
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Bank of Tianjin Co., Ltd.* (天津銀行股份有限公司), you should at once hand this circular and the proxy form and reply slip to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2018
REPORT FOR FINAL FINANCIAL ACCOUNTS FOR 2018
PROFIT DISTRIBUTION PLAN FOR 2018
REPORT FOR FINANCIAL BUDGET FOR 2019
PROPOSED ISSUANCE OF TIER 2 CAPITAL
BONDS FOR 2019 – 2020
APPOINTMENT OF EXTERNAL AUDITORS FOR 2019
AND
NOTICE OF 2018 ANNUAL GENERAL MEETING

A notice convening the 2018 AGM to be held at Geneva Hotel (No. 32 Youyi Road, Hexi District, Tianjin, the PRC) at 9:30 a.m. on Thursday, May 16, 2019 is set out on pages 25 to 27 of this circular.

If you intend to appoint a proxy to attend the 2018 AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. The proxy form (together with a notarially certified copy of the power of attorney or other authority (if any) if the proxy form is signed by a person on behalf of the appointor) must be delivered by the holders of H Shares to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 9:30 a.m. on Wednesday, May 15, 2019 (Hong Kong time).

If you intend to attend the 2018 AGM in person or by proxy, holders of H Shares of the Bank are required to return the reply slip in person, by post or by facsimile to the H Share Registrar, Computershare Hong Kong Investor Services Limited, on or before Friday, April 26, 2019.

Completion and return of a proxy form will not preclude a Shareholder from attending in person and voting at the 2018 AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

* *Bank of Tianjin Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

March 28, 2019

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM” or “2018 AGM”	the annual general meeting of the Bank or any adjournment thereof to be held at Geneva Hotel (No. 32 Youyi Road, Hexi District, Tianjin, PRC), at 9:30 a.m., on Thursday, May 16, 2019, a notice of which is set out on pages 25 to 27 of this circular
“Articles of Association”	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time)
“Bank”	Bank of Tianjin Co., Ltd. (天津銀行股份有限公司), a joint stock company incorporated on November 6, 1996 in Tianjin, China with limited liability in accordance with PRC laws, and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches and the H Shares of the Bank are listed on the Hong Kong Stock Exchange on March 30, 2016 (stock code: 1578)
“Board” or “Board of Directors”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“CBIRC Tianjin Office”	the Tianjin Office of the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會天津監管局)
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	ordinary share(s) issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 each, which are listed and traded on the Hong Kong Stock Exchange on March 30, 2016 and subscribed for and traded in HK dollars
“H Shareholder(s)”	holder(s) of H Shares
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise revised from time to time
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC
“PRC” or “China”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, Macau and the Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holder(s) of Shares
“Shares”	the Domestic Shares and H Shares of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank
“%”	per cent.

LETTER FROM THE BOARD



BANK OF TIANJIN CO., LTD.*

天津银行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1578)

Board of Directors:

Executive Directors

Mr. LI Zongtang
Mr. SUN Liguo
Ms. ZHANG Furong
Mr. LIANG Jianfa

Non-executive Directors

Ms. SUN Jingyu
Mr. WU Tao
Mr. Alistair Marshall Bulloch
Mr. ZHAO Wei
Mr. XIAO Jingxi
Ms. LI Jun

Independent non-executive Directors

Mr. FENG Heping
Mr. LAW Yee Kwan, Quinn
Mr. JIN Qingjun
Mr. HUA Yaogang
Mr. HE Jia

To the Shareholders

**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018
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REPORT FOR FINAL FINANCIAL ACCOUNTS FOR 2018
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APPOINTMENT OF EXTERNAL AUDITORS FOR 2019
AND
NOTICE OF 2018 ANNUAL GENERAL MEETING**

Dear Sir or Madam,

I. INTRODUCTION

The AGM of the Bank will be held at 9:30 a.m. on Thursday, May 16, 2019 and resolutions will be proposed to consider and approve, *inter alia*, the Work Report of the Board of Directors for 2018, the Work Report of the Board of Supervisors for 2018, the Report for

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Final Financial Accounts for 2018, the Profit Distribution Plan for 2018, the Report for Financial Budget for 2019, proposed issuance of tier 2 capital bonds for 2019 – 2020 and the appointment of external auditors for 2019.

The purpose of this circular is to provide you with the notice of the AGM and to provide you with all the information reasonably necessary to enable you to make an informed voting decision on the proposed resolutions at the AGM.

II. MATTERS TO BE RESOLVED AT THE AGM

1. Work Report of the Board of Directors for 2018

For the Work Report of the Board of Directors for 2018, please refer to Appendix I to this circular.

2. Work Report of the Board of Supervisors for 2018

For the Work Report of the Board of Supervisors for 2018, please refer to Appendix II to this circular.

3. Report for Final Financial Accounts for 2018

In 2018, the total asset of the Bank was approximately RMB659,339.9 million while the total liabilities amounted to approximately RMB611,619.2 million. We recorded an interest income of RMB27,487.5 million, interest expense of RMB20,782.0 million, net interest income of RMB6,705.5 million and investment gains of RMB3,793.3 million. The net fee and commission income, net trading losses, net gains arising from derecognition of financial assets measured at amortized cost and other income, gains or losses were RMB1,537.6 million, RMB145.2 million, RMB132.5 million and RMB114.5 million, respectively. In 2018, our operating expenses amounted to approximately RMB3,447.1 million. The impairment losses, net of reversals on assets were RMB3,481.9 million. We achieved share of results of associates of RMB8.2 million while profit and net profit amounted to RMB5,217.5 million and RMB4,230.1 million, respectively.

4. Profit Distribution Plan for 2018

On March 22, 2019, the Board resolved to submit to the Shareholders for their consideration and approval a profit distribution plan for the year ended December 31, 2018 as follows:

- (i) an aggregate of RMB nil will be appropriated to the statutory surplus reserve;
- (ii) an aggregate of RMB nil will be appropriated to the general risk reserve; and

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(iii) a cash dividend of RMB1.8 per ten Shares (tax inclusive) in an aggregate amount of RMB1,092.7 million is proposed to be distributed to all the Shareholders.

The undistributed profit which amounted to RMB3,016.3 million will be carried forward to the subsequent years.

The Bank will distribute to the Shareholders whose name appears in the register of members of the Bank on May 27, 2019, a final dividend in cash for the year ended December 31, 2018 in an aggregate amount of approximately RMB1,092.7 million, representing a dividend of RMB1.8 per ten Shares (tax inclusive). The final dividend of the Bank for the year ended December 31, 2018 will be denominated and declared in RMB. Distribution of the dividends to holders of the Domestic Shares will be paid in RMB, while dividends to holders of the H Shares will be paid in Hong Kong dollars. For such conversion, RMB will be converted into Hong Kong dollars based on the average middle exchange rate as announced by the People's Bank of China prevailing five business days before May 16, 2019 (inclusive), the date of the Bank's 2018 AGM.

