceremony of Egypt's cement production line project

As of the end of 2018, Chengdu Branch had granted

RMB 200 million

loans to the project in Egypt

Adopting Fintech to Improve Customer Experience

Conducting Innovation in Financial Products

Insisting on the customer-centric philosophy, China Minsheng Bank has enhanced the support for innovation in financial products, and constructed online platforms, products and services including direct bank, online banking, mobile banking, and online payment, constantly improving customer experience. As of the end of 2018, the transaction amount of e-banking business had reached RMB16.01 trillion.

As of the end of 2018, the transaction amount of e-banking business had reached

RMB 16.01 trillion

Direct Bank

The direct bank of China Minsheng Bank has adopted bio-identification technology, customer behavior data, artificial intelligence (investment advisor) customer profile technology, distributed core system technology, and other finance technologies to develop diversified products and services including online payment products, online wealth management products, consumer finance products, new industry chain-based cooperation products, and standardized products for online loan assets, striving to meet the differentiated financial demands of customers. As of the end of 2018, the number of direct bank customers had reached 19.1713 million units.

As of the end of 2018, the number of direct bank customers had reached

19.1713 million

CASE

2018 White Paper on China's D-Bank released

On January 16, 2019, China Minsheng Bank held the 2nd China Direct Bank Alliance Summit & Release Conference on Direct Bank 3.0. At the meeting, the Bank launched the new version 3.0 of direct bank, and jointly released the "2018 White Paper on China's D-Bank" with China Financial Certification Authority (CFCA). The white paper analyzed the development trends, competitive landscape, and operation pattern of direct bank in China, and in combination with the explorations and practices of China Minsheng Bank in direct bank field, conducted in-depth analysis on direct bank with forward thinking and in a scientific way, further promoting the sound development of direct bank in China.



Chairman Hong Qi attended the 2nd China Direct Bank Alliance Summit & Release Conference on Direct Bank 3.0

Online Banking

China Minsheng Bank has steadily promoted the building of "Minsheng Pass," facilitating customers to use the same set of account and password on any of its online platforms. The Bank has also launched the QR code scanning service for logging on to different terminal equipment. Through unified customer asset view, online and offline coordination, remote banking, and other innovative services, the Bank has realized multi-channel connectivity, offering better service experience to customers with lower costs. As of the end of 2018, the number of online corporate customers of China Minsheng Bank had reached 1.1618 million units, and that of online personal customers had amounted to 22.458 million units.

As of the end of 2018, the number of online corporate customers of China Minsheng Bank had reached

1.1618 million

Mobile Banking

The mobile banking of China Minsheng Bank has added and optimized over 80 insurance products, launched and optimized 61 payment items, released the function of money transfer with greeting words, expanded the new technology application scenarios, and rolled out the function of money transfer by face recognition, striving to improve the service capacity and customer experience of the platform. As of the end of 2018, the number of mobile banking customers of China Minsheng Bank had reached 44.0171 million units.

As of the end of 2018, the number of mobile banking customers of China Minsheng Bank had reached

44.0171 million

CASE

Mobile Banking 4.0 formally launched

On March 22, 2018, China Minsheng Bank formally released the version 4.0 of mobile banking. In comparison with the previous version, the version 4.0 upgraded and optimized 282 functional items of 22 major function categories. Relying on its independently developed FIREFLY mobile application platform, the Bank built a new system structure featuring smooth customer operation experience, stable operating system, and powerful autonomous control capacity.



Mobile Banking 4.0 formally launched

CASE

95568 Remote Banking

To meet the demands of customers for new behavior patterns and guide customer to experience new services, China Minsheng Bank has built the "95568 Remote Banking," an online banking platform with considerate services, established the remote banking service system that provides an all-around financial services at anytime and anywhere, and constructed the remote banking operating mechanism that is operation-oriented and aims at improving customer value. The "95568 Remote Banking" has integrated the convenience and efficiency with face-to-face warm services, which not only infinitely enlarges the radius of service resources, but also offers new service experience to customers.



Remote Banking



## Strengthening Science and Technology Guarantee Capacity

### Enhancing Disaster Recovery Construction

In the reporting period, China Minsheng Bank continuously enhanced the building of disaster recovery system, optimized the dual active architecture and configuration of application systems, and improved the stability of those systems. The Bank launched 19 new disaster recovery systems, and completed dual active transformation of databases of two disaster recovery systems, as well as disaster recovery 2:2 transformation of 20 systems, greatly improving the disaster recovery backup capacity of the systems. The Bank also constantly upgraded the versions (databases, operating systems, switchers, and firewall, etc.) of online systems, software and hardware, striving to eliminate potential risks and to lay a solid foundation for the stable operation of production systems.

### Enhancing Information Technology Construction

In the reporting period, China Minsheng Bank formulated and issued more than 10 regulations including the "Administrative Measures of China Minsheng Bank on Customer Information Security," the "Detailed Rules for the Implementation of Customer Information Security Management of China Minsheng Bank," and the "Administrative Measures of China Minsheng Bank on External Data Resources," preliminarily establishing the complete data security standard system. To promote the compliance management on data security, the Bank, through online traffic monitoring audit, terminal behavior inspection, sorting out of application data, and other various approaches, improved the coordinated protection system covering early warning, monitoring and audit, and incident response and disposal, completed the measures for monitoring and auditing data security, and effectively implemented the supervision and inspection work on data protection and data security of more than 60,000 terminals.

The supervision and inspection work on data protection and data security involved in was more than

**60,000** terminals

## CASE

### Minsheng-Huawei Joint Innovation Lab formally launched

On April 25, 2018, the Minsheng-Huawei Joint Innovation Lab was formally established at the Huawei Global FSI Summit 2018. The lab, with a core objective of building China Minsheng Bank into a digital and intelligent fintech-based bank, focused on seven research programs of intelligent financial scenarios, financial cloud, big data, new generation network architecture, new generation green and environmentally-friendly smart data center, artificial intelligence, Internet of Things, continuously conducting innovation in fintech business scenarios.



Launching Ceremony of Minsheng-Huawei Joint Innovation Lab

## Using Comprehensive Services to Meet Demands of Customers

Service is the foundation for a bank to conduct businesses. In the reporting period, China Minsheng Bank has taken the demands of customers as starting point, and spared no efforts to offer high-quality, efficient, safe and convenient services to customers, striving to build a trustworthy, reliable, easy-to-use and preferred bank for customers.

### Strengthening Mechanism Building

In the reporting period, China Minsheng Bank effectively enhanced the system construction and mechanism building, and promoted the work of protecting the rights and interests of customers in an efficient and orderly way. The Bank insisted on the joint meeting mechanism, established task list implementation mechanism, perfected the regular work reporting mechanism, and deepened the special audit mechanism for the protection of rights and interests of customers.

### Maintaining Rights and Interests of Customers

#### Improving Lobby Services

China Minsheng Bank has printed and issued the "2018 Index Monitoring System for Basic Services of China Minsheng Bank," requiring taking initiative to remind customers to check information, and guiding customers to do well on personal information protection while waiting in the queue and using banking equipment, guaranteeing the information security of customers. The Bank, in line with regulatory requirements, has set up special zones for product sale, giving clear information relating to risks of the products sold at the banking outlets to customers. The Bank has also required the outlets setting up courtesy seats for customers with special needs or urgent business demands, providing them with considerate and convenient services. In the reporting period, the work order service satisfaction rate of China Minsheng Bank reached 100 percent.

The work order service satisfaction rate of China Minsheng Bank reached

**100%**



Customer service at a banking office

## Guaranteeing Property Security

In the reporting period, China Minsheng Bank actively provided clues of illegal fund-raising and financial fraud to the public security organs, and cooperated with the police to inquire and freeze hundreds of illegal fund-raising and financial fraud accounts such as Qianbao, DTC, and Cloud Union. With the cooperation of the police, the Bank also activated the emergency suspension of payment mechanism to dispose nearly 15,000 accounts involved in telecommunication financial fraud, and to freeze 9,665 accounts with total frozen funds of about RMB300 million.

## Waiving Service Charge and Fees

In the reporting period, China Minsheng Bank effectively implemented the government policies on waiving some charges and fees of banking services. The Bank also offered 96 high-quality free services including 64 services to personal customers, facilitating them to experience various financial services such as personal settlements, credit card, online banking, and mobile banking.

## Dealing with Customer Complaints

China Minsheng Bank has clearly regulated the "First Person Responsibility System" (the system that the first person being inquired will be responsible for making all reply or solving the whole problem) for customer complaints, and adhered to the principle of summarizing experiences and lessons and improving services, and designated special persons and special positions at various business centers to track the disposal of complaints. The Bank has established communication groups for the handling of customer complaints, and demanded specialists jointly developing solutions to those complaints, so as to guarantee the smoothness of customer complaint channel, and to ensure the complaints to be handled in a timely and effective manner.

## Popularizing Financial Knowledge

In the reporting period, China Minsheng Bank effectively conducted the work of publicizing and popularizing financial knowledge, and carried out five large-scale financial knowledge publicity activities for customers including the "Financial Consumers' Rights and Interests Promotion Day" and the "Financial Knowledge Promotion Event." Focusing on farmers, migrant workers, teenagers, the elderly, and the disabled, the Bank developed differentiated popularization programs to publicize financial knowledge by various means. As of the end of 2018, the Bank had accumulatively organized 14,054 publicity activities on financial knowledge, and the number of audiences had reached 6.49 million. It had also issued over 2.666 million of publicity materials, effectively improving the financial quality and security consciousness of consumers.



Popularizing financial knowledge to migrant workers

The number of accounts involved in telecommunication financial fraud that was disposed by the emergency suspension of payment mechanism was

15,000

The Bank also offered

96

high-quality free services



Financial Knowledge Promotion Event-----Going to Campus ( University )



Financial Knowledge Promotion Event-----Going to Campus ( Primary School )

As of the end of 2018, the accumulative number of publicity activities organized by the Bank was

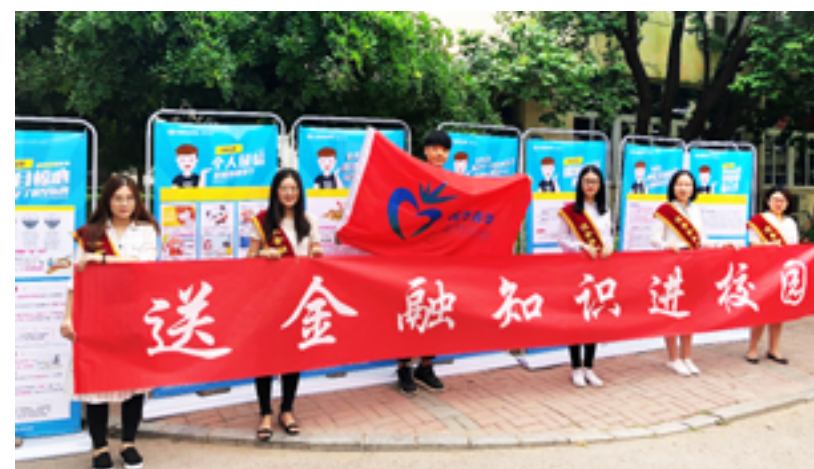
14,054

The number of audiences reached

6.49 million

The number of publicity materials distributed reached

2.666 million



Financial Knowledge Promotion Event-----Going to Campus



# Featured Story

## Demonstration outlets help improve service level

Shenzhen Branch of China Minsheng Bank, relying on the concept of "Service delivers a better life," has been committed to building the service culture system centering on considerate services and value creation, and a batch of boutique outlets with high standards and excellent services have emerged. Several outlets including Shuibei Sub-Branch, Baoan Sub-Branch and Longhua Sub-Branch have been included in the list of "Top 1000 Best Performing Outlets of Premier Services" and the "Five-Star Demonstration Outlets" of China's banking industry. In this context, Shenzhen Branch has continuously enhanced the guidance and the promotion of experiences, and given full play to the demonstration and guiding role of the boutique outlets, striving to comprehensively improve the services of more than 40 outlets in Shenzhen City.

### Shuibei Sub-Branch: Details highlight outlets with premium services

Shuibei Sub-Branch, which was formerly known as the Gold and Jewelry Sub-Branch, is located at the Guizhu North Road in Luohu District, Shenzhen City. In 2014, the sub-branch won the award of "Five-Star Demonstration Outlets & Top 1000 Best Performing Outlets with Premium Services of China Banking Industry," becoming the first outlet of China Minsheng Bank in Shenzhen to win this honor.

The lobby area of Shuibei Sub-Branch is clean, and features elegant layout and clear divisions. The lobby staff members welcome the customers and send them away with warm smiles and the use of appropriate words and expressions at the right place of work. With a location at the downtown area, the sub-branch receives a lot of customers on a daily basis, so it arranges utility carts to provide drinking water and snacks for waiting customers. It also holds micro-salon activities to publicize knowledge and information relating to, among others, wealth management, financial fraud prevention, and bank card security. The learning by sharing not only relieves the anxiety of waiting customers, but also offers practical and useful financial tips to them.



Shuibei Sub-Branch offered detailed services

### Baoan Sub-Branch: Warm services are not limited at lobby

To solve the account opening problems of employees at the factories that are far from the downtown area, Baoan Sub-Branch has established a "door-to-door service team," facilitating those employees to open account and to handle online banking, mobile banking, and wealth management businesses at their factories.

