



2019 CSR

Corporate Social
Responsibility Report



**CHINA
EVERBRIGHT
BANK**

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Chairman's Message

In 2019, China Everbright Bank maintained strategic resolve, furthered strategic implementation, and achieved remarkable results of value creation toward the goal of "building a first-class wealth management bank".

We lived up to our new responsibilities with indomitable courage. We went all out to serve national strategies by supporting the development in key regions including the Belt and Road area, Beijing-Tianjin-Hebei Region, Guangdong-Hong Kong-Macao Greater Bay Area, and the Yangtze Economic Belt. Committed to "growing together with private enterprises", we rolled out multiple measures to address their difficulties. We continued our efforts in inclusive finance to help small and micro enterprises and played an active role in poverty alleviation through combined methods integrating industry, finance, people's livelihood and Party building.

We fostered driving forces for new growth through technological empowerment. By implementing the "technology input multiplication program", RMB3.4 billion was invested in technology throughout the year, accounting for 2.56% of operating income. The digital banking construction was accelerated by enhancing security and efficiency through AI, deepening trust and expanding cooperation through blockchain, improving services and coordination through cloud computing, and preventing risks and boosting marketing through big data.

We launched hit products to better serve the customers. CEB Cloud Fee Payment platform served more than 7,000 items, helping 378 million users make payments within minutes instead of hours. CEB Cloud payment became a useful tool of digital inclusive finance that benefited medium, small and micro enterprises as well as the self-employed. The Sunshine Annuity program, as the selected institutional custodian, successively won 30 bids for occupational annuity funds across provinces and municipalities, providing all-round elderly care services.

We broke new ground and gathered new forces. Everbright Wealth Management Co., Ltd., a new CEB subsidiary, was inaugurated. And preparations for another CEB subsidiary of consumer finance were officially approved for

establishment. CEB Sydney Branch was opened for operation, marking a new achievement in our overseas footprint. Greater efforts were made for talents selection, during which key employees born in the 1980s stood out and managerial personnel at the branch level competed for positions.

We protected the environment with innovation. We provided more green credit to such key fields as new energy, circular economy, energy conservation, and emission reduction in a bid to facilitate economic transformation and build a beautiful China. The "zero-waste headquarters" pilot program was carried out to reduce and recycle wastes in office areas.

We stood by the country and the people in overcoming the common challenge. After the outbreak of COVID-19, we acted promptly to make donations and roll out preferential credit policies for special industries, opened green channels and provided innovative services during the pandemic. The whole bank was united and resolved in fighting and winning the battle against the pandemic.

Let's seize the day and live it to the full. In 2020, China Everbright Bank, in the face of both challenges and opportunities, will strive to "pursue progress while maintaining stability, seek opportunities amid profound changes, and achieve new development on the way forward". We will practice the new development philosophy, promote high-quality development, improve the value creation capability, and consistently serve the real economy. We will push forward the Wealth E-SBU initiative, step up the strategic transformation towards "agility, technology and ecosphere", and present new and good results in the journey of "building a first-class wealth management bank". Together with our stakeholders, we will forge ahead in the pursuit of sustainable development!

Dr. Li Xiaopeng
Chairman
March 27th, 2020



President's Message

In 2019, China Everbright Bank worked around the center of "value creation" and towards the vision of "building a first-class wealth management bank". In deepening the supply-side structural reform in the financial sector, CEB grasped the two centerlines of serving the real economy and people's livelihood, implemented national strategies with a focus on key businesses, and accelerated the strategic transformation towards "agility, technology and ecosphere".

In 2019, CEB registered an operating income of RMB132,812 million, a total profit of RMB45,163 million, net profit of RMB37,441 million and net profit attributable to shareholders of RMB37,354 million, representing a year-on-year increase of 20.47%, 10.55%, 11.03% and 10.98% respectively. As at the end of December 2019, the total assets of CEB stood at RMB4,733,431 million, up 8.63% as compared with those at the end of the previous year. NPL ratio was 1.56%, down by 0.03 percentage point from the end of the previous year. Having achieved fast performance growth with high-quality services, CEB also created values for the nation, society and the people.

We created economic values by serving the real economy. Closely following the national strategies, we strongly supported regional development of Beijing-Tianjin-Hebei Region, the Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area. The balance of on-balance-sheet and off-balance-sheet credit for those strategies stood at RMB1.25 trillion, representing an increase of 21.86%. Inclusive finance was set as our bank strategic goal to provide strong support for SMEs (small and micro enterprises) and private businesses. The balance of loans to SMEs increased by 10.7% year on year while the number of SME customers increased by 21%. In active response to the national strategy of new urbanization construction, the balance of urbanization construction loans extended by CEB reached RMB153.2 billion, representing an increase of RMB23.78 billion in the year. Besides, we actively supported the Belt and Road Initiative and stepped up our overseas layout to enhance the capability of providing services worldwide.

We created social values by improving people's livelihood. We leveraged on the Wealth E-SBU's leading role and main force to promote industry with finance and develop finance with industrial development. We improved the fee payment service for convenience for the people through financial service digitalization driven by technology innovation. CEB Cloud Fee Payment has become the largest

open platform of its kind in China with more than 7,000 items provided to 378 million users. We perfected the mechanism and created new modes of targeted poverty alleviation to promote the work on multiple dimensions, shifting the focus from "helper to enabler". RMB20.5054 million worth of goods from 40 national-level poverty-stricken counties have been sold cumulatively, and the public welfare program "Water Cellar for Mothers" with our support for 15 consecutive years has benefited nearly 140,000 people in total. Committed to public welfare and spreading love and care for more people, we set up the Everbright Sunshine Fund with China Soong Ching Ling Foundation. We also carried out 150 events of volunteer services called "Everbright Urban Charity Map" in 113 cities participated by 21,090 employees.

We created governance values through sound operation. We built the intelligent risk control system centered on big data, AI, blockchain and other cutting-edge technologies. The substantial breakthroughs in several technologies were successfully applied to inclusive finance such as consumer credit and SME loan, significantly enhancing our capability in risk control and management. We continuously consolidated the corporate governance system and ensured smooth succession of directors. In addition, we improved the internal control and compliance system to safeguard financial services and further raise the governance level.

We created environmental values through green development. We consistently pushed for energy conservation and consumption reduction in office areas, took measures to reduce CO₂ emissions and improve resource utilization efficiency, so as to minimize direct environmental impacts. Meanwhile, we supported such fields as circular economy and new energy with green financial instruments including green credit, green bond and green leasing, aiming to assist in developing a green economy and building a beautiful China. As at the end of December 2019, our green credit balance stood at RMB90,699 million, representing a year-on-year increase of 15.7%.

Since the outbreak of COVID-19, we have resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, and rolled out a series of measures to get through this difficult time together with our stakeholders. The *Notice on Providing Credit Support for Relevant Industries in Fighting the COVID-19 Epidemic* was issued across the Bank, and a special credit increment of

RMB20 billion was allocated to related enterprises to produce sterilization products and anti-virus medicines or purchase epidemic control supplies. We launched six policies and three special products to guarantee financial support for small and micro enterprises. We adopted epidemic-containing measures and released the *"Love Everbright; Safeguard our Homeland" - Measures for Protecting Frontline Employees during the Special Period* to truly ensure employees' safety and operation security. With firm confidence and united efforts, we will continue to implement relevant arrangements and make contributions to winning the battle against the virus.

The fulfillment of responsibilities starts with the first step. Looking ahead to the year 2020, we will continue to "pursue progress while maintaining stability, seek opportunities amid profound changes, and achieve new development on the way forward". Following the national blueprint of major strategies, pursuing high-quality development and deepening the supply-side structural financial reform, we will take solid steps in building a first-class wealth management bank, and fulfill our social responsibilities through sustained efforts into targeted poverty alleviation, public welfare and other CSR work. China Everbright Bank will continue to devote itself to creating more values for the sustainable and healthy development of economy, society and ecology.



Mr. Liu Jin
President
March 27th, 2020

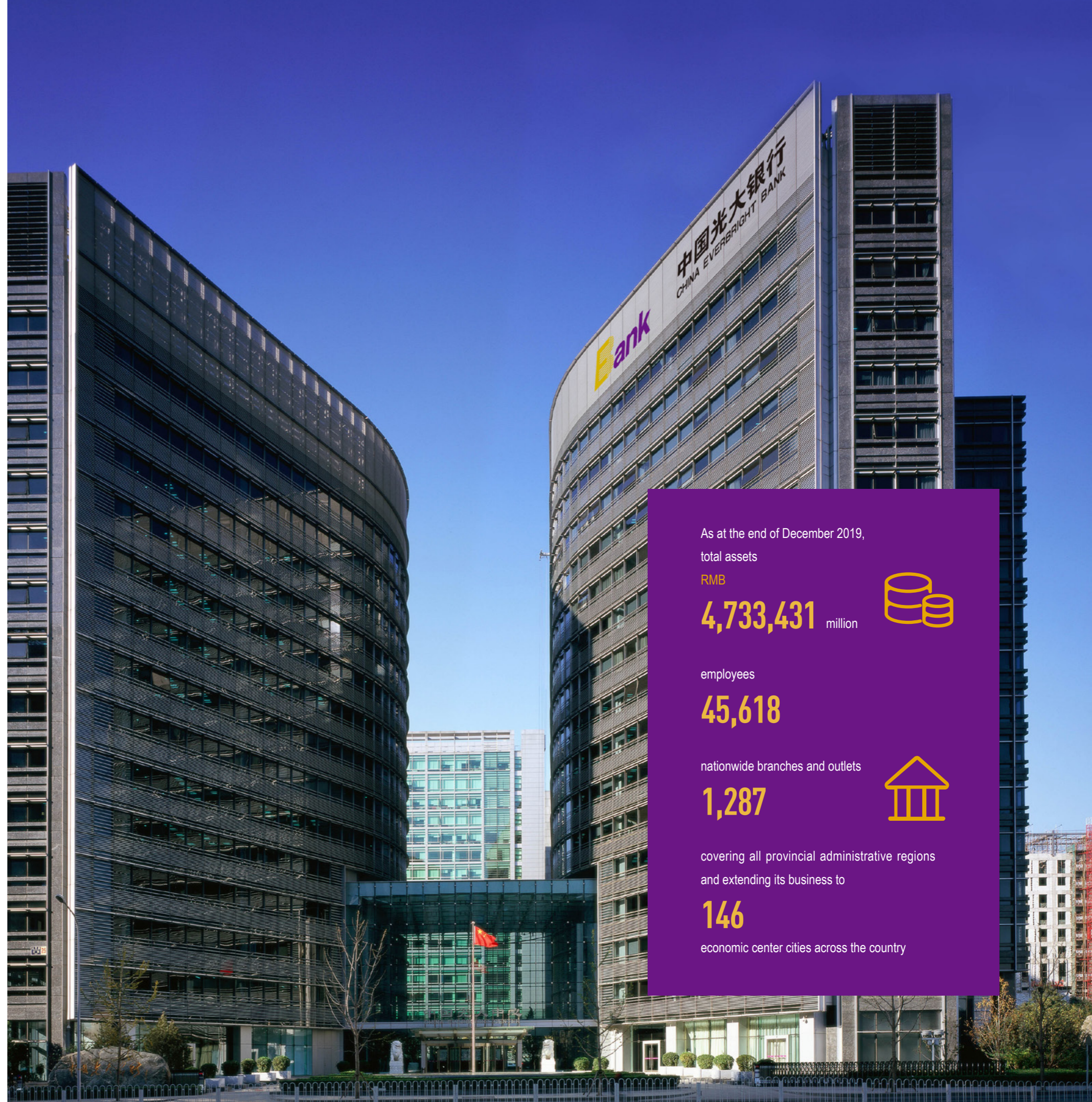
About us

China Everbright Bank (hereinafter referred to as “CEB” or “the Bank”), established in August 1992 and headquartered in Beijing, is a national joint-stock commercial bank approved by the State Council of China and the People’s Bank of China (PBOC). The Bank was listed on the Shanghai Stock Exchange (SSE) in August 2010 (stock code 601818) and Hong Kong Exchanges and Clearing Limited (HKEX) in December 2013 (stock code 6818).

With continuous reform and innovation made since its establishment in improving its product design, channel development and service models, CEB forged a strong competitive edge in its major products and business lines such as asset management, investment banking, e-banking and credit card. Therefore, the Bank has achieved a balanced growth of all business lines, with improved risk management and enhanced innovation capabilities.

As at the end of the December 2019, the Bank had RMB4,733,431 million of assets, 45,618 employees and 1,287 branches and outlets nationwide, which managed to cover all provincial administrative regions and extended its business reach to 146 economic center cities across the country. To implement the wealth management strategy of the Bank, Everbright Wealth Management Co., Ltd. officially opened as the first wealth management subsidiary of a Chinese joint-stock commercial bank. Closely following up with the Belt and Road Initiative and expanding its international presence at a faster pace, the Bank put CEB Hong Kong Branch, CEB International Investment Corporation Limited, CEB Seoul Branch, CEB (Europe) S.A., CEB Luxembourg Branch and CEB Sydney Branch into operation successively. At the same time, its long-term sponsorship for “Water Cellar for Mothers,” a public welfare program, demonstrated CEB’s ever-growing commitment to its social responsibilities, which was well recognized by the Chinese society. The Bank was ranked No. 39 in the “Top 1,000 World Banks” and No. 28 in the Brand Finance “Banking 500 2020”.

Over the years, along with the evolution of Chinese economy and the growth of financial sector, the Bank managed to improve its brand image and market value continuously. While rendering its customers and the public with quality financial services, the Bank also secured a good business performance and is now an influential listed bank with sound compliance.



As at the end of December 2019,
total assets

RMB

4,733,431 million



employees

45,618

nationwide branches and outlets

1,287



covering all provincial administrative regions
and extending its business to

146

economic center cities across the country

Finance should play its role in serving the real economy, catering to economic and social development while meeting the needs of the people. An energetic and stable finance brings economy alive, while a prosperous and strong economy boosts finance. The economy and finance are interdependent and should grow and thrive together. We should deepen our understanding of the nature and laws of finance, base ourselves on China's reality and follow the path of financial development with Chinese characteristics.

—Xi Jinping's speech at the 13th Group Study Session of the Political Bureau of the CPC Central Committee

Key Indicators

Indicators	Unit	2019
Balance of loans to Beijing-Tianjin-Hebei Region	RMB 1 million	153,800
Balance of loans to the Yangtze River Delta and the Yangtze Economic Belt	RMB 1 million	675,300
Balance of loans to Guangdong-Hong Kong-Macao Greater Bay Area	RMB 1 million	150,300
Balance of loans to the central region	RMB 1 million	296,600
Balance of loans to the western region	RMB 1 million	224,700
Balance of loans to the northeast region	RMB 1 million	83,800
Balance of loans of urbanization construction	RMB 1 million	153,200



Creating Economic Value

— Staying true to who we are in pursuit of development, and forging ahead to reach for new success

Key actions

- The Belt and Road Initiative
- CEB Xiongan Branch and CEB Sydney Branch
- Inclusive finance
- Distinctive towns

Contribution to the UN Sustainable Development Goals



CSR stories

Inheriting millennium miracles along the Belt and Road



"Cicadas complain of thin mulberry-trees in the eighth-month chill at the frontier pass. Through the gate and back again, all along the road, there is nothing anywhere but yellow reeds and grasses. And the bones of soldiers from You and from Bing, who have buried their lives in the dusty sand. Let never a cavalier stir you to envy, with boasts of his horse and his horsemanship." (At a Border-Fortress (I), by Wang Changling)

Looking back on 2013, China launched the Belt and Road Initiative, giving a new meaning to this ancient road that connects the past and the present, and links China and other countries. So far, the Belt and Road Initiative, with huge power and potential, has opened up more space for economic growth of many countries and the world at large, provided a new platform for strengthening international cooperation and delivered new contributions to building a community with a shared future for mankind. Finance is the blood vessel of economy. The Belt and Road Initiative cannot develop without strong financial support. CEB has been actively supporting major projects in key areas along the Belt and Road. It has facilitated effective implementation of relevant projects by providing high-quality comprehensive financial services.

Expanding presence at home and abroad

As at the end of December 2019, the Bank had 22 tier-one branches and 39 tier-two branches in the 18 provincial-level administrative regions of China covered by the Belt and Road Initiative, thus covering all provincial-level administrative regions across the country. In overseas markets, the Bank accelerated its expansion of physical presence. CEB Hong Kong Branch, CEB International Investment Corporation Limited, CEB Seoul Branch, CEB (Europe) S.A., CEB Luxembourg Branch and CEB Sydney Branch were opened for business in succession.

As at the end of December 2019, tier-one branches

22 tier-two branches

39 in 18 provincial-level administrative regions



Innovating investment and financing modes

The Bank established a communication and coordination mechanism at both Head Office and branch levels for the Supervision and Coordination Committee on Comprehensive Financial Services and Mega Asset Projects, facilitating the overall planning and well-organized allocation

of resources for business activities associated with the Belt and Road Initiative. Meanwhile, it met the diverse demands of enterprises, including direct and indirect financing, M&As and reorganizations, by providing high-quality comprehensive financial service solutions involving various business lines and channels for key projects related to national strategies and high-quality customers.

Building a pan-trade-finance product system for cross-border trading

The Bank continued to improve the product innovation capability. Based on traditional international banking business products, the Bank provided a package of cross-border financial service solutions through integration of cross-border trade finance products (e.g. foreign-currency deposit and loan business, cross-border RMB business, cross-border e-commerce and cross-border cash pooling), completed by cross-border investment and financing, global wealth management, investment banking services and domestic and overseas interbank financing for cross-border clearing, thus offering high quality services for enterprises going global and international cooperation in production capacity.

Supporting infrastructure construction along the Belt and Road

The Bank implemented the strategic decisions of the Party and the State, met the requirements for high-quality development and provided comprehensive financial services and innovative capital market business to projects associated with the Belt and Road Initiative under the mega asset business coordination mechanism.



Supporting the 950 MW solar-photovoltaic and solar-thermal power generation project in Dubai

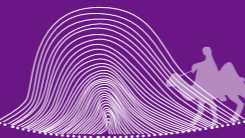
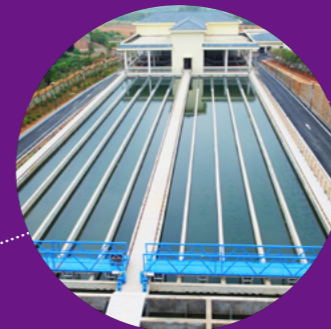


Supporting the cooperation in waste water treatment between Beijing OriginWater Technology Co., Ltd. and Pakistan's Punjab Province



Supporting the residential building and auxiliary infrastructure construction of Beijing Construction Engineering Group in Saudi Arabia

Supporting the cooperative hospital construction project of the Zambian subsidiary of Sinomine Resource Exploration Co., Ltd. and Zambian local government



As an old Chinese saying goes, at top of a hundred-foot pole, with one more step forward, one can make the ultimate achievement. CEB will continue to provide long-term, sustainable comprehensive financial support for the Belt and Road Initiative and become an important financial partner for Chinese and foreign enterprises participating in this initiative.



Creating
Economic Value

Serving the real
economy, contributing
to regional
development

Delivering Solid
Results in Inclusive
Finance, Exploring
the Way of Distinctive
Services

Building new towns to
make life better

Speeding up
the "three steps"
toward multi-
dimensional overseas
development



Serving the real economy, contributing to regional development

A major power builds on a great real economy. The real economy has always been the foundation of development, while financial institutions are the boosters of the real economy. CEB has closely followed the national strategic plans and integrated itself into the coordinated development of Beijing-Tianjin-Hebei Region, integration of the Yangtze River Delta and the construction of Guangdong-Hong Kong-Macao Greater Bay Area pursuant to the principle of being explorative, innovative and efficient. It has promoted high-quality economic development under the philosophy of innovative development.

Supporting the coordinated development of Beijing-Tianjin-Hebei Region

The year of 2019 marked the fifth anniversary of China's strategy for coordinated development of Beijing-Tianjin-Hebei Region. Over the past five years, CEB made persistent contributions to coordinated development of Beijing-Tianjin-Hebei Region and the happiness of the people in the region by continuously allocating high-quality resources to the region, improving the Head Office-branch cooperative service mechanism and providing "finance + intelligence" innovative financial services and products tailored to the economic and social development characteristics in Beijing-Tianjin-Hebei Region. As at the end of December 2019, the balance of loans to Beijing-Tianjin-Hebei Region stood at RMB153.8 billion, up 3.36% year on year.

In Tianjin

Case China's first spot bonded warehouse receipt pledge financing deal made in Dongjiang

In September 2019, CEB assisted Dongjiang Bonded Port Area in completing the first spot bonded warehouse receipt pledge financing deal in the country. The deal helped Dongjiang Bonded Port Area improve the port's economic and business environment, promote innovation in logistics finance business and solve the financing difficulties of international traders, especially small and micro-sized enterprises.



In Hebei

Case CEB Xiongan Branch opened in Hebei Province

CEB Xiongan Branch was inaugurated in Xiongan New Area, Hebei Province in May 2019. It is the first tier-two branch of a national joint-stock commercial bank to officially enter Xiongan New Area. After opening for business, CEB Xiongan Branch put together traditional on- and off-balance-sheet credit as well as investment banking, asset management and interbank business resources, and partnered with other resources of China Everbright Group subsidiaries, including trust, securities, insurance and financial leasing, to provide diverse funding support for enterprises and projects located in Xiongan New Area and fully serve the development of the area.



In Beijing

Building the "Three Major Projects"

Financial Public Well-being Project

CEB actively developed tech finance, cultural finance, green finance and inclusive finance to serve economic growth and social development in Beijing. As at the end of December 2019, the Bank recorded over RMB100 billion in total investments and financing in support of major projects, including shantytown renovation, South-to-North Water Diversion Project, infrastructure construction, rail transit construction and sub-civic center construction. Moreover, CEB also provided loan rollovers to support the development of private enterprises.

Online Public Convenience Project

Efforts were made to "run the data and rest the people". As at the end of December 2019, "Cloud Fee Payment" platform offered 522 items of fee payment service, including 326 items newly added in 2019. A total of 275 million transactions were completed in the year, totaling over RMB130 billion. The fee payment service is available at every corner of the city, encompassing 16 categories of utilities, including water and electricity. The Bank facilitated the government's reforms to "delegate power, improve regulation, and upgrade services" by launching the "Transport 12123" fine and fee collection service, with nearly 4 million transactions completed in the year. 2.3 million transactions of cloud fee payments were processed for ticket collection on behalf of the Beijing Municipal Administration Center of Parks.