The H Share register of members of the Bank will be closed from Wednesday, May 22, 2019 to Monday, May 27, 2019, both days inclusive, during which period no transfer of the H Shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged for registration with the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 pm on Tuesday, May 21, 2019.

It is expected that the dividend will be paid on July 10, 2019.

Pursuant to the applicable provisions and the implementing regulations of the Enterprise Income Tax of the PRC (《中華人民共和國企業所得稅法》), the Bank shall withhold the enterprise income tax at the rate of 10% for non-resident enterprises holders of H Shares (including the H Shares registered in the name of HKSCC Nominees Limited). For non-resident enterprises holders of H Shares who is a resident enterprise of a country/region that has signed a tax treaty with the PRC stipulating a dividend rate lower than 10%, the Bank will follow the Notice of the State Administration of Taxation on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises to handle the application of the relevant tax benefits on their behalf while distributing the final dividend.

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Pursuant to the applicable provisions and the implementing regulations of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), the Circular of the State Administration of Taxation (the “SAT”) in relation to the Administrative Measures on Preferential Treatment Entitled by Non-resident taxpayers under Tax Treaties (SAT Circular [2015] No. 60) and the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han No. [2011]348) (the “Notice of Tax”), the Bank shall withhold and pay individual income tax from and for the holders of H Shares according to the following arrangement:

For an individual holder of H Shares who is a resident of Hong Kong, Macau or other country/region that has signed a tax treaty with the PRC stipulating a rate of 10%, the Bank shall withhold and pay individual income tax at the rate of 10% on behalf of such holders of H Shares when distributing the final dividend;

For an individual holder of H Shares who is a resident of a country/region which has signed a tax treaty with the PRC stipulating a rate of lower than 10%, the Bank shall temporarily withhold and pay individual income tax at the rate of 10% while distributing the final dividend. In case the relevant individual holders of H Shares are to apply for refund of the tax over-withheld, the Bank will follow the Notice of Tax to handle the application of the relevant tax benefits under the tax treaty on their behalf;

For an individual holder of H Shares who is a resident of a country/region that has signed a tax treaty with the PRC stipulating a rate higher than 10% but lower than 20%, the Bank shall withhold and pay the individual income tax at the applicable rate stipulated in the relevant tax treaty while distributing the final dividend; and

For an individual holder of H Shares who is a resident of a country/region which has signed a tax treaty with the PRC stipulating a rate of 20% or has no tax treaty with China or otherwise, the Bank shall withhold and pay the individual income tax at the rate of 20% while distributing the final dividend.

The qualifying holders of H Shares are required to timely submit the written authorization and all application materials to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited; the Bank will forward the received documents to the competent tax authorities for review, and if approved, the Bank will assist in handling the refund of the over-withheld tax.

5. Report for Financial Budget for 2019

According to the Bank’s strategic development and business expansion needs, the 2019 total budget for operating expenses will be capped at RMB4,300 million and such amount represents an increase of RMB1,001 million as compared to the operating expenses incurred by the Bank in 2018. The increase of the expected operating expenses is primarily due to the additional expenses for business development and the expenses for infrastructure.

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6. Proposed issuance of Tier 2 Capital Bonds for 2019 – 2020

In order to optimize capital structure, broaden capital replenishment channels, and maintain the capital adequacy ratio in compliance with the regulatory requirements, the Board proposed to issue the tier 2 capital bonds in the aggregate amount of not more than RMB20 billion. Pursuant to the Articles of Association, the proposed issuance of tier 2 capital bonds is subject to the approval of Shareholders by special resolution at the general meeting of the Bank and the approval of CBIRC Tianjin Office and People's Bank of China.

Particulars of the proposed issuance of the tier 2 capital bonds are as follows:

Size of issuance	:	for 2019 – 2020 not more than RMB20 billion in total, for 2019 not more than RMB10 billion.
Type of the instrument	:	the qualified write-down tier 2 capital bonds, which comply with the requirements as stipulated in Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) and Guiding Opinions of the China Banking Regulatory Commission on Commercial Banks' Innovation on Capital Instruments.
Maturity	:	not more than 10 years.
Target market	:	in the national inter-bank bond market.
Means of loss absorption	:	upon the occurrence of the triggering events specified in the issuing documents, the loss will be absorbed by means of write-down.
Interest rate of issuance	:	to be determined with reference to the market interests rate and way of issuance.
Use of proceeds	:	to replenish the Bank's tier 2 capital and raise the Bank's capital adequacy ratio.
Term of validity of the resolution	:	36 months, commencing on the date of passing of relevant special resolution at the AGM.
Whether listed on the Stock Exchange	:	will not be listed on the Stock Exchange.

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In order to steadily promote the issuance of the bonds, it is submitted to the general meeting that the Board is authorized, to delegate the authorization to the senior management or its authorized representative to deal with the specific matters, including, among others:

- i. to the extent as permitted by the relevant laws and regulatory authorities, to determine the specific matters in relation to the issuance of the tier 2 capital bonds according to the market conditions, including but not limited to, to determine the size of issue, the date of issue, the tranches, whether to issue in portions and number of portions, the term of bonds, the method of issue, the terms of issue, the target subscribers, the interest rate and nominal value, to arrange bonds registration trust, to apply for listing of bonds, to arrange the repayment of bonds.
- ii. to engage underwriter, rating agency, legal counsel, accountants and other intermediary agencies.
- iii. to attend any relevant negotiation in relation to the tier 2 capital bonds issuance on behalf of the Bank, to sign and execute relevant agreements and legal documents.
- iv. to make application to the relevant regulatory authorities regarding the issue of the tier 2 capital bonds and to make appropriate adjustments to the specific issuance plan in accordance with opinions (if any) of relevant regulatory authorities.

The above-mentioned authorization will be effective for 36 months commencing from the date of approval by the AGM unless such authorization is revoked by the Shareholders' general meeting by way of special resolution.

Such proposal will be submitted to the AGM for the Shareholder's consideration and approval by way of special resolution.

7. Appointment of external auditors for 2019

An ordinary resolution will be proposed at the 2018 AGM to consider and, where appropriate, approve the re-appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the domestic auditor of the Bank for the year 2019, and the re-appointment of Deloitte Touche Tohmatsu as the international auditor of the Bank for the year 2019, to hold office until the conclusion of the next annual general meeting of the Bank. The audit fees for the domestic and international financial statement for 2019 and the review fee for the international half-yearly financial statements are expected to be approximately RMB4.4 million.