In recent years, Baoan sub-branch has won several awards including the Service Quality Award of Shenzhen Financial Industry and the Demonstration Unit for Premium Services in Shenzhen. In April 2018, the sub-branch was awarded the title of "National Financial Pioneer" by China Financial Workers' Union, becoming the first operating unit in Shenzhen to win this honor.

### Longhua Sub-Branch: Professional services enhance happiness

As the first integrated outlet of China Minsheng Bank in Longhua District of Shenzhen City, Longhua Sub-Branch conducts nearly all types of businesses including deposits in domestic and foreign currencies, account management, credit management, international settlements, and personal and corporate wealth management. In the face of large business volume and diversified services of wealth management, the staff members of the sub-branch have taken initiative to learn specialized knowledge on wealth management, and to consciously improve service capacity, striving to offer more professional services to customers.

Longhua Sub-Branch has four VIP Rooms with the name of Spring, Summer, Autumn, and Winter respectively, and those rooms had been decorated with the theme of peach, lotus, pomegranate and plum separately, which not only guarantee the privacy of customers, but also provide them with a fresh and elegant experience. As for the demands of customers in the aspects of parenting, education, property and investment, the sub-branch has actively coordinated with the Branch and the Head Office to expand business scope, committing to becoming a "happiness planner" of customers. The sub-branch also holds non-financial activities such as flower art contest, traditional Chinese medicine lecture, specialist seminar, and wealth management forum on a weekly basis, aiming at offering integrated services beyond expectations to customers.



VIP Rooms of Longhua Sub-Branch



Taking Unified Deployment to Perfect Poverty Alleviation Mechanism  
Conducting Targeted Poverty Alleviation through Various Approaches  
Forming Poverty Alleviation Layout through Linkage between Head Office  
and Branches

## Being Dream Chaser for Building of All-Round Well-Off Society





# Taking Unified Deployment to Perfect Poverty Alleviation Mechanism

## Enhancing Organizational Leadership

To win the fight against poverty, China Minsheng Bank has constantly enhanced the organizational leadership. Hong Qi, Chairman of China Minsheng Bank, is responsible for overall arrangement of targeted poverty alleviation; Zheng Wanchun, President of China Minsheng Bank, serves as the head of the Leading Group for Financial Poverty Alleviation Work; the leaders of more than 10 institutions, departments and divisions including Executive Office of the Head Office, HR Department, and Corporate Business Division serve as the members of the leading group; and, Chen Qiong, Executive Vice President of China Minsheng Bank, is responsible for supervising the implementation of poverty alleviation work.

## Improving Working Mechanism

To effectively implement the decisions and plans made by the CPC Central Committee, to leverage the features of banking business, and to integrate internal and external resources, China Minsheng Bank has formulated the "Targeted Poverty Alleviation Plan for 2018," helping consolidate progress in poverty alleviation in Hua County, and achieve the goal of eradicating poverty in Fengqiu County; formulated the "Policies and Arrangements for Targeted Poverty Alleviation," further clarifying the determination and attitude of the Bank in enhancing the support for poverty alleviation, and requiring building the targeted poverty alleviation linkage mechanism jointly promoted by the Head Office, the branches, and the front, middle and back offices; issued the "Notice on Encouraging Branches to Enhance Poverty Alleviation through Consumption," calling on the Bank and all of its staff to take active actions to support the poverty-stricken counties within their operating areas and to improve the income of poverty-stricken people there.

## Conducting Field Research and Investigation

China Minsheng Bank has established a research, investigation and analysis system which requires conducting two research and investigation tours per year and carrying out frequent analyses per month. Relying on the field research and investigation tours of the leading group for poverty alleviation work and the daily feedback of the personnel appointed to temporary posts in the targeted poverty-stricken counties, the Bank has insisted on proceeding from the needs and aspirations of poverty-stricken people, and from the reality of enterprises and poverty-stricken areas, and adhered to the principle of adjusting measures to local conditions and taking different measures for different households and people, helping achieve the goal of eradicating poverty.

## Holding Special Topic Meetings

China Minsheng Bank has conducted research on and arranged the targeted poverty alleviation work by holding special topic meetings and studying the strategic thought of General Secretary Xi Jinping on poverty alleviation and development. In 2018, Chen Qiong, Executive Vice President of China Minsheng Bank, held four meetings on targeted poverty alleviation, further clarifying the goals and requirements, and enhancing the implementation of tasks.

## Selecting and Appointing Personnel to Temporary Posts

In the crucial period of winning the fight on poverty, China Minsheng Bank has selected and appointed four outstanding staff members to temporary posts in the targeted poverty alleviation counties: Hua County and Fengqiu County. Remaining true to their original aspiration and keeping their mission firmly in mind, the four personnel to temporary posts in the two counties have worked on the front line, effectively implemented the poverty alleviation policies, and supervised and inspected the targeted poverty alleviation projects, striving to achieve solid and effective results for targeted poverty alleviation and poverty eradication.



Zhao Qingjun, Deputy Mayor of Fengqiu County conducted an investigation tour to rural areas



Ding Jie, Deputy Mayor of Hua County, discussed work with the locals



Wang Maosen, the first secretary of Huying Village in Hua County, promoted poverty alleviation policies for poor households



Lyu Hongwei, the first secretary of Zhongmeng Village in Fengqiu County, planted trees with villagers

## Strengthening Supervision and Inspection

During the research and investigation tours, the leaders of China Minsheng Bank conducted supervision and inspection on the implementation of poverty alleviation policies made by the CPC Central Committee and the State Council, summarized the experiences and lessons, worked hard to find out the flaws and problems, and learned the implementation of the responsibilities of main entities and the effectiveness of responsibility performance, forming a supervision and inspection report in accordance with the actual research and investigation results in Hua County and Fengqiu County. China Minsheng Bank required the two counties reporting the work progress on poverty alleviation on a quarterly basis, including the implementation of poverty alleviation projects, the management and use of the funds for poverty alleviation, the public disclosure of information relating to poverty alleviation funds, and the issues needed to be solved. According to the spirit of the "Notice of the People's Bank of China on Special Campaign on Work Style in Financial Poverty Alleviation Field," the Bank organized special campaigns on work style inspection in the poverty alleviation field in the two counties in a deep-going way. The personnel appointed to temporary posts fully exerted the supervision and inspection role, carrying out day-to-day supervision on the use of poverty alleviation funds, the implementation of poverty alleviation projects, and the information disclosure of the use of funds and the progress of projects, which guaranteed the effective implementation of the poverty alleviation measures made by the Bank.

# Conducting Targeted Poverty Alleviation through Various Approaches

China Minsheng Bank has effectively implemented the decisions and plans made by the CPC Central Committee on fighting against poverty, and established the "seven-in-one" poverty alleviation model in Hua County and Fengqiu County, the two fixed-point poverty alleviation counties in Henan Province of the Bank; the model consists of poverty alleviation through education, poverty alleviation through medical care, poverty alleviation through finance, poverty alleviation through industry development, poverty alleviation through skill training, poverty alleviation through consumption, and poverty alleviation through e-commerce. As of the end of 2018, the Bank had voluntarily donated a total of RMB23.34 million of non-remunerated poverty alleviation funds to Hua County and Fengqiu County, among which the donations by employees of the Bank were RMB13.34 million and that of the Head Office were RMB10 million.

## Poverty Alleviation through Education

Backward education is the root of poverty, and a primary restraining factor for people to shake off poverty and achieve prosperity. Poverty alleviation requires a change of attitude and the support of education. For 17 years, China Minsheng Bank has constantly explored the systematic education-based poverty alleviation model, constructed school buildings, offered financial assistance to students from poverty-stricken families, rewarded teachers, and conducted trainings for teachers, striving to get every child into fair, quality basic education. As of the end of 2018, the Bank had donated RMB2.34 million of funds for education to Hua County, providing financial assistance for 930 students from poverty-stricken families and 310 outstanding teachers; it had donated RMB6.5 million of funds for education to Fengqiu County, supporting the county to build a large-scale and high-quality nine-year school.



Flag Raising Ceremony of Minsheng Primary School in Fengqiu County



Construction Project of Minsheng School in Fengqiu County

As of the end of 2018, the number of funds for education to Hua County donated by China Minsheng Bank reached

RMB **2.34** million

The number of funds for education to Fengqiu County donated by China Minsheng Bank reached

RMB **6.5** million



The 2018 Minsheng Bank Student Aiding Ceremony in No.2 Middle School of Hua County

## Poverty Alleviation through Medical Care

During the research and investigation tours, China Minsheng Bank learned that poverty due to illness is one of the major causes for the poverty-stricken families in Hua County and Fengqiu County. Thus, the Bank enhanced the financial support for medical care of the people there. As of the end of 2018, China Minsheng Bank had donated RMB2.36 million of funds for medical care to Hua County, providing support for chronic disease check-up and physical examination of 12,171 poverty-stricken people, which effectively reduced the medical care burden of those people; it had donated RMB500,000 of funds to Fengqiu County, aiding 25,000 poverty-stricken people there to buy supplementary medical insurance products, which relieved the medical care burden of those people, and effectively solved the issue of poverty due to illness.

In 2018, the number of funds for medical care to Hua County donated by China Minsheng Bank was

RMB **2.36** million

The number of poverty-stricken people with support for chronic disease check-up and physical examination was

**12,171**

## Poverty Alleviation through Finance

In the process of fighting against poverty, China Minsheng Bank, relying on the characteristics of financial industry, has given full play to its own advantages, conducted innovation in products and services for poverty alleviation through finance. The Bank, through targeted poverty alleviation loans, has truly realized the transformation of poverty alleviation from "blood-transfusion" model to "blood-making" one, helping the poverty-stricken people achieve stable progress in the path of poverty alleviation. As of the end of 2018, China Minsheng Bank had granted a total of RMB251 million of loans for poverty alleviation to Hua County and Fengqiu County.

In 2018, the amount of loans granted by China Minsheng Bank for poverty alleviation to Hua County and Fengqiu County was

RMB **251** million



Muyuan Farming and Husbandry Co., Ltd. supported by Minsheng Bank



Poverty Alleviation through Industry Development

China Minsheng Bank has introduced a new poverty alleviation model, which focuses on creating local job opportunities and absorbing local people to work locally or nearby. In 2018, the Bank donated RMB6 million to Fengqiu County to construct the stuffed toy market. With the completion of the project, the rental income can be distributed to 360 poverty-stricken families in the form of dividends. The project can also create job opportunities for local people, facilitating them to work locally or nearby.

In 2018, the amount of donation of the Bank to construct the stuffed toy market in Fengqiu County was

RMB 6 million

Poverty Alleviation through Skill Training

China Minsheng Bank, giving full play to the advantages of Minsheng Business School, has conducted trainings for secretaries of Party branches, rural entrepreneurial leaders, and rural serviceable talented people (also be called the "Three Contingents") of poverty-stricken villages in Hua County and Fengqiu County, striving to enhance the self-development capabilities of poverty-stricken areas. On September 18-20, 2018, upon the invitation of China Minsheng Bank, the experts from, among others, Chinese Academy of Social Sciences, China Agricultural University and China Green Food Development Center participated in the trainings for the "Three Contingents" consisting of 996 personnel from Hua County and Fengqiu County, aiming at improving the social governance level, sustainable development capability and quality of poverty alleviation of the poverty-stricken areas.



"Three Contingents" demonstration training class in Fengqiu County

In 2018, China Minsheng Bank donated RMB5 million to construct the comprehensive laboratory and training building at Hua County Secondary Vocational and Technical School, helping improve the employment abilities of poverty-stricken people. After putting into service, the project, with an intended investment of RMB14.04 million (RMB4.04 million from local government and RMB10 million from China Minsheng Bank; of the RMB10 million, the rest of the RMB5 million will be arranged in 2019), could provide vocational and technical trainings for students from more than 4,000 families. Upon the trainings, the skills will be enhanced, and thus the employment rate will be improved, helping realize the goal of "one member gets employed, the whole family gets lifted out of poverty."

In 2018, the amount of donation of the Bank to construct the comprehensive laboratory and training building at Hua County Secondary Vocational and Technical School was

RMB 5 million

Poverty Alleviation through Consumption

Poverty alleviation through consumption is an important approach for nongovernmental participation in combatting poverty. China Minsheng Bank, with overall arrangement of the Head Office and branches, has taken initiative to coordinate with the poverty-stricken counties where it conducts business. Through buying foodstuff for canteens, stimulating consumption of employees, and helping promote sales, the Bank has sent the benefits directly to the targeted poverty-stricken counties, targeted poverty-stricken villages, and targeted poverty-stricken people. Poverty alleviation through consumption has helped mobilize the enthusiasm of the impoverished people to shake off poverty and achieve prosperity independently, and promoted the stable progress of the fight against poverty and the sustainable development of industries in poverty-stricken areas. As of the end of 2018, the Bank had purchased and helped sell a total of RMB6.52 million of agricultural products.

As of the end of 2018, the Bank had purchased and helped sell agricultural products with

RMB 6.52 million

Poverty Alleviation through E-Commerce

China Minsheng Bank and the platform of Minsheng E-Commerce have jointly explored the model of poverty alleviation through e-commerce of the "Internet + agricultural products = targeted poverty alleviation," and coordinated with relevant enterprises and rural cooperatives in poverty-stricken areas to conduct online sales of 71 special agricultural products including raspberries and honeysuckle blossoms produced in Hua County and Fengqiu County. As of the end of 2018, the sales of special agricultural products had reached more than RMB420 thousand. Cooperated with local governments, the Bank and its e-commerce platform have given preferential policies for the sales of agricultural products in the aspects of e-commerce sales deposits, e-commerce commissions, and so on, and carried out promotion activities through, among others, official WeChat account, SMS channel, and offline promotion, and organized online sales activities, striving to build new business model for poverty alleviation through e-commerce.

