

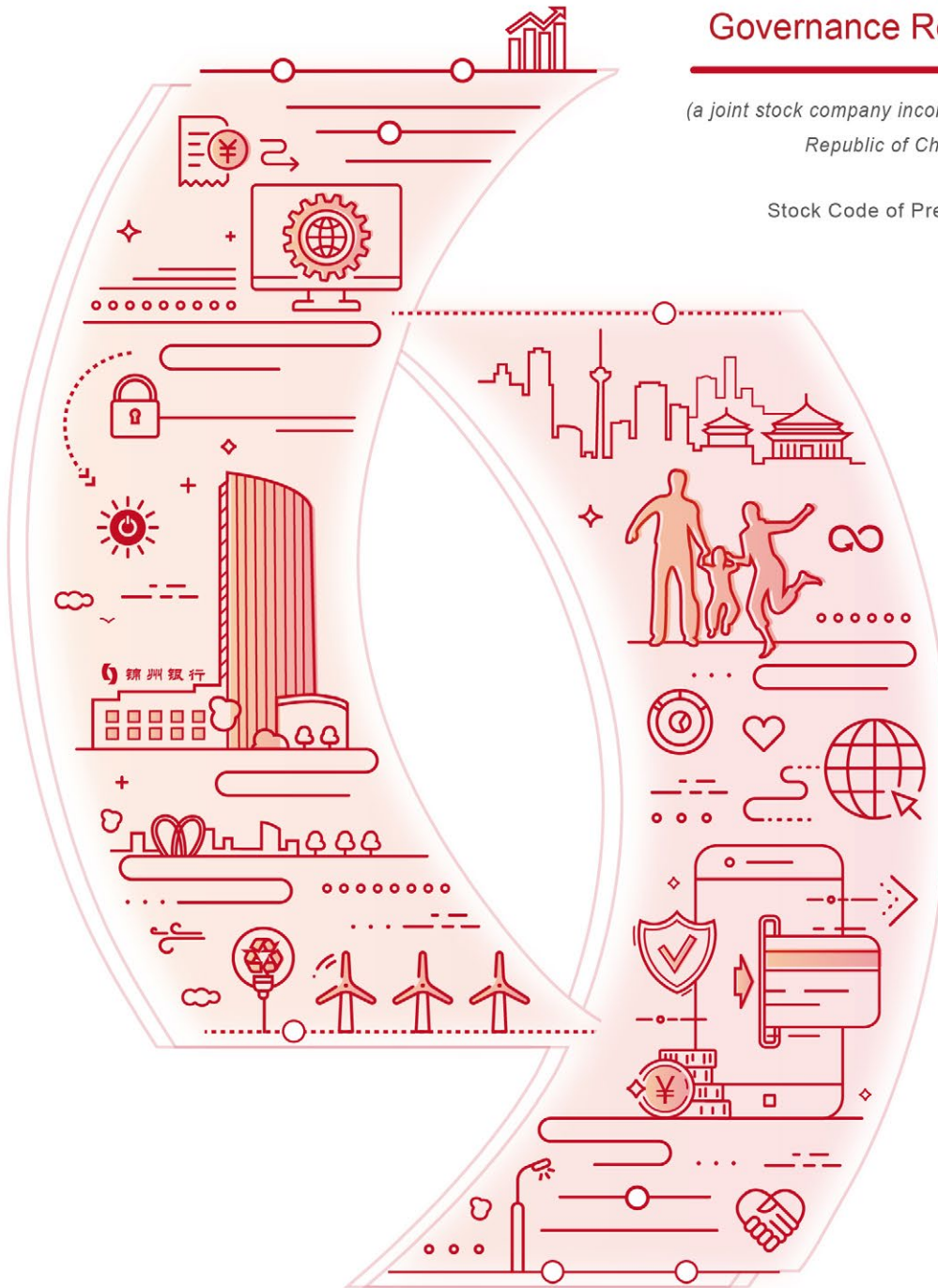
# 2019

## Bank of Jinzhou Co., Ltd. Environmental, Social and Governance Report

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

Stock Code: 0416

Stock Code of Preference Shares: 4615



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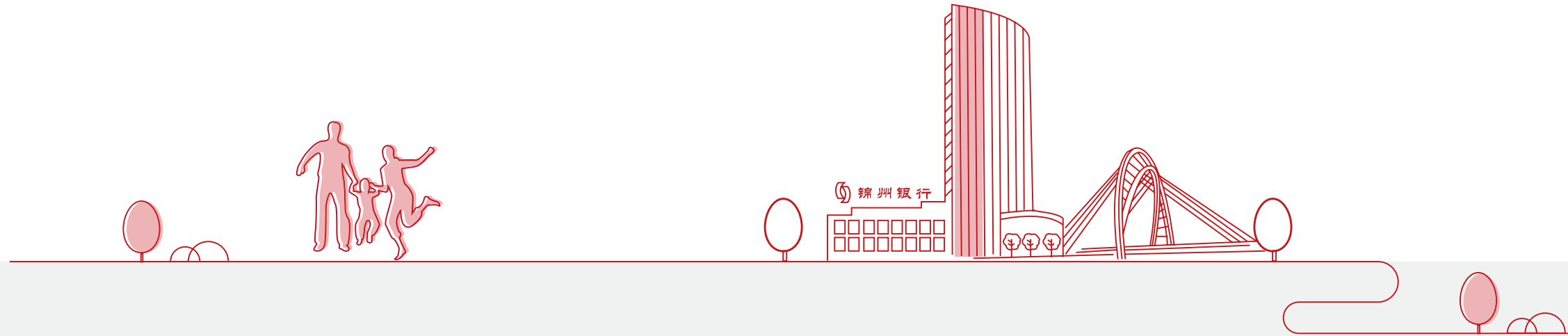


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## About this Report



### Basis of Preparation

Bank of Jinzhou Co., Ltd.<sup>1</sup> (the "Bank", "Bank of Jinzhou" or "we") has complied with regulations stated in the Appendix 27 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "Listing Rules") issued by the Stock Exchange of Hong Kong Limited ("SEHK"), the *Environmental, Social and Governance Reporting Guide* (the "Guide") when preparing its *Environmental, Social and Governance Report* (the "Report"). The Report is prepared in accordance with the "comply or explain" provisions of the *Guide* and based on the four reporting principles set out in the *Guide*, namely materiality, quantitative, balance and consistency.

It is the fourth environmental, social and governance ("ESG") report published by Bank of Jinzhou, which has included the Bank's sustainable development strategy and relevant performances. The Report should be read together with the "Corporate Governance Report" of the Bank's *2019 Annual Report* to allow a comprehensive understanding of the Bank's ESG performances.

Unless otherwise stated, the currency unit used in this Report is in RMB.

### Reporting Scope

Unless otherwise stated, this Report focuses on Bank of Jinzhou, and unless the context otherwise requires, this Report covers its subsidiaries, branches, sub-branches and professional institutes. The time frame of this Report is the same as the Bank's *2019 Annual Report*, which covers the period from 1 January 2019 to 31 December 2019 (the "Reporting Period"), with part of the content exceeds the foresaid time frame.

<sup>1</sup>The Bank is not an authorised institution within the meaning of the *Banking Ordinance* (Chapter 155 of the Laws of Hong Kong), and this is not subject to the supervision of the Hong Kong Monetary Authority and is not authorised to carry on banking and/or deposit-taking business in Hong Kong.

### Report Confirmation and Approval

The board of directors (the "Board" or "Board of Directors") of the Bank and all directors (the "Directors") have reviewed and approved this Report, and assures that this Report contains no false representations, misleading statements or material omission, and bears individual and collateral responsibilities regarding the truthfulness, accuracy and completeness of this Report.

CECEP (HK) Advisory Company Limited was appointed to perform independent limited assurance on this Report in accordance with the A1000 Assurance Standard (2008) and issued an assurance statement. For more information on the assurance, please refer to the Independent Assurance Statement.

### Report Access

The electronic version of this Report can be viewed and downloaded from the Bank's website (<https://www.jinzhoubank.com>) and the HKEXnews website of SEHK (<https://www.hkexnews.hk>). This Report is published in traditional Chinese and English. In case of any discrepancies between the two versions, the traditional Chinese version shall prevail.

### Feedback

Feedbacks from stakeholders are of utmost importance to the Bank's continuous improvement of environmental and social performances. If you have any questions or suggestions, you are welcome to contact us through email (email address: [webmaster@jinzhoubank.com](mailto:webmaster@jinzhoubank.com)).



# Chairman's Statement

Understanding the nature of matters and seeking the most favourable approach are the key to success. The year 2019 marked the 70<sup>th</sup> anniversary since the founding of New China. In the clarion call of securing the decisive victory in building a moderately prosperous society in all aspects and achieving the first centenary goal, Bank of Jinzhou revived its aspirations, strived with fortitude and faced the challenges of reform and reorganisation. Under the guidance of the Party committees, local governments and regulatory authorities at various levels, with the understanding and support of shareholders and all sectors of the community, and under the effective supervision of the Board of Supervisors, the new session of the Board of Directors led the senior management to implement the new development strategy of "compliance, innovation, coordination and quality" and stepped on the new journey for the connotative development with high quality.

**Strengthening Party leadership and Party building and adhering to compliance development.** The Bank continued to strengthen the core leadership of the Party, highlighted the core role of the Party in setting the direction, managing the overall situation, controlling risks, formulating strategies, supervising implementation and promoting development, exercised the core decision-making role of the Party committee in "making issues, major personnel appointments and dismissals, investments in major projects and use of large sums of money", and promoted strict governance over the Party and the Bank. Following the financial regulatory requirements, the Bank is committed to improving its risk management, upholding the risk bottom-line and reinforcing the establishment of the internal control system, so as to comprehensively construct the three defence lines and improve the ability of business operation and risk prevention.

**Committed to serving real economy and continuing the development of inclusive finance.** Adhering to the positioning of "serving the local economy, serving small and micro businesses, and serving urban and rural residents" as a city commercial bank, the Bank leveraged the joint reaction between grassroot branches and sub-branches and grassroot Party organisations to continuously improve financial service ability for private enterprises and micro and small enterprises, thus supporting real economy through implementing a variety of measures. The Bank kept to the path to develop inclusive finance while serving the development of a sustainable and healthy economy and society, thereby creating the brand image of inclusive finance.

**Concentrating on forging service quality and proactively exploring technological innovation.** Insisting on putting customers at the foremost concern, the Bank is committed to enhancing the quality and efficiency of financial services by accelerating the development of online and smart services as well as the innovation of products, services and technologies. Through gradually promoting the scenario building for the application of smart payment, the Bank commenced the eight payment channels through the "New Rural Co-operative Medical System" and set up the "Bank-Tax Authority Cooperation Service Station" for tax handling, thereby exploring new financial service models and promoting the construction of mobile easy pay demonstration project.

**Actively participating in social welfare and sparing no effort to give back to the society.** Resolutely implementing the strategy of the Party Central Committee of winning the battle against poverty, the Bank established a long-term mechanism on the participation of public welfare activities to deepening its participation approach for public welfare activities and broadening the area of financial welfare services, thereby delivering energy in popularising financial expertise, serving civilians in urban and rural areas and fulfilling social responsibilities. Through encouraging employees to participate in social welfare activities and strengthening their social awareness, sense of responsibility and dedication, the Bank contributed to the society with a sincere heart that promotes harmony and seeks joint development.

**Committed to cultivating the growth of employees and working together to bring glory to the Bank.** Adhering to the strategy of revitalising the Bank by talents, the Bank developed the "535" Talent Project to strengthen the establishment of a team with top talents, bring internal driving forces for development and enhance the quality of employees. Through organising the "Jinxiansheng" ( 锦先声 ) internal trainer training and upgrading the training model of the "Organisation Forum" ( 机关大讲堂 ), the Bank enriched the online learning platform and created the multi-channel career development path for employees. The Bank cares about the health and growth of employees, and extensively carried out cultural and sports activities to enrich employees' spare time. The Bank strives to ensure the safety and stability of the employees' working environment and provide employees with a positive and appropriate development space, thus achieving joint development of employees and the Bank.

**Adhering to the concept of green development and working together to maintain harmony and prosperity.** Lucid waters and lush mountains are invaluable assets. The Bank actively implements the development strategy of green credit and promotes the concept of green finance by strengthening its financial support and services for environmental-friendly construction projects, thereby creating a brand of green credit with characteristics of Bank of Jinzhou. The Bank actively encourages employees to participate in environmental protection welfare activities, advocates low-carbon operations and adheres to the green office culture to contribute to the green transformation of regional economy and the ecological civilisation construction.

In the Gengzi New Year, the sudden outbreak of COVID-19 brought a grave impact to all sectors of the society. The Bank actively carried out epidemic control and prevention and expeditiously proceeded with the "Chunjin Initiative" ( 春锦计划 ) to support the resumption of work and production for enterprises. The Bank practised the "three major policies" to offer support for the fight against the epidemic and implemented measures of concessions. The whole Bank joined hands to shore up confidence and conquer difficulties, thus fulfilling the responsibilities of Bank of Jinzhou. We firmly believe the flower will eventually bloom, and the epidemic will ultimately end.

The strong pass of the enemy is like a wall of iron, yet with firm strides, we are conquering its summit. The year 2020 is a concluding year for building a moderately prosperous society in all respects and the "13th Five-Year Plan", and also the year for China to secure a decisive victory in achieving its first centenary goal. We will continue to be guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and strictly implement the national financial policy guidelines and regulatory requirements. Standing at the fresh start of reform and reorganisation with the development strategy of "1226" as the guidance, we will strive for further growth amidst opportunities and challenges, continue to consolidate our foundation and bring forth innovations and maintain a steady pace to achieve long-term development. We will live up to the trust and overcome every obstacle to give back to shareholders and customers with more excellent results and contribute out financial strength to the development of the society!

**Chairman  
Wei Xuekun**

20 August 2020

# President's Statement

The year 2019 is an extraordinary year in the development of Bank of Jinzhou. Confronted with the severe operation conditions and the complicated development environment, the new management put the Bank's stable operation as the foremost concern in fulfilling social responsibilities by embracing the guidance of the Party committees, local governments and regulatory authorities at various levels as well as the support from shareholders, peers, customers, employees and other stakeholders. The Bank adhered to the bottom-line of risk compliance and its aspirations and missions as a city commercial bank, improving the service quality, strengthening the people-oriented concept and promoting the integration of economic values, social values and environmental values.

**Ensuring stable operations.** In the face of the impact and internal operating pressure brought by unforeseen events, we proactively tackled the crisis and steadily promoted the reform and reorganization to achieve an orderly and smooth transition, continuous improvement and efficient management and control of assets quality, thus mitigating risks and fulfilling the primary responsibility of resolving financial risks. In addition, we established a scientific risk concept, reformed the culture of operation compliance, strengthened internal governance and improved the risk management system and business process, thus guaranteeing the security and stability of the Bank during critical times and safeguarding the interests of shareholders, customers and employees.

**Returning to the roots.** Reviving our aspirations and restoring to our major responsibilities and businesses, we adhered to the positioning of "serving the local economy, serving small and micro enterprises, and serving urban and rural residents" to transform our operation concepts and deepen the business transformation. Through optimising the allocation of credit resources and expanding the strategy for inclusive finance, we worked conscientiously and with dedication, thus fostering the symbiosis and mutual prosperity of finance and real economy.

**Improving the service quality.** Always putting customers first, we took the needs of customers as the driving force and continuously provided optimised service channels and procedures to improve customer experiences. We provided customers with more convenient and efficient financial services by launching the new mobile banking system, the online corporate banking system and the new telephone banking system, promoting the application of big data in the customer relationship management system and deepening the scenario building of smart payment application. In addition, we improved the management system for the protection of customers' rights and interests and proactively carried out financial knowledge publicity activities, thus protecting the information security of customers and safeguarding the rights and interests of consumers.

**Caring for the growth of employees.** Holding the concept of revitalising the Bank with talents, we defended the legitimate interests and rights of employees, optimised the career path management mechanism, refined the career development planning of employees, took care of the physical and mental health of employees and improved welfare and protection for employees. Professional training was provided for employees through the "Jinxiansheng" internal trainer programme and "Organisation Forum". Rich and varied recreational and sports activities were also organised to continuously enhance the cohesiveness and centripetal force among employees.

**Creating a better life together.** We strengthened the concept of green finance, advocated the development of green credit and organised and participated in a variety of welfare activities to provide emergency assistance and promote environmental protection. Through implementing the green office policy, we promoted energy-saving and environmental protection during daily office operations and business operations. After the outbreak of COVID-19 in 2020, we took practical actions to ensure the proper operation of financial services and implemented specific measures for epidemic prevention and control. Through providing green channels for payment and settlement and credit financing and implementing the "Chunjin Initiative", we supported the resumption of corporate operation and production. A total of RMB2.55 million were donated to Wuhan by all employees of the Bank to stand with all sectors of the society and support the prevention and control of the epidemic.

Starting a new chapter amidst the changes, Bank of Jinzhou is now standing at the new starting point of reform and reorganisation and stepping on the new journey for a connotative development with high quality. The Bank will implement the new development strategy of "compliance, innovation, coordination and quality" with a stronger sense of dedication and responsibility. Through playing the role in the coordination and promotion of controlling risks, maintaining the stability, encouraging the reform and assisting the development, the Bank will continue to create value for shareholders, create wealth for customers, create well-being for employees and create contributions to the society.