Distinctive Mass Benefit Project

Distinctive financial services were provided to increase the depth of sunshine services. As at the end of December 2019, 818 payment guarantees for migrant workers' wages had been issued, totaling RMB522 million, to protect the interests of migrant workers. "Lei Feng Posts" were set up at 69 outlets across the city to serve servicemen and veterans with dedicated windows. The "Service Package for Craftsmen of the Nation" was promoted to provide exclusive quality services to workers who have made outstanding contributions to the society, such as national model workers and academicians of the Chinese Academy of Sciences, etc. The model workers' studios, five-star outlets and 5G outlets were built to improve service level.

Case Social impact bonds supported rail transit construction in Beijing

CEB actively explored and promoted a novel bond product-based financing mode combining credit bonds with projects demonstrating positive social influence, and implemented the pilot program on social impact bonds. In 2019, the Bank led the underwriting of the RMB2 billion social impact bond issued by Beijing Infrastructure Investment Co., Ltd. The bond proceeds were used to fund Beijing's rail transit projects, helping reduce the commuting time of Beijing people, conserve energy, reduce emissions and save land resources in the city.



Case Lei Feng spirit revived by CEB Beijing Branch to serve military personnel in an effort to build itself into a servicemen-supporting bank

In March 2019, CEB and the Ministry of Veterans Affairs signed an agreement to ensure preferential treatment to military personnel and their families, becoming one of the first cooperative banks. CEB Beijing Branch attached great importance to military support, and actively acted on its social responsibility in this regard. On the occasion of the 92nd anniversary of the founding of the Chinese People's Liberation Army, CEB Beijing Branch held a ceremony where its outlets were honored as "Lei Feng Post", co-hosted by Lei Feng Periodical Office, Lei Feng Memorial Hall and Lei Feng Squad of a brigade under the Northern Theater Command. It is a solemn commitment of CEB to always shoulder its responsibility to earnestly promote Lei Feng spirit, ensure preferential treatment to military personnel and their families, and provide financial services for people's well-being.





Creating Economic Value

Serving the real economy, contributing to regional development

Delivering Solid Results in Inclusive Finance, Exploring the Way of Distinctive Services

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🏠 Serving the integrated development of the Yangtze River Delta

Promoting integrated development of the Yangtze River Delta, enhancing innovation and competitiveness in the region and improving the degree of economic agglomeration, regional connectivity and policy coordination efficiency are of great significance to China's drive for high-quality development and modern economic system. The Bank has taken the initiative in aligning itself with national strategies such as the integrated development of the Yangtze River Delta and the Yangtze Economic Belt, and taken the opportunity of the ongoing high-level opening-up to pursue in-depth integration of finance and technology leveraging on the internet, big data and artificial intelligence technologies. It also continued to unwaveringly serve the real economy and support the development of the non-public sector of the economy.

As at the end of December 2019, the balance of loans to the Yangtze River Delta and the Yangtze Economic Belt

RMB
675.3 billion

up
13.47%
year on year

🏢 Case Supporting development of the manufacturing industry

HGTECH Co., Ltd. is a national key high-tech enterprise, a national industrialization base for 863 Program research findings and a leader in China's laser industry. It is also the first laser-based hi-tech company in Chinese Capital Markets. CEB met the settlement finance and other demands of HGTECH and its subsidiaries with policy support, including manufacturing-specific credit line and preferential pricing, and the multi-account model of smart cash pooling, a cash management service.



🏢 Case Supporting development of the Shanghai Lingang New Area

The Bank formulated the *CEB Overall Plan for Supporting Development of the Lingang New Area of China (Shanghai) Pilot Free Trade Zone* with a focus on key industries. It innovated the product system and management system for corporate and personal banking, accelerated collaboration between institutions inside and outside the area, strengthened the building of a multi-channel platform and stepped up development on electronic channels. In addition, the Bank endeavored to meet customers' demand for asset allocations and fund flows across markets through industry-finance integration, domestic-overseas collaboration, RMB-foreign currency linkage and collaboration between institutions inside and outside the area. As at the end of December 2019, the Free Trade Accounting Unit recorded RMB9,672 million of assets owned by 3,069 customers.



🏠 Embracing Guangdong-Hong Kong-Macao Greater Bay Area

The Greater Bay Area lives by ports and thrives by the bay. As one of China's most developed regions, Guangdong-Hong Kong-Macao Greater Bay Area is gradually becoming a new bright spot in the global economic landscape with a brand-new philosophy of development and an unprecedented level of integration. The Bank made sustained efforts and innovations in building the Greater Bay Area. With signature products and flagship outlets established, the Bank achieved fruitful results in terms of local economic growth, cross-border financial services and business collaboration. As at the end of December 2019, the balance of loans to the Greater Bay Area stood at RMB150.3 billion, up 36.89% year on year.

As at the end of December 2019, the balance of loans to the Greater Bay Area

RMB
150.3 billion

up
36.89%
year on year

🏢 Case Issuing the "Lotus Bond" and boosting cross-border finance development

The "Lotus Bond" was issued.

China's first Lotus Bond, issued in Macao by a non-Macao enterprise, was successfully launched in December 2019. CEB Guangzhou Branch, as the only domestic financial advisor, and CEB International Investment Corporation Limited, as the Joint Lead Manager, worked together to help Huafa Group, a Zhuhai-based enterprise, complete this innovative deal. This bond issuance was supported by all government levels of Macao including Macao's Chief Executive, Macao Economic and Financial Bureau, Autoridade Monetaria de Macau (Monetary Authority of Macao) and MOX. It provided non-Macao companies with a financing channel for bond issuance in Macao, making breakthroughs in capital connectivity among Guangdong, Hong Kong and Macao.



A cross-border financial service platform was established.

The Greater Bay Area, which covers Guangdong, Hong Kong and Macao, will see explosive growth in the demand for cross-border services in terms of population, capital and consumption. The traditional urban regional services will be transformed into multi-regional connectivity. CEB Guangzhou Branch deepened the application of Non-Resident Accounts by setting up a cross-border financial service platform and further unblocked the channel of cross-border capital flows.





**Creating
Economic Value**

Serving the real economy, contributing to regional development

Delivering Solid Results in Inclusive Finance, Exploring the Way of Distinctive Services

Building new towns to make life better

Speeding up the "three steps" toward multi-dimensional overseas development



Case Facilitating transformation and upgrading of traditional industries

Guangzhou Vanlead Group Co., Ltd. ("Vanlead Group") mainly engages in the fields of rubber tire, salt chemical and fine chemical. To establish a whole industrial chain and realize industrial transformation and upgrading, Vanlead Group initiated the acquisition of Sunward Intelligent Equipment Co., Ltd., a listed company. The Bank issued an RMB985 million M&A loan through an expedited approval process helping Vanlead Group successfully complete the acquisition project and upgrade from traditional manufacturing to high-tech manufacturing.



Coordinated regional development

While supporting leapfrog development of the eastern part of China, CEB continued to facilitate the large-scale development of the western region, the revitalization of the northeast region and the rise of the central region to promote coordinated regional development. As at the end of December 2019, the balance of loans to the central region stood at RMB296.6 billion, up 18.17% year on year; the balance of loans to the western region reached RMB224.7 billion, up 6.84% year on year; and the balance of loans to the northeast region recorded RMB83.8 billion, up 1.82% year on year.

As at the end of December 2019, the balance of loans to the central region

RMB 296.6 billion

Up **18.17%** year on year

In the western region

Case Issuing bonds to support development of the western region

CEB thoroughly implemented national strategic decisions and plans for the large-scale development of the western region. From 2017 to 2019, the Bank issued nearly RMB100 billion of bonds for enterprises in the western region, of which close to RMB40 billion was issued in 2019, up 19% year on year. These bonds involved infrastructure (including electricity and transport), pharmaceuticals and other industries, giving a boost to sustainable development of the western region.

Case Supporting efficient development of State-owned Enterprises in the western region

Chongqing Yufu Holding Group Co., Ltd. ("Yufu Group") plays an important role in maintaining and increasing the value of state-owned assets and supporting Chongqing's economic development. CEB has established a partnership with Yufu Group since 2013 and signed a strategic partnership agreement with it in July 2019. As at the end of December 2019, the Bank had approved a credit line of RMB4 billion for Yufu Group, with a balance of business cooperation of RMB2,649 million.



Case Helping CALC close Asia's largest aircraft advance payment financing deal

In 2019, CEB Hong Kong Branch, as JBR, JGC and JLM, successfully extended a five-year unsecured revolving syndication loan of USD840 million for China Aircraft Leasing Group Holdings Limited ("CALC"). The deal helped CALC implement its ongoing large-scale aircraft order and cement its leadership in the full value chain of aircraft solutions in the aviation industry.

In the central region

Case Supporting hog production enterprises in Henan

In 2019, China's hog market suffered from African swine fever and entered a hog cycle rarely seen in the past decade. The market was in short supply and pork prices continued to hike. CEB Zhengzhou Branch provided more proactive service by taking solid and effective measures to support the stable supply of the hog market. As at the end of December 2019, the Bank granted RMB600 million of new loans to Muyuan Foods Co., Ltd., the largest pork producer in Henan Province. Through the "1+N factoring" service, 29 loans in a total amount of RMB61.39 million were granted to its 18 suppliers.



In the northeast region

Case Implementing the national energy development plan to boost the revitalization of northeast China

Liaoning Energy Investment (Group) Co., Ltd. focuses on electricity investment, supplemented by infrastructure construction. It also expands into the fields of energy conservation, environmental protection and circular economy. The company is currently in a critical period of reform and development. CEB Shenyang Branch provided high-quality professional financial services to vigorously push forward with the strategy of revitalization of northeast China. As at the end of December 2019, CEB Shenyang Branch cooperated with the group and its 12 subsidiaries by granting a total credit line of RMB 3.6 billion, with a credit balance of RMB2.75 billion.





Creating Economic Value

Serving the real economy, contributing to regional development

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Speeding up the "three steps" toward multi-dimensional overseas development



Delivering Solid Results in Inclusive Finance , Exploring the Way of Distinctive Services

CEB upgraded inclusive finance to its strategic development objective. Strengthening the institutional support through top-level design, the Bank established the Inclusive Finance Management Committee and the Inclusive Finance Department successively, and systematically advanced the inclusive finance work in terms of policy study, business innovation, product development, sales and marketing. The Bank created an inclusive finance mechanism supported by professional departments, experts approval and specialized institutions. Toward the five-pronged goal of consolidating the Inclusive Finance Department, shinning the Sunshine Inclusive Finance brand, improving the IT systems, toughening the risk control mechanism and enhancing team building, the Bank promoted the Credit Factory model with centralized, bulk and professional credit extension and reduced the financing costs and non-performing loan ratio by Fintech means, with a focus on addressing difficulties and high costs of financing, thereby better serving the small and micro enterprises and private enterprises.

☞ Serving small and micro enterprises

Small and micro enterprises are a fresh powerhouse for economic growth and social development. They are crucial contributors to creating jobs, improving living standards and promoting innovations and business startups, which play an important role in maintaining stable growth, advancing reform, making structural adjustments, improving living standards and guarding against risks. The Bank actively implemented the plans of the central government and turned inclusive finance policies into action bankwide, putting focus on the financial services for small and micro enterprises and devoting itself to addressing their financing difficulties and supporting their development.

In 2019, CEB continued to improve the "Credit Factory" development of 27 branches, and increased to 30 specialized inclusive finance sub-branches. The coverage and availability of SME financing were increased by providing community-focused, wider-ranging and more efficient services. As at the end of December 2019, the Bank recorded RMB500,482 million in balance of small and micro enterprise loans, up 10.7% year-on-year. The number of customers was 377,426, up 21% year-on-year. Inclusive finance loans kept their NPL ratio and interest rate at a low level, achieving the target of "two No-less-than and two Control", namely lending to SMEs with credit facility of RMB10 million and below per company should rise no less than growth in all loans year on year; and the number of small and micro borrowers in a year should be no less than the same period of the previous year; and reasonably controlling asset quality and the overall cost of loans to SMEs.

Speeding up innovation in inclusive finance products

According to the short-term, frequent and urgent nature of small and micro enterprise financing, CEB increased IT investment and developed the "Sunshine Inclusive Finance" product series to usher in a new era of online business. As the "Sunshine e Micro Loan", "Sunshine e Mortgage Loan" and "Sunshine e Standard Loan" and "Sunshine Government Procurement Loan" were launched successively, the online inclusive finance product system took shape quickly.

As at the end of December 2019, the balance of loans to small and micro enterprises

RMB **500,482** million

Up **10.7%** year on year

377,426 customers

Up **21%** year on year

☞ Case Sunshine Government Procurement Loan

"Sunshine Government Procurement Loan", developed jointly by CEB and the Receivables Financing Service Platform (RFSP) of the Credit Reference Center of the PBOC, provides online, unsecured and quick financing services for bid-winning suppliers of government procurement contracts. With automatic disbursement and low interest rate, the product provides strong support for development of the real economy and small and micro enterprises. As at the end of December 2019, cooperating with 15 local public finance institutions in Shanxi Province, Zhuhai City, etc., CEB granted RMB752 million of credit to 282 small and micro enterprises.

Promoting innovation in inclusive finance channels

In addition to innovative credit products, the Bank put together resources from various parties, strengthened liaison and cooperation with government institutions, guarantee companies and insurance companies, and explored the modes of "internet + finance", "new products of flagship outlets" and "4321 novel government-bank-guarantee cooperation" for continuous innovation in corporate financing channels.

☞ Case The Huaxianhui.cn model , an easier access to financing for small and micro textile manufacturers

In cooperation with Huaxianhui.cn, an industrial internet platform specializing in vertical textile fields, CEB Suzhou Branch provided financing facilities to small and micro textile manufacturers in the way of borrowers recommended by Huaxianhui.cn platform connected to "Chemical Fiber IOU" products, a type of short-term loan capped at RMB5 million per borrower. This business model meets small and micro enterprises' demand for procurement funds and ensures the credit proceeds are used for their principal activities. As at the end of December 2019, a total of RMB130 million of credit had been granted to 51 borrowers through the platform.



Building a supply chain-based inclusive finance ecosphere

CEB introduced the development approach of "developing inclusive finance centered around supply chain and eco-chain of core enterprises", reached out to small and micro enterprises upstream and downstream the industry chain with support from big data application by means of connecting the system data of core enterprises, targeted fund payment, and joint and several liability guarantee or repurchase guarantee by core enterprises. In this way, a multi-tier service system featuring "finance + channels + scenarios" was established to form an inclusive finance ecosphere.

☞ Case Supply chain finance serving small and micro enterprises

Beijing Putian Taili Telecommunications Technology Co., Ltd. ("Putian Taili") is one of important domestic distributors of Huawei cellphones. It manages a number of Huawei brand dealers that has funding demands in purchasing commodities due to settlement cycle and other reasons. With the business philosophy of "supply chain, big data and online operation", based on genuine underlying transactions, and taking core enterprises' data as value output, CEB Beijing Branch provided efficient, and one-stop financial services to Huawei brand dealers by upgrading systems and optimizing processes, thus meeting their financing demand promptly and fueling "made-in-China" development. As at the end of December 2019, a total of RMB905 million of loans to 110 customers were granted.



Creating Economic Value

Serving the real economy, contributing to regional development

Delivering Solid Results in Inclusive Finance, Exploring the Way of Distinctive Services

Building new towns to make life better

Speeding up the "three steps" toward multi-dimensional overseas development



Supporting the private-sector economy

Since the Reform and Opening-up, China's private-sector economy has grown from small to large and from weak to strong. It has made important contributions to boosting economic development, deepening economic system reform and safeguarding social harmony and stability, standing as an internal element of China's economic system and an indispensable driver of development. The Bank equally treats private economy in four aspects, namely, maintaining the same approval access in credit policy, responding the same in service efficiency, implementing the same incentive and constraint measures, and advocating the same innovation effort in product development. The Bank took the initiative in providing door-to-door service, solving difficulties and responding to hot issues. All the efforts contributed to help improve the private-sector development. As at the end of December 2019, the growth of on-balance-sheet loans to private enterprises and the increase of number of private enterprise borrowers both outpaced that of the Bank's total.

Case Heart-warming services for private enterprises

The Bank provided considerate and heart-warming services to private enterprises through online and offline channels. Transforming from a "shopkeeper" to "tradesman", it visited key private enterprises to know their needs and address the difficulties and pain points in the development of private enterprises.

CJ Automotive (Chongqing) Co., Ltd. ("CJ Automotive") felt a surging liquidity pressure due to the expanding R&D funding needs. As the company was not an eligible borrower under the traditional financing mode, the Bank flexibly designed a financing solution catering to CJ Automotive's actualities, completed the approval process within three days following readiness of application materials and successfully issued a loan of RMB3 million within one week.



“This is the first loan since our company was established. CEB’s efficient and quality financial services have inspired us.”
–Xu Lihua, Deputy General Manager of CJ Automotive (Chongqing) Co., Ltd.

Case Sticking to CEB’s founding mission to grow together with private manufacturers

In 2019, the Bank signed strategic partnership agreements with 12 private manufacturing enterprises, including Jinko Solar and Hengli Group, pushed for full implementation of strategic partnership with these partners and continued to deepen and expand new ways of win-win cooperation with private manufacturers. As at the end of December 2019, over RMB20 billion of credit facilities had been granted to 12 leading private manufacturers in total.



Holitech Technology Co., Ltd ("Holitech") is a manufacturer and solution provider of LCD, touch modules and intelligent hardware products integrating development, design, production and sales. CEB Shenzhen Branch granted billions yuan of credit facilities to Holitech supporting its full-industry-chain development.

“CEB service is very efficient. We made a call for solution in the morning and get our problem solved in the afternoon, making us feel really convenient.” – Zhong Xiaoliang, Treasury Director of Holitech

“CEB has granted us two loans totaling RMB4.5 million. It only took less than one month from loan application to field survey and to disbursement. It was efficient and fast, offering timely and necessary help to Feilongyu.” –Long Zongye, General Manager of Feilongyu

With the support from CEB, Guizhou Feilongyu Industry Co., Ltd. ("Feilongyu") has grown into a key leader in barreled drinking water industry in Guizhou Province. As at the end of December 2019, Feilongyu had created more than 5,000 jobs at its distribution stations.



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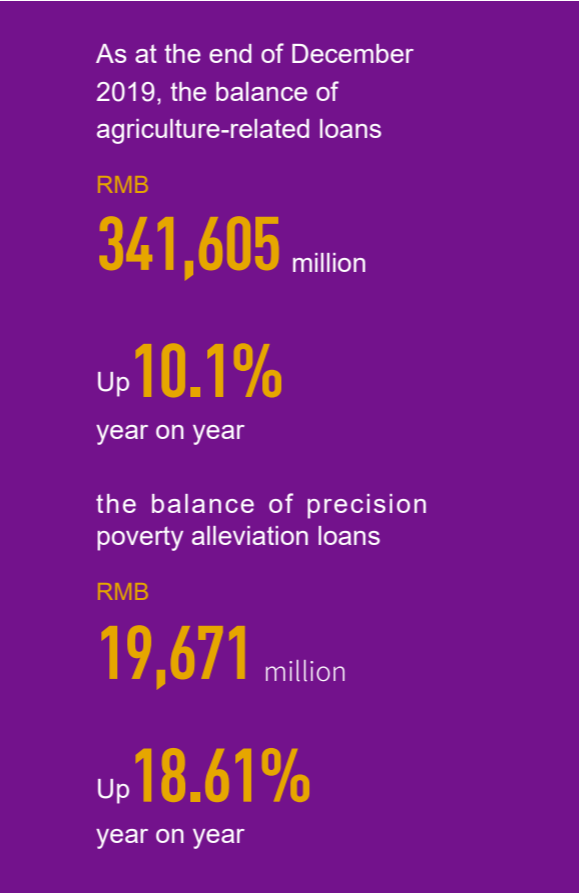
Building new towns to make life better

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Developing new ways to benefit agriculture, rural areas and rural residents

Strengthening financial services for "agriculture, rural areas and rural residents" and promoting precision poverty alleviation through financial services play a key role in building the inclusive finance system. CEB formulated "two guidelines" to boost the policy support for agriculture-related work in poverty alleviation, guiding funds toward this field. The Bank kept abreast of the latest developments in its agriculture-related poverty alleviation activities by holding the operation analysis meeting monthly and the Inclusive Finance Management Committee's meeting quarterly, so as to ensure informed decision making. The Bank established the "Sunshine Pro-agriculture Flexible Team" and a financial service system involving the Head Office, branches and sub-branches, which collaborate with one another, to meet the business needs of branches' inclusive finance departments and specialized sub-branches.



Benefiting agriculture

CEB furthered the development of its hit product "Sunshine e Grain Loan" in inclusive finance, and launched the "Sunshine Golden Warehouse Loan" and "Sunshine Grain Transport Loan" to strengthen weaker links of financial service in the grain industry chain. The Bank further explored the innovation of financial products to seedling and other fields benefiting rural residents by developing a new product "Nursery Loan", which comprehensively served agriculture, rural areas and rural residents to promote agricultural development and increase farmers' income.

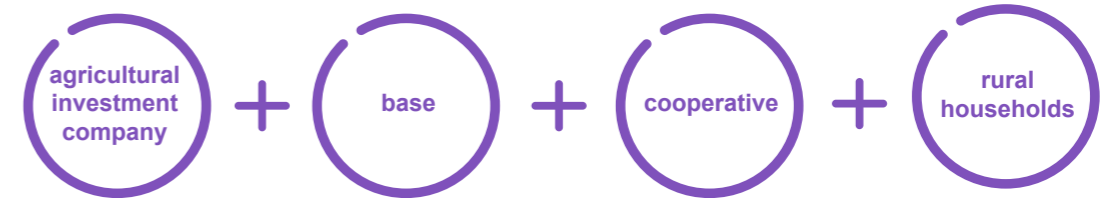
Case Sunshine e Grain Loan

CEB's "Sunshine e Grain Loan" provided high-quality financial services to small and micro enterprises in the grain industry through a convenient and fully automated online process. In 2019, "Sunshine e Grain Loan" supported the trading in 51 million tons of grains with a total value of RMB94,574 million. RMB22.5 billion of loan facilities were accumulatively granted to 34,000 agricultural enterprises.