As of the end of 2018, the sales of special agricultural products had reached

RMB 420,000



Special webpage of the bank "Poverty-alleviation via E-commerce"

# Forming Poverty Alleviation Layout through Linkage between Head Office and Branches

Through the coordinated actions between the Head Office and the branches, China Minsheng Bank has used the industry-based poverty alleviation to enhance the "blood-making" capability of impoverished areas, used Party building to guide and inspire the endogenous power of impoverished people, and used consumption-based poverty alleviation to help impoverished people shake off poverty and achieve prosperity. The Bank has coordinated the work company-wide, sparing no efforts to fight against poverty.

## Using Industry Development to Enhance "Blood-Making" Capability

The development of local industries benefits the people there. The increasing development and growth of industries can not only offer adequate financial resources to poverty-stricken areas, but also create more job opportunities, letting governments and impoverished people there have stable economic sources.



### CASE

#### Industry assistance helps lift villagers out of poverty

Diangu Village of Zhuwo Town in Luhuo County is an impoverished village in the area of extreme poverty. In 2018, the committee of Party branch and villagers' committee at Diangu Village, as well as the village's plantation industry cooperative organized local people to construct the potato plantation base covering an area of 100 mu, aiming at realizing the industrialization of local traditional crops, thus helps lift the villagers there out of poverty.

On May 5, 2018, Chengdu Branch of China Minsheng Bank donated RMB135,000 to Diangu Village to construct fencing for the base, guaranteeing the safety of the crops there. On August 20, 2018, the Branch made another donation with an amount of RMB140,000 to help construct a potato storage project for the base. The initiative has turned potatoes into "nuggets," and helped villagers there shake off poverty and achieve prosperity.

## Using Party Building to Inspire Endogenous Power

Securing a decisive victory in the fight against poverty is the most urgent, crucial and core political task at present. To achieve this goal, we must give full play to the guiding role of Party building. China Minsheng Bank, focusing on the effective vehicle of Party Building, has closely integrated the Party building work with the realization of the goal of "wealthy citizens and beautiful environment," laying a solid organizational foundation for winning the tough battle of poverty alleviation.

### CASE

#### Enhancing guiding role of Party building and helping promote targeted poverty alleviation

Changchun Branch of China Minsheng Bank has earnestly implemented the spirit of the instructions made by General Secretary Xi Jinping for the work of poverty alleviation, and kept the solemn promise it had made as a responsible bank. On May 10, 2018, the Branch provided assistance for the Party branch of Mianxi Village in Zhenlai County of Baicheng City to carry out Party building work. It donated office supplies with a worth of RMB40 thousand for the village to build a Party-masses service center and a Party building activity room, which greatly promoted the implementation of Party building work of the village in the future, and laid a solid foundation for enhancing the guiding role of Party building in poverty alleviation work.



Donation ceremony of Changchun Branch of China Minsheng Bank in Mianxi Village

## Using Consumption to Increase Income of Impoverished People

China Minsheng Bank has actively implemented the "Guiding Opinions of the General Office of the State Council on Deepening the Poverty Alleviation through Consumption to Help Win the Tough Battle of Poverty Alleviation," vigorously carried out the initiative of poverty alleviation through consumption, enhanced the idea and expanded the scope of poverty alleviation through consumption, and effectively improved the quality and efficiency of poverty alleviation.

### CASE

#### Implementing public welfare causes and conducting distinctive consumption-based poverty alleviation

Nanchang Branch of China Minsheng Bank has constantly explored the new path for poverty alleviation through consumption. As the first financial institution to establish cooperation relations with "Hewoxin-Ganpoyun," essentially a service app developed by Jiangxi Mobile Communications Co., and a cloud platform that converges various media respectively, in the field of charitable poverty alleviation, the Branch was awarded the title of "Charitable Poverty Alleviation Supermarket Demonstration Outlet" jointly by the Jiangxi Daily and the New Business Center of Jiangxi Mobile Communications Co. The Branch is also the first financial institution in Jiangxi Province to establish "Charitable Service Supermarket"; an e-commerce zone has been set up for exhibiting the poverty alleviation goods at the hall of the supermarket, and customer can buy those goods by scanning the QR code, while the e-commerce business owners are responsible for sending the package of goods. Through this model, the Branch has built an Internet-based supply, marketing and logistics chain, truly realizing the transformation of poverty alleviation from "blood-transfusion" model to "blood-making" one.



# Featured Story

## Fight against poverty with the spirit of responsibility

Vision spurs action and is achieved through action. China Minsheng Bank has effectively implemented the spirit of the Meeting on Targeted Poverty Alleviation Work for Central Units and the plans and requirements of the People's Bank of China and China Banking and Insurance Regulatory Commission, and vigorously improved the precision, effectiveness, and sustainability. In 2018, the senior management of the Bank promoted the poverty alleviation initiative personally, focused on communities in their work, regularly visited communities, and stayed close with the people to learn their opinions and actual conditions, making contributions to the realization of the goal of targeted poverty alleviation and poverty eradication.

### Hong Qi and Chen Jinzhong conducted investigation tours to Henan

Hong Qi, Chairman of China Minsheng Bank, Chen Jinzhong, Secretary of the Commission for Discipline Inspection of China Minsheng Bank, and their delegation conducted field research and investigation tours to Fengqiu County and Hua County in Henan Province to learn the targeted poverty alleviation work on April 24-27, 2018.

Chairman Hong Qi, Secretary Chen Jinzhong and their delegation first met with Liu Wei, Vice Governor of Henan Province, and other leaders of the provincial government, carrying out in-depth communications on the implementation of the targeted poverty alleviation work in Hua County and Fengqiu County. On April 25-27, Chairman Hong Qi and his delegation conducted field research and investigation tours to Fengqiu County and Hua County to learn the poverty alleviation work there. They earnestly listened to the work reports on poverty alleviation made by the governments of the two counties, and presented their suggestions for the follow-up targeted poverty alleviation work: China Minsheng Bank will earnestly implement the guidelines and policies made by the CPC Central Committee and the State Council, actively fulfill social responsibility, and promote poverty alleviation work in the two counties with local governments; the Bank will combine the solving of short-term poverty alleviation issues with long-term planning, and establish and perfect long-term cooperation and coordination mechanism; and, the Bank will fully leverage the strong organization and coordination capabilities of local governments and its own financial resources to constantly improve the quality and benefits of poverty alleviation. During the tours, Chairman Hong Qi and his delegation also inspected the key industrial projects for poverty alleviation in the two counties, paid visits to the poverty-stricken families in Zhongmeng Village of Fengqiu County and Huying Village in Xiaopu Town of Hua County, and visited the Minsheng School in Duandi Village of Pandian Town in Fengqiu County, and the Minsheng Primary School in Hengcun Village of Liugu Town in Hua County.

### Zheng Wanchun and Chen Qiong conducted investigation tours to Henan

Zheng Wanchun, President of China Minsheng Bank, Chen Qiong, Executive Vice President of China Minsheng Bank, and their delegation conducted field research and investigation tours to Fengqiu County and Hua County in Henan Province to learn the fixed-pointed poverty alleviation work on September 25-28, 2018.

President Zheng Wanchun and his delegation inspected the poverty alleviation projects aided by the Bank in Fengqiu County and Hua County of Henan Province successively, and held meetings with the Party committees and the governments of the two counties, conducting in-depth communications on further promoting the poverty alleviation work. President Zheng Wanchun and his delegation earnestly listened to the work reports

on poverty alleviation made by the governments of the two counties, and presented a six-point proposal on targeted poverty alleviation work: Guarantee the effective use of the funds for poverty alleviation through project optimization; insist on the problem-oriented principle and implement poverty alleviation work practically; enhance implementation and grant the funds for poverty alleviation in an appropriate manner; conduct training in a deep-going way and build the "Three Contingents"; promote transformation and upgrading and give full play to both online and offline channels; and, strengthen communications and summarize and promote poverty alleviation experiences. During the tours, President Zheng Wanchun and his delegation also inspected the key industrial projects for poverty alleviation in the two counties and the industry development there, paid visits to the poverty-stricken families, and visited the Minsheng School and Duandi Village-based Minsheng Primary School in Fengqiu County.



Hong Qi, Chairman of China Minsheng Bank, visited the poor in Zhongmeng Village in April 2018



In April 2018, Chen Jinzhong, Secretary of the Commission for Discipline Inspection of China Minsheng Bank, on behalf of the Bank, donated RMB30 million to Fengqiu County for building Minsheng School



In September 2018, Zheng Wanchun, President of China Minsheng Bank, Chen Qiong, Executive Vice President of China Minsheng Bank, visited the poor households in targeted poverty alleviation counties

“China Minsheng Bank has achieved fruitful results in poverty alleviation in Hua County. The management of the Bank has set a good example, and enhanced the support for poverty alleviation by making pragmatic measures and dispatching talented people. The poverty alleviation work in the county has witnessed great progress, and the Bank has been recognized for its performance.

——Dong Lianghong, Member of Standing Committee of the CPC Anyang City Committee and Secretary of CPC Hua County Committee

The earnest care of China Minsheng Bank has greatly benefited the people of Fengqiu County. With the strong support of the Bank, we have the confidence to win the tough fight against poverty and lift the county out of poverty in 2018.

——Li Hui, Secretary of CPC Fengqiu County Committee

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Promoting Green Public Welfare to Advocate Green Ideas  
Conducting Green Operation to Tackle Climate Change  
Using Green Credit to Promote Energy-Saving and Emission Reduction

## Being Keeper for Lucid Waters and Lush Mountains



# Using Green Credit to Promote Energy-Saving and Emission Reduction

In the reporting period, China Minsheng Bank actively implemented the "Common Commitment of the Chinese Banking Sector on Green Credit," enhanced support for green economy, low-carbon economy, and circular economy, prevented environmental and social risks, gave play to the leverage role of finance, optimized and adjusted credit mix, provided credit support for energy-saving and environmentally-friendly industries, restricted the loans granted to industries with high energy consumption or high pollution, accelerated the exit from the enterprises with outdated production capability, helped advance the adjustment of industrial structure, and boosted sustainable social development. As of the end of 2018, the loan balance of the Bank for energy-saving and environmental protection projects and services had reached RMB25.075 billion.

## Strengthening Environmental and Social Risk Management

China Minsheng Bank has closely followed national policies relating to environmental and social risks, formulated differentiated credit policies for electrolytic aluminum, iron and steel, cement, coal, coking, and other industries and fields with higher environmental and social risks, established industry-based risk limits indicators, and implemented rigid control and name list management. The Bank has worked out differentiated credit processes and arrangements for customers in accordance with different environmental and social risk categories, actively improving environmental and social risk early warning mechanism. It has constantly perfected environmental and social risk policy system from the aspects of, among others, regulation, policy, process and framework, and conducted total process management for environmental and social risks of key industries, customers and projects. As of the end of 2018, the compliance rate of environmental impact assessment of project loans had reached 100 percent.

As of the end of 2018, the compliance rate of environmental impact assessment of project loans had reached

100%

## Supporting Phasing Out of Outdated Production Capability

As for the "two-high-and-one-over" industries (industries with high energy consumption, high pollution or overcapacity), China Minsheng Bank has actively implemented the guiding thought of the State Council on manufacturing industry upgrading and structural adjustment, adopted the differentiated credit policies, and optimized and adjusted credit structure. The Bank has conducted multi-level and classified management for customers, carried out rigid control of loan limits, and encouraged to adjust the customer structure in the limits of loans. Focusing on environmental compliance, it has introduced the "one-vote-down system" in the aspect of environmental protection, and those enterprises that have been incompliant with the national industrial and environmental policies and been included into the "black list" of environmental protection shall be rejected. By the end of 2018, a total of 21 projects in the "two-high-and-one-over" industries had been rejected, involving a total amount of RMB10.084 billion of loans; the loan balance of the Bank for the eight industries with overcapacity was RMB56.745 billion, and the ratio of loans to industries with overcapacity was 3.28 percent.

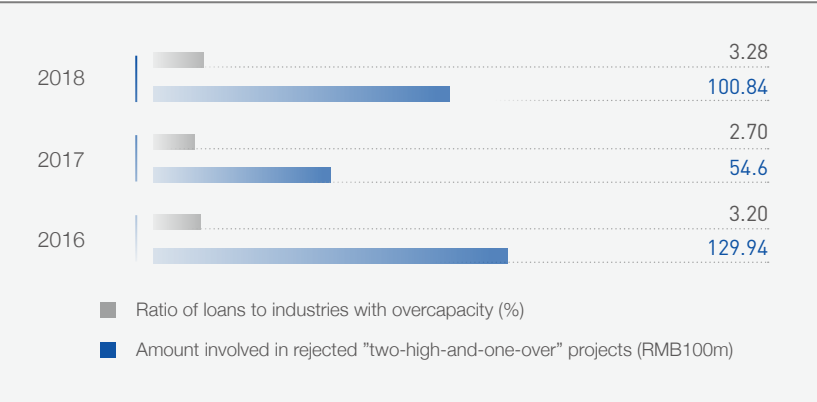
By the end of 2018, the number of projects in the "two-high-and-one-over" industries rejected was

21

With a total amount of

RMB 10.084 billion

Table: Performance of Phasing Out Outdated Production Capability



## Boosting Development of Energy-Saving and Environmentally-Friendly Industries

Centering on energy-saving, environmental protection and new energy, China Minsheng Bank has given priority to support strategic emerging industry, high-end manufacturing industry, circular economy, clean energy, and eco-friendly industry. The Bank has conducted innovation in green finance products, upgraded green finance services, and supported the green transformation of traditional industries. And it has actively provided financing support for the projects that have been included into the directory of national key promoted energy-saving technologies, as well as key national projects on environmental protection and emission reduction, key anti-pollution projects, and environmentally-friendly enterprises with good market performance and strong independent innovation capabilities. At the end of 2018, China Minsheng Bank had provided support for 140 environmentally-friendly enterprises, and granted a total of 589 loans for energy-saving and environmental protection projects, equaling to the saving of 2.2756 million tons of coal equivalent, reduction of 487,100 tons of carbon dioxide (CO2) equivalent, and saving of 6.5664 million tons of water.