**President  
Guo Wenfeng**

20 August 2020



# 01

## About the Bank

- Company Profile
- Honours and Awards
- Key Performance Indicators



 锦州银行





## Company Profile

Bank of Jinzhou was incorporated on 22 January 1997 with the approval of the People's Bank of China, with the headquarters (the "Headquarters") located in Jinzhou City, Liaoning Province, the People's Republic of China (the "PRC" or "China"). As at the end of the Reporting Period, the Bank established 15 branches in Beijing, Tianjin, Shenyang, Dalian, Harbin, Dandong, Fushun, Anshan, Chaoyang, Fuxin, Liaoyang, Huludao, Benxi, Yingkou and Jinzhou, the PRC. The Bank also promoted and established 7 village and township banks, namely Jinzhou Taihe Jinyin Village and Township Bank Co., Ltd. (錦州太和錦銀村鎮銀行股份有限公司), Liaoning Yixian Jinyin Village and Township Bank Co., Ltd. (遼寧義縣錦銀村鎮銀行股份有限公司), Liaoning Beizhen Jinyin Village and Township Bank Co., Ltd. (遼寧北鎮錦銀村鎮銀行股份有限公司), Liaoning Heishan Jinyin Village and Township Bank Co., Ltd. (遼寧黑山錦銀村鎮銀行股份有限公司), Liaoning Kazuo Jinyin Rural Bank Co., Ltd. (遼寧喀左錦銀村鎮銀行股份有限公司), Liaoning Linghai Jinyin Village and Township Bank Co., Ltd. (遼寧凌海錦銀村鎮銀行股份有限公司) and Liaoning Huanren Jinyin Village and Township Bank Co., Ltd. (遼寧桓仁錦銀村鎮銀行股份有限公司), as well as the Bank of Jinzhou Financial Leasing Co., Ltd. (錦銀金融租賃有限責任公司). As at the end of the Reporting Period, the Bank had 244 branches in aggregate.

The Bank was listed on the Main Board of the SEHK (stock code: 0416) on 7 December 2015. On 27 October 2017, the Bank issued US\$1.496 billion of Offshore Preference Shares which were listed on the SEHK with the stock code 4615. As at the end of the Reporting Period, the Bank had the total assets of RMB 836.694 billion, loans and advances balances released of RMB 489.117 billion and the balance of deposits of RMB 407.113 billion.

### As at the end of the Reporting Period,

The Bank had the total assets of	Loans and advances balances released of	Balance of deposits of
RMB <b>836.694</b> billion	RMB <b>489.117</b> billion	RMB <b>407.113</b> billion

## Honours and Awards



### January 2019

The Bank was granted "2018 Banking Information and Technology Risk Management Research Project Achievement Award" (2018 年度銀行業信息科技風險管理課題成果獎) in 2018 Banking Information and Technology Risk Management Research Project carried out by the China Banking and Insurance Regulatory Commission (the "CBIRC").

### March 2019

The Bank was granted the honorary title of "Caring Enterprise of National Charity Association in 2018" (全國慈善會愛心企業) in the "2018 Advanced Deeds Publicity Campaign of National Charity Association's Grassroot Charity working, Caring Enterprise, and Caring Entrepreneur" organised by China Charity Federation, and was the only enterprise granted the award in Jinzhou.

### April 2019

The bank was granted the title of "2018 Excellent City Commercial Bank of the National Banking Industry in terms of Financial Information Registration Work" (2018 年全國銀行業理財信息登記工作優秀城商行) in the evaluation and selection of "2018 Excellent Organisations of the National Banking Industry in terms of Financial Information Registration Work" organised by Banking Financial Registration and Custody Centre Co., Ltd.

### December 2019

- The Bank was awarded the 2019 Best Mobile Banking Innovation Award (2019 年最佳手機銀行創新獎) by the China Financial Certification Authority (CFCA).
- The Bank was acknowledged as the leading enterprise of the service standard of banking outlets for 2019 (2019 年度銀行營業網點服務企業標準「領跑者」) at the press conference of leading enterprise of service standard in financial industry for 2019 (2019 年金融領域企業標準「領跑者」發佈會) sponsored by the Secretariat of the China Financial Standardization Technical Committee and hosted by the China Financial Authentication (中金融國盛認證中心).

### November 2019

The Bank won the group champion in "2019 Youth Employees Comprehensive Service Ability Competition in Liaoning's Financial System" (2019 遼寧省金融系統青年員工綜合服務能力競賽) organised by the Committee of Financial Work's Union Liaoning Bureau together with Liaoning Banking Association and the Communist Youth League of Liaoning Financial Worker's committee, and was also awarded the May Day Labour Medal in Finance in Liaoning Province (遼寧省金融五一勞動獎狀), Liaoning Finance Pioneer (遼寧省金融先鋒號), the first prize of Comprehensive Business Knowledge Contest for Individual Group Award (綜合業務知識競賽單項團體獎第一名) and the third prize of Service Ability Display Individual Group Award (服務能力展示單項團體獎第三名).

### October 2019

The Bank was awarded the 2019 China UnionPay Cardless Business Cooperation Advanced Units (2019 年中國銀聯無卡業務合作先進單位).

### May 2019

- The Youth League Committee of the Bank was granted the title of "May Fourth Red Flag Youth League Committee" (五四紅旗團委) among 2018 Liaoning Province financial systems.
- The Bank was granted "Top Ten Private Enterprise Financial Service Innovation Award" (十佳民營企業金融服務創新獎) by virtue of mobile loan on the "2019 China Financial Innovation Forum & 2019 China Financial Innovation Award Ceremony" (2019 中國金融創新論壇暨 2019 中國金融創新獎頒獎典禮) co-sponsored by the Banker magazine, the Institute of Finance and Banking of the Chinese Academy of Social Sciences, and Central University of Finance and Economics.
- The Bank was awarded the Best Performer by the Liaoning Banking Association in "2017-2018 Promotion Activities of Financial Knowledge in Liaoning's Banking Industry" (2017-2018 年遼寧省銀行業普及金融知識萬里行活動最佳成效獎).

## Key Performance Indicators

Type of KPI	Name of KPI	Unit	2019	2018	2017
Economic Performances	Operating income	RMB100 million	231.70	212.83	188.06
	Total assets	RMB100 million	8,366.94	8,459.23	7,234.18
	Total deposits	RMB100 million	4,071.13	4,455.76	3,422.64
	Total loans and advances to customers	RMB100 million	4,891.17	3,707.26	2,151.21
	Non-performing loan ratio	%	7.70	4.99	1.04
	Allowance coverage ratio	%	115.01	123.75	268.64
	Capital adequacy ratio	%	8.09	9.12	11.67
Social Performances	Total taxes paid	RMB100 million	47.77	48.94	41.72
	Charitable and other donations	RMB10 thousand	7.7	17,901	18,289
	Social contribution per share <sup>2</sup>	RMB	4.39	3.57	5.37
	Balance of loans to small and micro business	RMB100 million	2,330.28	1,736.98	1,011.48

<sup>2</sup> Social contribution per share = (annual tax paid + staff expenses + loan interest paid to creditors + total outbound donations - other social cost arising from environmental pollution) ÷ total share capital + basic earnings per share.

Type of KPI	Name of KPI	Unit	2019	2018	2017
Social Performances	Customer complaints handling satisfaction rate	%	100	100	100
	Headcount <sup>3</sup>	person	6,234	6,132	5,796
	Proportion of female employees <sup>3</sup>	%	59.45	59.40	59.27
Environmental Performances	Replacement percentage of e-banking <sup>3</sup>	%	85.09	82.78	75.69
	Power consumption of the Headquarter	kWh	1,263,643	990,655	1,051,662
	Water consumption of the Headquarter	tonne	8,772	7,412	6,646
	Paper consumption of the Headquarter	tonne	5.40	5.26	Not applicable
	Coal gas consumption of the Headquarter	m <sup>3</sup>	9,671	11,156	19,182
	Gasoline consumption of the Headquarter	Litre	321,965	138,047	Not applicable
	Diesel consumption of the Headquarter	Litre	83,162.00	46,673.20	Not applicable

<sup>3</sup> The indicator refers to data of the Bank (excluding subsidiaries).





# 02

## Lawful Operation, Enhancing Risk Management

- Corporate Governance
- Risk Management and Control
- Responsible Management
- Operation Compliance

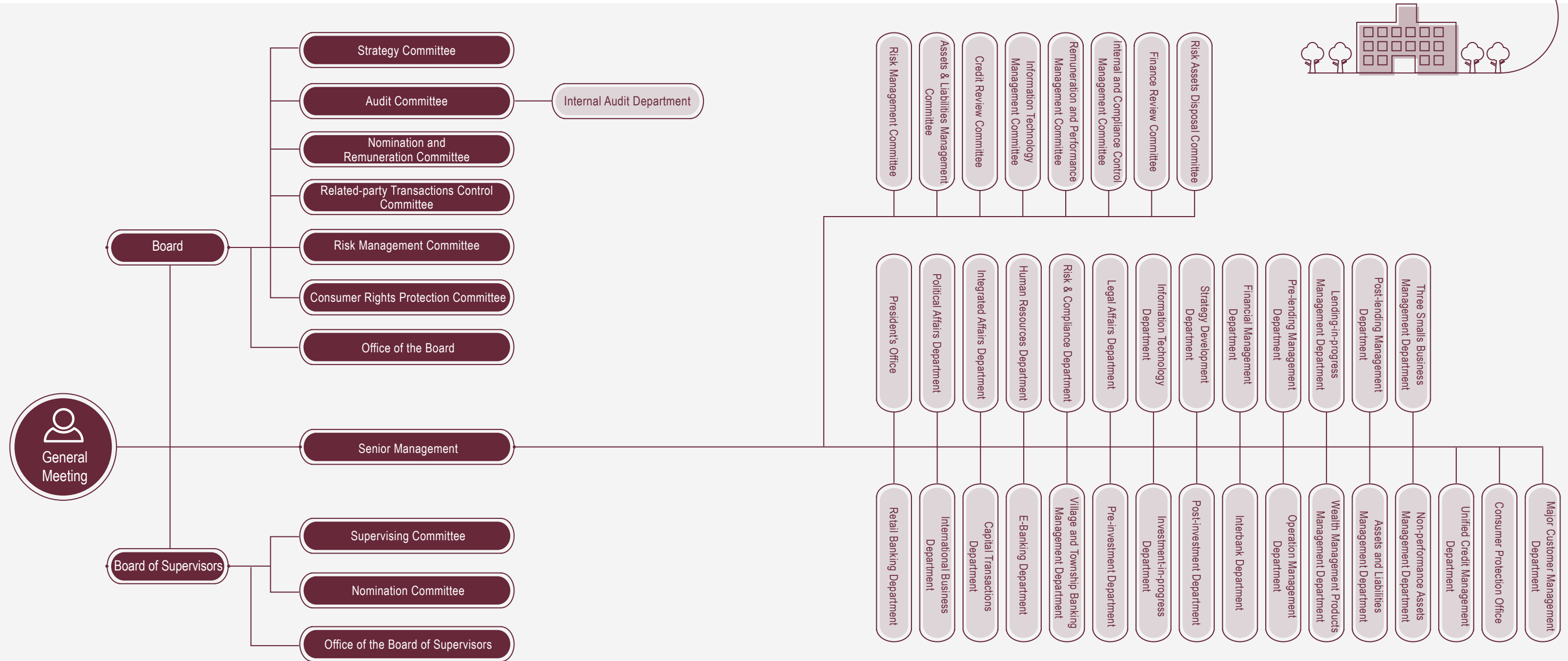
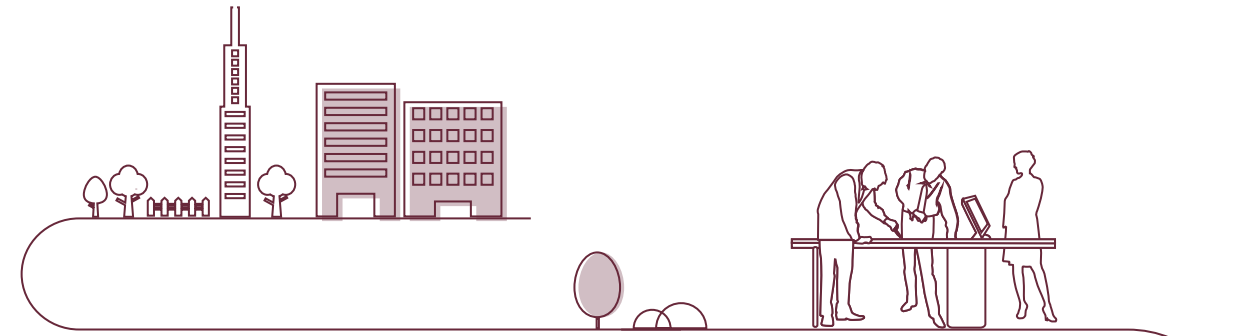




# Corporate Governance

The Bank continuously improved corporate governance mechanism to gradually enhance its corporate governance. The Bank has adopted relevant requirements set out in the *Corporate Governance Code* set out in Appendix 14 to the Listing Rules, administrative measures and corporate governance for commercial banks in China. The Bank has also established a corresponding corporate governance system. In accordance with relevant requirements, the Bank has set up dedicated and independent Board of Directors, board (the “**Board of Supervisors**”) of supervisors (the “**Supervisors**”) and senior management. All members of Board of Directors and Board of Supervisors (excluding employee representative Supervisors) were elected on the general meeting by the Shareholders. The Bank has further improved the information disclosure standards, regulated the management of investor relations activities and enhanced the transparency and governance standards persistently.

As at the end of the Reporting Period, the organisation structure of the Bank was shown as below. According to the overall institutional reformation plan of the Bank, the departments in the Headquarters are integrated and optimised by the Bank in 2020, reflecting the fine management, empowering the operation and development and promoting the Bank’s development mode of high-quality with internal driver.





### General Meeting

During the Reporting Period, the Bank convened 1 annual general meeting, 1 domestic shareholders' class meeting and 1 H shareholders' class meeting.

### Board of Directors

The Board of Directors is responsible for establishing the management system of the Bank, supervision and control over important matters such as decisions and performance of the business and financial policies of the Bank. The Board of Directors is also responsible for performing the functions of corporate governance stipulated in the *Corporate Governance Code* and has delegated to the management the rights and duties of managing the Bank.

As at the end of the Reporting Period, the Board of Directors consisted of 14 Directors, including 5 executive Directors, 5 non-executive Directors and 4 independent non-executive Directors. Six special committees, including the Strategy Committee, Audit Committee, Nomination and Remuneration Committee, Related-party Transactions Control Committee, Risk Management Committee and Consumer Rights Protection Committee, have been established under the Board of Directors. The Board of Directors Office has been established as the operating arm of the Board, and is responsible for the preparation of general meetings, meetings of the Board of Directors and meetings of all special committees under the Board, information and other daily duties.

During the Reporting Period, the Bank convened 12 Board of Directors meetings (including teleconference), 68 resolutions were considered and approved which include the consideration and approval of matters for the work report of the Board of Directors for 2018, final financial accounts for 2018 and financial budget plan for 2019, the Annual Report for 2018, profit distribution plan for 2018 and amendments to the Articles of Association, and 3 resolutions regarding work report on consumer rights protection for 2018 and others were listened.

### Board of Supervisors

As at the end of the Reporting Period, the Bank's Board of Supervisors consisted of 8 Supervisors, including 3 employee representative supervisors, 2 shareholder representative supervisors and 3 external supervisors. The Bank has established 2 committees under the Board of Supervisors, namely the Nomination Committee and the Supervising Committee, which operate in accordance with the terms of reference formulated by the Board of Supervisors.

During the Reporting Period, the Bank convened 10 Board of Supervisors meetings (including communication meetings), primarily for the consideration and approval of 43 resolutions, including the Work Report of the Board of Supervisors for 2018, Annual Report for 2018, Report of Final Accounts, Profit Distribution Plan, engagement of accounting firm and Performance Evaluation Report for Directors and Supervisors, etc.

### Board Diversity Policy

The Board of Directors is of the view that having a diversified composition of members in the Board of Directors will improve the decision-making capability of the Board of Directors more effectively to elevate the corporate governance level. The Board of Directors and the Nomination and Remuneration Committee will consider a range of factors in selecting candidates, including but not limited to gender, age, cultural and education background, race, professional experience, skills, knowledge and number of years of service, in order to achieve diversification in the membership of the Board of Directors. The Nomination and Remuneration Committee will report the composition of the Board of Directors from the perspective of diversification of the Board on annual basis and supervise the implementation of this policy.

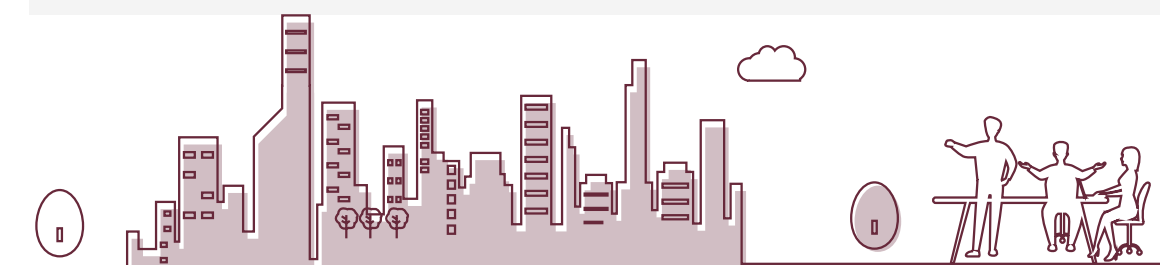
Please refer to Chapter 9 "Corporate Governance Report" of the Bank's 2019 Annual Report for more detailed disclosures relevant to the Bank's corporate governance.

