

2020

Social Responsibility Report



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Information

About this Report

The Huishang Bank Corporation Limited hereby issues the Bank's Social Responsibility Report for the purposes of assisting all its stakeholders in understanding its concept, practices and achievements of sustainable development in 2020. This Report is the 6th Social Responsibility Report we have published since 2015.

Reporting scope

This Report includes the Huishang Bank Corporation Limited, its branches and sub-branches.

This Report is an annual report covering the period from 1 January 2020 to 31 December 2020. In order to ensure the completeness and coherence of the narrative, partial content of this Report goes beyond the above-mentioned scope.

References

This Report is written in accordance with the requirements of “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) in Appendix 27 to the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” and the Core Option of the “Sustainability Reporting Guidelines” of the Global Reporting Initiative (“GRI Standard”) with reference to the:

- The former China Banking Regulatory Commission's “Opinions on Promoting the Social Responsibility of Financial Institutions”
- The China Banking Association's “Social Responsibility Guidelines for Financial Institutions in China's Banking Sector”
- Shanghai Stock Exchange “Guidelines on Listed Companies' Environmental Information Disclosure of Shanghai Stock Exchange”, “Guidelines for the Preparation of Corporate Social Responsibility Report”,

and “Notice on Further Improving Information Disclosure of Poverty Alleviation Work of Listed Companies”

➤ UN Sustainable Development Goals (“SDGs”)

Principles of this Report

This Report is in accordance with the reporting principles of the “ESG Reporting Guide”:

“Materiality”: This Report identifies key stakeholders and determines key social responsibility topics through stakeholder engagement and materiality assessment.

“Quantitative”: This report presents the key performance indicators of environmental and social aspects in quantitative terms and attached with quantitative data descriptions to explain its purpose and impacts. In addition, necessary comparative data is provided.

“Consistency”: This Report is consistent with the statistical and key performance indicator disclosure methods of “Huishang Bank 2019 Social Responsibility Report”.

“Balance”: This Report follows the principle of “Balance” and objectively presents the current status of our bank’s ESG management.

Data sources

The financial data in this report are all from the Huishang Bank 2020 Annual Report (“Annual Report”), which have been independently audited by Ernst & Young Hua Ming LLP, while others are from relevant statistical reports or official documents of the Bank. The currency involved in this Report is measured in Renminbi (“RMB”).

Abbreviations

For ease of expression, in this Report, “Huishang Bank Corporation Limited” is also referred to as “Huishang Bank”, “the Bank” or “We”.

Report availability

This Report is available in both hard and electronic copies. The electronic copies can be viewed on the Bank's official website at <http://www.hsbank.com.cn/> and the HKEx website <http://www.hkexnews.hk>. This Report is published in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

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The Executive Director (Acting Chairman) **Mr. Yan Chen**

Leaders' Statement

The year 2020 makes the 15th anniversary of the establishment of Huishang Bank, and it is also an unusual year during the history of our development. This year, we actively fulfilled the responsibilities of being a local mainstream bank. Faced with severe triple shocks rarely seen in this century, we carried out three major tasks of “serving the real economy, preventing and controlling financial risks, and deepening financial reform”, insisted on being responsible to stakeholders and continued to deepen social responsibility practice. We positively contributed to the sustainable development of the economy, environment and society while achieving our own high-quality development. The Bank completed various operational and management objectives and tasks in all respects, and was selected among the top 200 of the “Global 1000 Banks” by the *The Banker* from UK, ranking 126th, an increase of 16 places from the previous year; the Bank also ranked 138th among “Top 500 Global Banking Brands”, up 55 places over the previous year. Huishang Bank was chosen into Top 300 of “2019 China Corporate Social Responsibility Ranking List” in *Southern Weekly*, ranking 48th in the list and 9th in the national banking industry and 1st among the city commercial banks.

Making every effort to respond to COVID-19 and flood, supporting resumption of work and production. In the face of the sudden outbreak of COVID-19, the Party committee of the Bank took the lead in setting up the overall plan and coordinating with all departments. The whole bank continued to be careful and persevered in efforts to implement epidemic prevention policies. No on-duty employees were infected and no businesses were interrupted. We set up an emergency response team for flood control and fighting as quickly as we could, for the purpose of “ensuring security of living needs, production and stability”. We issued emergency loans of RMB24.4 billion for epidemic prevention and control and flood control and fighting, re-loans of RMB21.1 billion for epidemic prevention and control and resumption of work and production, and credit loans and deferred loans (policy-based

tools) of RMB8.02 billion, giving full play to the role of being a local mainstream bank.

Actively serving the real economy and promoting high-quality development. We strengthened the implementation of tasks related to “stability on the six fronts” and “security in the six areas”. The Bank’s newly granted loans ranked No. 1 in Anhui Province, among which loans granted for rural revitalisation amounted to RMB14 billion, agriculture-related loans increased by RMB23 billion and online loans granted for small enterprises amounted to RMB25 billion. We overfulfilled the special loan task of RMB10 billion stipulated by the provincial government, reduced or exempted various fees of nearly RMB200 million, and completed the tasks of issuing loans to private enterprises and manufacturing industry while achieving the goal of “two increases and two controls”. The Bank’s wealth management subsidiary was successfully opened, thereby forming a business pattern with banking as the main body, covering commercial banks, investment banks, leasing and wealth management. Four branches respectively located in Beijing, Shenzhen, Chengdu and Ningbo were officially opened for business, further expanding our strategic layout in the main developed economic circles.

Serving customers attentively and considerately and optimising product experience continuously. To meet the needs of economic transformation and upgrading and social development, the strategic plan focusing on digital transformation was formally introduced and put into practice effectively. We made more efforts to develop the “six business systems” consisting of investment banking, transaction banking, wealth management, asset management, mobile finance and digital banking, and focused on advancing the system build-up of a big data platform, a data governance and control platform and an intelligent business analysis cloud platform. The treasury management system was officially released, and the transaction platform was recognised by the market. Online products, such as Credit-e-Loan, Fast-e-Loan, Guarantee-e-Loan, Micro-e-Loan, Supply Chain Finance and Notes Pool Finance, were popular among the public. We continued to vigorously promote

mobile banking, and the number of monthly active users and transaction scale of mobile banking maintained rapid growth. We attached great importance to the protection of customer rights and interests, optimised the customer complaint handling mechanism, and disseminated financial knowledge to effectively protect consumer rights.

Caring for employees' growth and intensifying culture and team building. We continued to improve the talent “selection, training, retention and use” mechanism, and established a four-position-sequence model including management, professional skills, marketing and operation for management of all employees in sequence; we developed seven training projects, including “Huizhuo”, “Huihang” and “Huiying”, established a performance system to determine salaries based on positions and abilities, and won the “Best Employer of Growth Potential” for consecutive years. In the whole bank, staff with a bachelor's degree or above accounted for 92.24%, and there were more than 20 innovation leaders and winners of National May 1st Labour Medal. We carried out a series of activities to “Celebrate the 15th Anniversary of Huishang Bank's Establishment”. Guided by cultural construction, we strengthened the incentive function of culture and enhanced the Bank's cohesion to provide strong spiritual motivation and cultural support for the comprehensive construction of a modern bank with high-quality development.

Enthusiastically participating in public welfare undertakings and promoting harmonious social development. The Bank firmly carried out the arrangements of winning the battle against poverty made by the Central Committee of the Communist Party of China (the “CPC”), the CPC Anhui Provincial Committee and the People's Government of Anhui Province, and made further progress in the construction of credit villages led by Party building. All of poverty-stricken villages under targeted assistance were successfully removed from the list of poverty, the rates of lifting the poor that the Bank was responsible for and cadres were working contracted to out of poverty both reached 100%. The Bank completed various goals and tasks of financial poverty alleviation with high quality, and won the “Top Contribution

Award for Targeted Poverty Alleviation” granted by the China Banking Association. The accumulated donations throughout the year exceeded RMB10 million, which provided strong support for public welfare undertakings, such as COVID-19 prevention, control and treatment, flood prevention and disaster relief. The Bank carried forward the spirit of public welfare, continued to promote the concepts and behaviours of paying attention to people’s livelihood, environment protection and charity by encouraging employees to participate in public welfare practices as volunteers. In addition, we built public welfare projects under our brand to spread positive energy.

Developing green finance and practising the concept of environmental protection. The Bank actively practised the development concept of “Lucid waters and lush mountains are invaluable assets”, and conscientiously implemented national environmental protection laws and regulations, industrial policies, industry access policies, and relevant requirements of regulatory authorities to greatly develop green finance. We concentrated on building a multi-layered green financial product system with wide rich including green loans, green bonds and green investments. The Bank’s green loan balance exceeded RMB20 billion. These loans were invested in 5 primary industries, which were energy conservation and environmental protection, clean production, clean energy, ecological environment and green upgrading of infrastructure; 18 secondary industries, including high-efficiency and energy-saving equipment manufacturing, and 48 tertiary industries, including green construction materials manufacturing. We persisted in promoting voluntary tree planting, public welfare activities for environmental protection and other activities, and protected lucid waters and lush mountains with all stakeholders.

Struggling makes a mission achieved, and hard work holds up our dream. 2021 is the opening year of the “14th Five-Year Plan, and also a crucial year for the Bank’s new five-year strategic plan. Under such circumstance, keeping to be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, following the spirits of the Second, Third, Fourth and Fifth Plenary

Sessions of the 19th National Congress of the CPC, General Secretary Xi Jinping's important instruction when visiting Anhui, and major decisions and arrangements of the Central and Anhui Provincial Party Committee's Economic Work Conference and the People's Bank of China and the China Banking and Insurance Regulatory Commission Work Conference, we will adhere to seeking steady progress as the overall keynote, make substantial progress in "stability on the six fronts", thoroughly implement tasks related to "security in the six areas", and create greater value for investors, customers, employees, and the society, embracing the 100th anniversary of the founding of the CPC with outstanding achievements.

The Executive Director (Acting Chairman) : Mr. Yan Chen



The Executive Director and President of the Bank Mr. Zhang Renfu

Leaders' Statement

The year 2020 makes the 15th anniversary of the establishment of Huishang Bank. Keeping to be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, following General Secretary Xi Jinping's important instruction when visiting Anhui, and adhering to the principle of prudent operation, the Bank gave top priority to development, strengthened risk prevention, and fulfilled our responsibilities to the country, customers, shareholders, employees, the society and the environment to create economic value better, improve people's wellbeing, and serve social development. The Bank's wealth management subsidiary across the country was officially opened, which was the first one in Central China and third one among city commercial banks. And the work undertaken by branches in Beijing, Shenzhen, Chengdu and Ningbo was successfully completed, opening up a new horizon for cross-regional development and diversified operation. The Bank entered the 5th Quality Award Publicity Disclosure List by the People's Government of Anhui Province. The Bank was No. 159 in the "China 500 2020" list, ranking Top 3 among 7 companies from Anhui Province on the list, 21st in the national banking industry and 6th among city commercial banks.

Inheriting our responsibility and mission through seeking for beauty. Focusing on national and regional development strategies, we continued to increase financial support in key areas and weak links of local economic and social development, and completed the tasks of granting policy-based loans related to manufacturing, agriculture-related poverty alleviation, green environmental protection, private enterprises, and small and micro enterprises. In order to support COVID-19 and flood prevention and control, we immediately set up a special team, organised a scheduling meeting, and took multiple measures to support anti-epidemic and flood prevention work in Anhui Province. The Bank applied for re-lending and rediscounting with a total amount of RMB40.3 billion from the Central Bank to provide low-cost financial support for enterprises producing anti-epidemic materials and enterprises resuming work and production; we innovatively launched

emergency loans for epidemic prevention and control and flood control and fighting respectively, granting 117 loans of RMB14.55 billion for epidemic prevention and 75 loans of RMB9.88 billion for flood control.

Serving the real economy through sticking to the roots. The real economy is the foundation of finance, and finance is the bloodline of the real economy. We implemented policies related to “stability on the six fronts” and “security in the six areas”, and put epidemic prevention and control, flood control and fighting and resumption of work and production supported by financial services as our top priorities. The newly granted loans in Anhui Province increased by RMB109.7 billion, which was the best level in history. The Bank was assessed as “Excellent” for serving the local economic development as a banking financial institution for four consecutive years. The Bank put the policies of cost reductions and benefits surrendering into effect. In the whole year, the Bank reduced and exempted commission income by approximately RMB160 million, and voluntarily bore mortgage evaluation fee, mortgage guarantee fee and various insurance premiums, amounting to approximately RMB37.3 million. The Bank actively served the “rural vitalisation” strategy. The balance of “agriculture-related” loans was RMB116.95 billion, an increase of RMB22.98 billion over the beginning of the year. The Bank took concrete steps to carry out financial poverty alleviation. The balance of loans for targeted poverty alleviation was RMB4.35 billion, increasing by RMB895 million over the beginning of the year. The Bank won the “Top Contribution Award for Targeted Poverty Alleviation” issued by the China Banking Association.

Boosting intelligent transformation by technology empowerment. The new round of scientific and technological revolution and industrial transformation was reconstructing people’s lifestyle and business ecosystem. In the wave of accelerating digital, intelligent and ecological development of modern commercial banks, the Bank adhered to technology-oriented development, practised the strategy of making ourselves competitive through technology, and greatly promoted the deep integration of finance and technology. We launched a new five-year strategic plan focusing on digital transformation and

achieved a good start. Adhering to be driven by digitisation and empowered by technology, the Bank laid emphasis on product marketing, channels and platforms, and operation and management to improve the capabilities of online marketing, batch customer attraction and digital operation. Our cloud platform for transaction banking and Credit-e-Loan for small enterprises won the second and third prize of Scientific and Technological Progress Award issued by the People's Bank of China in 2019.

Building a beautiful China through green development. Developing green finance is an important way to build ecological civilisation. We integrated the concept of green development into operation management and business development, continuously improved the environmental and social risk management system, actively optimised the credit structure, and developed innovative green financial products and services to support the development of a green and low-carbon recycling economy. The Bank's green loan balance was RMB20.916 billion, an increase of RMB6.098 billion compared with the beginning of the year, protecting lucid waters and lush mountains with financial power. We advocated green office, energy conservation and environmental protection to minimise the negative impact of our daily operation on the environment; we also encouraged employees to plunge into environmental protection practices as volunteers to build a beautiful China.

Providing a strong grounding in development through sound operation. The Bank always maintained a sense of risk and crisis, and established and improved "three lines of defence" for risk management. We kept prioritising risks, identifying key risks and proactively removing risks. We focused on eliminating our shortcomings, blind sides and dead spaces in risk control, and fought against financial risks with all efforts. We comprehensively strengthened the dynamic monitoring of market risks and reputation risks, actively prevented operational risks and information technology risks, carried out bidding and third-party business cooperation in accordance with laws and regulations, and orderly promoted the construction of "Safe Huishang Bank". Therefore, various risks were generally controllable. The Bank followed a

series of regulatory policies, and was evaluated Class-A in 2020 Foreign Exchange Business Compliance and Prudent Operation Assessment.

Creating a better life with our sincerity. We upheld the concept of openness and sharing, continued to repay shareholders, sincerely served customers, and cared for the growth of employees. We actively contributed to the society, and shared the fruits of financial development with all parties to create a better life. We issued Tier 2 capital bonds of RMB8 billion, and our comprehensive strength was recognised by external investors. The Bank was honoured with the titles of “Top of the Banking Industry” and “Residents’ Most Satisfied Bank” for eight consecutive years in the Residents Satisfaction Survey of 10 Major Service Industries in Anhui Province. We established a sound remuneration reform mechanism, so that the basic salary of employees was steadily increased. We strived for gaining the title of Youth Civilisation, created a good atmosphere of active learning and striving to be the first and best. The whole bank worked hard to support high-quality development with practical actions.

With fifteen years of prosperity, we will stick to our original aspiration to go far. Standing at a new starting point, we will adhere to high-quality development as the main line, aim to build a city commercial bank of first-class quality, and create greater value in the economic, environmental and social fields with joint efforts of investors, customers, employees and all walks of life to better serve the economic and social development, meet the demand of people for a better life and welcome the 100th anniversary of the founding of the CPC with outstanding achievements!

The Executive Director and President of the Bank: Mr. Zhang Renfu

Report highlights

Areas	KPIs	Unit	2020	2019	2018
Economic Performance	Total assets	In RMB 100 million	12,717.01	11,317.21	10,505.06
	Business net revenue	In RMB 100 million	322.90	311.59	269.51
	Net loans and advances	In RMB 100 million	5,533.99	4,504.20	3,706.61
	Shareholders' equity	In RMB 100 million	1,056.73	894.94	702.77
	Profit after tax	In RMB 100 million	99.21	100.62	88.60
	Return on average assets	%	0.83	0.92	0.90
	Non-performing loan ratio	%	1.98	1.04	1.04
	Provision coverage ratio of non-performing loan	%	181.90	303.86	302.22
	Capital adequacy ratio	%	12.12	13.21	11.65
Social Performance	Total tax payment	In RMB 100 million	64.93	64.21	51.07
	Small and micro enterprise loans	In RMB 100 million	2,351.86	1,899.38	1,653.90
	Balance of agro-related loans	In RMB 100 million	1,169.60	939.70	760.90
	Satisfaction with complaints handling	%	98.04	98.60	99.08
	Total number of employees	Persons	10,688	9,499	9,515
	Ratio of female employees	%	51.47	51.36	51.72
	Training expenses per employee	Yuan	3,166.02	3,962.39	3,896.00
	Assistance funds to troubled employees	In RMB 10 thousand	24.80	24.80	21.00
	Total number of outlets	/	481	416	424
	Total number of county outlets	/	156	157	166
	Automatic services machines	/	2,019	1,803	2,074
	Number of corporate online banking customers	In 10 thousand	27.36	24.40	19.47
	Number of phone banking customers	In 10 thousand	351.95	280.46	243.79

	Number of mobile banking customers	In 10 thousand	603.44	454.09	319.57
	Number of personal online banking customers	In 10 thousand	582.40	481.48	377.47
Environmental Performance	Green credit balance	In RMB 100 million	209.16	148.18	110.19
	Headquarter water use	In 10,000 tons	3.50	4.50	6.50
	Headquarter electricity use	In 10,000 kWh	457.80	422.50	485.00
	Headquarter gas use	In 10,000 m ³	25.80	29.10	32.50
	Number of Bank-wide video conference	/	145	190	211

Note: In 2020, Fanchang County and Wuhu County of Wuhu City were turned into districts, and the Bank's 6 county-level branches were changed to urban branches.

External honour and recognition

Timeline	Honour	Awarded by
January	Exemplary China Banking News Stories	China Banking Association
January	The Bank of the Year with Biggest Brand Influence in Anhui, The Bank of the Year Supporting SMEs in Financing in Anhui	<i>Anhui Business News</i>
January	“Top 100 in Settlement - Excellent Dealer” in 2019, Best Progressive Institution among Excellent Banking Underwriters of Local Government Bonds in 2019, Excellent Financial Bond Issuer in 2019, and Institution with Progress in Bonds Business in 2019.	China Central Depository & Clearing Co., Ltd. (CCDC)
January	Top 300 Interbank Local Currency Market Dealer for 2019, and Core Dealer in Interbank Local Currency Market for 2019	China Foreign Exchange Trade System
January	Core Dealer in Interbank Local Currency Market for 2019	National Interbank Funding Centre (NIBFC)
January	Medal of Hurun New Finance Report in 2020	Hurun Report
January	Excellence Award for Promotion of China UnionPay’s High-end Cards in 2019	China UnionPay Co., Ltd.
March	Second Prize of Evaluation on Financial Statistics of Financial Institutions in Hefei, Anhui Province in 2019, and third prize of Evaluation on Bankers’ Questionnaire Survey in Hefei, Anhui Province in 2019	Hefei Central Sub-branch of the People’s Bank of China
March	Certificate for Infrastructure of Data Centre Class A of GB50174-2008	China Quality Certification Centre (CQC)
March	Excellent Bank Dealer for 2019	Shanghai Commercial Paper Exchange Corporation Ltd.
April	Outstanding Provincial Unit in Confidential Work in 2019	Office of State Secrets Protection Committee of the CPC Anhui Provincial Committee, Anhui Provincial National Administration of State Secrets Protection
April	2019 Excellent Bill Trading Supervisor and Excellent Bill Trader	Shanghai Commercial Paper Exchange Corporation Ltd.
April	Employees were awarded Advanced Individuals in Safety Assessment of Banking Financial Institutions	Department of Public Security of Anhui Province

Timeline	Honour	Awarded by
April	2020 Excellent Transaction Award, Award of Innovative Institution	2020 Annual Conference of China Securitisation & Structured Finance
April	Excellent Provincial Unit for Safety Evaluation of Banking Financial Institutions	The Security Team of Department of Public Security of Anhui Province, Anhui Office of China Banking and Insurance Regulatory Commission
May	First Prize of Provincial Agent Bank for Non-tax Income in 2019	Department of Finance of Anhui Province, Hefei Central Sub-branch of the People's Bank of China
May	Excellent Unit of Payment System Operation and Maintenance in 2019	Hefei Central Sub-branch of the People's Bank of China
May	Contribution Award for Epidemic Control and Production Resumption and Best Progressive Award for Outstanding Units of Underwriting Financial Bond Denominated in RMB in 2019, and employees were awarded Outstanding Individuals in Underwriting Financial Bonds Denominated in RMB and Advanced Individuals in Epidemic Control and Production Resumption	The Export-Import Bank of China
May	National May Fourth Red-banner Youth League Committee	The Central Committee of the Communist Young League
June	First Prize of Anhui Banking News Stories in 2019	Association of Anhui Bank
June	Employees won May 1 st Labour Medal of Anhui Province	Anhui Federation of Trade Unions
June	2020 Best Direct Banking Award by cebnet.com.cn, Scientific Anti-epidemic Pioneer Award of China Fintech Innovation Competition	China Financial Certification Authority (CFCA)
June	Anhui Financial Pioneer	Anhui Committee of Chinese Financial Workers' Union
June	Outstanding Provincial Unit in Confidential Code in 2019	Office of Anhui Provincial Code Work Leading Group
July	Top Contribution Award for Targeted Poverty Alleviation	China Banking Association
July	Silver Award for Innovation by TopDigital (Content Marketing)	China Advertising Association (CAA)
July	Second Prize and Best Organisation Award of 2020 Fintech Cup Most Beautiful Financial People Photography Competition	Anhui Internet Finance Association

Timeline	Honour	Awarded by
August	The Customer Service Centre won the award of “Best Technology Implementation of Intelligent Customer Service Robot in China”	<i>The Asian Banker</i>
August	Silver Award of the 11th Tiger Roar Award - Mobile banking 5.0 of the Huishang Bank and 10 th Anniversary Communication Plan	China Advertising Association of Commerce (CAAC)
August	“Excellent” ranking for assessment and evaluation of banking financial institution serving the local economic development	Anhui Financial Regulatory Bureau
August	2020 Best Development Award for Syndicated Loans	<i>China Banking</i>
September	The Gamma Award for Bank Brand Construction in 2020	<i>Securities Times</i>
September	2020 Network Security Knowledge Competition of Financial Institutions in Anhui Province - Excellent Group	Hefei Central Sub-branch of the People’s Bank of China
September	Second Prize of Banking Scientific and Technological Progress Award in 2019 (Internet Distributed Architecture-based Transaction Banking Cloud Platform)	The People’s Bank of China
September	Third Prize of Banking Scientific and Technological Progress Award in 2019 (Big Data Driven “Credit-e-Loan” Project for Small Enterprises)	The People’s Bank of China
September	The sixth batch of water saving units among provincial public institutions in Anhui Province	Water Resources Department of Anhui Province, Anhui Provincial Government Offices Administration and Water Conservation Office of Anhui Province
October	Excellent Unit for Promoting “Fight against Gambling under the Financial Protection”	Payment & Clearing Association of China
October	Special Contribution Award for Supporting Local Economic Development of 2020 Golden Tripod Award	<i>National Business Daily</i>
October	“Silver Award of Comprehensive Intelligent Platform” of 2020 China Fintech Innovation Competition	China Financial Certification Authority (CFCA)
October	“Advanced Promotion Institution” of 2020 Million Reward for Mobile Number Payment	China National Clearing Centre (CNCC)