Case "Nursery Loan" helping the nursery farming industry

To address the shortage of funds in the nursery stock supply process in Bijie area, Guizhou Province, CEB introduced the "Nursery Loan" to fund the borrowers' payments to the nursery base for purchased seedlings. Through the operating mode of "agricultural investment company + base + cooperative + rural households", the borrower signed a land transfer contract with the county government, and a cooperation agreement with the agricultural company and cooperative qualified for nursery farming. The nursery work was implemented by unified sales and unified standards, creating jobs for rural residents near the base.





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Providing convenience to rural residents

Payment Guarantees for Migrant Workers' Wages

Since the State promulgated policies to crack down on delayed salary payments to migrant workers in 2016, CEB has taken the lead in developing and launching the financial product of "Payment Guarantees for Migrant Workers' Wages", effectively integrating banking services into people's livelihood improvement. In early 2019, the Bank organized an expert team to further optimize the process and established a green channel between CEB Head Office, branches and sub-branches to further enhance efficiency. As at the end of December 2019, branches in 28 cities across the Bank issued the payment guarantees for 933 enterprises with a total value of RMB810 million, distributing wages for 537 enterprises on a payroll basis.



Rural banks

Three Rural banks were established in Shaoshan City (Hunan Province), Huai'an City (Jiangsu Province) and Ruijin City (Jiangxi Province) to provide local access to credit products and financial services related to agriculture, rural areas and rural residents.



Shaoshan Everbright Rural Bank Co., Ltd.



Jiangsu Huai'an Everbright Rural Bank Co., Ltd.



Jiangxi Ruijin Everbright Rural Bank Co., Ltd.

Building new towns to make life better

CEB responded actively to China's new urbanization strategy. The *CEB Measures for Management of Urbanization Construction Loans* was formulated to provide an expedited approval process for urbanization construction loans. The Bank met the funding demand of urbanization construction projects through financing by wealth management products, trust beneficial rights and guarantee for insurance debt investment plan, with a focus on supporting the urban renewal projects, urban infrastructure construction, land consolidation and resettlement housing construction in the course of urbanization construction. As at the end of December 2019, the balance of urbanization construction loans was RMB153.2 billion, with an annual increase of RMB23.78 billion.

As at the end of December 2019, the balance of urbanization construction loans

RMB
153.2 billion

an annual increase of

RMB
23.78 billion



Creating distinctive flagship towns

As at the end of December 2019

734 candidate distinctive town projects recommended by the development and reform commissions of

22 provinces, municipalities or autonomous regions as special attention projects short-listed for due diligence and ongoing promotion

The Bank implemented the *Circular of the General Office of the National Development and Reform Commission (NDRC) on the Establishment of Distinctive Towns and a High-quality Development Mechanism for Distinctive Towns*, and actively cooperated with provincial development and reform commissions to accomplish the establishment of "Government-Bank Exchange Platform". It mainly supported industrial incubation projects such as production investment, auxiliary construction and working capital for integrated urban-rural development as well as capital construction projects such as infrastructure, public service facilities, ecological conservation and environmental protection facilities, and intelligent management facilities.

As at the end of December 2019, the Bank had identified 734 candidate distinctive town projects recommended by the development and reform commissions of 22 provinces, municipalities or autonomous regions as special attention projects short-listed for due diligence and ongoing promotion. It had also approved 24 distinctive town projects in 9 provinces and municipalities. Credit facilities had been issued for 21 distinctive town projects with a total of RMB10,770 million approved and RMB7,487 million granted.



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Promoting high-quality development of cities

According to the NDRC requirements set out in the *Key Tasks for New Urbanization Construction in 2019*, the Bank supported the construction of underground utility tunnels, the development of sponge cities and the polluted urban water improvement campaign to pursue solid progress in strengthening urban drainage and water-logging prevention facilities, continuously promote the water-saving cities initiative and help boost the quality and efficiency of urban sewage treatment.

Case Yaoxian Canal Rehabilitation in Yuncheng City, Shanxi Province

Yaoxian Canal is a flood drainage channel built to safeguard the flood control of a local salt lake. With the development of Yuncheng City, from the Kuchi flood detention area to the west, the farmland on the north side higher than Yaoxian Canal became a built-up area in the city. Extensive hardened land surfaces kept leading summer rainwater into Yaoxian Canal, posing a flooding risk to villages and residents along the canal. In addition, sewage was also discharged into the canal. As at the end of December 2019, the Bank had granted a total of RMB100 million of credit to the financing entity for the Yaoxian Canal rehabilitation project, helping improve the ecological environment along the route. The project has expanded 66,000 square meters of water surface to the Airport Economic Development Zone, added 103,488 square meters of plants and improved the quality of life of local residents along Yaoxian Canal.



Before renovation



After renovation

Case Issuing red-themed credit card

CEB Credit Card Center continued to promote "Financial Plus" crossover cooperation to integrate red (i.e. revolutionary) culture with financial products and services. In June 2018, the first red-themed credit card, Shaoshan-themed credit card, was issued. In December, the Ruijin-themed credit card made its debut. In August 2019, the Huai'an-themed credit card was launched. As at the end of December 2019, the Bank had issued over 250,000 red-themed series credit cards in total. By incorporating the red-themed credit card into the everyday consumption scenarios, the Bank provided cardholders with plentiful consumer experience of convenience, discounts and joy.



Fortifying the groundwork for elderly care

The Bank attaches great importance to the reform and development of the endowment insurance, striving to provide solid financial services for social security redistributions. As one of the first commercial banks to become qualified account managers and custodians of enterprise annuity funds and also an eligible custodian of occupational annuity funds, the Bank persistently leveraged on Fin-tech to promote endowment finance and effectively serve the endowment insurance cause. With the operation of occupational annuity and enterprise annuity business, it helped strengthen the second pillar of the endowment insurance system, improve the multilevel endowment security system, and strive to assure the Chinese people retirement prosperity in a society where "the aged can live an easy life, friends can trust each other, and young people can have lofty ideals".

Occupational annuity

The year of 2019 saw an explosive growth of occupational annuity, when central government, 28 provinces (including autonomous regions and municipalities directly under the central government) and Xinjiang Production and Construction Corps finished their custodian bidding for occupational annuity programs. Upholding an unremitting spirit in active participation in the selections, CEB became the only joint-stock commercial bank appointed as the institutional manager for all those programs.

Enterprise annuity

CEB continuously improved its system functions and service system to provide high-quality enterprise annuity fund account management and custody services for clients. As at the end of December 2019, the enterprise annuity funds in the Bank's custody stood at RMB69,273 million, with 760,600 personal accounts of enterprise annuity funds under management.

Case Penglai Social Welfare Center Project

The Penglai Social Welfare Center Project aimed to build a place for the partially or totally disabled elder people where they are provided with living support, recreational facilities, opportunities to learn new things, and to do what they can for the society. Other services provided in the project included affordable elderly care services for ordinary-income families and centralized support services for the seniors with no labor capacity, no living income, no supportive family or enjoying social security of five categories covering food, clothing, housing, medical care and burial expenses.

The project investment totaled RMB169 million. As at the end of December 2019, CEB had granted RMB117 million to the project financing entity to fund the construction of public service facilities in the area.



Before renovation



After renovation



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Speeding up the "three steps" toward multi-dimensional overseas development

In the context of increasingly more Chinese enterprises going global and ongoing RMB internationalization, CEB accelerated its global expansion drive in three steps, namely "doing business globally, being present globally and being influential globally", in a bid to provide stronger financial support for Chinese enterprises going global and enhancing its global service capacity.



Case CEB Sydney Branch opened for business

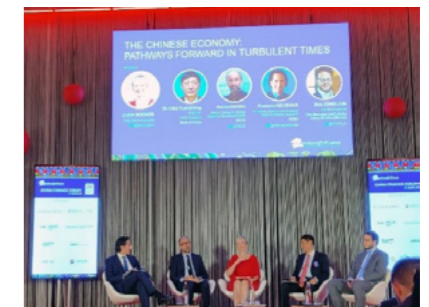
CEB Sydney Branch officially opened in February 2019. CEB Sydney Branch will firmly grab the important opportunities afforded by China's Belt and Road Initiative and China-Australia Free Trade Area to be deeply rooted in Australian market to provide comprehensive, distinctive and diverse financial services to the customers in China and Australia. The Branch will fully support the economic and trade prosperity and development of China and Australia and help realize win-win cooperation and create a better future together.



Case Helping Chinese enterprises "go global" via international capital market

In 2019, overseas capital markets were volatile with greater uncertainties and exposure to rising geopolitical risks in the Middle East. CEB Hong Kong Branch, as JBR and JGC, helped Shangrao Investment Holdings International Co., Ltd. issue a USD500 million three-year senior unsecured bond, spurring enthusiastic market reaction. As at the end of December 2019, CEB Hong Kong Branch underwrote 64 overseas bonds for 56 customers, with the number of bond issuance rising by 10% year-on-year.

Case CEB Luxembourg Branch supporting the China Financial Forum



There is no end of the pursuit of a happier and better life. To win the tough battle against poverty, we should provide education and motivate people at the same time, acting as both helpers and enablers. China should put into place a mechanism with internal driving forces towards prosperity to effectively prevent people from falling back to poverty. We should call for unshakable confidence and hard work with great determination to facilitate the gradual realization of common prosperity. Being lifted out of poverty is not an end in itself, but the starting point of a new life and a new pursuit.

— Xi Jinping's Speech during his inspection tour to Henan province in September 2019

Key indicators

Indicator	Unit	2019
Number of employees	Person	45,618
Number of staff training programs	Session	7,099
Public welfare donations (donations of poverty alleviation)	RMB10,000	1,951 (1,318)

key actions

- Cloud Fee Payment
- Everbright Supermarket
- Sunshine service
- Precision poverty alleviation
- CEB Talents Selection and Everbright Insights

Contribution to UN Sustainable Development Goals



Creating Social Value

— Being profitable while socially responsible



CSR stories

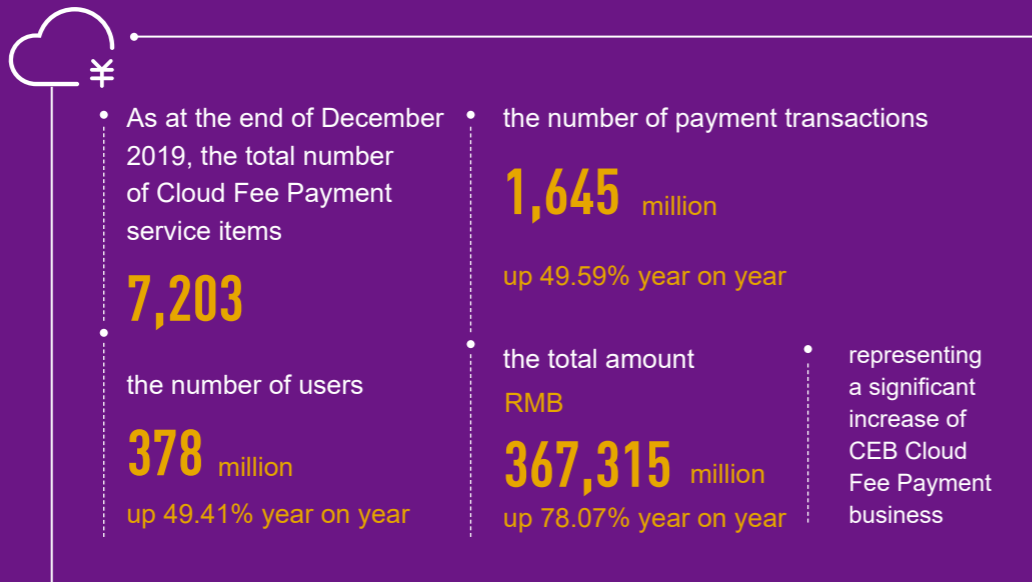
A New Life with Cloud Fee Payment



CEB kept exerting every effort to build a hit product for public convenience – CEB Cloud Fee Payment. With 10 years of development, especially the rapid growth in the past three years, Cloud Fee Payment became China's largest open-end platform for fee payment. Upholding the philosophy of strategic transformation to "agility, technology and ecosphere" and using the internet thinking and technologies, CEB endeavored to increase the depth, penetration and exquisiteness of fee payment services and shape an inclusive public convenience ecosphere featuring integration of "finance + life + service".



Focusing on the convenient fee payment service



The development of Healthcare Cloud services was focused on third- and fourth-tier cities and counties in the Middle West, Northeast China, North China and Central China. As at the end of December 2019, 7 hospitals, including Harqin Banner Hospital and Balin Zuoqi Hospital in Chifeng City, Inner Mongolia, launched the Cloud Fee Payment healthcare cloud services. As at the end of December 2019, a total of 19,133 users had been served, including 16,479 person-time of registration service, 1,762 person-time of fee payment service during diagnosis and treatment and 892 person-time of deposit payment service.

With the social security services transferred to taxation institutions, CEB Cloud Fee Payment platform vigorously promoted online social security collection services to facilitate urban and rural residents in paying their social security contributions. As at the end of December 2019, Cloud Fee Payment social security services had been officially launched in 9 provinces (or municipalities), including Shanxi Province and Tianjin City. Local residents could enjoy the ease of paying social security contributions through CEB Cloud Fee Payment App, WeChat City Service, etc. More than 23.3 million transactions had been processed with a total contribution value of RMB 6,037 million.



CEB Cloud Fee Payment for education has been applied on a large scale. Cloud Fee Payment fully cooperated with local education authorities and educational institutions to enable primary and secondary school students to pay tuition fees, lunch fees, miscellaneous fees and other school charges via CEB Cloud Fee Payment platform. As at the end of December 2019, more than 1,000 service items of Cloud Fee Payment for education had been put online.

CEB Cloud Fee Payment accelerated its "Cloud Life" module development by introducing high-quality insurance products of large insurers, like Sun Life Everbright Life Insurance Co., Ltd., including RMB 1 yuan premium accident insurance, major disease insurance, RMB 1 million-benefits medical insurance, and traffic accident insurance, to protect the personal and family safety of customers, with nearly 10,000 transactions concluded in 2019.

Recognized for fulfillment of the founding mission

In 2019, CEB Cloud Fee Payment became the chief sponsor of China's National Badminton Team for its excellent fee payment service solutions and strong platform service capacity. It was entitled to various honors such as the "Special Award of Zhongrong Inclusive Finance Annual Brand Case" from China Financial Publishing House, the "Excellent Innovation Project" from Chengfang Fintech Forum, the "Digital Inclusive Finance Model Case" from China New Financial Summit Forum and the "Outstanding Case of Smart Utility Payment" from WeChat Pay. Although the fee payment service is "small" in amount, it concerns the "big" picture of inclusive finance. Serving the "big picture" with "small service" is the best embodiment of Everbright's corporate vision of "making life better".



Creating
Social Value

Developing Wealth E-SBU, building an integrated strategic ecosphere

Fintech empowering excellent customer services

Promoting precision poverty alleviation with enhanced quality and efficiency

Improving employment environment, stimulating creativity among employees

Contributing to public welfare with warm sunshine



Developing Wealth E-SBU, building an integrated strategic ecosphere

In 2019, China Everbright Group witnessed the full implementation of its six E-SBUs (Strategic Business Units) in wealth, business investment, investment banking, environmental protection, tourism and healthcare respectively. CEB played an active role as a pioneer and major force in the unit of Wealth E-SBU, promoting industry with finance and meanwhile developing finance with industrial development.

Six E-SBUs

Wealth E-SBU	Giving full play to the functions of the strategic ecospheres as cornerstones, pillars and platforms, and for different customer groups, focusing on developing three sub-ecospheres, which are corporate banking, private banking and e-cloud banking service.
Business Investment E-SBU	Increasing synergy of five key links, including fundraising, investment, management, exit and transfer, and enhancing the abilities to raise funds and acquire assets as well as the capabilities of investment research and investment management.
Investment Banking E-SBU	Focusing on forging core competitiveness of three investment banking categories: equity financing, debt financing and financial advisory.
Environmental Protection E-SBU	Enhancing synergy in solid waste environmental business, liquid waste environmental business, and expansion of key markets.
Tourism E-SBU	Dividing Tourism E-SBU into five sub-ecospheres, including "scenic spot+", "travel agency+", "hotel+", "convention and exhibition+" and "new tourism business forms+", and combining them with "+finance", "+technology" and "+other industrial sectors" to enhance core competitiveness.
Healthcare E-SBU	Focusing on building three sub-ecospheres, which are elderly care, healthcare and health security.

The "1+4" requirements for the implementation of the six E-SBUs



Achievements in the implementation of Wealth E-SBU in 2019

- CEB successively won the custodian bidding for occupational annuity programs of central government, 28 provinces (including autonomous regions and municipalities directly under the central government) and Xinjiang Production and Construction Corps, becoming the only joint-stock commercial bank winning all the bids.
- The number of monthly active users of the mobile banking CEB App and that of Sunshine Life App both exceeded 10 million.
- CEB held the first special asset promotion fair to recommend quality projects to other CEG subsidiaries.
- CEB issued 1,226,800 credit cards and 490,000 "overseas finance+" debit cards co-branded by CYTS. The total number of projects exported through Go Abroad Cloud platform reached 158.
- CEB accelerated building real-life scenario and launched 8 channels on CEB Cloud Fee Payment App, including insurance, smart helper, credit card, medicare, tourism, wealth management, securities and overseas travel.
- CEB cooperated with Everbright Jin'ou AMC, Everbright Grand China Assets Limited and EBA Investments to dispose special assets.



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Fintech empowering excellent customer services

Technology advancement has spurred sweeping changes in the operation mode and business model of traditional banks. Fintech not only serves as an enabler for banks for the time being, but also accelerates their development. According to China Everbright Group's IT strategic vision of "focusing on digital capabilities, building a platform-based Everbright and leading an intelligent future", CEB is actively building the "123+N" digital CEB development system and promoting value creation with technological strengths. In June 2019, CEB renamed and upgraded the former Electronic Banking Department to Digital Banking Department, committed to building a digital banking ecosystem platform, improving customer services through mobile intelligent transformation, incubating key innovative businesses and empowering the digital transformation of traditional financial services.

123+N digital CEB development system

One smart brain

Guided by strong AI application, the "one smart brain" drive enabled differentiated, customized and intelligent customer services.

The left brain for smart thinking continuously enriches the thinking models to enable automatic marketing, intelligent risk control and refined operation, and fully exploit the value of big data.

The right brain for biometric sensing continues to expand application scenarios and enabled online lifecycle support including customer identification, customer self-service and smart customer referral.

Two technological platforms

Two technological platforms are cloud computing platform and big data platform. The former includes the infrastructure cloud that provides elastic computing capacity, the container cloud that provides flexible deployment capacity and the inclusive finance cloud that provides technological outputs to small and micro enterprises. The latter provides the capacity of massive business data processing and the data services for upper-level smart applications.

Three service capabilities

The Bank fostered open, mobile and ecosystem-based capabilities of service, so as to accelerate mobility of services, further enhance openness and sharing of customers, products, services, resources and key capabilities, and build an E-SBU service ecosystem.

N (numerous) digital hit products

CEB continued to build numerous digital hit products, including Cloud Fee Payment, Cloud Payment, Trade Finance Cloud, Inclusive Finance Cloud and Go Abroad Cloud. The Bank used digital capabilities to realize "intelligent manufacturing" of products and push for breakthroughs in innovation and scale of hit products.



New Fintech experience

Shaping the mobile finance eco-chain

Adhering to the principle of "openness and win-win cooperation", the mobile finance eco-chain strategy focused on the four major subsidiaries of China Everbright Group (CEB, Sun Life Everbright Life Insurance, Everbright Securities and CYTS), putting together the internal and external resources to build a unified service system in the ecosystem. It relied on the open-end user system and innovative market-based operation mechanism to increase the user traffic in the eco-chain through online account opening and joint marketing, thus enhancing the value contribution to partners in the ecosystem. At present, the mobile finance eco-chain takes CEB mobile banking as its core platform and digital operation as its driving force to provide O2O consumer scenario services such as wealth management, healthcare, e-commerce, and utility payment to long-tail customers and users of CEB. It sets up multi-dimensional service scenarios covering subsidiaries of China Everbright Group and external partners, thereby forming a whole-process customer management system.

Case "Everbright Supermarket" with full sense of technology

In 2019, the second "Everbright Supermarket" was opened in Shanghai, introducing 5G technology, artificial intelligence, big data and other innovative means to provide customers with smarter, more user-friendly service experience through coordination of both online and offline channels.



Case Easy payment via a smartphone from every corner of the world

Real-life scenarios

The health module enables users to make a doctor's appointment online easily. The fee payment module enables all common utility payments anywhere and anytime. The shopping module, based on the "Wonderful E-Shopping" online platform, offers a wide variety of seasonal goods and agricultural products for poverty alleviation. The tourism module enables simultaneous log-in to the service platform of CYTS, which is convenient and fast.

Wealth management

The online "wealth health check-up" feature provides customers with professional diagnostic solutions, enabling them to know about soundness of asset allocations immediately and giving clear allocation advice, thus effectively reducing the wealth risks of customers. The payroll module of "Payroll Manager" and the "VIP Club" high-end module were launched for key customer groups.

Customer services

Innovative heart-warming services such as sign language video and smart voice communication called "Simple Love" were provided for the elderly, the visually-impaired, the hearing-impaired and other special customer groups. The Sunshine Doctor App, WeDoctor and People's Good Doctor were introduced to jointly build the healthcare business segment.

Online games

The Sunshine Garden game was launched enabling customers to plant flowers and trees online to earn points redeemable for gifts in an aim of charity.

Urban services

Nearly 30 CEB branches set up special zones to deal with featured urban services such as ETC application, e-social security cards application and online education, etc.



Efficient technological services

CEB strengthened the R&D and application of mainstream financial technologies. Based on its technological innovation lab mechanism, the Bank made fruitful trials on cloud computing, big data, blockchain, artificial intelligence and other fields.



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Fintech empowering excellent customer services

Promoting precision poverty alleviation with enhanced quality and efficiency

Improving employment environment, stimulating creativity among employees

Contributing to public welfare with warm sunshine



Cloud computing

CEB developed a cloud platform with Everbright characteristics enabling the integrated, refined and efficient management of the Bank's resource pool of production, development and testing, as to provide cloud computing services to customers. The launched application clouds (SaaS), such as Fee Payment Cloud, Cash Cloud, Supply Chain Cloud, Inclusive Finance Cloud and Trade Finance Cloud, have become important means of serving customers.