At the end of 2018, the number of environmentally-friendly enterprises supported by the Bank was

140

The number of loans granted to energy-saving and environmental protection projects was

589

### CASE

#### Supporting Jilin City to protect lucid waters and lush mountains

To effectively prevent the impact of urban domestic sewage on the environment of Songhua River basin, Jilin City launched the sewage treatment factory project (Phase II). After the completion of the project, the sewage treatment capacity will amount to 150,000 cubic meters per day, and the quality of the treated water will reach Class I (A) Standards. Jilin Branch of China Minsheng Bank took initiative to coordinate with the local government and relevant enterprises, and enhanced the support for the implementation of the project through favorable financial resources. A 12-year-long fixed assets loan of RMB240 million had been granted by the Bank for the initial stage implementation of the "Jilin City Sewage Treatment Factory PPP Project (Phase II)," which highlighted the Bank's efforts in making the skies more blue, mountains more green, waters more clear and the environment more beautiful by contributing financial resources.

Participating in Green Finance Research and Cooperation

In the reporting period, China Minsheng Bank actively participated in green finance activities, took part in the trainings and meetings on green finance organized by the People's Bank of China, China Banking and Insurance Regulatory Commission, and China Banking Association, and learned the latest policies and requirements both in China and abroad. The Bank conducted communications and exchanges with, among others, the Green Finance Committee under China Society for Finance & Banking (GFC), National Association of Financial Market Institutional Investors (NAFMII), and interbank institutions, participated in green finance forums, and explored the progress relating to research and cooperation of green finance both in China and abroad.



Joining in 2018 Beijing Green Finance International Forum

Conducting Green Operation to Tackle Climate Change

Insisting on Green Procurement

China Minsheng Bank has strictly followed the "Administrative Measures of China Minsheng Bank on Suppliers," and enhanced price management, quality management, supply management and service management of centralized procurement to achieve the economies of scale. In the reporting period, the Bank developed a new supplier system, and updated the centralized procurement directory. In 2018, the review rate for suppliers of the Head Office reached 100 percent. China Minsheng Bank formulated and issued the "Administrative Measures of China Minsheng Bank on Centralized Procurement," requiring giving priority to purchase certificated environmentally-friendly products through the economies of scale of centralized procurement, so as to promote suppliers to improve corporate green behavior, and to exert the demonstration role in boosting green consumption of the society.

In 2018, the green procurement amount of the Head Office reached RMB1.466 billion, and the green procurement ratio amounted to 100 percent.

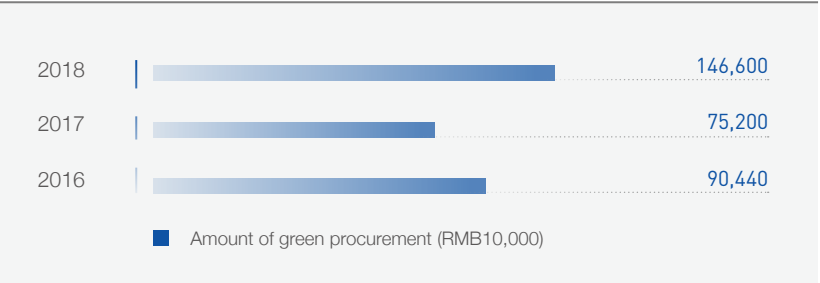
In 2018, the green procurement amount of the Head Office reached

RMB 1.466 billion

The green procurement ratio amounted to

100%

Table: Amount of Green Procurement



Advocating Green Office Practices

Centering on the saving of costs and the improvement of efficiency, China Minsheng Bank has focused on promoting the following several tasks:

**Improving Use Efficiency of Fixed Assets**

According to the requirements of China Minsheng Bank, the update cycle of fixed assets shall be extended, and the resource allocation shall be optimized with benefits at center. The Bank has encouraged its branches and affiliated institutions to conduct economical procurement, to extend the service life of durable goods, and to improve the efficiency of the use of fixed assets. At the end of 2018, the original value of durable fixed assets that have reached the service life but are still in use had amounted to RMB2.44519 billion, saving RMB464.59 million of depreciation costs in one year. The practices adopted by the Bank greatly saved procurement costs and conserved natural resources.

**Implementing Green Bank Building**

**Planning Functional Layout Scientifically**

The open office area is arranged along the side of the curtain walls, so as to enhance the natural lighting and reduce energy consumption of lighting. The polluting equipment such as duplicators and printers are placed in the same compartment of the office area, and with the help of the separated walls, doors, and special ventilation fans, the polluted air emitted by those facilities can be discharged to the outside of the office building, reducing the impact on the health of employees.

**Saving Energy through Smart Products**

The large open office area has adopted induction energy saving lamps, which go off when no one is around, while the smart curtain systems there can automatically adjust the shade angle in accordance with solar altitude and room illuminance.



Applying Green and Environmentally-Friendly Materials

Lots of renewable materials and the wooden products made from fast-growing woody plants or certified by the Forest Stewardship Council have been applied in implementing the construction work of office area. Sealants, binders, and carpets with lower contents of volatile organic compounds (VOCs) have been selected and used.

Creating Green and Healthy Workplace

With the adoption of sound insulation, sound absorption and other optimization measures, the indoor sound environment of the office building has reached the level of that of green building. The use of sophisticated technologies including tobacco smoke control, outdoor air flow monitoring and enhanced ventilation, as well as the use of low-emitting materials, have guaranteed the higher indoor air quality of the office area. The plant walls, potted plants, and other green elements have enhanced the vitality of the workspace.

Enhancing Environmental Protection Consciousness of Employees

China Minsheng Bank has advocated all of its staff members to voluntarily follow the green office practices including purchase of energy-saving lighting equipment and turn off lights when leaving, and conducted inspection tours irregularly, aiming at institutionalizing a long-term effective mechanism. The Bank has strengthened supervision on outlets in the aspect of the use of electricity, and the outlets with higher electricity use than the average level of the industry will be inquired. Double-sided copying has been adopted for printing informal documents. Personal office supply system has been established for employees to get office supplies, reducing waste. Learning centers for energy conservation and environmental protection have been set up for employees to learn and to share good ideas, and employees will be rewarded once their suggestions adopted. And waste office supplies have been recycled. As of the end of 2018, 1.25 tons of discarded computers and 3,867 units of waste toner cartridges had been recycled.

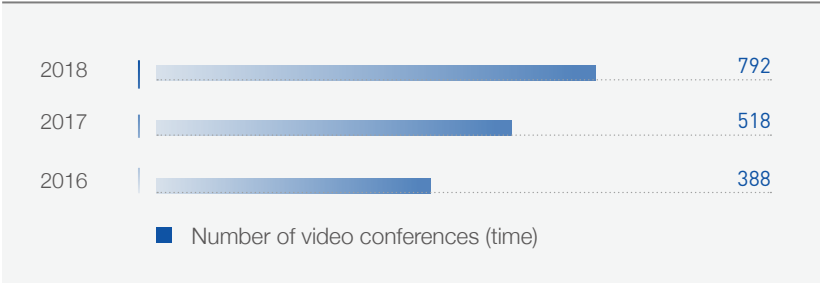
As of the end of 2018, the number of discarded computers that had been recycled was

1.25 tons

the number of waste toner cartridges recycled was

3,867

Table: Number of Video Conferences



CASE

Promoting green office practices and low-carbon lifestyle

Harbin Branch of China Minsheng Bank launched the energy-saving and consumption reduction initiative "Green Office, Low-Carbon Lifestyle." The Branch advocated employees to bring their own bottle, reducing the use of disposable paper cup; encouraged to use fountain pen or refillable pen, reducing the use of ball-point pen and disposable pen; promoted the paperless office platform, and advocated double-sided printing; and, suggested setting appropriate screen brightness level for computers and using low power mode. With the implementation of the initiative, the Branch has boosted the consciousness of conservation and environmental protection of employees, and developed a corporate culture of being thrifty and reasonable consumption.



Employees signed related initiatives



Employees brought their own bottles, reducing the use of disposable paper cup



Turning off lights after work



Recycling daily-work paper

Promoting Green Public Welfare to Advocate Green Ideas

China Minsheng Bank has actively supported environmental public welfare causes, vigorously conducted tree-planting activities, special volunteer service activities on environmental protection, and other initiatives for the protection of environment, increased public awareness of the importance of tree planting and environmental protection, and used practical actions to publicize green development concept and to promote ecological progress.

# Featured Story

## Hefei Branch spares no efforts to support new energy enterprise

As a national key high-tech enterprise and a national enterprise technology center, Guoxuan High-Tech Co., Ltd. is principally engaged in the research and development of new-type lithium-ion power batteries and relevant materials. The company is also an active practitioner of green and environmentally-friendly industries in Anhui Province.



Office Building of Guoxuan High-Tech Co., Ltd.

## Deepening cooperation and establishing strategic cooperative partnership

Hefei Branch of China Minsheng Bank has attached great importance to the development of green finance, enhanced the support for green economy, low-carbon economy and circular economy, and spared no efforts to support green and environmentally-friendly industries in Anhui Province. In 2018, the Branch published the "List of Key Green Development Projects in Anhui Province," guiding the operating outlets to actively synergize green and environmentally-friendly projects.

Since the establishment of cooperation relations in 2011, Hefei Branch has provided credit support for Guoxuan High-Tech Co. In 2018, the Branch enhanced its support for NSOEs including Guoxuan High-Tech Co. And on June 13, 2018, the two parties signed a strategic cooperative agreement, formally establishing strategic cooperative partnership.



Signing ceremony with outstanding private enterprises in Hefei Branch

## Conducting innovation in financial models and delivering considerate services

Share allotment financing of majority shareholder: In March 2017, Guoxuan High-Tech Co. released the "Announcement on the Plan of Public Issuance of Securities for Share Allotment Financing" and the "Feasibility Study Report on the Use of Funds Raised through Allotment of Shares." After deduction of issuance fees and expenses, the funds raised will be fully used for the projects of lithium-ion power batteries, new energy vehicle powertrain system, and power charging facilities.

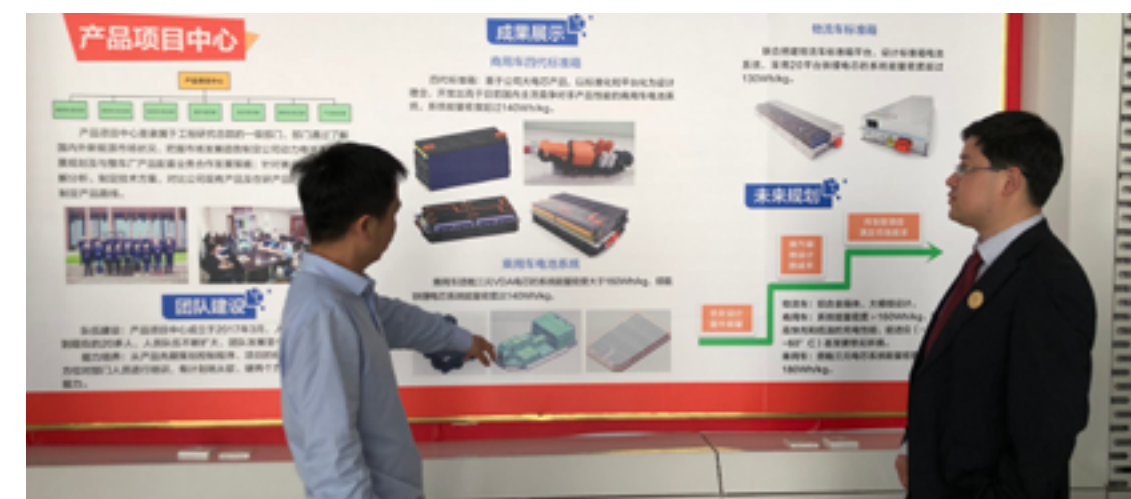
Hefei Branch provided Zhuhai Guoxuan Trading Co., Ltd., a financier, with funding, and the money will be used to buy the allotted shares subscribed by Zhuhai Guoxuan Trading Co. The plan was recognized by the customers. Concerning the shortage of credit resources and the high cost of capital, the Branch, through introducing new financial product, provided large amount of financing funds with a relative low cost for the enterprise. The approach adopted by the Branch in this transaction played a good demonstration role and set a good example for financial institutions to offer differentiated and distinctive financial services to green and environmentally-friendly enterprises in accordance with their specific needs.