## Risk Management and Control

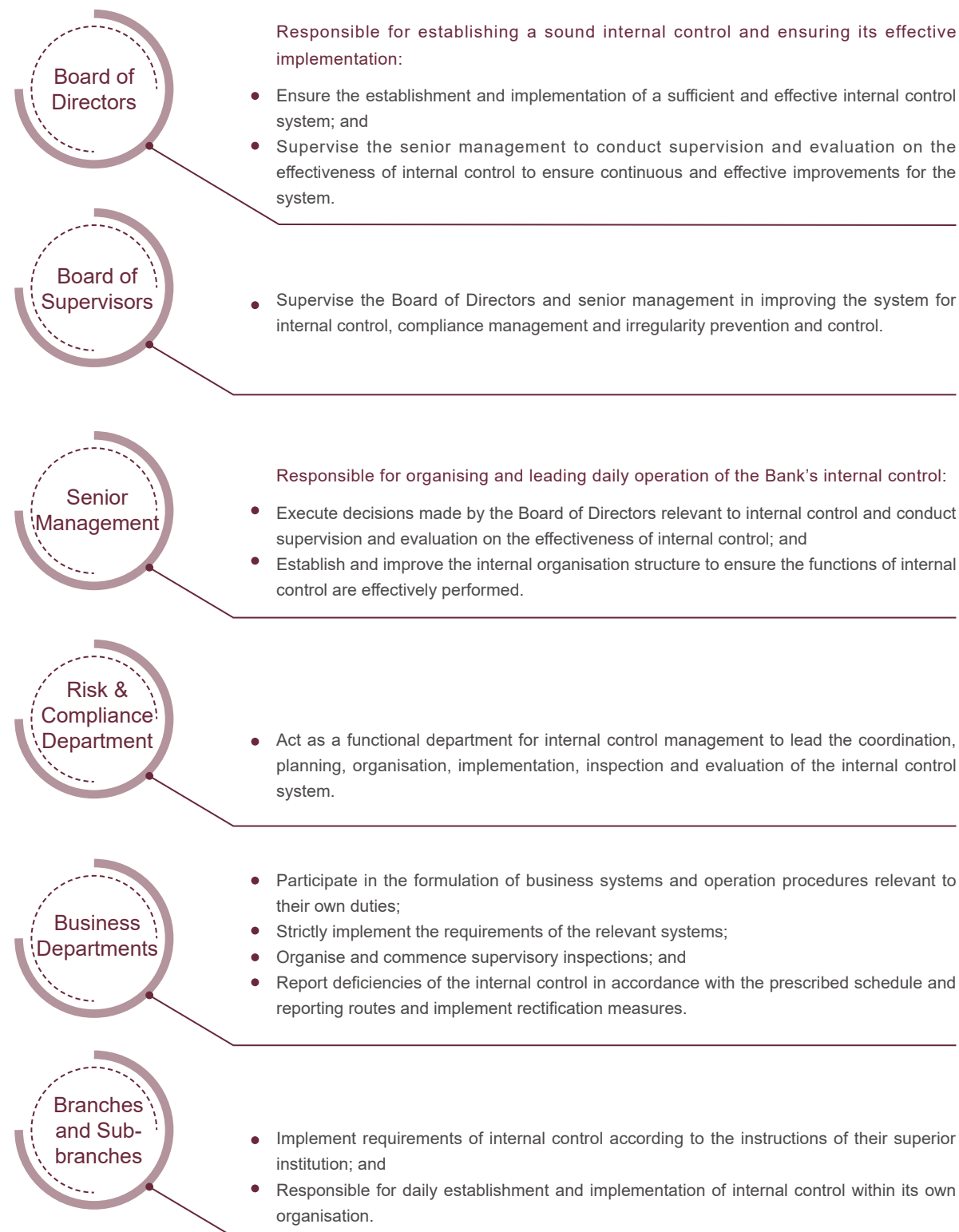
Risk management and internal control involve the Board of Directors, Board of Supervisors, senior management members and all employees, through the formulation and implementation of systematic systems, flow processes and methods to realise the Bank's risk management and the control of the targets via the dynamic process and mechanism. The Bank has established an internal control system covering the elements of internal control environment, risk identification and assessment, control activities, internal supervision and information and communication according to laws and regulations including the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Banking Supervision and Regulatory Law of the People's Republic of China* (《中華人民共和國銀行業監督管理法》), the *Commercial Bank Law* (《商業銀行法》) as well as rules including the *Guidelines on Internal Control of Commercial Banks* (《商業銀行內部控制指引》) and the *Basic Norms of Corporate Internal Control* (《企業內部控制基本規範》).

Based on the *Regulation Governing Capital of Commercial Banks (Trial)* (《商業銀行資本管理辦法(試行)》) and its schedules issued by the China Banking Regulatory Commission ("CBRC"), risks and relevant terminology defined by the Basel Committee on Banking Supervision, practices of the domestic and overseas peers as well as its own situation, major risks and uncertainties for the Bank are identified, including credit risk, operational risk, market risk, liquidity risk, information technology risk and reputation risk. The Bank has formulated the risk management policies to identify and analysis the risks encountered by the Bank and has established an internal control procedure. Through continuously monitoring and controlling the level of risks, the Bank reviews the risk management policies and relevant internal control systems regularly to reflect changes in market conditions and the Bank's business activities.

The risk management and internal control of the Bank follows the principles of full coverage, balance of powers, prudence and matching to realise the following objective:



With the aim to effectively manage and control various types of risks, the Bank has established an independent internal control organisation structure. Pursuant to relevant laws and regulations of the PRC and the Articles of Association, the Bank has established a corporate governance structure and the rules of procedures to delineate the duties and permitted authorities in the areas of decision-making, implementation and supervision, so as to formulate an appropriate management system for the Bank. In terms of the construction and execution of internal control, the Bank has designated following responsibilities for the Board of Directors, the Board of Supervisors, the senior management, the Risk & Compliance Department, business departments, and branches and sub-branches:



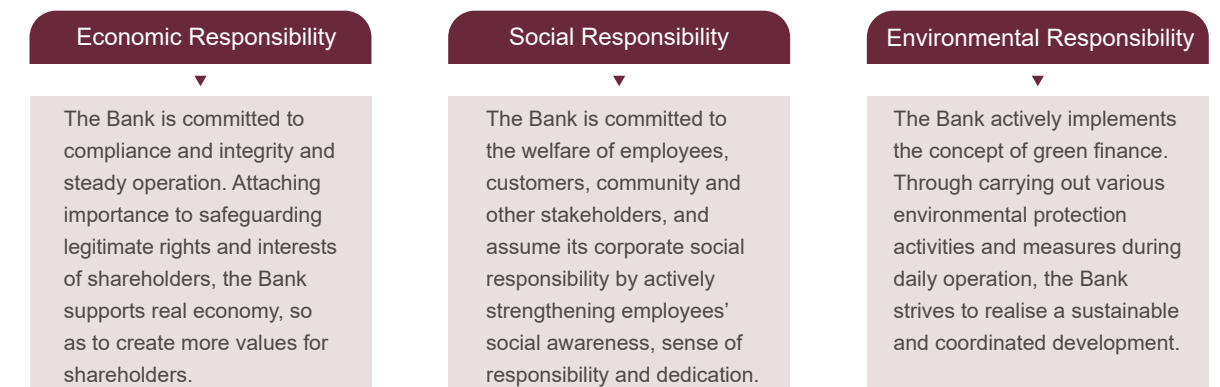
## Responsible Management

### ◎ Social Responsibility Approach

#### The Core Concept

Adhering to the purpose of "serving the community and benefiting the hometown", the Bank holds its market positioning of "serving the local economy, small and micro enterprises, and urban and rural residents" and urban and rural residents. The Bank is committed to operating in accordance with the law, and provide the community with high-quality financial services with a market-orientated and customer-centred approach. While developing its businesses, the Bank stays true to its aspiration and returns to its origin, continuously enhancing its value creation, service quality and general support capabilities through close integration between the social responsibility management and its own operation and development. The Bank takes the initiative to assume responsibilities by actively serving the society, contributing to the society and giving back to the society.

#### Three Major Goals



### ◎ Social Responsibility Management System





Striving to create values for the society, the Bank embeds the concept of sustainable development in its daily operation. The Bank has established the three-level social responsibility management system of "Decision-making, Organisation, Execution". Relevant strategies are developed for implementation according to the annual focus of social responsibility work, so as to allow each department to integrate the concept of social responsibility into daily work and promote the sustainable development of the Bank.





## Stakeholder Engagement

Expectations and comments of stakeholders are of utmost importance for the Bank to continuously improve its sustainability strategies. Through diversified and open communication channels, the Bank maintains close communications with stakeholders and listens to their demands patiently. Intending to enhance the level of the Bank's sustainability governance, the Bank continues to improve its social responsibility management system according to the sustainability topics of interest to various stakeholders.

Stakeholders	Expectations and Demands	Communication Channels	Responses and Measures
 Government	<ul style="list-style-type: none"> <li>– Support the sound development of real economy</li> <li>– Implement macroeconomic policies</li> <li>– Develop inclusive finance</li> </ul>	<ul style="list-style-type: none"> <li>– Policy documentations and guidelines</li> <li>– Work meetings</li> <li>– Information distribution</li> <li>– Seminars</li> </ul>	<ul style="list-style-type: none"> <li>– Provide financial support for the revitalisation of the old industrial base of the Northeast China</li> <li>– Improve service for small and micro enterprises and agriculture, rural areas and farmers affair, and support private enterprises</li> <li>– Support the development of emerging industries</li> </ul>
 Regulators	<ul style="list-style-type: none"> <li>– Operation compliance</li> <li>– Maintain financial stability</li> <li>– Fulfil social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>– Regulatory policies</li> <li>– Surveys and on-site visits</li> <li>– Progress reporting</li> </ul>	<ul style="list-style-type: none"> <li>– Strengthen compliance management</li> <li>– Improve the comprehensive risk management system</li> <li>– Advance targeted measures in poverty alleviation</li> </ul>
 Shareholders	<ul style="list-style-type: none"> <li>– Ensure stable operation</li> <li>– Increase core competitiveness</li> <li>– Increase corporate value</li> </ul>	<ul style="list-style-type: none"> <li>– Shareholder meetings</li> <li>– Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>– Improve corporate governance structure</li> <li>– Formulate corporate development plans</li> <li>– Improve profitability</li> <li>– Strengthen management of investors relation</li> </ul>
 Clients	<ul style="list-style-type: none"> <li>– Improve service quality and efficiency</li> <li>– Provide quality financial products</li> <li>– Ensure information and fund security</li> <li>– Expand service channels</li> </ul>	<ul style="list-style-type: none"> <li>– Marketing activities</li> <li>– Customer service hotline</li> <li>– Customer message box at the official website</li> <li>– WeChat, website and other digital platforms</li> </ul>	<ul style="list-style-type: none"> <li>– Optimise the business procedure</li> <li>– Innovate financial products</li> <li>– Safeguard rights and interests of customers</li> <li>– Increase the number of banking outlets</li> </ul>

Stakeholders	Expectations and Demands	Communication Channels	Responses and Measures
 Employees	<ul style="list-style-type: none"> <li>– Improve employee benefits</li> <li>– Protect employees' rights and interests</li> <li>– Provide career development opportunities</li> <li>– Enrich activities at spare time</li> </ul>	<ul style="list-style-type: none"> <li>– Trade union</li> <li>– Seminars</li> <li>– President's mailbox</li> <li>– Visits and interviews</li> </ul>	<ul style="list-style-type: none"> <li>– Improve the compensation and welfare system</li> <li>– Enhance democratic management</li> <li>– Improve the training system</li> <li>– Organise recreational and sports activities</li> <li>– Offer care to employees in need</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>– Fair procurement</li> <li>– Performance in good faith</li> <li>– Cooperation for win-win outcomes</li> </ul>	<ul style="list-style-type: none"> <li>– Negotiations</li> <li>– Contracts and agreements</li> <li>– Tendering and bidding</li> </ul>	<ul style="list-style-type: none"> <li>– Establish a procurement management system</li> <li>– Enhance business cooperation</li> </ul>
 Partners	<ul style="list-style-type: none"> <li>– Mutually beneficial cooperation</li> <li>– Communication and exchanges of ideas with industry peers</li> </ul>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Project cooperation</li> <li>– Daily communications</li> </ul>	<ul style="list-style-type: none"> <li>– Conduct surveys and on-site visits</li> <li>– Enhance exchanges and cooperate with industry peers</li> </ul>
 Community	<ul style="list-style-type: none"> <li>– Organise community activities</li> <li>– Help vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>– Visits and interviews</li> <li>– Community service activities</li> </ul>	<ul style="list-style-type: none"> <li>– Provide financial aid to students</li> <li>– Popularise financial knowledge</li> <li>– Organise volunteer activities supported by employees</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>– Environmental protection</li> <li>– Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>– Policies on energy saving and emission reduction</li> <li>– Green public service activities</li> </ul>	<ul style="list-style-type: none"> <li>– Provide green credit</li> <li>– Create green office</li> </ul>

## Materiality Assessment

The Bank attaches great importance to needs and expectations of stakeholders, and actively communicates with them throughout the course of daily operation. During the Reporting Period, the Board of Directors and management of the Bank identified the following material issues related to the Bank and stakeholders by considering the demands and opinions of stakeholders, national macro policies, latest social responsibility-related disclosure requirements, etc. and taking reference from the *Guide* and other disclosure requirements.



### Key Areas

### Material ESG Issues Identified



**Environmental Protection**

- Practice green operations
- Develop green finance
- Combat climate change



**Employment Practices**

- Safeguard rights and interests of employees
- Occupational health and safety
- Career development of employees
- Enhance well-being of employees



**Product Responsibilities**

- Improve service quality
- Embrace finance technologies
- Safeguard rights and interests of consumers
- Innovative financial products and services
- Popularise financial knowledge

### Key Areas

### Material ESG Issues Identified




**Community Investment**

- Engage in poverty alleviation
- Support public welfare



**Develop Economy**

- Support real economy
- Support private enterprises
- Promote inclusive finance
- Support small and micro enterprises
- Serve the "Agriculture, Rural Areas and Farmers"



**Corporate Governance**

- Ensure operation compliance
- Optimise corporate governance
- Strengthen risk management and control
- Anti-corruption
- Resolve financial risks
- Implement national strategies



## Operation Compliance

The Bank attaches importance to system establishment, and carries out a uniform revision on the Bank's system compilation with the leadership of the Risk & Compliance Department. During the Reporting Period, the Bank carried out a new round of system revision to further improve our system, so as to enhance the working standard and employees' awareness of compliance, and set up unified standards and regulations for future work. Throughout the years, the Bank has actively strengthened the awareness of compliance within the Bank, and cultivated the employees' positive working attitude of dedication, contribution and diligence, thereby nurturing the compliance culture of "learning regulations, knowing regulations, conforming to regulations and applying regulations".

### Anti-money Laundering and Counter-terrorist Financing

The Bank deeply acknowledges the severe damage caused by money laundering to regular economic activities and the financial order. As a responsible corporate, the Bank attaches great importance in anti-money laundering and counter-terrorist financing by earnestly fulfilling its anti-money laundering obligations and continuously improving the Bank's relevant systems and policies regarding anti-money laundering and counter-terrorist financing and deepening the risk control on money laundering risks.

The Bank strictly abides by the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), the *Anti-money Laundering Regulations for Financial Institutions* (《金融機構反洗錢規定》), the *Administrative Measures for Large-Scale Transactions and Suspicious Transaction Reports of Financial Institutions* (《金融機構大額交易和可疑交易報告管理辦法》), the *Administrative Methods for the Identification of Customer Identity and Storage of Customer Identity and Transaction Records of Financial Institutions* (《金融機構客戶身份識別和客戶身份資料及交易記錄保存管理辦法》), the *Guidelines for Money Laundering and Terrorist Financing Risk Assessment and Customer Classification Management of Financial institutions* (《金融機構洗錢和恐怖融資風險評估及客戶分類管理指引》) and other laws and regulations and regulatory requirements. The Bank has also formulated a series of anti-money laundering internal control system such as the *Organizational Structure of the Leading Team of Bank of Jinzhou for Anti-Money Laundering and the Responsibilities of Member Departments* (《錦州銀行反洗錢工作領導小組組織架構及成員部門工作職責》), the *Anti-Money Laundering and Counter-Terrorist Financing Management Measures of Bank of Jinzhou* (《錦州銀行反洗錢和反恐怖融資管理辦法》), the *Administrative Measures for Large-Scale Transactions and Suspicious Transaction Reports of Bank of Jinzhou* (《錦州銀行大額交易和可疑交易報告管理辦法》) and the *Administrative Measures for the Identification of Customer Identity and Storage of Customer Identity and Transaction Records of Bank of Jinzhou* (《錦州銀行客戶身份識別和客戶身份資料及交易記錄保存管理辦法》) according to relevant laws and regulations.

