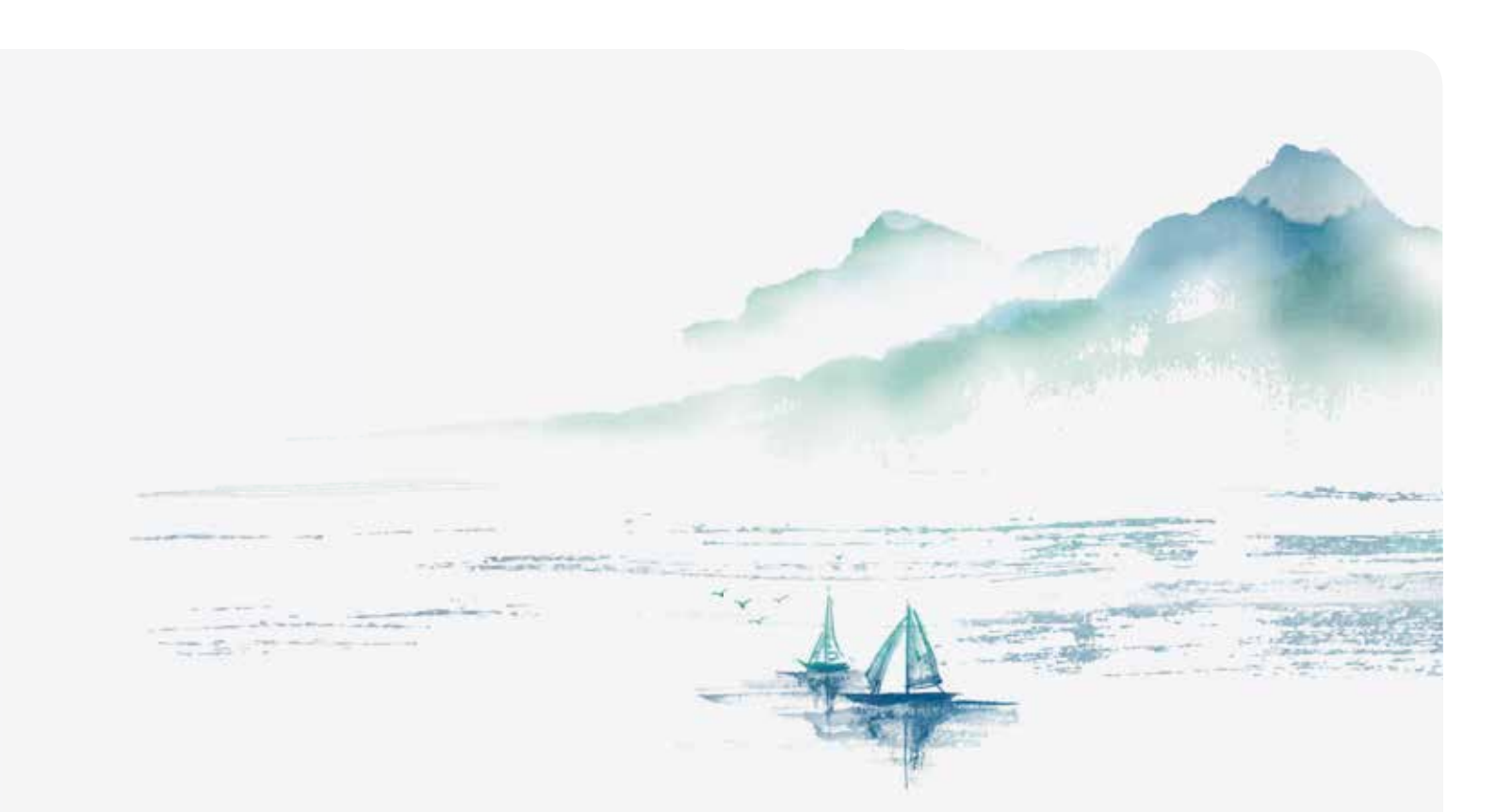




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Message from the Chairman

The 19th CPC National Congress ushered in a new era of socialism with Chinese characteristics. The new era belongs to strivers and happiness is achieved through hard work. In 2017, China Minsheng Bank further enhanced the sense of patriotism and social responsibility, and earnestly took its duty as a large bank; its 60,000 staff embraced the new era, competed to be the strivers, and dedicated themselves into the building of a beautiful China. The comprehensive promotion of the "Phoenix Project" has injected strong impetus into the high-quality development of the Bank, and the grand picture scroll of building a sustainable and time-honored bank has been gradually unfolded in a new era.

In 2017, we resolutely implemented the new requirements of the CPC Central Committee on financial work, made new accomplishments in serving real economy, and had more confidence in containing and solving major risks. We took initiative to support the coordinated development of Beijing-Tianjin-Heibei region, and the regional strategic plans of Yangtze River Economic Belt, Xiong'an New Area, Guangdong-Hong Kong-Macao Greater Bay Area, and other areas, comprehensively conducted research on complementarity and synergy plans for integration of industry and finance, and tried the best to offer services for major national development strategies, significant reforms and large project construction. We implemented the "three major battles" as the key step to constantly promote the building of risk management system and mechanism, to enhance the prevention and control of risks in key fields, and to firmly hold the bottom line of non-occurrence of systematic risks.

In 2017, we accurately grasped the new normal of the development environment, and established the new positioning of building China Minsheng Bank into a benchmarking bank, creating a new situation for reform and transformation. High-quality customers increased remarkably, asset mix continuously optimized, and asset size hit a new high; innovations in science and technology made new breakthroughs, and the research and development of big data, blockchain, and other emerging technologies achieved good results, and the distributed technology architecture for core account system application took a leading position in China's banking industry; efficiency of human resources allocation was constantly enhanced, and talent management transformation was accelerated, which provided strong guarantee for reform and development of the Bank.

In 2017, we conducted new explorations in the field of social responsibility in a deep-going way, further improved the quality of targeted poverty alleviation and other regular projects, and comprehensively enhanced the effect of cultural public welfare and other distinctive activities. We explored the development of green finance, and fully promoted ecological progress. We carried out targeted poverty alleviation, spared no effort to win the battle of poverty elimination, and built the poverty alleviation model with distinctive Minsheng's characteristics. We earnestly contributed to society, conducted innovation in public welfare, and boosted diversified development of public welfare cause, creating a bright and prosperous future.

Looking back and seeing the future, our vision is very clear: We will build a benchmarking bank featuring distinctive characteristics, value growth, strong competitiveness, and unique cultural traits. Our focused strategic positioning is to return to original purpose, put customer first, remain true to original aspiration, adhere to the NSOE positioning, and aims at improving services and completing integrated basic platform. Our task now is to transform the Bank from size orientation into value orientation, from extensive operation into intensive operation, from heavy-type into light-type, and from element-driven into science and technology-driven.

At present, we need to build on past success and make new progress in a new era. The year 2018 is the 40th anniversary of China's reform and opening up, and it is a crucial year for securing a decisive victory in building a moderately prosperous society in all respects and for continuing to implement the "13th Five-Year Plan," as well as an important window of opportunity for the Bank to achieve transformation. We will maintain our strategic focus and work harder to overcome difficulties, deeply integrate people's ever-increasing needs for a better life with our dream of building China Minsheng Bank into a sustainable and time-honored bank, and work together with stakeholders to make greater contributions in a great new era.

洪崎



HongQi
Chairman of
China Minsheng Bank

Message from the President

Returning to original purpose, optimizing structure, enhancing supervision, and adhering to market orientation are fundamentals of financial work for a new era; serving real economy, preventing and controlling financial risks, and deepening financial reforms are the main tasks of commercial banks in the next period to come. China Minsheng Bank, insisting on the core values of “integrity and trustworthiness, mutual benefits and win-win results, putting people first, and pursuing excellence,” has resolutely implemented the policies of the Party and national strategies, adhered to the building of a distinctive, featured and outstanding bank, and dedicated to achieving its grand vision of becoming a sustainable and time-honored bank.

We adhere to the building of a distinctive bank. We have always put the prevention and control of financial risks in the first place, strictly guarded the bottom lines of non-occurrence of risks, compliance and business ethics, insisted on the operation in compliance with laws and regulations in an all-round way, and tried the best to contain financial risks. We have served national major strategies, insisted on optimizing regional credit mix and industrial credit mix, taken initiative to support the Belt and Road construction, the coordinated development of Beijing-Tianjin-Hebei region, the regional strategic plans of Yangtze River Economic Belt, Xiong'an New Area, and other areas, and promoted the development of agriculture, rural areas and farmers, strategic emerging industries, and modern service industry. We have boosted the development of inclusive finance, focused on customers, continuously enhanced innovation in financial products, and strived to meet the differentiated demands of customers. We have continuously conducted distinctive Party building activities, studied the spirit of the

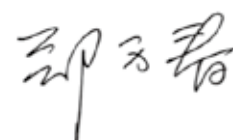
19th CPC National Congress, strictly implemented the “two responsibilities,” and regularized and institutionalized the requirements for all Party members to have a solid understanding of the Party Constitution, Party regulations, and related major policy addresses and to meet Party standards. We have constantly strengthened the support for targeted poverty alleviation, successfully helping Huaxian County, a fixed-point poverty alleviation county of the Bank in central China's Henan Province, be removed from the China's list of impoverished counties, and 17,000 people shake off poverty in Fengqiu County, another fixed-point poverty alleviation county of the Bank in Henan Province.

We adhere to the building of a featured bank. We have constantly focused on non-state-owned enterprises (NSOEs), formulated the three-year plan for strategic development of NSOEs in accordance with the “Opinions of China Minsheng Bank on Implementing NSOEs Strategy,” dedicated to creating differentiated service model, and strived to achieve common growth and win-win results with NSOEs. We have established Small Finance Division, persistently developed small finance business, and provided integrated financial services of investment and financing, planning and development, and strategic layout for enterprises of all kinds, and tried the best to solve the issue of the “last kilometer” of credit capital in serving real economy.

We adhere to the building of an outstanding bank. We have spared no effort to promote the “Phoenix Project,” completed the design work of three batches of 30 projects, and achieved fruitful results in the aspects of strategic focus, optimization of governance model, innovation in business model, management capability enhancement, and so on, creating basic conditions for the realization of the three-

year objectives of reform. We have adhered to the development of green finance, conducted differentiated credit policy for different customers, established credit constraint mechanism for the “two-high-and-one-over” industries (industries with high energy consumption, high pollution or overcapacity), and enhanced support for energy conservation and environmental protection projects, committing to building a beautiful ecology. We have insisted on putting people first, implemented the “hundred, thousand, and ten thousand” talent cultivation plan, and improved the “soft” motivation mechanism for core talented people, striving to build a “cradle” of talent team for China Minsheng Bank. We have completed employee relations management system, and formulated guiding opinions on employee care, aiming at enhancing the sense of belonging and degree of satisfaction of employees. We have always contributed to society, earnestly helped the poor and needy, carried out volunteer activities, conducted innovation in public welfare, and supported public welfare activities relating to culture, making contributions to the development of China's cultural cause.

New era inspires confidence, and goals push people ahead. In 2018, China Minsheng Bank will remain true to its original aspiration and keep its mission firmly in mind, strive to build itself into a bank of better serving real economy and meeting people's ever-increasing needs for a better life, and make greater contributions to secure a decisive victory in finishing the building of a moderately prosperous society in all respects, to strive for the great success of socialism with Chinese characteristics for a new era, and to realize the Chinese Dream of national rejuvenation.




Zheng Wanchun

Secretary of the Party Committee
of China Minsheng Bank

About Us

Corporate Profile

Formally established on January 12, 1996 in Beijing, China Minsheng Banking Corp., Ltd. (hereinafter 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 22 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 grown from a small bank with capital of only RMB1.38 billion into a large-scale commercial bank with net tier-1 capital of over RMB370 billion, total assets of more than RMB5.7 trillion, nearly 3,000 branches, sub-branches and outlets, and around 57 thousand employees. Among the Top 1000 World Banks published in July 2017 by British Banker magazine, Minsheng Bank ranked 29th. In the Global 500 list published by Fortune in July 2017 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.

Taking the implementation of the Phoenix Project as main task and in line with the development path of “strengthening corporate business, expanding retail business, optimizing financial markets business, highlighting Internet finance business, promoting integrated operation and streamlining overseas business,” China Minsheng Bank, under the “New Normal” of China’s economic development, has focused on benefits and quality, lean management, and sustainable development, and closely followed the national strategy of adjusting structure and promoting transformation, striving to build itself into “a bank for NSOEs, a FinTech bank and a bank with integrated services.”

In the past 22 years, the idea of “Minsheng Bank serves the public and people’s livelihood, the public attaches to Minsheng Bank” has taken deep roots in the Company. Aiming at becoming an important participator and propeller of financial institutions feeding back to the society, China Minsheng bank maintained distinctive service features, devoted more efforts to inclusive finance and green finance, deeply participated in targeted poverty alleviation, medical care and education, and actively conducted innovations in cultural public welfare.



2016 Corporate Social Responsibility Report of China Minsheng Banking Corp. Ltd

Responsibility Management

Updating Responsibility Concept

China Minsheng Bank has formulated the “Minsheng DNA – Handbook on Corporate Culture” ,and established the Bank’s cultural concept system in the new era. The corporate mission of “From the People, For the People” , the corporate vision of “build a sustainable bank and a time-honored enterprise” ,and the core values of “integrity and honesty, mutual benefits and win-win results, taking people as the foremost, and pursuit of excellence” put forward by China Minsheng Bank have further enriched the connotation and extension of social responsibility concept of the Bank.

Improving Responsibility Governance

China Minsheng Bank has constantly improved the organizational and institutional systems on social responsibility. The bank established the Public Welfare Decision-Making Committee, and set social responsibility management office and art institution management office at the Head Office, interactively and comprehensively promoting social responsibility management and project implementation. The Bank has constantly sorted out and updated social responsibility management system, continuously enhanced the scientific integrity and professionalism of social responsibility management. In the reporting period, the Public Welfare Decision-Making Committee held two meetings, and vigorously promoted the implementation of key projects including the Care of Children with Congenital Heart Disease in Tibet Autonomous Region, the fixed-point poverty alleviation program of China Banking Regulatory Commission (CBRC) and the HIV/AIDS program of China Red Ribbon Foundation.

Conducting Innovative Responsibility Communication

Preparing First Five-Star Social Responsibility Report

The “2016 Corporate Social Responsibility Report of China Minsheng Banking Corp. Ltd.” integrated the Bank’s corporate culture into its framework structure and main contents, becoming an effective approach in implementing social responsibility concept and carrying forward corporate culture. The PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) conducted an independent assurance on the key information disclosed in the report and the Chinese Expert Committee on CSR Report Rating rated the report a five-star and recognized it as an excellent corporate social responsibility report.

Participating in Events of China Social Responsibility 100 Forum

In November 7-8, 2017, China Minsheng Bank, as a chairman unit, participated in the “2017 China Social Responsibility 100 Forum & 1st Beijing CSR Exhibition” organized by the China Social Responsibility 100 Forum. The exhibition booth of China Minsheng Bank vividly and comprehensively showed the characteristics and achievements of the Bank’s social responsibility management and practices, which enhanced the communications and exchanges between the Bank and stakeholders.



Participated 1st Beijing CSR Exhibition



Deepened Reform Enhances Driving Force

Guarding against systemic financial risks is the eternal theme of financial work and stronger initiatives should be taken to monitor, warn against and deal with risks in a timely manner. Special efforts should be made to eliminate risks in key sectors and to perfect financial security system and risk emergency response mechanism.

—Speech of Xi Jinping, general secretary of the Central Committee of the Communist Party of China (CPC), at the 2017 National Financial Work Conference

Optimizing Governance and Conducting Scientific and Sound Operation

Perfecting Governance Structure

China Minsheng Bank has followed the guidance and requirements of China Banking Regulatory Commission (CBRC), China Securities Regulatory Commission (CSRC), Shanghai Stock Exchange and other regulatory agencies, constantly optimized board membership structure, leveraged the professional role of independent directors, effectively promoted the work of special committees, perfected institutional building of board of directors, and fully given play to the core role of board of directors in corporate governance. The general meeting of shareholders, board of directors, board of supervisors, and the management perform their respective duties and maintain high efficient operation, effectively guaranteeing the fast, stable and sound development of the Bank.

Protecting Rights and Interests of Minority Shareholders

In 2017, the board of directors of China Minsheng Bank, in accordance with the "Guidelines on the Corporate Governance of Commercial Banks" and other regulations, as well as the demand of practical work, formulated the "Management Measures for Suspension and Exemption of Information Disclosure," revised and perfected the "Articles of Association," "Terms of Reference for the Nomination Committee under the Board," "Provisional Measures on Performance Appraisal of Senior Management," "Management System for Information Disclosure," "Management Measures for Internal Transactions," and so on. Through improving and perfecting corporate systems, the Bank has effectively guaranteed the compliance and scientific integrity of work performance of the board of directors.