Timeline	Honour	Awarded by
October	2020 Best Scenario Application and Product Award	The 14th China Payment and Scenario Finance (Banking) Congress
October	“Golden Tripod Award” Selection of Future Transaction Banking Summit in 2020 - “Product Innovation Award of Best Transaction Bank” and “Best Bank for Cross-border Financial Service”	The organising committee of Future Transaction Banking
October	Advertiser Awards in 2020 China International Advertising Festival (Annual digital marketing case)	China Advertising Association (CAA)
November	2020 Brand Construction Bank of 21 st Century Annual Finance Summit of Asia	<i>Guangdong 21st Century Media</i>
November	Annual City Commercial Bank of 2020 TOP Finance	<i>The Paper</i>
November	Top 10 Annual City Commercial Banks of Yicai China Financial Value Ranking Awards 2020	<i>YICAI</i>
November	2020 National Honest Operation Demonstration Unit	China Cooperative Trade Enterprises Association (CCTEA), China Enterprise Reform and Development Society (CERDS)
November	Suzhou Branch was selected as one of the 6th National Civilised Units	The Central Civilisation Commission
November	2017 - 2019 Nation Internal Audit Advanced Group	China Institute of Internal Audit
November	“Product Innovation Award of Best Transaction Bank” and “Best Cash Management Bank”	West Lake Institute of Treasury and Corporate Finance
November	Champion of “The 2 nd Yangtze River Delta Sister Cities’ Invitational Team Tournament of Tennis”	Jiangsu Tennis Association
November	Special Contribution Award for Risk Control of Union Pay Cards	China UnionPay Co., Ltd.
November	Most Popular Credit Card of the Year of 2020 Financial Digital Development Gold List	Financial Digital Development Alliance
November	Best Employer of Growth Potential	Zhaopin.com and Institute of Social Science Survey of Peking University
November	Wuhu Branch and Lu’an Branch continued to retain the honorary title of “National Civilised Unit” after review.	The Office of the Central Guidance Commission on Building Spiritual Civilisation
December	Best Medium and Small Bank for Supporting Epidemic Control and Production Resumption of the Golden Medal Award of Chinese Financial Institutions in 2020	<i>Financial News</i>

Timeline	Honour	Awarded by
December	“The Third (2020) Chinese Financial Brand Case Competition - Annual Case Award of Reputation Management and Annual Case Award of Popular Brand”	China Financial Publishing House Co., Ltd., Financial Brand Research Institute of Central University of Finance and Economics, and Organising Committee of Chinese Financial Brand Case Competition
December	“Fight against COVID-19 with a strong sense of duty” in 2020	sina.com.cn
December	2020 Excellent Information Unit of Anhui Bank	Association of Anhui Bank
December	Third Prize of 2020 Anhui National Reading Themed Recitation Competition by Audio and Video - “Win a Decisive Victory in Building a Moderately Prosperous Society with Our Joint Efforts”	The Publicity Department of the CPC Anhui Province Committee
December	Best Digital Operation Award in 2020 China Electronic Banking Gold Rank	China Financial Certification Authority (CFCA)
December	Comprehensive Competence Assessment Award for Customer Service Centre and Remote Banking, Special Evaluation Award for Customer Service Capacity and Award for Innovative Application Ability in 2020 by China Banking Association	China Banking Association
December	Third Prize, Nomination and Organisation Award of 2020 Provincial Internal Audit Theoretical Research	The Anhui Province Institute of Internal Audit (AIIA)
December	“Outstanding Contribution Award” for 2020 by City Commercial Banks Clearing Co., Ltd.	City Commercial Banks Clearing Co., Ltd.
December	“Top of the Banking Industry” and “Residents’ Most Satisfied Bank” in the Anhui Residents Satisfaction Survey of 10 Major Service Industries in 2020	Anhui Centre for Provincial Survey
December	Excellence Award and Best Improvement Award in Bidding of Financial Bonds in 2020	China Development Bank
December	Excellent Case of Operation Management and Innovation	City Commercial Banks Clearing Co., Ltd.
December	Best City Commercial Bank in Trade and Finance	The Organising Committee of Annual Conference of China Transaction Banking

Timeline	Honour	Awarded by
December	Award for Financial Scenario Innovation and Best Direct Bank for Digital Innovation in i-China 2020	i-China Forum 2020 hosted by <i>Internet Weekly</i> of the Chinese Academy of Sciences, the Informatisation Research Centre of the Chinese Academy of Social Sciences, eNet Institute and Deben Consulting
December	Best Open Asset Management Platform and Outstanding Direct Bank for Innovation in 2020	Finance Association of 2020 Innovative National Development Forum hosted by <i>Internet Weekly</i> of the Chinese Academy of Sciences, the Informatisation Research Centre of the Chinese Academy of Social Sciences, eNet Institute and Deben Consulting
December	Best Open Bank of 2020	Bicai Big Data Technology Group
December	Best Intelligent Customer Service Robot in China	<i>The Asian Banker</i>
December	Champion of Group B in the 18 th Tennis Team Competition in Anhui Province	Anhui Tennis Association
December	Best Innovative Practice	Ping An Zhi Niao
December	“Best Study Programme of Chinese Enterprises’ Digital Transformation in 2020” (Fintech Lectures)	Overseas Education College of Shanghai Jiao Tong University and the Organising Committee of ctolist
December	Top 10 Inclusive Finance Innovative Products	China Financial Innovation and Development Forum
December	Outstanding Contribution Award for Promoting “Cloud Flash Payment”, and employees were assessed advanced individuals	China UnionPay
December	Excellent Organisation Unit for Financial Consumer Education and Financial Knowledge Popularisation in 2020, and Excellent Work of “Illustrate Risks with Specific Cases”	China Banking and Insurance Regulatory Commission Anhui Office

Topic: Highlights in 2020

Stick to our original aspiration to go far with fifteen years of prosperity

The year 2020 makes the 15th anniversary of the establishment of Huishang Bank. As the first regional joint stock commercial bank was established through the merger and reorganisation of city commercial banks and urban credit cooperatives in China, in the past 15 years, the Bank achieved assets of more than RMB1 trillion, capital of nearly RMB100 billion and profits of over RMB10 billion; in the past 15 years, the Bank made breakthroughs in our transformation and development, and initially established a new model of “commercial bank + investment bank + transaction bank + digital bank”; in the past 15 years, the Bank, with a focus on the local market in Anhui, actively extended presence in the core economic zones, such as Yangtze River Delta region, worked on our own development in alignment with national economic development, and allocated more financial resources to key areas and weak links of economic and social development.

❖ Comprehensive upgrading of our organisational structure

Fifteen years ago, Huishang Bank, which was established under the “6+7 model”, had 172 branches in 10 prefectural and municipal cities in Anhui Province. Adhering to the strategy of “Basing in Anhui, Advancing into the Yangtze River Delta, Striding forward to the whole country”, the Bank opened outlets with full coverage of prefecture-level cities in Anhui Province in 2009; in May 2019, Nanjing Branch was opened, firstly making breakthrough in cross-regional development. As at the end of 2020, the number of branches of the Bank reached 21, and the number of business outlets reached 481, which was 2.80 times the number at the beginning of our establishment.

❖ Continuous growth of operation performance

As at the end of 2020, Huishang Bank’s total assets denominated in RMB and foreign currencies, balance of deposits and balance of loans increased by

25.64 times, 16.4 times and 18.8 times respectively compared with the end of 2005. The Bank had sound business development, with the total investment ranking No. 1 among the banking industry in Anhui Province. Over the past 15 years, supported by the national supply-side structural reform and major industrial policies of Anhui Province, Huishang Bank made every endeavour to serve and support Anhui's economic development, continuously providing financial liquidity for boosting local economic development relying on our "stable operation and development, steady progress in market share and industry ranking, and steady improvement in innovation ability, service ability and management ability".

❖ Gradual growth of the talent team

Upholding the talent concept of "attracting the ambitious, cultivating the malleable, leveraging the competent", Huishang Bank has fostered a youthful and positive talent team. As at the end of 2020, the number of Huishang Bank's employees reached 10,688, at an average age of only 34 years old. Over 92% of employees held a Bachelor's degree or above, and 100% of employees of all lines of business were employed with certificates. The Bank also built three major training platforms, namely, "Binhu Training Centre", "Huiyin Online School" and "Huiyin Academy", and continuously optimised the education and training systems, including training system, special project system, online project system, teacher system, curriculum system, channel system and qualification management system.

❖ Continuous accumulation of corporate culture

At the beginning of our establishment, the Bank set out to formulate and implement a corporate culture building plan, explored the outstanding elements of Huizhou merchants culture, and accelerated the construction of an inspiring corporate culture and value standards by incorporating the operation and management merits of modern commercial banks. As a consequence, the Bank established a work style of "integrity, diligence, collaboration and forging ahead", formed a positive atmosphere of cohesion and entrepreneurship, and created a unified and friendly brand image.

The Bank carried out publicity for the 15th anniversary on a large scale to create a festival atmosphere of activities



Through diversified and rich publicity activities, the Bank created a joyful atmosphere for the 15th anniversary with the tenet of caring for employees and working together with a common purpose, and established an image of a local mainstream bank that served the real economy and actively implemented the policies related to “stability on the six fronts” and “security in the six areas”.

The Bank designed a unified image and visual recognition system for the 15th anniversary to display our positive brand image; a special page for the 15th anniversary was launched on internal and external websites, and main screen and related elements related to the 15th anniversary were officially released on various business Apps and official WeChat accounts. The Bank filmed and produced a promotional video to widely promote the fifteenth anniversary via the website, business outlets and other channels; we also solicited articles themed on the fifteenth anniversary from 21 branches and affiliates inside and outside Anhui Province.

Benefiting enterprises and individuals with warm behaviours - Making substantive progress in “stability on the six fronts” and thoroughly implementing tasks related to “security in the six areas”

Making substantive progress in “stability on the six fronts” and thoroughly implementing tasks related to “security in the six areas” are crucial to the economic development and social stability, main driving forces for abiding by the general principle of pursuing progress while ensuring stability, and basic guarantees for keeping the basic plate of the economy stable.

As a local mainstream bank, the Bank, aiming at serving the whole country with our base in Anhui, and focusing on “stability on the six fronts” and “security in the six areas”, promoted healthy, stable and high-quality development of the local economy, and made contributions to a victory in fighting against COVID-19 and realising the goal of socio-economic development.

❖ Strengthening organisational leadership to ensure the implementation of policies

The Bank established a leading team working on “stability on the six fronts” and “security in the six areas”. The leading team formulated plans for special work, focused on key tasks such as stabilising enterprises to ensure employment with financial support, made every effort to provide financial services, and fully supported normalised epidemic prevention and control and enterprises’ resumption of work and production, striving to ensure appropriate organisation, communication, arrangement and implementation of various tasks.

❖ Highlighting key areas and serving national strategy

The Bank pushed forward the development of key areas to ensure “stability on the six fronts” and “security in the six areas”, and increased financial support in “promoting the development of major emerging industries and innovation

driven modern industrial system”, “new infrastructure and new urbanisation initiatives and major projects” and “major parks, enterprises, engineering works and projects, small and micro enterprises”; we invested more funds in manufacturing, and took multiple measures to financially promote poverty alleviation, agriculture, rural areas and farmers, public service projects and emergency supplies support; we also applied various business products to alleviate short-term liquidity difficulties for foreign trade companies and provide mid- and long- term financing facilities. As at the end of 2020, the balance of loans to manufacturing amounted to RMB55.257 billion (excluding loans issued by 4 new branches outside the province and including the discount), an increase of RMB8.754 billion over the beginning of the year. Among them, medium and long-term loans to manufacturing increased by RMB4.844 billion and credit loans for manufacturing grew by RMB3.772 billion.

❖ **Putting effort to help small and micro enterprises and supporting them in resumption of work and production**

The Bank always paid attention to improving financial services in disadvantaged areas, continued to strengthen financial support for stabilising enterprises to ensure employment, promoted “quantitative increase, price reduction, quality improvement and expansion” in small



and micro enterprises’ financing, and strived to improve the sustainability of serving the real economy; we carried out regular activities, providing enterprises with “new development ideas, supporting policies, innovative projects and productive factors, serving the real economy” and “offer financial support to more small & micro enterprises from more banks”. The Bank also propelled direct transfer of funds to various market entities, and strived to improve the coverage of financial services.

In 2020, the Bank's emergency loans for epidemic prevention and control and flood control and fighting were granted to 117 enterprises at an amount of RMB14.555 billion; at the critical moment of flood control and fighting in Anhui Province, the Bank launched "emergency loans for flood control and fighting" in a timely manner. During the reporting period, the Bank granted 75 loans totalling RMB9.88 billion.

❖ Taking targeted measures to support poverty alleviation

With the goal of poverty alleviation, the Bank, by focusing on key areas, taking targeted measures, and leveraging our professional advantages of policies, funds, information and talents, meticulously created five supporting engines including "regional poverty alleviation", "poverty alleviation by developing industries", "individual poverty alleviation", "pairing-off assistance in poverty alleviation" and "inclusive finance". We continued to strengthen the construction of a financial poverty alleviation system, and systematically pushed forward the implementation of various measures related to financial poverty alleviation across the whole bank. While striving to support the development of agriculture-related industries and the construction of rural public infrastructure, the Bank actively increased the types of collaterals and risk mitigation channels, and promoted farmers' employment and guarantees for individual entrepreneurship to effectively support poverty-stricken individuals in getting rid of poverty and becoming rich. As at the end of 2020, the Bank's agriculture-related loan balance was RMB116.96 billion, an increase of RMB22.99 billion.

❖ Optimising intelligent services to facilitate economic cycle

Since the outbreak of COVID-19, to satisfy customers' demand for online services, the Bank has stepped up its efforts for online services in the supply chain, providing convenient and contactless financial services for enterprises that operate in the construction, automotive, trade, pharmaceutical and manufacturing industries. Especially, the Bank has further strengthened efforts to serve small and micro enterprises and private enterprises. As of the end of 2020, the Bank's supply chain financing services amounted to

RMB22.386 billion, an increase of 55.46% over the last year. In 2020, we served 998 core customers across the supply chain and 1,864 corporate customers upstream and downstream.



In addition, the Bank has redoubled check to understand the operation status and financing requirements of foreign trade enterprises in a timely manner, doing work about “stabilise foreign trade and foreign investment” of financial service. The Bank has made available a green approval route for foreign trade enterprises involved in the prevention of COVID-19, to ensure the timeliness of approval and business processing. In addition, the Bank has rolled out short-term financing services, such as bill of exchange for import and export and invoice financing for export, to ease liquidity difficulties of foreign trade enterprises. In 2020, the Bank invested RMB5.23 billion in international trade financing services, an increase of RMB790 million or 17.8% compared to last year.

❖ **Assuming our responsibility as a financial service provider to benefit the real economy**

The Bank supported enterprises in difficulty, joining hands with enterprises to stabilise employment and providing policy loans to help enterprises reduce their costs and gearing ratios. The Bank complies with the “Seven Prohibited Acts, Four Must-to-disclose Items” regulation. We continued to standardize charging items, formulated reasonable charging standards, and implemented preferential charging policies for small and micro enterprises.

Maintaining financial stability and pursuing cross-regional development

On 25 May 2020, four branches opened in different places outside Anhui Province, starting to provide financial services to the public. As a result, the Bank's business presence outside the Anhui Province has extended to Nanjing, Beijing, Shenzhen, Ningbo and Chengdu, covering the Yangtze River Delta, the Bohai Rim, the Guangdong-Hong Kong-Macao Greater Bay Area and Chengdu-Yu economic circles. This marks a new chapter in the Bank's history of pursuing cross-regional development.

❖ Financial security: Preventing financial risk

Financial security is an important component of national security. Determined efforts to prevent and mitigate significant financial risks are of great importance to improving the national mechanism for financial risk prevention, early warning, response and accountability, as well as to eliminating the possibility of systemic financial risks. Against this backdrop, our takeover of the Beijing, Shenzhen, Chengdu and Ningbo branches of former Baoshang Bank was a positive response to the national effort to facilitate financial innovation, mitigate financial risks and maintain financial stability, as well as one to the financial regulator's drive to discover new risk-mitigating methods. Moreover, it set a precedent for non-home-city operations of a city commercial bank.

❖ Integration and collaboration: Cross-regional integrated development

To realise cross-regional integrated development, the Bank wholly transferred the Party organisation of the four branches. Furthermore, the Bank made efforts to help the employees of the four branches understand the Bank's corporate culture, values, strategic objectives, management policies, internal controls and business lines as soon as possible to ensure smooth transition and stable operation.

The key to integration is training. Taking account of quality standards and business needs and clarifying the training task of each responsible subject

with technical and financial support provided by head office, the Bank designed and launched a series of employee training programs for four branches. Given the COVID-19 impact, most of the training went online, which was supplemented with quizzes to test the effectiveness. The training integrated general knowledge with expertise, theory with practice, and immediate objectives with long-term ones, laying the groundwork for the successful opening of the branches.

❖Quality assurance: Smooth operation

To complete the colossal task of data migration, under the guidance of the People's Bank of China, together with other concerned parties, the Bank had come up with the “Double Bank Codes and Double Counter Services” innovative transition mode, whereby the work was done without disruption to our services and customers' experience. Meanwhile, in order to make sure the quality and quantity of successful open, the Bank had built the “Trio” business support model. First, the head office had provided online training for operations staff of the four branches to improve theoretical knowledge; Second, the Bank had deployed dozens of business champions across the Bank to the outlets of the four branches to provide hands-on support; and Third, the Bank had fully mobilised a support team of in-house trainers to provide advice for staff at the outlets at all times. In order to cope with the flooding of telephone calls from customers during the transition, the customer service centre took various measures to optimise the utilisation of manpower and increase the handling capacity, so as to prevent disruption to our financial services.



The Bank completed data migration successfully for the four branches

The successful opening of the four branches has demonstrated the Bank's service-oriented philosophy. Entering a new era of cross domain, Huishang bank had set up another important milestone, promoted various undertakings to a new level, and strived forward to the Bank's pursuit of "delivering superior quality and developing into a well-established bank".

Beijing Branch



Ningbo Branch



Shenzhen Branch



Chengdu Branch



New starting point for development - the opening of HSBank Wealth Management Co., Ltd.



The opening ceremony of HSBank Wealth Management

On 28 April 2020, HSBank Wealth Management Co., Ltd. (“HSBank Wealth Management”) officially opened, becoming the third wealth management subsidiary among city commercial banks and the first one in Central China. We made this move out of our original aspiration to serve the community with our financial services. It was also a positive response to the national strategy that encouraged city commercial banks to embrace change and grasp opportunities in the revolution of the asset management industry.

❖ The build-up to the start of HSBank Wealth Management

Since resumption of wealth management services in 2010, the Bank has issued RMB1.5 trillion’s worth of wealth management products in total, which has generated more than RMB20 billion of return for investors. This impressive record of achievement has earned a considerable reputation and positive brand image for the Bank. In 2020, in the belief that the wealth management subsidiary would be critical to the Bank’s transformation, we set up a special leading group to look after the preparation work. With the efforts of leaders and the full support of various governmental departments, the preparation work advanced with high quality and efficiency despite the challenges of COVID-19.

❖ Relying on the Bank’s resources to serve local customers

HSBank Wealth Management takes advantage of the Bank's business presence and customer resources, and collaborates with the Bank in assets, funds, customers, products, channels and investment & research. By providing competitive wealth and asset management services, not only is the subsidiary able to facilitate the transformation and upgrading of the Bank's retail businesses, it is also able to satisfy customers' diversified investment and financing needs, to achieve something that is greater than the whole.

With a view to "promoting the growth of the real economy and the wealth of households", HSBank Wealth Management has developed strategies to channel more financial flows into numerous enterprises based in 'Anhui', especially those involved in "value creation, strategic emerging, technological innovation, advanced manufacturing, and consumption upgrading" industries. In virtue of the seamless integration of industry with finance in the region, HSBank Wealth Management aims to provide cross-market, diversified and high-quality financial services.

❖ Multi-dimensional innovation and research & development

In the field of customer system, HSBank Wealth Management focuses on the customer group of inclusive public, qualified individual investor, Internet wealth, pension and institutional. Big data analytics are used to conduct customer analysis and detailed classification, so that, through the synergies of public placement and private placement, the needs of customers with different risk appetites can be satisfied.

In terms of product design, HSBank Wealth Management has established a multi-tier product series covering different asset classes, different term allocations, different market regions, different risk appetites, and different scales of placement. By improving investment research capabilities, HSBank Wealth Management has acquired the core competence in meeting the financing needs of the entire industry chain of enterprises and the life-cycle wealth management needs of customers.

In mechanism innovation, HSBank Wealth Management has always been customer-centred and market-oriented. Relying on the Bank's achievements

of digital transformation and fintech, the subsidiary is creating a digitalisation and fintech-led innovation driver and putting up an open-ended intelligent asset management platform to realise the full potential of fintech for empowering financial services.

Fulfil in the fight against COVID-19 as a financial service provider

In the concerted effort to combat COVID-19 at the beginning of 2020, Huishang bank has gone all out to highlight the financial strength during the special period. With fast and warm hard core services, we built a green channel and dredged the financial blood. In addition, the Bank set up a COVID-19 response leading group, actively deployed resources, protected our employees and customers from the virus and delivered rescue material to the front line of this anti-COVID war in a timely manner.

❖Securing the continuity of financial services

The Bank identified the enterprises in Anhui province that were critical to the fight against COVID-19 in a timely manner and connected them to the policy of special re-loan by the People's Bank of China. Based on their specific financial needs, we developed special plans and innovative loan products and made available online services. Besides, we offered them favourable credit guarantee terms and interest rate concessions as required. We fast-tracked the approval procedures for COVID-related loans, offering high-quality and efficient financial services.

We did everything we could to satisfy the credit needs of hospitals, medical research institutions and enterprises that produce, store, or transport anti-COVID supplies. Furthermore, we offered a quick channel for the transfer of funds for anti-COVID purposes, so as to ensure that relevant donations and remittances were disbursed in a timely manner. In 2020, the Bank processed 939 transfers, totalling RMB420 million, of anti-COVID funds for local finance bureaus in Anhui Province; 364 transfers of anti-COVID donations, totalling RMB37.38 million; and 359 transfers of anti-COVID funds for various levels of health commissions, totalling RMB690 million. Additionally, 97 accounts for anti-COVID purposes were opened at the Bank and the transfer of RMB9,245 million of anti-COVID funds was completed. We provided 6,253 times of door-to-door collection services for designated hospitals and other units, involving RMB333 million.

For enterprises struggling with temporary financial difficulties due to the pandemic, instead of withdrawing, suspending or withholding loans indiscriminately, the Bank chose to communicate with them over the repayment method of principal and interest, extension of repayment period and renewal of loans and make adjustments accordingly to tide them over this crisis. In 2020, the Bank extended the term of loans to 4,858 cash-strapped small and micro enterprises, involving RMB18,029 million. Besides, utilising the online platforms such as the Credit-e-Loan, Fast-e-Loan, Hui-e-Loan, Micro-Internet-Loan, the Bank managed to provide normal withdrawal and repayment services and meet the financing needs of customers during the Spring Festival.



“Fast e-Loan” special loan for medical workers

When medical workers and civil servants fighting on the front of the anti-COVID war or other borrowers who were quarantined or diagnosed with COVID-19 failed to repay their mortgage as scheduled for force majeure, the Bank offered them reasonable grace for repayment, extension of the repayment period, exemption from penalty and compound interest and restoration of credit records and other services. In addition, the Bank offered a special loan with preferential interest rate for medical workers through the “Fast-e-Loan”. During the reporting period, we

lend a total of RMB233 million to 1,602 medical workers.