III. OTHERS

In addition, the Shareholders will listen to the Appraisal Report on the Performance of Duties by Directors, Supervisors and Senior Management of the Bank for 2018 and Work Report of independent non-executive Directors for 2018 at the 2018 AGM.

LETTER FROM THE BOARD

IV. THE AGM

The AGM will be held at Geneva Hotel (No. 32 Youyi Road, Hexi District, Tianjin, the PRC) at 9:30 a.m. on Thursday, May 16, 2019 to consider and, if thought fit, to pass resolutions in respect of the matters as set out in the notice of the AGM. A proxy form and a reply slip will be dispatched to the Shareholders in accordance with the Hong Kong Listing Rules on Thursday, March 28, 2019. The notice of the AGM is set out on pages 25 to 27 of this circular.

Whether or not you intend to attend and/or vote at the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. If you intend to attend the AGM in person or by proxy, holders of H Shares are required to complete and return the reply slip in person, by post or by facsimile to the H Share Registrar on or before Friday, April 26, 2019.

Completion and return of a proxy form will not preclude you from attending in person and voting at the AGM if you so wish and completion and return of the reply slip do not affect the right of a Shareholder to attend and vote at the respective meeting.

V. RECOMMENDATIONS

The Board of Directors (including the independent non-executive Directors) considers that all resolutions to be proposed at the AGM are in the best interests of the Bank and its Shareholders as a whole. Accordingly, the Board of Directors recommends that the Shareholders vote in favour of all the resolutions to be proposed at the AGM.

VI. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to II to this circular.

By order of the Board
Bank of Tianjin Co., Ltd.
LI Zongtang
Chairman

Tianjin, China
March 28, 2019

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**2018 ANNUAL REPORT OF THE BOARD OF DIRECTORS OF BANK OF TIANJIN
CO., LTD.**

In 2018, the Bank followed its development strategy amid the complicated international and domestic economic and financial situation and the increasingly stringent and prudent external environment of financial supervision. The Bank gained a good momentum of coordinated development in efficiency, quality and scale, thanks to the Bank's efforts to steadily advance the business transformation and reform and innovation, continue stability of the overall operation, and gradually improve the risk internal control mechanism. As at the end of 2018, the Group held total assets of RMB659.339 billion due to the active balance sheet reduction by 6.1%. Total liabilities amounted to RMB611.619 billion, representing a decrease by almost 6.9%. Total deposits were RMB342.877 billion, total loans were RMB276.943 billion and operating revenue attained RMB12.138 billion, indicating a year-on-year increase of almost 19.7%. The Bank further optimized the major indicators as follows: pre-provision profit of RMB8.699 billion, representing a year-on-year increase of 24%; net profit of RMB4.23 billion, representing a year-on-year increase of 7.3%; return on capital of 9.15%, which was increased by 0.03 percentage points on a year-on-year basis, the capital adequacy ratio of 14.53%, cost/income ratio of 27.18%, non-performing loan ratio of 1.65% and provision coverage ratio of 250.37%. In 2018, the Bank ranked 232nd in the Banking 500; and in the Top 1,000 World Banks for 2018 published by the Banker, a UK publication, the Bank ranked 200th in terms of tier-1 capital and 32nd among the included Chinese banks. The Bank also ranked 172nd in the Top 500 Service Companies of China, moving up by 10 places as compared with last year. The Bank was granted AAA rating by the United Credit Rating, reflecting recognition and confidence in the development of the Bank.

In 2018, the Board of Directors of the Bank diligently fulfilled its duties, continued enhancing the corporate competence, and successfully accomplished its tasks under guidance of rules and regulations of regulators in strict accordance with the Hong Kong Listing Rules and Articles of Association. We will now report to you on the work of the Board of Directors:

A. Review of the work of the Board of Directors in 2018**(I) Strengthen strategic management and promote dual-track strategy of “transformation + innovation”**

1. *Establish the development direction and clarify the market position by amending the 5-year development strategy plan.*

In 2018, considering the actual needs of operation and management of the Bank, the Board of Directors amended the *Development Strategy Plan of Bank of Tianjin Co., Ltd. for 2016-2020*, summarizing the overall strategy of the Bank as “Six positions + Dual-track strategy + Ten programs (2.0)”. In the amended plan, the Board of Directors clarified the six market positions of “a mainstream bank in Beijing – Tianjin – Hebei region, a dual-track bank, a value-driven bank, a bank proud of compliance and integrity, a bank offering superior experience, a bank that cares for employees”, dual-track strategy of “transformation + innovation”, and ten programs consisting of “three management programs, three building programs and four driver and assurance programs” (2.0),

opening a new horizon for the goals and direction of development of the Bank as a whole. To ensure that tasks planned for 2018 are implemented, the Board of Directors carefully analyzed and considered the annual business and operation plan, financial budget, performance appraisal indicators, and institution development plan for 2018, giving full play to the role of core decision-maker, supervisor and guider.

2. *Substantial results of transformation and innovation characterized by “quantity reduction and quality improvement”.*

In 2018, under the guidance of the development strategy, the Bank completely abandoned the old concept of simply pursuing scale, followed the dual-track strategy of “transformation + innovation”, actively reduced its balance sheet and actively promoted the restructuring and transformation of its business.

When it comes to the wholesale banking business, the Bank acted in the principle of serving the real economy and customers’ needs. The Bank adhered to the “Four Tailor-made Approaches”, introduced new clients from emerging industries in the country and SME clients, rendered further services to retain our existing stable customers, offered the no loan withdrawal and no loan reduction service to maintain relationship with traditional customers that face temporary difficulties, and reduced high consumption and high pollution enterprises as well as clients of high risk profile. The Bank segmented the customers, strengthened the pricing management, and allocated more resources to the real economy, while supporting enterprises to replace old energy with new ones, our corporate loans income had shown corresponding increment.

The Bank led the financial market business to go back to the fundamental purpose by actively adjusted its business structure, effectively enhanced quality and efficiency, and actively invested into high-yield, low capital-intensive and highly-liquid assets. In terms of liabilities, the Bank absorbed low-cost capital by positive use of active debt instruments such as issuance of financial bonds, open market operation of the People’s Bank of China, and medium-term lending facility, thereby creating interbank liabilities within the regulatory indexes. When it comes to the transaction banking, the Bank promoted the development of supply chain business through marketing in the “four-in-one” marketing mode.