Big data

CEB focused on the big data platform development. It has established a multi-dimensional data platform and a distributed computing environment. The platform has a storage capacity of 3.5 PB and a data content scale of more than 1.8 PB, providing a solid data foundation for smart business operation of the Bank.

Blockchain

CEB launched a series of blockchain products such as the "Blockchain Payment", "Blockchain Custody" and "Blockchain Payroll" to serve a number of large-scale projects in Xiongan New Area. The forfeiting blockchain trading platform was established with functions covering all links of the domestic letter of credit forfeiting business. The trading process is digitalized, automated and smart enough to effectively address the poor mutual recognition, low efficiency and process invisibility of inter-bank forfeiting. CEB's forfeiting deals with alliance member banks had gone 100% online, with the business processing efficiency improved by 90%.

Artificial intelligence

Base on intelligent customer services such as intelligent voice navigation, intelligent outbound call and Sunshine Smart Robot, CEB broadly applied the biometric technology to realize over 90% channel coverage of facial recognition, automatic identification of VIP customers at outlets and voiceprint log-in to mobile banking, as the Intelligent Speaker, Everbright Supermarket and new-generation customer services going live at the same time, and the smart counters and PAD card issuance continuously improved, leading to the maximization of the convenience of customer services. With the intelligent Robotic Process Automation (RPA) technology, the license review and regulatory reporting operations were automatically processed by the robot to effectively boost efficiency.



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Being a pioneer in
wealth management

CEB took the lead in issuing China's first RMB wealth management product, first structured wealth management product and first trust wealth management product.

As at the end of December 2019,
wealth management products issued

RMB
27 trillion

income for investors

RMB
> 330 billion



“

"In the financial sector, institutions and individuals have increasingly strong desire to preserve and increase their wealth, which raises more demanding requirements on financial institutions. To ride on this trend, financial institutions need to establish a correct concept of wealth management, develop wealth management capabilities and prepare themselves for the upcoming Wealth Management 3.0 Era."

”

-- Li Xiaopeng, Chairman of
China Everbright Bank

Case Everbright Wealth Management Co., Ltd. was established

In September 2019, a wholly-owned subsidiary of CEB, Everbright Wealth Management Co., Ltd. ("Everbright Wealth Management") was established in Qingdao, as the first wealth management subsidiary of a domestic joint-stock commercial bank of its kind. Sticking to its duty of "entrusted by investors to wealth management", Everbright Wealth Management kept innovating and continuously improved its service and R&D capability to make contributions to improving the efficiency of the financial market, boosting the development of the real economy and meeting the wealth management needs of investors.

■ Building the Sunshine
Wealth brand

Under the philosophy of exquisite products, precise customer acquisition, refined services and lean management, Everbright Wealth Management established a brand system covering all business and product lines, making the Sunshine brands deeply rooted in the minds of customers.

■ Strengthening the integration
of industry, finance and products

Everbright Wealth Management sped up innovation with modern technological thinking and means, and leveraged on big data, Internet of Things and cloud computing to improve the coverage, usage and penetration of financial capital, thereby enhancing customers' sense of fulfillment, happiness and security.



Building an "investment banking + private banking" ecosphere
for wealth management, targeted at high-net-worth clients
with RMB 3 million to RMB 30 million of assets





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Heartwarming Sunshine services

In 2019, guided by the strategy of “building a first-class wealth management bank”, CEB reshaped its channels, products and services on a customer-oriented basis, sped up the strategy transformation to “agility, technology and ecosphere” and provided diversified and professional financial services to customers. The Bank was dedicated to optimizing business processes, improving service efficiency, accelerating the intelligent and lightweight transformation of bank outlets and developing first-class customer experience.

Case The online real-time customer satisfaction survey function was launched

In July 2019, CEB launched the online real-time customer satisfaction survey function on the mobile banking app. After finishing a transaction at a CEB outlet, the customer would receive a satisfaction survey questionnaire through CEB App in real time. Compared with onsite one-touch evaluation, the app enabled a customer to give a comment in addition to assigning a score. The feedback was more straightforward and accurate, and thus more conducive to outlining the customers’ experience of the Bank’s products and service process. As at the end of December 2019, more than 100,000 customer feedbacks had been received, giving the Bank a total customer satisfaction score of 97.5.

As at the end of December 2019 survey questionnaires received

> 100,000

total customer satisfaction score

97.5

Examples of heartwarming services



>>> Priority Window

>>> Priority Station

>>> Wheelchair Accessible

>>> Priority Seats

Case Sign language video service for hearing-impaired people

CEB took the lead in introducing the sign language video service in the banking industry, providing the hearing-impaired with online access to financial services through smartphones, while providing professional aids offline as well. Nearly 20 service items could be handled online, including reporting of lost credit cards and inquiry about savings card accounts.



Case Craftsman Exclusive–Service Package for “Craftsmen of the Nation”

In order to carry forward the spirit of craftsmanship that “precision of the least bit builds a great nation” and promote China Everbright Group’s corporate image of “dedication to the country, care for craftsmen of the nation”, China Everbright Bank cooperated with other CEG subsidiaries to launch the “Craftsman Exclusive–Service Package for Craftsmen of the Nation”, providing four “butler services” for experts entitled to the Craftsmen of the Nation, including 15 exclusive benefits covering wealth management, travel, healthcare and tourism. In September 2019, the debut of “Craftsman Exclusive” was successfully held, when the service package was delivered to four representatives of “Craftsmen of the Nation”.



Strong protection of customers’ rights and interests

In accordance with CBIRC’s *Guidelines for Banking and Insurance Institutions to Strengthen the Systems and Mechanisms for Consumer Protection*, CEB comprehensively streamlined consumer protection policies and procedures. Based on actual situations, the Bank formulated the *Administrative Measures of China Everbright Bank for Consumer Protection (Version 2020)*, revised 7 relevant policies including the *Administrative Measures of China Everbright Bank for Review of Consumer Protection Issues*, so as to further improve the systems and mechanisms for consumer rights and interests protection and clarify the code of conduct for consumer protection.

CEB further implemented the *Statistical Classification and Coding of Financial Consumer Complaints–Banking Institutions* to further standardize the operating procedures for complaints handling and management. An analysis and improvement mechanism was established to tap the value of customer complaints. The mobile complaint work order processing function was developed to improve the efficiency of complaint handling. The Bank established a closed management loop and improved the customer follow-up process, thereby serving customers with sincerity and enhancing customer satisfaction. In 2019, CEB ranked the 8th among joint-stock commercial banks in descending order by the number of complaints per 100 outlets received by the 12363 complaint hotline of PBOC.

CEB carried out the financial knowledge publicity campaign with greater diversity of contents and forms, covering 28.68 million person-times in 2019, to enhance consumers’ financial literacy and risk awareness. CEB was honored as an “Outstanding Organizer” of the “March 15th Publicity Week” sponsored by CBIRC, and an “Outstanding Organizer” of the “Month of Financial Knowledge Popularization, Financial Knowledge into Local Communities, Let Us Be Rational Investors and Good Financial Netizens” campaigns jointly launched by PBOC, CBIRC, CSRC and the Cyberspace Administration of China.

Enhancing business agility through technology to boost the quality and efficiency of complaint handling

CEB strengthened technological empowerment, developed functions such as work order push notifications, mobile processing of work orders and work order deadline reminders. CEB employees can receive and process complaint work orders in a timely manner through the mobile office platform, greatly improving the efficiency of complaint handling and allowing for a quick response to customer complaints on non-working days.

Establishing a closed management loop and improving the customer follow-up process

To keep informed of customers’ feedback on the complaint handling results, CEB further optimized the customer satisfaction follow-up process and conducted a satisfaction survey on complaint handling of the Customer Service Center (hotline: 95595) through SMS invitations and phone calls.

As at the end of December 2019, the Remote Banking Center had received a total of 5,613 complaints, with 100% of complaint work orders closed at a satisfaction rate of 99.88%.



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Promoting precision poverty alleviation with enhanced quality and efficiency

The Leading Group for Poverty Alleviation and CSR Work is responsible for researching and deciding on significant issues regarding poverty alleviation, improving the rules and regulations on precision poverty alleviation and enhancing the professionalism and mechanism on poverty alleviation. The *CEB Action Plan for Poverty Alleviation* and the *CEB Work Plan for Poverty Alleviation in 2019* were formulated based on actual research work. According to the work plan, CEB Head Office and branches at all levels provided assistance and support in various means to effectively benefit the poor, making new progress in poverty alleviation.

Interpretation

To identify business opportunities associated with poverty alleviation based on existing financial products, thereby integrating poverty alleviation with business development

Case

From 2012 to 2019, CEB Credit Card Center launched the campaign of "One cent donation by me for each of your purchases" targeted at all holders of CEB credit cards, jointly with All-China Women's Federation and China Women's Development Foundation. For each purchase by a credit card holder through POS device (with active rewarding points), CEB will donate one cent to the "Water Cellar for Mothers", a public welfare program. All the donation expenses are for CEB's account, without any burden on cardholders.

Embedded mode

Financial poverty alleviation

CEB linked financial products to the producing activities of poverty-stricken areas and people to boost their production, so as to root out poverty, make poverty alleviation better targeted, and address the problems that cannot be solved through conventional donation of money and living supplies. CEB has adopted three modes of financial poverty alleviation, namely embedded mode, development mode and guidance mode.

Interpretation

To factor poverty alleviation into financial product design at the beginning stage to realize organic combination

Case

CEB "Wonderful E-Shopping" e-commerce platform sells local featured products from targeted impoverished areas after expanding customer base, thereby turning local products into wealth and helping lift poor regions and households out of poverty.

Development mode

Interpretation

To focus on key individuals and businesses that can play an effective guiding role in poverty alleviation to lift more impoverished households out of poverty

Case

CEB's small and micro financial products are provided to identify leading roles of poverty alleviation to push forward the work in business development. Through integration of resources, more forces are involved in poverty alleviation to amplify the social impact of the work.

Guidance mode



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Case Helper-to-enabler transition of poverty alleviation – CEB “Wonderful E-Shopping” online platform

Based on its broad customer base and well-established payment system, CEB launched the “Wonderful E-Shopping” online platform leveraging on the electronic channel strengths in online marketing and convenient services. The e-commerce model was introduced to sell goods from poverty-stricken areas, turning poverty alleviation from helper to enabler. As at the end of December 2019, a total of 40 national-level impoverished counties had been helped to develop new ways of poverty alleviation with the sales value of goods from impoverished areas totaling RMB20.5054 million.



“One County, One Product” distinctive industry chain to create featured products of “poverty alleviation”



Guzhang Tea in Hunan Province



Ms. Mi in Hunan Province

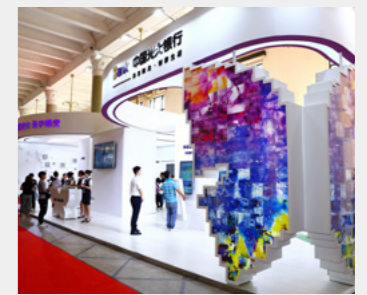


Oranges in Jiangxi Province

“Tea leaves help local people realize their dream of getting rid of poverty. CEB has opened an exhibition window for Niujaoshan in Beijing, a big thing delivering real benefits to the Miao people and helping them to the practical point.”

-- Long Xianwen, Secretary of the Niujaoshan Village Party branch of the CPC, Guzhang County, Xiangxi Tujia and Miao Autonomous Prefecture, Hunan Province

Niujaoshan Village is named after its location. The village has six natural Miao villages. Ten years ago, Niujaoshan Village was known for its poverty, with an annual income per capita of less than RMB 800. In April 2019, CEB Chairman Li Xiaopeng made a field survey on the progress of poverty alleviation work in Guzhang County and personally acted as the “spokesperson” for Guzhang Tea, taking this local product out of the remote mountains and bringing new vitality to the 2,000-year-old tea, which used to be a tribute to the royal family. The “Wonderful E-Shopping” platform launched a number of Guzhang Tea varieties, and helped merchants design and produce promotional pictures and product description pages. The Bank also helped them expand their sales channels, including producing WeChat posts and other materials for extensive product promotion.



At the financial service session of the 2019 China Beijing International Fair for Trade in Services, CEB “Wonderful E-Shopping” platform brought the tea plantations in Guzhang County into the Beijing Exhibition Hall. With AR and VR technologies, it displayed the scenery of Guzhang tea plantations, workshops and tea art performances, giving the audience on-the-scene personal experience of planting, growing, frying, processing and brewing of Guzhang Tea. The audience could have a pure taste of the delicacies from remote mountains simply by scanning a QR code to place an order. Guzhang Tea sold through online and offline channels amounted to more than RMB 6.3 million in less than three months.

Case First Poverty Alleviation Achievements Exhibition

In October 2019, the First Poverty Alleviation Achievements Exhibition & Products Fair was unveiled at China Everbright Center in Beijing. The exhibition consisted of series of programs including achievements show, taste test, processing experience, “I’m In” endorsement and remote medical care display, which comprehensively showcased CEB’s achievements in poverty alleviation. In addition, CEB sold local products from targeted impoverished counties through its “Wonderful E-Shopping” e-commerce platform, so as to promote poverty alleviation through consumption.



Case The “Lighting Up Shunping” initiative launched by CEB Credit Card Center for poverty alleviation through consumption

The Committee of the Communist Youth League (CYL) of CEB Credit Card Center, together with CYL Branch of IT Dept., established the New Youth Eco-alliance and launched the initiative of “Lighting Up Shunping” for poverty alleviation through consumption. Based on the Bank’s diverse resources and platforms, an online eco-brand was built for Shunping County’s cash crops represented by peaches, and the “Internet Plus” channel was set up to help sell local agricultural products that had difficulties in marketing before. In June 2019, the first batch of Shunping peaches went online at the WeChat store. As at the end of December 2019, nearly 750 kg of peaches were sold through WeChat store for Shunping farmers.



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Poverty alleviation through industrial development

Poverty alleviation should aim at long-term development, which cannot go further without industrial development. Achieving precision poverty eradication by supporting industrial development, and shifting the mode from “helper” to “enabler”, is the ultimate way of eradicating poverty over the long term. CEB implemented the combined financial and industrial approaches to poverty alleviation through “funding enterprises, promoting industrial development and helping people out of poverty”. In this way, the Bank boosted investment growth in impoverished areas and drove regional economic development, which delivered both immediate and long-term benefits, conducive to both poverty alleviation and development.

Case Traditional Chinese Medicine (TCM) industry in Luotian County, Hubei Province

Masamitsu Jiuzihe Hubei Pharmaceutical Co., Ltd. is a producer of TCM decoction pieces in Luotian County. It passed GMP certification in 2018. Its poria cocos product was named a Famous Brand of Hubei Province. Its product “Jiuzihe Poria Cocos” was included in the national “One County, One Product” program.



As at the end of December 2019, CEB Wuhan Branch granted poverty alleviation loans

RMB 3 million funding the liquidity shortfall

having registered over **250** aided households

helping employed over **150** rural residents

completing resettlement **15** registered poor households

increasing local income by promoting TCM planting business

RMB 300 million

Case Local specialty production industry in Xinhua County, Hunan Province

Xinhua Wangyeshan Food Co. (“Wangyeshan”) is a leading company in poverty alleviation in terms of land transfer, purchase of agricultural products, employment of poor residents and financial aids to poor students. As at the end of December 2019, CEB had provided RMB 2.3 million of assistance funds to support Wangyeshan’s workshop construction and production line upgrading, creating jobs for poor residents and increasing their household income.

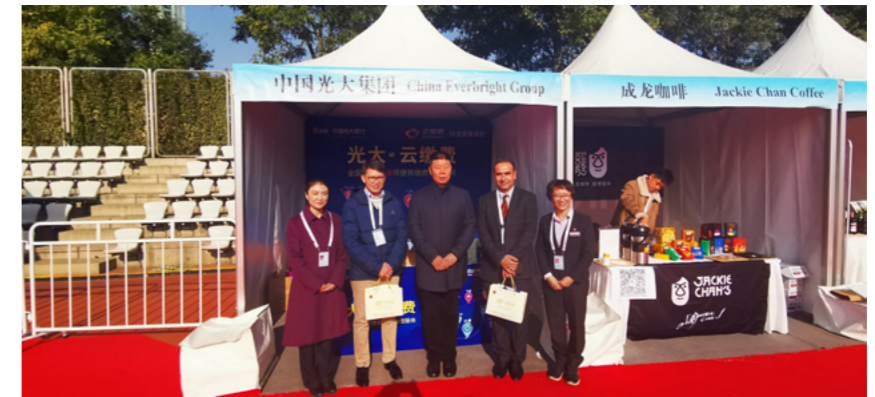


Poverty alleviation for livelihood improvement

CEB’s officials and employees are dedicated to poverty alleviation through education, assistance to the disadvantaged and voluntary services, delivering contributions to society with love and care.

Case Financial support for water access

CEB has been supporting the “Water Cellar for Mothers”, a public charity program initiated by China Women’s Development Foundation, for 15 consecutive years. As at the end of December 2019, CEB had accumulatively donated over RMB 40 million to the program to support the construction of nearly 10,000 water cellars, 83 small water conservation facilities and 7 campus drinking water projects, benefiting people of nearly 140,000.



>>> CEB participated in the International Charity Bazaar of “Borderless Great Love - Run with Love”.

Case Joint charity efforts

Based on concerted efforts of the public and cooperation with other CEG subsidiaries based in Shenzhen, CEB Shenzhen Branch organized a series of charity events via large local media platforms such as *Nanfang Daily*.



>>>The 4th “Let Books Benefit Future Generations – West China School Construction Aid Initiative”



>>>“Everbright · Nanfang Study Room” funded by CEB was set up at Furong School in Xintian County, a targeted county for poverty alleviation.



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**Poverty alleviation through
Party building**

CEB gave full play to the Party's leadership in poverty alleviation work. Party members united as a whole, played an exemplary role in deepening the poverty alleviation work. As at the end of December 2019, the Bank provided RMB 27.56 million of financial aids to poverty alleviation projects and Party members in need, including RMB 11.7 million to CEB's designated poverty alleviation project in Xinhua County, Hunan Province. CEB branches carried out the "Party building + paired assistance" campaigns in various forms, offering assistance to poor households on a one-to-one basis.



>>> Student aid event of CEB Xining Branch



>>> "Financial Knowledge to Countryside" publicity tour of CEB Jinan Branch



>>> Spring Festival visits organized by CEB Lanzhou Branch



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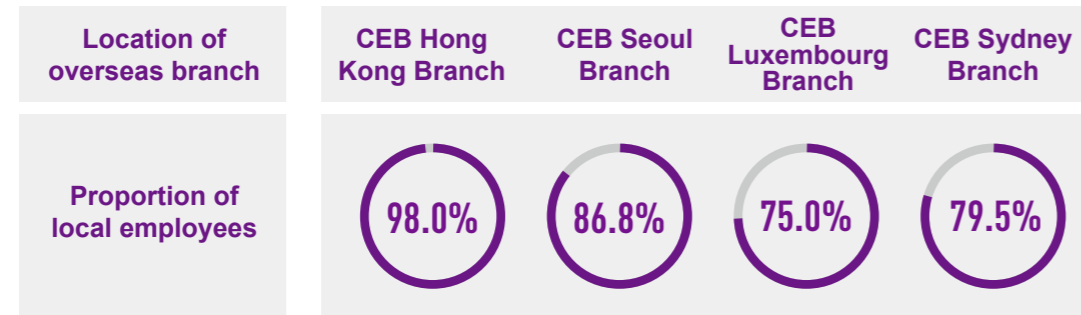
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Protecting statutory rights and interests of employees

Staff recruitment

The Bank recruited staff in strict accordance with the *Labor Law* and other relevant laws and regulations under the principles of fairness, impartiality and openness. It imposed no policy or clause on employment discrimination based on race, gender, religious belief or cultural background and refrains from using child labor. The staff recruitment procedures were sound and complete. Recruitment channels were diversified. Recruitment information was open and transparent.

In the recruitment of overseas branch staff, except for senior management and a few key positions held by expatriates from CEB Head Office, all other employees of each overseas branch were locally hired to ensure the branch meet the required proportion of local employees.



Remuneration and benefits

The Bank established standard remuneration payment procedures to ensure timely and accurate distribution to employees. Statutory employee benefits were calculated and paid in full in accordance with the national and local social security policies and regulations. Meanwhile, the Bank fulfilled its social responsibility by withholding employees' individual income taxes pursuant to law.

Reasonable working hours

The Bank had in place a system of attendance and leave management emphasizing both humanity and equality. On the one hand, it encouraged employees to schedule work reasonably, improve efficiency and accomplish their tasks in a timely and efficient manner during working hours. On the other hand, it discouraged excessive occupation of employees' off hours and prohibits forced labor. Employees who worked overtime due to urgent work needs were properly remunerated after confirmation pursuant to relevant laws and regulations. Employees were entitled to public holidays and paid leaves.

Staff communication

CEB thoroughly implemented the work approach of paying due attention to employees' applause, appeals and complaints, changed the way of thinking and established an "employee satisfaction"-oriented management philosophy. The Bank took employees' voices as an effective way to understand primary-level staff, thus identifying employees' expectations, and turning their feedbacks into actual work improvement. Guided by flexible teamwork mechanism for employees' opinions, teams were set up to listen to the applause, appeals and complaints from employees, and coordinated with relevant departments and branches to solve employees' problems and difficulties in a timely manner. Priority was given to issues related to the well-being of primary-level employees, so as to effectively improve their satisfaction.

Case The column of "Voice of Staff" further upgraded

Since its launch in 2018, the "Voice of Staff" column was widely applauded across the Bank. All employees felt greatly motivated especially after the Chairman joined the column to directly hear from the grassroots. The column was remodeled and optimized quickly in the past two years. At present, the column consisted of 18 sections, covering more than 60% of the Bank's business and management areas. It helped solve problems of employees' in a timely manner and improve the Bank's business and management. As at the end of December 2019, nearly 8,000 messages had been received from employees, with an overall response rate of 92%.

As at the end of December 2019, messages received

nearly **8,000**

overall response rate

92%



Case Employees' Congress convened

In July 2019, CEB held the first meeting of the third Employees' Congress. The third Labor Union Committee was democratically elected in secret ballots.