To strengthen the identification of suspicious transactions, the Bank has formulated policies such as the *Administrative Measures on Anti-money Laundering of Bank Card Business of Bank of Jinzhou* (《錦州銀行銀行卡業務反洗錢管理辦法》) and the *Administrative Measures on Anti-money Laundering of Online Banking Business of Bank of Jinzhou* (《錦州銀行網上銀行業務反洗錢管理辦法》), and has implemented appropriate and effective risk control measures through inventory verification of existing customers. With the aim to further eliminate all suspicious transactions within the Bank, relevant procedures, guidelines and requirements on reporting large amount transactions and suspicious transactions to the China Anti-Money Laundering Monitoring and Analysis Centre, as well as reporting any suspicious information, business transactions and emergencies to the Bank's senior management, the Anti-money Laundering Office, local branches of the People's Bank of China and Policy Security Bureau, have been stipulated in the Bank's *Administrative Measures on Large Amount Transactions and Suspicious Transaction of Bank of Jinzhou* (《錦州銀行大額交易和可疑交易報告管理辦法》) and the *Administrative Measures on the Reporting of Anti-money Laundering Work of Bank of Jinzhou* (《錦州銀行反洗錢工作報告管理辦法》).

Also, the Bank actively carries out training and publicity relevant to anti-money laundering, counter-terrorist financing and anti-tax evasion and is dedicated to strengthening the risk and legal awareness of the Bank's employees and the public. During the Reporting Period, the Bank organised a series of anti-money laundering training and publicity activities to promote the spread of knowledge related to anti-money laundering.

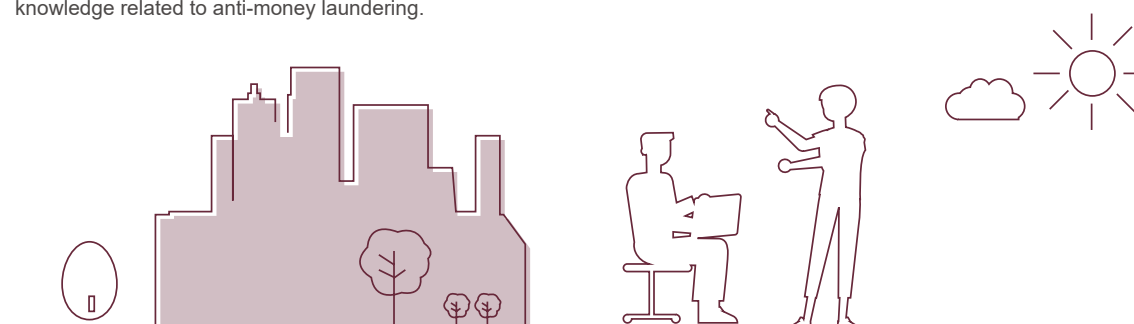
#### Case Carry out anti-money laundering publicity activity to build a corruption-free society together

In May 2019, the Bank organised various branches and sub-branches to carry out anti-money laundering publicity activities with the themes of "Preventing Money Laundering to Maintain Financial Security" and "Rectifying Trap Loans, Campus Loans and Other Illegal Behaviors to Construct a Good Social Environment". A total of 1,615 people participated in the publicity activity. During the event, the branches and sub-branches of the Bank visited several streets, communities, enterprises, merchants and schools, and went to villages and remote mountainous areas to carry out anti-money laundering publicity activities. Through diversified approaches, the Bank actively promoted anti-money laundering knowledge including identification of trap loans, campus loans and other illegal behaviours to the general public, so as to enhance their knowledge level on money laundering activities, and strengthen their supervision awareness and risk prevention awareness regarding illegal money laundering.



#### Case Carry out anti-money laundering training to strengthen internal management

In November 2019, the Bank organised a thematic training event on *Reminders on Money Laundering Risks* with the aim to strengthen the Bank's work on anti-money laundering and counter-terrorist financing, and remind employees to take precautions against the risk of data leakage. During the training, anti-money laundering and counter-terrorist financing work were explained to employees, such as strictly prohibiting direct disclosure of information or circumstances on anti-money laundering and counter-terrorist financing investigations when handling businesses with customers, which would affect the investigations of relevant departments. A total of 820 employees participated in the training. Through the training, employees of the Bank strengthened their understanding on key issues in the *Reminders on Money Laundering Risks*, which effectively promotes the Bank's supervision and management on the anti-money laundering and counter-terrorist financing work.





## ◎ Promoting Anti-corruption and Upholding Integrity

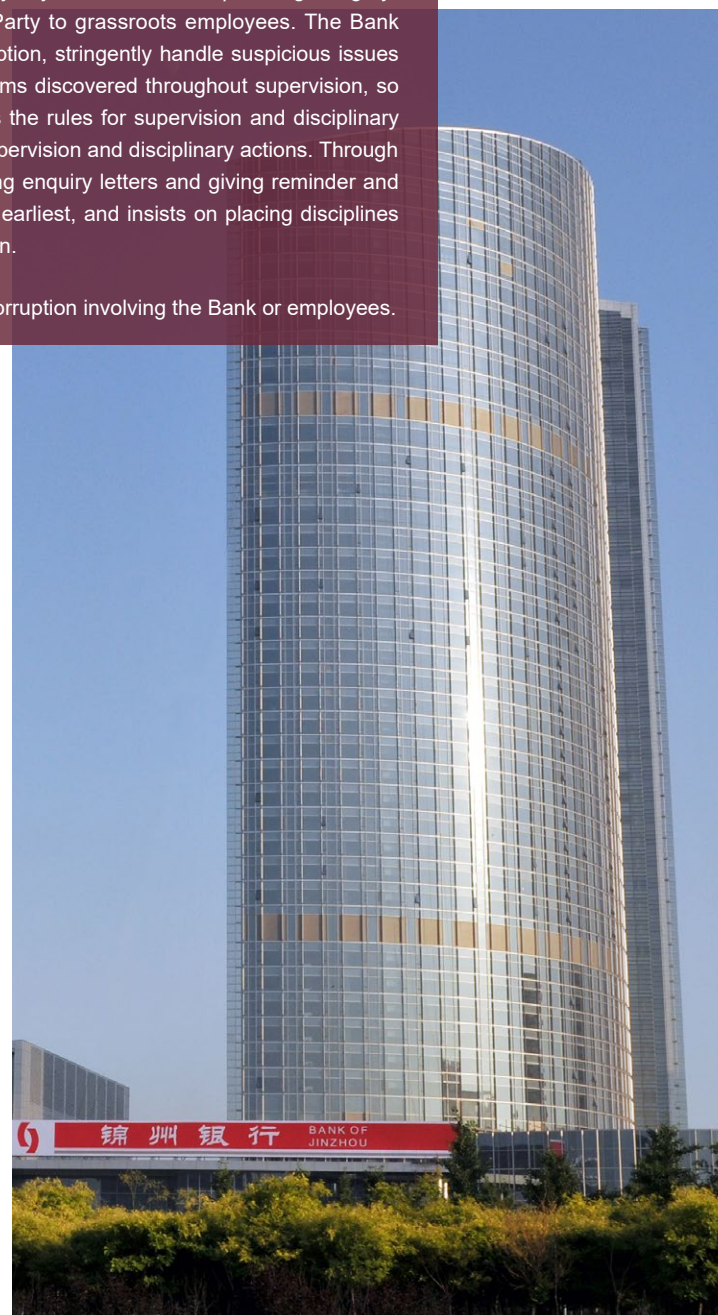
The Bank attaches great importance to its work in combating corruption and upholding integrity, and strictly complies with national laws and regulations relating to bribery, extortion, fraud and money laundering as well as party policies and regulations such as the *Regulations on Disciplinary Actions of the Communist Party of China* (《中国共产党纪律处分条例》) and the *Rules for Supervision and Disciplinary Actions of Discipline Inspection Authorities of the Communist Party of China* (《中国共产党纪律检查机关监督执纪工作规则》), thus continuously promoting the system construction for punishment and prevention of corruption. The Bank strengthens anti-corruption education, and strives to establish a long-term education system on Party conduct and integrity and build up the anti-corruption awareness of employees through warning education, thematic training and issuing anti-corruption notices on holidays. The Bank ameliorates the anti-corruption system construction and implements the “two responsibilities” on building up Party conduct and integrity by organising Party members and officials to sign the *Responsibility Statement on Improving Party Style of Work and Upholding Integrity*, thus extending the comprehensive and strict governance over the Party to grassroots employees. The Bank continues to strengthen the daily supervision in fighting against corruption, stringently handle suspicious issues and formulate rectification suggestions or comments regarding problems discovered throughout supervision, so as to set out the discipline of the Party. The Bank strictly implements the rules for supervision and disciplinary actions and strengthens the implementation of the “four patterns” of supervision and disciplinary actions. Through the comprehensive exercise of the “first pattern” by interviews, sending enquiry letters and giving reminder and warning speeches, the Bank detects any signs of irregularities at the earliest, and insists on placing disciplines and regulations as the forefront concerns, thereby preventing corruption.

During the Reporting Period, the Bank was not aware of any case of corruption involving the Bank or employees.

### Case

The Shenyang Branch organised a visit to the Anti-corruption Gallery at Liaoning Province

On 25 October 2019, the Party Committee of the Shenyang Branch organised a visit to the Anti-corruption Gallery at Liaoning for employees, so as to strengthen Party conduct and moral integrity. The activity aimed at integrating the themed education of “Staying true to our founding mission” and the warning education on Party conduct and integrity, so as to further strengthen the anti-corruption awareness of employees, and encourage employees to set the example of integrity and upholding principles, thereby jointly promoting the Bank’s steady development.



## ◎ Protecting Intellectual Property Rights

The Bank respects intellectual property rights, and strictly abides by the *Copyright Law of the People's Republic of China* (《中华人民共和国著作权法》), the *Advertising Law of the People's Republic of China* (《中华人民共和国广告法》) and other laws and regulations relevant to advertising and labelling relating to products and services during daily promotion activities. Intending to effectively prevent legal risks related to intellectual property rights in publicity and marketing activities, the Bank strictly standardises publicity activities by issuing legal risk warnings and carrying out pre-examinations. To protect intellectual property rights of both parties, inspections are carried out to ensure the business operation and proposed contracts have fulfilled laws and regulations relating to intellectual property rights, and that intellectual property rights protection clauses have been signed by both parties.

Also, the Bank has formulated a number of specific requirements for publicity materials to prevent violation against intellectual property rights:

Unless the copyright owners have declared that the materials can be used for commercial purposes, otherwise permissions or authorisations should be sought from copyright owners for using pictures or special fonts in publicity materials designed by the Bank, and the materials should be used within the scope of authorisation after paying the required royalty-fee;

All publicity materials must come from legitimate sources, while the use of materials with questionable origins is prohibited; and

All publicity materials must be reviewed and filed by the Intellectual Property Inspection and Recording Team, so as to ensure that the pictures, videos, portraits, articles, fonts and other works used in daily publicity activities are in compliance.

## ◎ Improving Procurement Management

A comprehensive supply chain management is paramount to ensure the Bank’s businesses and management and promote the Bank’s sustainable development. As such, the Bank continues to improve its procurement system, and has developed the *Administrative Measures on Procurement for Bank of Jinzhou* (《锦州银行采购管理办法》) according to the *Bidding Law of the People's Republic of China* (《中华人民共和国招标投标法》) and other relevant laws and regulations, which set out the requirements for supplier management. Through implementing centralised procurement and hierarchical management, the Bank drives further standardisation of its procurement work.

Dedicated in promoting systematic green procurement, the Bank places emphasis on reducing life cycle cost during equipment procurement, and has included procurement price, consumables cost and other factors in the overall consideration of procurement costs. At the same time, on top of considering suppliers’ operation status, the Bank also considers their performances in environmental protection and fulfilling social responsibilities when selecting suppliers, so as to minimise the potential environmental and social impact arising from the Bank’s business operations.

Buyers, asset managers and representatives from departments of the Bank in demand are required to inspect the specification, quantity and quality of procurement items when accepting the items to ensure the quality of the procured products and services. In case of situations such as inconsistencies between the invoice and the procured item and missing or damaged parts, the Procurement Department shall handle immediately. If there are any quality issues found within 7 days after the procurement that are not resulted from improper operations, the user department are required to report to the Procurement Department applying the return of goods. Upon receiving feedback from the user department, the Procurement Department will verify the authenticity of the reason for the return by email or inviting the supplier to visit to handle the return or exchange of goods in time. If the equipment provided by individual supplier happens to be returned or exchanged frequently due to quality issues, the Bank will consider ceasing the cooperation with such supplier.

- Suppliers are encouraged to reuse and recycle products and reduce resource consumption, where priority is given to suppliers with outstanding environmental performance;
- Business ethics and social moral values of suppliers are emphasised; and
- Suppliers are required to comply with relevant procurement laws and regulations, and follow the principles of honesty, trustworthy and fair competition.



# 锦州银行

BANK OF JIN

## 03

### Serving the Society, Benefiting Livelihood of Citizens

- Promote the Development of the “Three Smalls” Business
- Dedicate in the “Agriculture, Rural Areas and Farmers” Financial Services
- Revitalise the Development of Real Economy
- Practice the Concept of Inclusive Finance





Throughout the years, the Bank has adhered to its “Three Service” positioning, continuously implementing the requirements of the strategic deployment for rural revitalisation to promote the development of inclusive financial services. Through continuously improving its financial service capabilities for small and micro enterprises and “agriculture, rural areas and farmers”, the Bank is committed to facilitate the development of regional economy and support real economy.

## Promote the Development of the “Three Smalls” Business

The Bank adheres to the market positioning of “serving local economy, small and micro enterprises and urban and rural residents”, and actively develops the “Three Smalls” to allow steady progress of various work related to the “Three Smalls” business, thereby serving real economy. The Bank responds to the national poverty alleviation loans policy, and increases its support for poverty alleviation loans by setting up fast track approval, executing preferential rates and increasing its the non-performing loans tolerance of poverty alleviation.

During the Reporting Period, the Bank continued to optimise loan renewal products without repayment of principals and promoted the business model of loan renewal without repayment of principals. For high-quality customers with sound financial and credit status and temporary difficulties in business operations, loan renewal will be granted to them directly before the expiration of loan after the Bank approval. For customers with adverse credit record such as arrears of interest and principal due to temporary financial difficulties, relevant management personnel are required to conduct on-site investigations. After verifying the customer’s ability to continue the business operation, the Bank will grant the renewal of loan without repayment of principals in form of drawdown repayment and rollover, so as to avoid blindly demanding repayment of loans and delay in loans.

Meanwhile, the Bank has further upgraded its products on the basis of revolving credits and put great effort in promoting the self-service revolving loan business. With the aim to allow small and micro customers to rationally arranging financing plans according to their purpose of loans, customers may recirculate quotas after signing contracts to reduce mortgage, assessment and insurance costs. Disbursements and repayments of loan can be conducted through online banking, mobile banking and other electronic channels at all times, so as to reduce the effective interest rate and relieve the burden for customers.

### Case The Shenyang Branch organised a visit to the Anti-corruption Gallery at Liaoning Province

An engineering company in Henan was awarded a tender for a construction project during the Reporting Period, but was facing a lack of funds as its primary partner had not paid the receivables, and thus applied for a loan from the Bank to purchase construction materials. After accepting the application, the Bank’s Account Manager immediately conducted an on-site inspection, and promptly reported the case and issued the loan. The loan not only priced at a reasonable interest rate, but the Bank also reimbursed the evaluation fee after issuing the loan, thereby reducing the customer’s financing costs.

The Bank will continue to adhere to the mission of serving people in the hometown, and broaden the financing channels for small and micro enterprises, and continuously support small and micro enterprises and contribute to the enterprises in its hometown.

<sup>4</sup>“Three Smalls” refers to small stalls, small stores and small enterprises.

## Dedicate in the “Agriculture, Rural Areas and Farmers” Financial Services

The Bank continuously implements the requirements of the strategic deployment for rural revitalisation, and is committed to satisfy the financing demands of the “agriculture, rural areas and farmers”. The Bank has formulated a number of policies to benefit the agriculture, including interest rate concessions and simplified loan procedures, thereby improving the Bank’s capacity of “agriculture, rural areas and farmers” financial services, and help the farmers to develop productions and improve their life quality.

During the Reporting Period, the Bank set an overall target of 15 – 20% of the Bank’s credit scale for agricultural-related funding based on the actual size of loans. The Bank has also launched a credit product series named “Caring Loan for Agriculture, Rural Areas and Farmers” to support agriculture modernisation and promote healthy development of agricultural economy. Aiming at serving the “agriculture, rural areas and farmers”, the “Caring Loan for Agriculture, Rural Areas and Farmers” credit product series provides flexible financial products according to the business nature of “agriculture, rural areas and farmers”, thus enhancing regional production capacity.

With the aim to further support and serve the “agriculture, rural areas and farmers”, the Bank has formulated the *Administrative Measures for Co-guarantee Loans for Farmers at Banks in Villages* (《村镇银行农户联保贷款管理办法》) and *Towns and the Administrative Measures for Microcredits for Farmers at Banks in Villages and Towns* (《村镇银行农户小额信用贷款管理办法》) in accordance with the *Guarantee Law of the People’s Republic of China* (《中华人民共和国担保法》) and the *General Rules for Loans* (《贷款通则》), so as to enhance the Bank’s credit services level and simplify its loan disbursement process, thereby promoting the upgrading and transformation of traditional agriculture.

As at the end of the Reporting Period, the agriculture-related loan balance of the Bank amounted to RMB94.5 billion.

As at the end of the Reporting Period,

The agriculture-related loan balance of the Bank amounted to

RMB **94.5** billion

### Case Supporting the development of the breeding industry in villages

During the Reporting Period, the Bank provided credit support for a customer engaged in beef cattle breeding to purchase feeds. The borrower owns a family-based farm with 500 square metres. With the credit support, the Bank not only effectively drove the development of commercial beef cattle breeding by the borrower and surrounding farmers, but also helped increasing incomes of local farmers and reducing poverty in the area.