When it comes to the retail banking business, the Bank shifted its traditional customer acquisition mode in which we were used to rely on physical outlets and “street canvassing” to acquire customers, to actively adapt ourselves to the economic changes, utilize financial technologies, enhance capability of recruiting our personal loan customers and capability of risk control, enhance customer experience and satisfaction, resulting in significant increase in both our business scale and profitability. The Board of Directors also organized directors and supervisors to inspect and supervise the development of the Bank’s online retail business by listening to special reports, on-site inspections, dialogue and visits to institution partners.

In the course of the year, the Bank achieved remarkable results in transformation. Despite of slight decrease in the total assets of the Bank in 2018, the total operating income and total profits hit a new high, with significant rise of the profit indicators such as yield and net interest margin. The structure of assets and liabilities was gradually optimized. All operating indicators continued to improve. All regulatory indicators maintained a healthy trend toward stable growth, showing a good momentum of high-quality development.

(II) Deepen comprehensive risk management and internal control

In 2018, the Board of Directors gave full play to its functional role of management and supervision of risk and internal control. We strengthened the guidance and implementation of risk-related policies, actively carried out risk and internal control assessments, and doubled our efforts to control and manage the operational risks of the Bank as a whole. In terms of credit risk, various credit risk indicators of the Bank remained relatively stable, and credit risk was generally controllable. Particularly in terms of discharging and addressing of non-performing assets, the Bank made breakthrough progress in discharging and addressing non-performing assets by setting up an asset preservation team which consists of full-time discharging personnel, increasing the reward ratio, and implementing one policy for one household. In terms of operational risks, no major cases occurred. In terms of market risks, various regulatory indicators complied with regulatory standards, and no limits were exceeded in financial investment business. In terms of liquidity risk, good liquidity level was maintained, with significant optimization of various liquidity indicators. In terms of information technology risks, no major information technology risk incidents occurred. Operation of business was stable and business continuity was managed well.

1. Strengthen risk policy guidance

In 2018, the Board of Directors continued improving various risk systems, optimized the overall risk management and internal control system, and strengthened the capability to identify, measure, alert, prevent and dispose of risks. We improved the comprehensive risk management system in strategic positioning, governance structure, management mechanism and risk management culture to uniformly measure and control all business management activities and risks at all levels of the Bank. Responsibilities in respect to the risk management were clearly assigned to the Board of Directors, Board of Supervisors, senior executives, business department and risk management department. For various single risk management areas, the Board of Directors formulated or revised more than 20 risk management policies like large-sum risk exposure management policy, liquidity risk management policy, reputation risk management policy, country risk management policy, stress testing management policy, case prevention and control policy, operational risk management policy, compliance risk management policy, information technology risk management policy, and outsourcing risk policy, and management measures and systems. Specially *Country Risk Management Policy of Bank of Tianjin Co., Ltd.* filled up the previous institutional gap of country risk management.

2. *Strengthen risk identification and assessment*

In order to strengthen risk control, the Board of Directors developed a risk appetite statement for 2018, specifying the types and levels of risks that the Bank and the Group are willing to undertake to achieve their strategic objectives and business plans on a consolidated basis. For the period between September and December 2018, the audit department of the Bank conducted special audit-based evaluations on the adequacy and effectiveness of all aspects of the comprehensive risk management system. The evaluation covered comprehensive risk management of the Bank and major risk types such as, credit risk, market risk, liquidity risk, operational risk, bank account interest rate risk, reputation risk, and strategic risk. Results of the evaluation have shown that the Bank has basically completed the construction of its comprehensive risk management system and our efforts to improve the risk management are paying off. The audit department also evaluated the adequacy and effectiveness of internal control across the Bank, thereby issuing an evaluation report on the internal control for 2018, in which the audit department concluded that deficiency but not significant weakness and material weakness existed in the internal control of the Bank in 2018. Certain deficiencies existed in the internal control, but they are controllable, and they would not materially affect the realization of the objectives of the Bank's internal control.

3. *Strengthen risk stress test*

In 2018, the Bank further improved the stress test management system by clarifying the organizational structure, methods and processes of stress test management. The Bank carried out the banking stress test for 2018, which covered macro scenario stress test in connection with solvency, scenario stress test in connection with real estate-related loans, scenario stress test in connection with solvency sensitivity, liquidity risk stress test and contagion stress test. The Bank also conducted the integration stress test under the internal capital adequacy assessment project, and formulated emergency measures against results of the stress test, ensuring adequacy of capital under a certain degree of stress.

(III) Attach great importance to the information technology to enhance core competitiveness

In 2018, the Bank formulated the "IT Architecture Plan of Bank of Tianjin Co., Ltd. for 2018-2020", and implemented the strategic measure titled "2234", consisting of "two major strategic objectives of developing the bank into a stable and smart one, two systems for the traditional service segment and innovative service segment, three platforms, and four capabilities". According to the plan, the Bank will carry out 8 projects and 74 tasks in the following three years. The Bank completed the infrastructure planning characterized by "two places and three centers". In the centers, the Bank deployed 11 disaster recovery systems for core businesses, 4 more systems than those deployed in the old centers. We upgraded key infrastructure devices such as data center storage device, minicomputers and core networks, dramatically reducing the failure rate and downtime risk of the devices. In November 2018, in order to support the development of financial technology of the Bank, the Board of Directors

approved the acquisition of a property with a floor area of approximate 30,000 square metres for construction of the Financial Technology Centre of Bank of Tianjin. The space served as the platform for application of financial technology integrating “industry, teaching, research and application”.

(IV) Strengthen capital management to replenish the capital promptly

In 2018, the Bank strongly advocated the concept of capital constraint. The Bank implemented delicacy management, improved systems, optimized management processes and strengthened management tools and methods under capital constraints. The Bank formulated asset and liability management policies, implemented internal capital adequacy assessment procedures, and carried out self-assessment of compliance to ensure that the capital level is compatible with risk appetite and risk management level. The successful issuance of tier-2 capital bonds of RMB10 billion in January 2018 laid a good foundation for the Bank to maintain its capital adequacy and business development. The Bank actively paid attention to changes in regulatory policies, earnestly studied and analyzed capital instrument innovations of commercial banks, took a look at information relating to other banks, actively sought strategic investors, and explored new capital replenishment tools.

(V) Strengthen the management of related transactions to prevent and control the risks of related transactions

In 2018, the Board of Directors carefully fulfilled its duties of supervision and management of related transactions by taking the control of the risks of related transactions as the orientation and the compliance disclosure as the main objective.

1. Continue to strengthen standardized management of related transactions

In 2018, the Bank revised the *Measures of Bank of Tianjin Co., Ltd. for Management of Related Transactions* and the *Detailed Rules of Bank of Tianjin for the Implementation of Related Transaction Management* at the institutional level, with focus on accurately identifying related parties and related transactions of credit extension business, strictly examining and approving related transactions of credit extension business, and comprehensively strengthening related transaction process management of credit extension business.