Creating Values and Returning to Shareholders

Enhancing Information Disclosure

In the reporting period, China Minsheng Bank participated in 10 large scale institutional investment strategy meetings, and received about 350 investment directors, fund managers and analysts from more than 50 investment institutions. The Bank also took the initiative to visit prominent analysts, responding to market concerns. It organized several regular results announcement conferences and investor meetings, constantly optimizing and improving the ways of communicating with investors.

In 2017, the Bank accumulatively released temporary announcements (A-share)

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China Minsheng Bank has strictly abided by the laws and regulations of the stock exchanges in Shanghai and Hong Kong, releasing announcements in both Chinese and English and uploading relevant documents to the official websites of the stock exchanges. In 2017, the Bank accumulatively released 57 temporary announcements (A-share) and 123 announcements in both Chinese and English (H-share); completed and released the 2016 annual report, 2017 Q1 report, 2017 semi-annual report and 2017 Q3 report; and published its first "Environmental, Social and Governance Report" in accordance with the new requirements of the Stock Exchange of Hong Kong Limited, successfully completing the information disclosure work.

Announcements in both Chinese and English (H-share)

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Protecting Rights and Interests of Minority Shareholders

China Minsheng Bank has fully guaranteed the right to express opinions and demands of minority shareholders. On May 5, 2017, the Bank held the investor information meeting regarding the 2016 profit distribution and explained the 2016 profit distribution plan through online interactions at the road show platform of cs.com.cn. As of the end of 2017, China Minsheng Bank had received 135 phone calls from minority shareholders regarding the strategic objectives, fluctuations of stock price, dividend distribution, asset quality and other hot issues and 99% of those questions had been successfully handled immediately. The Bank answered 104 questions raised by minority shareholders in a public manner through the e-platform of Shanghai Stock Exchange, which effectively improved the communications with minority shareholders and achieved good market response.

The Bank answered questions raised by minority shareholders in a public manner through the e-platform of Shanghai Stock Exchange

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Performance of Investor Relations Management

Indicators	2015	2016	2017
Basic earnings per share (RMB)	1.30	1.31	1.35
Number of investor visits (session)	46	43	85
Number of visiting investors (person/time)	350	328	350
Number of large scale meetings on investment strategy held by investment banks or securities firms both from China and abroad participated (time)	10	14	10
Number of joint research activities conducted with large institutions both from China and abroad (time)	8	7	8

Sticking to Bottom Line and Consolidating Development Foundation

Compliance Management

Sorting out and Optimizing Internal Control System

China Minsheng Bank has sorted out problems and optimized internal control system. In the reporting period, 13 competent departments of the Bank effectively implemented over 30 items needed to be optimized and improved. The Bank also sorted out institutional processes 1,887 items, formulating, revising and abolishing 150, 90 and 130-odd rules and regulations respectively.

Developing Online System of Rules and Regulations

China Minsheng Bank has developed online database of rules and regulations, and established a structured e-library, which includes a total of 1,866 rules and regulations at the Head Office level, achieving online inquiry, maintenance, use and management.

Strengthening Behavioral Management of Employees

China Minsheng Bank has formulated the “Bottom Line of Compliance,” “Case Study and Warning of Criminal Crimes Committed by Banking Professionals,” and other materials, conducted trainings for all workers and staff members, and carried out investigation and monitoring for abnormal behaviors of employees. In the reporting period, the Bank helped and educated 127 persons/times of employees.

Improving Legal and Compliance Appraisal System

China Minsheng Bank has set up independent legal and compliance appraisal indicator in the balanced score card appraisal system, and conducted legal and compliance management and risk assessment for 42 branches quarterly, so as to strengthen compliance orientation and promote management enhancement.

Performance of Legal and Compliance Trainings

Indicators	2015	2016	2017
Number of legal and compliance trainings (time)	522	455	1,803
Number of participants of legal and compliance trainings (person/time)	51,584	56,210	131,073

The coverage of branch employees of those lecture tours reached

100 %

Anti-Corruption

China Minsheng Bank has integrated major case risk events and violations of rules and disciplines into the balanced score card appraisal system and closely linked them to operating performance; taken initiative to coordinate with organizational department of the Party committee to promote the implementation and supervision of various systems including the decision-making system for major issues, major personnel appointments and dismissals, investments in major projects and use of large sums of money, the reporting system on job and anti-corruption performance, off-office auditing, compulsory vacation, and rotation for employees at important posts; and taken full consideration of word of mouth and performance-based accountability to the work of personnel selection and appointment, performance appraisal, withdrawal of occupational risk fund and going abroad for private purposes. The Bank has established accountability management system and realized the modernization, automation, intelligence and digitization of accountability management.

In the reporting period, China Minsheng Bank organized two sessions of training for the discipline inspection and supervision personnel and organized four lecture teams to conduct lecture tours to 47 branches of the Bank, aiming at enhancing accountability system and strictly enforcing discipline. The coverage of branch employees of those tours reached 100%.



"Enhancing accountability system and enforcing discipline" lecture tours-Beijing

Performance of Anti-Corruption Trainings

Indicators	2015	2016	2017
Number of anti-corruption trainings directly organized by the Head Office (time)	42	46	50
Number of participants of anti-corruption trainings directly organized by the Head Office (person/time)	55,000	56,000	50,000

Anti-Money Laundering

Comprehensively Improving System Building

China Minsheng Bank has comprehensively revised 17 systems at the Head Office Level, and established 5 new systems; established special anti-money laundering system for 7 important functional departments, clarified the system building standards and scope of branches, and formed a matrix institutional system.

Enhancing System Test Performance and Efficiency

China Minsheng Bank has launched new standards for reporting high-value transactions; developed interception function for account opening of multi-channel customers, real—time domestic transactions and cross-border RMB transactions; and integrated rural bank business and credit card business into monitoring system, meeting the regulatory requirements of single customer-based reporting.

Constantly Conducting Anti-Money Laundering Risk Assessment and Control

In the reporting period, China Minsheng Bank completed the assessment work of 475 products/businesses across the Bank, 27 correspondent banks and all of the rule models; and took initiative to track and handle 6 risk clues and 21 risk alerts, and checked more than 800 accounts.

Strengthening Anti-Money Laundering Publicity and Training

In 2017, China Minsheng Bank conducted anti-money laundering publicity month activity, covering 2,477 branch offices and more than 8.63 million participants; and carried out one and three trainings respectively for qualification tests organized by the People's Bank of China and China Minsheng Bank, as well as two sessions of centralized trainings for employees across the Bank. The branch offices of the Bank organized 9,041 anti-money laundering trainings, covering all workers and staff.

Risk Management

Promoting Risk Management System Building



China Minsheng Bank has continuously promoted the building of total risk management system that covers all of the businesses, risk categories, processes, institutions, and employees, and comprehensively enhanced risk management capability from three aspects of strategy, implementation and operation. The Bank launched and completed the project of “Total Risk Management Capability Improvement,” determined five modules of strategy delivery, delivery leverage, fundamental support, governance system and cultural concept, focused on 12 key links, and put forward specific solutions for major issues.

Strengthening Risk Management Mechanism Building



China Minsheng Bank has further enhanced the building of the three prevention lines for risk management. At the Head Office level, risk management is an independent function, and all of the risk management departments are under the unified management of the Chief Risk Officer; at the branch level, the leaders with specific duties of risk management at the tier-1 branches shall not be allowed to take leading posts for business management concurrently, and the Head Office-issued qualification certificate should be obtained; and at the tier-2 branches, risk management directors shall be dispatched by tier-1 branches. At the same time, the Bank enhances risk management of its affiliated organizations from the Group level.

Enhancing Risk Prevention and Control in Key Sectors



China Minsheng Bank has fully optimized asset mix, formulated differentiated strategies by region, industry, customer and product, and effectively promoted optimization and adjustment of business structure; appropriately decreased loan proportion of industries with excess production capacity in accordance with the requirements of structural reform of supply side, guaranteeing quality safety of newly-added line of credit; carried out a special action plan to constantly perfect supervision mechanism and to implement strict measures to handle non-performing assets; and continuously optimized internal rating system, and enhanced the role of internal rating in credit policy and impairment of assets.

Featured Story

Phoenix Project

"The Phoenix Project uses systematical and advanced blueprint to improve service capability, uses forward-looking and scientific project design to consolidate the building foundation of a model bank, and uses effective and high efficient project implementation to facilitate the development path. With the Phoenix Project, China Minsheng Bank will confidently meet challenges, and will become a highly competitive and creative model bank of China's financial industry in the new era."

---Hong Qi, chairman of China Minsheng Bank

As an overall reform and transformation project of China Minsheng Bank in tackling the changing external environment, the Phoenix Project aims at establishing a customer-oriented system that focuses on comprehensive growth model transformation and governance model change, and at building the Bank into a customer-oriented and sustainable model bank with core competitiveness.

Since its launch in June 2015, the Phoenix Project has implemented smoothly. The management transformation projects have achieved remarkable results, and the business transformation projects have realized initial results. With the experience gained in the process of project implementation, some model branches with transformation potential have been emerged. As of the end of 2017, China Minsheng Bank had completed the design work of the three batches of 30 projects and had achieved fruitful results in the aspects of strategic focus, governance model optimization, business model innovation, management capability enhancement, and so on.

As of the end of 2017, China Minsheng Bank had completed the design work of the three batches of projects

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Remarkable enhancement of management capability

The Phoenix Project has established a cross-Bank lean management system including an asset/liability committee (ALCO) and other decision-making systems, steadily built compass risk warning system and other decision-making support and business management systems, introduced digital marketing and cross-selling model, outlet site selection model, and loan collection model, and other scientific models and tools, which have remarkably improved the overall management capability of China Minsheng Bank.

Fruitful results of business transformation

The Phoenix Project has put forward several new business models such as "small and medium-sized livelihood project," "new supply chain finance," and "small finance 3.0," which involve small and medium-sized enterprises, transaction banking, small finance, investment banking, consumer finance, financial market and other business segments, effectively building customer-oriented business service system.

Outstanding transformation results of branches

The Phoenix Project has 12 pilot projects in 25 branches, and many potential benchmark branches, such as Shenzhen Branch, Nanjing Branch, Chengdu Branch and Chongqing Branch, have emerged. Based on the implementation results, the Bank has achieved improvement in both management level and operation performance.

For more than two years, with the smooth implementation of the design and implementation of the Phoenix Project, China Minsheng Bank has reached consensus on the necessity and urgency of reform. The internal and external conditions for reform and transformation have been basically formed, creating foundational circumstance for achieving the objectives of the next three-year reform plan. On that basis, the Bank has established the leading and organizational system for reform and transformation work and formulated a cross-Bank reform and transformation blueprint. The "Reform and Transformation & Three-Year Plan" had been deliberated and passed by the board of directors of the Bank on December 27, 2017. In the future, China Minsheng Bank will comprehensively promote reform and transformation in a deep-going way, further consolidate the results of the reform, strengthen brand advantages and enhance core competitiveness.

Interconnectivity and Win-Win Results Form Resultant Force

Finance is the blood of the real economy. Serving the real economy is the bounden duty and purpose of the financial sector and the fundamental way to guard against financial risks.

—Speech of Xi Jinping, general secretary of the CPC Central Committee,
at the 2017 National Financial Work Conference



Serving the Public and Fully Supporting National Strategy

Optimizing Regional Credit Layout

China Minsheng Bank has taken initiative to undertake national strategic plans for regional development, clarified the direction, strategy and requirements of PPP(Public-Private Partnership), supported the national key areas and the building of major projects, spared no effort to participate in the building of Beijing, Tianjin and Hebei region, Yangtze River Economic Belt and Xiong'an New Area, enhanced the support for central and western China and other less developed areas of the country, and optimized credit layout to contribute to the development of regional economy.

Case Using innovative products and services to support Qinghai's development

China Minsheng Bank actively supported the transformation of the economic development model, the economic structure and the development driving force of Qinghai Province, gave priority to support environmentally-friendly, circular and low-carbon enterprises, strived to conduct innovations in financial products and service models, and spared no effort to seek long-term development. As of the end of 2017, the balance of loans of Xining Branch had reached RMB7.226 billion, increasing by 64.75% from a year earlier. The Branch made contributions to ecological progress of Qinghai Province and coordinated development of regional economy. In September 2017, Xining Branch was awarded the third prize for supporting local economic and social development and financial development of Qinghai Province in 2016 by Qinghai Provincial People's Government.



Xining Branch was awarded the third prize for supporting local economic and social development and financial development of Qinghai Province in 2016



Transportation construction projects in Tibet

Case Finance helps boost development of Tibet

China Minsheng Bank actively participated in the financing projects for transportation construction of Tibet Autonomous Region. As of the end of 2017, the Bank had provided RMB2.8 billion of loans for transportation construction projects in Tibet, assisting the development of transportation facilities there. It also vigorously supported the construction of infrastructure, the development of basic industries and pillar industries, and the building of urbanization of Tibet, and helped people there get rid of poverty and become better off.

Optimizing Industrial Credit Layout

Supporting Agriculture, Farmers and Rural Areas

The report to the 19th CPC National Congress put forward the strategy of rural vitalization, requiring putting in place sound systems, mechanisms, and

policies for promoting integrated urban-rural development, and speeding up the modernization of agriculture and rural areas. In the reporting period, China Minsheng Bank promoted its rural banks to constantly increase the support for agriculture, farmers and rural areas and to serve agricultural modernization and industrialization; adopted favorable policies to reduce financing costs of customers relating to the development of agriculture, farmers and rural areas; broadened capital sources and spared no effort to optimize financial services for agriculture, farmers and rural areas; and constantly explored sustainable business models. Several rural banks in Songjiang, Tongnan, Ningguo, Tiantai and other areas had been awarded for supporting the development of agriculture, farmers and rural areas.

Case Minsheng rural bank keeps farmer warm in cold winters

Xu Chun, a former woolen sweater factory worker born in the 1980s, his family lived from hand to mouth as his child had just entered school, his wife did farm work and his father was in poor health. To save money, the family was not willing to use the air-conditioner even in muggy summer days and chilly winter days.

In May 2017, Mr. Xu found an energy loan product for farmers, which is dedicated to supporting the implementation of governmental strategies of building new countryside and saving energy and reducing emission, when he participated in a publicity campaign on inclusive finance organized by Shanghai Songjiang Minsheng Rural Bank Co. of China Minsheng Bank. The product, on the basis of "no down payment and quarterly capital and interest repayment," offers farmers in Songjiang District of Shanghai small loans with a term up to eight years and at the actual interest rate of 6%, to support them to install distributed photovoltaic systems. Mr. Xu, for a try, entered the business lobby of the bank and signed a loan contract and a photovoltaic system installation contract after Mr. Jiang, customer manager in the retail assets department of the bank, gave him a detailed introduction to the product. On June 20, Mr. Xu received the loan successfully, and the photovoltaic system was installed in place one week later. In January 2018, when the first snow came in Shanghai and the temperature dropped down under zero, the electric heater in Mr. Xu's home emitted sun-like warmth and made his family feel so warm as in spring.



Xu Chun visited and thanked the client manager

Case

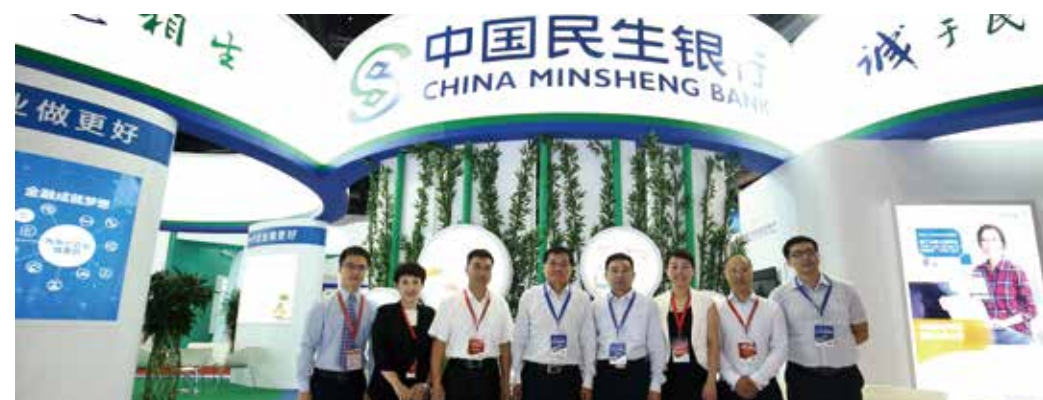
Minsheng rural bank conducts innovation in loan supply to support agriculture, farmers and rural areas

To solve the problem of farmers having difficulty in providing loan guarantee and low efficiency of loan origination, Tiantai Minsheng Rural Bank Co. of China Minsheng Bank took overall consideration of the distinctive industries, villages with good credit rating and poverty-stricken farmers within the area under its jurisdiction, introducing two new models of “leading enterprises + farmers” and “villages with good credit rating + farmers.” On the one hand, the rural bank enhanced support for the leading agricultural enterprises to develop farming and breeding industry, farm-based tourism and rural tourism, striving to create job opportunities for poverty-stricken farmers; on the other hand, it concentrated resources to promote village-based granting of credits, using Micro Loan, Online Merchant Loan, loans for support agriculture, farmers and rural areas, and loans for support rural house reconstruction and land-lost farmers, and other convenient financial products to help farmer achieve prosperity. As of the end of 2017, the rural bank had granted village-based credits for 44 administrative villages, accumulatively originating loans to 602 farmers with a total loan balance of RMB76.125 million.