## Practice the Concept of Inclusive Finance

Since its establishment, the Bank has been adhering to the concept of "Serving the Society and Benefiting the Public" and insisting on the development of inclusive finance. By extending the joint action of grass-roots branches and grass-roots Party organisations, the Bank extends its basic service functions and innovates its service products and approaches, so as to support real economy with practical actions.

With the purpose of further implementing the "Three Services" positioning, coordinating the implementation of national and regional development strategies and pushing forward the development of inclusive finance, the Bank has formulated a major work plan for improving the service level of inclusive finance in accordance with relevant requirements in the *Plan for Advancing the Development of Inclusive Finance (2016-2020)* (No. 74 [2015] of the State Council) (《推进普惠金融发展规划(2016-2020年)》(国发〔2015〕74号)) and the *Guiding Opinions of the General Office of the China Banking Regulatory Commission on Advancing the Development of Inclusive Finance in 2016* (No. 24 [2016] of the General Office of the CBRC) (《中国银监会办公厅关于2016年推进普惠金融发展工作的指导意见》(银监办发〔2016〕24号)). At Headquarters level, the leading department for inclusive finance work is designated to formulate indicators for assessing the increase in inclusive finance, while an accountability system is adopted for the branch president in charge; at branch level, a mechanism for retailing and credit linkage has been developed to coordinate resources for the implementation of the mechanism for inclusive finance services and the development of innovative inclusive finance in terms of service, products and publicity based on local circumstances, thus creating a framework of inclusive financial services with distinctive practices.

## Revitalise the Development of Real Economy

The Bank makes great effort in supporting key projects and major constructions in major areas by coordinating the allocation of credit resources and optimising the credit structure. During the Reporting Period, the Bank continued to improve its support on strategic emerging industries, hi-tech industries, modern service sector, major technology and equipment, strengthening foundation of industries and other areas. The Bank also actively increased its support on modernised agricultural business entities and major areas by taking forward the agricultural supply-side structural reform.

### Case Supporting the establishment of local high-tech projects

A semiconductor company in Liaoning started a new project on silicon ingot slicing, where the products could be used for the manufacture of integrated circuit and used for discrete devices such as diodes, with the annual production capacity of 3.6 million silicon wafers. As a key project for soliciting business and attracting investment, the project conforms to national and local industrial policies and development plans. The founding of the project is conducive to improving the domestic independent production capacity and lowering the prices of materials to consummate with the international level, thereby reducing the costs of downstream semiconductor chip design and manufacturing enterprises, and safeguarding the steady development of the industry and national strategic security. A total of RMB1,324.8342 million was invested in the project, where the project was divided into three phases to construct a production line to manufacture 3.6 million pieces of 8 – 12 inch polished silicon wafer annually. The Bank provided financial support of RMB60 million for the first phase of the project, ensuring the smooth production of the project.

Also, the Bank strives to promote the development of business loans for women and small-sum secured loans to the laid-off and unemployed, and has established a working group with Finance Bureau, Women's Federation and other organisations to jointly promote the businesses. In addition, the Bank actively implements the *Administration of Special Funds for the Development of Inclusive Finance* (No. 85 [2016] of the Ministry of Finance) (《普惠金融发展专项资金管理办法》(财金〔2016〕85号)), and expands the benefited audience through promoting various types of entrepreneurial loans to achieve "Mass entrepreneurship and innovation".







# 04

## Striving for Innovation, Promoting Intelligence Evolution

- Improve Service Quality
- Smart Finance Innovation
- Protect Customers' Rights and Interests





Adhering the mission of "Satisfying Customers, Adding Values for Shareholders, Being Responsible to the Society", the Bank insists on putting customers in the first place and providing quality financial services. The Bank actively integrates technology with its financial products and services, develops innovative financial products, and continuously improves customer experiences. Additionally, the Bank stringently fulfils its responsibility in protecting customers' rights and interests. Aiming at providing the most comprehensive protection for customers' rights and interests, the Bank continues to broaden communication channels for customers and actively carries out activities to improve financial knowledge of the public.

## Improve Service Quality

### ◎ Daily Customer Service Management

Customers are the foundation for the steady business development of Bank of Jinzhou. Therefore, the Bank adheres to the philosophy of "Serving the Society and Benefiting the Public" and is dedicated to providing quality financial services for customers. The *Administrative Measures for Service Quality Inspection and Evaluation for Bank of Jinzhou* (《锦州银行服务质量检查考评管理办法》) has been formulated in accordance with the *Assessment and Evaluation System for Civilised and Standardised Service of China Banking Outlets* (《中国银行业营业网点文明规范服务评价标准》). Intending to strengthen all employees' awareness of the importance of customer service, the Bank carries out regular evaluations on various branches, sub-branches and operational institutions under the sub-branches according to the format and content of evaluation and scoring method set out in the aforesaid administrative measures, so as to provide customers with standardised, unified and high-quality services.

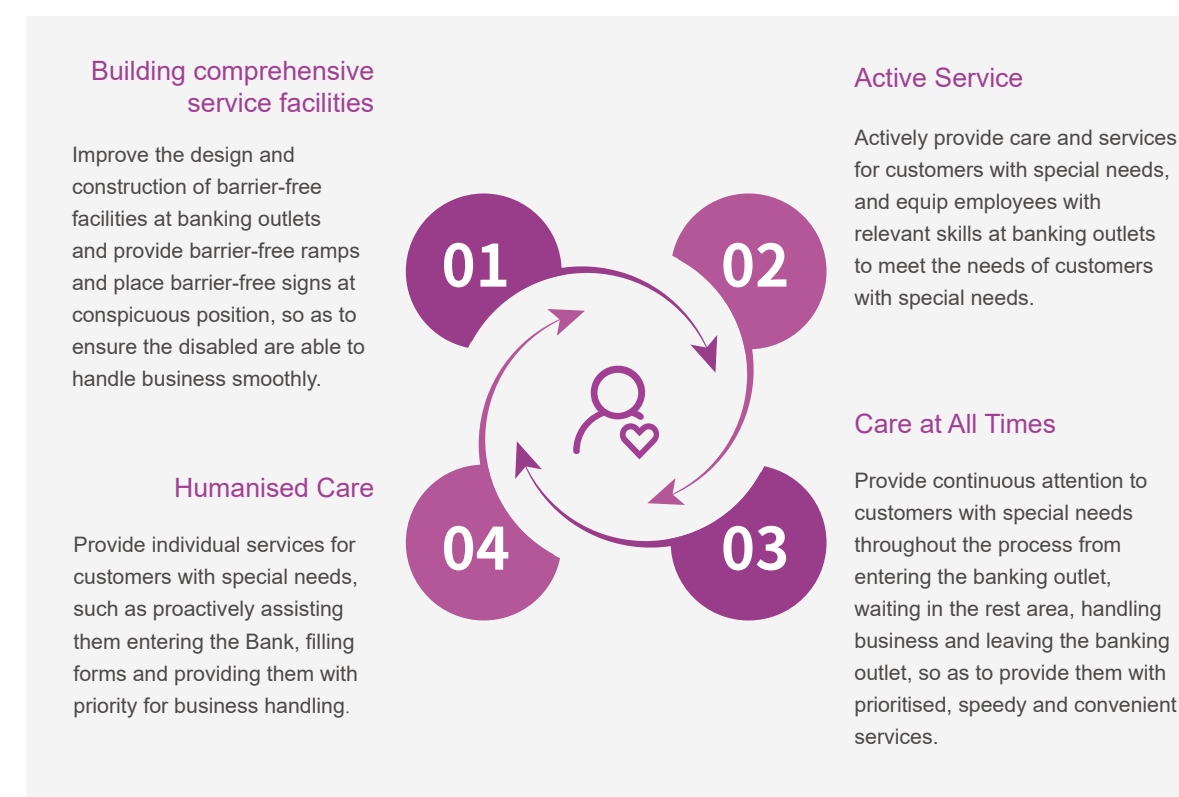
#### Case Six branches were awarded the "Star-rated Banking Outlet"

With the goal of "Strengthening Service Management and Improving Service Quality", the Bank organised six branches to participate in the establishment of "Star-rated Banking Outlet" by the China Banking Association ("CBA") during the Reporting Period to showcase high-quality, civilised and standardised services. With the outstanding management and high-quality services, the Business Department of the Chaoyang Branch, the Taishan Road Sub-branch of the Harbin Branch and the Business Department of the Yongfeng Sub-branch were rewarded 2019 "Five-Star Banking Outlet" of Civilised and Standardised Services in the Banking Industry; the Hunnan Sub-branch of Shenyang Branch, the Nanshan Sub-branch of Dalian Branch and the Zhongyang South Street Sub-branch of the Jinzhou Branch were rewarded 2019 "Four-Star Banking Outlet" of Civilised and Standardised Services in the Banking Industry, affirming the service quality of the Bank.



### ◎ Serving Specific Groups

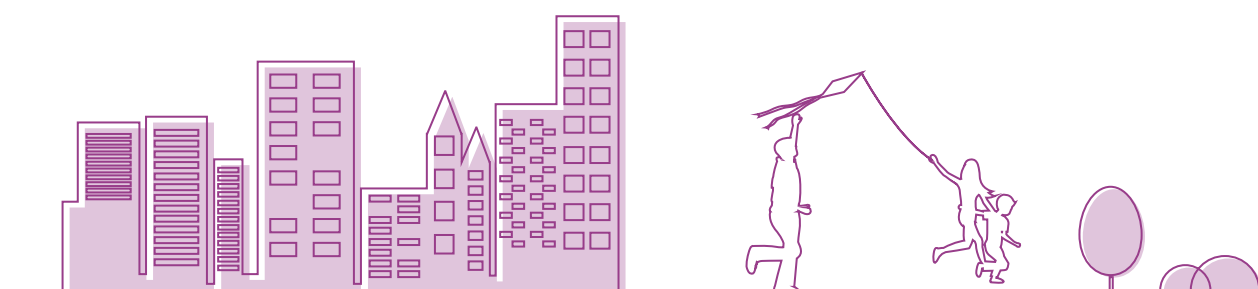
In view of further meeting the needs from different customer groups, the Bank has formulated the *Service Regulations for Customers with Special Needs of Bank of Jinzhou* (《锦州银行特殊服务群体服务规程》) ("Service Regulations for Customers with Special Needs") to provide employees at branches and sub-branches with service guidelines regarding customers with special needs, thus fulfilling social responsibilities. The *Service Regulations for Customers with Special Needs* sets out the following four major principles for the elderly, patients with serious diseases, disabled and pregnant women, so as to provide all customers with the highest quality and caring services.



### ◎ Customer Service Survey

Upholding the business philosophy of "Customer Oriented", the Bank always puts customer first in daily operation, and proactively seeks rooms for improvement. The *Administrative Rules for Client Satisfaction Investigation of Bank of Jinzhou* (《锦州银行客户满意度调查管理细则》) ("Administrative Rules for Client Satisfaction Investigation") has been formulated in accordance with the *Assessment and Evaluation System for Civilised and Standardised Service of China Banking Outlets* (《中国银行业协会营业网点文明规范服务评价标准评价体系》) and other regulatory requirement and actual conditions of the Bank, aiming at enhancing the Bank's service quality and improving services of the Bank.

The Bank's *Administrative Rules for Client Satisfaction Investigation* clearly stipulates that all banking outlets are required to carry out at least one customer satisfaction survey every year. Strict requirements on proportion of survey respondents' age, education level and customer types have been developed to ensure representativeness and timeliness of the survey results.



## ◎ Earnestly Handling Complaints

The Bank handles customer complaints with a serious and conscientious attitude, and adheres to the principle of "Pay Special Attention to Service Standards, Pay Special Attention to Service Efficiency, Pay Special Attention to Service Complaints". Throughout the years, the Bank actively optimises the complaint handling mechanism from different dimensions such as the timeliness of complaint handling, complaint handling and tracking and complaint result feedback, so as to further improve the service quality. The Bank has developed the complaint channels as below to facilitate timely feedback from customers.

### Hotline Service Centre

The 4006696178 Hotline Service Centre was established specifically for handling enquiries and complaints from customers. The complaint received will be transferred to the concerned department for handling and track the handling results of the complaint.

### Customer Message Box

The Bank has set up customer message box at the official website for customers to freely express their enquiries, suggestions, complaints and compliment, ensuring customers are able to feedback their opinions, suggestions and complaints to the President's office.

### On-site Complaint

On-site complaints and enquires are handled by the lobby manager of the business hall to provide immediate assistance for customers.

### Dedicated Direct Hotline

Dedicated direct hotlines are set up in the business hall lobby and self-service areas to receive customer inquiries and complaints at all times.

In order to further strengthening the Bank's complaint management, the Bank has formulated the *Management Measures for Handling of Customer Complaint of Bank of Jinzhou* (《锦州银行客户投诉处理管理办法》) ("**Management Measures for Handling of Customer Complaint**"), which sets out the principles, procedures and time limit for complaint handling and approaches for different types of complaints. Attaching great importance in complaints received in the Reporting Period, all branches and sub-branches adhered to the principles of verify with great attention to detail, apologise with sincerity and visit for follow-up, designating specialised personnel to handle the complaints in accordance with the guidelines in the *Management Measures for Handling of Customer Complaint*. The customer complaints handling satisfaction rate reached 100%.

## Smart Finance Innovation

The Bank actively integrates financial technologies into the business to develop innovative financial products and provide customers with more convenient and faster service experiences. Through continually improving the level of e-banking products, service levels and intelligence application level, the Bank provides customers with more user-friendly and safer e-banking services while continuously improving the brand influence and market competitiveness. In addition, the Group actively integrates financial technologies into the community building of Jinzhou City, including public transportation system and public health mechanism, benefitting the public with financial technologies. During the Reporting Period, the Bank was awarded the "Top Ten Private Enterprise Financial Service Innovation Award" (十佳民营企业金融服务创新奖) by the Banker magazine, the Institute of Finance and Banking of the Chinese Academy of Social Sciences, and Central University of Finance and Economics, and was awarded the 2019 Best Mobile Banking Innovation Award (2019年最佳手机银行创新奖) by the China Financial Certification Authority, testifying the Bank's unremitting efforts in developing financial products and services.

### Case

#### Carrying out the promotion of "Smart Public Transport" scenario

To implement relevant requirements of the People's Bank of China's in benefitting the public with mobile payment, the Jinzhou Smart Public Transport Project jointly created by the Bank and China UnionPay Co. Ltd. ("**UnionPay**") was officially launched on 17 January 2019, marking Jinzhou becoming the second city in Liaoning Province to fully support mobile payment by UnionPay in the public transport sector.

Committed to allowing citizens in Jinzhou to enjoy the convenience and benefits brought by the UnionPay mobile payment products, the Bank successively provided public transport mobile payment services which support UnionPay QR code, mobile payment and IC card payment in Beizhen, Linghai, Jinzhou City and the development zones, so as to promote the establishment of the "smart city". As at the end of the Reporting Period, a total of RMB25.503 million transactions were accepted for the Smart Public Transport Project, including RMB23.20 million from Jinzhou City, RMB626 thousand from Yixian, RMB417 thousand from Beishen and RMB1.31 million from Linghai.



### Case

#### The "Bank-Hospital Collaboration to Benefit People's Livelihood" Project was successfully launched

Committed to promoting the development of inclusive finance in Jinzhou, the Bank organised the launching ceremony for the "Bank-Hospital Collaboration to Benefit People's Livelihood" Project ("**Bank-Hospital Collaboration**" Project) at a hospital, using financial knowledge to provide local patients with self-service, convenient and user-friendly services.

In this "Bank-Hospital Collaboration" Project, 43 sets of "medical portal" equipment have been placed in the hospital to improve medical quality and diagnosis efficiency through diverse services such as self-registration, consultation guidance and payment. The Bank also launched the UnionPay QR code payment discount in the "medical portal" equipment to allow comprehensive optimisation of the settlement channels in the self-service "medical portal" equipment, thus promoting the rapid development of local payment methods while improving the efficiency of medical treatment.





## Protect Customers' Rights and Interests

Adhering to the concept of "Compliance with Laws and Regulations is the Foundation of the Bank", the Bank strictly abides by the *Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests* (《中國人民銀行金融消費者權益保護實施辦法》), the *Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumers' Rights and Interests* (《國務院辦公廳關於加強金融消費者權益保護工作的指導意見》), the *Guiding Opinions on Banking and Insurance Institutions Strengthening the Building of Working Systems and Mechanisms for Protection of Consumer Rights and Interests* (《銀行保險機構加強消費者權益保護工作體制機制建設指導意見》) and other regulatory requirements, and is committed to safeguarding the rights and interests of financial consumers. The Bank has revised the *Administrative Measures for Personal Financial Information Protection of Bank of Jinzhou* (《錦州銀行個人金融信息保護管理辦法》) in accordance with relevant laws and regulations and guidelines to set out the organisational structure and division of duties for personal financial information protection, and relevant requirements for the collection, use and custody of personal financial information, ensuring adequate security for the consumers' personal financial information through comprehensive procedures and measures.

During the Reporting Period, the Bank conducted the member election of the Consumer Rights and Interests Protection Committee during the first meeting of the sixth Board of Directors. After the end of the Board meeting, the first meeting of the Consumer Rights and Interests Protection Committee of the sixth Board of Directors was held to elect the chairman of the Consumer Rights and Interests Protection Committee, thus further improving the organisational structure of consumer rights and interests protection.