2. Promptly update and improve the related party database and release related party information on a quarterly basis

In 2018, the Board of Directors and Related Party Transaction Control Committee of the Board of Directors carefully implemented the approval and filing procedures for related transactions with identified related parties. In the course of the year, a total of 1 major related transaction was accepted and 36 ordinary related transactions were filed, involving cumulative amount of related transactions up to RMB22.7 billion. The related transactions were resulted from the needs of normal business activities and they were conducted in the commercial principles. In 2018, the Bank engaged external lawyers to

investigate the related transactions of major shareholders. The investigation results showed that the Bank boasts of sound system for related transaction system, complete management framework for related transaction, and effective approval procedures, the related transactions complied with regulatory requirements, disclosures related to related transaction were made in a standardized manner, and that shareholders reported the related party as required.

3. *Actively promote the related transaction management information system project*

In 2018, the Bank continued to push forward the construction of the related transaction management information system. The system is expected to go live and operate in 2019, with an aim to realize systematic, dynamic and electronic management of related transactions.

(VI) Actively fulfill social responsibilities to improve corporate image

In 2018, the Bank earnestly fulfilled its corporate social responsibility by actively supporting the development of the real economy, promoting inclusive finance, and espousing green and low-carbon finance. The Bank committed itself to harmonious social development. **Economy:** the Bank actively responded to the development strategy of China, rooted in the real economy, and proactively participated in the coordinated development of Beijing, Tianjin and Hebei by focusing on eight industries, intensifying financial support for industries related to well-being of the people, and helping optimization and upgrading of the industrial structure for the Beijing-Tianjin-Hebei region. **Environmental protection:** the Bank applied the concept of green finance to each aspect of financial services and operation management, and promoted green credit business to support the development of green industry. **Public welfare establishments:** the Bank proactively participated in various public welfare activities. The Bank conducted 136 voluntary service activities with 2,310 participants. The Bank leveraged its own business and resource advantages for targeted poverty alleviation, dispatched partner assistance workforces to support construction of the infrastructure and assist villagers in hardship in three poor villages in Ninghe District of Tianjin; and investigated deeply poor villages in Kangding City, Sichuan Province, during which the Bank donated funds for village irrigation projects and the construction of “Jin Jin You Wei (津津有味)” book bars. **Protection of consumer rights:** the Bank focuses protection of consumer rights on strengthening the functions of consumer protection, improving the system, improving consumer protection team, intensifying the development of professional training, properly handling customer complaints, and actively carrying out publicity and education to popularize financial knowledge to the public. In 2018, 2,639 indoor and outdoor publicity and education activities were conducted, an increase of more than 400 activities over the previous year, benefiting nearly 2 million people.

Thanks to its outstanding performance in social responsibility management and practice, in 2018, the Bank won the titles of “Top Ten Banks for Targeted Poverty Alleviation and Innovation”, “Outstanding Contribution in Financial Services for Small and Medium-sized Enterprises at the 40th Anniversary of Reform and Opening up”, “Annual Social Responsibility Contribution Award”, “Financial Knowledge Promotion” and “Organization with Excellent Performance in the Month of Financial Knowledge Publicity and Service of Tianjin Banking Industry”, demonstrating the bank’s strength in the development of social harmony.

(VII) Strengthen management in the Group by intensifying supervision over the guidance of subsidiaries

In 2018, the Bank strengthened the management, supervision and guidance of subsidiaries in light of the overall development strategy and group management requirements. The Bank further organized ideas of management of rural banks. The Bank reduced the management levels, abolish the management department of rural banks in Xinjiang and Ningxia, established a Group Management Committee under the senior executives to clarify the management responsibilities of all departments of the head office for subsidiaries and to strengthen the management of development strategy and management strategy for rural banks. The Bank actively guided Bank of Tianjin Financial Leasing Co., Ltd. to focus on its main business, and adjust and optimize its business structure, thereby achieving qualitative improvement in operating efficiency.

(VIII) Continuously improve corporate governance to give full play the role of governance mechanism

- 1. Successfully complete the election of the latest Board of Directors.** The term of office of the fifth Board of Directors of the Bank expired in 2018. The Board of Directors, on the basis of needs of its work, strengthened communications with major shareholders, regulatory authorities and competent authorities at higher level, worked out an election plan, and identified candidates for four executive directors, six non-executive directors and five independent non-executive directors. The Board of Directors completed the election of the sixth Board of Directors through standard procedures. The new Board of Directors performed their duties smoothly.
- 2. Improve corporate governance system.** In 2018, the Bank compiled *Corporate Governance Manual of Bank of Tianjin Co., Ltd.*, which consists of 72 external laws and regulations and 60 internal systems. The Bank re-examined systems at the level of the Board of Directors, and updated and improved 33 systems according to the relevant regulatory regulations.

- 3. Make decisions regarding significant matter in a lawful, compliant and transparent manner.** In 2018, the Board of Directors performed its decision-making and supervision functions as authorized by the annual general meeting. The Board of Directors held 6 meetings around the year, at which meetings the directors considered 68 proposals and adopted the resulted resolutions, and reviewed and listened to 17 reports. In the same year, the Bank convened 1 annual general meeting, at which 12 proposals were considered and the resulted resolutions were adopted, and 2 reports were deliberated. Professional lawyer issued legal opinions with respect to each meeting of the Board of Directors and the annual general meeting to ensure that the procedures comply with the laws.
- 4. Strengthen investor relations and perform information disclosure obligations in accordance with the laws and regulations.** In 2018, the Board of Directors strengthened communications with investors by timely release of 32 announcements such as annual report, results report and social responsibility report to continuously improve their knowledge of the Bank, and deepen their understanding of the Bank. The Board of Directors worked out a dividend plan for 2017 reasonably, under which RMB1.8 shall be paid every 10 shares, with a total cash dividend of RMB1.093 billion. The dividends were paid on July 6, 2018.
- 5. Earnestly implement the regulatory requirements for main shareholders.** In 2018, the Board of Directors, in strict accordance with the new regulatory requirements, promptly incorporated the relevant regulatory requirements on shareholder management and the rights and obligations of shareholders into the articles of association and equity management measures of the Bank. The Board of Directors also checked and assessed the performance of duties and obligations by main shareholders against the external regulations, and issued a self-assessment report. The Bank also engaged external lawyers to conduct due diligence on main shareholders to further verify the accuracy and compliance of self-assessment on main shareholders conducted by the Bank.