Promoting the career development of employees

To effectively activate the "talent pool", the Bank set up the CEB Talents Selection, an all-round platform, broadening the channels for selecting and hiring top talents and promoting outstanding performers. The CEB Talents Selection included multi-level talent recruitment covering various selection features. In the process of implementation, the Bank continuously explored the depth and breadth of the platform, making it a regular talent development mechanism and comprehensive talent exchange and selection platform.

Case CEB Talents Selection: selection of division heads at CEB Head Office

In the application stage of CEB Talents Selection, staff members at the Head Office responded actively. The selection process of division heads combined interview with performance assessment, and produced the final result through comprehensive comparison of candidates based on the above two aspects. In the interview stage, evaluation groups were formed, consisting of Executive Vice Presidents of the Bank in charge of relevant business segments, Department Heads of business segments, and Department Heads of Human Resources Department of CEB Head Office, thereby ensuring uniform procedures, scoring standards and scoring rules. The whole selection process was supervised by representatives of the Discipline Inspection Committee of the Head Office to ensure fairness, impartiality and openness.



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Focusing on enhancement of competencies

Adhering to the training philosophy of “upholding bank strategies, based on performance and driving business development and employee growth”, the Bank used new training methods, explored new training modes and created new forms to improve the employee training system and employee competencies. As at the end of December 2019, the Bank had provided 7,099 training sessions attended by 414,042 participants. The total number of visits to CEB online training programs exceeded 600,000 (excluding visits to online knowledge PK contests).

Training programs for strategic priorities
Special training and cross-departmental coordination to facilitate the transformation of strategic key businesses



>>> Training on digital transformation



>>> Training on customer experience transformation



>>> Wealth management capability enhancement training - “Kun Peng Program”

CEB worked hard on the staff training system, providing hierarchical and categorized training to cover all levels of employees.

CEB worked hard on knowledge learning and dissemination channels, enabling online learning through “Everbright Academy”, a digital learning platform.



CEB worked hard on the curriculum development system to build a “self-empowering and circular” learning ecosphere.

CEB worked hard on the training management system in continuously consolidating in such aspects as planning, expenses and operation, etc.

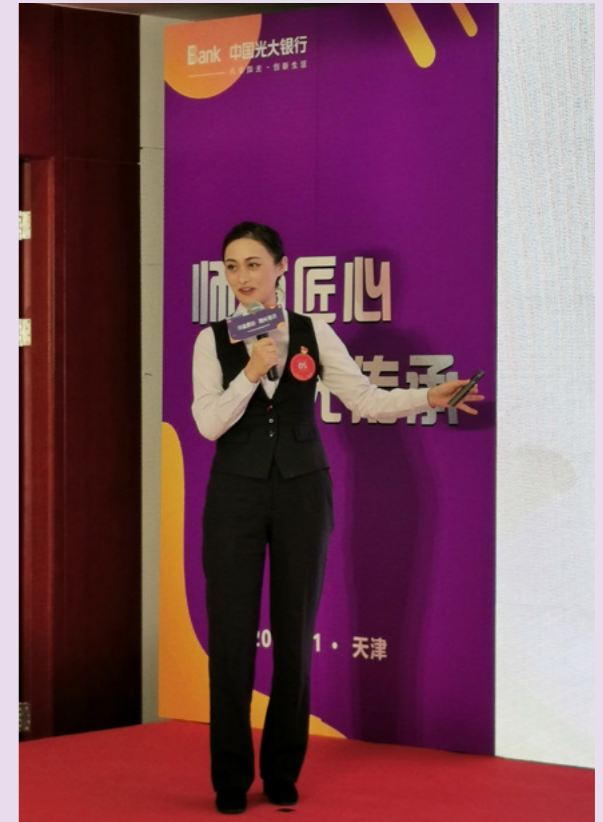
Developing Everbright “hit products” and “star employees”
Training driving production and transformation to boost business development



>>> Five-star teller training



>>> Personal loan star training



>>> Training on non-tax cloud fee payment

Focusing on versatility enhancement, fostering growth of employees at all levels

Trainees	Senior management	Middle-level management		
	“Pilot Program” Rotation Training	“On-the-Wing Initiative” Rotation Training for CEB Head Office Division-level officials	“On-the-Wing Initiative” Training for Sub-branch General Managers	“On-the-Wing Initiative” Training for Tier- 2 branch General Managers
Programs				
Results	Five sessions attended by 249 participants	Four sessions attended by 175 participants	Five sessions attended by 287 participants	Two sessions attended by 115 participants



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Case “Everbright Academy” raising training to a higher standard

In August 2019, the Bank launched “Everbright Academy” digital learning platform, integrating E-learning and M-learning (PC and mobile) systems and enabling online management of the entire training process. The platform introduced diversified and gamifying training forms such as learning maps, live classes, knowledge PK contests, and online pilot branch classes, which laid a solid foundation for online learning of employees bank-wide and management of the entire training process. As at the end of December 2019, the platform activation rate reached 93.1%, with more than 1,883,000 visits. More than 1,100 online courses were offered, with 35,000 hours of online learning recorded across the Bank. A total of more than 80 exams were taken across different business lines bank-wide by more than 70,000 person-times.

Case “Everbright Insights” Knowledge PK Contest

In 2019, the Bank held the “Everbright Insights” Knowledge PK Contest attended by 31,563 employees, or 75% of the total. The Bank’s staff spent 16,000 hours on online learning under five themes, namely “Thematic Party Education”, “Everbright History”, “Strategic Vision”, “Leaders’ Messages” and “Hit Products and Flagship Outlets”. A total of 8.29 million online PK sessions were completed.



Protecting physical and mental health of employees

Providing individual health care

In addition to basic medical insurance for employees, the Bank established a supplementary medical insurance system providing employees with traffic accident coverage, improving the comprehensive service level of health care.

Caring for employees’ mental health

The Bank invited psychologists and consultants to give employees psychological guidance. A national health consulting company was introduced to provide employees with free and expedited access to medical care.

Ensuring the basic living standards of retired employees

The Bank established a multi-pillar endowment security system, which provided both basic endowment insurance abiding by laws and supplementary endowment insurance program (i.e. enterprise annuity) to maintain and improve the basic living standards of retired employees.

Diversified employee care activities

The Sunshine Care Fund was established to enhance the aids for disadvantaged employees. The Women Employees’ Committee was set up to safeguard the legitimate rights and special interests of women employees. The New Year’s Day & Spring Festival Care campaign was carried out to deliver comfort to 332 employees with diseases or needs in 37 cities, totaling an amount of RMB2.55 million in 2019.

CEB organized a variety of recreational and sporting events such as brisk walking, tea breaks, team building, calligraphy, photography, and “Song of Everbright” chorus competition, so that employees could embrace work and life in a more high-spirited fashion.



>>> Stress relief lecture themed “Happy Work, Elegant Life” at CEB Beijing Branch



>>> Autumn outing of retired employees of CEB Guangzhou Branch with the slogan of “beautiful senior life as sunset glows in the golden autumn”



>>> Frozen shoulder healthcare lecture at CEB Hangzhou Branch



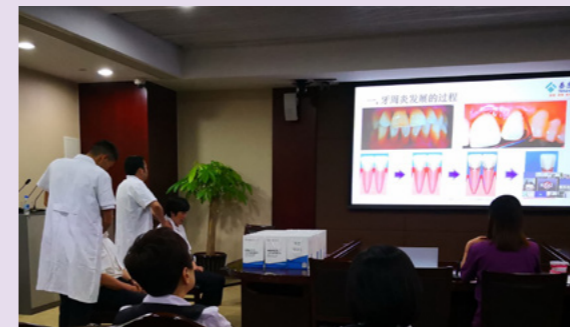
>>> Women’s Day Spring outing in Baihua Island of CEB Shenzhen Branch



>>> Aroma relief training at CEB Credit Card Center



>>> The third “Spring Cup” employee basketball competition of CEB Dalian Branch



>>> Dental care lecture themed “Oral Health Begins with Clean Teeth” at CEB Shanghai Branch



>>> Tai Ji exercises at CEB Changsha Branch



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Contributing to public welfare with warm sunshine

CEB has acted as a socially responsible corporate citizen and wholeheartedly given back to the community. As at the end of December 2019, the Bank donated a total of RMB 19.51 million for public welfare, demonstrating a good image of loving and harmonious Everbright.

Case CEB Sydney Branch's charity art auction

In December 2019, CEB Sydney Branch partnered with UNICEF Australia to successfully hold an appreciation luncheon and charity art auction at the Fullerton Hotel in Sydney, raising a total of more than AUD 50,000 for UNICEF's Child Friendly Cities Initiative.



Case China Soong Ching Ling Foundation & Everbright Sunshine Fund

Working with China Soong Ching Ling Foundation, CEB set up the "China Soong Ching Ling Foundation & Everbright Sunshine Fund" and donated RMB 5 million to fields related to Chinese culture and children development, with the purposes of poverty relief, medical aid, school and education assistance, cultural inheritance and exchange. Also, CEB sponsored the campaign of "Teens of the New Era Growing up with Motherland" and the activities of "Feel China in a Diverse and Harmonious World: International Youth Cultural Exchange Week" in 2019.



As the famous Chinese saying goes, a journey of a thousand miles begins with a single step. CEB actively put into practice the socialist core values and the Everbright "responsibility culture, pro-business culture, sunshine culture, and homeland culture". CEB carried forward the spirit of volunteers and charity, advocated new trends of the new era, promoted a healthy atmosphere across the industry, kept improving voluntary services, and contributed to the cause of charity and social development.

Case "Everbright Urban Charity Map" volunteer service

In March 2019, the Bank carried out the "Everbright Urban Charity Map" volunteer service. Young employees answered the call to take part in the "three tough battles", namely preventing financial risks, reducing poverty and tackling pollution, "lighting up" 113 cities where 150 charity events involved 21,090 young employees. Young generation at Everbright carried forward the spirit of the May 4th Movement and contributed youth power to building a moderately prosperous society in all respects.



>>> The activity of "Love at Everbright on Double Ninth Festival" in the series of volunteer service themed "Spread Everbright's Great Love across China" of CEB Nanjing Branch



>>> The activity of "Caring for the Summer Camp organized by CEB Seoul Branch"



>>> South Xinjiang Students' Caring Summer Camp organized by CEB Urumqi Branch



>>> The "Little Bankers" event held by CEB Xi'an Branch

Case A pilot education program on financial knowledge improvement launched by CEB Wuhan Branch

In April 2019, an onsite promotion meeting on Wuhan Pilot Education Program on Financial Knowledge Improvement was held at the No.21 (Jingyu) Middle School of Wuhan City. CEB Wuhan Branch worked out an activity plan and sent 7 staff to Jingyu Middle School giving 17 class-hours of lessons. More activities such as knowledge contests, essay competitions and practices on the Bank's premises were carried out to boost students' learning interest.



"In the future, I hope to have more opportunities to study financial knowledge. Hopefully I could become a little financial expert in my life. Many thanks to our teachers from CEB who have given us both knowledge and happiness. Thank you!"

-- A student from Jingyu Middle School



We should deepen our understanding of the financial situation at home and abroad, correctly grasp the essence of finance and deepen the supply-side structural reform in the financial sector. We should keep a fine balance between maintaining growth and forestalling risks, deal with risks in key areas in a targeted and effective manner, and effectively deepen reform and opening-up of the financial sector. We should also strengthen the financial sector's ability to serve the real economy, win the battle to forestall and defuse major risks with financial risks included, and promote healthy development of China's financial sector.

—Xi Jinping's speech at the 13th Group Study Session of the Political Bureau of the CPC Central Committee

Key indicators

Indicator	Unit	2019
Integrity publicity at the primary level	Session	11,248
Reception of visits and on-site surveys from domestic and overseas investment banking analysts and institutional investors	Person-time	710
NPL Ratio	%	1.56



Creating Value through Effective Governance

— CSR empowering innovation, sound operation preventing risks

Key actions

- Intelligent risk control
- Diversification of directors
- Anti-corruption education
- CSR governance structure improvement

Contribution to the UN Sustainable Development Goals



CSR stories

Intelligent Risk Control Center

—Shaping smart new finance, seeking new progress in inclusive finance

With the rapid development and extensive application of Fintech, CEB moved forward fast with digital transformation and upgrading. It set overall strategic goals focused on transformation of “agility, technology and ecosphere” to empower traditional businesses and make active explorations and innovations in digital banking fields, such as direct banking, open banking and virtual banking.

Digital banking takes digital network as the core of a bank, providing customers with online financial services leveraging on cutting-edge technologies including big data, artificial intelligence and blockchain. Digital banking services tend to be customized and interactive, available more conveniently and more affordably to ordinary consumers, small and micro enterprises, and other customer groups having limited access to traditional financial services, thereby representing the practice of inclusive finance and serving the real economy.

Intelligent risk control center, as an important vehicle for digital banking exploration, sought new progress in inclusive finance through continuous efforts to develop new technologies and shape smart new finance.

Putting compliance first, ensuring independent risk control

Intelligent risk control center gave top priority to regulatory compliance and adheres to independent risk control. CEB endeavored to research and develop proprietary core technologies, making substantial breakthroughs in real-time computing, distributed high-dimensional approximation algorithm, plot convolution algorithm, etc. Relevant technologies and algorithms were successfully applied in inclusive finance fields such as consumer credit and SME credit, enhancing the Bank’s independent risk control capability.

Supporting the reasonable consumption demand of ordinary consumers



In partnership with external scenario parties such as e-commerce platforms, business travel platforms and search engine platforms, intelligent risk control center enabled automatic credit approval and disbursement based on big data models. It supported consumer credit with a balance of RMB 150 billion, serving 32 million customers and meeting the reasonable needs of general consumers.

- RMB **150** billion the balance of consumer credit
- 32** million customers
- meeting the reasonable needs of general consumers

Exploring blockchain-based inclusive finance services

Intelligent risk control center established connectivity with platforms and the ERP systems of core enterprises to build a risk control system that integrates fund flows, information flows, logistics and business flows. Based on the traditional advantages of the “automobile full link” and the blockchain technology, CEB established an integrated financial platform for the entire automobile supply chain covering both upstream and downstream suppliers to explore new inclusive finance modes for small and micro enterprises in the supply chain system.



Developing robo-advisor products

Intelligent risk control center provided an accurate profile of existing customers and predicts their investment needs and preferences by AI model, thus creating robo-advisor products offering customers with investment products that comply with the new rules on asset management. In addition, the robo-advisor service also provided mature digital products and effective outreach support for CEB’s newly established asset management subsidiary.



Supporting implementation of China Everbright Group’s Wealth E-SBU

Intelligent risk control center could identify public opinions through NLP technology to effectively support China Everbright Group’s reputation risk management. It further expanded its cooperation with other CEG subsidiaries, such as China CYTS Tours Holding, and exploring innovations in financial service tools under different scenarios to promote the building of CEG’s Wealth E-SBU.

Incorporated into the regulatory sandbox system

The implementation of the new financial reform requires support of new regulatory philosophy and regulatory innovation. CEB’s intelligent risk control service was incorporated in the regulatory sandbox system, and CEB would continue to push forward innovation in financial service modes with regulatory support.



>>> Intelligent risk control center team

Strengthening Party building , staying true to our founding mission

CEB always gave top priority to enhancing the Party's political building. It effectively strengthened the political consciousness, ideological consciousness and action consciousness in thematic Party education. In 2019, CEB's Party organizations at all levels remained guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strengthened the "consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment", strengthened "confidence in the path, theory, system, and culture of socialism with Chinese characteristics", resolutely "upheld General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole", and resolutely "upheld the Party Central Committee's authority and its centralized, unified leadership". CEB carried out the "Staying True to Our Founding Mission" thematic education campaign, advanced the Party's political, ideological, organizational, conduct and discipline development on all fronts. What's more, the Bank focused on "enhancement of the fighting, influential and centripetal forces", paid due attention to "employees' applause, appeals and complaints", and implemented the demands of "dual leading goals in Party building and corporate construction, dual responsibilities in Party building and business operation, dual coverage in Party organizations and Party work, dual budgets of Party building and business operation, and dual KPI evaluation of Party work and business operation". Through all these efforts, the Bank deepened the efforts to exercise strict self-governance in every respect, providing strong political assurance to fulfill its corporate social responsibilities.



Creating Value through Effective Governance

Strengthening Party Building, staying true to our founding mission

Improving corporate governance, establishing a good market image

Fortifying internal control and compliance for long-term sound operation

Escorting financial services by comprehensive risk management

Improving CSR management, boosting sustainable development

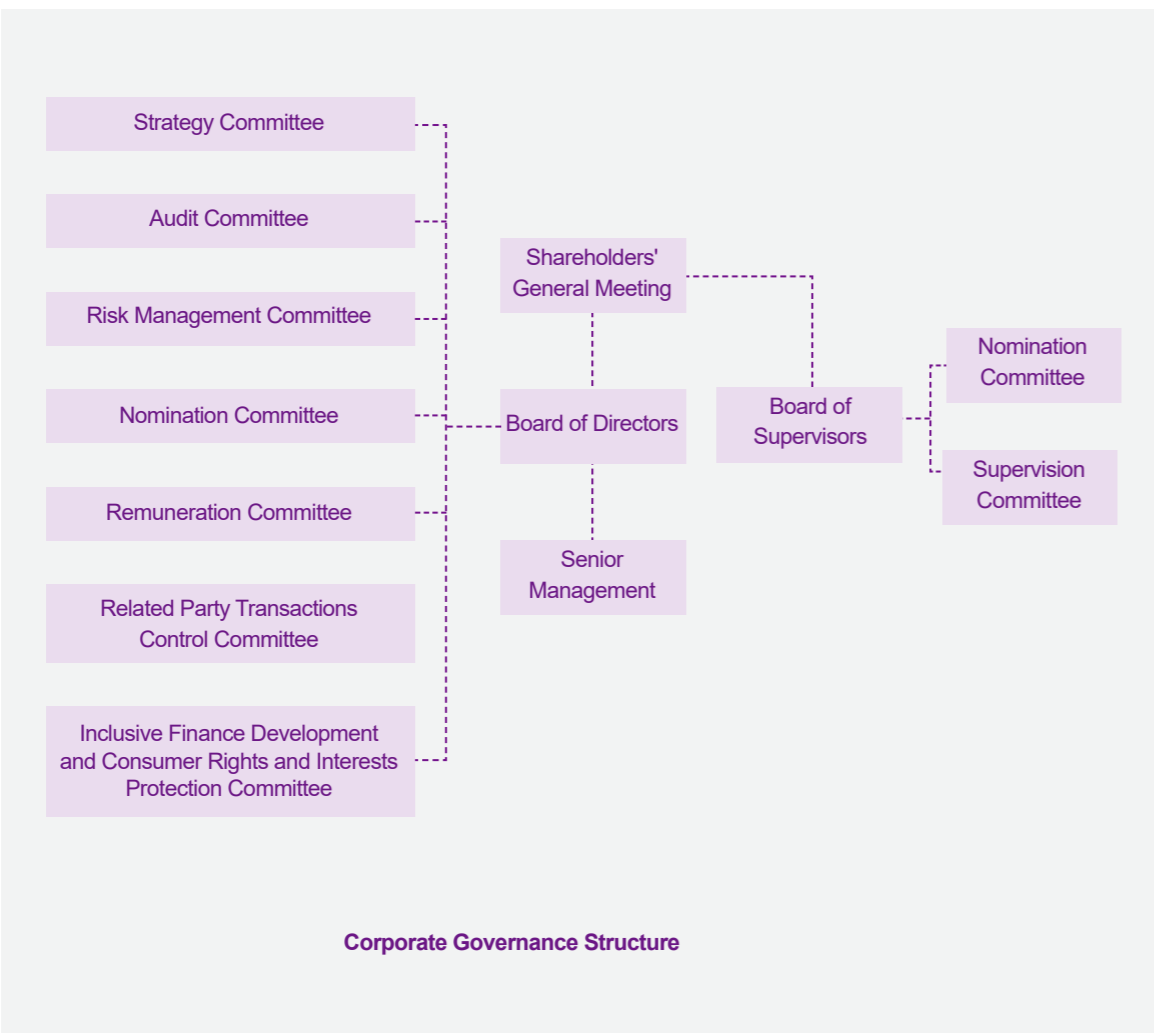


Improving corporate governance , establishing a good market image

CEB kept enhancing corporate governance, improved systems and mechanisms, fortified the policy base and ensured the independence and coordination of all governance bodies as well as their counterbalances on one another, all resulting in steady improvement of corporate governance. In December 2019, CEB won the award of "Best Board of Directors" and "Most Innovative Board Secretary" at the ceremony of "15th Gold Prize of Round Table" of Chinese Boards of Listed Companies.

Improving the corporate governance structure

CEB has established a sound corporate governance structure in accordance with the *Company Law* and relevant regulatory requirements. The Shareholders' General Meeting holds the ultimate power. The Board of Directors reports to the Shareholders' General Meeting. The Senior Management reports to the Board of Directors. The Board of Supervisors supervises the Board of Directors and the Senior Management. As at the end of December 2019, the Board of Directors had 15 members, including 1 executive director, 8 non-executive directors and 6 independent non-executive directors. Independent non-executive directors accounted for more than one third of the members of the Board of Directors.



Fortifying the policy base



Revising corporate governance policies and procedures

CEB's *Articles of Association* and the rules of procedure of the Shareholders' General Meeting, the Board of Directors and the Board of Supervisors were revised to effectively meet the latest regulatory requirements. Also, the Bank improved the *Plan for Authorization from the Shareholders' General Meeting to the Board of Directors* and the *Plan for Authorization from the Board of Directors to the President* to further strengthen the comprehensiveness of authorizations and the reasonableness of granted authority limits.



Ensuring smooth succession of the Board of Directors

The 7th Board of Directors finished its term of office in June 2019. CEB had developed a succession plan in advance, selected candidates for new independent non-executive directors, made orderly adjustments to the composition of the special committees of the Board of Directors and maintained proper reporting to and communication with regulatory authorities. During the reporting period, the succession of the Board of Directors was successfully completed. The qualifications of newly appointed directors were approved by the China Banking and Insurance Regulatory Commission (CBIRC) successively.



Strengthening control of related party transactions

The Board of Directors paid close attention to related party transactions and took various measures to prevent potential risks. The Senior Management held special meetings to discuss and deploy measures to strengthen fairness review, improve system building and intensify audit inspection. The review procedure for major related party transactions was improved to increase the review efficiency of major or urgent related party transactions.