The Bank's *Administrative Measures on Consumers Rights and Interests Protection for Bank of Jinzhou* (《錦州銀行消費者權益保護管理辦法》) has stipulated the duties of the Consumer Rights and Interests Protection Committee, the Consumer Rights and Interests Protection Office, departments at the Headquarters and all branches in safeguarding consumer rights and interests, as well as the inspection, assessment and confidentiality system related to consumer rights protection, so as to ensure comprehensive protection of the legitimate rights and interests of consumers.

### Case The Bank organised education and publicity activities on consumers' rights and interests

The Bank carried out an education week with the theme of "Consumer-centric Services Optimisation" between 11 March 2019 and 15 March 2019. The event is based at the Bank outlets, and made visit to the morning markets, communities, corporates and villages to comprehensively promote relevant topic including telecommunication fraud, illegal fundraising, anti-counterfeit currency and various legal rights owned by financial consumers. A total of more than 180,000 people participated in the activity to enhance the public's awareness of risk prevention and improve the financial literacy of the public.



## ◎ Safeguarding Information Security

The Bank attaches great importance to the protection of customers' privacy to establish long-term and trustworthy business relationships with customers. The Bank stringently abides by the *Law of the People's Republic of China on the People's Bank of China* (《中華人民共和國人民銀行法》), the *Law of the People's Republic of China on Commercial Banks* (《中華人民共和國商業銀行法》) and other relevant laws and regulations. During the Reporting Period, the Bank revised the *Administrative Measures for Personal Financial Information Protection of Bank of Jinzhou* (《錦州銀行個人金融信息保護管理辦法》) ("Administrative Measures for Personal Financial Information Protection") to further improve the Bank's protection in personal financial information.

In accordance with the *Administrative Measures for Personal Financial Information Protection*, all units in the Bank are required to notify and warn the information owners of the matters on the right side in form of written reminders prior to collecting personal financial information.

The purpose, approach, type, content and retention period of personal financial information collected and processed;

The scope of use and protective measures for personal information;

Personal information manager of the relevant information such as the name, address and contact information;

Complaint channels for the information owner; and

Potential risks upon providing personal information.

In addition, all units are obligated to strictly abide by the operating rules and regulations of each line of business when internally accessing and using personal financial information, and are forbidden from providing or selling personal financial information to personnel outside the business scope without legitimate reasons. In view of further eliminating leakage of personal information, employees are required to supervise each other during daily work. In case of discovering any illegal use, leakage or selling of personal financial information, employees are expected to act forthwith to end relevant situations and report to the superior. All employees who violated the *Administrative Measures for Personal Financial Information Protection*, or were discovered to be illegally using, leaking or selling personal financial information, are subject to disciplinary actions according to relevant regulations in the *Measures for Handling the Financial Infringement Acts of Bank of Jinzhou* (《錦州銀行金融違規行為處理辦法》). The Bank may also seek remedies available at law if needed.

## ◎ Standardising Publicity

Upholding the highest standard of professional ethics and business integrity during operation, the Bank carries out product publicity in a responsible manner. The Bank strictly complies with the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), the *Regulations on Advertising Management* (《廣告管理條例》) and other laws and regulations relevant to advertising and labelling of products and services, and has formulated the *Administrative Measures on Advertisement Promotions of Bank of Jinzhou* (《錦州銀行廣告宣傳管理辦法》) and the *Self-discipline Mechanism on Financial Advertisement Delivery of Bank of Jinzhou* (《錦州銀行金融廣告發佈審查自律機制》) to regulate the delivery process of daily advertising and publicity materials. All employees from the Publicity Department are subject to relevant regulations, and are prohibited from false advertisement, misleading, speculation and other misbehaviours to ensure compliance of the Bank's business.

## ◎ Popularising Financial Knowledge

The Bank continuously promotes the popularisation of financial knowledge and improve the public's ability in identifying financial risks. On top of carrying out promotions through "Financial Knowledge Popularization Month" (金融知識普及月), "Travel of Financial Knowledge" (金融知識萬里行), "Financial Knowledge into Family" (金融知識進萬家), "3.15 Public Welfare Promotion" (3.15 公益宣傳) and other activities, the Bank also visited communities, schools, shopping malls and other public areas to introduce banking and financial knowledge to the public, thereby further raising consumers' awareness of preventing financial risks.

During the Reporting Period, the Bank gave full play to its advantage in the large number and wide distribution of banking outlets, and carried out comprehensive publicity and education activities through promotion at counters, micro finance lecture, "V Lecture" at halls, financial knowledge board, "Time with Xiaojin" and other diverse publicity approaches, so as to expand the Bank's coverage and influence in financial knowledge publicity.

### Case "Reaching Out" Promotion

Intending to further enhance financial knowledge in the community, a number of branches and sub-branches organised promotion activities during the Reporting Period. Among the branches and sub-branches, the Guangrong Sub-branch of Shenyang Branch entered the Luyuan community to carry out the "Telecommunications Fraud Prevention Activity", while the Nanta Sub-branch, Wu'ai Sub-branch, Huanggu Sub-branch, Daxi Sub-branch and Hunnan Sub-branch of Shenyang Branch seized the crowded hours during morning and evening market to carry out promotion activities. The activities were well received by the public.





# 05

## Dedicating in Charity, Encouraging Dedication

- Participate in Poverty Alleviation
- Engage in Charity to Support the Community
- Fight the Epidemic Together





The Bank is committed to fulfilling its promise of "Bank in the Hometown Serving People in the Hometown", actively responses to poverty alleviation and contiguously deepening the participation approach and service area of public welfare activities, thereby serving the public in urban and rural areas, fulfilling social responsibilities and promoting sustainable development of the society.

## Participate in Poverty Alleviation

The Bank actively responds to the national call for poverty alleviation and adheres the mission of "Taking Targeted Measures in Poverty Alleviation and Poverty Eradication". The Bank assists in the battle against poverty by developing industrialise poverty alleviation and promoting the implementation of primary projects for industrialised poverty alleviation. Upholding the principle of "Serving the Society and Benefiting the Hometown", the Bank gives full play to the joint actions of grassroot branches and grassroot Party organisations, and takes practical measures to help the public solving problems and seeking a better life.

As at the end of the Reporting Period, the poverty alleviation loan balance of the Bank amounted to RMB216.21 million.

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### Case Helping to lift poor farmers out of poverty

With the aim to improve the targeted poverty alleviation and accelerating the pace of lifting people out of poverty and increasing their income, the Bank actively visits villages and countryside to gain an in-depth understanding on impoverished population, so as to provide comprehensive support and assistance to eradicating poverty and achieving prosperity.

During the visit to the impoverished population with the Toudaohe Town Government, the Bank learned that one household was unable to afford the normal daily expenses due to the lack of income. The Bank found that the household had been farming for many years, and had certain experiences in planting corns, but were not able to maintain livelihood due to land and capital issues. After learning the situation, the Bank issued a personal poverty alleviation loan for the household, so that the household was able to contract for fields for growing corns and vegetables, thus achieving poverty alleviation and prosperity.

### Case Assisting villages to solve infrastructure problems

Due to the high terrain, the production of the villagers in Xiaosiping Village, Xinbin County had always been plagued with the difficulties in drawing water. In winter and dry seasons, the villagers can only maintain livelihood by relying on water transportation. Taking "Serving the Society and Benefiting the Public" as its mission, Xinbin Sub-branch of Fushun Branch organised on-site inspections to conduct surveys for the construction of wells and water supply system upon learning the conditions. After determining the final construction plan, a set of water supply facility was to be constructed for the villagers in Xiaosiping Village to ensure water security for the whole village, thus solving their difficulties in drawing water and improving lives of local residents to promote the development of rural areas.

## Engage in Charity to Support the Community

The Bank actively contributes to the society through encouraging employees to participate in support and rescue activities and various voluntary activities. The Bank strives to establish a decent social image by continuously strengthening employees' social awareness, sense of responsibility and sense of dedication, thus fulfilling the Bank's responsibility as a corporate citizen and giving back to the society.

During the Reporting Period, the Bank made a total of RMB77 thousand charitable and other donations.

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Case

### Yingkou Branch launched the "Bright Charity" Youth Eye Care Action

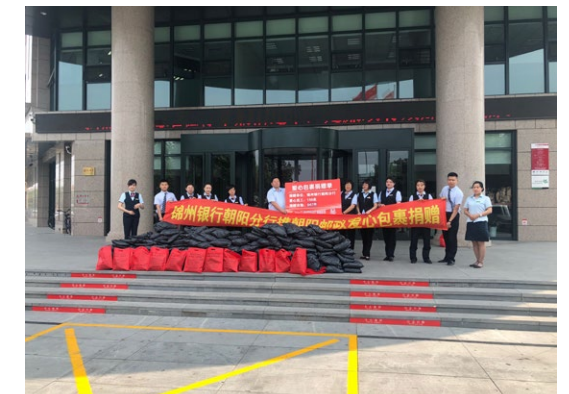
In order to further raise concerns on the well-being of eyesight of teenagers and children, Yingkou Branch collaborated with a total of six organisations including the Yingkou Charity Federation to officially launch the "Bright Charity" Youth Eye Care Action on 13 January 2019. The event was jointly initiated by Yingkou Branch and six organisations including the Yingkou Charity Federation, the Education Bureau of Yingkou City, the News and Media Centre of Yingkou City, Yingkou Eye Hospital and Shanpin Culture, aiming at strengthening children's eye care knowledge through the "Bright Charity" activity, paying attention to protecting their own eyes, and enabling more teenagers and children to receive professional health guidance and inspections.



Case

### Chaoyang Branch organised a donation activity for caring packages

The labour union and the Youth League Committee of Chaoyang Branch jointly issued the "Small Packages with Big Love" fundraising proposal for caring packages, calling for donations of clothes for children in impoverished areas in western China from the Bank's employees, and held the donation ceremony on 26 June 2019. A total of 110 employees participated in the donation activities, with donations of a total of 647 pieces of clothing and 230 caring packages. Through this activity, we passed the care, love and warmth from Bank of Jinzhou to the children living in poverty-stricken areas.



Case “Joint Creation by Three Cities – Promoting Inclusive Finance along Bus Routes” Welfare Activities

With the aim to actively fulfil social responsibilities, practise the concept of inclusive finance, strengthen the self-preservation awareness of financial consumers and facilitate the overall implementation of the “Joint Creation by Three Cities” in Jinzhou City, the launching ceremony of the “Joint Creation by Three Cities – Promoting Inclusive Finance along Bus Routes” jointly organised by Bank of Jinzhou, the Cultural and Ethical Office of Jinzhou City, Jinzhou City Centre Sub-branch of the People’s Bank of China and Jinzhou Transport Development Co., Ltd., was held on 28 June in front of the Zhongyang Avenue Sub-branch of the Bank.

At the ceremony, the participating leaders jointly lit up the main backdrop, symbolising the official launch of the event. The preaching team composed of core employees of the Bank carried out presentations and exhibitions on “Joint Creation by Three Cities”, safe travel tips, knowledge on avoiding illegal fundraising, identification of new telecommunications fraud and anti-counterfeiting expertise for the latest version of RMB. At present, Jinzhou Branch has formed 21 publicity teams, selected 15 major bus routes in the city to cycle every morning and afternoon. By popularising financial knowledge to passengers during the bus rides, introducing the work of “Joint Creation by Three Cities” and answering questions on the financial businesses, the Bank explores a new model for “inclusive finance” and demonstrate its responsibilities and achievements as a hometown enterprise.



## Fight the Epidemic Together

Since the end of 2019, the novel coronavirus pneumonia (“COVID-19”) has brought massive impact to China and the world. The Bank implements the policies by the Central Committee of the Party and the State Council of PRC to actively fulfilling the responsibilities of serving regional economic development by launching the “Chunjin Initiative” (春锦计划). Through providing full support on the epidemic prevention and control and the resumption of corporate operation and production, the Bank helped to guarantee the small, medium and micro enterprises operation and promoted regional economic development.

Taking strengthening epidemic prevention and control and supporting the resumption of corporate operation and production as the paramount mission, the Bank implements the “Five Specifics” (「五特」) policy guidelines of “specific time, specific mechanism, specific policies, specific products and specific scale”. The Bank continued to raise the level of support and protection on major areas, industries, constructions, projects and enterprises through financial services, thereby facilitating the recovery of regional economic development.



Case Helping enterprises to participate in epidemic control and prevention

After the outbreak of COVID-19, a pharmaceutical company in Jinzhou required urgent funding to expand the production capacity for alcohol and assist the prevention and control of the epidemic. Upon learning the situation, in addition to immediately issuing a liquidity loan of RMB20 million and renewed a pre-approval credit of RMB68.5 million, the Bank also alleviated the company’s liquidity pressure through modifying the interest settlement method and repayment plan and delaying deadline for principal repayment, thus guaranteeing the resumption of operation and production of the company and promoting the production of protective supplies for epidemic prevention.

Case Helping enterprises to overcome operational difficulties

The business of a car sales company was profoundly affected by the epidemic, resulting in zero operating income in the first half of the year while the inventory of vehicles could not be sold. On top of that, the company also had to pay monthly for staff wages, loan interest, water and electricity taxes and other expenses, thus leading to a substantial financial pressure on the company. After understanding the situation, the Bank proactively renewed a pre-approved credit of RMB29.82 million, and promptly approved its request of deferring the repayment of principals and interests and allowed the company to gradually repay the amount according to the schedule after the resumption of operation, thus helping the company to overcome the difficult period.



# 06

## Caring for Employees, Growing Together with Employees

- Employee Distribution
- Safeguard Employees' Rights and Interests
- Pay Attention to Employees' Health
- Foster Development of Employees





Adhering to the principle of bringing prosperity with talents, Bank of Jinzhou continuously improves its human resources management to safeguard and protect the legitimate rights and interests of employees. The Bank actively strengthens cadres building, and continuously promotes the cultivation and development of talents by establishing a reasonable talent and recruitment mechanism and creating a diversified learning and development channel for employees. Committed to strengthening cohesion and centripetal force within the Bank, the Bank organises a variety of recreational and sports activities to enhance the sense of belonging and cohesiveness of employees and promote the joint development of Bank of Jinzhou and employees.

## Employee Distribution<sup>5</sup>

### Total number of employees

6,234 Employee turnover rate 2.09%



### By gender

	Employee ratio	Employee turnover rate
Male	40.55%	0.94%
Female	59.45%	1.15%

### By employment type

	Employee ratio
Contract-based employees	80.54%
Employees from outsource	19.46%

### By geographical location

	Employee ratio	Employee turnover rate
Employees within Liaoning Province	87.23%	1.70%
Employees outside Liaoning Province	12.77%	0.39%

### By age group

	Employee ratio	Employee turnover rate
Aged 30 or below	33.30%	0.99%
Aged between 31 and 40	34.42%	0.36%
Aged between 41 and 50	23.42%	0.35%
Aged 51 or above	8.85%	0.39%

### By education background

	Employee ratio
Post-secondary diploma or below	30.70%
Bachelor's degree	59.74%
Master's degree	9.46%
Doctor's degree	0.10%

<sup>5</sup>Only includes data of the Banks (excluding subsidiaries).





## Safeguard Employees' Rights and Interests

Employees are an indispensable cornerstone for the stable development of the Bank's businesses. In view of this, the Bank insists on abiding by employment-related laws and regulations, and is committed to safeguarding the rights and interests of employees. The Bank has formulated a series of internal policies and guidelines in accordance with relevant laws and regulations and actual conditions to stipulate matters relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Bank regularly reviews the following employment policies to ensure full compliance with the latest laws and regulations and the needs of employees, thereby promoting the prudent operation of the Bank.

### Labour Employment

#### Employment

The Bank strictly abides by the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other relevant laws and regulations, and recruit talents while adhering to the principles of fair and justice, merit-based selection and personnel and position matching. The Bank has formulated the *Employee Recruitment Management Measures of Bank of Jinzhou* (《錦州銀行員工招聘管理辦法》) to stipulate regulations on the allocation of human resources, duties of the Human Resources Department, recruitment criteria of employees, recruitment procedures and employment criteria, and has stringently implemented the recruitment plan approval procedures set out in the aforesaid management measures.

In order to further protect the rights and interests of both employers and employees, the Bank has formulated the *Measures for the Management Measures of Labour Contracts of Bank of Jinzhou* (《錦州銀行勞動合同管理辦法》), where contracts are signed with all contract-based employees to clarify the rights and obligations of both parties.

#### Promotion

The Bank has designed a dual career development path of "professional path" and "management path", and has carried out the career development planning according to personal traits and preferences of employees. The Bank has also formulated the *Management Measures for Career Path of Bank of Jinzhou (Trial)* (《錦州銀行專業序列管理辦法(暫行)》) to specify the proportion restrictions for the number of employees at each career path and relevant promotion and assessment requirements, so as to provide employees with a clear promotion ladder.

#### Labour

Advocating equal opportunities, diversity and anti-discrimination, the Bank strictly complies with the requirements in the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》) and other laws and regulations, and treats employees of all ethnicities, genders, religious beliefs and cultural backgrounds equally.