❖ Financial services to help with reopening

As a local mainstream bank that is devoted to serving local economic and social development, the Bank has taken all necessary measures to help enterprises to reopen in an orderly manner. We adopted a pragmatic approach to all kinds of financial businesses, helping enterprises stabilise employment

with our actions and empowering the fight against COVID-19 with our thoughtful services.

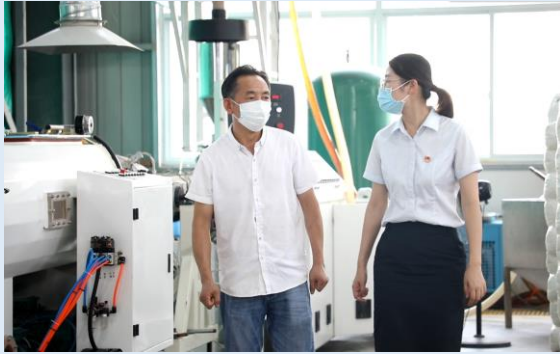
In order to tide companies over the pandemic, the Bank implemented the bailout policies of the central government and the provincial government of Anhui. We took the initiative and responsibility, launched many measures such as implementing the policy of special re-loan by the People's Bank of China to support reopening, enhancing the credit support for small re-loan of the resumption, accelerating the special loan delivery plan. We gave priority to supporting the approval and delivery of credit products for resumption, helping enterprises to resume work and production, and supporting the real economy to resume business and market. During the reporting period, the Bank provided special loans of not less than RMB10 billion, especially to enterprises involved in people's livelihood, small and micro enterprises and manufacturers. Besides, we refined our working plans to meet the daily financing needs of anti-COVID supplies producers and other enterprises up and down the industrial chain, benefiting 1,397 enterprises in total.

In light of the impact of the pandemic, we optimised our performance appraisal plan, favouring the segments related to anti-COVID purposes to a moderate extent. We added the resumption of work and production in manufacturing, small and micro enterprises, private enterprises and other key areas into the performance appraisal plan, which strongly supported the small and micro enterprises in epidemic prevention and resumption from the perspective of internal management.



Hefei Joint Meeting of Bank-Enterprise Cooperation for Reopening

The Bank helped Fuyang Xuwei Food Co., Ltd. to reopen



On 15 August 2020, we learned that the COVID-induced blockage of sales channel had plunged Fuyang Xuwei Food Co., Ltd. into liquidity difficulties. Knowing that, we promptly contacted the responsible person of the enterprise and offered to extend its liquidity loans by seven months, greatly easing its cash flow pressure and bailing it out of the difficulty. We helped it through the most difficult period of the epidemic and help its resumption.

❖ Customer protection

During the pandemic, the health and safety of our customers were highest on our agenda. We built a financial shield against the virus with effective actions.

To avoid customers going out to do banking services with exposure risk, we promptly prepared a guide for online retail banking services and stepped up publicity campaign for online platforms, especially their features for savings deposit, wealth management and payments services. We guided our customers to use our online channels, such as banking, mobile banking and WeChat banking, to meet basic financial service needs of customers during the epidemic prevention and control period.

In order to protect visiting customers from the virus, we took all reasonable precautions against cross infection at all outlets. Dedicated personnel were specified to conduct regular inspection and disinfection on a daily basis and take care of ventilation, sterilisation and hygiene management. A temperature-taking desk was installed at the door of each outlet; customers without face masks were offered one for free; and a safe waiting distance of over 1.5 meters was set, all to prevent cross-infection among customers as far as possible. In addition, the Bank made use of display racks, exhibition stands, LED banner displays, LED electronic screens, among others, to share

pandemic prevention tips, so as to raise customers' awareness of COVID-19 and self-protection.

In order to curb the spread of COVID-19 during the circulation of banknotes and protect the health of our customers and safe of outlets' financial service, based on the requirements of the People's Bank of China, we imposed necessary controls over the receipt and payment of cash, formulated banknote disinfection standards, and made banknote disinfection devices a must-have in vaults and operation rooms. All our branches were promoted to set up the allocation of cash killing equipment, which strongly supported the overall situation of anti-epidemic and contributed to the whole society.



Bozhou Branch strictly implemented the pandemic containment requirements to protect customers' health

❖ Voluntary donations

In the early stages of the outbreak, the Bank donated RMB5 million, via the Red Cross Society of Anhui, for the containment of COVID-19 and the treatment of confirmed cases in Anhui province.

In order to alleviate the shortage of blood supply for clinical purposes in Anhui province, the Bank called for bank-wide blood donation. It was greeted with enthusiasm among the staff of the head office, branches and subsidiaries, who were willing to do their bit in the fight against the disease. During the reporting period, 268 of employees donated 63,410 ml of blood.



In addition, based on the local conditions, our branches also had active involvement in local voluntary containment activities, helped the community to carry out household layout work and publicized epidemic prevention knowledge to the public, which made contributions to the local fight against the epidemic.

Huangshan Branch assisted in contact tracing for COVID-19 in a local neighbourhood

Huangshan branch of the bank set up a safeguarding team with Guomen community of Huangshan City, arranged special personnel to conduct a comprehensive investigation and publicity on the residents in the dormitory of the old epidemic prevention station in responsible community, fully registered the household information, investigated and improved the basic information of the people who went out to work in Huangshan, and actively participated in the local epidemic prevention and control.



About the Bank

Huishang Bank is the first regional joint stock commercial bank in the PRC established through the merger and reorganisation of city commercial banks and urban credit cooperatives with the approval of the China Banking and Insurance Regulatory Commission (Previous “China Banking Regulatory Commission”). Headquartered in Hefei, Anhui Province, the Bank officially opened for business on 1 January 2006. On 12 November 2013, the Bank was listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 3698).

With the market positioning of “serving local economy, small and medium enterprises, and the public”, the Bank’s business continues to develop rapidly, comprehensive strength has been gradually strengthened, operation and management has been steadily improved, thus achieving coordinated development of scale, quality and efficiency. In 2020, Huishang Bank announced the opening of its wholly owned subsidiary - HSBank Wealth Management Co., Ltd., achieving a new breakthrough in integrated operation. At the same time, the opening of Beijing, Shenzhen, Chengdu and Ningbo branches makes the leap in the Bank’s history of pursuing cross-regional development. As at the end of December 2020, the Bank had a registered capital of RMB12,154,801,211.

The Bank’s business mainly contains absorbing corporate and retail customer deposits in China, using the absorbed deposits to issue loans, and engaging in capital business, including money market business, investment and transaction business, and brokerage business. Besides headquarters, the Bank has 21 branches, 481 operations and 654 self-service zones (outlets). The Bank has four subsidiaries, namely Huishang Bank Financial Leasing Co., Ltd., HSBank Wealth Management Co., Ltd., Wuwei Huiyin Rural Bank Co., Ltd. and Jinzhai Huiyin Rural Bank Co., Ltd., and it is the shareholder of Chery Huiyin Motor Finance Service Co., Ltd and Mengshang Bank Co.,Ltd.

The Bank was fully recognised and widely praised by all walks of life in the society. In 2020, the Bank was selected among the top 200 of the “Top 1000 World Banks” by the *The Banker* from UK, ranking 126th, an increase of 16 places from the previous year. Besides, the Bank also ranked 138th among “Top 500 Global Banking Brands”, up 55 places over the previous year.

Consolidating corporate governance

The Bank believes that maintaining high standards of corporate governance mechanisms is one of the key factors to improve our core competitiveness and to build a modern commercial bank. Therefore, the Bank abides by the best domestic and international corporate governance practice, devoting to improving the capacity of corporate governance.

Insisting on leadership through Party building

In 2020, the Bank continued to promote the building of the Party organisation. We issued the “Implementation Opinions on Further Improving the Corporate Governance System under the Overall Leadership of the Party”, and released the list of the main responsibilities of full and strict governance over the Party and the list of the responsibilities of the Party building, established the decision-making system that “decisions on major matters, on appointment or removal of cadres, on arrangement for major projects and on the use of large sums of money shall be based on collective ideas” and introduced the list of matters to be studied by the Party Committee. Studying the guiding principles of President Xi Jinping’s important speeches and instructions and putting them into practice is the “primary political task” for the Party Committee.

The Bank held a video conference on Party building in Hefei

On the afternoon of 16 April 2020, the Bank’s 2020 Party Building Work Video Conference was held in Hefei. During the conference, we made detailed work plan for the 2020 Party building and briefed on the 2019 annual Party building review and assessment. Each branch was invited to communicate and discuss on Party building.

The meeting stressed the importance of efforts to ensure Party building in a smooth way. Huishang Bank’s Party organisations at all levels should develop unshakeable belief and confidence, think in one place, work hard in one place, and work together to draw a “concentric circle” of the party’s leadership, strategic development, collective wisdom, and sincere cooperation.

The Bank’s Party Committee held the eleventh Party Committee Central Group (Expanded) Study Meeting in 2020

On 27 November 2020, our Party Committee held the Party Committee Central Group (Expanded) Study Meeting.

The meeting urged the efforts to implement the guiding principles of the fifth Plenary Session of CPC’s 19th Central Committee. In accordance with the requirements of the CPC Central Committee, the Provincial Party Committee and the Party Committee of provincial State-owned Assets Supervision and Administration Commission (the “SASAC”), the Bank ought to work carefully to study, to practise, to research, to get trained and to take ideas into action. The Bank ought to improve the quality of studying and training, insisting on the model of self-regulated learning and collective knowledge to motive staff to learn in a comprehensive, systematic and down-to-earth manner. In addition, the leading body of Party organisations at all levels ought to carry out special lectures for frontline staff and deeply understand frontline work based on the actual situation. We ought to learn well about the systemic requirements of the fifth Plenary Session of CPC’s 19th Central Committee put forward for state-owned assets and state-owned enterprises. The specific requirements include: “enhancing independent innovation capabilities”, “deepening the reform of state-owned assets and state-owned enterprises, deepening the reform of mixed ownership of state-owned enterprises, and deepening the reform of state-owned asset investment and operation”, “accelerating the

optimisation of the layout and restructuring of the state-owned economy, accelerating the improvement of the modern enterprise system with Chinese characteristics, and accelerating the construction of world-class enterprises”, “establishing a sound system for management and supervision of state-owned assets” and “promoting market-oriented reforms in energy, railway, telecommunications, public utilities and other competitive sectors”. What we ought to do is find out appropriate initiatives accordingly to put them into practise and get effective results.

He Jiehua, Deputy Secretary of the Party Committee of the Bank and Chairman of the Board of Supervisors, went to Jinzhai Huiyin Rural Bank for a work survey



From 12 to 13 August 2020, He Jiehua, Deputy Secretary of the Party Committee of the Bank and Chairman of the Board of Supervisors, went to Jinzhai Huiyin Rural Bank for a work survey. After Mr. He was briefed by the principal on

work process and understood the difficulties of Jinzhai Huiyin Rural Bank in the business development, he made valuable suggestions for the improvement of financial services in rural areas.

Focusing closely on the strategic development and operational management needs, we launched the “Huiyin Party Building +” brand creation project with 10 specific matters to be focused. We took innovative measures to promote the leadership of the Party in an all-round way. We adhere to integrating into the center, implementing policies by categories, innovating and developing, and promoting party building as a whole to provide strong political and organizational guarantee for promoting high-quality development.



In keeping with the important speech made by General Secretary Xi Jinping during his visit to Anhui and the spirit of the 5th Plenary Session of the 19th CPC Central Committee, the Party Committee of the Bank implemented the “Pilot Project” plan, in alignment with the “Huiyin Party Building +” brand creation project, to select candidates from different levels for cultivation and demonstration purposes in accordance with the principle of “One Bank With One Unique Feature” as an active response to the call of the Party Committee of Anhui SASAC. At the same time, our Party Committee established our own volunteer service team, which consisted of a central service team and multiple sub-service teams to practise the spirit of volunteerism. We further promoted the institutionalization, standardization and normalization of voluntary service in civilized practice.



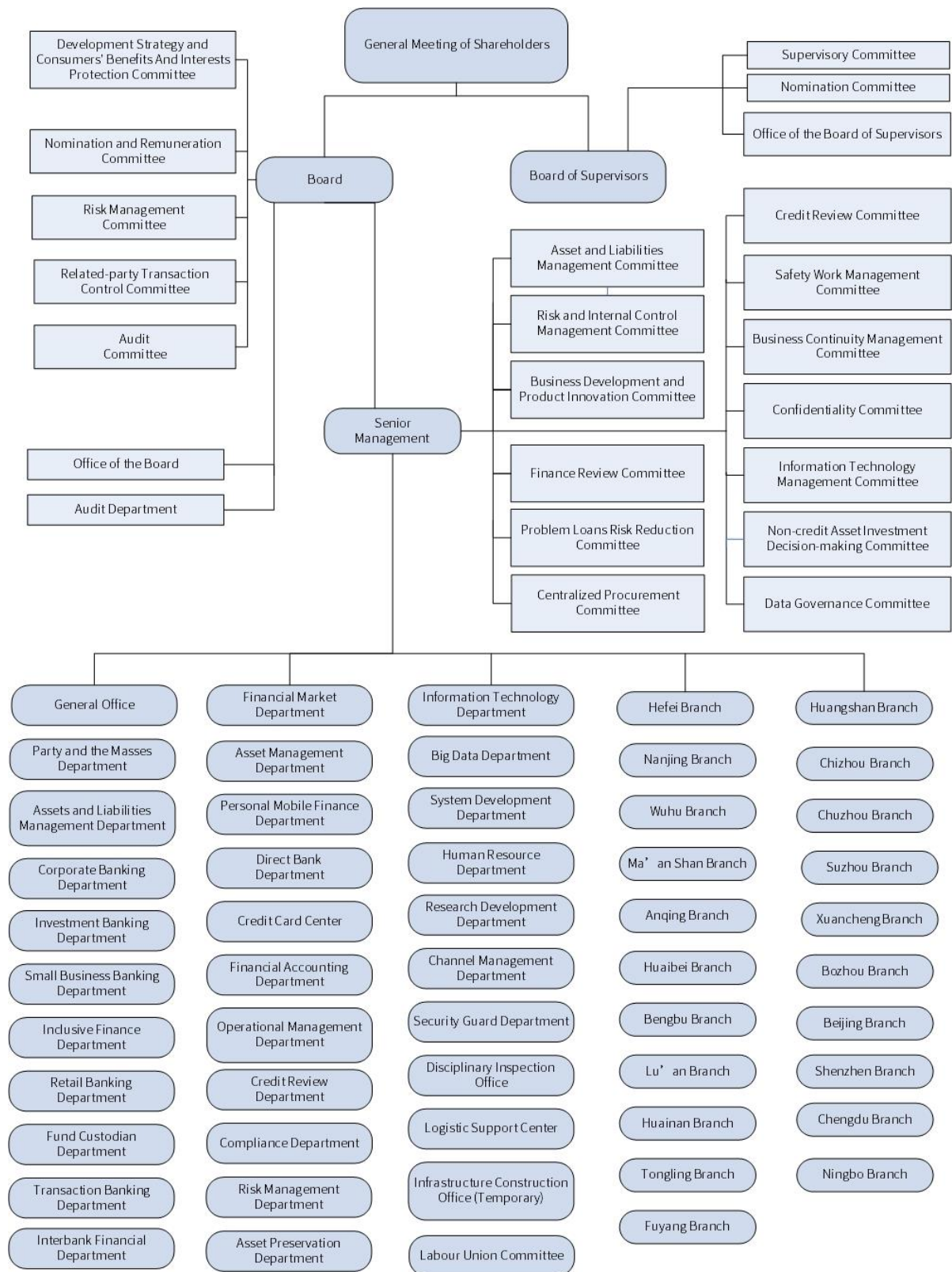
Special training session on Party education and poverty alleviation for the Bank's Poverty Alleviation Cadres



The 13th training session for community-level Party cadres of the Bank

Optimising organisational structure

Under the leadership of the Party, the Bank has established a corporate governance structure, clearly setting forth the responsibilities of the General Meeting, the Board of Directors, the Board of Supervisors and senior management, so as to ensure the independent operation of various parties with an effective check and balance. In 2020, the Bank adopted various measures to mitigate the impact of COVID-19. Due to our proper prevention and control of the pandemic, we successfully held the General Meeting, the meetings of the Board of Directors and its special committees and the meetings of the Board of Supervisors and its special committees, so as to ensure the efficient and orderly operation of the Bank's governance mechanism.



Huishang Bank Organisation Framework

The General Meeting is the authority institution of the Bank. In 2020, the Bank held 2 General Meetings and passed a total of 16 proposals.

The Board of Directors is the decision-making institution of the Bank. It consists of 14 board members, including 2 executive directors, 7 non-executive directors and 5 independent non-executive directors, with the number of independent directors of no less than one-third of the total number of directors. During the reporting period, the Bank convened 13 board meetings, discussed and reviewed 77 proposals; and held 26 meetings of the special committees of the Board of Directors, discussed and reviewed 94 proposals.

The Board of Supervisors is the supervisory institution of the Bank. The Board of Supervisors consists of 9 supervisors, including 4 employee supervisors, 2 shareholder supervisors, and 3 external supervisors. In 2020, the Board of Supervisors and its special committees held 25 meetings in total, where 36 proposals were deliberated, and 34 special reports were reviewed.

The senior management is executive institution of the Bank. The senior management of the Bank consists of the President, Vice President and senior management personnel approved by the regulatory authorities, who are responsible for the implementation of the resolutions of the Board of Directors and the day-to-day business management of the Bank, and report regularly to the Board of Directors and are subject to the supervision of the Board of Supervisors.

Please refer to the section of the “Corporate Governance Report” in the “Huishang Bank 2020 Annual Report” for details relating to the members of the Board of Directors and the Board of Supervisors.

Diversifying governance structure

Diversification of the Board is a key factor for the Bank to realise strategic goals and achieve sustainable development. Hence, the Bank has fully considered the diversified requirements of board members in terms of gender, age, region, education background, professional experience etc. when selecting and appointing Board members:

- Two female directors are included in the Bank’s Board of Directors;
- Ages of the directors range from 48 to 67;
- Directors’ domiciles are located in Hefei, Beijing, Shanghai, Shenzhen, Hong Kong, etc.;
- Directors’ professions include corporate managers, university professors, think-tank experts, etc.;
- Directors’ education background and professional experience contain management, economy, finance, accounting, etc.

Enhancing investor relations

The Bank puts a high premium on information disclosure. Pursuant to requirements of the “Measures for Information Disclosure of Commercial Banks”, we have issued various periodic reports and interim announcements, to provide investors with true, accurate and complete information in a timely manner. We set up an Investor Relations section on our official website and publish email and contact information. We provide full-text download channels for the annual report and interim report in both Chinese and English on the Bank’s official website. In addition, we actively conduct various communication activities with investors and analysts to maintain good relations, attaching much weight to shareholders’ opinions and suggestions, and satisfying the reasonable needs of all shareholders in a timely manner.

The Bank successfully issued 1.735 billion worth of domestic shares in a non-public offering on 4 January 2021, bringing in significant state-owned shareholders, which optimised the shareholding structure and further enhanced the capital strength, risk resilience capabilities and financial services of the Bank.

On 30 June 2020, the Bank’s 2019 General Meeting was held in Hefei, Anhui Province. During the meeting, 13 proposals were reviewed, voted and approved, including the “Deliberation and Approval on 2019 Annual Financial Accounts Report of the Bank”, “Deliberation and Approval on 2020 Annual Financial Accounts Plan of the Bank” and “Deliberation and Approval Proposal

of the General Mandate for the Bank to Issue Shares”. In accordance with the resolution of the General Meeting, on 12 July 2020, the Bank paid an annual dividends for 2019 in an aggregate amount of RMB 1,908.304 million (tax inclusive) to all of its shareholders recorded on the register of members.



The 2019 General Meeting of Huishang Bank Corporation Limited

Preventing financial risk

Preventing financial risks and maintaining financial security is critical to the provision of financial services in the new era. The Bank has always adhered to a prudent operating principle, implementing regulatory requirements, establishing a firm awareness of risk, sticking to the compliance bottom line and maintaining a sense of danger and crisis. Besides, the Bank focuses on building an overall risk management system, internal supervision system and internal control and compliance system, exploring to achieve checks and balances in our management. In so doing, there were no major cases or major liability accidents, holding the bottom line of preventing the occurrence of systematic and regional financial risks.

Improving risk management

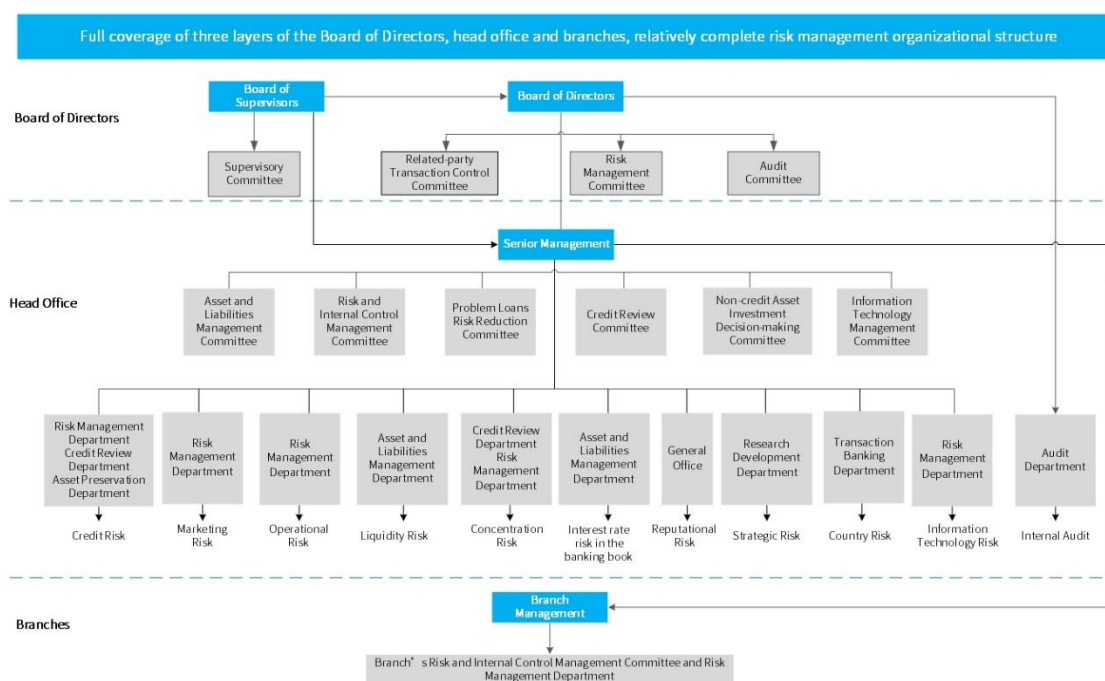
The Bank has established a relatively comprehensive risk management system. Since 2020, the COVID-19 pandemic has presented unprecedented severe challenges. However, we have responded calmly to its impact. We always emphasise the importance of risk culture and insist on building and improving a comprehensive risk management system that is applicable to all employees and all processes with the help of digital transformation.

❖ Risk management framework

The Bank has established a relatively sound organisational structure for risk management:

- **Board of Directors:** As the Bank's highest decision-making institution for risk management, it reviews risk management policies, overall risk management reports, risk appetite statements, etc. and assumes ultimate responsibility for overall risk management;
- **Risk Management Committee:** The Risk Management Committee is established under the Board of Directors to review the Bank's risk management policies, guide the construction of the Bank's risk management system and make recommendations to the Board of Directors;
- **Board of Supervisors:** It is responsible for supervising, inspecting and independently evaluating the performance of duties and responsibilities of the Board of Directors and senior management in terms of risk management and promoting rectification, and assumes supervisory responsibility for overall risk management;
- **Senior management:** It is responsible for overall risk management execution, and conducts regular risk assessment and submits corresponding report to the Board of Directors.