Strengthening equity management

The *Interim Measures for Equity Management* was formulated pursuant to CBIRC's regulatory requirements to effectively improve the basic policy system. CEB established an equity management body and strengthened its staffing to ensure effective fulfillment of duties. An annual evaluation mechanism for substantial shareholders was created to meet regulatory requirements. The day-to-day communication with substantial shareholders and securities registration agencies was strengthened for timely access to equity management information.



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Valuing diversity of the Board of Directors

CEB attached great importance to the diversity of the Board of Directors. The *Policy on Diversity of Board of Directors* was formulated. When examining the candidates for directors and making recommendations to the Board of Directors, the Nomination Committee of the Board of Directors comprehensively took into account the gender, age, cultural and educational background, professional experience, expertise, knowledge and service term of candidates. The Nomination Committee regularly assessed the structure, number and composition of the Board of Directors and proposed adjustments to the Board of Directors in line with the Bank's strategy.

As at the end of December 2019, of the 15 directors of the Bank, 2 directors were female. 14 directors held a master's degree or higher, including 11 doctoral degrees. Non-executive directors all had held important positions with their former employers and had extensive management experience. Independent non-executive directors were senior experts in economics, finance, accounting, auditing, etc., competent enough to provide professional opinions for the Bank in different fields.

As at the end of December, 2019

15

directors

2

female directors

14

directors with master's
degree and above (11 PhD)

Protecting minority shareholders' interests

CEB put in place policy arrangements and procedural safeguards to effectively protect the rights and interests of shareholders, especially minority shareholders. Independent non-executive directors all expressed objective, impartial and independent opinions on the profit distribution plan, remuneration of senior management, major related party transactions and other matters involving minority interests. Pursuant to relevant regulatory requirements, the voting of the Shareholders' General Meeting was held either on site or via online. The votes of small and medium investors were separately counted and disclosed when major issues associated with minority's interests were considered.

Compliance of information disclosure

Pursuant to regulatory requirements, information was disclosed on statutory media including the websites of Shanghai Stock Exchange, Hong Kong Exchanges and Clearing Limited, *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily*. CEB prepared regular reports with due care, adjusted and improved the format and contents of reports according to regulatory requirements and the Bank's actual conditions and strictly controlled the quality of reports. The 2018 Annual Report, the First Quarterly Report of 2019, the 2019 Interim Report and the Third Quarterly Report of 2019 were successfully disclosed.

CEB improved the compliance and timeliness of information disclosure in accordance with both domestic and overseas regulatory requirements. Announcements were properly made with respect to major events, including updates on preliminary annual reports, resolutions of the Shareholders' General Meeting, resolutions of the Board of Directors, resolutions of the Board of Supervisors, succession of the Board of Directors and the Board of Supervisors, changes in directors, supervisors and senior management members, approval and opening of CEB wealth management subsidiary, private placement of preference shares and related party transactions. In 2019, CEB recorded an A rating in Shanghai Stock Exchange in its annual evaluation of information disclosure of listed companies.

Case CEB's interim results briefing attended by nearly 100 institutional investors

In August 2019, CEB held an interim results briefing. Nearly 40 well-known institutional investors and analysts from home and abroad, including Morgan Stanley and CICC, attended the briefing in person. Representatives of nearly 60 institutions participated in the meeting by calling in.



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Improving CSR management, boosting sustainable development



Fortifying internal control and compliance for long-term sound operation

Optimization of authorization management system

The Bank's operation management authorization system was re-examined. According to the principles of compatible connection, gradual decrease, clear objects and clarified processes, the authorization was divided into operation management authorization and business approval authorization, and was timely adjusted according to each institution's actual operation management status and the changes in position and personnel, for the purpose of differential authorization and dynamic adjustment. By strengthening the "delegating" and "retraction" of powers as well as "streamlining" and "management" of administration for the authorization management system, the potential of managers at all levels was further exerted to ensure the stable operation of the entire bank.

Anti-corruption campaign

CEB attached great importance to anti-corruption campaign, regularly analyzing and studying the work for building Party conduct and political integrity. In 2019, CEB organized the signing of 8,012 letters of responsibility for improving Party conduct and political integrity. Secretaries of the Party committees at CEB Head Office and branches attended 233 anti-corruption meetings, coordinated 274 cases and gave 101 Party lectures. The "Two Responsibilities" were strengthened to incorporate the responsibilities for integrity and rectification into the responsibility system for improving Party conduct and political integrity. CEB improved the anti-corruption policy and system by revising 5 sets of anti-corruption regulations, strengthened policy execution, and enhanced the oversight of execution, which turned the policy strengths into anti-corruption governance capability.

CEB expanded the ways of day-to-day oversight and strengthened routine oversight and management using a wide variety of methods, including listening to reports, individual talks, examination and spot checks, attending democratic life meetings as non-voting attendees, receiving public petitions and complaints reports, urging rectification of inspection findings, giving replies to the opinions on Party conduct and political integrity, and providing suggestions on discipline inspection and supervision, etc., so as to detect problems early, and nip them in the bud. The Bank strengthened the application of integrity records, giving full play to their supervisory role. Integrity supervision was enhanced during important and long holidays to promote the concretization and normalization of supervision.

Anti-corruption campaign
integrity and cautionary education

1,670 activities

CEB bank-wide cautionary education

1,792 activities

"caution and improvement through case study" with 36 typical violation cases announced by Head Office, 550 other cases announced by tier-1 affiliated institutions

Campaign of "integrity publicity at the primary level"

11,248 activities

Diversified forms of integrity and cautionary education

1 platform 2 databases

information management system of discipline inspection education, shifting from "paper-based" to "digital" education

Anti-graft

CEB strictly abided by laws and regulations, deepening the case inspection mechanism with a focus on corruptions in the field of finance and credit. Strictly implementing the *Constitution of the Communist Party of China*, the *Regulations on Disciplinary Measures of the Communist Party of China*, the *Regulations on Accountability of the Communist Party of China* and other Party regulations, the Bank continuously strengthened Party discipline, and rigorously investigated the typical violations of the Six Rules of Party Discipline and Party Central Committee's eight-point decision on improving conduct. A long-acting mechanism under which officials "don't dare to, are unable to and do not want to commit acts of corruption" was established to deepen the strive for enhancement of Party conduct and political integrity and the fight against corruption.

Anti-money-laundering(AML)

CEB strengthened the risk management of money laundering and improved the effectiveness of AML work, to strictly fulfil its obligation of anti-money laundering. It further enhanced the internal control system, improved the organizational structure for money laundering risk management, and continuously refined the AML system and working mechanism. In addition to rigid customer identification, the Bank facilitated the clearance of existing customer identification information in an all-around manner. It conducted the risk assessment of money laundering, increased the investment in AML technology, and optimized the monitoring system for large-sum and suspicious transactions, in order to continuously improve and refine monitoring rules and models and enhance the effectiveness of suspicious transaction report. Besides, AML publicity and training were carried out to promote the sufficient communication of money laundering risk management culture, and comprehensively elevate the AML awareness of employees and the public.



>>> CEB Hefei Branch's Month of Anti-Money Laundering Publicity Campaign

Supply chain management

The *CEB Measures for Procurement Management (Version 2019)* was formally issued in November 2019. This document set out the guiding and overarching principles of legitimacy and compliance, centralized management, hierarchical authorization, higher quality and efficiency, energy conservation and environmental protection. It defined the centralized procurement catalogue and limits, standardized centralized procurement procedures, approval process, committee reviewing rules, application conditions for various procurement methods, and strengthened institution management. Some bidding documents involving staff outsourcing services required prospective bidders to quote and participate in the evaluation of factors such as the proportion of employees' salaries.

Intellectual property protection

In strict accordance with relevant laws and regulations such as the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and *Copyright Law of the People's Republic of China*, CEB formulated the *Management Measures of China Everbright Bank on Intellectual Property Rights*, to clarify the management department of intellectual property rights. Intellectual property service consultants were engaged to positively safeguard the intellectual property rights of the Bank. As at the end of December 2019, the Bank owned 111 registered trademarks and 155 patents.

As at the end of December 2019

111 registered trademarks

155 patents





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Improving corporate
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establishing a good
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Fortifying internal
control and
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long-term sound
operation

Escorting financial
services by
comprehensive risk
management

Improving CSR
management,
boosting sustainable
development



Escorting financial services by comprehensive risk management

Strengthening the risk management system

Immediate action and rectification are required for major risks. CEB strengthened credit risk management on all fronts, implemented the requirement of managing loans strictly in accordance with the law, enforced stringent accountability, and gave full play to the cautionary effects of typical cases. CEB continued to improve the risk management system, and pushed forward building a big data-based intelligent risk control system to further fortify the foundation for risk management. In particular, the Bank strengthened the “three lines of defense”, namely, business management, risk compliance and internal audit and supervision, thereby rigorously controlling the asset quality and safeguarding the bottom line of risk management.

Improving the ability to forestall risks

CEB improved the lifecycle management system for asset quality and strengthened overall management. The Bank strictly managed loan classification, maintained prudence and consistency in risk classification, and dynamically outlined the risk profile of loans. Adhering to a prudent, sound and objective provision policy, CEB conducted impairment calculation and provision for possible losses of assets pursuant to the new accounting standards for financial instruments.

Continuing to improve the credit structure

CEB boosted the support for private enterprises, treating them with equality in terms of credit policy, product innovation, service efficiency and internal assessment. The inclusive finance of CEB was developed by strengthening financial services for small and micro enterprises and for agriculture, rural areas and rural residents, expanding marketing channels through internet technology, and innovating products and services. The Bank provided stronger support for environmental protection, tourism, health and new technologies, and pushed for the removal of zombie companies and reduction of industrial over-capacity in an orderly manner, in an effort to support the supply-side structural reform. And the investment banking vision was broadened by ability improvement in capital, products and channels integration to provide comprehensive financial services to meet the real needs of the real economy.

Case Sunshine Risk Warning Management System

With the application of big data technology and Fintech into the research of customers' credit risk characteristics and regular patterns, CEB developed the Sunshine Risk Warning Management System, integrating pre-warning customer list, internal and external data, signal models and pre-warning process handling. As a comprehensive, panoramic, whole-process and around-the-clock platform, it employed a smart warning model featuring 24/7 inflows of internal and external data and generation of early warning signals, enabling online automatic management of credit customers through “unmanned monitoring” to achieve the goal of warning, detecting and handling the risks of credit assets as early as possible. As at the end of December 2019, the Sunshine Risk Warning Management System monitored nearly 10 million customers with more than RMB2.6 trillion of assets, allowing pre-warning of risks of post-lending management and further improving the Bank's performance in risk warning, prevention and control.

Improving the investment decision-making mechanism

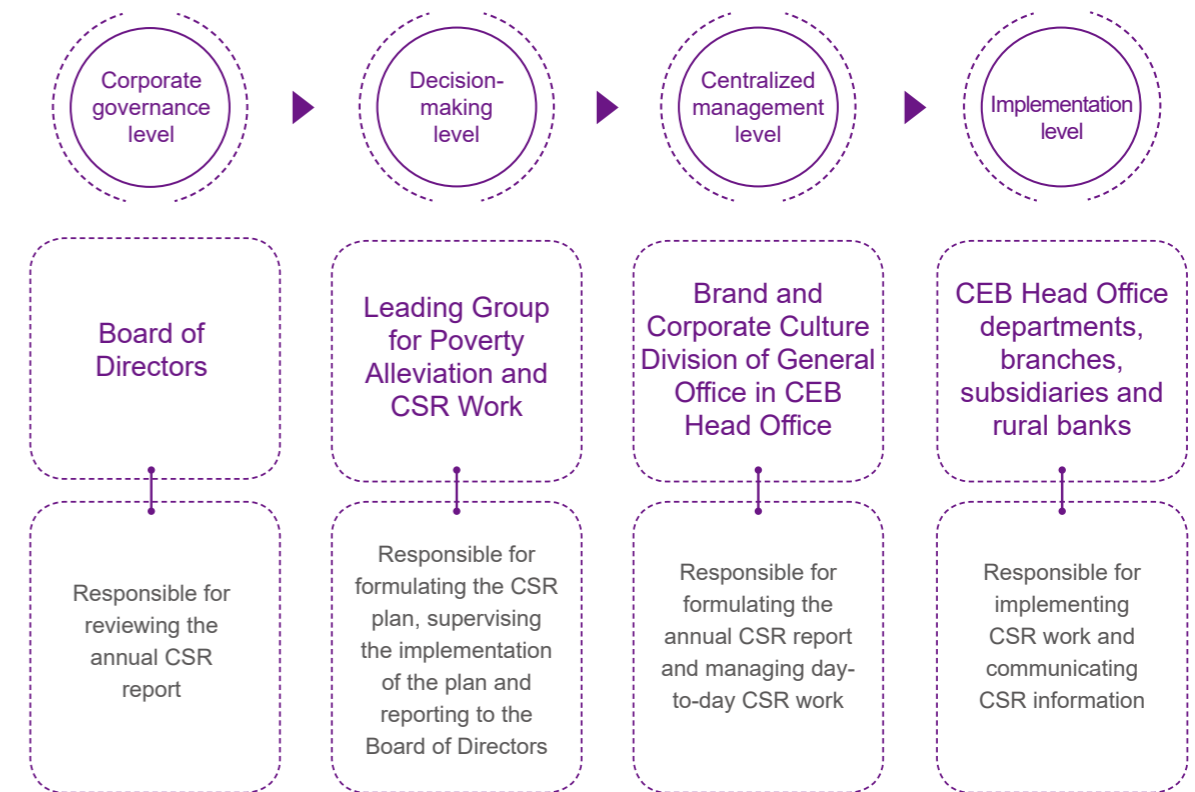
CEB continued to improve the investment decision-making mechanism and the market risk management process, making clear the market risk management strategies for various business activities. Based on IFRS9, the Bank optimized the structure of market risk limits, continuously monitored, controlled and reported the implementation of limits, and managed to keep all market risk monitoring indicators within the risk appetite. It also strengthened the research and assessment of interest rate risk and foreign exchange risk, and continuously tracked the risk exposure and trends of market-oriented business activities. A bond pre-warning system was established to prevent credit bond defaults. Stress tests were regularly conducted to assess the risks faced by the Bank under extreme conditions.

Improving CSR management, boosting sustainable development

Promoting CSR governance

A CSR management mechanism featuring Head Office-branch coordination was established. The Brand and Corporate Culture Division of General Office in CEB Head Office took the lead in day-to-day CSR management. The Head Office and branches had 80 CSR liaison contacts in total. The bank-wide CSR information collection process was continuously improved, with the annual CSR report prepared and disclosed in a well-organized manner.

CSR Governance Structure



Implementation of the CSR plan

CEB implemented the CSR requirements on the banking industry set forth in the *Opinions on Strengthening Social Responsibility of Banking Financial Institutions* issued by China Banking and Insurance Regulatory Commission, the *Guidelines on Corporate Social Responsibility of Banking Financial Institutions* issued by China Banking Association, and the requirements on CSR performance and ESG governance enhancement set forth in following documents and regulations including: the *Code of Corporate Governance for Listed Companies* issued by China Securities Regulatory Commission, the *Standards for the Contents and Formats of Information Disclosure by Listed Companies No. 2 – Contents and Formats of Annual Reports* and the *Notice on Strengthening the Social Responsibility Work of Listed Companies and Issuance of the Guidelines on Environmental Information Disclosure of Companies Listed on Shanghai Stock Exchange* issued by Shanghai Stock Exchange and the *Environmental, Social and Governance Reporting Guide* issued by Hong Kong Exchanges and Clearing Limited.

CEB further implemented the *2016-2020 CSR Development Plan*, enhanced CSR management, endeavored to integrate performance of CSR in every session of business development and pursued sustainable and sound development of the Bank.

Management of stakeholders

Stakeholder	Concerns and expectations for CEB
Government	Responding to national strategies, serving the real economy, promoting industrial transformation, and helping regional coordinated development
Regulatory authorities	Complying with laws and regulations, forestalling financial risks, ensuring safety of financial assets, operating steadily and maintaining sound internal control and professional ethics
Shareholders	Strengthening risk control, ensuring compliance, improving corporate governance structure, disclosing information accurately in a timely manner and creating long-term value and return
Creditors	Maintaining and increasing the value of assets, disclosing accurate information in a timely manner and improving corporate governance
Customers	Providing customers with "online + offline" integrated financial services featuring information security, operational convenience and business efficiency, and continuously strengthening technological innovation
Employees	Providing complete protection of rights and interests, competitive remuneration and benefits, a healthy and safe working environment, and putting emphasis on staff training and development
Partners	Contract performance with integrity, procurement in a responsible manner, impartial cooperation, mutual benefit and win-win result
The public	Fulfilling social responsibility, rewarding the society and jointly building a beautiful community
Environment	Developing green finance, promoting green credit, adhering to green operation, and carrying out environmental protection charity events

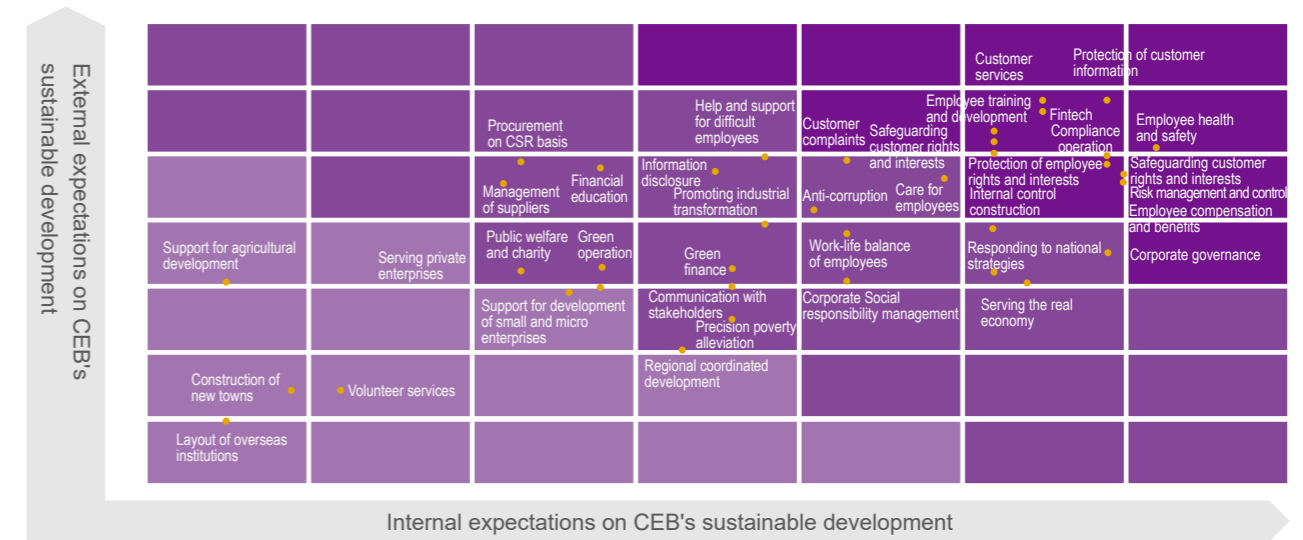
The UN Sustainable Development Goals, set in 2015 and intended to be achieved by the year 2030, are promoted as the comprehensive and ultimate solutions to development issues related to society, economy and environment. Committed to sustainable development, CEB has contributed to all 17 goals by effective actions. (Please refer to the relevant goals specified on each chapter to learn more about our actions in 2019.)



Materiality analysis

CEB highly valued communication with internal and external stakeholders, continuously expanded communication channels, increased the frequency and efficiency and enriched the contents of communication to keep stakeholders fully informed of CEB's CSR practice and performance in a timely manner. An annual CSR questionnaire survey was conducted through mobile WeChat at the end of 2019, with 211 valid feedbacks received. After systematic analysis and assessment, the important social issues of the year were determined as one of the important basis of CSR report preparation, which was a proactive response to the concerns and requests of internal and external stakeholders, including regulators, customers, employees and shareholders.

In 2019,
211 valid questionnaires
received through WeChat
for annual CSR survey



Enhanced CSR capability

In 2019, CEB invited CSR experts to train the CSR liaison contacts of relevant departments in the Head Office, in a bid to enhance the CSR awareness and capability of CSR staff.

The CSR performance assessment was further improved. CSR performance was included as an important element in the Bank's performance assessment system. Based on the implementation of assessment system, the CSR assessment indicators were continuously improved to boost the effectiveness of the CSR assessment mechanism.

CEB Head Office departments

CEB Head Office strengthened the performance assessment of consumers' rights and interests protection and customer services, incorporating CSR requirements into the rules for resource allocation, business rules and specific measures. In the staff performance assessment of relevant departments and positions, CSR performance was regarded as a core indicator with a relatively high weight.

Branches

The evaluation methods for "CSR performance evaluation" indicators in the performance assessment system were further improved and the overall performance assessment was enhanced.