Accounts receivable assets-backed securities plan: Hefei Guoxuan Hi-Tech Power Energy Co., Ltd. is the operating entity of new energy batteries of Guoxuan High-Tech Co., as well as one of the earliest domestic enterprises engaged in independent research and development, production and sales of lithium-ion batteries for new energy vehicles.

With the rapid development of the new energy vehicle industry, negative events such as making fraudulent applications to receive government subsidies have been constantly emerging. Influenced by the "Notice on Conducting Liquidation of Subsidy Funds for New Energy Vehicles in 2016" jointly issued by the Ministry of Finance and other ministries and commission, the due dates of accounts receivable of Hefei Guoxuan Hi-Tech Power Energy Co. were greatly prolonged, imposing certain pressure on the company in terms of turnover of current capital, and greatly increasing the amount of accounts receivable and the asset-liability ratio of the listed parent company.

Zhuhai Guoxuan Trading Co. proposed developing an asset custody business for the accounts receivable assets (Phase I) of Hefei Guoxuan Hi-Tech Power Energy Co., Ltd. Through in-depth research and analysis, Hefei Branch, in accordance with the time requirements for completing the asset securitization, worked together with Zhuhai Guoxuan Trading Co., successfully acquiring part of the transferring shares of accounts receivable assets (Phase I) of Hefei Guoxuan Hi-Tech Power Energy Co. at Shenzhen Stock Exchange.

In the future, Hefei Branch will continue to respond to the guidelines and policies made by governments at various levels, and conduct innovation in financial services, making financial contributions to the protection of lucid waters and lush mountains.



Customer manager of Hefei Branch visited the customer



Guiding Development Direction through Distinctive Party Building  
Fostering Employee Growth through Concerted Efforts

## Being Builder of Homeland Culture





# Guiding Development Direction through Distinctive Party Building

## Enhancing Ideological and Political Development

### Strengthening Party Leadership and Improving Corporate Governance

China Minsheng Bank has promoted the in-depth integration of Party building work with corporate governance, including the contents of "Party Organization (Party Committee)" into the "Articles of Association of China Minsheng Bank," so as to give full play to the role of Party organization. Through conducting various educational, training, and cultivation activities, the Bank has constantly boosted the Party spirit and the political theoretical level of Party members and officials, as well as the core talented personnel, promoting them to adapt to the development requirements of the new era.

### Promoting Study of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the Spirit of 19th CPC National Congress

China Minsheng Bank has launched its special-topic website to interpret the major principles and policies of the 19th CPC National Congress. Columns including Party Building News, Party Lectures, and Learning Tips & Exchanges have been set up for all of its staff members to exchange learning tips and experience. The Bank has given full play to the role of Party school, which serves as the main study platform. As of the end of 2018, China Minsheng Bank had completed the rotation training for all the Party members and officials, and the number of the participants of the training activities had reached 1,679 persons/times, which had greatly enhanced the Party spirit and work enthusiasm of Party members and officials.

### Enhancing Political Theory Study of Party Committee Core Group

China Minsheng Bank has formulated and issued an annual study plan for its Party Committee Core Group, clearly elaborating the study rules and implementation measures, as well as the study objectives, detailed requirements, forms, specific arrangement, topics and recommended book of the year. As of the end of 2018, the Party Committee Core Group of the Head Office had conducted 16 collective study activities, successfully completing the study tasks with new study forms and enriched study contents. The primary Party committees of the Bank, in accordance with the requirements of the Party Committee of the Head Office, had effectively implemented the study activities, achieving fruitful results.

### Advancing Education on "Two Studies and One Action"

China Minsheng Bank, taking Party branches as basic units, has implemented the system of holding Party branch general meetings, meetings of Party branch committees, Party group meetings, and Party lectures, and organized Party organization activities, so as to integrate study into daily work. At the end of 2018, the number of Party lectures made by Party officials at various levels of the Bank was 407 times. The Bank had held 5,764 Party branch general meetings, 11,677 meetings of Party branch committees, and 4,208 Party group meetings, and organized 7,477 Party organization activities; had trained 5,043 persons/times of secretaries of Party organizations at various levels, and 6,737 persons/times of backbone Party workers.



Party-building learning

China Minsheng Bank had also organized a series of activities themed "Remaining true to original aspiration and keeping mission firmly in mind" to celebrate the 97th anniversary of the founding of the Communist Party of China, and 120 advanced Party branches and 210 outstanding Party members of the Bank were recognized.

## Implementing Responsibility System of Party Building

### Strengthening Major Responsibility of Party Committee

Upholding the principle of democratic centralism and under the leadership of the board of directors, the Party Committee of China Minsheng Bank is in charge of, among others, the Party building, major work decisions, key personnel appointment and removal, and important issues concerning employee benefits. China Minsheng Bank has strengthened performance evaluation, seriously carried out the reporting and review on Party building work, and enhanced the application of review results, which have been used as major factors for the selection of the outstanding and advanced, and the promotion and appointment of officials. The Bank has also ensured that responsibilities in the management and governance of the Party are fulfilled, and given full play of the roles of inspection, supervision and audit. It has signed responsibility pledge for improving Party conduct and clean governance with Party committees at various levels of the Bank, enhancing supervision and inspection, and the violations of rules or disciplines shall be handled seriously.

### Enhancing Supervision Responsibility of Discipline Inspection Commission

China Minsheng Bank has adhered to the system under which the secretaries of the commissions for discipline inspection at different levels report in various ways on their work and their efforts to perform their duties honestly, and implemented the system of admonition conversation on integrity and clean governance for the newly appointed secretaries of Party committees of branches and sub-branches. The Bank has established a company-wide three-level supervision and discipline enforcement structure, integrating discipline inspection and supervision with the promotion and appointment of officials, departure of employees, selection of the outstanding and advanced, private overseas trips, and so on. It has also explored and implemented the "four forms of supervision and discipline enforcement," enhancing discipline inspection.

## Insisting on Party Leadership over Work of People's Organizations

China Minsheng Bank has taken the guidance of the Party as the guide sign for the work on youth employees. Through the Minsheng Youth SMART Initiative, Minsheng Youth New Media Publicity Vanguard, Financial Knowledge Promotion Event on Campus, Minsheng Stories, and other platforms and activities, the Communist Youth League (CYL) Committee of the Bank has fully played its role of youth work in focusing on central task and serving overall interests. In 2018, the CYL Committee of the Bank won the title of "May 4th Red Flag Communist Youth League Committee of National Financial System."

### CASE

#### Youth work conference held in Beijing

On March 8, 2018, China Minsheng Bank held the company-wide youth work conference in Beijing. At the conference, the Bank made specific arrangements on the youth work in 2018, and conducted special trainings on SMART Initiative, guidance of youth thought, and the building of Minsheng Youth New Media Publicity Vanguard. Advanced youth groups including the May 4th Red Flag CYL Committee, the May 4th Model CYL Committee, and Best Growth and Progress CYL Committee, as well as outstanding personnel were also commended at the conference.



China Minsheng Bank held the company-wide youth work conference in 2018



# Fostering Employee Growth through Concerted Efforts

## Respecting Talented People and Enhancing Team Diversity

### Protecting Rights and Interests of Employees

In the reporting period, China Minsheng Bank further improved the system for the protection of rights and interests of employees, and formulated, among other, the "Administrative Measures of China Minsheng Bank on Labor Contract (Revised)," the "Administrative Measures of China Minsheng Bank on Employee Onboarding," the "Administrative Measures of China Minsheng Bank on Employee Departure," which enhanced the compliance of employee relations management, effectively protected the legal rights and interests of employees, and was helpful for the building of harmonious labor relations.

Table: Performance of Employees' Rights and Interests



## Promoting Democratic Management of Employees

China Minsheng Bank has constantly improved the democratic management system that takes the workers' congress as the basic form, used various approaches including supervision mailbox and supervision hotline to provide smooth and effective democratic supervision channels for all of its staff members, and vigorously guaranteed their democratic rights and interests. The effectiveness of the participation of staff members in corporate management has been continuously enhanced.

### CASE

#### Second session of first worker's congress held

On May 8, 2018, China Minsheng Bank held the Second Session of the First Workers' Congress. Seven regulations including the "Administrative Measure of China Minsheng Bank on Employee Onboarding" were passed by a secret ballot at the congress. The right to know, the right to participate, the right to express, and the right to supervise of employees had been guaranteed in accordance with law, and the important role of the workers' congress in major decisions and major matters involving the immediate interests of the workers had been exercised.



China Minsheng Bank held the Second Session of the First Workers' Congress

## Optimizing Mechanism and Broadening Development Path

### Advancing Career Path Building for Employees

In the reporting period, China Minsheng Bank promoted the career path construction company-wide. In the aspect of professional/operational sequences, the Bank organized all of its institutions to conduct qualification assessment and examination. As of the end of 2018, the participation rate of the institutions of the Bank for professional/operational assessment and examination had reached 100 percent. China Minsheng Bank also carried out pilot career development system construction for its sales teams at some branches, laying a solid foundation for the promotion company-wide. And for the first time, the post-based professional sequence system of the Bank has covered all of its staff members.

As of the end of 2018, the participation rate of the institutions of the Bank for professional/operational assessment and examination had reached

100%

## Promoting Training System Building for Employees

In the reporting period, China Minsheng Bank, according to the strategic positioning of building itself into a bank for NSOEs, a fintech-based bank, and a bank with integrated services, and the transformation objective of value management for human resources, focused on the actual requirements of restructuring of human resources, optimization of organization pattern and improvement of human resources effectiveness, and effectively strengthened the cultivation of professional with strategic significance and versatile professionals. The Bank focused on key groups, enriched learning styles, optimized management process, and promoted transformation of achievements; constantly improved the professionalism and international vision of market-oriented high-caliber talent team; and created supply chain of talented people to serve strategies, boost transformation and enhance performance.

### CASE

#### Third "Sail Program" for management trainees launched in Beijing

On July 26, 2018, China Minsheng Bank launched its third "Sail Program" for management trainees in Beijing. The program is open to colleges and universities both in China and abroad, and aims at recruiting the outstanding new graduates with a master's degree. The recruited graduates will receive a two-year-long customized and systematic training and cultivation. Through this approach, the program has provided qualified personnel for various business departments and functional divisions. So far, the Bank has successively recruited more than 150 management trainees in three batches during 2016-2018.



The 3rd "Sail Program" for management trainees

## Retaining Talented People and Creating Happy Life

### Enhancing Employee Care

China Minsheng Bank has promoted the building of "Home of Workers," guaranteeing the happy life of employees. The Bank has carried out various employee care activities, cared about female employees and retirees, perfected the archive system for employees with difficulties, and enhanced the support for employees with extreme financial difficulties. By the end of 2018, China Minsheng Bank had provided financial support for 303 employees, including 291 employees with difficulties and 12 female employees who are single mothers and with financial difficulties; a total of RMB1.41141 million of assistance funds were given to those employees. The Bank has constantly conducted assessment on employee happiness index, focusing on solving the most urgent, difficult and highlighted issues concerned by employees. In December 2018, it won the prize of "Awards for Top 100 Happy Companies with Best Practices."

By the end of 2018, China Minsheng Bank had provided financial support for

303 employees

### CASE

#### First awarding ceremony for "Model House of Workers" held in Beijing

On March 27, 2018, the first "House of Workers" Achievement Exhibition & Awarding Ceremony for Model Houses of Workers was held in Beijing. The selection activity aims at promoting the homeland culture of China Minsheng Bank among the primary outlets and the operating institutions and improving the sense of happiness of front-line employees. A total of 10 model houses of workers and 20 outstanding houses of workers from 100 houses of workers certified by the Head Office won the awards of the activity.



Zheng Wanchun, President of China Minsheng Bank, presented the awards for the winners of the Model Houses of Workers

### CASE

#### First selection activity on best female employees completed successfully

On March 26, 2018, the first selection activity on best female employees of China Minsheng Bank was completed successfully in Beijing. With the theme of "Striving for Excellence," a total of 129 female employees with outstanding performance, extraordinary skills, good virtues and high comprehensive quality from 45 institutions of the Bank participated in the activity, and 12 of them won the title of "Best Female Employees of China Minsheng Bank."



The first selection activity on best female employees of China Minsheng Bank was completed successfully

### Balancing Work and Life

China Minsheng Bank has insisted on concept of putting people first, which is also the core idea of its homeland culture, organized rich and colorful staff activities, and provided a positive work environment for employees. The Bank has strived to help its staff achieve balance between work and life, constantly enhancing their sense of belonging.



# Featured Story

## Zhengzhou Branch puts people first, builds successful team

In a sense, culture is a consensus of people, and is also a power. Since it opened in 1999, Zhengzhou Branch of China Minsheng Bank has set the development vision of building itself into a leading branch of China Minsheng Bank and an outstanding financial institution of the region, as well as creating a happy life for all of its employees, focused on the imperceptible influence of the culture of innovation and the culture of service on employees, enhanced the value guidance of the culture of integrity and the culture of putting people first, and inspired the work enthusiasm of employees, so as to provide strong support for healthy and sustainable development.

### Focusing on talent cultivation

Zhengzhou Branch has insisted on the strategy of invigorating itself through talented people, and constantly improved the mechanism for the selection, appointment and management of talented people, which is focused on their virtues, responsibilities and capabilities, so as to effectively enhance the cohesive strength and combat effectiveness of team. The Branch has implemented the talent-driven strategy in a deep-going way, constantly promoted its construction of a learning financial institution, actively conducted educational and training activities at various levels and covering every and each business department and division, so as to improve the professional quality of employees. It has attached great importance to core professionals of key fields, enhanced the cultivation and selection work for reserve managers, strengthened talent team construction of different echelons, and optimized the mechanism for internal flow of employees and the mechanism for exit of employees, so as to provide talent support for innovation and transformation.