Supporting Strategic Emerging Industries

China Minsheng Bank has focused on eight strategic emerging industries including biomedicine, robot, 3D printing, advanced manufacturing, TMT, energy conservation and environmental protection, new material and new energy. The Bank has also established cooperative relations with industrial parks housing lots of small and medium-sized science and technology startups, and conducted the Spark Plan with the support of science and technology startups at the center, providing comprehensive financial services for high-profile startups. The Bank has spared no effort to explore new financial service models for strategic emerging industries and enterprises.

In the fields of new energy, new energy vehicles and new material, as well as the high-end equipment manufacturing sector covering aerospace equipment, integrated circuit, railway equipment, and so on, China Minsheng Bank has used capital market, bond issuance, supply chain finance, loans and other means of integrated services to establish cooperative relations with leading enterprises. In the field of new energy vehicles, the Bank has supported the new energy vehicle projects of BYD, BAIC Group and other automobile enterprises; in the field of new materials, the Bank has focused on supporting new nonferrous metal materials and new automotive material industry chain, and conducted in-depth cooperation with Tianqi Lithium Corporation, China Molybdenum Co., Ltd., Contemporary Amperex Technology Co., Ltd., and so on; in the field of integrated circuit, the Bank has served and supported BOE Technology Group Co., Ltd., Jiangsu Changjiang Electronics Technology Co., Ltd. and other leading enterprises; and in the high-end manufacturing sector with high market concentration such as aerospace and railway equipment, the Bank has helped enterprises solve the issue of high costs of wholesale financing.



The Bank participated in the small and medium-sized enterprise investment and financing exhibition

Supporting Modern Service Industry

China Minsheng Bank has formulated the “Development Plan of China Minsheng Bank” and other plans and policies, guiding the business direction of the Bank; conducted research tours to the areas with developed modern service industry, investigating and provided integrated services for NSOEs in the fields of Internet economy, modern logistics, health, sewage treatment, and so on; constantly carried out research of and followed the new trends, new changes and new demands of modern service industry, and established classified customer service system, using differentiated services to help boost the development of modern service industry.

Case

China’s first PPP asset-backed securitization project issued

In February 2017, the “Asset-Backed Special-Purpose Plan for the Charge Usufruct of Sewage Treatment Services of Xinjiang Kunlun New Water Technology Co., Ltd.” was successfully issued. The special-purpose plan was with a total scale of RMB840 million, and China Minsheng Bank subscribed all of the priority shares worth RMB800 million. As the initiator and influential originator, Xinjiang Kunlun New Water Technology Co., Ltd. took the charge usufruct of sewage treatment service fees and other payables as underlying assets, and the special-purpose plan was the first PPP asset-backed securitization project in China, which was of epoch-making significance. The successful issuance of the special-purpose plan highlighted the innovation capability and the leading role of China Minsheng Bank in corporate asset-backed securitization business sector.



Signing ceremony of Strategic Cooperation between Xinjiang Kunlun New Water Technology Co., Ltd and China Minsheng Bank

Promoting Inclusive Finance and Firmly Serving Real Economy

Staying True to the Mission and Building a Distinctive Bank

Staying True to the Mission of Serving NSOEs

Relying on the “Opinions on Implementing the Strategy of Serving NSOEs,” China Minsheng Bank has formulated a three-year plan for the development of NSOE strategy, committing to building differentiated service model and to achieving common growth and win-win results with NSOEs.

The Head Office has set up a leading group for NSOE strategy, and the key institutions have formed implementation groups for NSOE strategy, enhancing organizational guarantee; and a professional marketing organization system has been established for strengthening professional team guarantee from front office, middle office and back office.

The Bank has launched the Minsheng Project for SMEs, and used the Financial Stewardship Plan to support high-profile NSOEs, the Win-Win Plan to develop customer base in supply chain ecosystem, the Spark Plan to serve growing science and technology NSOEs, and the Hooting and Rooting Plan to expand the service scope for SMEs.

The Bank has used big data and information technology to build Customer Database, effectively improving the precision services for NSOEs and enhancing lean management.

The Bank has increased cooperative channels, established connections in batch through diversified “online + offline” channels, and enlarged the service scope for NSOEs.

The Bank has set up the Minsheng Entrepreneur Club, using financial services, consulting and advisory services, non-financial activities and other ways to build NSOE finance and business ecosystem.

The Bank, through the integration of products and services, has provided fast, convenient and integrated financial services, and launched a series of promotion activities to enhance influence and to improve customer recognition.

Performance of NSOEs Services

Indicators	2015	2016	2017
Number of NSOE customers with outstanding loan balances (unit)	9,580	7,172	6,461
General loan balances of NSOEs (RMB100m)	6,783.2	5,427.1	6,399.8



"Enterprise elite meeting·West Lake"Special meeting of listed companies to set sail

Helping Boost Growth of Small Businesses through Innovation

As China's first financial institution to take serving small businesses as its development strategy, China Minsheng Bank continuously developed small finance business in 2017, further enhancing the role of finance in serving real economy.

The Bank has set up the small finance division, optimized and improved the operations management system and mechanism, and adopted matrix division system to coordinate and enhance the management and development of small finance.

The Bank has boosted innovations in products and channels, and continuously promoted Online Loan, Cloud Loan, Cloud Pledge, Cloud Account, QR Code Cashier and other new products to meet the diversified demands of small and micro customers; constantly conducted innovations in services, reduced financing costs of small and micro customers and promoted roll-over loan business.

The Bank has streamlined and optimized the processes of small and micro credit factory building, door-to-door iPad-based services, online property price evaluation, and so on, strengthening process and system building, and improving service efficiency of small finance.

The Bank has actively built specialized institutions to provide financial services for small enterprises, aiming to offering professional financial services. As of the end of 2017, it had established 54 specialized sub-branches providing financial services for small and micro enterprises, and 154 sub-branches providing financial services for small and micro enterprises, providing professional and considerate services for small and micro customers both in business markets and in residential communities.

Case Cloud Account facilitates account opening

To better serve small and micro enterprises and solve the difficulties of those enterprises in opening account, China Minsheng Bank optimized the settlement account opening process and innovatively launched the “Cloud Account” business, facilitating small and micro customers to handle banking businesses such as corporate account opening, inquiry, reconciliation, change and closing. The online reservation needs only three minutes and the review process will be completed in half a day; and once the application passed the review, the account will be opened at outlet in 30 minutes, which greatly improves the business efficiency and customer experience, truly achieving the goal of using the power of data to better serve customers.

“

“Account opening in Minsheng Bank is easier than that in other banks. Many thanks to Minsheng Bank for the launch of innovative services.”

---Mr. Wang, a customer of small business finance

”



Minsheng Cloud Account makes easy account opening

Performance of Small Business Finance Services

Indicators	2016	2017
Loan balance of small business finance (Shang Dai Tong) (RMB100m)	3,271	3,591
Number of customers served by small business finance (10,000 units)	412	592

Adhering to Innovation-Driven Strategy and Meeting Customer Demands

Using Innovative Products to Meet Differentiated Demands of Customers

In the era of “Internet Plus,” China Minsheng Bank has put customers first, and constantly enhanced innovations in financial products. In the reporting period, the Bank continuously optimized direct banking, online banking, mobile banking, payment and settlement, and other businesses, focused on customer demands, and used innovations in products and services to further improve customer experience.



Direct Banking

China Minsheng Bank has constantly optimized the operation processes on opening account and depositing funds, as well as its products and services, built three leading product systems of online wealth management, online loans, and emerging payment, and further expanded the scope of financial services. The scale of direct banking of the Bank ranked No. 1 among industry peers. As of the end of 2017, the number of direct banking customers had reached 10.9145 million.



Online Banking

In 2017, China Minsheng Bank launched and optimized more than 300 online banking functions, completing the planning and construction of the online banking platform and online banking products well.

Personal online banking: China Minsheng Bank continuously maintained the features of PC-based transaction channel, updating and optimizing online banking products; conducted upgrading and transformation of national encryption algorithm and carried out U-key application updates, enhancing online banking security. As of the end of 2017, the number of personal online banking customers had reached 18.1288 million, and the transaction amount had stood at RMB10.88 trillion.

Corporate online banking: China Minsheng Bank constantly promoted innovative product development, providing customers with wealth management products that could their requirements of risks and benefits; introduced global payments innovation (GPI) inquiry, building the Bank's first blockchain product; offered a series of industry solutions for large corporate customers such as Alibaba, Tencent, fund.eastmoney.com, and Ping An Pay through the Bank & Corporate Express system. As of the end of 2017, the number of corporate online banking customers had reached 1.0427 million.



Mobile Banking

In 2017, China Minsheng Bank launched and optimized a total of over 1,100 functions; launched 148 payment items and 13 corporate items, constantly enriching life and service functions; launched fingerprint recognition and iris payment services, constructing brand-new payment platform. As of the end of 2017, the number of mobile banking customers had reached 30.7917 million, and the transaction amount had stood at RMB9.95 trillion.



Payment and Settlement

China Minsheng Bank has enhanced innovations in industry payment applications, constantly promoted payment business, and launched several innovative payment products and services including integrated solutions for driving school training fees, fast fund payment, real-name express payment, capital collection service on a commission basis, and integrated solution for capital transfer to meet payment demands of customers.



New functions of mobile banking facilitates customer services

In April 2017, China Minsheng Bank formally released the Mobile Banking Client 3.6, launching the service functions including using biometric recognition (fingerprint) technology to sign into the client and scanning a QR code on the ATM screen to withdraw money. The Life module added access to Jingdong Mall, facilitating customers to complete one-stop shopping through the mobile banking services. The Bank also carried out cooperation with EasyTransfer, an online platform for students studying abroad to pay their tuition, and launched the payment services for studying abroad at the foreign exchange channel, offering convenient, transparent and favorable cross-border tuitions and fees payment services to customers.



Using High-Quality Services to Improve Customer Experience

Service is the cornerstone of a bank to establish market presence, as well as the foundation for it to achieve development. In the reporting period, China Minsheng Bank focused on customer demands, constantly enhanced service consciousness, improved service measures, and continuously provided high-quality services for customers.

Strengthening Service Management

In the reporting period, China Minsheng Bank vigorously carried out the building of system and mechanism for protecting consumer rights and interests and the Head Office formulated and revised four special systems relating to the protection of consumer rights and interests, 14 systems relating to risk control, and six systems relating to customer service. And the branches of the Bank released detailed implementation rules relating to the protection of consumer rights and interests, forming relatively complete management system for the protection of consumer rights and interests. The Bank perfected the regular work reporting mechanism and internal performance appraisal mechanism in 2017, achieving full coverage of performance appraisal for consumer rights and interests protection at the departments of the Head Office and at all of its branches. The Bank also enhanced the special audit mechanism for the protection of consumer rights and interests, guaranteeing the effective implementation of the biennial audit at all of the departments of the Head Office and at all of the branches set by the regulatory authorities.

Newly increased and revised special systems for the protection of consumers' rights and interests

4 items

Maintaining Rights and Interests of Customers

Enhancing process management and control: In the reporting period, China Minsheng Bank integrated the protection of consumer rights and interests into its product and service processes, regulated operations of employees, provided diversified products, enhanced information disclosure of products in sales, established after service tracking and maintenance mechanism for customer demands, launched the investigation and research work of the “Voice Of the Customer”, set up cross-Bank mechanism for quick settlement of small claims, and built high-quality service outlets, striving to improve customer service quality and guarantee the good experience of consumers.

Protecting property safety

In the reporting period, China Minsheng Bank enhanced the e-account compliance management, actively perfected customer information protection system covering full process of financial business, and protected customer information from three aspects of preventive management, process monitoring, and follow-up supervision, building a “safety net” for information protection and financial transaction; launched fingerprint payment services for mobile banking customers, using biometric recognition and threat analysis to achieve multi-dimensional, fast and safe identity authentication and to offer convenient, safe and reliable payment methods.

Giving product risk alerts

In the reporting period, to prevent internal and external risks in advance, China Minsheng Bank conducted cross-Bank self-examination on all of its payment businesses including online payment, QR code payment, POS acquiring business, custody of clients’ reserves, CPOS and R0 advance funding; 10 irregular branch platforms had been rectified and a total of 699 corporate customers had been closed. Upon the completion of risk matrix model, the Bank conducted risk monitoring on “Good Housing Loan,” “Ding Huo Bao,” and “Ru Yi Bao,” and provided risk alerts on such contents as risk events of bond market and restriction policies on property purchases.

Rebuilding online banking service pricing system

In the reporting period, China Minsheng Bank set up the “Online Finance Alliance of Commercial Banks” with other 12 banks, and organized the outlets to rebuild the pricing system. On the basis of free charge of mobile banking services, the Bank conducted free charge of online banking services including large-amount money transfer, small-amount money transfer, intra-city payment, and partner account money transfer, and actively promoted inclusive finance. As of the end of 2017, the rebuilding work of outlets of the Bank had been completed, and the new pricing system had been publicized at the official website and on the bulletins of the outlets.

Conducting cultural construction

China Minsheng Bank launched its first cultural brand for the protection of consumer rights and interests – the “Minsheng Campaign for Consumer Protection,” and issued its first journal focusing on the protection of consumer rights and interests.



Popularizing Financial Knowledge

China Minsheng Bank has actively carried out the four large publicity activities of “Financial Knowledge Goes to Families,” “Financial Knowledge Popularization Month,” “Financial Knowledge Tour,” and “Publicity Month for Combating New-Type Telecommunication Network-Based Illegal and Criminal Activities.” In the reporting period, the Bank organized 15,383 sessions of on-site publicity activities and issued over 200 million copies of publicity materials.

The Bank independently carried out a three-week long financial consumer rights day activity themed “Trustworthy Consumption & Wholehearted Services,” and a two-month long publicity activity themed “Safety of Investment and Wealth Management”, organized seven branches in Beijing, Shanghai and other cities to help low-net-worth individuals guarantee the safety of their money, was widely praised by consumers.



2017 information week on cybersecurity activities-Safety awareness campaign site



Popularization of financial knowledge-Payment settlement account usage security awareness month



Financial knowledge on campus-Preventing and cracking down on illegal campus loans

Enhancing Science and Technology Guarantee Capability

Enhancing disaster recovery building

In the reporting period, China Minsheng Bank actively built and optimized the disaster recovery environment for major systems. The Bank put the charging system featuring remote data disaster tolerance into operation and launched intra-city disaster backup for direct banking system and cross-bank express system. It also promoted the research work of database synchronization-based two-center system, and completed the database replication technology-based test.

Strengthening IT building

In 2017, China Minsheng Bank preliminarily built the basic information and asset safety management platform, winning the Class-I achievement award of CBRC; enhanced emergency guarantee capability for information system, and handled over 10 Internet security accidents through Internet security monitoring and early warning as well as emergency system, achieving 100% of handling rate; conducted cross-Bank coordinated response drills for over ten network attack scenarios of six categories, and carried out six cross-Bank information security system emergency switch drills; built new generation monitoring system based on big data platform and open source software, and the coverage of the monitoring system reached 99%. In the reporting period, no work safety accident at or above the Level III was happened, the availability rate of core systems reached 100%, and the satisfaction rate of work order services was over 99.9%.

Insisting on Open Development and Going Global with Enterprises

The 19th CPC National Congress report proposed to make new ground in pursuing opening up on all fronts. In the reporting period, China Minsheng Bank explored the cross-border financial market demands in a deep-going way, and developed more comprehensive and convenient financial service models, actively supporting enterprises to implement the “going global” strategy.