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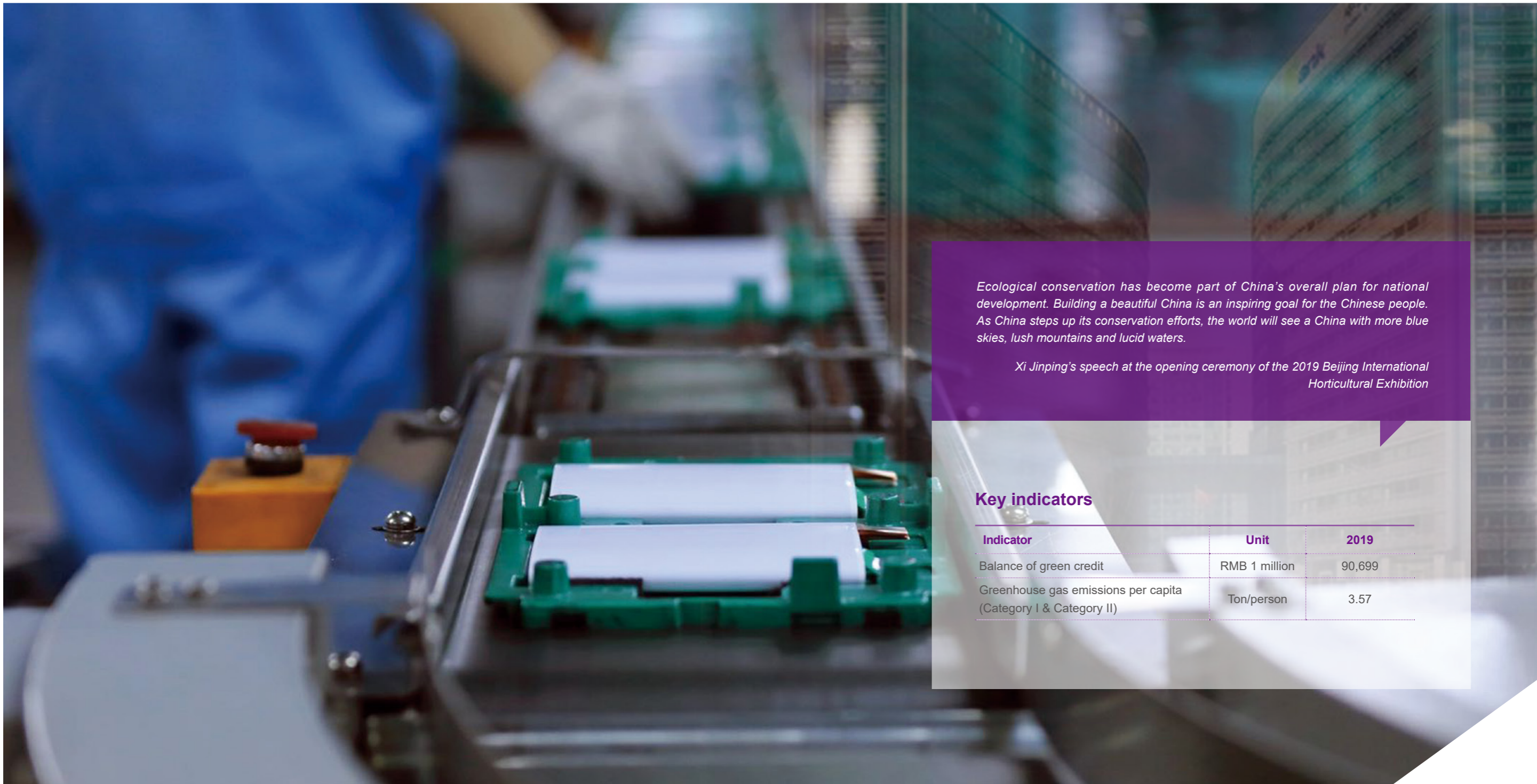
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Ecological conservation has become part of China's overall plan for national development. Building a beautiful China is an inspiring goal for the Chinese people. As China steps up its conservation efforts, the world will see a China with more blue skies, lush mountains and lucid waters.

Xi Jinping's speech at the opening ceremony of the 2019 Beijing International Horticultural Exhibition

Key indicators

Indicator	Unit	2019
Balance of green credit	RMB 1 million	90,699
Greenhouse gas emissions per capita (Category I & Category II)	Ton/person	3.57



Creating Environmental Value

— Ecological conservation for sustainable development

Key actions

- Green credit
- Green bonds
- Green leasing
- The "Zero-waste Headquarters"
- Green charity programs

Contribution to the UN Sustainable Development Goals



CSR stories

New growth drivers of a Beautiful China: Everbright's support for lithium-ion batteries



Accelerating the reform of the ecological conservation system, promoting green development and building a beautiful China have become strategic plans of China. New energy vehicles (NEVs) make full use of renewable energy, help save energy and reduce emissions, and thus play an important role in protecting the environment and mitigating climate change. Lithium-ion batteries, as the core component of NEVs, have risen to a key factor for the popularization of new energy vehicles. From 2017 to 2019, China issued a series of policies to promote the rapid development of the NEV industry and the power battery industry.

In active response to the national development strategy for NEV and power batteries, CEB provided professional and customized financial services to support the growth of Hefei Gotion High-tech Power Energy Co., Ltd. ("Gotion High-Tech"), a major manufacturer of power lithium-ion batteries in Anhui Province.

Gotion High-Tech is one of the earliest domestic companies engaged in independent research, development, production and sales of power lithium-ion battery packs for NEVs. Its products include power lithium-ion battery packs, stand-alone lithium-ion batteries (cells) and cathode materials for power lithium-ion batteries, which are widely recognized in the market and represent the third largest market share. Gotion High-Tech is entitled to many honors, such as the "China Torch Program Project Entity", "High-tech Enterprise", and "Pilot Innovator in Environmental Protection" in Anhui Province.



Working together for environmental protection

As at the end of December 2019, CEB had granted a total of RMB **1.5 billion** of credit facilities to Gotion High-Tech to promote all-round cooperation

As at the end of December 2019, the Bank issued RMB249 million of bank acceptances to fund Gotion High-Tech's payments to its upstream suppliers.

RMB **249** million

Bank acceptance bills

As at the end of December 2019, the Bank accumulatively disbursed RMB275 million to meet Gotion High-Tech's demand for receivables financing and its off-balance sheet activities.

Non-recourse domestic factoring

RMB **275** million

RMB **125** million

Bills discounting

As at the end of December 2019, the Bank granted RMB125 million through discounted bills to meet Gotion High-Tech's working capital needs.

Bill issuance backed by Bank acceptance pledge

RMB **23** million

As at the end of December 2019, the Bank issued RMB23 million of smaller-value bills backed by larger-value bank acceptance pledge.

Jointly pursuing green development

ABS and receivables financing

The Bank provided ABS and receivables financing solutions to Gotion High-Tech.

Supply chain finance

The Bank provided 1+N factoring service for the upstream of Gotion High-Tech's supply chain.

Overseas cooperation

The Bank actively promoted cooperation with the overseas subsidiaries of Gotion High-Tech in Hong Kong, Germany, etc.

Domestic cooperation

The Bank actively promoted cooperation with the domestic subsidiaries of Gotion High-Tech in Hefei, Qingdao, etc.



Today's Gotion High-Tech is forging ahead to become greener, smarter, more dynamic, and lower-carbon. CEB will continue to join hands with Gotion High-Tech to make greater contributions to environmental protection and green economic development.



Creating
Environmental
Value

•
Developing
green finance to
protect beautiful
environment

Promoting green
operation, advocating
low-carbon
development

Carrying out green
charity events to raise
the public awareness
of environmental
protection



Developing green finance to protect beautiful environment

Green finance development is an important approach to green development and a significant part of the supply-side structural reform. CEB kept increasing green finance supply and pursuing green development by establishing and improving green finance policies and strengthening the ability to tackle environmental and social risks.

Improving green finance policies

Policy
guidance

The Bank put in place a green credit management framework in which duties were split between CEB Head Office and branches. The CEB Green Credit Policy and the CEB Guidelines for Green Credit Policy were formulated and reviewed on a regular basis.

Multi-
department
collaboration

The Bank applied the green philosophy through all departments and business lines, including Risk Management Department, Corporate Banking Department and Financial Institutions Department, to ensure green philosophy incorporated in decision-making.

Focusing
resources on
key fields

The Bank mainly extended green credit funds to key fields of environmental governance in China. For key river basin water pollution prevention and treatment projects and major water conservancy projects recommended by the National Development and Reform Commission, CEB granted preferential policies in terms of policy threshold, approval, authorization, charges and provision assessment.

Environmental and social risks were incorporated into green credit policies to further strengthen the ability to identify environmental and social risks.

Vetoing projects on environmental grounds

All projects that do not meet environmental requirements or may have a significant adverse impact on the environment would be vetoed. Typical non-compliance regarding environmental protection and working safety were sorted and defined.

Reducing outstanding credit to heavy-polluting, energy-intensive and over-capacity industries

Following the trends in industrial structure adjustments, the Bank optimized the green credit structure, continued to strengthen efforts to mitigate risks or reduce the outstanding credit to heavy-polluting, energy-intensive and over-capacity industries, and accelerated the phase-out of credit to industries with environment-unfriendly manufacturing processes and outdated capacities.

Promoting green economy development

Green economy bridges the gap between environmental protection and development advancement, which is an important part of China's goals of economic and social development and ecological conservation. Upholding the philosophy of green development with a focus on circular economy and new energy, CEB strengthened support for green credit to facilitate economic transformation and the strive for a beautiful China.



Issuing green credit

Case Supporting green hotel construction with a green syndication loan

In September 2019, CEB Hong Kong Branch as the lead bank organized a green syndication loan of HKD3.6 billion for Hong Kong Lai Sun Group, which was the first syndication loan for green hotel in Hong Kong.



Developing green leasing

Case Supporting wind power project

In 2019, China Everbright Financial Leasing Co., Ltd. continued to give stronger support for the wind power industry with the investment of RMB1.691 billion in the new wind power equipment direct-leasing projects in the year. More than 50 wind turbines were installed accumulatively. Wind farms have been constructed in provinces such as Shanxi, Hunan, Liaoning, Jiangsu, Hubei, and Anhui. A total of 471,161.8 MWh of clean electricity was accumulatively supplied by the operating wind farms in 2019, equivalent to saving 164,900 tons of standard coal, or reducing carbon dioxide emissions, sulfur dioxide emissions, nitrogen oxides emissions and carbon dust by 410,800 tons, 12,300 tons, 6,100 tons, and 112,100 tons respectively.



Investing in green bonds

Case Helping a polyester manufacturer with energy conservation and emission reduction

Jiangsu Eastern Shenghong Co., Ltd. ("Eastern Shenghong"), an outstanding chemical fiber manufacturer, is a listed private enterprise leading China's domestic polyester industry. In September 2019, CEB made an RMB300 million investment in the green bond issued by Eastern Shenghong. The use of proceeds was mainly for supporting the construction of the Shenghong Refining-Chemical Integration Project of Shenghong (Lianyungang) Refining & Chemical Co., Ltd., a green industry project of Eastern Shenghong's subsidiary. This investment helped improve the energy efficiency of Eastern Shenghong's production and operation and promote the green economic development and ecological conservation in Jiangsu Province.

Case Investing in the first AAA-rated green corporate bond in Guizhou Province

In November 2019, CEB invested in Guizhou's first AAA-rated green corporate bond which were mainly used to fund the key water conservancy projects in Guizhou Province, including major drinking water source projects, water distribution network construction, large and medium-sized reservoirs, waste water treatment and other green industries, with the aim of ensuring the drinking water safety of rural people and urban water supply.



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Developing
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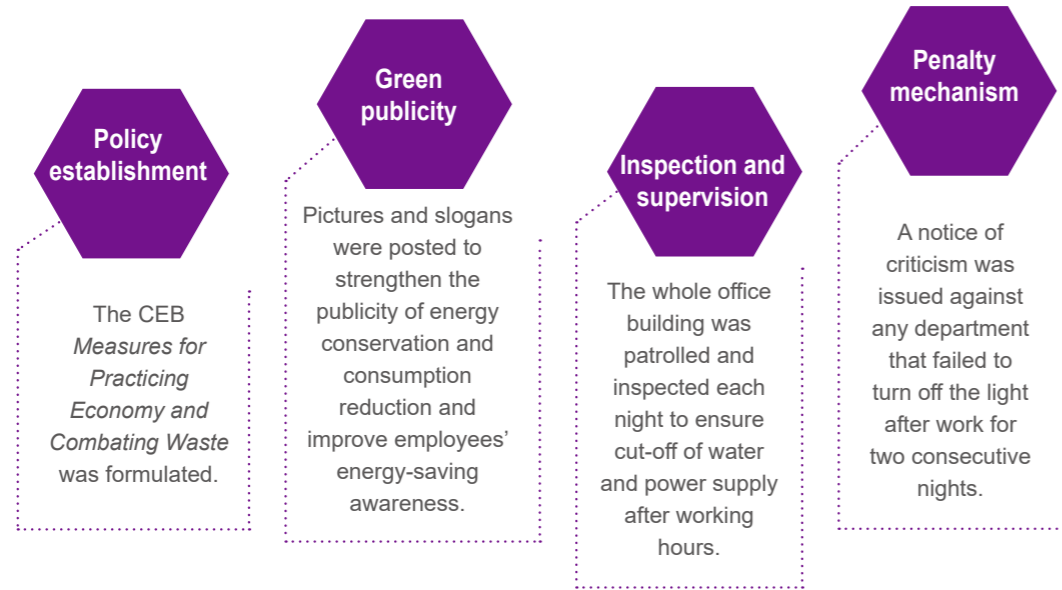
Promoting green
operation, advocating
low-carbon
development

Carrying out green
charity events to raise
the public awareness
of environmental
protection



Promoting green operation, advocating low-carbon development

Economical practice and green operation are the most cost-effective approaches to practice the philosophy of green development, implement the requirements of "being simple, moderate, green and low-carbon", and prevent extravagance and excessive consumption, which represent the most immediate action of CEB in building an energy-saving bank.



Building a "Zero-waste Headquarters"

President Xi Jinping gave an important instruction on waste sorting in 2019, pointing out that waste sorting not only bears a tie to people's living environment and conservation of resources, but also reflects the civilization level of society. With the spirit of "success may not be completed by my hand, but strive will have my footprints", CEB pushed forward strict waste classification to facilitate the reduction, reuse and non-hazardous treatment of wastes.

Case CEB Beijing Branch established the "Zero-waste Headquarters" waste sorting station

In September 2019, CEB Beijing Branch held the inauguration ceremony for the "Zero-waste Headquarters" waste sorting station, marking the commencement of the "Zero-waste Headquarters" drive among CEB branches. As the forerunner and experimental site of "Zero-waste Headquarters", CEB Beijing Branch implemented waste sorting measures steps by steps, which delivered solid progress and good preliminary results. As of the end of December 2019, CEB Beijing Branch replaced all old dustbins with new four-category ones and set up waste sorting stations in order to support the green development of Beijing with concrete efforts.



Decreasing waste of resources

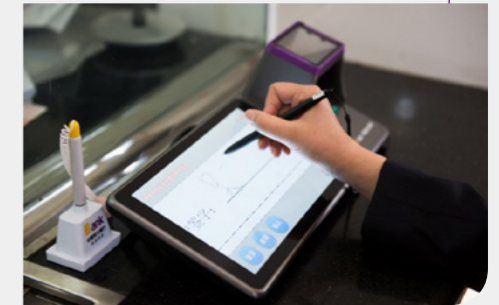
Saving paper

Paperless service was promoted bank-wide. CEB remained focused on electronic, digital and smart transformation of services and operations. The use of paper was increasingly reduced through financial innovation such as e-banking, mobile banking, intelligent devices and Cloud Fee Payment platform, thereby seeking paperless development of the Bank.

Paper use was reduced in daily office operations. CEB promoted paper saving in day-to-day office work. Employees were encouraged to increase the efficiency of paper use by using email, replacing paper reading with electronic reading, using both sides of paper and reusing printed paper. Videoconferencing was encouraged to reduce meeting printouts.

Case Supporting environmental protection with the second-generation Anxinbao Paperless Platform

CEB launched the second-generation Anxinbao, a paperless platform, encouraging customers to use electromagnetic pen signatures or retain fingerprints to confirm transaction information. While improving customer service experience, the platform significantly reduced use of paper. As at the end of December 2019, more than 800 outlets of 39 CEB branches provided paperless counter services, generating more than 53,000 electronic vouchers per day and reducing paper vouchers by nearly 50%.



Saving water

Patrol and inspection were strengthened to promptly replace failed taps to reduce waste of water.



Reasonable disposal of wastes

A waste treatment system was established for proper disposal of wastes. In 2019, CEB Head Office retired around 500 pieces of office consumables (including printer cartridges) and destroyed 17 tons of paper through standard channels.

office consumables
retired by Head Office
500 pieces
(+printer cartridges)

paper destroyed
17 tons
through standard
channels



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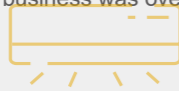


 Reducing energy consumption

CEB thoroughly implemented the *Energy Conservation Law of the People's Republic of China*, by promoting the use of energy-efficient technology and products, removing energy-intensive facilities and devices and calling for saving electricity and reducing energy consumption of equipment.

Air conditioner control

Air conditioners in office and business spaces were set at 26°C -28°C in summer, and would not be turned on in winter until the temperature fell below 10°C . Windows remained closed when air conditioners were in use, with window shades pulled down in daytime. Air conditioners and fans in office and business spaces were turned off when business was over.



Lighting control

Office lighting in the absence of staff was prohibited. Lights remained off during noon breaks and after work hours. Filament lamps were replaced by more energy-efficient LED lights. Natural lighting was fully used in fine days to reduce unnecessary artificial lighting.



Reasonable use of electricity

Strict compliance with electricity safety rules was required. Unauthorized wiring or power supply connection, non-complying use of electric appliances and overloading of power circuits were prohibited. The standby time of electronic and electric devices in offices was reduced. Devices that remain idle for a long time must be powered off.



Energy use audit

A third-party energy auditor was engaged to fully review the utilization of power equipment of headquarters. Some energy-intensive equipment items were transformed to minimize energy consumption. In 2019, CEB was awarded the "Outstanding Enterprise for Energy Use in Xicheng District, Beijing".



Carrying out green charity events to raise the public awareness of environmental protection

A variety of environmental protection volunteering events were organized by CEB including waste sorting, tree planting and green cycling, thus bringing the green concept to local communities and contributing to green environment and ecological conservation.



>>>CEB Jinan Branch's hiking activity



>>> CEB Kunming Branch's campaign of "Planting to Protect the Earth"



>>> CEB Nanjing Branch's green cycling and waste sorting campaign





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Coverage

Organizations: The Corporate Social Responsibility Report ("CSR Report" or "the Report") covers the Head Office of China Everbright Bank and the institutions in its jurisdiction.

Reporting Period: January 1, 2019 to December 31, 2019 (Some contents may not fall into the aforesaid reporting period.)

Reporting Cycle: Annual report

Reporting Organizations: For the sake of convenience, "China Everbright Bank Company Limited" in the report is hereinafter referred to as "China Everbright Bank", "CEB", "the Bank" or "we". Besides, "China Everbright Group" and "CEG" refer to China Everbright Group Limited.

Basis

China Banking and Insurance Regulatory Commission(the former China Banking Regulatory Commission)

Opinions on Strengthening Social Responsibility of Banking Financial Institutions (2007)

China Banking Association

Guidelines on Corporate Social Responsibility of Banking Financial Institutions (2009)

China Securities Regulatory Commission

Code of Corporate Governance for Listed Companies (2018)

Shanghai Stock Exchange ("SSE")

Standards for the Contents and Formats of Information Disclosure by Listed Companies No. 2

– Contents and Formats of Annual Reports (2017)

Notice on Strengthening the Social Responsibility Work of Listed Companies and Issuance of the Guidelines on Environmental Information Disclosure of Companies Listed on Shanghai Stock Exchange (2008)

Hong Kong Exchanges and Clearing Limited

Environmental, Social and Governance Reporting Guide (2017)

Chinese Academy of Social Sciences

Guidelines on Corporate Social Responsibility Report of Chinese Enterprises (CASS-CSR4.0)

Global Reporting Initiative ("GRI")

Sustainable Development Reporting Standards (2016)

Notes on data

The financial data in the Report comes from the 2019 annual financial statement of CEB, mainly of 2019, while some of the previous years. All monetary amounts stated in the Report are denominated in RMB, unless otherwise specified.

Third-party assurance

To ensure the authenticity and reliability of the Report, Ernst & Young Hua Ming LLP has performed limited assurance of key data disclosed in the Report, and issue an independent assurance engagement report in accordance with the International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Contact information

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Postal code: 100033

Tel: 86-10-63636363

Fax: 86-10-63639066, 63639088

Appendix 2 Honors and Awards



On January 9, 2019, the Bank was awarded the "Best Corporate Culture Communication of the Year" in the 2019 Sustainable Development Finance Summit & Evergreen Awards Ceremony held by *Caijing* magazine in Beijing .

On January 9, 2019, the Bank was awarded the "Most Trustworthy Listed Company" at the CNR Finance and Economics Annual Conference & the 1st Selection Event of "Most Trustworthy Listed Companies" held in Beijing.

On January 12, 2019, the Bank won the award of "Special Contribution to Board Governance" at the ceremony of "14th Gold Prize of Round Table" of Chinese Boards of Listed Companies held in Beijing.

On January 31, 2019, the Bank was named "The Most Socially Responsible Commercial Bank of the Year" released in the 2018 Financial Ranklist by *toutiao.com*.

In January 2019, the Bank won the "Responsible Brand Award of the Year" with the public welfare program of "Water Cellar for Mothers" at the 8th China Charity Festival held in Beijing.

In April 2019, the Bank won the "Innovative Bank in Brand Communication of the Year" issued by Ocean Engine and *toutiao.com*, and CEB Credit Card Center won the award of "Best Credit Card Brand for Knowing Users of the Year".

On May 10, 2019, the Bank was listed among TOP100 in the "2019 Brand Value List of Chinese Listed Companies" issued at the press conference hosted by *National Business Daily* and Tsinghua SEM (School of Economics and Management) held in Tsinghua University.

On July 12, 2019, the Bank won the award of "Top Graduate Employers China 2019" in the award ceremony hosted by *51job.com* in Shanghai.

On July 17, 2019, the Bank's case of "Achievements in Promoting Poverty Alleviation through CEB 'Wonderful E-Shopping' e-commerce platform" won the "Best Case for Social Responsibility Practice in the Social Responsibility Evaluation for Top 100 Chinese Banks in 2018" at the Release of *2018 Social Responsibility Report of China Banking Industry* & Top 100 Social Responsibility Commendation Conference organized by China Banking Association.

In October 2019, the Bank won the "Award of Financial Poverty Alleviation Pioneer Institution" for its "Wonderful E-Shopping" e-commerce platform in the 2019 Financial Poverty Alleviation Pioneer List released by *china.com.cn*.

On November 15, 2019, the Bank was shortlisted in the "Top 100 Financial Service Institutions in 2019" and "Top 100 Financial Innovation Institutions in 2019" in the "2019 China Financial Services and Innovation Forum" held by *China Economic Net* in Beijing.

On November 19, 2019, the Bank won the awards of "2019 Credit Card Bank" and "Big Data Risk Control and AI Innovation" in the "14th 21st Century Annual Finance Summit of Asia", which was directed by Southern Finance Omnimedia Corp. and hosted by *21st Century Business Herald* in Beijing.

On November 22, 2019, the Bank was awarded the "Excellent Wealth Management Bank of the Year" in the 2019 China Financial Development Forum & 2019 China Golden Tripod Awards Ceremony hosted by *National Business Daily* in Beijing.

On November 28, 2019, the Bank was awarded "Best Asset Management Institution for Responsible Investment" for its wealth management service in the evaluation of "China ESG Golden Awards 2019" by *Finance.sina.com.cn*.