### Emphasizing humanistic care

The Branch has promised to offer meticulous care to employees. The canteen provides clean and tasty food for employees, making them feel like at home. Flowers and cake will be offered to employees on their birthday; scarfs will be provided for the parents of employees on the Seniors' Day, and presents will be provided for their children on the Children's Day. The Branch has set up rooms for mothers and babies, solving the issue of breastfeeding at work; actively conducted social activities for young employees, facilitating them to communicate and to establish relationships; and carried out employee care activities, providing assistance to employees with financial difficulties. All of the initiatives and measures make employees of the Branch feel the warmth of a home.

### Building cultural platform

To create the "Happy Work, Happy Life" environment, the Branch has successively formed a dozen of clubs including basketball club, football club, badminton club, yoga club, photography club, and cycling club. The clubs hold contest events on a regular manner, helping employees achieve balance between work and life, which not only show the positive spirit of employees, but also enhance their sense of honor and cohesive strength as a whole. The Branch has promoted its institutions to set up "reading corners," calling on them to hold book reading and sharing activities. The Branch has supported its institutions to establish studios for science and technology

innovation, building platform for employees to conduct innovation in products and services. The Branch has encouraged its institutions to build "Home of Workers," enriching the life of employees and guaranteeing their rights and interests. At present, one institution of the Branch has been awarded the title of "Model Home of Financial Workers of Henan Province" by Henan Provincial Financial Workers' Trade Union, and three institutions have been awarded the title of "Outstanding House of Workers" by the Head Office.



Football club of Zhengzhou Branch



Moments in badminton game

"When an employer rejoices in the joy of his employees, they also rejoice in his joy; when he grieves at the sorrow of his employees, they also grieve at his sorrow." Since its inception 10 years ago, Zhengzhou Branch, insisting on the cultural concept of putting people first, has guaranteed its employees to stay motivated and enthusiastic at work, and achieved fast growth and rapid development in central China's Henan Province.





Guiding Development of Philanthropy through Cultural  
Public Welfare  
Highlighting Love for Society through Volunteer  
Services  
Boosting Rural Vitalization through Support for  
Impoverished People

## Being Innovator of Public Welfare Causes



# Boosting Rural Vitalization through Support for Impoverished People

In the reporting period, China Minsheng Bank has combined the advantages of financial poverty alleviation with the reality of impoverished areas, conducted poverty alleviation through medical care, education, industry development and other public welfare practices, actively provided support for the weak and the poor, and helped boost rural vitalization.

## Caring about Children with Special Diseases

In recent years, China Minsheng Bank has constantly focused on the difficulties of medical aid in remote areas and poverty-stricken areas, and helped promote the medical treatment for children with congenital heart disease and the HIV/AIDS prevention and treatment work. In 2018, the Bank donated RMB6.7542 million to the "Guangcai-Minsheng Bank Program for Treating Children with Congenital Heart Disease in Tibet"; accumulatively, the donations had reached RMB40 million and a total of 589 children with congenital heart disease had been treated free of charge. The Bank also focused on the HIV/AIDS prevention and treatment in Liangshan Prefecture of Sichuan Province, and constantly promoted the HIV/AIDS prevention and treatment programs initiated by China Red Ribbon Foundation including the care activities for schools and the donation of safety kits for mothers and infants and health packs, striving to help lift the people there out of poverty.

### CASE

#### Chairman visits Tibetan children in hospital

On July 25, 2018, Hong Qi, Chairman of China Minsheng Bank, and other visiting personnel from the Bank paid a visit to the Tibetan children financially assisted by the "Guangcai-Minsheng Bank Program for Treating Children with Congenital Heart Disease in Tibet" at the Pediatric Cardiac Center of Beijing Anzhen Hospital. Those children were the third batch of the 152 children who had been diagnosed with congenital heart disease in Xigatse City, southwest China's Tibet Autonomous Region. The one-year-and-four-month-old Zhuola, who was the youngest and worst sufferer, weighed only six kilograms. Through the world's leading minimally invasive pediatric cardiac surgery, the child recovered well. Chairman Hong Qi asked about the conditions of those children in detail, and expressed that China Minsheng Bank will, as always, take initiative to respond to the call of the Party and the State, implement the thought of targeted poverty alleviation, care about Tibetan children with congenital heart disease, and help them live a happy and healthy life.



Hong Qi, Chairman of China Minsheng Bank, and other visiting personnel from the Bank paid a visit to the Tibetan children with congenital heart disease in Beijing Anzhen Hospital

“

Thanks for the support of China Minsheng Bank and other parties. Over the four years, we have cultivated a permanent medical team for Tibet. We will try our best to treat and care about the children with congenital heart disease, and to give them a brighter and healthier future.

—Su Junwu, Deputy Director of the Pediatric Cardiac Center of Beijing Anzhen Hospital

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### CASE

#### “Zero HIV/AIDS Project” implemented in Liangshan

China Minsheng Bank, a vice chairman unit of China Red Ribbon Foundation, has conducted cooperation with the foundation since 2008. Over the 10 years, the Bank has accumulatively donated RMB35 million to the foundation, and successively and successfully completed the Antiviral Treatment Care Center, Red Ribbon Health Pack, Preventing Mother-To-Child Transmission of HIV, and other public welfare projects. To contribute more the HIV/AIDS prevention in China, Zheng Wanchun, Party Secretary and President of China Minsheng Bank, attended the launch ceremony of "All For Children – China Red Ribbon Foundation Liangshan Care Program" on September 3, 2018. At the ceremony, President Zheng Wanchun, on behalf of China Minsheng Bank, donated RMB12 million to the program to implement the HIV/AIDS prevention work in Liangshan over the next three years. Through focusing on children influenced by AIDS, the program aims at preventing the mother-to-child transmission of HIV in Liangshan Prefecture of southwest China's Sichuan Province.



The launch ceremony of "All For Children – China Red Ribbon Foundation Liangshan Care Program"

## Providing Assistance for Education

China Minsheng Bank has focused on supporting education for years, and offered assistance to targeted poverty alleviation projects initiated by China Banking and Insurance Regulatory Commission for three years in a row. The Bank has also established a charitable foundation for poverty alleviation through education. It has set up and provided financially assistance for the "Meijiang-Minsheng Class" at Aheqi County Tuanjie Primary School since 2009, and each student of the class will receive a donation of RMB1000 per academic year. At the end of 2018, China Minsheng Bank had donated money and materials worth RMB2.1482 million, benefiting 2,324 students, which had financially eased the difficulties faced by local students from minority ethnic groups. The Meijiang-Minsheng Class adopts the one-to-one donation approach. In addition to financial aid, the donors also help children through, among others, writing letters, making phone calls, and donating books and other materials, caring about their growth meticulously.

“

The funding scheme initiated by China Minsheng Bank for students from impoverished families in Aheqi County of Xinjiang Uygur Autonomous Region is a great feat for promoting ethnic solidarity and a good deed for helping the poor and the needy, fully showing the spirit of great love of the Bank.

—Maimaiti Aili, Deputy County Mayor in charge of education

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## CASE

### Art Complex Building of Cuizhu Hope Primary School put into use

In September 2018, the Art Complex Building of Minsheng Cuizhu Hope Primary School funded by the Credit Card Center of China Minsheng Bank was formally put into use. At the launch ceremony, the Credit Card Center donated 700 copies of books, 600 schoolbags, 600 cups and 50 sets of gift boxes for Teachers' Day to the primary school. The Art Complex Building, which is also called "Minsheng Mingde Building," covers an area of 5,035 square meters, and is equipped with a reading room, an academic hall, and various functional rooms, which also shows the persistence and inheritance of the Credit Card Center in supporting education for 10 consecutive years.



The Art Complex Building of Minsheng Cuizhu Hope Primary School was formally put into use



Children were learning in the library of Art Complex Building

### Promoting Construction of Beautiful Countryside

Fanpai Village is located in Taijiang County, a State-level poverty-stricken county in Qiandongnan Miao and Dong Autonomous Prefecture of southwest China's Guizhou Province. In 2013, China Minsheng Bank, in cooperation with China Foundation for Poverty Alleviation, donated RMB10 million to implement the "Beautiful Countryside – Ancient Village Protection and Development Program" at Fanpai Village. In 2017, Taijiang County Fanpai Fumin Tourism Cooperative began operations formally. As of the end of 2018, the turnover of the cooperative had reached RMB260,000. On March 22, a meeting on dividends distribution of the cooperative was held; 80 percent of the dividends for the first year were distributed to 38 poverty-stricken families averagely, while the rest, 20 percent, were used as collective funds for Fanpai Village, and were equally shared by all villagers.



Beautiful Countryside – Ancient Village Protection and Development Program

## Highlighting Love for Society through Volunteer Services

China Minsheng Bank has advocated all of its staff members to actively fulfill social responsibility, to participate in various kinds of volunteer activities, and to give back to the society, which highlights the responsibilities and duties undertaken by the Company and its employees. In the reporting period, China Minsheng Bank organized 175 voluntary activities for poverty alleviation and public welfare causes, and the number of youth participants of those activities reached 24,077.

In the reporting period, China Minsheng Bank organized

175 voluntary activities

The number of youth participants of those activities reached

24,077

## CASE

### Nanjing Branch supports special education

On March 2018, Nanjing Branch of China Minsheng Bank conducted the public welfare activity "Minsheng Yi Initiative." During the activity, the Branch donated school uniforms and outdoor educational facilities to Xuanwu Special Education School in Nanjing City, committed to building a volunteer service base together with the school, and established a volunteer service team named "Little Snails." On June 1, 2018, volunteers of the Branch visited Xuanwu Special Education School again, providing volunteer services for the Third Sports Meeting of the school. The volunteers brought laughter to the children there and accompanied them to grow up happily.



"Little Snails" provided volunteer services for the Third Sports Meeting of the Xuanwu Special Education School



## CASE

### Hangzhou Branch offers support to students in remote areas

On May 13, Hangzhou Branch of China Minsheng Bank conducted the public welfare activity "Rainbow Boxes – Packagers with Love," using the unloading, sorting out, and packaging of donated materials to interpret the care and attention to students in areas. After three hours of hard work, the volunteers with the Branch finally packaged the donations of, among others, stationery items, rain shoes, and gloves from third-party charitable organizations into over 11,000 "Rainbow Boxes," which will then be sent to the students in remote and improvised areas of Guizhou, Gansu, Shaanxi and other provinces. The volunteer team included not only employees of the Branch, but also their family members, among whom the youngest was under the age of five. They wanted to do their part for the children in remote areas with their own actions.



Hangzhou Branch conducted the public welfare activity "Rainbow Boxes – Packagers with Love"

## Guiding Development of Philanthropy through Cultural Public Welfare

In the reporting period, China Minsheng Bank continuously supported the "Dunhuang Protection Fund Project" of Beijing Minsheng Foundation for Arts and Culture, and financially assisted Beijing Minsheng Art Museum and Shanghai Minsheng Art Museum to promote the development of cultural public welfare causes, entertaining citizens with a series of public cultural feasts.

By the end of 2018, Beijing Minsheng Art Museum had attracted nearly one million on-site and online visitors throughout the year, held 118 public education activities and organized 30 special events together with China Minsheng Bank, which had received wide praise from the society and been recognized by professionals. Eight large-scale art exhibition projects had held, among which the exhibition "New Ink Art in China 1978-2018" had won the special fund of China National Cultural Fund in 2018.

At the end of 2018, Shanghai Minsheng Art Museum had held seven major exhibitions and art projects, as well as 55 public education activities, attracting nearly 43,000 participants. In the CCTV's featured program of "China on the Move – Shanghai," Shanghai Minsheng Art Museum was shown in the "China International Import Expo Theme Video," and was awarded "Popular Art Venue of the Year" by Shanghai BANG, a new media platform of fashion life.

## CASE

### Beijing Minsheng Art Museum exhibits 40 years of Chinese ink art

The exhibition "New Ink Art in China 1978-2018" was grandly held in Beijing on December 18, 2018, the year marking the 40th anniversary of reform and opening-up. Sponsored by China Minsheng Bank and Beijing Minsheng Art Museum, this exhibition systematically sorted out of ink art on a large-scale basis for the first time in history, exhibiting 182 influential artists of different period and 200 representative art works, fully presenting the 40 years' development of Chinese ink art.



Exhibition of "New Ink Art in China 1978-2018"

## CASE

### Shanghai Minsheng Art Museum delivers artistic passion of reform and opening-up

The solo exhibition "A Tribute to Sunflowers – Exhibition of Xu Jiang's New Works," which was jointly sponsored by China Minsheng Bank and Shanghai Minsheng Art Museum, was held in Shanghai on September 29, 2018. As an exhibition in honor of the 40th anniversary of reform and opening-up, it focused on exhibiting the art works created by artist Xu Jiang with the theme of sunflowers for 15 years. Over 50 pieces of oil paintings, more than 100 pieces of serial watercolor works and a series of sculptures and large-scale installation works were exhibited. The art works, taking sunflowers as artistic metaphor of the times, interpreted the passion and enthusiasm of the people during the 40 years of the reform and opening-up.