- Built the international business service brand – “Cross-Border Express,” and constructed five product systems of cross-border financing, cross-border fund management, cross-border E+, cross-border synergy, and international credit
- Launched the product of “Minsheng Global Fast Payment GPI,” greatly enhancing the Bank’s competitiveness of international remittance business
- Took the time to actively promote the development of onshore guarantee offshore loan business
- Combined foreign currencies with cash management value-added products organically, the foreign currency liquidity boosting substantial growth of deposits
- Optimized foreign exchange hedging products in accordance with increasingly growing risk hedging demands of customers, and enhanced customer service experience
- Focused on international contracted projects, high-end equipment export, and relocation of competitive production capability overseas and other key fields under the Belt and Road Initiative, and comprehensively promoted international credit business



"2017'Belt and Road 'Investment and Financing Summit Forum"organized by the Bank held in Beijing

Case Finance supports the New Silk Road building

According to the overall positioning and layout of the Belt and Road construction proposed by Shaanxi Province and Xi'an City, Xi'an Branch of China Minsheng Bank focused on supporting the building of China-Russia Silk Road Innovation Park, China-Korea Industrial Park, China-Kyrgyzstan Airport Economic and Industrial Park, Sino-Italian Aviation Enterprises Valley, and other international cooperation parks in China. In April 2017, the Branch won the project of providing financial services for the construction of Xi'an Newly-built Integrated Railway Logistics Center; it was the latest achievement made by the Branch in supporting the building of the Silk Road Economic Belt and the China (Shaanxi) Pilot Free Trade Zone. In overseas market, the Branches, relying on overseas service network, supported enterprises to implement the “going global” strategy by conducting innovations in diversified products and services such as onshore guarantee offshore loan, syndicated loan, cross-border M&A and project financing. As of the end of 2017, Xi'an Branch had supported more than 40 key enterprises in Shaanxi Province to participate in the Belt and Road Construction, and provided a line of credit of RMB 23.5 billion to the projects relating to the Belt and Road construction; the financing balance had reached RMB4.5 billion. Now, the Branch has become a strong force in Shaanxi’s banking industry in supporting the Belt and Road Construction.



Xi'an Branch won the project of providing financial services for the construction of Xi'an Newly-built Integrated Railway Logistics Center

The total amount of comprehensive credit granted to "Belt and Road" related projects

RMB 235 billion

Featured Story

Minsheng Bank helps me pursue a career I love

"I highly recognize the service ideas put forward by China Minsheng Bank. The considerate small finance services and products offered by the Bank are examples we should learn from."

----Wang Zhenhua, founder of Congyilou Decoration Co.

Congyilou is a household name in the decoration industry in Nanchang, east China's Jiangxi Province. Since its establishment in April 2003, Congyilou, with its slogan changed from "Return to Craftsmanship" to "All for Quality," has developed quickly from a small decoration company to a large enterprise group with its presence in many areas inside and outside the province, setting an example in terms of scale, performance and influence in the decoration industry in Nanchang.

Wang Zhenhua, founder of Congyilou, was born and grew up in a mountainous village in Wuning County, Jiangxi Province. The poor living conditions in his childhood made him a hardworking, persistent and dauntless person. At the end of 2002, Wang Zhenhua came to Nanchang, and invested RMB300 thousand with his former classmates and relatives to found Congyilou Decoration Co., Ltd. After nearly two years' development, Congyilou began to stand firm and earn recognition and trust from customers.



Small business- Congyilou Decoration Co., Ltd



Small finance client

However, the business of Congyilou did not go smoothly all the time. Along with the development of the company, Wang Zhenhua not only began to explore new fields and expand its business to cover soft decoration, sale of construction materials and flooring, wooden door sale agency, real estate advertising agency and the like, but also invested a lot of money to build a 8,000-square meter home decoration exhibition center in Xiangshan North Road, Nanchang City. It was the expansion that put him in a dilemma.

By coincidence, Wang Zhenhua started to establish a good relationship with China Minsheng Bank in 2011. When he was in urgent need of money, the Bank granted him a Shang Dai Tong Loan of RMB2 million, which solved his pressing problem and started his cooperation with the Bank for the past seven years. In those years, Wang Zhenhua became step by step one of strategic partners from a pure borrower. Now, the balance of his small and micro loans from the Bank is averagely about RMB4 million every day in a year, and he has opened Le Shou Yin, a new payment and settlement product customized for wholesale trade SMEs, payroll services and other services at the Bank. "The small finance services offered by China Minsheng Bank are so good that they save energy and time for me. Thanks the Bank for having been helping me pursue a career I love," said Wang Zhenhua.

To share the emotions and feelings the small finance employees have been experiencing for the past nine years and to record the establishment of more intimate and closer partnership with small and micro businesses which have developed with the assistance from China Minsheng Bank in the years, the Bank officially launched a brand campaign with the theme of "Looking for you in the past nine years: Telling your stories and China Minsheng Bank will return you a commercial," which was dedicated to creating passionate dreams and spreading warm stories by telling touching real stories from the perspectives of the small business owners and the Bank's small finance employees and taking actions to help them realize their dreams. The campaign helped China Minsheng Bank win the "Bank for Excellent Brand Marketing Campaign of the Year" award on the Financial Leaders List released by wallstreetcn.com, the "Bank for Small Finance Services of 2017" award under the "Golden Cicada Prize" granted by China Times, the "Best Small Finance Services of 2017" award granted by ifeng.com and other awards.

Believing in the power of every small finance employee and every small business owner, helping them realize their dreams, and continuously making efforts to be a leading small finance service provider with Chinese characteristics are the relentless pursuits of China Minsheng Bank. And the Bank is always on the road to serve small and micro businesses.



The campaign of "Looking for you in the past nine years"



Building an ecological civilization is vital to sustain the Chinese nation's development. We must realize that lucid waters and lush mountains are invaluable assets and act on this understanding, implement our fundamental national policy of conserving resources and protecting the environment, and cherish the environment as we cherish our own lives.

—Excerpts of the report to the 19th CPC National Congress

Ecological Civilization Injects Vigorous Force

Using Green Finance to Build Beautiful China

As of the end of 2017, the loan balance of the Bank for energy conservation and environmental protection projects and services had reached

RMB **300.20** billion

As of the end of 2017, the compliance rate of environmental impact assessment of project loans had reached

100 %

As of the end of 2017, the Bank's loan balance of eight industries with overcapacity had reached

RMB **759.18** billion

In the reporting period, China Minsheng Bank implemented the “Common Commitment of the Chinese Banking Sector on Green Credit,” promoted green credit, increased green supply, 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 conservation and environmental protection industry, helped advance the adjustment of industrial structure, and boosted sustainable social development. As of the end of 2017, the loan balance of the Bank for energy conservation and environmental protection projects and services had reached RMB30.02 billion, increasing RMB16.197 billion from a year earlier and by 117% year-on-year.

Conducting Environmental and Social Risk Management

China Minsheng Bank has closely followed national policies relating to environmental and social risks, adjusted credit policies for electrolytic aluminum, iron and steel, cement, coal, coking, and other industries and fields in a timely manner, formulated 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, improving environmental and social risk early warning mechanism. It has constantly perfected environmental and social risk policy system from such aspects as system, 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 2017, the compliance rate of environmental impact assessment of project loans had reached 100%.

Supporting Phasing out of Backward 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. As of the end of 2017, the Bank's loan balance of eight industries with overcapacity had reached RMB75.918 billion.

Performance of Phasing out Backward Production Capability

Indicators	2015	2016	2017
Ratio of loans to industries with overcapacity (%)	3.08	3.20	2.70
Amount involved in rejected “two-high-and-one-over” projects (RMB100m)	98.32	122.94	54.6

Boosting Development of Energy Conservation and Environmental Protection Industry

China Minsheng Bank has conducted researches on and actively explored the science and technology finance model integrating investment and credit funds, effectively implemented national credit policies for supporting key energy conservation and environmental protection projects and key promoted technologies, and provided green credit support for industrial enterprises that are consistent with national policy on industry upgrading and transformation, as well as positive credit support for key projects, technological innovation, technological transformation, and product promotion in the sector of energy conservation and environmental protection. The Bank has also actively explored the models integrating investment and credit funds for emerging businesses, and encouraged enterprises to conduct technological upgrading, energy conservation transformation, product research and development, and M&A, striving to boost development of emerging industries with better financial services.

Case

Yinchuan Branch supports green finance and wind power development

As most of its revenue is from the new energy subsidies of the Ministry of Finance, Huadian International Ningxia New Energy Power Generation Co., Ltd. has been confronted with liquidity difficulties as the lagging transfer of subsidies. In September 2017, after learning about the borrowing needs of the company, Yinchuan Branch of China Minsheng Bank set up a special service team to discuss and design the credit extension varieties, terms, methods of payment, guarantees, interest rates and other items. A loan of RMB60 million was granted to the company within just two weeks from loan examination and approval to loan granting. In the future, the Branch will enhance the support for environmentally-friendly industries and take this as a long-term strategy.



Power Generation Site of Huadian International Ningxia New Energy Power Generation Co., Ltd.

Using Green Operation to Construct Low-Carbon Enterprises

Insisting on Green Procurement

China Minsheng Bank has strictly followed the “Management Measures of China Minsheng Bank for Supplier,” and enhanced price management, quality management, supply management and service management of centralized procurement. Through the economies of scale of centralized procurement, the Bank has given priority to the procurement of environmentally-friendly products that have little negative impacts on environment. In 2017, the supplier review coverage reached 100% at the Head Office. The Bank has also established complete procurement management system, creating a new situation featuring procurement work conducted by personnel with professional certificates, knowing fairly well of procurement projects, purchasing in efficiency and compliance and rational control of procurement costs. In 2017, the green procurement amount of the Head Office reached RMB752 million, or green procurement ratio 31.5%.

Amount of Green Procurement

Indicators	2015	2016	2017
Amount of green procurement (RMB10,000)	96,380	90,440	75,200

Advocating Green Office Practices

According to the planning direction of Phoenix Project, China Minsheng Bank, centering on “saving costs and improving efficiency” , focused on promoting the following several tasks in 2107:

Improving utilization efficiency of fixed assets: China Minsheng Bank worked hard to do well on the purchase, use, custody, maintenance, transfer, inventory, as well as disposal and recycling of fixed assets, and to extend the replacement cycle of those assets. As of the end of 2017, the initial value of the durable fixed assets that have reached the service life expectancy but can be still used of the Bank had reached RMB1.5653 billion, saving RMB297.41 million a year, which greatly reduced procurement costs and the natural resources consumed.

Implementing green bank construction: In the process of building or decorating offices, China Minsheng Bank insisted on the purpose of practicing strict economy and combating waste, adhered to the idea of cost saving, energy conservation and environmental protection, focused on exploring benefit sharing between energy consumption and efficiency, between ecology and technology, between integration and optimization, and between now and the future, and took initiative to achieve the goal of building a green bank. It adopted quantitative standards and used energy conservation and environmental protection as basic requirements to optimize building design and to improve utilization efficiency of buildings. It also promoted green building materials, gave priority to the procurement of products manufactured by leading domestic enterprises with national environmental label certifications, and extensively used recyclable and reusable materials, striving to build itself into a green bank.

Enhancing environmental protection consciousness of employees: China Minsheng Bank conducted full purchase of energy-saving lighting equipment, and carried out inspection tours to outlets to scrutinize the use of electricity; the outlets with higher electricity use than the average level of the industry will be inquired. Double-sided copying had been adopted for printing informal documents. Personal office supply system had been established for employees to get office supplies, reducing waste. Learning centers for energy conservation and environmental protection had 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 had been recycled. As of the end of 2017, 0.15 ton of discarded computers and 3,659 units of waste toner cartridges had been recycled.



Service center of Xi'an Branch

Number of Video Conferences

Indicators	2015	2016	2017
Number of video conferences (time)	184	388	518

Case Haikou Branch makes green office practices become a fashion

Haikou Branch of China Minsheng Bank promoted green office practices, and reduced unnecessary costs. Adhering to the sustainable development principle, the Branch fully utilized internal and external energy sources and equipment, building high— efficient and low— consuming office work style. It vigorously advanced energy conservation and consumption reduction, formulated special plan for electricity saving, promoted paperless office practices, and encouraged employees to save resources. In the future, Haikou Branch will further enhance resource efficiency, actively cultivate green office culture, and continuously carry out low-carbon and environmentally-friendly operation.



Office of Haikou Branch

Using Green Public Welfare to Tackle Climate Change

China Minsheng Bank has vigorously supported environmental public welfare causes, actively conducted environmental protection publicity and voluntary tree-planting activities, participated in the worldwide movement “Earth Hour” and other campaigns, and implemented green development idea, striving to build beautiful ecological environment with all sectors of society.

Case Wuhan Branch promotes green development, advocates green lifestyle

On March 19, Wuhan Branch of China Minsheng Bank and Hankou Jiangtan Administration Office of Wuhan City jointly conducted an environmental public welfare activity themed “Green Development with the People” .Filling soil and irrigating for the “Minsheng Bank Voluntary Forest” and picking up garbage at Jiangtan, the Branch used practical actions to enhance low-carbon and environmental protection consciousness of the public and to advocate green lifestyle, which advanced the ecological civilization building of Wuhan City to a new level.



Environmental public welfare activity themed “Green Development with the People” organized by Wuhan Branch



Employees from Wuhan Branch filling soil and irrigating for the “Minsheng Bank Voluntary Forest”

Featured Story

Green mountains and clear water are mountains of gold and silver for next generations

“The Real Estate Finance SBU of China Minsheng Bank offers professional and stable services, and the Bank is one of the most innovative banks in China’s banking industry. We are willing to establish long-term cooperation with partners of this type for shared development.

---Tian Ming, Chairman of Landsea Green Group Co.

Due to the gloomy real economy and the government regulations and controls, housing purchase restrictions and lending curbs in the winter of 2011, the real estate companies in China found it hard to get loans and faced an uncertain outlook. It was the winter when Landsea Green Group Co. and China Minsheng Bank came together for the first time.

Data shows that over 95% of the buildings in China are high energy—consuming ones and the energy consumption of buildings is three times as much as that in developed countries. The high energy—consuming buildings in north China where heat is supplied in winter consume about 18 million more tons standard coal every year. As the world is paying increasing attention to energy conservation and environmental protection, and air pollution is still severe in China, the real estate sector and the construction sector in China is in urgent need to transform to the model of green building.

Landsea is one of the earliest real estate companies which transformed to the model of green building in China. Founded in 2001, the group began to focus on building healthy, comfortable, energy-saving and environmentally-friendly green residential buildings from 2004, becoming well known for buildings with “constant temperature, humidity and oxygen supply.” The ten hi-tech green systems Landsea designed and integrated, the core of which is “ground source heat pumps + radiant air conditioners + fresh air exchange systems”, can realize an annual electricity consumption of 38-40 Kwh per square meter, 100 Kwh per square meter lower than traditional residential buildings, which means the reduction of carbon emission of about 100 kg per square meter each year. Landsea has developed more than 60 hi-tech green real estate projects, with a total built-up area of more than 10 million square meters. The Bruck, a passive building project developed by Landsea, has received a 3-star green building certification, and was the first project in China to obtain a DGNB platinum certificate and an EDGE certificate granted by the World Bank.

After over 10 years’ exploration and development, Landsea has developed into a well-recognized leading company in the green building and green development field in China. It was this “green to the fullest” company with which the Real Estate Finance SBU started cooperation from 2011. Since the winter of 2011, Landsea has accumulatively obtained a line of credit of about RMB15 billion from China Minsheng Bank, from which it has withdrawn more than RMB10 billion accumulatively. As the balance of the line of credit granted by China Minsheng Bank constantly accounts for more than 30% of the balance of all the loans of Landsea, the Bank is Landsea’s most important partner in terms of scale of financial cooperation. During the cooperation, the Bank integrated resources several times to offer Landsea 24/7 customized financial products and solutions in a countercyclical manner, to meet its differentiated financing needs and facilitate its rapid development in the green real estate field. The successful cooperative relationship established with Landsea not only demonstrates the Bank’s image as a professional “financial and intelligent” provider, but also fulfills its solemn promise to promote greatly green finance. Green mountains and clear water are created by us together.

朗诗集团累计获批授信近

150 亿元



China Minsheng Bank and Landsea strategic cooperation agreement signing site

To effectively conduct financial work under new conditions, we must insist on the centralized and unified leadership of the CPC Central Committee over financial work. We must ensure that financial reform is in the right direction and ensure national financial security.

—Speech of Xi Jinping, general secretary of the CPC Central Committee,
at the 2017 National Financial Work Conference

Featured Party Building Enhances Inner Force



Keeping Mission Firmly in Mind and Conducting Ideological and Political Construction

Taking Clear Political Stand

China Minsheng Bank has aligned itself with Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and used it to guide practice, and made special effort to educate and guide all Party members and officials to deepen their commitment to the ideals and convictions, laying a solid ideological foundation for carrying out the great new undertaking of Party building. The Bank has required all Party members to strictly observe political discipline and political rules, and to guide them to be loyal to the Party, clean, and responsible. It has insisted on constantly enhancing the consciousness of the need to maintain political integrity, think in big-picture terms, uphold the leadership core, and keep in alignment the Party Central Committee with Comrade Xi Jinping at its core, especially the consciousness of the need to uphold the leadership core, and keep in alignment the Party Central Committee with Comrade Xi Jinping at its core, guaranteeing all Party members to maintain a high degree of consistency with the CPC Central Committee with Comrade Xi Jinping at its core in thoughts, politics and actions.