In the second half of 2018, CBIRC Tianjin Office conducted an on-site inspection of our corporate governance. The CBIRC Tianjin Office believed that the Bank is capable to continuously improve the corporate governance structure, standardize the rules of procedure and process, strengthen internal control and risk control, improve the incentive and restraint mechanisms, and continuously improve the ability of the “Board of Directors, Board of Supervisors and Senior Management” to perform duties, in accordance with the *Guidelines for Corporate Governance of Commercial Banks*, and that the Bank is capable to constantly standardize the management of shareholders’ equity and related transactions in accordance with regulations such as the *Interim Measures for Management of Equity of Commercial Banks*. The Bank have developed a rectification plan for the inspection findings, and such plan has been submitted to the CBIRC Tianjin Office.

In 2019, the international and domestic economic and financial situation will remain complicated, and the Bank will still assume large operational pressure. Fully considering the actual situations, the Board of Directors will continue improving its ability to perform the duties, make more forward-looking, innovative and guiding decisions, promote strategic transformation and innovative development of the Bank, and enhance the corporate value of the Bank.

First of all, continuously improve corporate governance. The Board of Directors will adhere to the purpose of business of the Bank, incorporate the latest requirements into the Bank's corporate governance systems in a timely manner to ensure that the Board of Directors continues to perform its duties efficiently.

Secondly, actively promote the implementation of the development strategy. The Board of Directors will supervise the senior management to implement, follow up and assess the strategy plan to ensure the strategy plan is fully implemented at the executive level.

Thirdly, strengthen the monitoring of various financial risks. Leveraging the considerable regulatory background of the Bank, the Board of Directors will focus on intensified monitoring of credit risk, operational risk, market risk, and reputation risk, and will build up various bottom lines of risks to maintain orderly and steady development.

Fourthly, improve the duty performance of directors. The Board of Directors will, on the basis of the requirements of development strategy and actual operation situations of the Bank, further improve the capability and competence of duty performance of the Bank's directors through professional trainings, exchanges at symposiums, and participation in research on significant operation and management-related matters.

Fifthly, disclose information as required. The Board of Directors will further standardize how to disclose information to improve the quality and transparency of information disclosure, strengthen communication with the public, and will earnestly safeguard the right to know of shareholders and other stakeholders.

On behalf of the Board of Directors
Li Zongtang
Chairman

Tianjin, China
March 22, 2019

**2018 ANNUAL WORK REPORT OF THE BOARD OF SUPERVISORS OF BANK OF
TIANJIN CO., LTD.**

Dear shareholders:

In 2018, the Board of Supervisors fully played its functional role as the board of supervisors in strict accordance with the Articles of Association of the Bank and regulatory requirements, as well as the development situation of various works of the Bank, so as to ensure the standard and efficient performance. Work report of the Board of Supervisors is set forth hereunder:

A. Major works

In 2018, the Board of Supervisors inspected and supervised operating conditions, financial activities and fulfillment of duties by the directors and senior executives of the Bank by debriefing work reports of senior management and special reports from relevant departments, and documents review through regular meetings, attending the relevant meetings of the Board of Directors, and special research investigations. In 2018, a total of 7 meetings were held by the Board of Supervisors, with 61 proposals being considered and 46 items being reported.

(I) Successful election of the latest Board of Supervisors

In June 2018, election of the latest Board of Supervisors was successfully completed on the basis of the needs of performance of duties by the Board of Supervisors pursuant to the regulatory requirements. The latest Board of Supervisors consist of five members, three of whom are the original supervisors and the remaining two members are the newly-elected ones, effectively considering both the professional competence of members of the Board of Supervisors and their ability to better perform duties. After the establishment of the new Board of Supervisors, supervisors from the regulatory authority and lawyers of the Bank were invited to provide duty performance training for members of the Board of Supervisors, and the members also participated in the operation training of the Board of Supervisors provided by external training institutions to further improve their competence and ability to perform their duties. At the same time, the Board of Supervisors participated in reviewing the process for election of the Board of Directors and senior executives, and supervised that the elections were conducted in accordance with the articles of association and regulatory requirements.

(II) Supervision on performance of duty

During the Reporting Period, the Board of Supervisors continuously supervised the performance of duties, compliance of the Board of Directors and the senior executives and their members with laws and regulations as well as articles of association and systems of the Bank, and implementations of resolutions of annual general meetings and meetings of Board of Directors, and regulatory opinions, with focus on supervision on the performance of duties of

the Board of Directors and the senior executives in the corporate governance, development strategy and operation management. In the face of the new normal emerging in the economic and financial sectors, the Board of Supervisors continuously deepened its supervision over fulfillment of duty, and actively made innovations in how to supervise the fulfillment of duty, thereby carrying out the supervision over fulfillment of duty in all supervision areas such as financial activities, risk management and internal control. The Board of Supervisors strengthened its supervision over the implementation of macroeconomic policies and regulatory requirements of China, paid attention to the Bank's support and service for the real economy and local economic development, and its commitment to its social responsibilities, and focused on research on evaluation on and implementation of the development strategy of the Bank. The Board of Supervisors organized the supervisors to visit Chengdu together with directors to carry out on-site investigations on the retail business of the Bank and the cooperation between the Bank and Sichuan Xinwang Bank to further enhance their comprehensive understanding of the implementation of businesses of the Bank and development of its branches. During such visit, the supervisors raised many suggestions and advice with respect to the online retail business. The Board of Supervisors intensified the supervision over the Board of Directors and its directors, and the senior executives and its members in respect of fulfillment of responsibilities and execution of duties by attending meetings of the Board of Directors and its special committees and the senior executives, participated in reviewing the process for election of the Board of Directors and senior executives, and supervised that the elections were conducted in accordance with the articles of association and regulatory requirements. The Board of Supervisors evaluated performance of duties of the Board of Directors and the directors, and the senior executives and its members in accordance with the regulatory requirements, and produced a duty performance evaluation report, which has been submitted to the annual general meeting.

(III) Financial supervision

The Board of Supervisors carefully reviewed the periodic reports, debriefed the reports on the preparation of annual and semi-annual reports and results announcements, and put forward written review opinions on the authenticity, accuracy and completeness of such reports. At the same time, the Board of Supervisors strengthened the supervision over the external audit work and listened to the report on hiring an external auditor to review and audit the 2018 financial statements of the Bank. The Board of Supervisors listened to reports from the senior executives on a quarterly basis, and conducted in-depth investigations on operations of the branches, thereby putting forward opinions and suggestions.