Solo exhibition of "A Tribute to Sunflowers – Exhibition of Xu Jiang's New Works"

# Featured Story

## ME Charity Innovation Funding Scheme helps social organizations promote poverty alleviation

In 2015, China Minsheng Bank launched the "Power of Minsheng's Love – ME Charity Innovation Funding Scheme" together with China Foundation for Poverty Alleviation. Over the four years, China Minsheng Bank has accumulatively invested over RMB40 million in the Me Scheme, and received 1,470 projects applied by various social organizations, among which 86 have been funded by the Me Scheme. The projects covered 29 provinces, municipalities and autonomous regions, directly benefiting about 220,000 people. The Me Scheme has not only brought positive changes for the benefited groups, but also boosted the social influence and publicity consciousness of public welfare organizations, achieving good social benefits.



The 4th ceremony of "ME Charity Innovation Funding Scheme"

The fourth ME Charity Innovation Funding Scheme was launched on September 20, 2018. According to the plan, the Me Scheme, which focuses on five fields of "targeted poverty alleviation, community development, education assistance, health and wellbeing, and ecological progress," will evaluate and select 23 public welfare projects that feature innovation, enforcement, sustainability, and influence, and each of those project will be funded with RMB500,000. The fourth ME Charity Innovation Funding Scheme emphasized targeted poverty alleviation, and focused on supporting social organizations to implement the projects in State-level poverty-stricken counties and to help lift the registered impoverished people there out of poverty. The ME Scheme given priority to the projects that will benefit the people in the counties of extreme poverty in Tibet, the four southern administrative districts of Xinjiang, and the Tibetan areas of Qinghai, Sichuan, Yunnan and Gansu, as well as Linxia Prefecture, Liangshan Prefecture and Nuijiang Prefecture, and introduced the new model of "venture philanthropy" to encourage more nongovernmental organizations to participate in the fight against poverty.

The fourth ME Charity Innovation Funding Scheme received a total of 285 applications. At the public voting session, the ME Scheme connected the public, the public welfare projects and the public welfare organizations, with its own platform, receiving 933,060 likes. According to the evaluation of experts and professionals, the public voting, and the numbers of likes, 23 public welfare projects were selected to be funded:

Name of Organization	Name of Project
Projects relating to targeted poverty alleviation	
Qapqal Lanpai Social Work Service Center	The embroidery (an intangible cultural heritage) project for poverty alleviation in Qapqal County
Karamay Shangshan Social Work Service Center	"Pomegranate seeds homeland" project for rural poverty-stricken children in Moyu County of Hotan City
Weinan Xinxing Aid for Children in Crisis	Social work assistance program for children of prisoners in Weinan Region
Wuding Sincere Heart Social Work Center (Yunnan)	Pilot program for families with a member (members) suffering from mental disease & social work intervention
Projects relating to community development	
Beijing Hongyan Social Work Service Center	Project for promoting and broadcasting innovative and sustainable life practices by domestic workers
JIA	Project for recording and shooting stories of persons recovered from leprosy
Qinghai Tibetan Research Institute	Ecological breeding development project (Phase II) for Tibetan women in Qinghai
Longyou Environmental Conservation Association of Tianshui	Community development project for rural elderly people
Xixiang Women's Development Association	Project for growth and companionship of children in crisis in Xixiang County
Projects relating to education assistance	
Beijing TFC Public Welfare Development Center	"Teach Future China" – Training program for outstanding normal university graduates returning to hometowns
Beijing Enjoy Volunteering Center of Youth Development	"ME" Enjoy Volunteering Initiative – Promotion for country summer camp in southwest China
Education Aid Association of Fujian Province	Assistance program for children of prisoners
Guangxi Dreamers Rural Youth Care Center	"From the Margins to Inclusion": Building growth community for rural teenagers
Guangzhou Yuexiu Love Growing Education Support Center	Program for sex education in families with mentally disabled children
Projects relating to health and welfare	
Beijing Jidian Public Welfare Information Technology Service Center	Sustainable assistance initiative for the mentally disabled in China
Leling Elder Social Worker Service Center in Beijing	Program for targeted promotion of Leling home-based elderly care services model
Guangzhou Gold-Ribbon Special Children Parents Center	"Medical Care Journey" Program
Jiai Social Work Service Center in Jinan	"Memory Journey": Memory care mutual aid program for the elderly
Shanghai Hand In Hand Life Care and Development Center	"Peace Home": City partnership promotion project
Projects relating to ecological progress	
Fujian Green Home Environment-Friendly Center	Project for promoting ecological progress through multi-environmental governance models
Better Blue Special Fund of Chengmei Charity Foundation	Diver empowerment for Marine conservation program
Shanghai Minhang Qingyue Environmental Protection Information Technology Service Center	Project for enhancing environmental information disclosure of green finance by using big data
Urumqi Sayibak Wilderness Public School & Popular Science Center	Project for wilderness guarding through coordinated volunteer platform



# Future Prospects

The year 2019, which marks the 70th anniversary of the founding of the People's Republic of China, is a pivotal year for securing a decisive victory in finishing the building of a moderately prosperous society in all respects. Looking into the future, China Minsheng Bank will, as always, insist on the customer-centric philosophy, and take the improvement of development quality and efficiency as core objective, striving to build itself into a leading model bank featuring distinct characteristics, value growth, and constant innovation.

Let's stand firm in the forefront of the times and open up new horizons resolutely. In 2019, we will continue to deepen reform and transformation, and constantly focus on developing blueprints and plans, enhancing the building of systems and mechanisms, implementing strategies, and improving operating performance, striving to shape a new image of China Minsheng Bank with new actions.

We will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, respond to major national strategies, optimize regional and industrial credit deployment, effectively promote the rural vitalization strategy, boost coordinated regional development, and support the development of strategic emerging industries. We will provide assistance for inclusive finance, insist on serving real economy, accelerate economic system reform, promote all-round opening-up, and ensure and improve people's wellbeing.

We will continue to enhance the strategic positioning of being a bank for NSOEs. We will, as always, stay true to the mission of serving private economy, and unwaveringly adhere to the strategy of serving NSOEs. We will constantly make innovation in systems, mechanisms and business models, persistently improve the professional capability of serving NSOEs, and reinforce the support for NSOEs, striving to promote their healthy development and help them become bigger and stronger.

We will continue to enhance the strategic positioning of being a fintech-based bank. We will pursue science and technology-oriented development goals, inspire the innovation genes, and use the dual driving forces of "data + technology" to build intelligent decision-making platform, intelligent digital operation platform, and intelligent compliance management platform. We will spare no efforts in building a true fintech-based bank through science and technology as well as data empowerment.

We will continue to enhance the strategic positioning of being a bank with integrated services. We will constantly improve service, offer customer-centric comprehensive solutions, develop systems and mechanisms suitable for comprehensive services, and build the "One Minsheng" integrated service system.

We will continue to implement the targeted poverty alleviation program. In 2019, a year of achieving decisive victory in fighting against poverty, we will, in strict accordance with the work arrangements made by the CPC Central Committee and the State Council, take various measures to address poverty alleviation in light of local conditions. We will make innovation in poverty alleviation models, optimize poverty alleviation results, and do a good work in targeted poverty alleviation.

We will continue to promote the building of "Minsheng Homeland," guarantee the career development of employees, and provide a comprehensive benefits system for the whole staff, striving to build a workplace aiming at cultivating, retaining and satisfying the talented people.

We will continue to devote our utmost efforts to the public welfare causes. We will constantly deepen the work in the fields of public welfare, volunteer service and public welfare innovation, persistently carry out public cultural undertakings, and assume the cultural responsibilities of China Minsheng Bank in the new era.

**Let's work hard to achieve ambitious goals. In 2019, we will attach great importance to the strategy of serving NSOEs, and shape the high-quality and sustainable business development and growth model. Being forward-thinking, we will sail in the wind and ride the waves, seize opportunities, and write a new chapter for a new era.**



Appendix

Appendix I:  
Key Performance Indicators

Responsibility Management Performance	2018	2017	2016
Number of legal and compliance trainings (time)	1,100	1,803	455
Number of participants of legal and compliance trainings (attendance)	170,000	131,073	56,210
Economic Performance Indicators	2018	2017(restatement)	2016(restatement)
Total assets (RMB100m)	59,948.22	59,020.86	58,958.77
Operating income (RMB100m)	1,567.69	1,442.81	1,551.54
Net profits attributable to parent company (RMB100m)	503.27	498.13	478.43
Basic earnings per share (RMB yuan)	1.14	1.13	1.09
Total tax payment (RMB100m)	213.85	208.52	221.48
SCVPS (RMB yuan/share)	5.85	5.48	4.67
Society Performance Indicators	2018	2017	2016
Number of employees (person)	55,649	55,265	56,168
Coverage rate of social security (%)	100	100	100
Proportion of employees from minority ethnic groups (%)	4.57	4.32	4.54
Targeted poverty alleviation donations (RMB10,000)	2,334	1,206	1,564.04
Public welfare donations (RMB100m)	1.75	1.77	3.19
Environmental Performance Indicators	2018	2017	2016
Amount of green procurement (RMB10,000)	146,600	75,200	90,440
Ratio of loans to industries with overcapacity (%)	3.28	2.70	3.20
Number of video conferences (time)	792	518	388

Notes: The financials and some of the relevant indicators are of the data of the Group. Should there be any inconsistency, the annual report shall prevail.

Appendix II:  
Awards & Honors

Awards & Honors	Awarding activities and organizers
Chairman Hong Qi won the "Entrepreneur with Outstanding Contribution Award in Celebration of the 40th Anniversary of Reform and Opening-Up" by the China Securities Golden Bauhinia Awards	The 8th Hong Kong International Finance Forum
Winner of the 10th China Charity Award	Ministry of Civil Affairs
Outstanding Case for Poverty Alleviation by Enterprises in 2018	Social Poverty Alleviation Department of the Poverty Alleviation Office of the State Council & CASS
Best Charity Contribution Award	China Banking Association
No. 1 in the Top 100 NSOEs for Corporate Social Responsibility in 2018	CASS
No. 1 in the Social Responsibility Index of China's Banking Industry in 2018	
Winner of the Best 10 NSOEs -- 10 Years of Social Responsibility Development of Chinese Enterprises	Shanghai Securities News
Corporate Social Responsibility Award for 2018	
Best Enterprises for Corporate Social Responsibility Award	Southern Weekly
Best Bank in China for 2018	Asia Risk
Best Listed Companies for Investor Relations Management Award by the China Securities Golden Bauhinia Awards	8th Hong Kong International Finance Forum
Best SME Services Bank in the Stars of China Awards for 2018	Global Finance
Award for Banks with Outstanding Supply Chain Financial Innovation of the Year	The Economic Observer
Bank with the Most Outstanding Small Loan Services of the Year	
Award for Banks with Competitive Supply Chain Finance	China Business Journal
Bank for Small Business Finance of the Year	China Times
Outstanding Direct Banking Brand Award	JRJ.com.cn
Outstanding Mobile Banking Award	
Award for Best Consumer Digital Banks in Asia-Pacific Region in 2018	Global Finance
IPWM Award for Best Customer Service of the Year	Wealth Management
Best Mobile Banking Award for 2018	CFCA
Best Fintech Bank	Sina Finance (finance.sina.com.cn)
Winner of the Top 10 Direct Banking Brands	



Appendix III:  
Reporting Specifications

Reporting Period:

This report covers the period from January 1, 2018 to December 31, 2018. Some contents may exceed the above period.

Release Cycle:

The Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd. is an annual report.

Organizational Scope:

This report covers the Head Office and all subsidiaries of China Minsheng Banking Corp., Ltd. For the purpose of convenience of indication and reading, China Minsheng Banking Corp., Ltd. is also referred to as "China Minsheng Bank," "Minsheng Bank," "the Bank" or "the Company."

Reference Standards:

"Opinions on Strengthening Social Responsibility of Banking Financial Institutions" issued by the former China Banking Regulatory Commission

"Guidelines on Corporate Social Responsibility for China's Banking Financial Institutions" issued by the China Banking Association

"Guidelines on Preparation of Corporate Social Responsibility Reports" issued by the Shanghai Stock Exchange

"Guidance on Social Responsibility Reporting" (GB/T 36001-2015) jointly issued by the General Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration of China

"Chinese CSR Preparation Guide (CASS-CSR 4.0)" issued by Chinese Academy of Social Sciences (CASS)

"Guide on Sustainability Reporting" issued by Global Reporting Initiative (GRI)

Data Description:

The data of 2018 in this report comes from the final statistical data. Should there be any inconsistency between the financial data in this report and in the annual report of the Company, the annual report shall prevail.

Assurance:

To ensure the authenticity and reliability of this report, PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) has been engaged to conduct a limited assurance on the selected key data disclosed in this report in accordance with the "International Standards on Assurance Engagements 3000: Assurance Engagement Other Than Audits or Review of Historical Financial Information," and has issued an independent assurance report.

Languages and Availability of Report:

This corporate social responsibility report is published in both Chinese and English, and is released both in hard copies and online version. For hard copies of this report, please send email to csr@cmbc.com.cn or call 010-57092056. For online version, please visit the website of the Company at www.cmbc.com.cn.

Contact:

Cao Xuesen, Shi Yan

Executive Office, Head Office, China Minsheng Banking Corp., Ltd.

Email: caoxuesen@cmbc.com.cn; shiyan8@cmbc.com.cn

Appendix IV:  
Rating Report

Rating Report of "2018 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd."

Upon the request of China Minsheng Banking Corp., Ltd., the Chinese Expert Committee on CSR Report Rating invited experts to form rating team to rate the "2018 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd." (hereinafter referred to as "the Report").