Earnestly Studying, Publicizing and Implementing Spirit of 19th CPC National Congress

China Minsheng Bank has formulated and issued the “Notice of China Minsheng Bank Party Committee on Earnestly Studying, Publicizing and Implementing the Spirit of the 19th National Congress of the Communist Party of China,” clarifying the study requirements. The Bank has held video conferences for publicizing and lecturing the spirit of the 19th CPC National Congress, and invited Cai Fang, member of CPC Central Committee Lecture Group and vice president of the Chinese Academy of Social Sciences (CASS), to lecture the spirit of the 19th CPC National Congress, covering 4,600 Party members of the Bank. The Party committee for Organs has conducted lecture activities on the study of the spirit of the 19th CPC National Congress, and invited Shi Chunyang, Party secretary of Liangjiahe Village, to tell general secretary of the CPC Central Committee Xi Jinping’s early life there.

China Minsheng Bank has set up a special-topic website, special-topic booths, e-posters and “iMinsheng” WeChat official account to publicize the spirit of the 19th CPC National Congress, creating a trend of studying, publicizing and implementing the spirit across the Bank.



Organizing video conferences on studying the spirit of the 19th CPC National Congress



Display Boards of in-depth study, propaganda and implementation of the spirit of the 19th CPC National Congress



Party committees at all levels of the system watching the opening meeting of 19th CPC National Congress

Enhancing Political Theory Study of Party Committee Core Group

The Party committee of China Minsheng Bank has formulated and implemented the measures for the implementation of the “Rules for Theoretical Study of Party Committee (Party Group) Core Groups”, and focused on the study of the important speeches made by CPC general secretary Xi Jinping and the spirit of the 19th CPC National Congress. In 2017, the Bank conducted 15 centralized study activities with over 20 important topics, successfully completing the study tasks. Zheng Wanchun, president of China Minsheng Bank, was invited to give a keynote speech at the 1st Training for Party Committee Core Groups within the CBRC system. The Bank has also enhanced study supervision of core groups of community-level Party committees within the system, and promoted institutional and standardized building of the study mechanism of Party committee core groups at all levels.

Strengthening Party Discipline and Strictly Implementing “Two Responsibilities”

Strictly Implementing Major Responsibility of Party Committee

China Minsheng Bank has set up the leading group for Party building with the Bank’s Party secretary Zheng Wanchun as its head, and established the leadership system and working mechanism for Party building featuring clear responsibility, strong leadership, orderly operation and powerful guarantee. The Bank formulated key points and implementation plan list for Party building of 2017 and held unveiling ceremony of the Party School of China Minsheng Bank, preliminarily establishing the “four-in-one” training system covering special-topic training, senior management training, employee and post-based training, and e-Party school. China Minsheng Bank has fully leveraged the role of Party committee of the Head Office in charging of the leading functions, upheld democratic centralism, and enhanced the Party’s leadership and corporate governance in a unified way. It has perfected the Party building performance indicator system, increased the weight of Party building work in conducting performance appraisal for leading body and officials, and signed responsibility agreements with units at all levels for improving Party conduct and upholding integrity. The research project on Party building jointly conducted with the CBRC Party committee won the Excellence Award among optional subjects of the National Society for Party Building Studies, becoming the only bank receiving this honor for six years in a row within the CBRC system, and even the national financial system.



Our Party onstruction project won the third prize of outstanding achievement of research subject of national Party Construction Research Association

Case Party School of China Minsheng Bank officially unveiled

Since the founding of the Party School of China Minsheng Bank on June 30, 2017, the Party committee of the Bank has attached great importance to and placed great expectations on the development of the school. The Bank formulated the “Training Plan of China Minsheng Bank Party School” and the 2017 teaching program, and adopted the model integrating compulsory courses and optional courses to enhance training for senior executives. In 2017, the school offered nine sessions of compulsory course, two of which were lectured by Party secretary Zheng Wanchun. As of the end of 2017, about 400 senior executives had received the trainings, including 67 chiefs, 323 deputy chiefs, and 10 senior professionals and technicians.



Chairman Hong Qi and Party secretary Zheng Wanchun jointly unveil the Party School

Constantly Enhancing Supervision Responsibility of Discipline Inspection Commission

Strengthening institutional system building: China Minsheng Bank has revised the “Implementation Rules for the Eight-Point Regulation of the CPC Central Committee”, “Detailed Implementation Rules for Supervision and Discipline Inspection of the Discipline Inspection and Supervision System”, “Working System for Performance Accountability Committee” as well as other rules and systems, perfecting the discipline inspection and supervision network. The Bank has also issued the “Notice for Effectively Implementing the Regulations of the Communist Party of China on Accountability”, enhanced the study and implementation of the “Regulations of the Communist Party of China on Inspection Work”, and comprehensively arranged the inspection work in 2018-2020.

Boosting integrity culture construction: China Minsheng Bank has conducted a special-topic educational activity for ensuring the Party Constitution, its regulations and code of conduct are enforced effectively among the Bank’s Party organizations and Party members at all levels. The Bank has conducted innovations in learning styles, and used App to develop special-topic courses. In 2017, the Party committee core groups of China Minsheng Bank organized 268 special-topic learning activities, and the number of participants of those activities reached 4,860 persons/times. The discipline inspection commission of the Bank set up four lecture groups to conduct lecture tours to 47 institutions, aiming at enhancing responsibility consciousness and discipline inspection.

the Party committee
core groups of China Minsheng Bank
organized **268** special-
topic learning activities

Strengthening Cultivation of Party Spirit and Promoting Party Education Campaign

Enhancing Ideological Foundation

China Minsheng Bank, through in-depth study of the Party Constitution and rules, as well as remarks made by general secretary of the CPC Central Committee Xi Jinping, has constantly strengthened the Party spirit and professional ethics of Party members and officials. In 2017, the Party School of China Minsheng Bank conducted a total of 10 sessions of training, and the number of participants reached over 500 persons/times, achieving full coverage of senior officials and newly-appointed secretaries of Party branches. Taking Party branch as basic unit and the regular participation of activities of Party organizations such as the “Three Meetings and One Lecture” and the collective meetings of Party organizations as basic form, China Minsheng Bank has integrated the study into daily life, and conducted distinctive, flexible and diversified study and educational activities.

Case China Minsheng Bank conducts Party lectures to celebrate the CPC’s 96th anniversary

To celebrate the 96th anniversary of the founding of the CPC, to carry forward its fine traditions, give play to its vanguard role and maintain its advanced nature, and to promote the institutionalization and normalization of the education campaign asking all Party members to study the Party Constitution and rules, as well as remarks made by general secretary of the CPC Central Committee Xi Jinping and to become qualified Party members, China Minsheng Bank held a system-wide video conference covering a series of lecture activities relating to the Party in Beijing on June 30, 2017. The activities included commending advanced Party branches and model Party members, calling on to help the Party members and the masses with difficulties, oath-taking ceremony of new Party members, unveiling ceremony of the Party School of China Minsheng Bank, and special-topic lectures made by Party secretary of the Bank Zheng Wanchun.

Implementing Learning Outcomes

China Minsheng Bank, insisting on the standard of “Four Principles and Four Requirements” for a qualified Party member, has guided Party members to live up to responsibilities, to work proactively, to be a qualified Party member, and to play a vanguard and exemplary role. The Bank has established the “community-level Party building contact point system,” and organized activities to encourage Party members to play exemplary role in day-to-day work, aiming at improving overall service quality and work efficiency through demonstration effect. It has set up role models and 162 Party members have been selected as “outstanding Party members” through public appraisal. Thus, positive atmosphere of learning, advocating and striving for excellence in the workplace has been formed.



162 people

Building Strong Party Branches

China Minsheng Bank, insisting on taking target-hitting activities of Party branch building as leverage, has formulated detailed rules, clearly putting forward 27 pieces of basic requirements relating to organization building, institution building, activities of Party organization, and so on. The Bank has also strengthened the leading role of secretaries of Party branches. As of the end of 2017, China Minsheng Bank had conducted 256 sessions of special-topic training for Party branch secretaries, and the number of participants had reached 3,295 persons/times. In 2017, the community-level Party committees selected 261 outstanding Party branches and 1,038 excellent Party branches, and the key role of the community-level Party organizations further consolidated.

Constructing Platform and Boosting Mass Organization Building through Party Building

China Minsheng Bank has attached importance to the rally of youth, and enhanced the ideals and convictions of young employees in pursuing career development. In 2017, the Party committee of the Head Office held eight symposiums with young employees, and the Bank conducted its first selection and commending activity of “May 4th Medal” for model youths, aiming at rallying young people to carry out the tasks determined by the 19th CPC National Congress and the transformation and development of the Bank.

China Minsheng Bank has served the overall situation, and firmly focused on the fundamental task of serving development. Through 276 sessions of “Publicizing Financial Knowledge on Campus” activity, the Bank achieved the publicity coverage of 307,500 students, and the Bank’s SMART Action Group achieved 30 valuable and propagable achievements. The research results of young employees of the Bank won the first prize of essay competition at the CBRC Youth Forum.

China Minsheng Bank has served as a bridge to consolidate and enlarge the youth base for its transformation and development. It carried out 604 sessions of various activities from competition to innovation to public welfare for young employees, and focused on building platform and providing opportunities for their development.

Case Youth volunteers contribute to society

On the occasion of the 2nd Meeting on Assistance to Xinjiang of the Communist Youth League of China (CYLC), China Minsheng Bank co-organized the Xinjiang teenager summer camp of financial system, and a total of 40 teachers and students of various ethnic groups from Changji Hui Autonomous Prefecture and Altay Prefecture participated in the activity themed “Red Journey, Cultural Heritage, Beautiful Capital, Museum Exploration”. The League Committee for Organs organized the youth volunteers of the Bank to establish pairing partnership with the youngsters, winning high recognition from the Financial Work Committee of the CYLC.

In 2017, a total of 40 community-level League committees of China Minsheng Bank organized 148 public welfare activities, and the number of participants of youth volunteers reached 17,170 persons/times. Of those, the League committee of Shantou Branch persistently conducted 29 public welfare flash activities themed “Love Chaoshan, Love Minsheng”, greatly improving the brand image of the Bank; the League committee of Nanjing Branch took the lead to conduct the “Minsheng Public Welfare Campaign”, actively building the youth volunteer public welfare brand; and the League committee of Suzhou Branch organized youth volunteers to carry out poverty alleviation work, and 1000 young employees of the Branch actively participated it.

In 2017, community-level League committees organized public welfare activities

148



Minsheng Public Welfare Campaign

Featured Story

Building on past successes to further advance development

The year of 2017 was truly extraordinary. The 19th CPC National Congress was convened triumphantly, and Chengdu Branch of China Minsheng Bank witnessed 15 years of development. To study, publicize and implement the spirit of the 19th CPC National Congress, to comprehend the rich implications of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and to guide the transformation and development of the Branch, Chengdu Branch conducted a Party building activity with the theme of building on past successes to further advance development. The Party building activity and the (enlarged) study meeting of the Party committee core group of the Branch were held concurrently. All of the members of the leading body of the Party committee listened to the report on earnestly studying the spirit of the 19th CPC National Congress and visited the Red Army Baizhangguan Battle Memorial in Mengding Mountain of Ya'an City, southwest China's Sichuan Province.

On November 10, the Branch held the reporting meeting on publicizing and lecturing the spirit of the 19th CPC National Congress, and all of the participants earnestly read the 19th CPC National Congress report, listened to the content interpretation of the report, and developed a clear understanding of the spirit of the 19th CPC National Congress. Gong Zhijian, Party secretary and president of Chengdu Branch, combining with the key points of the spirit of the 19th CPC National Congress, gave a vivid Party lecture to the participants. He hoped the Chengdu Branch could realize the three-year development vision by centering on three development objectives, two development lines, and five development ideas, contributing to building a local major bank with core competitiveness and a leading branch of China Minsheng Bank.



Conference of study, propaganda and implementation of the spirit of the 19th CPC National Congress in Chengdu Branch Party Committee Central Group (expansion)

After the reporting meeting, the participants paid a visit to the Red Army Baizhangguan Battle Memorial, which stands majestically on the Mengding Mountain. The pictures and historical relics in the memorial reminded the visitors of the age of turbulence and the Long March of the Red Army. In such a place full of historical memories, they felt the history and the spirit of the Long March in a deep-going way.

The Party building activity not only enhanced the understanding of the people of Chengdu Branch about the spirit of 19th CPC National Congress, but also pointed out the direction of the Branch's future development. In the future, the Branch will give full play to the vanguard and exemplary role of the Party members and stay true to the mission of "From the People, For the People", striving to achieve great successes in the new era in Chengdu.



Members of the leading body of the Party committee visited the Red Army Baizhangguan Battle Memorial in Mengding Mountain of Ya'an City



Putting People First Creates Cohesive Force

We will pursue a more proactive, open, and effective policy on training competent professionals. We should value people with talent, be good at identifying talent, have the foresight to employ them, be earnest to keep them, and welcome them into our ranks. This will better enable us to attract bright people from both within and outside the Party and both in China and abroad to join us in pursuing the great endeavor of the Party and the people.

—Excerpts of the report to the 19th CPC National Congress

Valuing Talented People and Safeguarding Basic Rights and Interests

Safeguarding Basic Rights and Interests

In the reporting period, China Minsheng Bank took several measures to effectively safeguard the rights and interests of employees, further established and perfected employee relationship management system, set up labor dispute mediation and arbitration mechanism, and optimized labor contract management. It formulated the “Collective Contract of China Minsheng Bank” jointly with the labor union of the Bank, and submitted the collective contract to the Ministry of Human Resources and Social Security for registration.

Performance of Employees’ Rights and Interests

Indicators	2015	2016	2017
Number of employees (person)	57,228	56,168	55,265
Proportion of female employees (%)	55	54	54
Proportion of female managers (%)	37	38	38
Proportion of employees from minority ethnic groups (%)	4.2	4.54	4.32
Coverage of social insurance (%)	100	100	100
Signing rate of labor contracts (%)	100	100	100
Proportion of local employees at Hong Kong Branch (%)	62	59	57

Promoting Democratic Management

China Minsheng Bank has comprehensively promoted democratic management with the workers’ congress at its core, and constantly improved the enthusiasm and effectiveness of employees in participating in corporate management. The trade unions of the Bank at all levels have enhanced the democratic management system with the workers’ congress as the basic form, used the workers’ congress as the most important leverage for promoting democratic management, and utilized effective ways such as supervision mailbox, supervision hotline and the President’s Reception Day to provide smooth democratic supervision channels for workers, which practically guaranteed their democratic rights and interests. In 2017, a total of 45 institutions of China Minsheng Bank elected the worker supervisor candidates for the 7th Board of Supervisors of the Bank through the workers’ congress or the general meeting of all staff and workers.

Cultivating Talented People and Enhancing Career Development of Employees

Broadening Career Development of Employees

In 2017, China Minsheng Bank actively carried out the career development channel construction and strived to build a good career development platform for employees. Through establishing new systems, the Bank has set up a professional skill appraisal and employment management mechanism with value at its core, prospectively planned the development system for talented people, and built the “1 + 2 + 19” career development system for employees. With the scientific planning of professional talent structure and the orderly development of talent team, a solid foundation for strategic transformation of the Bank has been laid.

Paving Road to Success for Employees

Comprehensively optimizing and conducting innovation in training system

China Minsheng Bank has focused on carrying out core talent cultivation and strengthening training on professional quality and work ethics. The Bank has encouraged optimization of professional knowledge structure and development in an all-around way. As for talent cultivation, the Bank has continued to stress both professional ability and moral integrity, with added emphasis on integrity. As for training forms and supporting mechanism, the Bank has vigorously promoted mobile study, internal training, on-the-job counseling, and certification examination , and so on, further reducing training costs and improving training efficiency. As of the end of 2017, the number of participants of various trainings of the Bank had reached more than 1.6 million persons/times, institutions at all levels had organized 4,522 sessions of face-to-face training, and the participants of various tests for obtaining post certificates or professional certificates had reached over 69,000 persons/times.

As of the end of 2017, the number of participants of various trainings of the Bank

160
million+ persons/times



Staff training site



Carrying out the Hundred, Thousand and Ten Thousand Talent Project

According to the plan, China Minsheng Bank will use about three years to cultivate about 100 high-caliber managers who are qualified for working as top leaders of large and medium-sized branches or important specialized departments, about 1,000 key managers who are qualified for working as senior executives of the Head Office and branches or experts of important professional fields, and about 10,000 interdisciplinary talented people who are qualified for working as middle-level chiefs or competent professionals of key posts. The Bank has developed the talent development path, shortened talent cultivation period, and built “three-level” talent reserves. The development of the Hundred, Thousand and Ten Thousand Talent Project will be closely tracked and assessed, and consistent assessment on cultivated talent will be conducted from four aspects of professionalism, behavior, experience, and performance. Through perfecting the “soft” incentive mechanism for core talents, the Bank aims to build “talent cradle” with the project.



Zheng Wanchun, Party secretary and president, attended the “Hundred, Thousand and Ten Thousand Talent Project” launch meeting and made a mobilization speech

Case Minsheng Bank’s dream, my dream

“Nanjing Branch of China Minsheng Bank puts people first and pursues development of the bank and the development of its employees together. Its distinctive, complete and systematic talent development mechanism makes me get closer and closer to my dreams.”