A Top-Down Risk Management Organizational Structure



❖ Risk management policy

The Bank strives to establish a risk appetite and risk limit management mechanism that is aligned with our development strategy to form an effective synergy between risk management and our development strategy. On the basis of compliance with relevant regulatory requirements, we balance risk-taking with the developmental benefits, formulate rational credit policies, and strive to achieve business innovation while ensuring sustainable business development by unifying risk culture, reducing the impact of the pandemic, controlling key areas, improving supervision over appointment of personnel, and strengthening special rectification for loan issues identified by the “three-tiered check system”.

❖ Management information system

Leading by digital transformation, the Bank makes full use of various technical means and professional support to further analyse and improve risk management techniques and tools, such as risk warning management system, public credit risk rating system, risk data mart, risk mitigation management system, etc., to gradually enhance the quantitative monitoring and technical assessment of information technology (the “IT”) risks. We involve IT risk

management into overall risk management system. In accordance with compliance risk and business risk management requirements, the Bank optimises IT risk management strategies and relevant evaluation criteria, and thus we can capitalise fully on technology to execute our business strategy.



Zhang Renfu, the Executive Director and President of the Bank, visited branches and sub-branches for field research.

❖ Internal control management

In accordance with the “Guidelines on Internal Control of Commercial Banks” and other regulatory requirements and internal control principles, the Bank has built an internal control and compliance risk management system and three lines of defence centred on the five elements of control environment, risk assessment, control activities, information and communication, and internal monitoring, as well as three levels of branch governance, business line management, and process operation.

The first line
of defence

Operating and management departments at all levels and each outlet are primarily responsible for the construction and implementation of the internal control system

The second
line of defence

The internal control management posts of the functional departments of the head office and branches and the compliance management departments at all levels guide and supervise the construction and implementation of the internal control system in the first line of defence and report to the management about the construction and execution of internal control system

The third line
of defence

The Audit Department monitors and evaluates the effectiveness of internal control. The Bank is the only financial institution that was awarded the National Advanced Group in Internal Audit in Anhui province

In 2020, the Bank successfully took over four branches in Beijing, Shenzhen, Chengdu and Ningbo. We completed the handover in relation to organisational structure, credit authorisation, talent team, education and training, and system migration. We achieved a smooth and orderly transition of nearly 100 billion assets, over 1 million customers and thousands of employees.



Zhang Renfu, the Executive Director and President of the Bank, organised a meeting to promote the takeover of four branches in Beijing, Shenzhen, Chengdu and Ningbo

The Bank was awarded A-class bank for compliance and prudent operation of foreign exchange business in 2020

The Bank conscientiously implements relevant policies and regulations regarding national foreign exchange, by establishing an internal control management system, preventing various types of non-compliance risks, and vigorously promoting the implementation of foreign exchange facilitation policies such as green channels, cross-border trade and investment facilitation, we promote the high-quality development of foreign exchange business and help to build a safe and inclusive financial environment system. In 2020, the Bank was awarded A-class bank, the highest level, for compliance and prudent operation of foreign exchange business in Anhui Province. This is the second consecutive year that the Bank has been awarded this rating.

Anti-money laundering and case prevention and control

❖Anti-money laundering efforts

Huishang Bank strictly complies with laws and regulations on anti-money laundering, such as the “Anti-Money Laundering Law of the People’s Republic of China”, and establishes an anti-money laundering (the “AML”) suspicious transaction early warning system that contains early warning indicators and suspicious transaction models. We use qualitative and quantitative combined approaches to identify the relationship and trigger conditions of models, to achieve effective early warning of major types of money laundering crimes.

The Bank insists on implementing the reward system for identifying key suspicious clues and fully motivates the enthusiasm and initiative of frontline employees in detecting and reporting suspicious clues. Meanwhile, AML leadership team meetings are organised as scheduled to convey the spirit of Anti-Money Laundering Conference of obligated institutions in a timely manner with the purpose of raising the awareness of our employees on AML within the Bank.

In 2020, the Bank continued to promote the special AML data governance. In accordance with the establishing rules and regulations, addressing existing cases, strictly controlling new cases and developing real-time alert, we invited third-party institutions to carry out AML correction and forensic assurance, optimising AML workflow, and focusing on assessing and inspecting the process of customer identification and customer information management of the Bank in a more comprehensive and detailed way, so as to further improve the quality of AML data.

In addition, the bank has made effective efforts in AML publicity and actively performed more AML knowledge publicity activities. During the reporting period, the Bank launched an AML award quiz, attracting a total of 30,897 participants in customer through “online + offline” and “in-bank + out-of-bank” publicity.

The Bank held a special meeting of the AML Leading Group



On 11 June and 30 December 2020, the Bank held special meetings of the AML Leading Group to deliberate and review the special audit on AML management, the work

pertaining to AML-related customer information governance and the self-assessment of terrorist financing risks.

❖ Stressing on case prevention and control

According to relevant laws and regulations, including the “Law of the People’s Republic of China on Commercial Banks”, and the “Measures for the Prevention and Control of Cases in Banking Financial Institutions”, Huishang Bank takes case prevention and control measures in an orderly manner and continues to improve our central-region combined crime risk investigation system requiring efforts integrating the head office and all branches.

Zhang Renfu, Deputy Party Secretary and President of the Bank, attended the supervisory and research meeting on case prevention work

On 30 November 2020, the Bank held a supervisory and research meeting on case prevention work.

Zhang Renfu, Deputy Party Secretary and President of the Bank, made a presentation to the China Banking and Insurance

Regulatory Commission Anhui Office on the construction of the Bank's case prevention and control system, the operation of the mechanism, the implementation of the work and relevant challenges.



In 2020, in order to effectively combat and control capital chain crimes such as cross-border gambling and telecommunications network fraud, the Bank organised a bank-wide investigation of gambling and fraud-related risks in the existing settlement accounts and merchant business by means of big data screening. At the same time, branches were organised to verify the clues of suspicious accounts handed over by regulatory or public security authorities, suspicious clues extracted by intra-bank business monitoring and suspicious information detected in daily management.

Moreover, in accordance with the “Measures for the Administration of Criminal Cases involving Banking and Insurance Institutions (for Trial Implementation)” and the “Guiding Opinions of the General Office of the China Banking and Insurance Regulatory Commission for Preventing Illegal and Criminal Financial Activities Carried out by Banking and Insurance Practitioners”, the Bank carried out in-depth investigation of case risks and abnormal behaviour of employees by relying on big data technology to enhance the effect of investigation. We also explored ways to establish a “ladder intervention” mechanism for management of employees’ abnormal behaviour, took effective measures to ensure the smooth conversion from the old case

management mechanism to the new one, and continued to build a clear, smooth and effective case prevention and control system.

Case warning education activities are fundamental to case prevention and control in the Bank. All employees are educated and trained by analysing typical cases, studying criminal law-related articles and attending warning education training, so that they can hold discipline in awe and respect, do not cross the line, stick to the compliance bottom line and enhance the ability to prevent the occurrence of non-compliance cases.

Beijing branch carried out case prevention and control activities in Special Rectification Month



In order to further enhance the risk control ability, Beijing Branch held a kick-off meeting of “Special Rectification Month of Case Prevention and Control” on 10 November 2020, in which all the branch leaders, heads of departments and sub-branches, excellent business personnel and staff representatives participated and watched a warning education film.

Operating in a credible and compliant manner

❖ Anti-corruption construction

Huishang Bank strictly abides by the “Criminal Law of the People’s Republic of China”, the “Company Law of the People’s Republic of China”, the “Interim Provisions on Banning Commercial Bribery” and other relevant laws and regulations. Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank conducts stricter supervision and inspection, and implements full and strict governance over the Bank while exercising full and strict Party self-governance to keep in line with the new round of strategic planning, so as to further strengthen the work of building a

honest government and fight corruption. In 2020, the Bank was not involved in any corruption case.

The Bank conscientiously implements the requirements of full and strict governance over the Party, establishes an interactive mechanism for supervision and discipline, and carefully performs daily supervision and special inspections. In 2020, the Bank reformed the way the Discipline Inspection Commission dispatches discipline inspectors, paid more attention to keep files on integrity information, and published the responsibility list to fulfil “a pair of responsibility”. In addition, we established the internal supervision committee, created an internal supervision system with the purpose of achieving internal supervision of the Party, corporate governance supervision and business supervision, and strived to build a supervision and inspection system that required all departments to work together in an efficient and synergistic manner and to reinforce complementarity among departments.

The Bank actively pushes forward the signing of the “Letter of Commitment of Huishang Bank for Performing Duties with Integrity”, stresses the ethic of working with integrity and established a good culture of integrity and self-discipline. The Bank advocates the good practice of celebrating holidays in a frugal and civilised way. It sends messages about integrity to middle-level assistants and above at festivals. Whistle-blower hot-lines are set up to demonstrate its resolution to oppose festival profligacy.

The Bank continues to carry out anti-corruption warning education activities, regularly organises training on anti-corruption, holds talks to enhance the awareness of being incorruptible, and invites leaders and experts from Anhui Provincial and Municipal Discipline Inspection Commissions to give warning education lectures. Besides, employees are organised to watch warning education films to strengthen their awareness of integrity and self-discipline. During the reporting period, the Bank conducted 77 trainings on anti-corruption with over 4,314 participants.

The Bank gave a lecture on Party conduct and anti-corruption awareness to the secretaries of branch-level and sub-branch-level Party organisations

On 10 August 2020, Zheng Shuyu, member of the Party Committee of the Bank and head of the Discipline Inspection Team of Huishang Bank from Anhui Provincial



Discipline Inspection Commission and Supervisory Agency, gave a lecture on Party conduct and anti-corruption awareness to the secretaries of branch-level and sub-branch-level Party organisations on the theme of “deepening the full and strict governance over the Party in branches and sub-branches under the new situation”, which further enhanced the Party spirit of the secretaries of branch-level and sub-branch-level Party organisations and improved their awareness of integrity and self-discipline, thus ensuring community-level outlets operate in compliance with the law.

❖ Brand reputation management

Huishang Bank establishes and formulates systems and requirements related to reputation risk management to proactively and effectively prevent reputation risks and respond to reputation incidents, with a focus on prevention and strict attention to the monitoring, analysis and early warning of public opinion, so as to minimise losses and negative impacts. The Bank attaches great importance to reputation management and brand building, and continues to conduct bank-wide training on reputation management to help our employees better understand the importance of reputation management. And we try to engage all employees to participate in reputation management, so that they can effectively fulfil their responsibility to maintain the Bank’s good brand and image.

The Bank strengthens the monitoring on public opinions through various channels to keep abreast of social concerns in a timely manner. Any negative

public opinions monitored are reported to relevant business lines and the Department of Consumer Rights and Interests Protection, and the Bank urges to resolve the problems as soon as possible to avoid exacerbation and promptly carries out positive publicity through media channels. In addition, Huishang Bank has established and improved the working mechanism and system of brand management to boost the overall brand value growth.

The Bank has also intensified external positive publicity and guidance, and strengthened internal reputation risk management and comprehensive dynamic monitoring. As for the information that is easy to be misinterpreted or cause speculation, the Bank always responds quickly, communicates actively and respects facts and the freedom of the media to collect and compile information, and establishes a working mechanism involving positive interaction with the media. The Bank also actively participates in social welfare and public activities and assumes the corporate social responsibility to build a positive and healthy corporate image. In 2020, the public opinion of the Bank was stable on the whole. In the “China Financial Brand Annual Conference and the 3rd China Financial Annual Brand Case Competition”, the Bank won the “Annual Award for Reputation Management Case” and “Annual Award for Popular Brand Case” for the outstanding performance in reputation management and brand building.

❖ **Protecting intellectual property**

In accordance with relevant laws and regulations, including the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China and the Copyright Law of the People’s Republic of China”, the Bank has formulated the “Interim Measures for the Administration of Intellectual Properties of Huishang Bank” to ensure that the management of intellectual property right follows the principle of “clarifying ownership, encouraging innovation, and ensuring effective protection and legal exploitation”. Besides, the Bank regulates and strengthens the management and utilisation of intellectual property, encourages financial innovation and improves employees’ awareness of intellectual property.

Social responsibility concept

Social responsibility objectives

Adhering to the values of “treating people with sincerity, upholding justice while pursuing interests”, the Bank takes responsibility of the “achieving customers’ dreams, creating values for shareholders, promoting staff development and assuming civic responsibilities” mission, and Integrates social responsibility into development goals:

- Take shareholders, customers, employees and other stakeholders into consideration to comprehensively increase economic benefits, environmental benefits and social benefits;
- Adhering to targeted poverty alleviation, the Bank assists in poverty alleviation by carrying out infrastructure construction, developing competitive industries, supporting employment, and targeting districts on the basis of leveraging the professional advantages of financial companies. We also encourage and unifies the entire Bank to participate in promoting poverty alleviation in poverty-stricken areas as scheduled;
- We advocate green office, energy conservation and environmental protection to minimise the negative impact of daily operations on the environment;
- We actively advocate the spirit of public welfare, continues to promote the concepts and behaviours of paying attention to people’s livelihood, environment protection and charity by encouraging employees to carry out environmental protection and charity practices as volunteers. In addition, the Bank carries out welfare projects under its brand in areas such as elderly care, disabled support and poverty alleviation to fully show its image of a good corporate citizen.

Social responsibility management

The Bank continuously implements and improves the “Interim Measures for the Administration of Corporate Social Responsibility of Huishang Bank”, and integrates social responsibility into our development strategy, governance structure, corporate culture and business process. In addition, the Bank establishes a sound social responsibility management system and a social responsibility management framework.

❖ Board of Directors

The Board of Directors is the highest decision-making body of the Bank’s corporate social responsibility management, responsible for:

- proposing strategies, policies and targets of the Bank’s corporate social responsibility, and integrating social responsibility into the Bank’s strategic planning of development, making fulfilment of social responsibility one of the Bank’s strategic goals of development;
- assessing and determining the Bank’s social responsibility risk and ensuring that appropriate and effective management of social responsibility risk and internal monitoring systems are in place;
- supervising, inspecting and evaluating the Bank’s fulfilment of corporate social responsibility;
- reviews and approves corporate social responsibility report;
- reviews and approves corporate social responsibility proposals.

❖ Board of Supervisors

- Following up and supervising the Bank’s performance of corporate social responsibility and giving independent opinions.

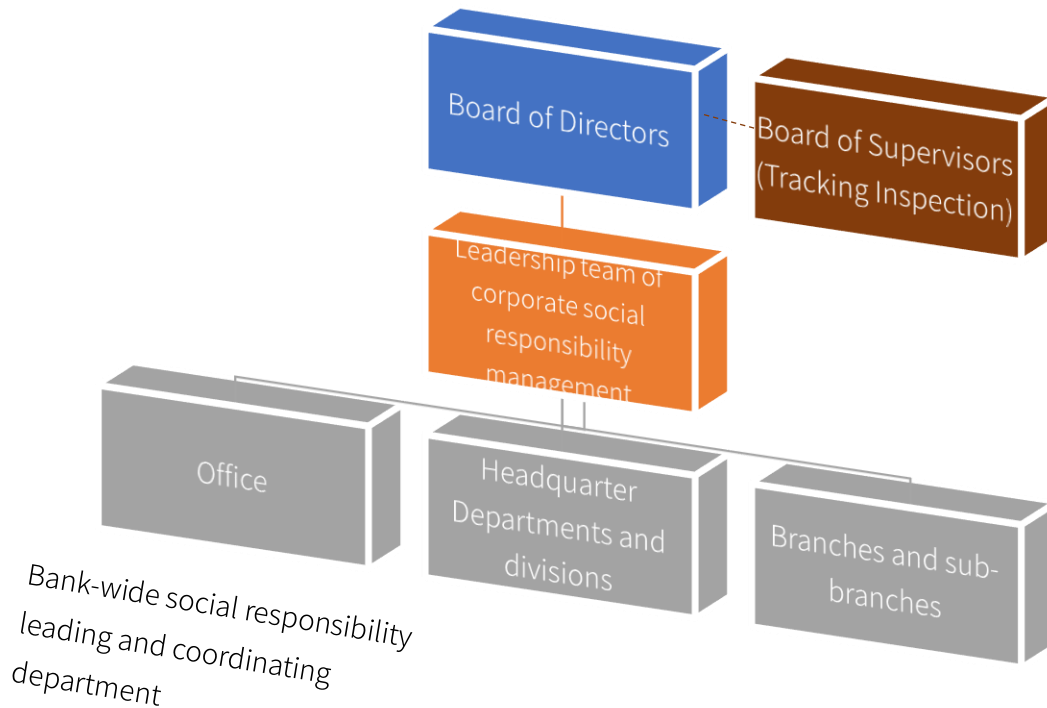
❖ Leadership team of corporate social responsibility management

The Bank has set up a leadership team of corporate social responsibility management as the social responsibility governing body in the whole bank. The leaders of the leadership team are served by the Chairman of the Board,

the Bank President and the deputy leaders served by the persons in charge of branches in the office. The team members consist of principal persons in charge of relevant departments, jointly promoting the efficient and orderly development of social responsibility management. Responsibilities of the leadership team of corporate social responsibility management include:

- Implementing strategies, targets and measures of the Bank's corporate social responsibility;
- Organising and conducting corporate social responsibility related work;
- Regularly reporting to the Board of Directors on development status and implementation results of the Bank's corporate social responsibility.

The leadership team of corporate social responsibility management has an office, which is based on the head office and responsible for the daily work of corporate social responsibility management. The office director is the principal responsible person of the leadership team head office, responsible for the Bank's daily management and coordination of social responsibility.



Framework of Huishang Bank's leadership team of corporate social responsibility management

Cultivation of social responsibility capability

The Bank actively carries out the cultivation of social responsibility ability, continues to deepen its understanding of sustainable business operation, strengthens the institutionalised management of corporate social responsibility, and establishes a streamlined management system covering links of organisation and implementation, tracking and inspection, assessment at the end year and report release, so as to raise the decision-making level of corporate social responsibility and realize recyclable and prosperous development in fulfilment of corporate social responsibility.

In order to further promote construction of corporate culture, the Bank further enhances its soft power of corporate culture. Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank gives play to the function of culture to guide enterprises, educate employees and promote development, providing strong spiritual drive and cultural support for building itself a modern bank with high-quality development in all respects.

We continue to implement the “2020-2024 Implementation Opinions of Huishang Bank on the Construction of Corporate Culture”, and the cultivation and fulfilment of the socialist core values is further integrated into the whole process of high-quality development, applied in various areas of operation management and financial services, reflected in all respects of construction of corporate culture and implemented in action consciousness of cadres and employees.

In 2020, the Bank took an active part in relevant trainings and seminars on corporate social responsibility to understand advanced practices within the industry and would grasp the development trend of social responsibility at home and abroad. Huishang Bank was selected into the “2019 China Corporate Social Responsibility Ranking List” by *Southern Weekly*, ranking first among city commercial banks.

Social responsibility communications

Stakeholder engagement

We emphasise on communication with stakeholders and have multiple effective channels to understand their anticipations and demands on our social responsibility, which serve as indispensable reference to the formulation of the Bank’s social responsibility strategy.

Stakeholders	Communication mechanism	Stakeholders’ expectations	The Bank’s Response
Government	<ul style="list-style-type: none"> • Regulatory documents • Work report • On-site inspection • Off-site inspection 	<ul style="list-style-type: none"> • Implement national economic policies • Support real economy • Serve small and micro enterprises • Increase job opportunities • Ongoing tax revenue • Response to the pandemic 	<ul style="list-style-type: none"> • Implement national economic policies and propel economic transition • Step up efforts in leveraging finance to serve real economy • Achieve “two increases and two controls” in small and micro enterprise loans • Create job opportunities • Create good business performance and pay more tax • Take multiple measures to fight against the pandemic

Regulators	<ul style="list-style-type: none"> • Regulatory documents • Work report • On-site inspection • Off-site inspection 	<ul style="list-style-type: none"> • Prudent and legal day-to-day operation • Effective risk prevention • Stable and orderly financial system • Accelerate digital transformation 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Strengthen risk management • Maintain financial order and reinforce compliance and disciplines • Strive to establish a digital bank
Shareholders	<ul style="list-style-type: none"> • Shareholders' general meeting • Board of Directors • Result announcement • Daily communication 	<ul style="list-style-type: none"> • Continuous and reasonable return on investment • Thorough, timely and accurate information disclosure • Good corporate governance 	<ul style="list-style-type: none"> • Achieve good business • Disclose information in a thorough, timely and accurate manner • Promote corporate governance
Customers	<ul style="list-style-type: none"> • Product promotion and introduction • 40088-96588 • Customer service centre • Regular customer visits 	<ul style="list-style-type: none"> • Diversified products • Diverse service channels • Continuously improved service quality • Effective protection of consumers' rights and interests • Pandemic prevention and control measures for customers 	<ul style="list-style-type: none"> • Create diverse financial products • Promote the establishment of service channels • Improve civilised and regulated services • Protect financial consumers' rights and interests • Guarantee the health and safety of financial consumers
Employees	<ul style="list-style-type: none"> • Staff communication • Labour union • Workers' Congress • Bank affairs disclosure • Corporate cultural activities 	<ul style="list-style-type: none"> • Reasonable compensation and benefits • Satisfying work environment • Good professional development • Pandemic prevention and control 	<ul style="list-style-type: none"> • Ensure staff's lawful rights and interests • Enrich corporate culture • Expand professional development channels • Tighten pandemic prevention measures to protect safety and health
Suppliers and partners	<ul style="list-style-type: none"> • Centralised procurement, bid & tender centre • Business communication cooperation 	<ul style="list-style-type: none"> • Fair cooperation opportunities • Honest contract fulfilment • Stable win-win relationship 	<ul style="list-style-type: none"> • Stick to responsible purchase • Strengthen strategic cooperation
Public and communities	<ul style="list-style-type: none"> • Financial community services 	<ul style="list-style-type: none"> • Harmonious social relations • Comprehensive and 	<ul style="list-style-type: none"> • Create diverse financial products • Disseminate financial knowledge

	<ul style="list-style-type: none"> • Financial knowledge dissemination • Community public welfare activities 	effective corporate citizen's responsibility fulfilment	<ul style="list-style-type: none"> • Build a harmonious community environment • Charity and public welfare activities
Media	<ul style="list-style-type: none"> • Media information disclosure 	<ul style="list-style-type: none"> • Open and transparent information disclosure 	<ul style="list-style-type: none"> • Enhance media communication • Disclose information in a comprehensive, timely and accurate manner
Environment	<ul style="list-style-type: none"> • Business activities • Environmental protection activities • Policy information disclosure 	<ul style="list-style-type: none"> • Green financial services • Continuous reduction of energy consumption and carbon emission • Active environmental protection 	<ul style="list-style-type: none"> • Develop green finance • Improve green services • Promote green operation • Involve in green public welfare undertakings

Materiality assessment

Based on the “ESG Reporting Guide”, the Bank identifies the priority of each social responsibility topic based on materiality and determines the materiality of each topic on the Bank’s business development and each stakeholder through a materiality assessment. The result of such assessment serves as an important reference for the Bank to develop social responsibility management strategies and prepare ESG reports:

Step 1 Identify social responsibility topics

According to the “ESG Reporting Guide” and considering actual business and industrial characteristics, the Bank has identified 28 ESG topics:

No.	Issue	Aspect	No.	Issue	Aspect
1	Improve business performance	Product responsibility	15	Overall risk management	Product responsibility
2	Propel economic development	Product responsibility	16	Favourable employment environment	Employment/Labour standards
3	Promote real economy	Product responsibility	17	Guarantee safe card use	Product responsibility