I. Rating Criteria

The "Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)" of the Chinese Academy of Social Sciences & the "Rating Standards for Corporate Social Responsibility Report of Chinese Enterprises (2019)" of the Chinese Expert Committee on CSR Report Rating.

II. Rating Process

1. The rating team conducts review for confirmation on the "Confirmation of Process Materials of Corporate Social Responsibility Report" and other supporting materials submitted by the preparation team of the Report;
2. The rating team conducts review on the preparation process and the contents of the Report, then drafts the rating report;
3. The rating team submits the rating report to the vice president of the rating expert committee, and the leader and the expert of the rating team to review and jointly sign.

III. Rating Results

Process (★★★★★)

The Executive Office of China Minsheng Bank Head Office takes the lead in setting up the report preparation team, the director of the Executive Office is responsible for the overall planning of the report preparation work and key links control, and the president of the Bank takes charge of the overall direction and conducts final review of the report; the Bank sees the report as an important tool of responding to major national development strategies, meeting the requirements of regulatory agencies regarding information disclosure on social responsibility performance, and broadcasting corporate responsibility brand image, featuring clear functions and explicit value proposition; the material issues are identified in accordance with benchmarking analysis on industrial issues, corporate report analysis, major corporate strategies, and so on; the Bank uses the indicator system of the "Social Responsibility Report of China Banking Industry" released by China Banking Association as a reference and builds its own indicator system of social responsibility report in line with corporate operating characteristics, enhancing the systematic and regulatory integrity of the reporting contents; and the Bank plans to release the report at its official website, and to present the print and electronic versions of the report, as well as in the form of long picture, achieving outstanding performance in the aspect of process.

Materiality (★★★★★)

The Report systematically discloses key industrial issues relating to macro policy implementation, diversification of financial products, innovation in products and services, customer information protection, credit support for SMEs, credit support for less developed areas, anti-money laundering, IT disaster recovery, green credit, and so on, and the contents are adequate and detailed, achieving outstanding performance in the aspect of materiality.

Integrity (★★★★☆)

The main contents of the Report systematically disclose 88.80 percent of core indicators of the banking industry from the perspectives of "Being Leader in Serving NSOEs," "Being Practitioner of Inclusive Finance," "Being Dream Chaser for Building of All-Round Well-Off Society," "Being Keeper for Lucid Waters and Lush Mountains," "Being Builder of Homeland Culture," and "Being Innovator of Public Welfare Causes," achieving leading performance in the aspect of integrity.

Balance (★★★)

The Report discloses negative data including "Amount of loans to industries with overcapacity" and "Ratio of loans to industries with overcapacity." The information disclosed in this aspect shall be enhanced, so as to further improve the balance of the Report.

Comparability (★★★★★)

The Report discloses 31 key indicators including "Operating revenue,"

"SCVPS," "Coverage rate of social insurance," "Donations for targeted poverty alleviation," "Amount of green procurement," and "Number of video conferences" for three years in a row, and conducts horizontal comparison on the "251st on the list of Fortune 500 companies," "No. 1 in the Social Responsibility Index of Chinese NSOEs," and so on, achieving outstanding performance in the aspect of comparability.

Readability (★★★★★)

Centering on the corporate mission of "From the People, For the People," the Report uses the "Being" as the mainline of each chapter, systematically elaborating the responsibility ideas and actions of the Bank for the State, customers, environment, employees, society and other stakeholders. The chapters feature clear framework and highlight key issues. The double spread between chapters selects reality images relating to distinct responsibility performance scenarios to enhance the identification of the Report. The "Featured Story" column at the end of each chapter vividly presents the responsibility focused practices and achievements, improving the enjoyment of the Report, while the testimonies of stakeholders highlight the results of responsibility performance, which improves the reading pleasure. Thus, it achieves outstanding performance in the aspect of readability.

Innovation (★★★★★)

The Report takes initiative to respond to the requirements of national and industrial development, focuses on targeted poverty alleviation, rural vitalization, inclusive finance, green credit, and other hot topics and distinct industrial issues, and systemically shows the key responsibility performance practices, echoing the corporate mission of "From the People, For the People." The opening of the Report, the "Fast Facts & Minsheng Bank," facilitates readers to grasp the key results of responsibility performance, enhancing the communication ability and publicity of the Report. The Bank has continuously employed the third party agency to perform assurance engagement on the data disclosed by the Report, which enhances the data review process, and effectively improves the compliance integrity and credibility of the Report. Therefore, it achieves outstanding performance in the aspect of innovation.

Overall Rating (★★★★★)

According to the assessment of the rating team, the "2018 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd." is awarded a rating of Five-Star. It is an outstanding CSR report.



中国企业社会责任报告  
评级专家委员会  
Chinese Expert Committee on CSR Report Rating

The Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd. won the Five-Star rating for the third year in a row

IV. Improvement Suggestions

1. The disclosure of negative data and information relating to deficiencies of responsibility performance shall be enhanced, so as to further improve the balance of the Report.
2. The disclosure of core industry indicators shall be enhanced, so as to improve the integrity of the Report;



Wei Zichuan, vice president of Chinese Expert Committee on CSR Report Rating



Liu Weihua, leader of the rating team



Liu Gang, expert of the rating team



Scan QR code to view rating files of China Minsheng Bank

Process evaluators: Ren Jiaojiao  
July 2, 2019

Appendix V:  
Assurance Report



普华永道

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Independent Practitioner’s Assurance Report

To the Board of Directors of China Minsheng Banking Corp., Ltd.,

We have been engaged to perform a limited assurance engagement on the selected 2018 key data (the "key data") in the 2018 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd. ("the Bank").

Key Data

We carried out limited assurance procedures on the following key data of the Bank’s 2018 Corporate Social Responsibility Report:

- Number of direct bank customers (10,000 units)
- Annual transaction volume of e-banking (RMB trillion)
- Number of mobile banking customers (10,000 units)
- Amount involved in rejected "two-high-and-one-over" projects (RMB100m)
- Number of employees (person)
- Coverage rate of social insurance (%)
- Proportion of female managers (%)
- Amount of donations for targeted poverty alleviation (RMB10,000)
- Number of video conferences (time)
- Work order service satisfaction rate (%)
- Number of participants of legal and compliance trainings (attendance)

Our assurance was with respect to the selected 2018 key data only and we have not performed any procedures with respect to other information in the 2018 Corporate Social Responsibility Report, as well as the annual information of 2017 and the years before 2017.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2018 Corporate Social Responsibility Report is set out in the Key Data Preparation & Reporting Basis (the "Preparation & Reporting Basis") after this assurance report.

The Board of Directors’ Responsibilities

The Board of Directors is responsible for the preparation of the key data in the 2018 Corporate Social Responsibility Report. This responsibility includes designing, implementing and maintaining internal control relating to the preparation of the key data of the Corporate Social Responsibility Report that is free from material misstatement, whether due to fraud or error.



普华永道

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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner’s Responsibilities

It is our responsibility to express a conclusion on the key data in the 2018 Corporate Social Responsibility Report based on limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information." This standard guides us to plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing form, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on any matter that would materially affect the key data in the 2018 Corporate Social Responsibility Report. Our work involves assessing the risks of material misstatement in key data in the 2018 Corporate Social Responsibility Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgement and assessment of the engagement risk. Within the scope of our work, we have only performed the following procedures at the Head Office of the Bank. We did not perform assurance work in other branches. The procedures we performed comprised:

- 1) Interviews with the personnel in the departments involved in providing information for the selected key data with the Corporate Social Responsibility Report;
- 2) Analytical procedure;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation;
- 5) Other procedures deemed necessary.





普华永道

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Inherent Limitation

We remind the users to note that, the absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected key data in the 2018 Corporate Social Responsibility Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the Board of Directors of the Bank for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership)

Shanghai, China

March 29, 2019

PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership)

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Appendix VI:  
Key Data Preparation & Reporting Basis

Number of direct bank customers (10,000 units)

The number of approved electronic account of investors initiatively opened by customers, with real-name authentication, through special direct bank channels of Minsheng Bank (websites, mobile apps, WeChat banking), mobile banking of Minsheng Bank, mobile banking of credit card of Minsheng Bank, and application to the co-operating third party companies

Annual transaction volume of e-banking (RMB trillion)

The volume of unilateral transaction initiated by customers through the mobile banking and the personal online banking of Minsheng Bank

Number of mobile banking customers (10,000 units)

The number of customers signing contracts with mobile banking of Minsheng Bank

Amount involved in rejected "two-high-and-one-over" (industries with high energy consumption, high pollution or overcapacity) projects (RMB100m)

The amount of loans involved in industries with high energy consumption, high pollution or overcapacity rejected by Minsheng Bank in accordance with the "Administrative Measures of China Minsheng Banking Corp., Ltd. on Green Credit (Trial)" (CMBC [2015] No. 131)

Number of employees (person) as at the end of the reporting period

The total number of staff of Minsheng Bank

Coverage rate of social security (%)

The proportion of employees with social security of Minsheng Bank

Proportion of female managers (%)

The proportion of female managers in the management team of Minsheng Bank

Amount of donations for targeted poverty alleviation (RMB10,000)

The amount of donations of Minsheng Bank to the targeted poverty alleviation projects in Hua County and Fengqiu County, central China's Henan Province

Number of video conferences (time)

The number of video conferences held between the Head Office and the branches of Minsheng Bank

Work order service satisfaction rate (%)

Ratio of number of satisfied and very satisfied work orders to number of total work orders

Number of participants of legal and compliance trainings (person/time)

Total number of participants of company-wide legal and compliance educational trainings organized by the Internal Control and Compliance Department of the Head Office of Minsheng Bank

Appendix VII:  
Suggestions & Feedbacks

Dear readers,

This report is the 12th corporate social responsibility report released to the public by China Minsheng Banking Corp., Ltd. For the purpose of continuous improvement of the report preparation, we are looking forward to listening to your opinions and suggestions. Please assist us to complete the relevant questions in the feedback form. You may choose the following options to contact us.

Mailing Address: Executive Office, Head Office, China Minsheng Banking Corp., Ltd., No. 2, Fuxingmennei Ave., Xicheng District, Beijing, China

Postal Code: 100031

Your Information

Name:

Tel.:

Company/Organization:

Fax:

Title:

Email:

Multiple-choice Questions (Please mark "√" in the appropriate position)

Options	Very good	Good	Fair	Poor	Very poor
1. Does this report fully and accurately reflect the major impacts of Minsheng Bank on economy, society, and environment?					
2. Does this report respond to the issues and disclose the information concerned by stakeholders?					
3. Does this report disclose clear, accurate and complete information, indicators, and data?					
4. What is your opinion on the readability of this report, i.e., the logic, content design, wording, and layout?					

Open-ended Questions:

1. What do you think is the most satisfying part in this report?
2. What kinds of information do you think is not disclosed in this report?
3. What are your suggestions for our future corporate social responsibility reports?

Appendix VIII:  
Notes on Terms

According to the requirements of the "Notice on Strengthening Listed Companies' Assumption of Social Responsibility and on Issuing Guidelines on Listed Companies' Environmental Information Disclosure"<sup>1</sup> issued by Shanghai Stock Exchange, and in combination with the characteristics of banking industry, the social contribution value per share (SCVPS) of China Minsheng Bank was RMB5.85 in 2018. The calculation method is as follows:

SCVPS [RMB5.85] = basic earnings per share [RMB1.14] + added value per share [RMB4.71]

Added value per share = (tax payment + compensations + interest expense + public welfare donations) / total equity as of the end of the period

Items	Unit	2018	2017	2016
I: Plus items <sup>2</sup>				
1. Tax payment (tax revenue paid to the State, including enterprise income tax, value-added tax, business taxes and surcharges, excluding the deduction and payment of individual income tax)	RMB100m	213.85	208.52	221.48
2. Compensations (salaries paid to employees, i.e., compensations)	RMB100m	258.82	251.19	250.82
3. Interest expense (loan interest paid to creditors)	RMB100m	1,586.67	1,443.58	1,092.34
4. Public welfare donations (external donation amount)	RMB100m	1.75	1.77	3.19
II: Minus items				
Other social costs resulted from environmental pollution and other negative factors <sup>3</sup>	RMB10,000	0	0	0
III: Total equity	100m shares	437.82	364.85	364.85
IV: Added value per share	RMB yuan	4.71	4.35	3.58
V: Basic earnings per share	RMB yuan	1.14	1.13	1.09
VI: SCVPS	RMB yuan/share	5.85	5.48	4.67

Notes:

1. Data were from the Group.

2. The earnings per share, added value per share and SCVPS in the comparable period have been restated in accordance with the shares after the capitalization of capital reserve in 2017.

1.According to statements of Shanghai Stock Exchange, the social contribution value per share (SCVPS) disclosed in the annual corporate social responsibility report is calculated on the basis of the basic earnings per share, by adding the tax revenues paid to the State, salaries paid to employees, loan interest paid to creditors (including banks), and other values created for stakeholders by conducting external donations and other activities, minus any social costs that arise from environmental pollution and other negative factors.

2.Excluding rental and other operating expenses

3.Under current conditions, there is no accurate method to convert environmental emission data with different measures into environmental cost data with unified measure. As for the "social costs resulted from environmental pollution and other negative factors," the listed banks releasing SCVPS in past years was actually counted the item as "zero." Therefore, the item disclosed by China Minsheng Bank was also counted as "zero."