(IV) Internal control supervision

In a response to the strategic requirement of "transformation + innovation", the Bank continued to push forward the institutional infrastructure construction. The Board of Supervisors strengthened its supervision over the development of internal control system, and continuously paid attention to the establishment and improvement of the internal control system, optimization and improvement of the management system, and the performance of

duties by the “three lines of defense”. We exclusively debriefed the regulatory circular for 2017 issued by CBIRC Tianjin Office and rectifications conducted by the Bank, with focus on internal control and risk problems raised by the regulatory authority. The Board of Supervisors regularly listened to the focus report issued by the internal audit department, raised opinions and suggestions on the internal audit in terms of staff adding, intensified training, independent assessment, and further investment (including third-party services), etc. and improved the guidance on the internal audit. The Board of Supervisors supervised the formulation of the case prevention and control management system, listened to the internal control evaluation report and the work reports of the Board of Directors and the senior executives on a regular basis, and paid attention to the performance of the duties by the Board of Directors and the senior executives in respect of the case prevention and control.

(V) Risk management supervision

Faced with the changing operating environment and regulatory environment, and considering the actual situation of the Bank, the Board of Supervisors continuously strengthened its supervision over the construction and implementation of the comprehensive risk management system, listened to reports on the comprehensive risk management on a quarterly basis, monitored the Bank’s compliance with risk regulatory indicators, and supervised the policy systems such as stress testing, liquidity risk, compliance risk and large-sum risk exposure. The Board of Supervisors strengthened the consolidated management and supervision and supervised the construction of consolidated management system. The Board of Supervisors paid attention to the control and management of related transactions. The Board of Supervisors listened to reports on the related transactions on a quarterly basis, and special reports issued by the audit department on audit results of the related transactions to supervise the performance of duties by the Board of Directors and the senior executives in respect to the related transaction management. The Board of Supervisors paid close attention to credit risk management and control of the Bank. The Board of Supervisors organized to carry out special credit risk investigation on and inspection of the branches. The Board of Supervisors carried out on-site investigations on five branches outside Tianjin and one central branch within Tianjin, during which the Board of Supervisors had in-depth exchanges and discussions with the leadership of each of those branches with respect to credit risk condition, prevention and control capability, internal control management, disposal of credit risk and next steps to be taken, implementation of rectifications of findings identified in the early inspection, and performance of duties by the management of each of those branches in light of their own professional advantages and practical experience, thereby putting forward positive suggestions and guidance on the operation and development direction of each branch from perspective of the duty performance on part of the supervisors. At the same time, the Board of Supervisors interviewed with the senior executives in connection with issues found in the branches and involving the operation and management of the head office. Considering findings identified through on-site inspection conducted by the audit department in the early stage, the Board of Supervisors feedback a supervision reminder letter for special inspection to the senior executives, requiring the senior executives to formulate practical and effective rectification measures and to supervise the implementation of such measures.

(VI) Improve the Board of Supervisors

The Board of Supervisors continued to improve mechanism, methods and means of supervision, while instilling a sense of the overall picture and highlighting the risk-oriented principle. Led by the party building, the Board of Supervisors gave full play to the supervision power of internal audit. The Board of Supervisors organized to evaluate performance of duties by the supervisors annually. All members of the Board of Supervisors performed their duties diligently, actively attended meetings and other duty performance-related activities, carefully deliberated proposals, and enhanced their abilities to perform duties through meetings, trainings, research and inspection. By amending five systems and regulations based on the relevant rules and regulations applicable to its functional area and the external regulatory provisions: measures for evaluation on duty performance of supervisors, measures for management of allowance for supervisors, measures for evaluation on performance of duties by the Board of Directors and directors, measures for evaluation on performance of duties by the senior executives and its members, and measures of the Board of Supervisors for management of supervision, the Board of Supervisors improved practicality and effectiveness of evaluations on duty performance by the directors, supervisors and the senior executives so that the evaluation gradually becomes more scientific and standardized. The Board of Supervisors further clarified that it focused supervision and inspection on performance of duties, financial activities, internal control and risk management so that we and our special committee carry out the work more smoothly.

B. Independent opinions of the Board of Supervisors on relevant matters

During the reporting period, the Board of Supervisors performed its duties of supervision toward the Board of Directors and the senior executives of the Bank in accordance with the Articles of Association. The Board of Supervisors issued its opinions on the relevant matters as follows:

(I) Operation in accordance with the laws

During the reporting period, the Bank operated in compliance with laws and regulations, and continuously improved its internal control system. The decision-making procedures of the Bank complied with the laws, regulations and relevant provisions of the Articles of Association, members of the Board of Directors and the senior management earnestly performed their duties, and none of these members was found violating the laws and regulations and engaging in activities that harm interests of the Bank and shareholders when they were performing their duties.

(II) Preparation of the annual report

The preparation and review procedures of the annual report for 2018 complied with the laws, regulations and regulatory requirements, and the contents of the report reflected the actual situation of the Bank truly, accurately and completely.

(III) Related transaction

During the reporting period, the Board of Supervisors monitored the management of related transactions of the Bank and found no acts damaging the interests of the Bank and its shareholders.

(IV) Implementation of the resolutions of the annual general meeting

During the reporting period, the Bank held one annual general meeting, and members of the Board of Supervisors attended such meeting in accordance with the relevant provisions of the *Company Law of the People's Republic of China* and the *Articles of Association of Bank of Tianjin Co., Ltd.*. The members of the Board of Supervisors didn't object the reports and proposals submitted by the Board of Directors of the Bank for deliberation at such meeting, and by monitoring the implementation of the resolutions of such meeting, the Board of Supervisors believed that the Board of Directors of the Bank is able to carefully implement the relevant resolutions of the annual general meeting.

In 2019, the Board of Supervisors will continue to focus on performance supervision as its core work, with internal control and risk supervision as the keynote. Main tasks of the Board of Supervisors are as follows:

1. Strengthen supervision of duty performance. The Board of Supervisors will complete the evaluation on the duty performance of directors, supervisors, and the senior executives for 2018 in accordance with the current measures for duty performance evaluation. The Board of Supervisors will regularly communicate with the Board of Directors and the senior management with respect to financial positions, risk management or internal control of the Bank, supervise compliance of the Board of Directors and the senior management with the laws and regulations during their performance of duties, and will safeguard legitimate interests of stakeholders.
2. Continuously strengthen the construction of the Board of Supervisors. In conjunction with requirements on listed banks, the Board of Supervisors will continue to carry out trainings for the supervisors to constantly promote overall quality and performance capability of the supervisors. The Board of Supervisors will strengthen its office to constantly improve our work quality and competence, and enhance our institutionalization and standardization.
3. Organize the completion of special supervision and inspection. The Board of Supervisors will, in light of the major works of the Bank for 2019 and its actual situation, produce special supervision and inspection report through field investigation and interview with respect to 1-2 special supervision and inspection

topic(s) such as implementation of development strategy of the Bank and in the report, the Board of Supervisors will properly require the Board of Directors or the senior management to rectify the findings, and will monitor the implementation of such rectification.