4	Guarantee shareholders' rights and interests	Product responsibility	18	Pay attention to health and safety	Safety and health
5	Serve small and micro enterprises	Product responsibility	19	Build intelligent outlets	Product responsibility
6	Inclusive finance in rural areas	Product responsibility	20	Develop green finance	Environment and natural resources
7	Compliance with the legal and supervisory requirements	Product responsibility	21	Expand green channels	Emission
8	High-quality customer services	Product responsibility	22	Promote green operation	Use of Resources
9	Monitor business risk	Anti-corruption	23	Prevent telecommunication fraud	Product responsibility
10	Practice targeted poverty relief	Product responsibility	24	Intensive involvement in public welfare events	Community investment
11	Focus on mobile finance	Product responsibility	25	Stick to green purchase	Supply chain management
12	Safety protection measures	Safety and health	26	Disseminate financial knowledge	Community investment
13	Promote professional development	Training and development	27	Support cultural and sport undertakings	Community investment
14	Implement clean governance	Anti-corruption	28	Public welfare activities promoting green concept	Community investment

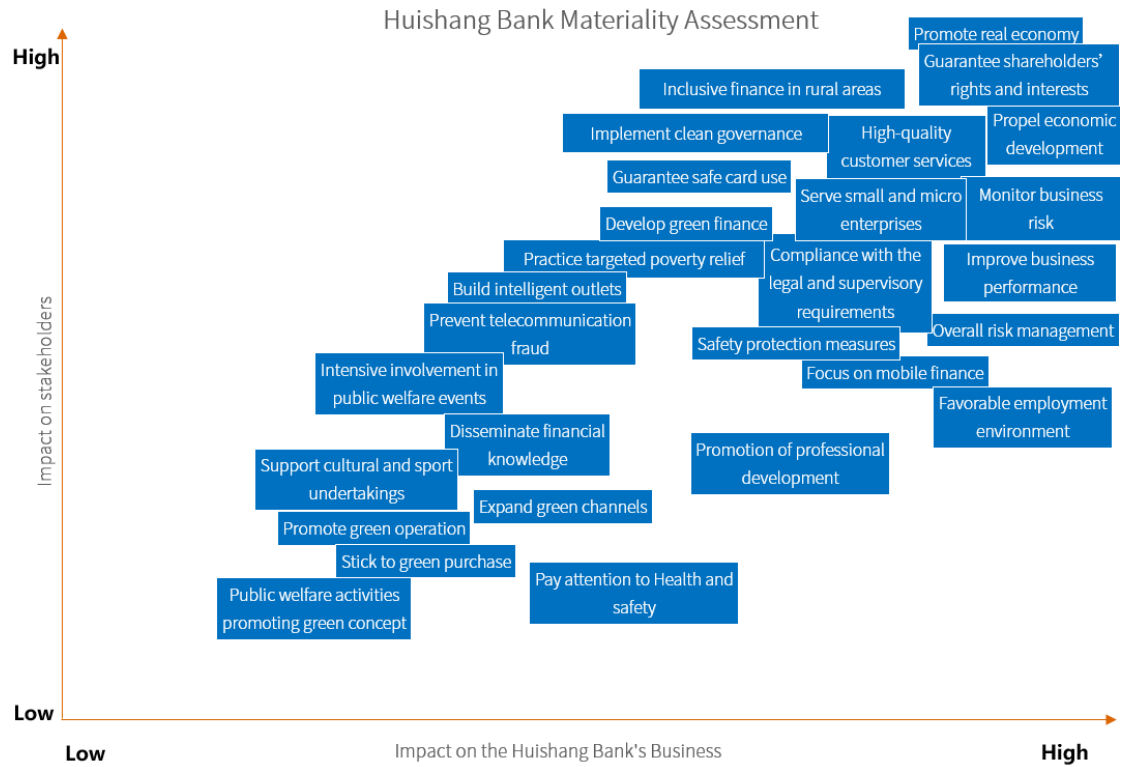
Step 2 Determine the materiality

Through seeking feedback from internal stakeholders and consulting external third-party professional organisations, the Bank has ranked topics in terms of “materiality to Huishang Bank” and “materiality to external stakeholders” and generates materiality assessment matrix based on the survey result.

Step 3 Verify assessment results

The Bank’s leadership team of corporate social responsibility management has reviewed and confirmed the assessment results, then determined

significant material issues, so as to disclose them in this report and give responses.




Response to the UN Sustainable Development Goals (“SDG”)

The Bank actively responds to UN Sustainable Development Goals to contribute to the global sustainable development goals in implementing social responsibility strategies.

	SDG	Specific measures	Social responsibility topics	Section(s)
Economic	 8 DECENT WORK AND ECONOMIC GROWTH	Improve governance system	Serve small and micro enterprises	Consolidating corporate governance
		Equal employment and protect employees’ rights and interests	Favourable employment environment	Serving the real economy
		Offer reasonable professional development channels	Promote professional development	Developing inclusive finance
		Provide strong support to real economy	Improve business performance	Promoting professional development
		Support small and micro enterprises	Overall risk management	
	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Digitisation	Promote economic development	Serving the real economy
		Support economic transformation	Improve real economy	Fuelling the Rural Revitalization
		Serve agriculture, rural areas and farmers	Build intelligent outlets	Benefiting people’s well-being
Boost infrastructure construction		Inclusive finance in rural areas		

Social		<p>Conduct targeted poverty alleviation in an efficient and orderly way</p> <p>Boost infrastructure construction</p>	<p>Practice targeted poverty relief</p> <p>Inclusive finance in rural areas</p>	<p>Securing victory against extreme poverty</p> <p>Fuelling the Rural Revitalization</p>
		<p>Create a healthy working environment</p> <p>Care about employees' physical and mental health</p>	<p>Safety protection measures</p> <p>Pay attention to health and safety</p>	<p>Protecting employees' health and safety</p> <p>Creating a happy Huishang Bank</p>
		<p>Actively support social cultural activities</p> <p>Carry out financial knowledge publicity activities at communities</p> <p>Provide employees vocational trainings and relevant skills trainings</p>	<p>Support cultural and sport undertakings</p> <p>Disseminate financial knowledge</p> <p>Intensive involvement in public welfare events</p> <p>Promote professional development</p>	<p>Striving to support flood prevention and control</p> <p>Protection of customers' rights and interests</p> <p>Education aid action</p> <p>Supporting cultural and sports undertakings</p> <p>Promoting professional development</p>
		<p>Share information with regulators</p> <p>Maintain social stability</p> <p>Provide strong support to real economy</p>	<p>Prevent telecommunication fraud</p> <p>Intensive involvement in public welfare events</p>	<p>Protection of customers' rights and interests</p> <p>Serving the real economy</p>

			<p>Disseminate financial knowledge</p> <p>Promote economic development</p> <p>Improve real economy</p>	<p>Developing inclusive finance</p> <p>Education aid action</p> <p>Supporting cultural and sports undertakings</p> <p>Promoting professional development</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Environmental</p>		<p>Promote green loans</p> <p>Support the development of clean technologies</p> <p>Advocate green office</p> <p>Carry out charitable and environmental protection activities</p>	<p>Develop green finance</p> <p>Promote green operation</p> <p>Expand green channels</p> <p>Stick to green purchase</p> <p>Participate in public welfare activities promoting green concept</p>	<p>Practising green finance</p> <p>Advocating green services</p> <p>Promoting green operation</p> <p>Promoting green practices with actions</p>

Leveraging local advantages and promoting economic development

Serving the real economy

Sticking to the concept that finance should serve the real economy, the Bank earnestly studies the spirit of the important instructions of General Secretary Xi Jinping during his visit to Anhui and actively supports the “Belt and Road” initiative and Yangtze River Delta Regional Integrated Development Plan. With the supply-side structural reform as a main line, the Bank also serves the whole by making uses of local advantages. To improve the capability of serving the real economy, we focus on our main business and remain true to our original mission.

Response to national strategies

❖ Supporting the “Belt and Road” initiative and the opening-up strategy

As a firm supporter of the development of “Belt and Road” initiative, the Bank actively builds the “Belt and Road” cross-border inter-bank financial network. Specifically, comprehensive cross-border financial services are provided to domestic enterprises to help them get into the international market.

In 2020, as the lead bank for the first time, we successfully raised and issued a syndicated loan of RMB100 million for Credit Bank of Moscow from the international market. In addition, we cooperated with Golomt Bank to keep supporting the development of Ulan Bator Shantytown Reconstruction Project in Mongolia, an important “Belt and Road” assistance programme between China and Mongolia, and completed the loan renewal of USD33 million from low-risk overseas institutions.

The Bank conscientiously implements relevant policies and regulations regarding national foreign exchange, vigorously promotes the green channel, and facilitates cross-border trade and investment. The “SWIFT GPI” project has been successfully launched. We strive to provide customers with more professional and diversified financial services in cross-border settlement,

cross-border investment and financing, foreign exchange trade, etc. In 2020, the Bank was qualified for foreign exchange option trade and was selected as one of the first pilot banks for facilitating foreign exchange receipts and payments in Anhui Province.

The Bank was invited and attended the 4th China Trade and Logistics Banking Alliance Summit

On 27 November 2020, China Trade and Logistics Banking Alliance held the 4th summit in Zhengzhou with the theme of “Joining Fintech, Building



Digital Economy and Fostering New Driver”. The Bank actively explored the opportunities and challenges faced by banks, commercial logistics companies, and fintech companies under a new development pattern of “dual circulation”¹.

❖ Promoting coordinated regional development

Based in Anhui, the Bank has established outlets in the four major economic circles of the Yangtze River Delta (Nanjing, Ningbo), Bohai Circle (Beijing), Pearl River Delta (Shenzhen), and Chengdu-Chongqing economic zone (Chengdu). We actively support the economic development of various regions, continuously pay attention to the financial demand of regional development, and strive to build a mutually beneficial development pattern where different regions reinforce complementarity between each other to pursue shared goals. Focusing on the spirit of the important speeches made by General Secretary Xi Jinping during his visit to Anhui and at the “Symposium on solidly promoting the integrated development of the Yangtze River Delta”, the Bank

¹ An economic development pattern that takes domestic development as the mainstay, with domestic and international development reinforcing each other

has issued the “Action Plan for Implementing the Guidance of General Secretary Xi Jinping’s Important Speech in Anhui to Serve the Leap-forward Development for a Better Anhui and Speed Up the Integrating into the Integrated Construction of Yangtze River Delta” (the “Action Plan”) and annual work plans from the fourth quarter of 2020 to 2023, determining 20 major categories key tasks of 66 specific items to be dealt with. Aiming at serving the real economy in a better way, the Action Plan clarifies that capital investment proportions should be continuously increased in strategic emerging industries, technological innovation, advanced manufacturing and green development, and the Bank should strive to become the “pioneer” among banks to support the high-quality integration of the Yangtze River Delta. At the same time, the implementation of the Action Plan will be summarised every half year, and the assessment and monitoring are well performed to ensure that all requirements are fulfilled.

The focus of our analysis and research falls on opportunities in the Yangtze River Delta integration plan and the construction of Shanghai International Financial Centre. The Bank has prepared various special studies and public fund feasibility analysis reports, and promoted the establishment of all kinds of licensed operating institutions regarding fund management, financial leasing subsidiaries, and wealth management professional subsidiaries in Shanghai. At the same time, the Bank has actively participated in various industry exchange activities about promoting the integration of the Yangtze River Delta, such as Fuyang City Promotion and Investment Invitation Conference themed of “Integrating into the Yangtze River Delta and Full Coverage of High-speed Railways”, the kick-off Meeting of Interbank Account Information Verification for Legal Person Banks in the Yangtze River Delta in 2020, etc.

Special training held by the Bank's Party Committee for Understanding and Implementing Xi Jinping's Important Speech spirit of the visit in Anhui and the "symposium on solidly promoting the integrated development of the Yangtze River Delta" in Hefei

On 29 September 2020, the Bank's Party Committee held a special training for understanding and implementing the spirit of the important speeches made by General Secretary Xi Jinping during his visit to Anhui and at the "symposium on solidly promoting the integrated development of the Yangtze River Delta" in Hefei. Experts and professors from the Anhui Provincial Party School and Overseas Education College Shanghai Jiaotong University were invited to the training to share their in-depth and detailed insights. All participants could understand the significance and core meaning of the spirit of General Secretary Xi Jinping's important speech in Anhui, so that staff are able to put them into practice and create value for the Bank.

The Bank participated in the Introduction and Promotion Conference of Commercial Paper Serving Real Economy in Yangtze River Delta

On 16 September 2020, the Bank was invited to participate in the Introduction and Promotion Conference of Commercial Paper Serving Real Economy in Yangtze River Delta held by Shanghai Commercial Paper Exchange Corporation Limited. The conference focused on promoting commercial paper business to serve the real economy and assisting the development of economic and financial integration in the Yangtze River Delta. Hot issues were discussed on the conference, including the dual circulation pattern of domestic and international development, financial market development, support in the development of small, medium and micro enterprises, etc. The integrated development of the Yangtze River Delta was also discussed in all directions and from multiple perspectives. In the future, the Bank will continue to strengthen cooperation with

Shanghai Commercial Paper Exchange Corporation Limited and inter-bank institutions, and provide financial services in the Yangtze River Delta by using innovative commercial paper products to support the development of enterprises in Yangtze River Delta.



❖ Deepening the supply-side structural reform

The Bank deepens reform and innovation to serve the real economy and continues to increase credit supply and financial supply in line with the new round of strategic planning. To realise “capacity reduction, de-stocking, de-leveraging, cost reduction, improving underdeveloped areas” and eliminate businesses of “high energy consumption, high pollution and overcapacity”, the Bank improves the structure of economic resource allocation, supports the development of the national multi-tiered capital market and the structural reform of the financial supply side, comprehensively enhances the quality and effectiveness of services for the real economy, as well as promotes high-quality economic and financial development.

Local economic market is always our target. In 2020, we have been evaluated as “excellent” in the 2019 assessment of serving local real economy development. We have won this honor for many years in a row and been fully approved by Anhui provincial government. We always regard “honest tax payment” as the development philosophy of legitimate business activities. The Bank has been among the top 50 tax payers in Anhui Province and rated Class A taxpayer for several consecutive years as a result of its great

contributions to the stable fiscal revenue growth at various levels. In 2020, the Bank was rated as the “Class A Taxpayer of Anhui Province in 2019” again.

The first credit bond index fund was initiated and custodied by the Bank for exclusive investment in companies within Anhui Province is successfully launched

On 3 August 2020, Harfor ChinaBond - Anhui company credit bond index fund, the first regional credit bond index fund initiated and set up by the Bank, which was officially launched under the custody of the Bank. A total of RMB540 million was raised. It is the first regional credit bond index fund with indexes planned and released in China, and the unique characterised public offering index fund exclusively for the investment in bonds issued by enterprises within Anhui. The successful launch of the fund is helpful to increase the financial support for the real economy, promote the continuous optimisation of the regional economic structure, to decrease the financing costs of enterprises in Anhui Province, so as to provide a better financing environment.

Driving industrial upgrading

To drive the industrial upgrading and implement national strategy of supply-side structural reform, the Bank continues to increase the support for strategic emerging industries and traditional high-quality core manufacturing customers to inject financial strength into the healthy development of local economies.

Zhang Renfu, Deputy Party Secretary and President of the Bank, attended the research symposium on emerging industries and fintech services

On 19 November 2020, Zhang Renfu, Deputy Party Secretary and President of the Bank, was invited to attend the research symposium on emerging industries and fintech services organised and held by China Banking and Insurance Regulatory Commission Anhui Office.

At the meeting, Mr. Zhang introduced the Bank's work plan for supporting Anhui's integration into the Yangtze River Delta, the construction of Anhui Free Trade Zone, the development of emerging industries and technological innovation in Anhui Province, which clarifies our actions to promote the overall and high-quality development of Anhui and the support for the development of emerging industries and technological innovation in Anhui.

In 2020, the Bank gave full support for “promoting the development of major emerging industries and innovation driven modern industrial system” in Anhui, the construction of national high-tech and economic development industrial parks. The Bank also increased the support in major fields including smart manufacturing, integrated circuits, new displays, industrial robots, new energy vehicles, new materials, etc. and provided comprehensive financial services that satisfy customers' needs for “financing + intelligence”. Specifically, credit services were successfully launched for several enterprises from different emerging industries, including Innotron Memory (Hefei 506), Visionox , Chery New Energy, Huiyinbi, etc. Meanwhile, supportive efforts were made in the transformation and upgrading of traditional manufacturing industries such as steel-making:

- As for Hefei 506, the loan balance amounted to about RMB3.52 billion with an increase of approximately RMB850 million;
- As for Visionox, the loan balance amounted to RMB1.48 billion with an increase of RMB1.38 billion;
- As for transformation and upgrading of Anhui Shoukuang Dachang Metal Material, Haoyuan Chemical, Taiheng Chemical and other projects in traditional industries, the loans of RMB1,455 million issued in total;
- As for the transformation and upgrading of JAC, Tongling Nonferrous Metals, Masteel and other traditional pillar enterprises, the working capital loans of more than RMB2.3 billion were provided.

Hefei Branch supported Visionox's AMOLED project



In 2020, Hefei Branch has successful made syndicated loans of RMB1.38 billion for Hefei Visionox project, with the accumulated loans of RMB1.48 billion. Therefore, the construction proceeded smoothly. This project, as the first all-flex AMOLED production line in Anhui, is to construct the sixth-generation all-flex AMOLED production line. The successful operation of this project will further improve the structure of the new display industry in Anhui Province and promote industrial upgrading.

In 2020, in response to the severe impact of the COVID-19 pandemic, the Bank earnestly implemented various national decisions and arrangements on supporting enterprises of real economy, increased the loans, especially medium-term and long-term loans, for manufacturing enterprises. Furthermore, the Bank formulated and distributed the “Guidelines of Huishang Bank to Support Manufacturing Industry for Business Development of Higher Quality” to clarify the arrangements on jobs and responsibilities in a practical manner.

During the reporting period, the balance of hard loans to manufacturing industry amounted to RMB47.021 billion (excluding loans issued by 4 new branches outside the province and excluding the discount), an increase of

RMB4.097 billion or 9.54% from the beginning of the year. Among them, the balance of medium- and long-term loans for manufacturing was RMB13.863 billion, an increase of RMB4.703 billion or 51.34% from the beginning of the year; the balance of credit loans for manufacturing was RMB11.385 billion, an increase of RMB3.773 billion or 49.56% from the beginning of the year.

Supporting innovative entrepreneurship

❖Facilitating the development of innovative technology enterprises

To facilitate the high-quality development of innovative technology enterprises in Anhui Province, the Bank strives to help them overcome financing difficulties by improving the comprehensive service system for innovative technology enterprises, so as to ensure that those enterprises are able to capitalise on our effective financial support for their development.

Aiming at the financing demand of technology enterprises for the recruitment of scientific research talents, R&D investment and scientific research achievements, we have launched “Technology-e-Loan” and “Guarantee-e-Loan” to enable fully automated loan services online to help enterprises resolve the difficulties in guarantee loans and mortgage loans. As at the end of the reporting period, the Bank secured the first place as for market share in technology finance in Anhui Province. The balance of loans to technology enterprises amounted to RMB35.289 billion, an increase of RMB7.606 billion or 27.48% from the beginning of the year, serving 2,291 innovative technology enterprises, an increase of 632 or 38.09% from the beginning of the year.

❖Encouraging personal entrepreneurship

In order to feasibly promote “mass entrepreneurship and innovation initiates” and satisfy the financing demand of entrepreneur and re-employment customers, we actively explore innovative business modes and have launched online personal entrepreneurial mortgage loans such as “Entrepreneurship Loan” and “Qingyidai”. As at the end of the reporting period, the balance of the Bank’s entrepreneurship loan amounted to RMB474.96 million, serving 2,490 customers.

Tongling Branch successfully launched “Qingyidai” for youth entrepreneurship



Since the outbreak of COVID-19, Tongling Branch has actively worked with Tongling Youth League Committee and the Municipal Committee to build a strategic partnership and jointly launched “Qingyidai”. “Petty loan card”, a credit loan service, is available for youth entrepreneurs who are eligible for our credit loan policies to help them overcome difficulties. On 31 March 2020, Tongling Branch issued the first loan of “Qingyidai” successfully.

Securing victory against extreme poverty

2020 was the end year of poverty alleviation work, while Anhui Province faced double challenges from the pandemic and the flood. With thorough study and implementation of the spirit of General Secretary Xi Jinping’s important speeches on targeted poverty alleviation, the Bank strived to address two problems at once, the “pandemic prevention and control and flood prevention and disaster relief” and the “poverty alleviation”, with equal importance attached to each. In 2020, the Bank’s poverty alleviation work continued in an effective manner. In addition, we worked wholeheartedly on the construction of credit villages led by Party building. All of poverty-stricken villages under targeted assistance were successfully removed from the list of poverty, and poverty alleviation targets helped by the Bank and those assisted by cadres were all lifted out of poverty. The Bank won the “Top Contribution Award for Targeted Poverty Alleviation”, the “Best Practice Award for Corporate Social Responsibility”, etc. of China banking Association.

Implementing pairing-off assistance in poverty alleviation

The Bank’s Party Committee attached great importance to targeted poverty alleviation work, set up village-based poverty alleviation teams to earnestly carry out the activity of “Concerted Visits and Assistance Month”, and steadily

promoted the implementation of various poverty alleviation measures such as poverty alleviation by industry and poverty alleviation by education.

The Bank actively supported and helped the impoverished people on the employment, and continued to promote the development of special industries which help them increase income. In addition, the Bank steadily figured out more industrial poverty alleviation measures, helped regional collective enterprises and impoverished people to effectively prevent the phenomenon of returning to poverty.



Zhang Renfu, Deputy Party Secretary and President of the Bank, went to the targeted poverty alleviation places for survey

The Bank assisted Yingshang County of Fuyang - loans to poverty alleviation through ecological forestry

Yingshang Sub-branch bank of Fuyang integrated ecology, industry and poverty alleviation to explore a new way of poverty alleviation - ecological forestry loan for poverty alleviation. In this model, a village-based professional cooperative was set up, recruiting poverty-stricken households who were willing to participate in tree planting as members, and Yingshang Branch issued petty loans for poverty alleviation to poverty-stricken households. The poverty-stricken households entrusted the professional cooperative to pool funds to purchase tree seedlings from garden companies, and participated in tree planting and seedling maintenance. The garden company provided technical training for free, and signed a

seedling repurchase agreement with the professional cooperative. At the same time, poor households who were healthy and strong were selected as forest guards. When the trees were sold, after returning the poverty alleviation loan, the remaining profits were the economic income for those households.

As at the end of the year, the Bank released loans of more than RMB16.91 million and served a total of 523 households in 15 major poverty-stricken villages on a priority basis.

In 2020, in the face of the outbreak of COVID-19 in the first half of the year and the peculiar flood in the second half of the year, our poverty alleviation teams in the villages were quickly reorganised as pandemic prevention and control teams and flood prevention teams. They directly involved themselves in the anti-pandemic frontline to ensure the production and livelihood and safeguard the health and safety of residents in the targeted villages.

During the reporting period, the Bank dispatched 12 poverty alleviation teams and 34 cadres to assist 1,464 impoverished households. As at the end of 2020, the 25 poverty-stricken villages the Bank was responsible for were all been removed from the poverty list, and the impoverished households contracted to our cadres were all lifted out of the poverty.

Strengthening financial poverty alleviation

Strictly following the important instructions by General Secretary Xi Jinping on poverty alleviation, the Bank earnestly carried out the “Implementation Plan of Huishang Bank to Establish a Long-term Mechanism of Financial Poverty Alleviation Measures” and successfully completed the “Three-year Action Plan for Financial Poverty Alleviation Measures”. The resource allocation at the three levels of “region, industry and impoverished households” were continuously optimised to win the battle against poverty.

Financial products were appropriately designed for infrastructure, basic public services, relocation of impoverished people, etc. According to project features, financial support was built up in livelihood projects such as municipal works,

roads and bridges, garbage disposal, water conservancy, environmental protection, etc.