—Han Xue, trainee of the Talent Improvement Program and the Customer Manager Development Program of Nanjing Branch

Under the talent development system set up by the Head Office, Nanjing Branch of China Minsheng Bank has established its own complete talent development system through implementing the Summer Vacation Internship Program, Talent Improvement Program for cultivating back-up managerial talents, Customer Manager Development Program and other talent cultivation plans at different levels. In 2015, the Talent Improvement Program was launched to cultivate back-up managerial talents by means of customized training courses, job rotation, project research and transfer to a temporary position for practice in a term of one and a half years. Han Xue, a former wealth manager at the Branch’s business department, was successfully



Nanjing Branch personnel training program issued

promoted to head of the wealth management team of the department after participating in the Talent Improvement Program and completing the training.

In October 2017, the Branch launched its Customer Manager Development Program. After taking the written test, evaluation and interview, Han Xue became one of the 20 trainees of the program. After receiving training concerning basic knowledge, knowledge application and industry research and taking marketing skills competitions, Han Xue was promoted to a position in the front line department, pursuing her own dream and the dream of China Minsheng Bank.

Retaining Talented People and Building Minsheng Homeland

Balancing Work and Life of Employees

Adhering to the core idea of homeland culture of putting people first, China Minsheng Bank has constantly enhanced the building of employee relations management system, and formulated guiding opinions on employee care. The Bank has actively created harmonious atmosphere, strived to build good work environment for employees, helped employees work and live happily, and constantly improved their sense of belonging and satisfaction.



The caterpillar game of the third staff sports meeting of Credit Card Center

Case Story sharing meeting held in Beijing

On November 24, a story sharing meeting organized by the Credit Card Center of China Minsheng Bank was held in Beijing. At the meeting, eight employees shared their fascinating stories relating to the Bank, with over 200 employees participating the meeting and more than 6,000 people watching the meeting through the WeChat platform and the Yizhibo App. The meeting set up a voting session at the WeChat platform for selecting the most fascinating story, the story with the most inductive effect, the most inspiring story and the outstanding storyteller; a total of 61,705 votes were received during the activity.



Story sharing meeting held in Beijing

Case Beijing Branch holds running activity to highlight Minsheng spirit

On April 16, Beijing Branch of China Minsheng Bank held a running activity and a total of 50 teams consisting of employees from 80 sub-branches, departments and offices of the Branch interpreted the healthy lifestyle through green and healthy running exercise, spreading the positive spirit of China Minsheng Bank. At 9:00 a.m., the young employees darted off as soon as they heard the shot from the starting pistol. At last, three teams won the first prize of the running activity for their outstanding performance in running and teamwork. All of the participants had fun and enjoyed the competition.



Beijing Branch held running activity to highlight Minsheng spirit

Implementing Employee Care Plan

China Minsheng Bank has conducted various employee care activities in a deep-going way, paid close attention to the work and life of female employees, retirees and employees with difficulties, and provided assistance to the best of its ability for them.



Hangzhou Branch beauty festival activities

Case Minsheng homeland, a family caring about every member

As the 19th CPC National Congress has concluded and the 2018 Spring Festival was coming, the board of directors, the board of supervisors, the management teams, and the trade union of China Minsheng Bank visited community-level employees living in great poverty, sending them love and warmth of the big family of the Bank.

On January 25, 2018, a chilly winter day, heavy snow did not stop Hong Qi, chairman of China Minsheng Bank, from visiting Fei Wei, an employee of Zhangjiang Sub-Branch. Mr. Hong asked Ms. Fei about her work, life and health recovery in detail and looked through the awards and certificates she received over the years with great interest. Mr. Hong told Ms. Fei to remain positive and optimistic and have the courage and confidence in defeating the disease and overcoming difficulties, and encouraged her to make further contribution to the business development of the sub-branch and live a happy life in the big family.

On January 23, 2018, Zheng Wanchun, Party secretary and president of China Minsheng Bank, visited Beijing Branch's employees in need. Mr. Zheng asked with concern about their diseases, treatments, life and work, and told them that the Bank was a big family 60 thousand employees could resort to and depend on. Mr. Zheng gave them financial assistance and encouraged them to face the challenges and overcome the temporary difficulties positively and optimistically.

The care activities conducted by China Minsheng Bank during the New Year and the Spring Festival periods not only showed the Head Office's concern and care about employees in difficulties and the warmth of the big family, but also can certainly encourage employees in need to pick up their confidence and start a new life more bravely.

Featured Story

Giving full play to wisdom of employees and promoting teamwork

The development of a commercial bank depends on talented people. The Hohhot Branch of China Minsheng Bank, attaching great importance to the career development and happiness enhancement of its employees, gives full play to the wisdom of its employees and promotes teamwork through offering career development platforms in different levels and creating harmonious and considerate happy family culture, which starts a new chapter of the development of its talent team and corporate culture.

Cultivating new employees and enabling them to thrive

In July and August, 2017, the “Hawk Club” founded at the initiative of the HR department, the Branch offered 28-day systematic closed training for 21 new employees . The operational skills training and general improvement courses, in combination with closed military training for improving their teamwork and enhancing their sense of discipline, offered the new employees a good opportunity to be familiar with the corporate culture of China Minsheng Bank and achieve their transformation from students to professionals, fostering their sense of belonging to the family of the Bank. The club, through its training courses in different levels which are accompanied with guidance on performance assessment and management, provides China Minsheng Bank with more promising and vigorous backbones and helps it build a competent, passionate and positive team who loves the Bank.

Enhancing team building and forging “three teams”

Enhancing teamwork and improving capability from inside to outside are the critical guarantee for China Minsheng Bank to reach a new height. For this purpose, the Branch is dedicated to setting up “three teams”, which refer to the comprehensive service team of the middle office and the back office, the multi-disciplinary marketing team of front line marketing employees and the expert management team of middle management. For further promoting the job rotation mechanism among the front office, middle office and back office and creating a service team of multi-disciplinary employees, the Branch rotated 10 employees between jobs in 2017, which helped the branches open the channels of promotion for employees in different lines and at different levels. In order to break down the barriers between different lines, streamline product channels, and intensify training to improve the marketing skills and product knowledge of the front-line employees, the Branch has set up a multi-disciplinary marketing team. Sticking to the principle of “promoting the capable and demoting the incapable”, the Branch gives up traditional staffing methods, and has formed step by step capable and responsible expert management teams of middle management which specialize in business and management. By now, 36 employees of the Branch have passed the professional title appraisal, in which one was at the senior level, 22 at the high level and 13 at the middle level.



Putting people first and building spiritual homeland for employees

In response to the initiative of the Head Office to develop an innovative, inclusive, stable and positive homeland culture, the Branch, using the growth of community-level labor union groups as leverage, actively promoted the building of Minsheng homeland. In order to create a culture emphasizing the importance of knowledge, the Branch set up a New Knowledge Library and conducted reading club, reading marathon, dreamed book list and other activities. In order to create a culture honoring arts, the Branch set up more than 10 clubs for employees to play ball games, dance, read books, study traditional Chinese culture and conduct other activities relating to sports and arts, and organized the chorus competition with the theme of extolling the splendid Inner Mongolia and pursuing the dreams of China Minsheng Bank. To create a culture of caring, the Branch visited employees in difficulties and organized children health lecture, TCM inquiry, health preservation lecture and other activities regularly, and tried the best to enhance the happiness of its employees through caring about their feelings, health and eating habits and caring about them in holidays.



New staff training in Hohhot Branch



Staff New Knowledge Library in Hohhot Branch



Hohhot Branch staff "Magnificent Inner Mongolia,Expecting the people's dream" chorus competition

Innovative Public Welfare Practice Pools Collective Force

To lead the people to a better life is our Party's abiding goal. We must put the people's interests above all else, see that the gains of reform and development benefit all our people in a fair way, and strive to achieve shared prosperity for everyone.

—Excerpts of the report to the 19th CPC National Congress



Undertaking the Mission and Securing a Decisive Victory in Building a Moderately Prosperous Society in All Respects

In 2017, the investment of China Minsheng Bank for fixed-point poverty alleviation reached

1,206 million

China Minsheng Bank has earnestly implemented the spirit of the important instructions and the decisions and plans on poverty alleviation of the CPC Central Committee and the State Council. It has constantly improved consciousness, improved mechanism, focused on precision and introduced new approaches, striving to promote the development of poverty-stricken areas and to increase the income of poverty-stricken people. In 2017, the investment of China Minsheng Bank for fixed-point poverty alleviation reached RMB12.06 million. Huaxian County in central China's Henan Province, a fixed-point county assisted by the Bank, was no longer on the country's list of impoverished counties; Fengqiu County in Henan Province, another fixed-point county assisted by the Bank, lifted 17,000 people out of poverty, and was expected to be removed from the country's list of impoverished counties in 2018.

“

“Conducting targeted poverty alleviation is a glorious political task and our bounden duty.”

——Zheng Wanchun, Party secretary and president of China Minsheng Bank

“China Minsheng Bank actively performs its assistance responsibility, and spares no effort to support poverty alleviation and development of Huaxian County, effectively promoting the progress of county's poverty alleviation work. The deputy county head from the Bank goes all out to advance the work of fixed-point poverty alleviation, achieving remarkable results. The resident first secretaries of villages from the Bank work on the front-line of poverty alleviation and strive to solve the practical difficulties of impoverished families, setting an example to the poverty alleviation officials.”

——People's Government of Huaxian County

“China Minsheng Bank serves the public and people's livelihood, goes all out to perform social responsibility, and works hard to implement the poverty alleviation work, contributing to lift all of the poor out of poverty and the building of an all-round moderately prosperous society. The deputy county head from the Bank is with great vision and farsightedness, focuses on the long-term development of Fengqiu County, and actively advances all kinds of work, striving to prevent poverty. The resident first secretary of village from the Bank takes clear political stand, and is willing to devote to the work, making dedicated efforts to deliver services to poverty-stricken people, and resolve the difficulties they face.”

——People's Government of Fengqiu County

”

Keeping the Mission in Mind and Perfecting Poverty Alleviation Mechanism

Strengthening Organizational Leadership

Head Office

Chairman Hong Qi is responsible for the overall arrangement of targeted poverty alleviation. A financial poverty alleviation leading group with Party secretary and president Zheng Wanchun as the leader and the heads of over 10 departments and institutions as members has been established, and the top-down structure has been constantly improved.



Departments and branches

A poverty alleviation implementation group and an office for key projects have been established, and the personnel are from the Head Office and branches, as well as the front office, middle office and back office, forming a communication and promotion mechanism for the work. In line with their respective functions and regulatory requirements, the departments have formulated corresponding business-based financial poverty alleviation policies. A responsibility system has been established for top leaders at branches, aiming at integrating resources to promote poverty alleviation.



Personnel appointed to temporary posts

The Bank has appointed five managers to temporary posts (deputy county head or resident first secretary of village) working on poverty alleviation in fixed-point counties. They are responsible for learning the actual demands of poverty-stricken people in a down-to-earth manner, analyzing the causes of poverty, supervising the use of donated money and the implementation of poverty alleviation projects, integrating business resources of the departments of the Head Office and the branches, and promoting the fixed-point poverty alleviation work in a practical way.



Perfecting Institutional System

In 2017, China Minsheng Bank revised and perfected the “Management Rules of China Minsheng Bank on Loans Pledged by Rural Land Contracted Management Right (Trial)” and “Management Rules of China Minsheng Bank on Loans Pledged by Rural Housing and Property Ownership Right (Trial)”. In line with the poverty alleviation targets and the actual demands in Huaxian and Fengqiu counties, the Bank formulated the “2017 Fixed-Point Poverty Alleviation Plan”, making it clear that it will continue to increase investment for education-based poverty alleviation, and focus on medical care-based poverty alleviation, equity-based poverty alleviation, and finance-based poverty alleviation, as well as infrastructure development in rural areas. The Bank further perfected the financial service mechanism, striving to promote the development of poverty-stricken areas.

Enhancing Research and Analysis

China Minsheng Bank has established an investigation, research and analysis system which requires conducting two research and investigation tours per year and carrying out frequent analyses per month. Through field tours of the leading group for poverty alleviation and the day-to-day feedback of personnel appointed temporary posts working on poverty alleviation, the Bank has learned in detail the implementation of poverty alleviation work, as well as the problems and challenges confronted during the process. In March 28-30, Chen Jinzhong, member of the Party committee and secretary of the discipline inspection commission of the Bank, and his delegation, conducted field research and investigation tours to Huaxian and Fengqiu counties in central China's Henan Province. The delegation carried out in-depth exchanges with the governments, and made comments and suggestions on future fixed-point poverty alleviation work. The Bank has always stick to proceed from the needs and desires of poverty-stricken people and from the actual situation of enterprises and poverty-stricken areas in all it does, and adopted targeted poverty alleviation policies to help lift people out of poverty.



On April 25–26, 2018, Hong Qi, chairman of the board of directors and Chen Jinzhong, member of the Party Committee and secretary of the discipline inspection commission, visited Fengqiu to investigate the work of overcoming poverty and tackling key problems.



In March 2016, Zheng Wanchun, party secretary and president, went to Jintai Textile, an enterprise in Huaxian County, Henan Province



In March 2017, Chen Jinzhong, member of the Party Committee and secretary of the discipline inspection commission, visited poor households in poverty-stricken counties

Case Taiyuan Branch conducts in-depth targeted poverty alleviation

Accuracy

The Branch has done well on the fundamental work, grasping the basic situation. It established close relations with the assisted towns or villages, conducted field investigation and research tours to those towns and villages to learn the realities there, and adopted list management for the impoverished families.

Perfection

The Branch perfected the organizational system and enhanced the support and guarantee for poverty alleviation. It set up the financial poverty alleviation leading group, clearly identified the department taking the lead, took initiative to work with regulatory departments, offices for poverty alleviation and other government departments, improved the precision and effectiveness of financial poverty alleviation, and guaranteed the implementation of credit-based poverty alleviation policies.

Precision

The Branch adopted different policies for different families, exploring differentiated poverty alleviation. It conducted in-depth investigation on poverty-stricken people, production, organizational system, infrastructure building and other matters of the assisted areas, provided differentiated assistance to poverty-stricken people in accordance with causes of poverty and development demands, and enhanced the micro-credit support for poverty alleviation.

Effectiveness

The Branch identified the supported industries, and improved the effectiveness and efficiency of poverty alleviation. It solved the fund demands of agribusiness in pursuing further development, deep processing, or quality and efficiency improvement, and helped those enterprises achieve sustainable development.

Cohesion

The Branch provided intellectual support for poverty alleviation, and enhanced the correlation between intellectual support and other support approaches, striving to promote poverty alleviation from various aspects.

Inclusiveness

The Branch provided inclusive finance services and expanded the service scope in line with actual situation, meeting the requirements of financial services of the people in poverty-stricken areas.

Focusing Concrete Actions and Highlighting Education Support and Self-Confidence in Poverty Alleviation

Putting Education-Based Poverty Alleviation First

Poverty alleviation requires a change of attitude and the support of education. Inadequate education is the fundamental cause of poverty, and a restrictive factor for poverty-stricken areas to shake off poverty and achieve prosperity. China Minsheng Bank has attached great importance to the development of education, and conducted education-based poverty alleviation projects such as building schools, offering support for students and teachers, and organizing training activities in fixed-point poverty alleviation areas for 16 years in a row, striving to improve the basic education level there. In 2017, China Minsheng Bank donated RMB12.06 million to Huaxian and Fengqiu counties for poverty alleviation, among which RMB11.40 million were used for basic education projects including building one school, constructing two teaching buildings and one for each of two schools, assisting 1,483 students from impoverished families, and rewarding 317 outstanding teachers.

“China Minsheng Bank donated large sums of money to build the school to cultivate talent, to assist students, to contribute to the society.”

---Duandi Minsheng Primary School, Fengqiu County, Henan Province

Focusing on Medical Care-Based Poverty Alleviation

In some cases, illness can lead to poverty. China Minsheng Bank has helped impoverished people buy supplementary medical insurance products, effectively reducing their medical care burden. In 2017, the Bank donated RMB600 thousand to Fengqiu County, helping 30,000 poor people buy supplementary medical insurance products, aiming at enhancing medical and health services for and improving the health of people there so that they are not reduced to or returned to poverty because of illness.

Taking Equity-Based Poverty Alleviation as Breakthrough

Through the integration of money donation and corporate equity, China Minsheng Bank has truly realized the transformation of poverty alleviation from “blood-transfusion” mode to “blood-making” one. In 2016, the Bank donated RMB 4.02 million to Fengqiu County, and the money was invested in Henan Zhong Bing Heavy Industry Machinery Co., Ltd. The investment can generate an annual dividend income of RMB322 thousand with a yield rate of about eight percent, which will be used for the 322 households of poor people. In line with the contract, the dividend income of the company in 2017 was distributed to the poor households in two instalments by the county’s office for poverty alleviation.