Strictly abiding by the *Provisions on the Prohibition of Child Labor* (《禁止使用童工規定》), the Bank has forbidden the use of child labour and forced labour, and has formulated the *Management Measures of Labour Employment of Bank of Jinzhou* (《錦州銀行勞動用工管理辦法》) to ensure legal employment. To eliminate the use of child labour and forced labour, the Bank inspects the identity document of applicants during the recruitment process, and carries out background check prior to the onboarding of the applicant to ensure the applicant has reached the legal working age. In addition, a labour contract system is implemented in the Bank, where employees who establish labour relationships with the Bank are required to sign a written labour contract with the Bank in accordance to the law to clarify rights and obligations at both sides.

During the Reporting Period, the Bank was not aware of any cases related to the use of child labour or forced labour.

### Labour Employment

#### Dismissal

The Bank has regulated the types of dismissal and application conditions, dismissal procedures, the handover of work, the settlement of dismissal, delivery of dismissal documents and transfers of relationships in the *Management Measures for Employee Turnover of Bank of Jinzhou* (《錦州銀行員工離職管理辦法》). All employees are required to strictly abide by the foresaid regulations to ensure the dismissal procedures of all employees comply with relevant laws and regulations and safeguard the rights and interests of employees and the Bank.

### Working Hours

The Bank has formulated the *Attendance Management Measures of Bank of Jinzhou* (《錦州銀行考勤管理辦法》) on the basis of relevant laws and regulations to standardise the standard working hour system implemented by the Bank. The Bank encourages employees to improve their working efficiency and complete their tasks within normal working hours. Overtime working is not encouraged. If it is necessary to work overtime due to special circumstances, employees are required to seek approval from the president in charge in advance, where overtime pay will be distributed according to procedures.

### Rest Periods

The Bank has formulated the *Management Measures for Annual Leaves of Bank of Jinzhou* (《錦州銀行年休假管理辦法》) and the *Management Measures for Rest and Leaves of Bank of Jinzhou* (《錦州銀行休息休假管理辦法》) to provide employees with annual leaves, personal leaves, sick leaves, marriage leaves, bereavement leaves, maternity leaves, breastfeeding leaves, other family planning leaves, statutory holidays and leaves for work suspension according to relevant laws and regulations and actual conditions of the Bank. Relevant approval procedures and regulations has been set out in the aforementioned management measures.

### Compensation and Welfare

#### Compensation

The *Remuneration Management Measures of Bank of Jinzhou* (《錦州銀行薪酬管理辦法》) has been formulated in accordance to the *Regulatory Guidelines for the Stability of Remuneration in Commercial Banks* (《商業銀行穩健薪酬監管指引》) and relevant laws and regulations to set out the Bank's salary structure, the responsible organisation for compensation management and its duties, annual remuneration budgets and remuneration-related internal, thus strengthening the Bank's internal risk control and providing reasonable compensation and incentives for employees' efforts.

#### Welfare

Strictly complying with laws and regulations such as the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》) and the *Regulations on the Management of Housing Provident Funds* (《住房公積金管理條例》), the Bank has developed a welfare system based on "five insurances and one fund" and the *Management Measures of Social Insurance and Housing Fund of Bank of Jinzhou* (《錦州銀行社會保險及住房公積金管理辦法》) to pay the endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and other basic social insurance, as well as the housing provident fund for employees in accordance with the law.

During the Reporting Period, the Bank was not aware of any violation against laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.



## Pay Attention to Employees' Health

Viewing employees as the most invaluable assets, the Bank endeavours to protect the health and safety of employees. The Bank strictly abides by the *Fire Protection Law of the People's Republic of China* (《中華人民共和國消防法》) and the *Emergency Response Law of the People's Republic of China* (《中華人民共和國突發事件應對法》) and other relevant laws and regulations, and has formulated the *Administrative Measures of Bank of Jinzhou for the Safety and Health* (《錦州銀行安全衛生管理辦法》), the *Management Measures of Fire Safety of Bank of Jinzhou (Trial)* (《錦州銀行消防安全管理辦法(試行)》) and other policies to set out regulations on the avoidance of hazards, prevention of disasters and hygiene maintenance. In order to strengthen the employees' awareness of safety and hygiene, education and training on safety and health are provided to all new employees. Employees are required to report promptly in case of discovering any unsafe situation. Also, all new employees are required for medical check-up, while preventive examinations on occupational diseases are arranged for employees who work on specific positions. To safeguard the health of employees, the Bank arranges body check for employees from time to time and encourages their active participation. If any employee has been diagnosed with infectious diseases, the Bank will arrange position transfer for the employee or suspend the employee's work during treatment to prevent disease transmissions in the office environment.

Additionally, the Bank provides employees with guidelines when encountering fire or other emergency accidents and incidents, while employees are required to memorise the fire alarm signals, fire escape routes, entry and exit points of the building and the use of fire extinguishing equipment. With the aim to further enhance employees' emergency preparedness, the Bank actively organises fire and explosion prevention emergency drills, trainings on fire safety knowledge and other activities to strengthen the protection of employee safety.

During the Reporting Period, the Bank did not violate laws and regulations related to occupational health and safety, nor receive any cases of work-related fatalities of the Bank's employees as well as records of lost days due to work injury.

### Case Fuxin Branch organised the "Three Prevention" emergency drill

In order to strengthen employees' awareness of safety precaution, Fuxin Branch organised employees to participate in the emergency drill on fire prevention, anti-robbery and counter-terrorism on 30 July 2019. The security guard at the branch explained to employees on knowledge about fire prevention, firefighting, escape and self-rescue, and demonstrated the use of firefighting equipment. To allow employees further improve their understanding of the division of duties in case of emergencies, the security guard also provided explanations on the contingency plans and carried out an emergency drill on anti-robbery and counter-terrorism. Through this exercise, employees' emergency preparedness and awareness of safety precaution were effectively improved, thus strengthening the protection on employees and customers on their lives and properties.



### Case Dalian Branch carried out training on health education

On 1 November 2019, the labour union of the Dalian Branch actively prepared the establishment of the employees' club with the gracious support of Party Committee and Administration Department of the branch. It provides employees with a safe and diverse fitness zone, an entertainment chess and card zone that aligned with the national financial employee mind games, a cosy and comfortable employee lounge and a nursery specially set up for breastfeeding mothers, thus greatly enhanced the sense of well-being and belonging of employees.



Fitness experts delivered a lecture on health knowledge for employees at the branch, further improving employees' health awareness and their attention to bad habits through the training, thus encouraging them to develop good living habits.

The Bank pays attention to the employees' mental and physical health, advocates work-life balance and encourages employees to relax in their spare time. Therefore, the Bank actively organised a variety of recreational and sports activities, allowing employees to relax during their spare time, elevating cohesiveness within the team and enhancing employees' sense of belonging to the Bank.

### Case The Party Committee of Shenyang Branch expanded the labour union platform to hold Employee Sports Day

In order to encourage communications between employees, the Party Committee of Shenyang Branch expanded the labour union platform to organise all employees of the branch to participate in the "Upholding Aspirations, Taking Responsibilities, Loving Our Home – Employee Sports Day" on 14 December 2019. All employees of the branch formed a total of 16 teams to participate in the event, while the management of the branch also participated in competitions as one of the athletes.

The successful implementation of the event not only enhanced the team spirit between employees and the cohesiveness within the Bank, but also enriched the cultural life of employees and improved their physical and mental health.



### Case The 10<sup>th</sup> "Wantong Cup" Employee Basketball Game

To celebrate the 70<sup>th</sup> anniversary of the founding of PRC, Bank of Jinzhou held the 10<sup>th</sup> "Wantong Cup" Employee Basketball Game. After 10 days and 54 intense competitions in three competing areas, the event was successfully concluded on 1 September in the basketball court on the second floor of Jinzhou International Convention and Exhibition Centre. A total of 21 teams and 240 couches and players from the Headquarters, branches, sub-branches and village and township banks participated in the game. The game not only formed friendships between employees, but also gathered their strengths. Through the basketball game, the Bank further inspired the patriotism and the sense of belonging of all employees of the Bank, tempered the spirit of unity and dedication and enhanced communications between units. By leading all employees of the Bank to enrich their exercise habits and attain a fit and healthy body, employees of the Bank will actively engage in the construction and development of Bank of Jinzhou with a more uplifting spirit, higher morale and a healthier physique.



### Case Psychological Counselling Lecture for Employees

In order to help employees relieving anxiety and work pressure, the labour union of the Headquarters invited a counselling trainer from Jinzhou General Labour Union to carry out a psychological counselling lecture for employees of sub-branches of Jinzhou Branch on 7 November 2019. During the event, the trainer learned the work characteristics and personality traits of each employee through chatting, and provided them with work and life-related suggestions through real-life examples. The trainer also introduced the skills to identify, expand and market customer groups with different personality traits, so as to improve employees' abilities in dealing with different customers and thus reducing work pressure.



## Foster Development of Employees

Employees' long-term development is essential for the continuous development of the Bank's business. As such, the Bank continues to deploy resources and provides employees with diversified vocational training, thus enhancing the leadership skills of the management and the level of business skills of employees. The Bank's training system has been divided into three levels at the Headquarters, branches and sub-branches, allowing allocation of education funding and relevant resources according to the needs at each level.

With the aim to improve the training efficiency of employees, the Bank has established a mobile learning platform to put forward the integration of online and offline training system. In addition, the Bank has formulated the *Online Learning Platform Management Measures of Bank of Jinzhou* (《锦州银行线上学习平台管理办法》) ("Online Learning Platform Management Measures") and other policies to set out the management responsibilities of the online learning platform, management of employees, precautions in using the platform, training requirement, assessment management, confidentiality and security management of the platform and other matters. "Compulsory" and "Elective" training courses are designed by relevant units of the Bank's Human Resources Department according to the guidance in the Online Learning Platform Management Measures. Employees are required to complete the "Compulsory" training course within the specified period and attend post-training examinations according to the requirements of the course.

The Bank actively strengthens the establishment of the part-time internal trainer ("internal trainer") team, and stipulated the qualifications and responsibilities of internal trainers, the selection and promotion of internal trainers, and the divisions of management duties of internal trainers in the *Management Measures of Internal Trainer of Bank of Jinzhou (Trial)* (《锦州银行内训师管理办法(试行)》) to ensure the quality of internal training.

During the Reporting Period, the Bank formulated the 2019 training plan, planning for innovative training, management training and daily training to ensure a sufficient improvement on employees' level of business ability and skills through training. Diversified training programme was provided to all employees according to the training plan.

Category	Percentage of trained employees (%)	Average training duration of employees (hours)
By gender		
Male	100%	61.77
Female	100%	59.82
By employment type		
Contract-based employees	100%	62.77
Employees from outsource	100%	49.22

### Case "Jinxiansheng" – Roving lectures by internal trainers

The Bank has launched the "Jinxiansheng" train the trainer training programme since 2018, and has completed training for 43 internal trainers at the Headquarters level and 49 internal trainers. In order to further improve the integrated internal knowledge system of "trainers, courses and topics", the Bank arranged internal trainers to give roving lectures at branches according to their needs during the Reporting Period. Through giving lectures to employees at branches on relevant business knowledge, on the one hand enhancing employees' abilities at each branch, on the other hand building up the reputation of internal trainers, thereby achieving the Bank's goal of expanding its internal trainer team.



### Case 2019 "Qingjin Plan" – Induction training for students recruited from universities

With the aim to improving business skills and overall quality of new employees, and helping new employees to adapt to the Bank's working environment, the Bank included the online platform for the first time when developing the 2019 induction training for students recruited from universities. The Bank actively enriches the training through various interactive courses on the online platform to enhancing training interests of trainees and improving the comprehensibility of the knowledge. During the Reporting Period, the Bank organised a three-week induction training, covering quality development, internal training on corporate culture, external training on business ethics and etiquette, professional skills training and other topics, allowing university students to adapt to the Bank's culture and achieve the transformation from being a student to being one of the working population.





# 07

## Protecting the Environment, Creating a Green Living Environment

- Develop Green Finance
- Advocate Green Office



 **锦州银行**  
BANK OF JINZHOU

 **锦州银行** BANK OF JINZHOU



The Bank always adheres to the concept of environmental protection. We strengthen the implementation of the concept of green finance by continuously deploys resources to develop green credit and e-banking. The Bank is committed to practicing energy saving and environmental protection in its daily activities and advocating a paperless office and digitalisation of documents. The Bank also optimises a number of environmental protection welfare activities to promote the sustainable development of the Bank and the society.

## Develop Green Finance

### Green Credit

Adhering the concept of green development, the Bank actively develops green credit business to encourage environmental protection contribution from various industries and promote sustainable development of the society. To further enhance the Bank's environmental and social performances and promote the Bank's green projects, the Bank has formulated the *Trial Measures on the Implementation of Green Credit of Bank of Jinzhou* (《锦州银行绿色信贷实施试行办法》) ("Trial Measures on the Implementation of Green Credit") in accordance with relevant regulations including the *Notice of the China Banking Regulatory Commission on Issuing Green Credit Guidelines* (No. 4 [2012] of the CBRC) (《中国银监会关于印发绿色信贷指引的通知》(银监发〔2012〕4号)), the *Notice of the China Banking Regulatory Commission and the National Development and Reform Commission on Issuing the Guidelines for Energy Efficiency Credit* (No. 2 [2015] of the CBRC) (《中国银监会、国家发展改革委关于印发能效信贷指引的通知》(银监发〔2015〕2号)), the *Guiding Opinions on Building a Green Financial System* (No. 228 [2016] of the People's Bank of China) (《关于构建绿色金融体系的指导意见》) and the *Notice on Conducting Green Credit Performance Evaluation of Banking Depository Financial Institutions* (No. 180 [2018] of the People's Bank of China) (《关于开展银行业存款类金融机构绿色信贷业务评价的通知》(银发〔2018〕180号)).

The Bank has set out the organisational management, market access requirements, key service areas, due diligence and review procedures, post-loan management and other matters relevant to the green credit business in the *Trial Measures on the Implementation of Green Credit*. The Bank supports the development of industries and enterprises relating to environmental protection, clean energy, circular economy and other areas through implementing the development strategy of green credit in all lines of work and all departments, thereby fulfilling social responsibilities.

The Bank adopts the "one-vote veto system" for environmental and social risks. Loan support would not be granted to customers and projects violating the national policies on environmental protection, security surveillance, quality inspection, land and immigration and those that are meeting the environmental and social compliance requirements. The Bank mainly focuses on serving the sectors below.

#### Industrial sector

Mainly including power, coal, steel, non-ferrous metals, petroleum and petrochemicals, chemical, building materials, papermaking, textiles, printing and dyeing, food processing, lighting and other major industries.

#### Construction Sector

Mainly including the construction of existing and new residential buildings, office buildings for national institutions and public buildings for commercial, service industry, education, R&D, cultural, health and other purposes; the construction of central heating and cooling system; as well as the application of renewable energy in buildings.

#### Transportation sector

Mainly including rail transport, road transport, water transport, air transport, urban transportation and other industries.

Other major sectors related to green projects, services, technologies and equipment.

### Case Supporting researches on energy saving and emission reduction technologies

During the Reporting Period, the Bank provided loans to a geothermal air conditioning system company in Beijing which engaged in its research and development, promotion and utilisation, so as to support the business development of the company and allow transformation and upgrade of its business model. Currently, the company has completed the design, construction, operation and maintenance of energy systems for more than 200 construction projects on geothermal cooling and heating, with a total area of 16 million square metres, thereby continuously promoting the development of national energy-saving buildings and contributes in the combat against climate change.

As at the end of the Reporting Period,

The Bank's loan balance related to energy saving and environmental protection projects and services amounted to

RMB **313.48** million

with no balance of loans related to enterprises with major environmental and safety risks.



### E-banking

The Bank actively integrates the concept of environmental protection into its businesses, and promotes mobile finance and smart finance by developing e-banking, thus enhancing the business efficiency and reducing the resource consumption and paper wastage from in traditional banking. During the Reporting Period, the replacement rate of e-banking business reached 85.09%, allowing the Bank to reduce the use of office paper and other resources while decreasing the indirect carbon emissions arising from customers' travel to the branch, thereby effectively minimised the potential adverse environmental impact arising from the Bank's operation.



## Mobile Finance

The Bank's current mobile financial product mainly includes mobile banking, WeChat banking and quick payment products based upon digital channel business, and online payment and QR code payment products based upon online financial business.

In terms of digital channels, the Bank has officially launched the mobile banking business since 2014. It currently covers mainstream products and services including counter deposit, wealth management, funds, settlement and clearing, and recharge and payment. The Bank has launched a new version of mobile banking during the Reporting Period to further improve customer experiences. In addition, the Bank has introduced the WeChat banking business since 2015, supporting binding of debit card and credit card, investment and wealth management, transfer and remittance, account checking and repayment and other services. As at the end of the Reporting Period, the number of customers for mobile banking and WeChat banking of the Bank exceeded 492.3 thousand and 331.6 thousand users respectively, and the transaction amount were RMB92.174 billion and RMB6.926 billion during the Reporting Period.

In terms of online financial services, the Bank has introduced the online payment platform to provide customers with the cashier platform for payments, pay college tuition payments, card recharge and other services, so as to fulfil the needs of corporate customers for online settlement and the individual costumers for online payment. Additionally, the Bank has launched the QR code payment services to support WeChat, Alipay, UnionPay and other payment methods, thus further facilitating the QR code payment for individual customers.