Chizhou Branch successfully released the first syndicated loan of RMB200 million for the “Good Rural Roads” PPP project

On 24 March 2020, Chizhou Branch successfully released the first syndicated loan of RMB200 million to Chizhou Sihao Highway Construction Management Co., Ltd. for the “Good Rural Roads” PPP project.



To improve the traffic condition in rural areas, this project absorbed a total investment of approximately RMB1.5 billion to upgrade more than 600 rural roads with a length of nearly 300km in total in Guichi District of Chizhou City.

Through an increase in the provision of credit loans for poverty alleviation, the Bank effectively satisfied the demand of impoverished people for financial business in daily operation, housing renovation and moderate expansion of consumption and supported the steady development of local economy, thus achieving the win-win situation in terms of consolidated poverty alleviation achievements and rural revitalisation. After the outbreak of the pandemic, the Bank promptly arranged branches to find out if there are any customers of micro credits for poverty alleviation who suffer repayment difficulties and want loan renewal, deferred repayment or additional loans due to the impact of the pandemic, and make them notified of various relief measures during the pandemic. Meanwhile, the Bank optimised the business processes to speed up the assessment and approval, effectively providing financial services for poverty alleviation during the pandemic. In addition, the Bank continued to improve the information management of targeted poverty alleviation loans by consolidating the quality of statistical data and strived to achieve full coverage

of basic financial services, so as to improve the sustainability of financial poverty alleviation.

During the reporting period, the Bank accumulatively issued loans of RMB4.357 billion for poverty alleviation, an increase of RMB895 million or 25.9% from the beginning of the year; and petty loans of RMB1.01 billion for poverty alleviation accumulatively; 26 thousand registered poor households were benefited.

Strengthening poverty alleviation through promoting consumer spending on products from poor areas

Poverty alleviation through promoting consumer spending on products from poor areas is critical to promote industrial transformation and upgrading in poor areas and help the impoverished population steadily increase their income and get out of poverty. In accordance with the actual situation of the areas to be supported, the Bank gradually formulated a long-term mechanism for poverty alleviation through promoting consumer spending in an active and innovative manner.

In 2020, in order to further promote the poverty alleviation through promoting consumer spending, the Bank organised relevant departments of the head office and branches to carry out the campaign of “Month of Poverty Alleviation through Promoting Consumer Spending”. During the campaign, we carried out various forms of consumption poverty alleviation activities, such as special workshop, released proposals, coordinated production and sales , set up smart counters in the outlets, and promoted poverty alleviation through promoting tourism consumption.

At the same time, we actively participated in the exhibitions of high-quality poverty alleviation specialities in Anhui Province. By virtue of mobile banking and Huiyin e+, we tried to enable “consumption to help farmers” through the launch of a series of online activities of poverty alleviation through promoting

consumer spending. In doing so, the impoverished people in poor areas are able to sell agricultural products via more channels, which is conducive to the promotion and sales of poverty alleviation products.



“Huiyin e+” - poverty alleviation activities in the series

The Bank organised a Party day with the theme of “concerted efforts in poverty alleviation through promoting consumer spending - a road to success”

On 30 September 2020, the Bank organised the staff to actively participate in the trade fair of Anhui targeted poverty alleviation achievements and provincial high-quality poverty alleviation specialities. In this way, the Party members and the staff had a chance to practise the efforts to poverty alleviation through promoting consumer spending in a vivid way.



During the fair, “Wangzhou taro” attracted a number of purchase people and became a very hot product. Wangzhou refers to Wangzhou Village, which is one of the Bank’s targeted assistance villages in Sixian County, Suzhou City, Anhui Province. To offer support in poverty alleviation through promoting consumer spending, the Bank concluded an agreement of RMB100 thousand on the production and sales of agricultural products for poverty alleviation with targeted assistance villages on the fair.

A poverty alleviation mall was launched on the Bank's mobile banking in favour of poverty alleviation through promoting consumer spending

A special section named "A Good Life in Anhui" was set up and a poverty alleviation mall was attached to mobile banking for helping and benefiting farmers, and promoting poverty alleviation through promoting consumer spending.



More than 270 kinds of agricultural specialties and poverty alleviation products with local characteristics in Anhui are available in the mall. Online payment is acceptable and whole-process logistics and after-sale service are provided. This initiative not only satisfied the financial and consumer demand of customers, but also demonstrated the Bank's sense of social responsibility in fulfilling poverty alleviation.

The Bank extensively carries out campaign of "Month of Poverty Alleviation through Promoting Consumer Spending"

In September 2020, the Bank extensively carried out campaign of "Month of Poverty Alleviation through Promoting Consumer Spending" to actively open more channels for sales of products in poor areas, helping the impoverished people to win the battle against poverty.



We successfully got connected with the leading local companies of agricultural products in Hotan of Xinjiang and concluded a procurement contract of more than RMB370 thousand with Xinjiang Hetian Fruit Industry Co., Ltd.

In addition, the Bank actively expanded online and offline sales channels for Shitai County of Chizhou City and Yuexi County of Anqing City, which were two major poverty-stricken counties in Anhui. In addition to set up a counter for the sale of poverty alleviation products in the canteen of the head office, we also spared a special section of poverty alleviation on the online platform to establish a long-term support mechanism.

Developing inclusive finance

Thoroughly implementing national policies on inclusive finance, the Bank has established inclusive finance department as Level I department in the head office and continues to promote the inclusive finance development through building inclusive finance service system. We are committed to providing high-quality and effective financial services to different groups including farmers, private enterprises, small and micro enterprises, etc., enabling more people to appreciate benefits of financial services and jointly enhancing social welfare.

Fuelling the Rural Revitalization

The Bank vigorously carried out strategies and policies to fuel the rural revitalization. We formulated the Action Plan for Rural Revitalisation in 2020 from the perspectives of serving the key fields, expansion of channels and safeguard measures for rural revitalisation. More financial resources were allocated to weak links of rural economic development in order to increase the coverage of inclusive finance service in rural areas and improve customers' sense of achievement and satisfaction, thus helping improve the civilisation of the countryside and rural governance. During the reporting period, the balance of agro-related loans was RMB116.96billion, an increase of RMB22.99 billion and covering 21.13% of the Bank's total loans.

❖ Higher service availability

In order to make it more convenient for residents in rural areas to enjoy financial services, the Bank expanded the outlets to rural areas, innovate services and optimised service process. We strived to allow farmers to enjoy effective and all-round financial service and drive rural revitalisation with financial strength.

Broadening service channels

We actively propelled the construction of the financial service channels for “agriculture, farmers and rural places”. During the reporting period, the Bank achieved full coverage of outlets and branches in every county within Anhui Province, with 100 Huinong sub-branches and 156 rural outlets established in counties and towns. In addition, credit services such as online products, online services and platforms were provided to meet the needs of farmers, so that they could enjoy modern financial services within the villages.

Improving the efficiency of approval

A green channel has been opened up for farmers, providing preferential and priority services in terms of loan interest rate, loan limit, credit approval, process optimisation, business management, etc.

Full county coverage

The Bank has achieved full coverage of the rural revitalisation series products in the county. During the reporting period, the Bank’s rural revitalisation loans accumulated to over RMB14 billion with an additional loan of RMB6.836 billion released.

❖ Innovating products of “agriculture, rural areas, and farmers”

Through integrating Huinong sub-branches, Huinong Card, Huinong Loan, Huinong Tong, the Bank has established an inclusive financial product system with strong market competitiveness that combines general products with exclusive products, and has built a rural inclusive financial service system with

the characteristics of the Bank. In response to the call for “supporting agriculture, farmers and rural places”, the Bank conducted a research on the structure of regional farmers and characteristic agriculture in depth and developed innovative and characteristic products. Special agricultural products and service modes were created to meet farmers’ financial demand.

<p>Huinongong Loan</p>	<p>According to the business scenarios of the targeted customer groups, this product are divided into loans including “Golden Grain Loan” , “Gold Leaf Loan” , “Golden Farming Loan” and “Golden Operation Loan” , etc. During the reporting period, the bank developed a total of more than 20 featured products or customised solutions of “Huinong Loan” .</p>
<p>Loans with mortgage of “two rights”</p>	<p>The Bank actively cooperated with local governments in Anhui Province to carry out the pilot project of loans with mortgage of “two rights” (the right to contractual operation of rural land and farmers’ housing property rights), and accelerated the loan release through coordination of survey promotion, special trainings, business stimuli. During the reporting period, the loans with mortgage of “two rights” released by the Bank accumulated to RMB23.05 million.</p>

❖ Building credit villages

In order to drive the construction of rural customs and civilisation, improve the rural governance, the Bank has developed a plan for credit village construction, actively building demonstration models and promoting the popularisation of financial knowledge over rural areas. We strived to create a leading brand strongly featured by Huishang Bank in the construction of credit villages to effectively promote the economic and social development in rural areas.

The Bank collected household information and promoted credit rating assessment. Around the “financial” or “non-financial” demand of “credit users”, we innovatively designed a “Huiyin credit product package” to provide deposits, wealth management, payment, settlement, credit card and other financial services.

The Bank made major efforts in the development of new agricultural business entities in credit villages and vigorously cultivated village-level special industries such as green ecological planting and farming, rural tourism, etc. We actively promoted the industry driven mode of “bank + company + farmer”, so as to create an influential and leading “brand of credit agriculture”.

In addition, to allow credit users to enjoy comprehensive, convenient and caring multi-level services, the Bank was committed to innovating result scenario application by providing a “credit life service package” with special life services including credit bus, credit book borrowing, preferential physical examination, migrant worker shuttle, supermarket coupons, agricultural product promotion, payment agency, appointment agency with doctors.

Suzhou Branch performed “publicity video going to the countryside” activity in a targeted village under the construction of credit villages led by party building

On 21 October 2020, Suzhou Branch performed “publicity video going to the countryside” activity in a targeted village under the construction of



credit villages led by party building. With the financial service point of credit village as a platform, the activity materially improved villagers’ awareness of finance by broadcasting the promotional videos about credit village construction, financial knowledge popularisation videos and distributing relevant leaflets.

Supporting private, small and micro enterprises

Focusing on the work arrangements of the China Banking and Insurance Regulatory Commission (CBIRC), the Bank successively issued documents such as the “Implementation Opinions of Huishang Bank on Supporting the Development of Private Enterprises” and the “Special Improvement Plan of Huishang Bank to Further Strengthen the Financial Services of Small, Medium and Micro Enterprises”, which confirmed the Bank’s action plan to support the development of private, small and micro enterprises.

During the reporting period, the private enterprise loan balance was RMB141.058 billion, an increase of RMB20.107 billion over the same period of previous year. The “two increases and two controls” loan balance was RMB68.655 billion, an increase of 30.57% from the beginning of the year.

❖ Strengthening policy and guideline

The Bank was committed to precise loan release and increased effective loan placement in a legal and compliant manner to support the development of high-quality private, small and micro enterprises in various industries. In specific, the Bank actively optimised the credit policy to support the financing of private, small and micro enterprises on the principle of “only valuing the performance of enterprises instead of considering their ownership, scale, industry”. In the credit authorisation evaluation, the Bank took multiple measures such as policy guidance, innovative review methods, equal treatment of enterprises in different forms of ownership, delegation of credit authorisation, cost reductions and benefits surrendering, acceleration of evaluation and higher efficiency by assessment on business line performance, etc. to offer favourable policies including:

Internal policies

- Strengthening the policy guidance to stimulate the enthusiasm of serving private enterprises and small and micro enterprises.

Business line assessment

- Moderately prioritising businesses relating to pandemic prevention and controls, with support for the resumption of work and production of small and micro enterprises, private enterprises and other key fields included into the assessment index system.

Credit resources

- Increasing support and ramping up efforts to issue more loans.

Product pricing policy

- A certain preferential for alleviating the difficulties in accessing affordable financing.

Asset quality

- A certain degree of tolerance to help enterprises to alleviate difficulties.

❖ Innovating online products

The Bank always strives to provide professional and efficient financial services to private, small and micro enterprises, of which the high-quality customers are included in the “white list”. They could enjoy differentiated online and convenient services as we optimised the process of assessment and approval accordingly and innovated online products.

Credit-e-Loan: Leveraging the big data technology, this product provides credit loan business for small enterprises under lawful operation through online application acceptance and approval based on the credit information of small enterprises and legal representatives. During the reporting period, the Bank released “Credit-e-Loan” of RMB24.628 billion to 6,536 private, small and micro enterprises, effectively alleviating the difficulties faced by enterprises in accessing affordable financing.



Supply Chain Finance: This product is designed to provide an on-line financial support channel for suppliers in the supply chain based on credits of core enterprises, so to activate the accounts receivable of enterprises and lower their financing costs. During the reporting period, the Supply Chain Finance product released 510 financing funds totalling RMB911 million to 274 upstream suppliers of more than 40 core enterprises. 99% of the funds were invested in private enterprises and 90% were invested in inclusive small and micro enterprises.



Micro-Internet-Loan: This Micro-Internet-Loan product is designed to provide small and micro enterprises, individual industrial and business owners and other small and micro customer groups a customised, full-process self-help on-line loan service, which greatly improves the efficiency of loan approval and customer experience. As at the end of the reporting period, this business had invested a total of RMB3.491 billion, an increase of RMB2.035 billion from the beginning of the year.



Our inclusive finance products were awarded as “Top 10 Inclusive Finance Innovative Products”



On the “2020 China Financial Innovation and Development Forum” held on 23 December 2020 by *Hong Kong Commercial Daily* and Institute of Digital Finance of Peking University and other organisations, our Fast-e-Loan, Micro-Internet-Loan and other inclusive financial products were awarded as “Top 10 Inclusive Finance Innovative Products”. It was a full recognition of the achievements we have made to push forward the digital transformation of inclusive finance.

❖ Building communication channels

In 2020, we bucked pressure from the epidemic and proactively implemented the “allowing banks offer financial support to small & micro enterprises” initiative. We visited 27 thousand small and micro enterprises to learn about their operations and introduced our financial service policies to them.

With the goal of enhancing customer value, we actively built the “Small Giant” and “Eyas” enterprise service brands, and developed long-term cooperation relation with small enterprises with certain development potential and prospects. We created six major service platforms of “financial services, cooperation and exchange, project docking, policy information, entrepreneur growth, and integrity culture”. As of the end of the reporting period, the Bank has cultivated 319 “Small Giant” customers and 159 “Eyas” customers, established 22 “Small Giant” clubs at head office-level and branch-level, including 1 head office-level club, 40 enterprise members, 11 branch-level clubs, 10 sub-branch-level clubs and more than 300 enterprise members.

Huishang Bank was assessed as “Excellent” in the 2020 “Four Frees, One Service” appraisal in Anhui Province

In 2020, we designated four business specialists to take part in the “Four Frees, One Service” and “Three Supports, Three Upholds” (support prefecture-level cities to stabilise the whole province, support enterprises to stabilise development and support projects to stabilise investment, uphold domestic demands to expand the market, uphold financial activity to make economy more vibrant and uphold operations to guarantee people’s livelihood) actions in Wuhu, Tongling, Chizhou and Huangshan, to help boost bank-enterprise cooperation. Huishang Bank was assessed as “Excellent” in the 2020 performance appraisal of “Four Frees, One Service” action in Anhui Province.

We successfully completed the “allowing banks offer financial support to small & micro enterprises” initiative

As required by Anhui Provincial Committee, the People’s Government of Anhui Province and related regulators, we started the “allowing banks offer financial support to small & micro enterprises” action since December 2019. As of the end of 2020, we visited 27,002 small and micro enterprises in total and received feedbacks in the form of questionnaires from all of them, successfully completing our work goals set by regulators.



Benefiting people's well-being

As a city commercial bank, we have been positioning ourselves to “serving the public”. We continued developing convenient financial services and investing more in the areas relating to people's livelihood, such as medical care, culture, social security, living and consumption, devoting to meeting the demands of the public.

Contributing to people's livelihood projects

We increase financial supports to such areas as construction of infrastructure, affordable housing projects, convenient medical services, culture, education, sanitation and tourism, to effectively address issues related to and meet diversified demands concerning the people's livelihood.

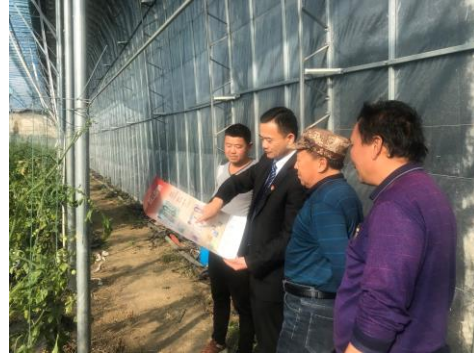
In 2020, we set up the first “Huishang Bank Special Bonds Alliance” in Anhui Province, which aims to gather professional service capacities of the Bank and leading engineering consulting organs, accounting firms, law firms in the industry to better serve the construction of people's livelihood projects. During the reporting period, this Alliance had provided services for over 60 special bonds projects in Anhui and issued over RMB52 billion special bonds to support major people's livelihood projects, becoming a key financial institution serving special bonds projects in Anhui.

❖ Promoting infrastructure construction

The Bank continued to increase financial support in the fields of transportation, water conservancy, energy, ecological and environmental protection, agriculture and rural areas, new urbanisation, disaster prevention and mitigation, information networks, modern logistics, and other weakness areas requiring strengthening and infrastructure construction areas. During the reporting period, the Bank's infrastructure loan balance reached RMB185.268 billion, with an increase of RMB59.371 billion from the beginning of the year and an accumulated input of more than RMB70 billion in this year.



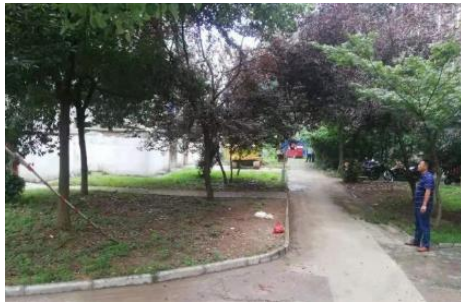
Lu'an Branch - Municipal Road PPP Project in Huoqiu County



Suzhou Branch - Sewage Disposal Plant Project in Suzhou Economic Development Zone

❖ Advancing affordable housing projects

The Bank actively supported the construction of affordable housing projects and participated in rebuilding of shanty towns and construction of ancillary facilities, to improve the living environment and conditions of the public. During the reporting period, the loan balance for affordable housing projects was approximately RMB40 billion, with a loan increase in the year of over RMB1.5 billion.



Tongling Branch - Old Communities in Tongling before renovation



Tongling Branch - Old Communities in Tongling after renovation

❖ Assisting in culture, education, sanitation and tourism

The Bank continues investing in culture, education, sanitation and tourism. In 2020, we increased investment in medical care and sanitation fields, and introduced new cooperation models between the Bank and hospitals. To be specific, we managed to launch the third generation of social security card

business and added medical care functions in our mobile banking, such as online registration, payment and online enquiry.



Chuzhou Branch - Chuzhou Minghu Cultural Tourism PPP Project



Chizhou Branch - Cooperation Signing Ceremony of "Bank-Hospital Pass"

Convenient payment

The Bank practised the “people-orientated payment” concept, and actively carried out project construction for mobile convenient payments adhering to the service notion of “for the convenience of, the favour of and the good of the people”, promoting the sustainable and sound development of retail payment market.

We upgraded the second generation payment system to broaden our payment & clearing channels and improve our payment service ability. This upgraded system supports mobile payment by phone number and expands mobile payment scenarios to meet the diversified demands of the public for payment and clearing.

In order to implement the construction of mobile convenient payment project initiated by the People’s Bank of China and practice the “people-orientated payment” concept and practice the concept of payment from the people, we issued the “Notice on Launching Marketing Activities for Construction of



Mobile banking - fingerprint gesture password

Mobile Convenient Payment Projects in 2020” and carried out promotion activities of convenience mobile payment project in the whole bank. We broke down and assigned the indicator of convenient mobile payments project to each level, conducted special training and organised all our branches to promote the construction of this project. Centring on the service notion of “for the convenience of, the favour of and the good of the people”, we carried out a series of marketing activities, including “activating businesses around bank outlets”, “digital vouchers”, “Bed & Breakfast discount of Huishang Bank” and “pay with UnionPay to enjoy a random discount”, which have successfully led to the increase of mobile payment.

The Bank launched the “Campus e-Pay”, an online and multi-channel campus payment product



On 11 December 2020, we launched the “Campus e-Pay”, an online and multi-channel campus payment product. It assists the collection of tuition fees, exam fees, books fees and other expenses of university, middle school, primary school and kindergarten, etc., achieving “zero-touch” online expense collection.

Advancing consumer finance

To promote transformation of consumer loans from offline to online, we actively advanced the innovation of online consumer credit loans and launched “Fast-e-Loan” covering housing fund, social security, tax and existing customers. Customers can apply through mobile banking, and complete the use of credit line and loan withdrawal and repayment through electronic channels. The entire process is operated online without manual intervention.

In 2020, in order to scale up our product coverage, we cooperated with housing fund centres at municipal level in Anhui Province to realise direct account inquiry of housing fund data. Since the introduction of “Fast-e-loan” products,

the Bank issued loans of RMB19.295 billion in total to 94.7 thousand customers, with a loan balance of RMB7.159 billion.

Our credit card centre launched various general and special credit card activities online and offline, such as “Bed & Breakfast discount of Huishang Bank”, “618 shopping spree”, “gift for monthly credit-card consumption”. These activities pushed the development of our credit card business while enriching lives of the public and stimulating consumption, playing an active role in stimulating economic recovery after the epidemic.



Bed & Breakfast discount of Huishang Bank



Living on car credit card

Empowering better user experience with technology

Centring on digital transformation, we clarify corresponding development goals, business strategies and construction of middle and back-end support system, and commit to advance the protection of customers' rights and interests through technology-empowered business development, innovation, management improvement and customer services, in an effort to build us into a first-class digital bank with smart, considerate, professional and quick-response services.

Enjoy smart life

The Bank continuously provides personalised, convenient and innovative products & services to enrich financial and non-financial service modes, and strives to build an entire-process digital bank for all customers that supports a full range of businesses and covers all channels, providing customers with supreme services and an intelligent life experience.

Intelligent data processing

Through digital transformation of core system, application, process and ecosystem, we create powerful backend supports to all service lines of the head office and branches, and deepen the application of digital models to steadily drive the business innovation and digital transformation.

We have developed an enterprise level big data platform architecture, aiming to create an integrated architecture that takes “data warehouse as the core and big data storage platform as the extension”. Relying on the architecture of open banking, our cloud platform for transaction banking seamlessly embeds financial services into the daily operation of enterprises. For the transaction banking project, we create a brand-new banking system based on personalised and scenario-based financial demands. This system enhances our financial services, provides effective supports to business innovation and development of the banking industry and is able to better serve the



Transaction banking cloud platform - Second Prize of Banking Scientific and Technological Progress Award in 2019

development of local economy, marking an important achievement along the Fintech transformation.

For the “Credit-e-Loan” project, we build a big data-based risk evaluation and decision-making model with targeted risk control variables and strategies. In addition, we make comprehensive judgement on the credit behaviour and performance capability of customers and draw customer credit profiles to identify customer risks and make loan decisions, aiming to provide convenient and high-quality financial services for enterprises and serve the development of the real economy.

In September 2020, the *Internet Distributed Architecture-based Transaction Banking Cloud Platform* and the *Big Data-Driven “Credit-e-Loan” Project for Small Enterprises* were awarded the second prize and third prize of banking scientific and technological progress award respectively, reflecting the regulators’ recognition of our scientific and technological innovative achievements.

We have built a big data model lab and introduced independent big data calculation resources and over 30 sets of information system data. This lab provides a platform to control the whole life cycle of model development, testing, monitoring and operation, and creates a secure environment for agile exploration of business data and data mining and modelling. In 2020, this lab undertook the R&D and optimisation of 15 business product models and assisted business departments in making good management decisions, precision client marketing, risk delicacy management and product renewal and innovation through data analysis and demand exploration.