In 2016, the Bank donated to Fengqiu County

402 million

Enhancing Financial Support for Poverty Alleviation

China Minsheng Bank has constantly conducted innovations in financial products and services for poverty alleviation. The Bank, focusing on the registered poverty-stricken people, the poverty alleviation projects of county governments, and the poverty alleviation of county’s financial departments, has boosted local economic development through supporting breeding industry, agricultural and sideline products processing industry, and other related industries.

Performance of Loans for Poverty Alleviation

Indicators	Total	Huaxian	Fengqiu
Line of credit for poverty alleviation as of the end of 2017 (RMB10,000)	7,270	5,000	2,270
Newly-added line of credit for poverty alleviation in 2017 (RMB10,000)	4,270	2,000	2,270
Balance of loans to poverty alleviation as of the end of 2017 (RMB10,000)	5,770	5,000	770

Exploring Multiple Channels for Poverty Alleviation

China Minsheng Bank, in coordinating with Minsheng e-commerce platform, has used online sales, online shopping, and other resources to help the e-commerce offices under the bureaus of commerce of Huaxian and Fengqiu counties, local enterprises and rural cooperatives, and other units sell local famous agricultural products to customers of the Bank, exploring the targeted poverty alleviation model of “Internet + agricultural products”. Through China Foundation for Poverty Alleviation and Beijing Fuping Development Institute, China Minsheng Bank has organized vocational training for domestic workers, and offered free training to women with financial difficulties in Huaxian and Fengqiu counties; and those who passed the test will receive a qualification certificate. As of the end of 2017, 25 women had accepted the training, most of whom had got a job in Beijing with a salary of over RMB6,000 per month.

Emphasizing Precision and Completing Poverty Alleviation Tasks in an Outstanding Way

Targeted poverty alleviation and elimination is the basic strategy of winning the fight against poverty in a new era. China Minsheng Bank has practically changed the idea on poverty alleviation, and helped the fixed-point counties it supported apply targeted measures to fight against poverty. The Bank has focused on the impoverished population, striving to ensure that those people have stable access to adequate food and clothing, compulsory education, and basic medical services and housing. It has taken targeted measures and various resources to reduce and eradicate poverty, and implemented those measures in a practical manner, trying the best to complete poverty alleviation tasks in an outstanding way.



As for the the impoverished families with people who have the ability to work, the Bank will help them get rid of poverty by supporting the development of local industries and increase their income through exporting labor services. Specifically, it will provide low-cost loans for local enterprises and encourage them to create job opportunities for those families.



As for the impoverished families with incapacity or no source of income, the Bank will invest in local enterprises through equity funds and the dividend income from the investment will be used to increase the income of those families, helping them shake off poverty.



As for the impoverished families resulted from critical illnesses, the Bank will donate money to help them buy supplementary commercial insurance for critical illnesses. The medical expenses will be fully reimbursed, and financial burden of those families will be greatly reduced.



As for the impoverished families resulted from costs of tuitions, the Bank will provide necessary funds and aids to the students from those families. It will help reduce the burden of family and strive to guarantee those students the access to higher education.

Working for the People and Offering Assistance to Vulnerable Groups

In the reporting period, China Minsheng Bank spared no effort to support vulnerable groups, integrated financial advantages with actual situation of poverty-stricken areas, donated RMB3.7 million, and actively participated in the fixed-point poverty alleviation work conducted by the CBRC in Hezheng and Lintao counties, northwest China's Gansu Province. The Bank vigorously carried out the “Beautiful Countryside” distinctive targeted poverty alleviation project in Fanpai Village of Taijiang County, southwest China's Guizhou Province; it donated RMB1 million to improve the infrastructure facilities, build tourist center, and set up cooperative in the village, motivating people there to shake off poverty and achieve prosperity. In 2017, the village cooperative was officially put into operation and the tourist center was formally opened to public, benefiting nearly 100 impoverished families there.

China Minsheng Bank has constantly focused on supporting cultural and educational projects. Since 2009, the Bank has conducted pairing support for Tuanjie Primary School in Aheqi County of Kizilsu Kirghiz Autonomous Prefecture, northwest China's Xinjiang Uygur Autonomous Region. And in the past eight years, it had accumulatively donated money and materials worth RMB2.096 million to the school.

China Minsheng Bank has actively implemented the project of treating children with congenital heart disease in Tibet Autonomous Region. In 2017, the Bank donated RMB17.70 million to the project; and as of the end of 2017, the accumulated donations to the project had reached RMB34.24 million, and a total of 405 children with congenital heart disease had been treated free of charge. It has vigorously carried out the AIDS project of China Red Ribbon Foundation, explored HIV/AIDS prevention and treatment publicity activities via various platforms, enlarged the coverage of publicity, and extensively mobilized social forces to participate in the campaign.



Jinan Branch enhances support for education

In March 2017, Jinan Branch of China Minsheng Bank donated 626 copies of books worth RMB10,916.36 to Shidu Village Primary School in Wande Town of Changqing District, sending warmth to and enriching the knowledge of the students there. The books, which were collected by employees of the Branch, excited the children. At the donation ceremony, the school presented a banner to the Branch for its support and dedication to education. In the future, Jinan Branch will continue to go all out to contribute to society, using collective strength to participate in public welfare activities and to arouse awareness of the whole society for public welfare causes.



Jinan Branch staff bring knowledge to children



Chongqing Branch takes the lead to set up public welfare foundation

In 2013, Chongqing Branch of China Minsheng Bank took the lead to establish Chongqing Dade Public Welfare Foundation, the first independent public foundation for public welfare causes in the municipality. The foundation focuses on six fields of education support, disaster relief, and helping the poor, the disabled, the elderly, and the children, and aims at achieving normalization of public welfare causes. As of the end of 2017, the foundation had raised RMB10.7327 million, and had implemented the “Little Bookshelf”, “Countryside Teachers' Trip to Beijing”, and other long-term public welfare projects. Since 2014, Chongqing Branch has been awarded the “Love Award for Public Welfare & Charity” by Chongqing Banking Association for three years in a row.



Chongqing Branch takes the lead to set up public welfare foundation

Contributing to Society and Carrying Forward Volunteer Spirit



Taiyuan Branch emergency volunteer team serving Taiyuan International Marathon Race

China Minsheng Bank has advocated responsibility culture in an all-around way, and actively encouraged employees to participate in volunteer service activities, contributing to the society. In the reporting period, the Bank organized 148 public welfare activities, and the number of participants of youth volunteers reached 17,170 persons/times.

Case Sending loving care to children in GuangAi School

China Minsheng Bank has implemented “GuangAi Program” for seven years since 2011. On January 20, 2018, employee volunteers of the Bank visited Beijing GuangAi School again, sending their New Year’s wishes and greetings to children there. As the activity received active response and great support from many employees, some of them visited children in the school in person and some were represented by their children and other family members to send their love and care to the children.

Beijing GuangAi School is a non-profit, non-governmental, and charitable educational facility, and is dedicated to receiving homeless children, orphans, disabled children and children living in great poverty from all over China and offering them free accommodation, education and assistance, the money for which is all from social donations. Since its establishment, the school has helped more than 600 children.

The movie “Wonder” tells us growth is not easy for every child. It is particularly the case for children in Beijing GuangAi School. The “GuangAi Program” we have implemented for years gave us a good opportunity to realize deeply that the care and help from the society not only improved the living conditions of the children, but also enhanced their confidence in and expectation for life, which will definitely change their life.

Days before the activity, we received an application from a little girl in the school for a pair of cotton-padded shoes. When we put the shoes in her hands, we realized that she applied for the shoes for her father who worked hard and lived in poverty in her hometown. Even living in great poverty, the girl and her family cared about and loved each other. Teachers in the school told us that three students from the school were admitted by their dreamed universities last year, which changed their destiny and gave us the confidence and motivation to keep on doing the activities.

The “GuangAi Program” we have been conducting year by year not only brings care and love from the society to children in need, but also enhances our volunteers’ sense of social responsibilities, and gives us an opportunity to feel the glory of common people’s persistence and the spread of kindness among strangers, making us more firmly believe that love is the inborn power human beings possess.



Sending loving care to children in GuangAi School

Case Credit Card Center supports building of primary school

In 2017, Credit Card Center of China Minsheng Bank and employees of the retail division donated RMB8.9072 million and RMB2.0928 million respectively to Cuizhu Hope Primary School to construct the Art Complex Building, using practical actions to support education. Through “Seeing the World with You”, the Center received a total of 1,803 city postcards in 2017, helping students understand the customs and practices of different cities. Through “Seeing Universities with You” in 2017, the Center received 72 university videos, helping students to learn more about the world’s famous colleges and universities without going out of home and to embrace the world. Since 2012, the Center has begun to dispatch outstanding employees to work as volunteer teachers at Cuizhu Hope Primary School. As of the end of 2017, a total of 12 batches of 35 personnel had devoted themselves to the cause of education at the primary school.

The education assistance activity conducted by Credit Card Center at Cuizhu Hope Primary School has not only benefited the students there, but also effectively aroused the consciousness of thanksgiving, dedication and accountability of young employees of the Center, forming a positive cultural atmosphere.



Happy children at the foundation laying ceremony of the new art building supported by Mingsheng Bank Credit Card Center-Cuizhu hope primary school

Leading Development and Building Distinctive Public Welfare Programs

Actively Promoting Public Welfare Innovation

China Minsheng Bank, combining with its own industry characteristics, has launched Family Charity Trust, Power of Minsheng’s Love – ME Charity Innovation Funding Scheme, and other innovative public welfare activities, exploring a new way of thinking for public welfare causes with Minsheng characteristics.

Case China’s first family charity trust contract signed

Established in accordance with the “Charity Law of the People’s Republic of China” promulgated in 2016, charity trust is now a flexible charity tool in China. On April 26, 2017, the first family charity trust contract of China Minsheng Bank was signed, which was also the first of its kind in China. Family charity trust takes family customers as initiators, focuses on high-net-worth entrepreneur customers, and is of great importance to mobilize entrepreneurs to jointly undertake social responsibility and to meet the charity pursuits of those customers.



Minsheng Bank 001 Charity Trust was selected as the Best Charitable Trust of the year 2017

Case Power of Minsheng's Love – ME Charity Innovation Funding Scheme

In 2015, on the 20th anniversary of the founding of China Minsheng Bank, the Bank launched the first “Power of Minsheng’s Love – ME Charity Innovation Funding Scheme”. According to the scheme, which takes innovation, implementation, sustainability and influence as appraisal and selection criteria, each selected project will receive a funding support of RMB500 thousand. The projects supported by the scheme cover five fields relating to people’s livelihood, that is, community development, education support, environmental protection, cultural protection, and health care. As of the end of 2017, China Minsheng Bank had invested over RMB30 million in the ME Scheme, and the projects had been implemented in 29 provinces, municipalities and autonomous regions, directly benefiting about 180,000 people, and indirectly benefiting over 250,000 people; a total of 1,185 projects had applied the funding scheme, among which 63 had been accepted through appraisal and selection. Those projects have not only created changes for the benefited groups, but also increased the influence of public welfare organizations, achieving good results.



The third "ME Charity Innovation Funding Scheme"

Constantly Supporting Cultural Public Welfare Causes

Minsheng Art Museum

In the reporting period, Beijing Minsheng Art Museum and Shanghai Minsheng Art Museum funded by China Minsheng Bank effectively leveraged their role in serving the public, and made outstanding contributions to cultural communication and public education, receiving extensive acclamation in society.

By the end of 2017, Beijing Minsheng Art Museum received over one million live and online audiences, held 150 public education activities, and organized exclusive public education activities for its customers and employees, achieving good reputation. It held 13 large art exhibitions, among which the “Exhibition of Annual of Contemporary Art of China 2015/2016” was included into the 2016 promotion projects funded by China National Arts Fund.

By the end of 2017, Shanghai Minsheng Art Museum received over 200,000 visitors, organized eight important exhibitions and art activities, and held 101 public education activities, among which the “Poetry Comes to Museum” was awarded “2017 Distinctive Activity of Shanghai Lifelong Learning Experience Base”.

By the end of 2017,
Shanghai Minsheng Art
Museum held large art
exhibitions

13

By the end of 2017,
Shanghai Minsheng Art
Museum received over

200,000
visitors

Case Minsheng Art Museum promotes people-to-people, cultural exchanges among BRICS countries

The Troposphere – Chinese and Brazilian Contemporary Art Exhibition was grandly opened in Beijing on December 9, 2017. As the latest achievement of BRICS Contemporary Art Exhibition Project organized by China Minsheng Bank, the exhibition was organized by China Minsheng Bank and Beijing Minsheng Art Museum, and co-organized by Embassy of Brazil in China, CURRENTS Foundation for Arts and Music, and Beijing Minsheng Foundation for Arts and Culture, and academically supported by Center of Brazilian Culture at Peking University. This exhibition presented more than 100 works of 42 major artists both from China and Brazil, and distinguished guests from Embassy of Brazil in China, enterprises, academic community, art community, and leading media organizations participated in the activity.

“The Troposphere – Chinese and Brazilian Contemporary Art Exhibition was one of the achievements made by the President of Brazil Michel Temer during his state visit to Beijing in September this year with his Chinese counterpart Xi Jinping. As one of the most important cultural exchange activities of Brazil in China, the exhibition was not only a key event in art community of Beijing, China, but also a key event in the international art world.”
---Marcos Caramuru de Paiva, Brazilian Ambassador to China



The Troposphere – Chinese and Brazilian Contemporary Art Exhibition

Case Minsheng Art Museum becomes new window of Sino-French cultural exchanges

Since its opening, Shanghai Minsheng Art Museum has been committed to promoting cultural exchanges between China and France, holding contemporary art exhibitions including “Lumière”, “Listening to Transparency”, “SONSARA: Céleste Boursier-Mougenot”, among which “Lumière” was the theme exhibition at the 2015 Sino-French Cultural Spring event, and “Listening to Transparency” was the first exhibition of 2016 Sino-French Cultural Spring in Shanghai.

On September 1, 2017, famous French artist Céleste Boursier-Mougenot held his first large individual exhibition “SONSARA: Céleste Boursier-Mougenot” in Shanghai. The exhibition was another major international contemporary art exhibition project jointly organized by Shanghai Minsheng Art Museum and Embassy of France in China after the exhibition of “Listening to Transparency”. On January 9, 2018, French president Emmanuel Macron invited chairman of China Minsheng Bank Hong Qi to present at his reception in Beijing during his state visit to China, expressing his thanks for the Bank’s outstanding contributions to promoting cultural exchanges between the two countries.



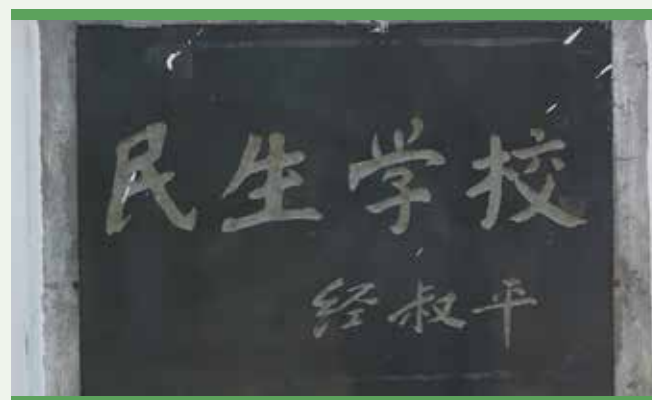
SONSARA: Céleste Boursier-Mougenot

Art Exhibition of “Masters of the Century”

In 2017, China Minsheng Bank donated RMB2 million to support the “Exhibition of the Works of Forty-Three Grand Masters in Literature and Arts,” which attracted tens of thousands of visitors and was reported by over 50 leading media organizations including CCTV. The exhibition showed the breadth and depth of China Minsheng Bank in engaging in cultural public welfare causes, and reflected the Bank’s distinctive responsibility system that focuses on cultural public welfare and aims at promoting cultural heritage.

Featured Story

Conducting public welfare activities in old revolutionary base areas



Mr. Jing Shuping's inscription

Jinzhai County, lying on the border of Anhui, Henan and Hebei Provinces and at the heart of the Dabie Mountains, has a total area of 3,814 square kilometers and a population of about 680,000, and is a mountainous county rich in tourist resources and with the largest area and population in Anhui Province. With 59 generals born here, second in the number of generals from a county in China, Jinzhai was the location of the Hubei-Henan-Anhui revolutionary base area and is a well-known old revolutionary base area, honored as the "cradle of the Red Army and hometown of generals". It is also one of the designated national poverty-stricken counties in China and the county on the priority list of poverty relief in the Dabie Mountains area. Xi Jinping, general secretary of the CPC Central Committee, once visited the county and pointed out that no area, particularly the old revolutionary base areas, should be left behind in building a moderately prosperous society in all respects.