As at the end of the Reporting Period, The number of customers for mobile banking and WeChat banking of the Bank exceeded

**492.3** thousand and

**331.6** thousand

users respectively

During the Reporting Period, the transaction amounts were

RMB **92.174** billion and

RMB **6.926** billion

respectively

### Case

#### The Bank launched the new version of mobile banking application

In October 2019, the Bank officially released the new version of mobile banking application, further improving the e-banking services and providing customers with a more convenient, smarter and more optimised mobile finance experience. The new version of mobile banking application adheres to the design concept of "More Than Just Smart Finance", and has realised comprehensive product and service upgrades in terms of layout design, interaction experience, product system and technological intelligence, thereby not only effectively enhancing the customer experiences on e-banking, but also allowing the Bank to establish the brand image of mobile finance under the digital competitive landscape of "giving priority to mobile application and experience".

## Smart Finance

The Bank adheres to the concept of "smart finance" and actively promotes online businesses to enhance the efficiency of financial services and improve financial service experiences. In addition to the introduction of paid services such as campus payment and administrative payment on the online payment platform, the Bank also collaborates with the Jinzhou Municipal Government to complete the research and development and launching the online payment services and payment services for the new rural cooperative medical service on the "Jinzhou Portal" application, supporting online payment for water, electricity, gas heating and other bills in Jinzhou. At the same time, the Bank introduced the smart customer service for e-banking during the Reporting Period, providing professional and efficient online answering services through intelligent interactive technologies such as language recognition, context association and semantic analysis. By taking forward the establishment of digital banking, the Bank strives to improve the replacement rate of e-banking business and work with customers to further minimise adverse environmental impact arising from business operations.

## Advocate Green Office

The Bank is committed to reducing the environmental impact from its operations, and abiding by the Company Law of the People's Republic of China (《中华人民共和国公司法》), the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中华人民共和国固体废物污染环境防治法》), the Environmental Protection Law of the People's Republic of China (《中华人民共和国环境保护法》) and other relevant laws and regulations while operating businesses, thus promoting the sustainable development of the Bank and the society. During the Reporting Period, the Bank did not violate laws and regulations relevant to environmental protection.

The Bank's significant environmental and natural resources impact mainly include the electricity consumption and office resources, greenhouse gas emissions and air emissions arising from the use of vehicles involved in daily office operations. Dedicated to practising energy saving and environmental protection, the Bank actively advocates green office policy and has implemented a series of measures to improve energy efficiencies and reduce resource consumptions. By promoting the environmental awareness to employees during work, the Bank encourages employees to extend the concept of sustainability into their daily lives.

During the Reporting Period, the Bank implemented a variety of green measures in office areas. Nonetheless, the Bank's environmental data also increased accordingly due to business needs in the Reporting Period. The Bank will continue to implement more green measures in the future, thus enhancing the environmental awareness of employees.



## Environmental Data Summary<sup>6</sup>

Category	Unit	2019
Resource Consumption		
Headquarters electricity consumption <sup>7</sup>	kWh	1,263,643
Headquarters electricity consumption intensity	kWh/m <sup>2</sup> area <sup>8</sup>	94.69
Office water consumption <sup>9</sup>	Tonne	8,772
Office water consumption intensity	Tonne/m <sup>2</sup> area	0.66
Office paper consumption	Tonne	5.40
Gasoline consumption	Litre	321,965.00
Gasoline consumption intensity	Litre/vehicle	12,383.27
Diesel consumption	Litre	83,162.00
Diesel consumption intensity	Litre/vehicle	27,720.67
Purchased natural gas consumption	m <sup>3</sup>	9,671
Purchased natural gas consumption intensity	m <sup>3</sup> /m <sup>2</sup> area	0.72
Greenhouse Gas Emissions		
Total greenhouse gas emissions <sup>10</sup>	Tonne	1,718.49
Total greenhouse gas emission intensity	Tonne/m <sup>2</sup> area	0.129
Vehicular greenhouse gas emission (Scope 1) <sup>11</sup>	Tonne	947.54
Electricity greenhouse gas emission (Scope 2) <sup>12</sup>	Tonne	770.95
Vehicular Air Emissions <sup>13</sup>		
CO emissions	Kilogram	714.27
NO <sub>x</sub> emissions	Kilogram	624.74
SO <sub>x</sub> emissions	Kilogram	6.18
PM <sub>2.5</sub> emissions	Kilogram	53.07
PM <sub>10</sub> emissions	Kilogram	58.93

<sup>6</sup>The environmental data scope only includes the Headquarters.

<sup>7</sup>The Headquarters electricity consumption includes electricity consumption in the office area and the staff canteen.

<sup>8</sup>The total area of the Headquarters is 13,344.62 square meters.

<sup>9</sup>Due to the use of municipal water for office water consumption, the Bank did not encounter any issues in sourcing water.

<sup>10</sup>Total greenhouse gas emissions include Scope 1 and Scope 2 greenhouse gas emissions from the Bank.

<sup>11</sup>Scope 1 emissions refers to direct greenhouse gas emissions from vehicles owned by Bank of Jinzhou in Mainland; the greenhouse gas emissions data scope does not include vehicles using ethanol gasoline. The emission data is calculated in accordance with the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions by China Land Transportation Enterprises (Trial)* of the Ministry of Environmental Protection of PRC.

<sup>12</sup>Scope 2 emissions refer to indirect emissions resulting from electricity that are purchased by the Bank. The emission data is calculated in accordance with the 2015 national power grid average emission factor of the Ministry of Ecology and Environment of PRC.

<sup>13</sup>Vehicular air emissions come from vehicles owned by Bank of Jinzhou in Mainland. The emission data is calculated in accordance with 《道路机动车辆排放清单编制技术指南（试行）》 issued by the Ministry of Environmental Protection of PRC.

## Green Office Measures

The Bank constantly reviews and updates the green office measures below to further improve its environmental policies and continues and minimise the impacts from its business operations to the environment.

### Energy saving and emission reduction

- Employees are encouraged to use the office lightings and electrical appliances wisely, and turn off lightings and electrical appliances outside office hours; and
- Employees are required to use vehicles rationally and use public transport as much as possible.

### Water conservation

- Employees are not allowed to use the drinking water from water dispenser to wash their mugs and other belongings; and
- Daily inspections on pipelines are arranged to ensure timely detection and maintenance of malfunctioned or aging equipment.

### Paper conservation

- The Bank advocates a paperless office and has established a information platform covering all office management sectors to drive the integration of process management, centralised management of office businesses, real-time inquiries on rules and regulations and information publish within the Bank;
- Distribution management for office paper is implemented for the procurement and distribution of office paper. High-quality paper and low-budget paper are purchased respectively according to the 20% and 80% of the actual consumption in the previous year, where the former will be used for printing document for reports sent to regulatory institutions and the latter will be used for daily operation; and
- Employees are required to use paper at both sides.

### Waste reduction at source

- Employees are encouraged to sort wastes before disposal;
- Procurement applications for equipment, office furniture and vehicles from all units are reviewed in accordance with the standards at branches and sub-branches, where procurements exceeding the standard are prohibited unless under special circumstances;
- Open tendering is carried out by the Headquarters for large-amount single and batch large-amount procurement according to equipment standards. The Headquarters monthly announces the budget prices of each item that are authorised for procurement by branches. The Headquarters is expected to strengthen the vertical management over the procurement of branches and sub-branches;
- Idle furniture in branches are recorded for allocation within the Bank; equipment and vehicles in branches that are not complying with new standards are re-allocated between branches to effectively utilise the resources;
- Authorisations for branches and sub-branches to procure laptops are revoked, where branches and sub-branches are not allowed to purchase new laptops apart from tablets used for wealth management by the retail sector in halls; and
- Mobile storage devices are no longer distributed as office supplies; stationery should be traded with the old ones; for office consumables, the type and quantity of consumables to be distributed are restricted to encourage the reuse of resources; batch or sudden applications of office equipment are forbidden unless under special circumstances.



# Independent Assurance Statement

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

CECEPAC (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by the Board of Directors of Bank of Jinzhou Co., Ltd. (“**Bank of Jinzhou**”) to conduct an independent limited assurance engagement (“**Assurance Engagement**”) on the information and data related to sustainable development in 2019 Environmental, Social & Governance Report (“**ESG Report**”).

CECEPAC (HK) has been engaged to assure Bank of Jinzhou's adherence to the three AA1000 Accountability Principles (Inclusivity, Materiality and Responsiveness) set out in the AA1000 Assurance Standard (2008) (“**AA1000AS**”). CECEPAC (HK) has also been engaged to provide limited assurance on the reliability and accuracy of specified performance information disclosed in the *ESG Report* that have been selected in accordance with the Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) published by the Stock Exchange of Hong Kong Limited (“**SEHK**”).

This independent assurance statement has been prepared in Chinese and English versions. Should there be any discrepancies between these versions, the Chinese version shall prevail.

## I. Independence and Competence

CECEPAC (HK) was not involved in collecting and calculating the data involved in the *ESG Report*, or in the development of the *ESG Report*. CECEPAC (HK)'s activities are independent from Bank of Jinzhou. There is no relationship between Bank of Jinzhou and CECEPAC (HK) beyond the contractual agreement for providing proper service of assurance.

The assurance team of CECEPAC (HK) is composed of experienced consultants in the industry who have received professional training on the standards related to sustainable development, including Global Reporting Initiative Standards (GRI Standards), AA1000AS, the *ESG Guide* of the SEHK, ISO 14064, ISO 9001, etc.

The assurance team of CECEPAC (HK) has extensive experience in conducting assurance and has sufficient understanding and capabilities of the implementation of AA1000AS. Moreover, the Assurance Engagement related to sustainable development issues was carried out in line with CECEPAC (HK)'s internal assurance protocol.

## II. Bank of Jinzhou's Responsibilities

Bank of Jinzhou is responsible for the preparation and presentation of the *ESG Report* in accordance with the *ESG Guide* published by SEHK. Bank of Jinzhou is also responsible for implementing relevant internal control procedures to ensure that the contents of the *ESG Report* are free from material misstatement, whether due to fraud or error.

## III. Assurance Provider's Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement in accordance with AA1000AS and the *ESG Guide* published by the SEHK to the Board of Directors of Bank of Jinzhou. This independent assurance statement applies solely to the *ESG Report* in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in assurance work meet professional qualification, training and relevant work experience requirements, and are demonstrably competent. All results of assurance are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

## IV. Assurance Scope

- The scope of the Assurance Engagement is limited to the data and information in the *ESG Report* that relate to Bank of Jinzhou and its subsidiaries only and does not include Bank of Jinzhou's suppliers, contractors, and the data or information provided by other third parties;

- A Type 2 Moderate Level of Assurance was adopted by CECEPAC (HK) to evaluate the nature and extent of Bank of Jinzhou's adherence to the three principles (Inclusivity, Materiality and Responsiveness) in accordance with AA1000AS;

- Specified performance information disclosed in the *ESG Report* were agreed upon and selected between Bank of Jinzhou and CECEPAC (HK) for assurance. The selected specified performance information is as follows:

- Consumer data protection and privacy policies
- Headquarters electricity consumption and electricity greenhouse gas emission (Scope 2)
- Number and percentage of employees by employment type

- CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January 2019 to 31 December 2019. Any information that falls outside this period or any other data that is disclosed in the *ESG Report* is not included within the assurance scope. Therefore, we do not express any conclusions on this information.

- The scope of the Assurance Engagement is confined to the information provided by Bank of Jinzhou only. Any queries regarding the content or related matters within this assurance statement should be addressed to Bank of Jinzhou only.

## V. Methodology

CECEPAC (HK)'s assurance work included:

- Evaluating the appropriateness of Bank of Jinzhou stakeholder engagement participation process;
- Conducting online Interviews with personnel involved sustainability management, report preparation and the provision of relevant information;
- Assessing whether the reporting and management approach for the *ESG Report* responded to the principles of Inclusivity, Materiality, and Responsiveness as defined in the AA1000AS;
- Assessing the supporting evidence for selected specified performance information; conducting random sampling of evidence pertaining to selected specified performance information;
- Recalculating selected specified performance information; and
- Performing other procedures we deemed necessary.

Assurance work was performed and the conclusions within were based upon information provided by Bank of Jinzhou to CECEPAC (HK), and on assumptions that the information provided was complete and accurate.

## VI. Limitations

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

## VII. Conclusions

In accordance with the principles of Inclusivity, Materiality and Responsiveness in the AA1000AS, the *ESG Guide* and the specified performance information, our conclusions are as follows:

### Inclusivity

Bank of Jinzhou has identified key stakeholders. Regular communication with the key stakeholders is carried out in various way to understand their expectations and concerns. On this basis, Bank of Jinzhou has fully considered the expectations of, and the impacts on, key stakeholders in formulating its policies.

### Materiality

Through a review of material issues identified in the previous year, Bank of Jinzhou has confirmed its material issues in 2019. The review process included the consideration of stakeholders' opinions, national policies, peers' concerns, and other aspects. Lastly, the directors and management has confirmed the material issues in 2019. Bank of Jinzhou has disclosed in the *ESG Report* the material issues in 2019.

## Responsiveness

Through the *ESG Report*, Bank of Jinzhou has disclosed corporate sustainability philosophy, management systems, management key points, key stakeholder engagement activities, and has responded to key stakeholders on the material issues related to sustainable development.

### SEHK's ESG Guide

Disclosures for general disclosures of environmental and social subject areas and key performance indicators of environmental subject areas have been provided in accordance with the "Comply or Explain" provision, in all material aspects, in alignment with the *ESG Guide* of the SEHK. Bank of Jinzhou has disclosed the process and the result of the materiality assessment; impacts caused by business are objectively disclosed; relevant environmental and social data are calculated and disclosed. Our recommendations for the *ESG Report* have been either adopted or responded by Bank of Jinzhou before the issuance of this assurance statement.

### Specified Performance Information

Based on the procedures CECEPAC (HK) has performed and the evidence we have obtained, no specific issue has come to our attention that causes us to believe that the disclosures of the three selected specified performance information in the *ESG Report* is unreliable or inaccurate.

## VIII. Recommendations

We recommend that Bank of Jinzhou considers strengthening the below items in the future:

- Specify the role of stakeholders in Bank of Jinzhou's governance, strategies and relevant decision-making processes with respect to ESG through the establishment of internal policies;
- Strengthen the mechanism for identifying material issues and continuously increase the participation of stakeholder to collect and understand the expectations and concerns of stakeholders;
- Set long-term goals and action plans to continue to support Bank of Jinzhou's response to material issues;
- Strengthen the environmental risks management and internal monitoring mechanism, and progressively expand the scope of environmental data to comprehensively control the environmental impacts of operations.



August 20, 2020

Hong Kong



# Content Index of the Environmental, Social and Governance Reporting Guide

Aspect	KPI	Disclosure	Section/Remarks
<b>A. Environment</b>			
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.	Advocate Green Office
	A1.1	The types of emissions and respective emissions data.	Advocate Green Office
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Advocate Green Office
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The wastes generated at the Bank are handled by the property department of the building, thus no relevant data was collected.
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The wastes generated at the Bank are handled by the property department of the building, thus no relevant data was collected.
	A1.5	Description of measures to mitigate emissions and results achieved.	Advocate Green Office
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	The waste generated at the Bank are handled by the property department of the building to ensure legal disposal of wastes and minimise the environmental impact.
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Advocate Green Office
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Advocate Green Office
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Advocate Green Office
	A2.3	Description of energy use efficiency initiatives and results achieved.	Advocate Green Office
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Advocate Green Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not relevant to the Bank's business.
A3 The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Develop Green Finance Advocate Green Office
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Develop Green Finance Advocate Green Office
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
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	Safeguard Employees' Rights and Interests
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Distribution
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Distribution

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.	Pay Attention to Employees' Health
	B2.1	Number and rate of work-related fatalities.	Pay Attention to Employees' Health
	B2.2	Lost days due to work injury.	Pay Attention to Employees' Health
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Pay Attention to Employees' Health
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Foster Development of Employees
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Foster Development of Employees
	B3.2	The average training hours completed per employee by gender and employee category.	Foster Development of Employees
B4 Labour 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 labour.	Safeguard Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Safeguard Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	Safeguard Employees' Rights and Interests
	<b>Operating Practices</b>		
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operation Compliance
	B5.1	Number of suppliers by geographical region.	The Bank will consider disclosing relevant data in the future.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operation Compliance
B6 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.	Operation Compliance Improve Service Quality Protect Customers' Rights and Interests Relevant health and safety matters relating to products and services provided are not relevant to the Bank's business.
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not relevant to the Bank's business.
	B6.2	Number of products and service related complaints received and how they are dealt with.	Improve Service Quality The Bank will consider disclosing relevant number of complaints in the future.
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operation Compliance
	B6.4	Description of quality assurance process and recall procedures.	Not relevant to the Bank's business.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protect Customers' Rights and Interests
B7 Anti-corruption	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.	Operation Compliance
	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.	Operation Compliance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	The Bank will consider disclosing relevant data in the future.
<b>Community</b>			
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.	Participate in Poverty Alleviation Engage in Charity to Support the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Participate in Poverty Alleviation Engage in Charity to Support the Community
	B8.2	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Participate in Poverty Alleviation Engage in Charity to Support the Community



## Feedback from Readers

Thank you for reading this Report and contributing to the improvement of the Bank's social responsibilities management. We expect valuable comments and suggestions from the readers by filling the feedback form and sending the form to us through any of the chosen ways shown below:

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Address: No. 68 Keji Road, Jinzhou City, Liaoning Province, China

Postcode: 121013

1. Your general evaluation on the Report:

Poor  Average  Good  Excellent

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

Poor  Average  Good  Excellent

3. Do you think the information disclosed in the Report is complete:

No  Average  Yes

4. Do you think the content and typography of the Report is clear and suitable for reading:

No  Average  Yes

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

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





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