Gao Guangcheng, member of the Party Committee and Executive Vice President of the Huishang Bank, attended the “Open Finance Union” and “Open Finance and Future Forum”

Gao Guangcheng, member of the Party Committee and Executive Vice President of the Huishang Bank was invited to attend the “Open Finance Union” and “Open Finance and Future Forum” held on 25 September 2020 in Shanghai. As a member of “Open Finance Union”, Gao Guangchen, member of the Party Committee and Executive Vice President, on behalf of the Bank, signed the “Open Finance Union” cooperative agreement. This marked that the Bank would join hands with the other 11 members to create an open finance union with global influence, national leadership and industry competitiveness, opening a new page for financial development.



Efficient financial channels

The Bank insists on the “mobile payment first” strategy and gives priority to improve mobile banking, e-banking and WeChat banking, for which, we upgraded the finance sector of Huichangyoucai APP, built the Direct Bank Intelligent Marketing Platform 1.0 which aims at building an online one-stop service mode targeted at different scenarios and individual demands. By doing so, we streamlined the handling procedures, saved business handling time and provided multi-channel, efficient and convenient mobile financial services for different types of customers.

❖ Personal online banking

In 2020, the Bank upgraded the Personal Online Banking 3.0 and redesigned its functional layout to present a better visual and interactive effect. In addition, we optimised the personalised functions of e-banking, enhanced interconnection with mobile banking and WeChat banking, greatly improving the service efficiency and customer experience. The Personal Online Banking 3.0, an online financial service tool enables customers to enjoy specialised and personalised financial services at home, such as balance check, account management, credit card repayment. As at the end of the reporting period, the Bank had 5.824 million personal online banking clients, handled 13.5385 million accounting transactions in the whole year, and reached the transaction amount of RMB796.821 billion.

❖ Mobile banking

The Bank aims at designing an “User-friendly, Distinctive, Secure” mobile banking APP and launches a new special version which offers customers eye-catching and concise experience. This APP will automatically recommend general version or special version to customers based on their ages, and customers can switch at will between the two versions, leaving a brand-new user experience. As at the end of the reporting period, the Bank had 6.0344 million mobile banking clients, handled 39.0245 million accounting transactions in the whole year, up by 36.92% year-on-year, and reached the transaction amount of RMB1,313.816 billion, up by 73.73% year-on-year.



Mobile banking - smarter and easier

❖ Huichangyoucai

As the direct banking platform successfully built by the Huishang Bank, “Huichangyoucai” realises “cloud marketing”, “cloud operating” and “cloud

servicing” and covers products such as treasure basin, treasure basin+, fixed term products, funds supermarket to meet diversified financial demands of customers.



6th anniversary of Huichangyoucai

In 2020, Huichangyoucai was awarded “2020 Hurun New Finance Top 100”, “2020 Outstanding Direct Bank Innovation Award”, “2020 Best Direct Bank” and others. As at the end of the reporting period, the number of direct banking account of the Bank exceeded 22 million, the accumulated trading volume of wealth products surpassed RMB55.852 billion, the accumulative launch of loans was RMB64.490 billion, and the balance of loans reached RMB14.327 billion.

Transaction banking product series

In 2020, the Bank classified all product series as “Transaction Assets”, “Transaction Liabilities” and “Transaction Services” based on customers’ demands, and tried best to boost the digitalisation and scenario-based application of these three segments.

❖“Finance” series - activate assets

We launched the financing series products covering Supply Chain Finance, Notes Pool Finance, Medical Care Finance and Government Affairs Finance, and developed bill products represented by online billing, online discounting, enabling whole online operations from financing application to second-quick loan issuance.

❖“Connect” series - deposit liabilities

We launched the connecting series cash management products including Bidding Funds Connect, Case Funds Connect and Real Estate Transaction Funds Connect, developed and renewed our cross-bank capital collection

products, such as Government Assets Connect, and introduced scenario-based cash management products, such as Ruyi Account.

❖“Easy” series - improve services

We developed products covering Easy to Collect Bills, Easy to Make Remittance, Easy to Open Certificates and Online Electronic Guarantee, to transfer traditional financial service from offline to online, streamline approval process, shorten approval time, effectively improving customer experience.



“Finance”, “Connect” and “Easy” series products

Business product online

In view of scenarios at all industries, we developed and launched a series of online products, such as Technology-e-Loan, Guarantee-e-Loan, Micro-e-Loan, Manufacturing-e-Loan, which provided a total of RMB1.53 billion loans to 522 customers. We continue expanding capital issuance in Credit-e-Loan, Fast-e-Loan, Micro-Internet-Loan, Hui-e-Loan, with an accumulated balance of RMB20.63 billion at the end of the year.

As at 31 December 2020, the balance of Fast-e-Loan was RMB7.159 billion and the balance of Micro-Internet-Loan was RMB3.491 billion.

Online intelligent customer service

The intelligent customer service system realises intelligent and digital operation by using artificial intelligence technology such as semantic recognition, data mining and model analysis, and creates intelligent tools like the intelligent robot Xiaowan, intelligent voice navigation and intelligent calling system. These tools guarantee uninterrupted online services in the case of booming of incoming calls, epidemic prevention & control, etc.

In 2020, our intelligent customer service system covered nine business channels. At the same time, we updated the online interactive function of this system and added a Rich Media to help customers understand business and product functions quickly. With the joint efforts of man-machine coordination dual mode of “intelligent customer service + online customer service” to respond to customers in real time, we improved our service ability and saved online consulting and business processing time for customers.

Our Customer Service Centre received three professional evaluation awards relating to “integrative competence”, “customer service ability” and “innovative application ability” in the “Comprehensive Evaluation of Banking Customer Service Centre and Remote Banking in 2020” activity held by China Banking Association.

Huiyin e+ platform

We set up Huiyin e+ personal comprehensive service platform for non-financial services (“Huiyin e+”) to further improve our featured retail non-financial services ecosystem. The platform contains five functional modules,



Intelligent robot Xiaowan



Huiyin e+

namely credit mall, regional discount, tourism finance, value-added services and Huiyin dining room. We explore deep into customers' demands and set up welfare zones such as social security cards, military-supported card, cards for sports association for the aged. Also, we carry out theme activities like seasonal goods theme, Happy Wednesday, Friday coupons to meet the increasing non-financial demands of our retail customers. By the end of 2020, the cumulative registered customers of Huiyin e+ reached 398.6 thousand, with the average monthly growth of 16.8%; the number of

accumulated sales was 77,209, with the average monthly increase of 25.7%; and the accumulative credits consumption recorded 1.513 billion points, with the average growth of 23.9% per month.

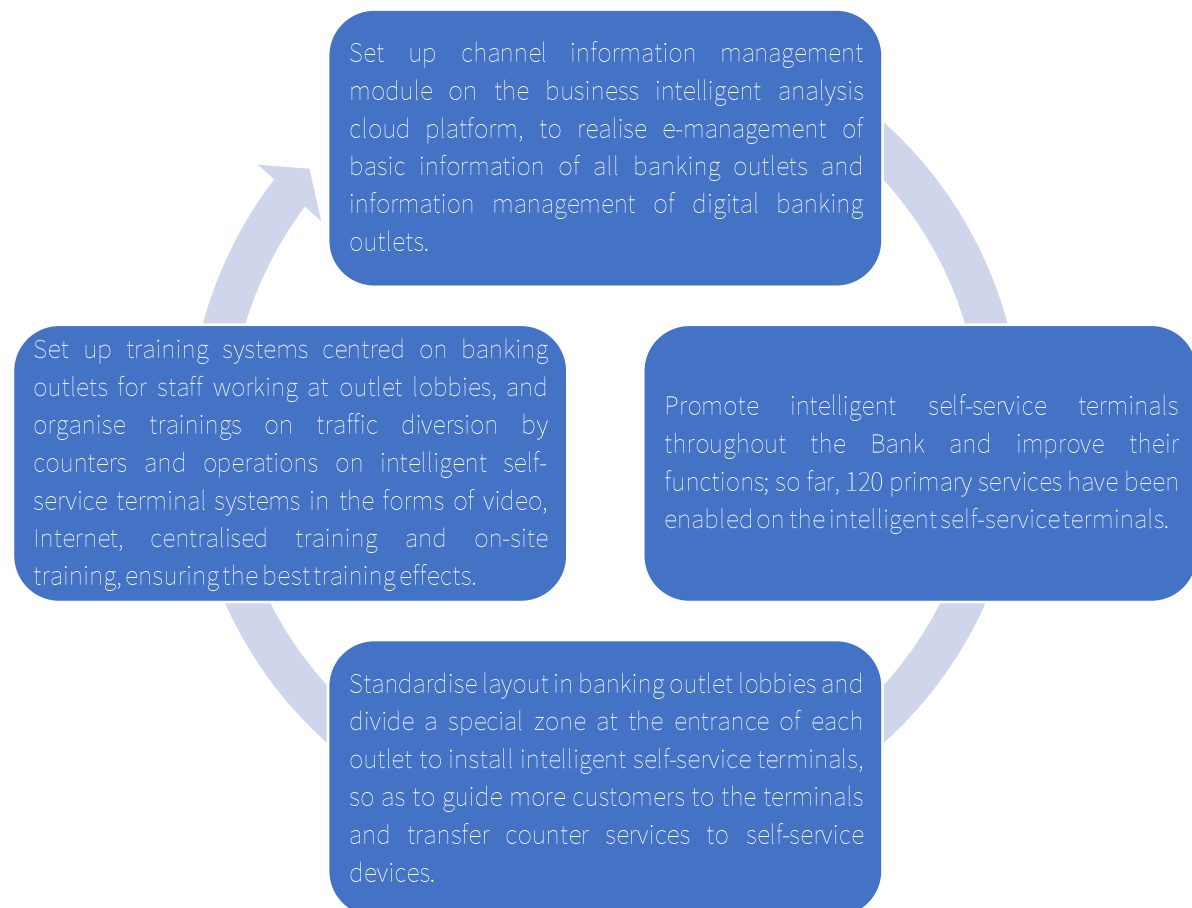
Considerate services at bank outlets

Centring on “customer centric”, we continue to standardise services at our outlets and focus on the idea of “all for improving our operating efficiency and front-line business” and strive to build more intelligent bank outlets to provide diversified convenience services and raise our service level.

Intelligent transformation of outlets

The Bank has set up a leading group for outlet channel transformation, and formulated the “Guiding Opinions on the Standardised Configuration of Equipment in Huishang Bank Outlets” and the “Standardisation Manual for Banking Outlet Images”, which specify 16 priorities of the transformation and upgrading of bank outlets, aiming to build new outlets featured by “friendship, care, expertise and cutting edge” by taking the “digitisation” as the foundation,

“intelligence” as the core, “specialised service” as the direction, and “openness” as the extension. In 2020, we continued to optimise the layout of intelligent banking outlets from the following aspects:



By the end of 2020, the Bank had established 481 outlets, 654 self-service banking zones (outlets) and installed 2,019 units of self-service equipment in total, including 1,258 cash recycling systems (CRS), 731 self-service terminals and 30 ATMs (Automatic Telling Machine).

The head office promoted construction of pilot banks with transformation and upgrading of outlet channels

Our head office selected two sub-branches of Lu'an Branch and Anqing Branch as pilot outlets to promote the transformation and upgrading of outlet channels. We designed the decoration plans for the pilot outlets after considering their actual demands. The two pilot outlets were rebuilt and put into services on 28 June 2020 and 8 September 2020 respectively.



Convenience services at banking outlets

The Bank makes bold and consistent innovations and attempts to create extreme customer experience at physical outlets and build outlets of extensive functions. We set up public reading & learning area, customer waiting area, public wash room etc., so that customers could experience the good atmosphere and unique design at our outlets when handling their businesses.

- Offer free tea, shredding equipment, presbyopic glasses, currency count machine, wheelchair, baby chair, umbrella, medicine cabinet, cash bag and other convenient facility for customers;
- Set up café, book bars and restroom at qualified outlets;
- Arrange regular community activities, such as business forums, book clubs and sports events.



Waiting area at banking outlets



Convenience services at banking outlets

In 2020, we carried out delicacy management at all our banking outlets, for which, we formulated three levels of convenience services at the head office level, branch level and sub-branch level, gave small gifts to customers who wait for a long time to ease their dissatisfaction and raise the service quality.

During the reporting period, 1 outlet was listed as Top 100 civilised and normative model outlet and 8 outlets were listed as Top 1000; in addition, there were 37 outlets recognised by China Banking Association as civilised and normative model outlets, including 12 five-star outlets, 13 four-star outlets, 12 three-star outlets, accounting for 14.68% of our outlets. The number of civilised and normative model outlets leads the industrial peers in Anhui Province.

Wuhu Nanling sub-branch won the “China Five-star Civilised and Normative Model Outlet”

Nanling sub-branch won the honorary title of “China Five-star Civilised and Normative Model Outlet” on 20 July 2020 issued by Wuhu Banking Association. It is the first county-level banking outlet getting the honour in Anhui Province, reflecting highly recognition of its service quality.



Caring for special groups

At our banking outlets, we build ramp for the disabled and set up special counters for vulnerable groups and soldiers. The counters for vulnerable groups are specially designed to ensure smooth access of wheelchairs, facilitating the disabled to handle businesses. At the solidier priority window, signs of “soldiers and entitled groups first” are posted at eye-catching

positions. In addition, we build public washrooms and drinking rooms for the convenience of surrounding crowds and sanitation workers.

During the epidemic, we provided free disposable masks to the aged who did not wear a mask. For special groups who were inconvenient to handle their businesses at banking outlets in person, including the aged, the weak, the sick, the disabled and pregnant woman, we set up special teams to provide door-to-door services, taking along thermometers, disinfectant, masks and other epidemic prevention supplies.



Counters for vulnerable groups

Protection of customers' rights and interests

As a responsible financial enterprise, the Bank is committed to building a fair and just financial market, continues to implement the idea of customer-centred development and strictly follows the “Law of the People’s Republic of China on Protection of Consumer Rights and Interests” and other laws & regulations. In 2020, we divided the protection of customers’ rights and interests into five major parts to continuously optimise and renew our protection system. Also, we took actions to protect our customers against telecommunication fraud and enhance their financial security, taking practical measures to protect their rights and interests.

The Bank won the honours of “Top of the Banking Industry” and “Residents’ Most Satisfied Bank”



The Bank won the “Top of the Banking Industry” and the “Residents’ Most Satisfied Bank” in the “Survey of Residents’ Satisfaction in Top Ten Service Industries in Anhui Province” held on 10 December 2020. We had got the honours for the eighth

consecutive time. In addition, Bengbu branch was honoured the “Enterprise with Best Service Quality”.

❖ Improving organisation structure for consumer protection

We have built a three-level basic organisation consisting of Customers’ Rights and Interests Protection Committee, Leading Group for Protection of Customers’ Rights and Interests at Operation Level and Special Department for Protection of Customers’ Rights and Interests. In 2020, we expanded our team size and formed a bank-wide cross-department team of customer benefits protection for the implementation and coordination of daily protection work of customers’ rights and interests.

❖ Stabilising the guarantee system for the protection of customers’ rights and interests

In 2020, we revised and published a series of policies to standardise the protection of customers’ rights and interests, including the “Management Measures for Customer Complaints of the Huishang Bank”, the “Management Measures for the Protection of Customers’ Rights and Interests of the Huishang Bank”, the “Management Measures Relating to Information Disclosure for the Protection of Customers’ Rights and Interests of the Huishang Bank” and the

“Measures for Protection and Management of Customers’ Financial Information of the Huishang Bank”.

❖ Establishing and improving a special assessment and evaluation mechanism

In order to raise branches’ awareness of consumer protection, we have formulated the “Administrative Measures for Assessment of Protection of Customers’ Rights and Interests of the Huishang Bank” and conduct annual assessment on consumer protection work of branches & sub-branches from regulatory review, internal control, complaints management, publicity and education. The assessment results are linked to KPI of target accountability assessment and line KPI.

❖ Enhancing centralised management of bank-wide complaints

Embedding the idea of “one bank, one customer”, we attach great importance to the management of customer complaints and strive to properly solve each problem. We have built a centralised complaint management system to online control over the whole process for processing of complaints from all channels. With this system, the complaints information can be renewed in real time with detailed records. This system can automatically generate classified complaints statistical reports and integrates such functions as complaint warning, assessment and management analysis. Moreover, we make efforts to improve the competence of first-line employees through real-time monitoring, cooperation and improvement, linked processing, preposition of control and intensive training, so as to improve the complaint management efficiency of the Bank. In 2020, we managed to handle 2,957 customer complaints which mainly involve services related to credit card, debit card and individual housing loan. Upon receiving customer complaints, we would keep effective communication with the customers, mobilise resources of the head office and branches to solve the problems and resolve the complaints.

In addition, our Customer Service Centre holds quality analysis meeting every month to analyse the common and individual problems identified in quality inspection, prepare scenario-based service manual targeting at typical cases

and develop corresponding response process and language skills, to help enhance the competence of employees and improve overall service quality in complaint treatment.

The head office conducted training on protection of customers' rights and interests



The head office carried out a special training on protection of customers' rights and interests across the Bank on 18 May 2020, and over 1,000 specialists engaged in consumer protection from branches & sub-branches attended the

training. Through this training, we threw light on our policies about the protection of customers' rights and interests and improved the competence and skills of our employees to deal with complaints.

❖ Conducting financial knowledge publicity and education

As required by related regulators, the Bank makes annual plan about the financial knowledge publicity and education every year to arrange related activities throughout the year. Relying on resources of branches, we actively carry out centralised publicity and education activities together with supervision organs and other external organisations, such as “315 World Consumer Rights Day in Finance”, “Watch Your Pennies, Financial Literacy Promotion in June”, “Ten Thousand Journey to Publicise Financial Knowledge” and “Month of Spreading Financial Knowledge to Households in September”. We spread financial knowledge in enterprises, schools, towns & villages and communities by taking targeted publicity means, such as thematic activities, cartoons & videos, finance related Q&A games, so as to maximise the coverage and reaching rate of financial knowledge publicity. In 2020, the financial knowledge publicity and education activities were carried out in all banking outlets and covered approximately 5 million customers. During the activity, we distributed approximately 400 thousand paper materials, pushed messages to

over 540 thousand customers through SMS and WeChat, and advertised through TV, publication, Internet and other media for over 80 times.

The Bank carried out the publicity week activities underling “3·15 World Consumer Rights Day in Finance”



Around 15 March 2020 during the week of Consumer Rights Day, we organised all our branches & sub-branches to carry out activities themed on “fight against COVID-19 with a focus on financial customers”. In view of epidemic prevention and control, we carried out a financial knowledge publicity and education activity via online and offline, so as to constantly strengthen the self-protection awareness and risk prevention ability of financial customers.

The Bank carried out publicity activities underlining “Watch Your Pennies, Financial Literacy Promotion”

In June 2020, our employees walked into campuses, enterprises, villages and communities to spread financial knowledge on personal information protection, card consumption security and telecommunication fraud prevention to a wide range of



customers in many ways, so as to convey our culture relating to protection of customers’ rights and interests, and improve the financial literacy and security awareness of the public.

The Bank carried out publicity activities underlining “Month of Spreading Financial Knowledge to Households”

In September 2020, the Bank carried out publicity activities underlining the “Month of Spreading Financial Knowledge to Households”. In view of weakness in financial knowledge and financial demands of different groups, we took different means to spread financial knowledge, such as brochures, Q&A on site, in a bid to improve the financial literacy of the public, effectively prevent and resolve financial risks and create a clean financial network environment.



Focus on information security

We are well aware that the accelerated integration of technology and finance imposes higher requirements on the information security system while facilitating more convenient financial services. In 2020, we realised “zero material failure, zero security accident and zero serious complaint”, declined accounts opening application for 1,869 suspicious units and individuals and cooperated with the public security organs to arrest 26 suspects of telecommunication fraud. At the same time, for personal online banking, mobile banking, WeChat banking and other online channels, we renewed the “User Privacy Policy of the Huishang Bank”, which specifies rules related to

collection, storage, usage, sharing, transfer, disclosure of personal information and intensify protective measures on network information and user privacy.

Establishment of security system

Pursuant to the “Cybersecurity Law of the People’s Republic of China”, we focus on the establishment of critical basic information security systems and conduct emergency drills, to ensure stable system operation and build our security defence. In 2020, we made all-round establishment of security system and troubleshooting, and strengthened publicity about security awareness:

- We invited professional third-party organisations to test and evaluate our critical information system, core business system, e-banking system, backbone network system and related cyberspace resources which are ranked as level-III;
- The data centre at our head office base successfully passed the certification of level A computer room, the highest level in China;
- We continued to use technical means such as vulnerability scanning and penetration test to check for and assess vulnerability of personal online banking, corporate online banking, mobile banking and other Internet systems;
- We organised security inspections on the information technology and data in branches as well as the office desktop network in the head office, to increasingly strengthen the daily operation, maintenance and management work;
- Moreover, we published the “Information Security Manual for Employees of the Huishang Bank” and took a series of measures, including cybersecurity management training, security knowledge competition, to continuously raise the security awareness and security protection level of all employees.

Successfully held the Huishang Bank Cyber Security Meeting 2020

On 30 October 2020, Huishang Bank held the Cyber Security Meeting 2020 in a way that combined on-site meeting with video conferencing. The meeting gave a glimpse of the cyber security landscape, emphasised the importance of defusing cyber security risks, and conveyed cyber security requirements to each employee.



Ensuring account security

In order to meet the increasing security needs of various payment scenarios in Internet finance, the Bank provides personal account security insurance for customers free of charge to protect personal accounts from capital loss caused by fraudulent use or theft at bank counters, Automated Teller Machines (ATM), mobile banking, and online banking channels, so as to provide customers with a guarantee of fund security and bring customers a more secured and assured payment experience.

In order to safeguard data and accounts of credit card users, we have formulated the “Data Security Management Standards for Huishang Bank Credit Card Centre”, clarifying requirements on the data collection, usage, transfer, etc. In addition, we intensified the control over credit card risks and protected customers’ rights and interest to the full extent by virtue of reinforcing authentication, transaction monitoring system and credit card loss guarantees:

❖ Reinforcing authentication

With respect to credit card businesses handled by various service channels, the Bank drew on technologies including facial recognition, device fingerprinting, mobile phone certification to reinforce authentication. The Bank constantly optimised the big data risk control strategy and the application scoring model, upgraded the automatic credit granting system and guarded against card theft through authentication, where customer information, password for query, transaction password reserved at the time of account opening was verified in line with risk levels (low, medium and high).

❖ Transaction monitoring system

The Bank deployed and regularly refined the transaction monitoring rules, with the transaction monitoring system in place to detect, warn of and interrupt transaction fraud and monitor card using behaviours 24/7, so as to intensify the monitoring of risk transactions and bring down losses arising from fraud.

❖ Credit card loss guarantees

The Bank offered credit card loss guarantees free of charge, where credit card holders were reimbursed for losses in case that their credit cards were lost, stolen, robbed, counterfeited, or their information was stolen, fully protecting the holders' rights and interests and projecting the Bank as a secure credit card service provider.

In 2020, the Bank published a series of Credit Card Security Tips in Credit Card APP and WeChat official account, disseminating the knowledge of credit card security among credit card holders, including chapters of credit card fraud, security lock, prevention of cross-border gambling and the campaign of “Account Opening Regulation”.



Credit Card Security Tips



The Bank cooperated with the Hefei Central Sub-branch of the People's Bank of China to carry out payment system publicity activities

Huainan Branch launched a campaign of “Account Opening Regulation” to boycott illegal trading of bank accounts

Huainan Branch initiated the activity themed “Preventing Gamble and Fraud from the Financial Angle” and “Regulating Account Opening to Boycott Illegal Trading of Bank Accounts”, in a bid to interpret tricks and harm of online cross-border gambling, call the general public’s attention to resist illegal trading of accounts and enhance the awareness of payment risk control.