Shahe Town of Jinzhai County in southeast Anhui Province, bordering Hubei, Henan and Anhui provinces, lies in the heart of the Dabie Mountains and in the watershed area between Yangtze River and Huaihe River. Xihe Village in the northwest of Shahe Town borders Henan Province to the west, and is surrounded by mountains, with only one road built by the government leading to the outside. As most of the adults in the village have left home to work in cities, most of the children in the village are left-behind children living with their grandparents.

China Minsheng Bank donated money to China Foundation for Poverty Alleviation to build Xihe Minsheng Primary School in Jinzhai County with the financial and educational authorities in the county in 2007. The name of the primary school was inscribed by Jing Shuping, a prominent Chinese lawyer and businessman. In 2016, the Shanghai FTZ Branch of China Minsheng Bank set up a care foundation to give assistance to Xihe Minsheng Primary School. The foundation donated book shelves, broadcasting equipment and other equipment and materials and set up a library to help children access to knowledge from books and broaden their horizons. On May 5, 2017, when the branch was celebrating its third anniversary, its employee volunteers visited the school some 700 kilometers away once again with footballs, basketballs, table tennis bats and balls, shuttlecocks and

badminton rackets, skip ropes and other gifts, to facilitate the children's cultural, educational and sporting activities.

The seed of love planted by Mr. Jing and China Minsheng Bank ten years ago has taken root and sprouted silently in Jinzhai County, the hometown of generals. Now, we, as the younger generation of the Bank, will join hands and continue to take care of the development of the school and eagerly expect it to thrive, blossom and bear fruits. We are delighted to find that, with the hard work of teachers in the school for the past ten years, many excellent students have changed their destiny through knowledge and walked out the remote village to create their new life with their own hands.

China Minsheng Bank is always on the road to conduct public welfare activities. The smiling faces and expectations of the children touch us and drive us to continue our efforts to help lift people in need out of poverty. Wish our never-stopping efforts can help children in poverty have hopes for a beautiful life.



Jinzhai County Shahe central primary school gave Shanghai Free Trade Test area Branch the pennant



Shanghai Free Trade Test area Branch went to Jinzhai, Anhui province to carry out helping learning activities

Future Prospects

The year of 2018 marks the beginning of the comprehensive implementation of the spirit of the 19th CPC National Congress, is the 40th anniversary of China's groundbreaking reform and opening-up, and is the start of the full implementation of the "Phoenix Project" of China Minsheng Bank. Looking into the future, we will achieve unity in thought, firmly and resolutely promote reform and transformation in an all-around way, and earnestly implement the "Three-Year Development Plan", striving to building China Minsheng Bank into a leading model bank featuring distinct characteristics, value growth, and constant innovation.

Deepening the reform of systems and mechanisms. We will further optimize corporate governance, exercise the role of general meeting of shareholders, board of directors, board of supervisors, and the management, integrate Party leadership into corporate governance structure, and explore modern banking system with Chinese characteristics. We will carry out requirements for risk prevention and control, improve total risk management level, and prevent systemic financial risks.

Responding to major national strategies. We will further optimize regional and industrial credit mix, implement the coordinated regional development strategy, the rural vitalization strategy and other key national strategies, and support the development of strategic emerging industries. We will promote inclusive finance, insist on serving real economy, and make new ground in pursuing opening up on all fronts.

Helping promote ecological progress. We will further promote green credit, advance green supply, prevent social and environmental risks, exercise the leverage role of finance, optimize and adjust credit structure, and serve energy conservation and environmental protection, new energy and other industries, contributing to fight and win the blue sky battle.

Vigorously implementing targeted poverty alleviation. We will continue to support the development of poverty-stricken areas, pay particular attention to helping people increase confidence in their own ability to lift themselves out of poverty and see that they can access the education they need, completing poverty alleviation task in an outstanding way. We will make concerted efforts and take targeted measures to help win the final phase of the war on poverty.

Focusing on Minsheng homeland construction. We will further enhance the building of career development channel for employees, conduct innovation in employee training system, and build a talent cradle for China Minsheng Bank. We will attach great importance to employee care, and improve the sense of belonging and happiness of employees.

Intensively developing public welfare causes. We will continue to make contributions to society in the aspects of helping the needy and the poor, conducting volunteer services and carrying out innovation in public welfare, constantly promote distinctive cultural public welfare causes, improve sociocultural environment, and help achieve cultural prosperity and rejuvenation of Chinese nation. China Minsheng Bank will contribute to society wholeheartedly, committing to realizing the people's aspirations for a better life.

In 2018, we will stay true to our mission and keep moving forward, striving to write a brilliant chapter of China Minsheng Bank in the new era!

Appendix

Appendix I: Key Performance Indicators

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.

Responsibility Management Performance	2017	2016	2015
Number of legal and compliance trainings (time)	1,803	455	522
Number of participants of legal and compliance trainings (person/time)	131,073	56,210	51,584
Economic Performance Indicators	2017	2016 (restatement)	2015 (restatement)
Total assets (RMB100m)	59,020.86	58,958.77	45,206.88
Operating income (RMB100m)	1,442.81	1,551.54	1,544.24
Net profits attributable to parent company (RMB100m)	498.13	478.43	461.11
Basic earnings per share (RMB)	1.35	1.31	1.30
Total tax payment (RMB100m)	208.52	221.48	239.34
SCVPS (RMB yuan/share)	6.57	5.61	5.61
Society Performance Indicators	2017	2016	2015
Number of employees (person)	55,265	56,168	57,228
Coverage of social insurance (%)	100	100	100
Proportion of employees from minority ethnic groups (%)	4.32	4.54	4.2
Targeted poverty alleviation donations (RMB10,000)	1,206	1,564.04	1,223.63
Public welfare donations (RMB100m)	1.77	3.19	0.65
Environmental Performance Indicators	2017	2016	2015
Amount of green procurement (RMB10,000)	75,200	90,440	96,380
Ratio of loans to industries with overcapacity (%)	2.70	3.20	3.08
Number of video conferences (time)	518	388	184

Appendix II: Responsibility Awards & Honors

Awards & Honors	Awarding activities and organizers
Chairman Hong Qi was awarded “Most Responsible Banker of the Year”	2017 China Banking Development Forum & 5th Best Banking Awards
President Zheng Wanchun was selected as the “Top 10 Business People for Public Welfare Causes of 2017”	Tsinghua University, CASS
Award for Outstanding Poverty Alleviation Case of 2017	The State Council Leading Group Office of Poverty Alleviation and Development, CASS
Power of Minsheng’s Love – ME Charity Innovation Funding Scheme was awarded the “Top 10 Corporate Public Welfare Projects of 2017”	CASS
Award for Innovative Financial Poverty Alleviation Project in Banking Industry of 2017	Sina Finance (finance.sina.com.cn)
Best e-Banking Award of 2017	
Top 10 Most Outstanding Banks of Direct Banking of the Year	
Most Competitive Bank in Financial Poverty Alleviation of 2017	China Business Journal
Most Responsible Bank of 2017	National Business Daily
Chinese Charitable Company of 2017	China Philanthropy Times
Top 10 Charitable Companies of 2017	ifeng.com
Top 100 Most Valuable Chinese Brands of 2017	WPP
Excellent Board Award of the 13th Golden Round Table Awards for the Board of Directors of Listed Companies	Directors & Boards
Apex Asset Management was awarded the “Best Banking Wealth Management Brand of China”	Securities Times
The wealth management product under the enhanced return series of Apex Asset Management won the “Award for Best Stable Income Financial Product in China”	
Outstanding Asset Management Bank of the Year	The Economic Observer
Best Product Design Innovation Award	VISA
Special Contribution Award of 2016	Annual Conference of China Securitization Forum
The “Express” series of the Company won the “China Financial Innovation Award for the Top Ten Financial Products of Public Business”	The Chinese Banker
The Real Estate Finance SBU of the Company won the “Real Estate Golden Brick Award of China – Outstanding Financial Contribution to Real Estate Industry of China of 2017	The 17th Annual Conference of BOAO 21st Century Real Estate Forum
Best Regional Private Bank for Wealth Management in China of 2016	Asia Money
Best Small Business Finance Service Bank of 2017	China Times

Appendix III: Reporting Specifications

Reporting Period:
This report covers the period from January 1, 2017 to December 31, 2017. 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 China Banking Regulatory Commission
“Guidelines on Corporate Social Responsibility for China’s Banking Financial Institutions” issued by China Banking Association
“Guidelines on Preparation of Corporate Social Responsibility Reports” issued by Shanghai Stock Exchange
“Guidance on Social Responsibility Reporting,” (GB/T 36001-2015) the national standards of social responsibility
“Chinese CSR Preparation Guide (CASS-CSR 4.0)” issued by Chinese Academy of Social Sciences
“Guide on Sustainability Reporting” issued by Global Reporting Initiative

Data Description:
The data of 2017 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, China Minsheng Banking Corp., Ltd.
Email: caoxuesen@cmbc.com.cn; shiyan8@cmbc.com.cn

Appendix IV: Assurance Report



Rating Report of “2017 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 “2017 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)” & the “Rating Standards for Corporate Social Responsibility Report of Chinese Enterprises (2018).”

II. Rating Process

- 1. The process assessment team conducts interviews with key members of the report preparation team, and carries out on-site review on relevant materials used in the report;
- 2. The rating team conducts review on the preparation process and the contents disclosed by 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 of the rating team to jointly sign.

III. Rating Results

Process (★★★★★)

The Social Responsibility Management Department of the Head Office of China Minsheng Bank takes the lead in setting up the report preparation team, the director of the General Office at the Head Office of the Bank is responsible for the overall planning of the report preparation work and key links control, and the president of the Bank conducts final review of the report; the Bank sees the report as an important tool of enhancing social responsibility management, broadcasting corporate responsibility brand image, and disclosing information relating to social responsibility performance; the Bank has established the “1+1” reporting system including social responsibility report and targeted poverty alleviation special edition; the material issues are identified in accordance with major corporate matters, relevant national policies, industry benchmarking analysis, stakeholder expectations, and so on; 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 the WeChat version, 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, transparency of fees and charges, credit support for SMEs or small finance, 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 report systematically discloses 87.9 percent of core indicators of the banking industry from the perspectives of “Deepened Reform Enhances Driving Force,” “Interconnectivity and Win-Win Results Form Resultant Force,” “Ecological Civilization Injects Vigorous Force,” “Featured Party Building Enhances Inner Force,” “Putting People First Creates Cohesive Force,” “Innovative Public Welfare Practice Pools Collective Force,” and so on, achieving leading performance in the aspect of integrity.

Balance (★★★)

The report discloses negative data including “work safety accident at or above the Level III,” and “Ratio of loans to industries with overcapacity.” The information disclosed in the aspect shall be enhanced, so as to further improve the balance of the report.

Comparability (★★★★★)

The report discloses 42 key indicators including “total assets,” “SCVPS,” “total tax payment,” “amount of green procurement,” and “public welfare donations” for three years or more in a row, and conducts horizontal comparison on “market size of direct banking,” “top 1000 world banks,” 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 “force” as the mainline of each chapter, features clear framework, and highlights corporate value positioning and social responsibility vision, enhancing the identification of the Bank. The overall design of the report attaches great importance to the artistic style of brush painting, and is fresh, quietly elegant and illustrated, remarkably improving the reading pleasure. The “Featured Story” in each chapter focuses on distinctive social responsibility practices, enhancing the broadcasting and communication effect. The “Notes on Terms” at the appendix part explains the terms of banking industry, making the report more easily to read. It achieves outstanding performance in the aspect of readability.

Innovation (★★★★★)

The framework of the report integrates the “Minsheng DNA – Handbook on Corporate Culture,” which combines corporate culture with social responsibility, and aims at promoting the implementation of corporate culture, improves the strategic height of social responsibility performance; the contents of the first pages of each chapter respond to the report of the 19th CPC National Congress and the fundamental national policies, highlighting the responsibility guidance and accountability of the Bank; introduction of third-party professional institutions for forensic verification of partial disclosure data of reports have significantly enhanced the integrity and credibility of the report. It achieves outstanding performance in the aspect of innovation.

Overall Rating (★★★★★)

According to the assessment of the rating team, the “2017 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd.” is awarded a rating of five-star. It is an outstanding CSR report.

IV. Improvement Suggestions

The disclosure of negative information and deficiencies of social responsibility performance shall be enhanced, so as to further improve the balance of the report.

Rating Team

Team leader: Cheng Duosheng, Director of Enterprise Innovation Department of China Enterprise Confederation
Team member: Zhang Hongzhong, director of Research Center for New Media of Beijing Normal University
Process evaluator: Yang Jing

魏紫川

Vice president of the Chinese Expert Committee on CSR Report Rating

杨静

Leader of the Rating Team
June 27, 2018



Scan QR code to view rating files of China Minsheng Bank

Appendix III: Reporting Specifications



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 2017 key data (the "key data") in the 2017 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 2017 Corporate Social Responsibility Report:

- Number of direct banking customers (10,000 units)
- Mobile banking transaction volume (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 fixed-point poverty alleviation (RMB10,000)
- Number of video conferences (time)
- Service satisfaction rate of work order (%)
- Number of participants of legal and compliance trainings (person/time)

Our assurance was with respect to the key data of 2017 selected in the CSR report. Other information disclosed or information of 2016 and earlier periods in the CSR report is not within the scope of our assurance.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2017 Corporate Social Responsibility Report is set out in the definitions of the key data (the "basis of reporting") at the end of this assurance report.

The Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of the key data in the 2017 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 so that such data are free from material misstatement resulting from 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 2017 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 in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on any matter that would materially affect the key data in the 2017 Corporate Social Responsibility Report. Our work involves assessing the risks of material misstatement in key data in the 2017 Corporate Social Responsibility Report resulting from 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 procedures;
- 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.

Appendix V: Key Data Preparation & Reporting Basis



- Number of direct banking customers (10,000 units)**
The number of approved electronic account of investors initiatedly opened by customers, with real-name authentication, through special direct banking channels of Minsheng Bank (websites, mobile apps, WeChat banking), mobile banking of Minsheng Bank, mobile client of credit card of Minsheng Bank, and application to the co-operating third party companies.
- Mobile banking transaction volume (RMB trillion)**
The volume of unilateral transaction initiated through the mobile banking client of Minsheng Bank
- Number of mobile banking customers (10,000 units)**
The number of customers using mobile banking services of Minsheng Bank
- Amount involved in rejected “two-high-and-one-over” (industries with high energy consumption, high pollution or overcapacity) projects(RMB 100 million)
The amount of loans involved in industries with high energy consumption, high pollution or overcapacity rejected by Minsheng Bank in accordance with the “Management Measures of China Minsheng Banking Corp., Ltd. on Green Credit (Trial)” (CMBC [2015] No. 131)
- Number of employees (person)**
The total number of staff of Minsheng Bank
- Coverage rate of social insurance (%)**
The proportion of employees with social insurance of Minsheng Bank
- Proportion of female managers (%)**
The proportion of female managers in the management team of Minsheng Bank
- Amount of donations for fixed-point poverty alleviation (RMB10,000)**
The amount of donations of Minsheng Bank to the fixed-point poverty alleviation projects in Huaxian and Fengqiu counties, 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 company-wide legal and compliance trainings organized by the legal and compliance department of Head Office of Minsheng Bank

Appendix VI: Suggestions & Feedbacks

Dear readers,

This report is the 11th 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, China Minsheng Banking Corp., Ltd., No. 2, Fuxingmennei Ave., Xicheng District, Beijing, China
Postal Code: 100031

Your Information

Name:

Company/Organization:

Title:

Tel.:

Fax:

E-mail:

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 VII: Notes on Terms

1. 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” 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 RMB6.57 in 2017. The calculation method is as follows:

SCVPS [RMB6.57] = basic earnings per share [RMB1.35] + added value per share [RMB5.22]

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

Items	Unit	2017	2016	2015
I: Plus items ²				
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	208.52	221.48	239.34
2. Compensations (salaries paid to employees)	RMB100m	250.19	250.82	240.74
3. Interest expense (loan interest paid to creditors)	RMB100m	1,443.58	1,092.34	1,091.14
4. Public welfare donations (external donation amount)	RMB100m	1.77	3.19	0.65
II: Minus items				
Other social costs resulted from environmental pollution and other negative factors ³	RMB10,000	0	0	0
III: Total equity	100m shares	364.85	364.85	364.85
IV: Added value per share	RMB yuan	5.22	4.30	4.31
V: Basic earnings per share	RMB yuan	1.35	1.31	1.30
VI: SCVPS	RMB yuan	6.57	5.61	5.61

Notes: Data were from the Head Office of China Minsheng Bank

2. Shang Dai Tong
Shang Dai Tong is an all-inclusive financial service product that China Minsheng Bank offers to the smalland medium-sized enterprises and individual business owners for faster fund raising, safer capital management and higher capital efficiency.

¹According 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.

²Excluding rental and other operating expenses

³Under 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.”