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- On November 29, 2019, the Bank was awarded the “Excellent Brand Communication Bank of the Year” in the “Observer Financial Summit & China’s Outstanding Brand Power Financial Enterprise Ceremony” co-sponsored and held by the mainstream financial medias *The Economic Observer* and *Modern Advertising* in Beijing.
- On December 1, 2019, CEB Cloud Fee Payment was awarded the “‘13th Five-Year’ Digital Inclusive Finance Model Case” at the 4th China New Finance Summit hosted by Liaowang Institute under Xinhua News Agency and *Economy & Nation Weekly*, in Beijing.
- On December 12, 2019, the Bank was awarded the “Most Competitive Bank of the Year” and “Best Bank for Inclusive Finance Service of the Year” released in “The Gold Medal Award Ceremony of Chinese Financial Institutions – Gold Dragon Award 2019” hosted by *Financial News* in Beijing.
- On December 18, 2019, the Bank was awarded the “2019 Influential Bank Brand” and “2019 Fintech Innovation Bank” released in the “17th China’s Financial Annual Champion Awards” hosted by *hexun.com*.
- In December 2019, the Bank was awarded the “Best Growing Enterprise in 2019” in the selection of “Institutional China: New China, New Era, New Private Enterprises – 2019 Annual Conference on China’s Private Economy” & “Best Growing Enterprises in Innovative China” held by *China Business Times*.
- In 2019, the Bank developed flagship outlets in the banking sector with the focus on “value creation”. The banking departments of CEB Nanning Branch and CEB Guiyang Branch were awarded the “2019 Top 100 Model Units of Civilized and Standardized Services in the Banking Industry” by China Banking Association; besides, 46 institutions including CEB Haidian Sub-branch in Beijing were awarded the title of Five-star Outlet.

Appendix 3 Table of Key Performance Indicators

Economic performance

Indicator	Unit	2019	2018	2017
Total assets	RMB1 million	4,733,431	4,357,332	4,088,243
Operating income	RMB1 million	132,812	110,244	91,850
Net profit	RMB1 million	37,441	33,721	31,611
Net profit attributable to shareholders of the Bank	RMB1 million	37,354	33,659	31,545
Balance of new urbanization construction loans ¹	RMB1 million	153,200	163,224	/
Balance of loans to small and micro enterprises	RMB1 million	500,482	452,133	400,278
Balance of agriculture-related loans	RMB1 million	341,605	310,289	297,155
Balance of green credit	RMB1 million	90,699	78,400	74,900

Social performance

Employment

Indicator	Unit	2019	2018	2017
Number of employees	Person	45,618	44,982	44,066
Number of female employees	Person	25,332	24,874	24,374
Number of male employees	Person	20,286	20,108	19,692
Ratio of male to female employees	/	0.8	0.8	0.8
Number of new employees	Person	3,767	4,538	4,414
Number of ethnic minority employees	Person	1,344	1,306	1,244

1. Due to the state’s control over the real estate industry, the balance of urbanization construction loans and new investment of our bank decreased compared with the same period of last year.


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Indicator	Unit	2019	2018	2017
Number of foreign employees (including head office and all branches in mainland China)	Person	9	5	8
Proportion of disabled employees	%	0.04%	0.04%	0.04%
Number of disabled employees	Person	19	16	18
Number of employees in the Head Office	Person	6,827	6,801	6,435
Number of employees by management level				
Number of senior management members	Person	386	344	351
Number of middle-level officials	Person	4,489	4,441	4,284
Number of grassroots employees	Person	40,743	40,197	39,431
Number of employees by educational background				
Number of employees with master's degree and above	Person	6,742	6,407	6,017
Number of employees with bachelor's degree	Person	32,459	31,527	30,555
Number of employees below bachelor's degree	Person	6,417	7,048	7,494
Total employees by age				
≥40 years old	Person	7,825	7,391	7,019
≤29 years old	Person	17,227	19,061	20,230
30 to 39 years old	Person	20,566	18,530	16,817
Contracted employee turnover rate by age				
Employee turnover rate	%	4.65	5.86	4.74
≥40 years old	%	1.73	1.95	2.79
≤29 years old	%	5.52	7.72	4.87
30 to 39 years old	%	5.01	5.88	5.39

Employee rights and interests

Indicator	Unit	2019	2018	2017
Labor contract signing rate	%	100	100	100
Social security coverage rate	%	100	100	100

Training and development

Indicator	Unit	2019	2018	2017
Number of staff training programs	Session	7,099	7,051	5,996
Staff training	Person-time	414,042	453,201	342,379
Senior management personnel training	Person-time	1,986	2,740	/
Middle-level management personnel training	Person-time	49,765	49,531	/
Primary-level staff training	Person-time	362,291	400,930	/

Care for employees

Indicator	Unit	2019	2018	2017
Total revenue of Sunshine Care Fund of the Head Office	RMB10,000	776.54	421.41	30.48
Cost of Sunshine Care Fund of the Head Office	RMB10,000	314.42	272.34	5.5
People supported by Sunshine Care Fund of the Head Office	Person-time	273	270	/

Anti-corruption

Indicator	Unit	2019	2018	2017
Number of integrity records established for leading officials	/	7,576	7,398	/

Products and services

Indicator	Unit	2019	2018	2017
Number of innovative projects incubated by the Technological Innovation Lab (IT Department)	/	8	11	5
Number of corporate account opening handled bankwide	/	181,868	147,910	82,233
Number of Level 1 service experts rated by the Bank	Person	147	139	89
Number of Level 2 service experts rated by the Bank	Person	789	591	341



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Publicity of financial knowledge

Total number of outlets participating in financial knowledge publicity and education activities	/	1,436	1,504	/
Centralized publicity and education activities	10,000 times	2.2	1.24	/
Number of community banks	/	578	596	619
Number of private banking customers	/	32,207	27,954	24,666
Number of customer complaints received	/	5,613	13,550	/
Customer complaint closing rate	%	100	100	/
Satisfaction rate for customer complaints	%	99.88	99.8	/
Number of mobile banking customers	10,000 accounts	3,736	3,205	/

Supply chain management

Indicator	Unit	2019	2018	2017
Supplier review coverage rate	%	100	100	100

Community investment

Indicator	Unit	2019	2018	2017
Charitable donations	RMB10,000	1,951	1213	803
Employee volunteer hours	Hour	3,783	3,162	/

Environmental performance

Discharges and emissions

Indicator	Unit	2019	2018	2017
Sulfur dioxide emissions	Ton	0.01	0.01	0.01
Nitrogen oxide emissions	Ton	0.44	0.55	0.57

Indicator	Unit	2019	2018	2017
Total greenhouse gas emissions (Category I & Category II)	Ton	6,8891.66	71,661.43	63,846.54
Greenhouse gas emissions per capita (Category I & Category II)	Ton/person	3.57	3.81	3.32
Greenhouse gas emissions per square meter of floor area (Category I & Category II)	Ton/m2	0.10	0.11	0.10
Direct discharges & emissions (Category I)	Ton	5,022.59	5,470.77	6,201.08
Fuel consumption of corporate vehicles	/	1,355.70	1,515.66	1,510.60
Diesel consumption of facilities	/	1,299.80	1,652.77	1,913.71
Gas consumption	/	2,367.10	2,302.34	2,776.78
Indirect discharges & emissions (Category II)	Ton	63,869.07	66,190.66	57,645.46
Purchased electricity power	/	63,869.07	66,190.66	57,645.46
Total hazardous waste discharges	Ton	248.41	194.63	105.50
Hazardous waste discharges per capita	Ton/person	0.01	0.01	0.0055
Hazardous waste discharges per square meter of floor area	Ton/m2	0.0004	0.0003	0.0002
Non-hazardous waste discharges	Ton	1,753.02	2,010.20	1,631.81
Non-hazardous waste discharges per capita	Ton/person	0.09	0.11	0.08
Non-hazardous waste discharges per square meter of floor area	Ton/m2	0.003	0.003	0.0026

Notes:

1. As data concerning wastes, energy and resource consumption of computer rooms cannot be calculated separately for the time being, the calculation of intensity of greenhouse gas emissions, hazardous waste discharges, non-hazardous waste discharges, energy consumption and daily water consumption, in terms of both per capita and per square meter of floor area, covers both office areas and computer rooms of the Bank.

2. Emissions of sulfur dioxide mainly come from fuel consumption of corporate vehicles; the sulfur dioxide emission data are calculated according to the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Road Motor Vehicles (Trial)* released by the Ministry of Environmental Protection of the People's Republic of China.

3. Emissions of nitrogen oxide mainly come from fuel consumption of corporate vehicles; the nitrogen oxide emission data are calculated according to the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Road Motor Vehicles (Trial)* released by the Ministry of Environmental Protection of the People's Republic of China.

4. The greenhouse gas inventories contain carbon dioxide, methane and nitrous oxide, which are mainly produced from purchased electricity power and fossil fuel combustion. Emissions of greenhouse gases are presented in terms of carbon dioxide equivalent, and calculated in accordance with the *2015 Power Grid Baseline Emission Factors in China* released by the National Development and Reform Commission (NDRC) and *2006 IPCC Guidelines for National Greenhouse Gas Inventories* publicized by the Intergovernmental Panel on Climate Change (IPCC). As there is no power grid baseline emission factor in Tibet, and the impact of the data on purchased power of CEB Lhasa Branch is slight, and lower in importance, the purchased power of Lhasa Branch is not included in the statistical scope of greenhouse gas emission.

5. "Fuel consumption of corporate vehicles" includes gasoline and diesel consumed by corporate vehicles.

6. "Diesel consumption of facilities" refers to diesel consumed by backup generators and a few kitchen ranges.

7. Hazardous wastes from business operation, mostly in the form of used lead-acid batteries and waste ink cartridge, waste toner cartridge, waste carbon powder and waste ink ribbon of office printing equipment, are handed over to qualified specialized companies for treatment.

8. Non-hazardous wastes of the Bank, mostly office wastes, discarded hard disks and computers, are also conveyed to recyclers for treatment. Office wastes of CEB Xiamen Branch, Jinan Branch, and Dalian Branch are handed over for treatment to the property management companies in charge of respective business premises. As a result, office wastes of these entities cannot be separately measured, so they are estimated according to the *Manual of Coefficients of Pollutants Discharged from Urban Domestic Sources in the First National Census on Pollution Sources* released by the State Council.



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Resource consumption

Indicator	Unit	2019	2018	2017
Total energy consumption	MWH	110,833.10	117,507.34	107,350.76
Energy consumption per capita	MWH/person	5.75	6.25	5.58
Energy consumption per square meter of floor area	MWH/m2	0.16	0.18	0.17
Direct energy consumption	MWH	22,007.78	24,244.60	27,646.53
Fuel consumption of corporate vehicles	/	5,411.51	6,184.17	6,167.35
Diesel consumption of facilities	/	4,886.08	6,285.94	7,278.36
Gas consumption	/	11,710.18	11,774.49	14,200.83
Indirect energy consumption	MWH	88,825.33	93,262.74	79,704.23
Purchased electricity power	/	88,825.33	93,262.74	79,704.23
Purchased electricity power consumption of the Head Office	MWH	33,214.41	31,731.055	30,261.56
Daily water consumption	Ton	516,587.02	501,748.50	637,348.18
Daily water consumption of the Head Office	Ton	103,852	102,405	92,027
Daily water consumption per capita	Ton	26.79	26.70	33.11
Daily water consumption per square meter of floor area	Ton/m2	0.76	0.75	1.01
Total copy paper consumption	Ton	480.3	701.98	/

Notes:

1. Calculation of energy consumption data is based on relevant conversion coefficients provided in the national standards of *General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2008)*, including purchased electricity power, natural gas, diesel consumption of facilities and fuel consumption of corporate vehicles.
2. "Purchased electricity power consumption of the Head Office" includes that of China Everbright Center, Shangdi Office, Taoranting Office, Everbright Building and Shijingshan Office.
3. "Daily water consumption" includes tap water and intermediate water. As the daily water consumption of CEB Urumqi Branch is managed by the property management company in charge of business premises, and water fees included in property management fees, water consumption cannot be separately calculated. So it is estimated according to the national standards, i.e. *Water Consumption Standards of Urban Residents (GB/T 50331-2002)* released by the Ministry of Construction.
4. "Daily water consumption of the Head Office" includes that of China Everbright Center, Shangdi Office, Taoranting Office and Shijingshan Office.

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Aspect	KPI	Indicator description	Chapters/Remarks
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	P84-P86
	A1.1	The types of emissions and respective emissions data	P94-P95
	A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P94-P95
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P95
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P95
	A1.5	Description of measures to mitigate emissions and results achieved	P84-P86
A2: Use of Resources	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	P84-P86
	General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials	P84-P86
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity (e.g. per unit of production volume, per facility)	P96
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P96
	A2.3	Description of energy use efficiency initiatives and results achieved	P86
A3: Environmental and Natural Resources	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P85
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	/
A3: Environmental and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	P84-P86
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P84-P86



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Aspect	KPI	Indicator description	Chapters/ Remarks
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P54-P55
	B1.1	Total workforce by gender, employment type, age group and geographical region	P91-P92
	B1.2	Employee turnover rate by gender, age group and geographical region	P91-P92
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	P59
	B2.1	Number and rate of work-related fatalities	/
	B2.2	Lost days due to work injury	/
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P59
B3: Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	P55-P58
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P93
	B3.2	The average training hours completed per employee by gender and employee category	/
B4: Labor Standards	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	P54
	B4.1	Description of measures to review employment practices to avoid child and forced labor	P54
	B4.2	Description of steps taken to eliminate such practices when discovered	/
B5: Supply Chain Management	General disclosure	Policies on managing environmental and social risks of the supply chain	P73
	B5.1	Number of suppliers by geographical region	/
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P73

Aspect	KPI	Indicator description	Chapters/ Remarks
Product Responsibility	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P44-P45
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	/
	B6.2	Number of products and service-related complaints received and how they are dealt with	P45
	B6.3	Description of practices relating to observing and protecting intellectual property rights	P73
	B6.4	Description of quality assurance process and recall procedures	/
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P45
B7: Anticorruption	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	P72-P73
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	/
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P72-P73
B8: Community Investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P60-P61
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	P60-P61
	B8.2	Resources contributed (e.g. money or time) to the focus area	P60-P61

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GRI Standard		Reporting Status
Organizational profile	G102-1	P8
	G102-2	P8
	G102-3	P8
	G102-4	P30
	G102-5	P8
	G102-6	P8
	G102-7	P8
	G102-8	P91-P93
	G102-9	P73、P94
	G102-10	P30
	G102-11	P82-P87、P94-P95
	G102-12	P88
	G102-13	P89-P90
Strategy and analysis	G102-14	P4-P5
	G102-15	P4-P5
Ethics and integrity	G102-16	P8, P45
	G102-17	P72-P73
Governance	G102-18	P68-P70、P75
	G102-19	P75
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	G102-25	P76
	G102-26	P68-P70、P75
	G102-27	P68-P70、P75
	G102-28	P77
	G102-29	P76-P77
	G102-30	P76-P77
	G102-31	P76-P77
	G102-32	P68-P70、P75
	G102-33	P76-P77
	G102-34	P76-P77
G102-35	P54	
G102-36	N/A	
G102-37	N/A	
G102-38	N/A	
G102-39	N/A	
Stakeholder engagement	G102-40	P76-P77
	G102-41	N/A
	G102-42	P76-P77
	G102-43	P76-P77
	G102-44	P76-P77

GRI Standard		Reporting Status
Report profile	G102-45	P88
	G102-46	P88
	G102-47	P76-P77
	G102-48	P88
	G102-49	P88
	G102-50	P88
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	G102-54	P88
	G102-55	P99-P103
Management Approach	G102-56	P104
	G103-1	P76-P77
	G103-2	N/A
Economic performance	G103-3	N/A
	G201-1	P91
	G201-2	P82-P83
	G201-3	P59
Market performance	G201-4	N/A
	G202-1	N/A
Indirect economic impacts	G202-2	N/A
	G203-1	P14-P28
Procurement practices	G203-2	P14-P19
	G204-1	P73
Anti-corruption	G205-1	N/A
	G205-2	P72-P73
	G205-3	P72-P73
Anti-competitive behavior	G206-1	N/A
Materials	G301-1	P96
	G301-2	N/A
	G301-3	N/A
Energy	G302-1	P96
	G302-2	P96
	G302-3	P96
	G302-4	P96
	G302-5	P86



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GRI Standard		Reporting Status
Water	G303-1	N/A
	G303-2	N/A
	G303-3	N/A
Emissions	G305-1	P95
	G305-2	P95
	G305-3	N/A
	G305-4	P95
	G305-5	P95
	G305-6	N/A
	G305-7	P94、P95
Effluents and waste	G306-1	N/A
	G306-2	P95
	G306-3	N/A
	G306-4	N/A
	G306-5	N/A
Environmental compliance	G307-1	N/A
Supplier environmental assessment	G308-1	P73
	G308-2	P94
Employment	G401-1	P91
	G401-2	P54-P59
	G401-3	N/A
Labor/Management relations	G402-1	N/A
Occupational health and safety	G403-1	N/A
	G403-2	N/A
	G403-3	N/A
	G403-4	N/A
Training and education	G404-1	N/A
	G404-2	P56-P58
	G404-3	N/A
Diversity and equal opportunity	G405-1	P54-P55、P91-P92
	G405-2	N/A
Non-discrimination	G406-1	P54
Freedom of association and collective bargaining	G407-1	N/A
Child labor	G408-1	P54
Forced or compulsory labor	G409-1	P54
Security practices	G410-1	N/A
Indigenous rights	G411-1	N/A
Human rights assessment	G412-1	N/A
	G412-2	N/A
	G412-3	N/A
Local communities	G413-1	P46-P53
	G413-2	N/A
Supplier assessment for impacts on society	G414-1	P73
	G414-2	P94
Public policy	G415-1	N/A
Customer health and safety	G416-1	P45
	G416-2	N/A
Marketing communications	G417-1	N/A
	G417-2	N/A
	G417-3	N/A
Customer privacy	G418-1	P45
Social and economic compliance	G419-1	P74

Appendix 6 Assurance Engagement Report



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Corporate Social Responsibility Report Independent Assurance Report

安永华明(2020)专字第60770055_A01号
China Everbright Bank Company Limited

To the Board of Directors of China Everbright Bank Company Limited:

We have been engaged by the Board of Directors of China Everbright Bank Company Limited ("China Everbright Bank"), to express a limited assurance opinion on the selected data in the 2019 Corporate Social Responsibility Report of China Everbright Bank Company Limited ("CSR report").

I. The Board of Directors' responsibilities

The Board of Directors of China Everbright Bank are responsible for the preparation and presentation of the selected data in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected data; and making estimates that are reasonable in the circumstances.

II. Our responsibilities

Our responsibility is to express a conclusion on the selected data in the 2019 CSR report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected data in accordance with the *International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected data as at 31 December 2019 and for the year then ended in the 2019 CSR report is not prepared in all material respects in accordance with the basis of reporting.

III. Scope of work, approach, and limitation

The selected data in the 2019 CSR report that is covered by this report is as follows:

- Balance of urbanization loans
- Balance of loans to small and micro enterprises
- Balance of agricultural-related loans
- Balance of green credit





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安永华明（2020）专字第 60770055_A01 号
China Everbright Bank Company Limited

- Total number of employees
- Number of female employees
- Number of employee training programs
- Customer complaint closing rate
- Total number of Cloud Fee payment service items
- Public welfare donations
- Purchased electricity power consumption of the Head Office
- Daily water consumption of the Head Office
- Number of branch institutions

Our work was performed at the Head Office and Beijing Branch of China Everbright Bank, which includes:

- 1) Interviews with management and personnel in the departments involved in providing information for inclusion in the 2019 CSR report in relation to the selected data;
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected data on which we report;
- 4) Recalculation;
- 5) Other procedures deemed necessary.

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

Our work was limited to the selected data as of 31 December 2019 and for the year then ended in the 2019 CSR report. We have not performed any procedures over other data included in the 2019 CSR report, nor have we performed any procedures on other data or data for 2018 and years before. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of China Everbright Bank internal controls.



Corporate Social Responsibility Report Independent Assurance Report (continued)

安永华明（2020）专字第 60770055_A01 号
China Everbright Bank Company Limited

IV. Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected data as at 31 December 2019 and for the year the ended has not been prepared, in all material respects, in accordance with the basis of reporting.

V. Our independence, quality control and assurance team

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the *International Standard on Quality Control 1*. Our team has required competencies and experience for this assurance engagement.


Ernst & Young Hua Ming LLP
Beijing, China
27 March 2020





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Appendix 7 Feedback

Dear reader,

We highly appreciate your reading of the 2019 Corporate Social Responsibility Report of China Everbright Bank. To better meet your needs and provide you with information of greater value, and also to help us continuously improve our CSR performance and capability, we sincerely look forward to your comments and opinions on this Report given through the QR code or the following contact information:

Address: China Everbright Center, No.25, Taipingqiao Avenue, Xicheng District, Beijing

Postal code: 100033

Tel: 86-10-63636363

Thank you !

China Everbright Bank

March 2020

1. What is your overall opinion on this Report?

Very good Good Average

2. What is your opinion on CEB in the field of creating economic value?

Very good Good Average

3. What is your opinion on CEB in the field of creating social value?

Very good Good Average

4. What is your opinion on CEB in the field of creating governance value?

Very good Good Average

5. What is your opinion on CEB in the field of creating environmental value?

Very good Good Average

6. What are your further suggestions on CEB's performance of CSR?

Thanks for your support and help to CEB.



This cover photo was taken at Masan Village Primary School in Ximeng Va Nationality Autonomous County of Yunnan Province, located on a remote plateau southwest of Yunnan Province, bordering Wa State of Myanmar. Va ethnic minority group inhabiting there was categorized as one of the ethnic groups “directly entering socialism from primitive society”. Famous as the birthplace of a Chinese folk song titled *A Va People Singing a New Song*, the village has a low productivity level with many poverty-stricken households.

Upholding the idea of “promoting poverty alleviation through education and benefiting future generations”, CEB Kunming Branch has been investing funds and resources to this village for many consecutive years, in order to help local people win the tough battle against poverty. In the meantime, CEB Kunming Branch also innovated modes in educational poverty alleviation and organized a series of events named “Together We See the Big World beyond the Mountains”, aiming to block inter-generational transmission of poverty.

CHINA EVERBRIGHT BANK

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CEB Official Subscription



CEB Official Account