4. Actively give full play to the role of special committees. The nomination committee will comprehensively evaluate the duty performance of directors, supervisors and senior executives in accordance with the current performance evaluation measures and report to the Board of Supervisors; and will conduct a preliminary examination of the qualifications and conditions of the supervisors of the Bank and make suggestions to the Board of Supervisors. The supervision committee will focus the supervision on the current concerns of regulators and major risks faced by the Bank, organize the supervisors to attend or participate in the relevant meetings of the Board of Directors and senior executives as scheduled, carefully review the overall risk situation of the Bank, fully express supervisory opinions, and pay attention to the follow-up implementation of such opinions.

On behalf of the Board of Supervisors
FENG Xia
Chairwoman

Tianjin, China
March 22, 2019

NOTICE OF 2018 ANNUAL GENERAL MEETING

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BANK OF TIANJIN CO., LTD.*

天津銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1578)

NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (the “**AGM**”) of Bank of Tianjin Co., Ltd. (天津銀行股份有限公司) (the “**Bank**”) will be held at Geneva Hotel (No. 32 Youyi Road, Hexi District, Tianjin, the PRC), at 9:30 a.m. on Thursday, May 16, 2019.

The following resolutions will be considered and, if thought fit, approved by the Shareholders of the Bank at the AGM:

ORDINARY RESOLUTIONS

1. to consider and approve the Work Report of the Board of Directors for 2018;
2. to consider and approve the Work Report of the Board of Supervisors for 2018;
3. to consider and approve the Report for Final Financial Accounts for 2018;
4. to consider and approve the Profit Distribution Plan for 2018;
5. to consider and approve the Report for Financial Budget for 2019;
6. to consider and approve the appointment of external auditor to review and audit the financial statements for 2019;

SPECIAL RESOLUTION

7. to consider and approve the issuance of tier 2 capital bonds for 2019 – 2020;

NOTICE OF 2018 ANNUAL GENERAL MEETING

TO RECEIVE THE RELEVANT REPORTS

8. to listen to the Appraisal Report on the Performance of Duties by Directors, Supervisors and Senior Management of the Bank for 2018; and
9. to listen to the Work Report of independent non-executive Directors for 2018.

By Order of the Board
Bank of Tianjin Co., Ltd.
LI Zongtang
Chairman

Tianjin, China
March 28, 2019

As at the date of this announcement, the board of directors of the Bank comprises Mr. LI Zongtang, Mr. SUN Liguo, Ms. ZHANG Furong and Mr. LIANG Jianfa, as executive directors; Ms. SUN Jingyu, Mr. WU Tao, Mr. Alistair Marshall Bulloch, Mr. ZHAO Wei, Mr. XIAO Jingxi and Ms. LI Jun as non-executive directors; Mr. FENG Heping, Mr. LAW Yee Kwan, Quinn, Mr. JIN Qingjun, Mr. HUA Yaogang and Mr. HE Jia as independent non-executive directors.

* *Bank of Tianjin Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

Notes:

1. Additional information of the Work Report of the Board of Directors for 2018 and the Work Report of the Board of Supervisors for 2018 are set out in Appendices I and II to the circular of the 2018 AGM, respectively.

2. Registration procedures for attending the AGM

Individual Shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual Shareholders shall produce their effective proof of identity and proxy form. A corporate Shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his/her identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed to attend the meeting, the proxy should produce his/her identity card and an authorisation instrument duly signed by the legal representative of the corporate Shareholder.

3. Reply Slip

Holders of H Shares who intend to attend the AGM in person or by proxy should return the reply slip in person, by post or by facsimile to the H Share Registrar, Computershare Hong Kong Investor Services Limited, on or before Friday, April 26, 2019.

The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: +852 2862 8555, Fax: +852 2865 0990).

NOTICE OF 2018 ANNUAL GENERAL MEETING

4. Proxy

Any Shareholder entitled to attend and vote at the 2018 AGM is entitled to appoint one or more persons (whether such person is a shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf.

The instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorised in writing. For a corporate Shareholder, the proxy instrument must be affixed with the common seal or signed by its director or attorney duly authorised in writing.

The proxy form (together with a notarially certified copy of the power of attorney or other authority (if any) if this proxy form is signed by a person on behalf of the appointor) must be delivered by the holder of H shares to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 9:30 am on Wednesday, May 15, 2019 (Hong Kong time). If no direction is given, the proxy will be entitled to vote or abstain as he/she thinks fit. The proxy will also be entitled to vote at his/her discretion on any resolution properly put forward at the 2018 AGM other than those referred to in the notice convening the 2018 AGM.

Where there are joint holders of any Shares, any one of such persons may vote at the 2018 AGM, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto. However, if more than one of such joint holders is present at the 2018 AGM, either personally or by proxy, then one of the said persons so present whose name stands first in the register of members in respect of such shares shall alone be entitled to vote in respect thereof.

Completion and return of a proxy form will not preclude a Shareholder from attending in person and voting at the AGM or at any adjournment thereof if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

5. Closure of register of members

In order to determine the list of Shareholders who are entitled to attend and vote at the 2018 AGM to be held on Thursday, May 16, 2019, the register of members of the Bank will be closed from Tuesday, April 16, 2019 to Thursday, May 16, 2019 (both days inclusive). The holders of H shares of the Bank who intend to attend and vote at the 2018 AGM must lodge all the transfer documents accompanied by the relevant H share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to process the registration not later than 4:30 p.m. on Monday, April 15, 2019.

In order to determine the list of Shareholders who are entitled to receive the 2018 final dividends, the H shares register of members of the Bank will be closed from Wednesday, May 22, 2019 to Monday, May 27, 2019 (both days inclusive). Shareholders whose names appear on the register of H share register of members and domestic share register of members of the Bank on Monday, May 27, 2019 will be entitled to receive the final dividends. The holders of H Shares who intend to qualify for receiving the final dividends must lodge all the transfer documents accompanied by the relevant H share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to process the registration not later than 4:30 p.m. on Tuesday, May 21, 2019.

6. Publication of poll results

Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, each of the resolutions set out in the Notice of the 2018 AGM will be voted by poll. Results of the poll voting will be published on the Bank's website at www.bankoftianjin.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM.

7. Others

The 2018 AGM is estimated to last no longer than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own traveling, dining and accommodation expenses.