Huaibei Branch carried out the activity of “Watching out for Card Fraud in Spring Festival Travel Rush” to guard against new type of online fraud

On 19 January 2020, Huaibei Branch organised the activity of “Watching out for Card Fraud in Spring Festival Travel Rush” at the intercity bus station. Employees of Huaibei Branch handed out brochures and answered questions face-to-face to diffuse anti-fraud knowledge, which effectively lifted the public’s ability to identify and avoid fraud.



Putting people first, with whole-hearted care for employees

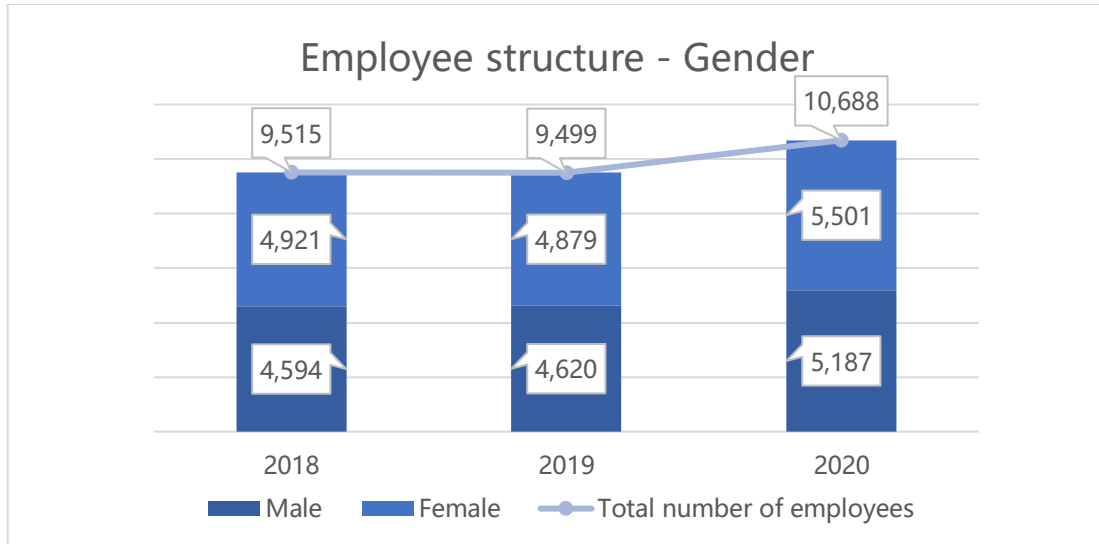
The Bank regards its employees as its most valuable asset as well as inexhaustible driving force for its continuous and healthy development. The Bank invariably promotes the management culture of “putting people first” and puts into practice the talent philosophy of “attracting the ambitious, cultivating the malleable, leveraging the competent”. We are committed to protecting employees’ legitimate rights and interests as well as providing an open and equal communication platform to promote democratic management and create an optimistic, positive and harmonious working atmosphere.

Safeguarding employees’ interests and rights

The Bank strictly complies with the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China”, the “Prohibition of Using Child Labour” and other labour-related laws and regulations. We formulate the “Measures for the Management of Employees’ Compensation of the Huishang Bank”, the “Measures for the Management of Employee Recruitment of the Huishang Bank”, the “Measures for the Management of Employee Demission of the Huishang Bank”, the “Attendance Management Policy for the Huishang Bank” and other management systems to safeguard the legitimate rights and interests of employees.

Recruitment and termination

The Bank has established rules and regulations governing recruitment and demission, which specified the recruitment principle of “setting up posts and prescribing staffing quota; filling vacant posts with qualified personnel; upholding equality, fairness and openness and practising two-way selection; selecting the superior and ensuring quality”, so as to standardise and strengthen the Bank’s recruitment management, improve the market-oriented recruitment mechanism, and optimise the Bank’s staff structure.



As of the end of 2020, the Bank had 10,688 employees in total, including 206 ethnic minority employees. Female employees slightly outnumbered male employees. Most of them belonged to the age groups of under 30 and 30-39. The majority of employees had bachelor's degree or above. The local employment rate reached 86.76%. During the reporting period, the Bank's turnover number was 232, the turnover rate² was 2.34%, and the number of new recruits was 535.

Employee structure			2020
Type	Indicator	Number	Percentage
By gender	Female	5,501	51.47%
	Male	5,187	48.53%
By age group	<30	3,585	33.54%
	30-39	4,552	42.59%
	40-49	1,808	16.91%
	≥50	743	6.96%

² Turnover rate = Turnover number during the reporting period / (Total employee number at the end of the period + Turnover number during the reporting period). When calculating the number of employees who left and join the Bank during the reporting period, Beijing Branch, Chengdu Branch, Shenzhen Branch and Ningbo Branch were excluded.

By education background	Bachelor below	829	7.76%
	Bachelor	7,929	74.19%
	Master	1,908	17.85%
	Doctor	22	0.20%
By region	Anhui Province	9,273	86.76%
	Other region	1,415	13.24%

New recruitment			2020
Type	Indicator	Number	Percentage
By gender	Female	248	46.36%
	Male	287	53.64%
By age group	<30	491	91.77%
	30-39	37	6.92%
	40-49	4	0.75%
	≥50	3	0.56%
By region	Anhui Province	501	93.64%
	Other region	34	6.36%

Turnover			2020
Type	Indicator	Number	Turnover Rate
By gender	Female	110	1.11%
	Male	122	1.23%
By age group	<30	124	1.25%
	30-39	96	0.97%
	40-49	10	0.10%

	≥50	2	0.02%
By region	Anhui Province	212	2.14%
	Other region	20	0.20%

Compensation and benefits

The Bank connected salary administration with job hierarchy management, adapted the total volume to risk-adjusted performance, aligned improved competitiveness with sustainable development, considered both efficiency and internal equity, combined short-term incentives with medium- and long-term kinds, associated employee compensation with team performance, and coordinated dynamic maintenance with standardised and unified management. In obedience to adjustments of macro-policies and systems and changes of the regional market environment, we further diluted regional differences to improve the Bank’s competitiveness and employees’ stability. At the same time, we formulated the “Notice on Further Standardising Related Matters of Employment with Certificates” to provide certain rewards and incentives to relevant certificate winners, and strengthen the construction of professional teams.



The meeting to advance the remuneration system reform presided by Zhang Renfu, The Executive Director and President of the Bank

According to relevant national laws and regulations, the Bank has established a bank-wide enterprise annuity scheme and paid for social security and

housing funds to guarantee and improve employees' post retirement benefits and mobilise their working enthusiasm. In addition, we have also established a long-term incentive mechanism for talents.

Working hours and holidays

The Bank adopted the Standard Working Hour System, which provided that an employee may work no more than 8 hours per day and, as such, working hours were capped at 40 hours per week. Besides, the use of forced labour was prohibited at the Bank. Voluntary overtime shall be practised and employees working overtime shall be compensated according to national laws and regulations.

The Bank strictly abided by national laws and regulation in determining employees' working hours and holidays. In this connection, all the employees were entitled to weekends as well as national statutory holidays under applicable national regulations. In addition, employees were granted paid annual leave, maternity leave, nursing leave, marriage leave, compassionate leave, casual leave, sick leave and home leave.

Equality and diversification

The Bank stuck to the principle of fairness and equality, provided employees with equal job opportunities and working environment, and allowed no discrimination based on national origin, race, gender or religious beliefs.

Labour standards

In strict compliance with the "Labour Contract Law of the People's Republic of China" and the "Prohibition of Using Child Labour", the Bank had zero tolerance for the use of child labour and forced labour.

The Bank formulated a rigorous employment review process to examine candidates' ID cards, further avoiding the use of child labour by mistake. In case we inadvertently employ a child, we will immediately terminate the labour contract according to laws and regulations, as appropriate, and send

the child back where he or she comes from to the parent or other guardians, so as to protect his or her legitimate rights and interests.

Democracy and communication

The Bank positively built harmonious labour relationship and put emphasis on democratic management. We would irregularly hold staff forum, arrange annual employee representative meeting, conduct staff satisfaction survey, and proactively listen to the staff's voice, effectively bringing employees' rights to know and make decisions into play. The Bank's labour union has established the WeChat official account of "Huiyin E Home" and took such opportunity, through various publicity activities, to build a communication platform, which enhanced the pertinence, flexibility and inclusiveness of labour union activities, discovered employee stories, promoted the power of role models, and publicised the Bank's culture. During the reporting period, the Bank reported the existence of trade unions at all business locations with all employees signing in. On 13 July 2020, the congress of workers and staff of Huishang Bank was held in Hefei, where the employee supervisors of the fourth Board of Supervisors of Huishang Bank were elected to give full play to the role of the employee representatives in democratic supervision and management.

Promoting professional development

The Bank has regarded the employee development as an inexhaustible driving force behind the growth of Huishang Bank, and actively built an open platform for talent cultivation on the basis of the strategic requirements of "digital transformation" and the general principles of "making progress while ensuring stability and laying a solid foundation". We have formulated the "Interim Measures for the Management of Job Hierarchy of the Huishang Bank", the "Management Measures for Education and Training of the Huishang Bank" and the "Reward and Punishment Plan for Education and Training of the Huishang Bank", to drive constant career development of employees, deepen talent cultivation, improve employees' competency and build a talent pool that

secures high-quality growth of a modern bank. During the reporting period, the hours of concentrated training sessions conducted by the Bank totalled 1,004,163.95, with 93.94 hours of annual training time per capita and RMB3,166.02 of training expenditure per capita as well as a 100% coverage rate of online and offline trainings for the year.

Employee training		2020
Type	Indicator	Average training hours
By gender	Female	100.0
	Male	87.51
By category	Senior management	65.96
	Middle management	37.36
	Junior employees	95.19

Broadening promotion channels

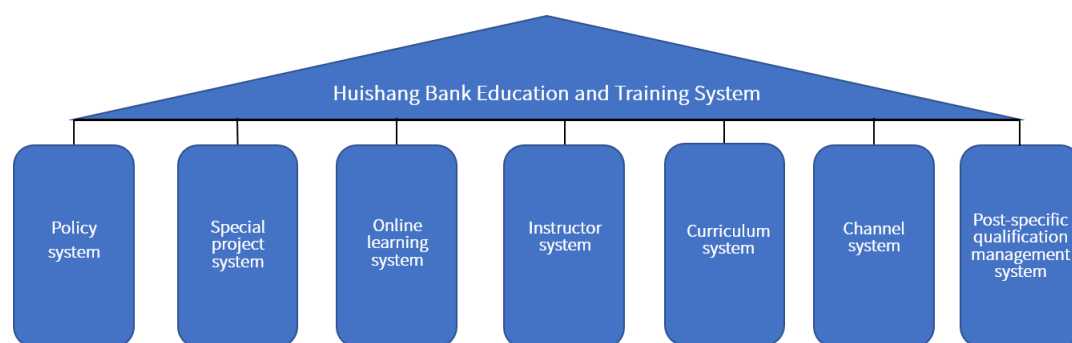
Adhering to the principles of overall planning, unified designing, multi-level management, dynamic adjustment, and effective motivation, we built the bank-wide career development management system, classifying all jobs into four promotion channels, i.e. management, profession, administration and marketing.

The Bank focuses on the development and selection of talented young managers. At the same time, we attach great importance to the use of reserve talents, make good use of management talents of all ages, and the construction of talent pool. For this purpose, the “Management Measures for the Middle Management Selection and Employment of the Huishang Bank” and other management personnel selection and appointment systems have been formulated to promote the management personnel according to the principle of promotion step by step. The head office conducts quality assessment on the second-level team leaders and senior managers of each department to find talents with high potential and high performance,

providing important reference for the training and selection of middle management personnel of the Bank.

Strengthening the foundation for training

The Bank attaches great importance to staff development and strives to build a professionalised and diversified training system. The Bank has built three major training platforms, namely, “Binhu Training Centre”, “Huiyin Online School” and “Huiyin Academy”, and continuously refined the education and training systems, including training policy system, special project system, online project system, instructor system, curriculum system, channel system and post-specific qualification management system, so as to develop into a “learning”-driven bank in an all-round way, meet training needs of new recruits, talents at different levels and management, and achieve diversified talent development.



The Bank is well aware that internal trainers are backbones in the education and training of employees. For the development of internal trainer team with high quality, the Bank stipulated the essential requirements and certification standards for internal trainers in accordance with the “Management Measures for Internal Trainer of the Huishang Bank”. In 2020, the Bank had 417 internal trainers, including 82 new internal trainers, and formed an internal trainer system covering almost all business lines.

To fully motivate employees and comprehensively improve training experience, the Bank clarified the training indicators for business lines and set up rewards from several aspects such as Huiyin Good Trainees, Huiyin Good Courses and Excellent Training Contacts, creating a favourable atmosphere of

active learning. In addition, we commissioned special personnel to coordinate training of various departments in line with the “Training Contacts System”. Main initiators and coordinators for department training were nominated as training contacts in charge of talent team building for each business line, implementation of key offline projects, management of online micro courses, internal trainer team building, promotion of learning atmosphere, feedback on training needs, etc.

Building a distinguished education brand

The Bank continuously optimised the existing omni-channel training system, and developed high-quality and characteristic training sessions targeting talents at different levels, including “FinTech Lecture”, “Huizhuo Plan”, “Huiying Plan”, “Huijing Plan”, “Huihang Plan”, “Huidao Plan” and “Huiyun Plan”, to promote employee’s development. During the reporting period, the Bank conducted a total of 16 training sessions, with 1,112 trainees.

Education brand	Objectives	Key performance in 2020
FinTech Lecture - FinTech series themed “Technology Empowerment”	To enhance employees’ understanding and competency of FinTech across the Bank	10 online sessions of special courses were delivered with 58,159 viewers
Huizhuo Plan	To enable middle and senior management to develop a macro vision of business development and enhance their abilities in decision-making, analysis and leadership with targeted courses	The online special training course of “Following the General Principles of the Fourth Plenary Session of the 19 th National Congress of the CPC” was launched and attended by 171 senior executives
Huiying Plan	To improve the comprehensive ability of young and middle-aged management in terms of professionalism, business capabilities, creative thinking, management and risk control	Second-level team leaders from various departments of the head office, together with presidents and leaders from sub-branches and outlets of over 20 branches, took part in 8 training sessions

Huijing Plan	To upgrade the professionalism, business capabilities and comprehensive abilities of young talents to accelerate their professional growth, thus generating demonstration effect	2 special training sessions were held, with 133 excellent backbone employees participating
Huihang Plan	To make an elaborate plan of concentrated pre-job training sessions to help new recruits to fit into the Bank and adapt to the new role of professionals from college students	Over 370 new joiners were divided into 4 batches for concentrated and closed pre-job training
Huidao Plan	To combine training with course development and divide internal trainers into three levels as lecturer, senior lecturer and experienced lecturer	The plan benefited 128 outstanding internal trainers and business backbone employees and optimised 128 quality tutorials. The success of the plan manifested the idea of “those who can should teach” upheld by the Bank
Huiyun Plan	To enable employees to take training courses at two online training platforms, “Huiyin Online School” (PC) and “Huiyin Academy” (mobile), anywhere and anytime	The 2 online platforms have newly launched 1,057 courses, an increase of 273 over 2019, and organised 137 live training sessions, with approximately 197.5 thousand views.



“Huidao Plan” - Upskilling Training for Gold Medal Internal Trainers



“Huiying Plan” - Huishang Bank Pre-job Training for New Recruits 2020



“Huiying Empowerment” - Management Capability Improvement Seminar for Presidents of Sub-branches



“Huijing Plan” - Special Training on Professional Growth of Corporate and Retail Relationship Managers

Protecting employees' health and safety

The Bank is bent on creating a safe and comfortable working environment for our employees. The Bank is equipped with all kinds of security facilities in conformity with national laws and regulations and relevant standards, and organises security education and emergency drills to enhance employees' security awareness. In addition, the Bank has conscientiously observed the “Fire Protection Law of the People’s Republic of China” and the “Emergency Response Law of the People’s Republic of China”, promulgated the “Natural Disaster Emergency Response Plan of the Huishang Bank”, the “Office Building Fire Emergency Response Plan for the Huishang Bank”, the “Key Points of Safety Emergency Response of the Huishang Bank”, the “Fire Emergency Response Plan of the Huishang Bank” and the “Public Security Emergency Response Plan of the Huishang Bank”, and set out key points on how to

respond to industry-specific incidents including explosion, robbery, theft and fraud, so as to develop into a high-quality modern bank.

Intensifying epidemic prevention and control

After the onset of COVID-19 in 2020, the Bank wasted no time in making necessary deployment, putting the safety and health of employees first. The “Notice on Improving the Prevention and Control of COVID-19”, the “Notice on Strengthening the Internal Food Safety Management”, the “Notice on Continuously Improving the Prevention and Control of COVID-19”, the “Notice on Enhancing the Property Management During COVID-19”, and other regulations associated with the prevention and control of COVID-19 were formulated successively. Besides, we took a set of measures to effectively create a comfortable and safe working environment for our employees. For example, we:

- Made reasonable arrangements for the purchase, distribution and management of protective supplies, such as no-wash disinfectant, disinfectant wipes, masks, gloves, to ensure sufficient supply;
- Adopted the job rotation system to control and cut the number of employees working in the office, and advocated flexible and staggered working hours to reduce infection risk arising from gathering;
- Attached importance to food safety and strengthened the monitoring, inspection and assessment on the purchase and processing of food, dining management, etc.
- Tightened daily access control in office buildings, set up temperature measurement stations at the entrance and exit to closely check health condition of people entering the buildings;
- Strengthened the cleaning and disinfection of office buildings, items, elevators and air-conditioning systems to ensure the safety of office areas; and

- Prepared boards and brochures to disseminate knowledge of epidemic prevention and control for all employees.

The head office held the online national epidemic prevention and control knowledge contest for public welfare

On International Women’s Day in 2020, the Bank initiated the online national epidemic prevention and control knowledge contest for public welfare, which promoted COVID-19 prevention and control knowledge through online Q&A from three aspects, i.e. returning to the office, vulnerable groups and children.

Security and fire safety management

The Bank has strictly implemented the accountability system for production safety and entered into Letter of Security Responsibility with employees at all levels, specifying work objectives, performance requirements and accountability for fire safety. To further innovate and improve the level of refinement, standardisation and scientific management of security, the Bank stepped up efforts in developing a “Safe Huishang Bank”, by means of inspections of various forms including cross check, night inspection, spot inspection, off-site inspection, etc., so as to timely detect and resolve safety risks, and establish a rating system to refine rating rules for holistic evaluation on safety management of branches and sub-branches.

Top Seven Tasks for a “Safe Huishang Bank”

Strengthen the organisation and leadership of security

Carry out training on safety and security laws and regulations

Promote the transformation of safety protection facilities

Improve information technology security management

Innovate methods for detecting hidden dangers

Upgrade internal security management

Improve emergency management

The Bank actively carried out “Production Safety Month”

In June 2020, in response to General Secretary Xi Jinping’s important instruction to “address hidden dangers at root and put a curb on major and extra serious accidents”, the Bank carried out a comprehensive and multi-dimensional promotion and education activity, “Production Safety Month”, to systematically enhance employees’ understanding of the significance of production safety, so that the employees can always keep it in mind and take actions accordingly.

The Bank highly valued the fire safety management, closely followed the fire safety requirements of “self assessment, inspection and improvement, publicity of responsible persons and managers, and commitment of zero obvious risks”, intensified accountability of personnel in charge of fire safety, and endeavoured to lift its competence in self-defence and self-aid. We proactively pressed ahead with the management of the outlet fire alarm network, constantly facilitated the intelligent fire safety management, conducted fire safety inspections in buildings of the head office and branches, effectively eliminating fire hazards.

We organised employees of the head office to carry out a host of security emergency drills and firefighting training, so as to increase their awareness, improve their skills of security, and instruct employees in skills about fire suppression and escape,. Branches carried out activities relating to firefighting based on specific situations, including knowledge contests, drills, training, etc.

Xuancheng Branch conducted a fire evacuation drill

On 13 November 2020, the head office organised a fire evacuation drill in the office building of Xuancheng Branch, where professionals from Xuancheng Emergency Response Team were invited to give guidance throughout the drill. Through the drill, we validated the functioning of fire-fighting facilities and the effectiveness of fire-fighting linkage control system in the office building of the branch, as well as our ability to organise fire escape and evacuation, the capacity of the voluntary fire brigade to deal with emergencies, and the ability of the employees to respond to and escape from a fire.



Concerning physical and mental health

The Bank established a bank-wide supplementary medical insurance mechanism in accordance with relevant national laws and regulations to serve as a powerful supplement to employees' basic medical insurance. We organised employee physical examinations every year, with a 100% health examination rate, and regularly carried out sports activities and events and physical fitness activities for employees.

The Bank's Customer Service Centre periodically purchased herbal tea, momordica grosvenori and throat lozenge to ease sore throat of employees. Given that employees are emotionally stressed in handling complaints, the Customer Service Centre developed psychological guidance course and psychological counselling programmes for employees to alleviate their psychological pressure and enhance their sense of well-being.

The tennis team of Huishang Bank claimed first place in the 2nd Tennis Team Invitational Tournament for Sister Cities in the Yangtze River Delta



During 7 and 8 November 2020, the Bank's tennis team was invited to the 2nd Tennis Team Invitational Tournament for Sister Cities in the Yangtze River Delta, sponsored by the tennis associations in Shanghai, Jiangsu Province, Anhui Province and Zhejiang Province,

and secured the team champion. The tournament not only enriched the sporting lives of employees, but also promoted the inter-provincial exchanges.

Creating a happy Huishang Bank

The Bank is committed to creating a happy Huishang Bank. We provide employees with a wide array of fitness and entertainment facilities at the workplace, and arrange various cultural activities to offer a relax and harmonious environment for employees after work. We set up employee activity centre, organised cultural activities in leisure time and celebrations in holidays, sent birthday blessings, ensured every employee, on the job or retired, has a sense of belonging and happiness.

Employee activity centre



Rui'an Employee Activity Centre - fitness room

In August 2020, the Rui'an Employee Activity Centre of the Bank was officially put into use to provide employees with better cultural life. The activity centre was well-equipped with multiple functions, including reading space, and fitness room and dining area, aiming to provide employees with an open-ended place to talk, relax, study, keep fit and have fun after work.

Enrich cultural life

To satisfy the growing cultural needs of employees, the Bank has carried out a kaleidoscope of innovative and elaborate cultural activities promoting mental and physical health, which not only enriched the employees' amateur lives and enabled communication among employees, but also deepened the trust of employees in the Bank.

The online Q&A game - "Wish You Good Health and Happy Dragon Boat Festival"

In June 2020, the Customer Service Centre of the head office held an online Q&A game titled "Wish You Good Health and Happy Dragon Boat Festival" to enhance employees' understanding of traditional culture regarding Dragon Boat Festival and create a warm and harmonious working environment.



The parent-child reading activity – “Reading with Huishang Bank”

From 27 July to 27 August 2020, the Bank’s trade union organised the online parent-child reading activity themed “Reading with Huishang Bank” targeting employees and their children across the Bank, so as to carry forward splendid Chinese traditional culture. A total of 2,232 employees and their children participated in the activity online and 2,569 pieces of work were collected.



Care for employees

❖ Care for female employees

To safeguard female employees’ lawful rights and interests, and show care about their work, the Bank has arranged forums intended for female staff, installed feeding rooms at headquarters, and formed female yoga hobby club.

Suzhou Branch online activity on International Women’s Day - “Baking with Joy and Happiness”

During the unusual time of COVID-19, the trade union of Suzhou Branch held an online activity on International Women’s Day - “Baking with Joy and Happiness”. A professional baker was invited to teach baking online, giving female employees a chance to learn how to bake cakes and other desserts and temporarily get away from the busy work schedule to enjoy the process of baking and improve the quality of life during the outbreak of COVID-19.



❖ Care for retired employees

The development of Huishang Bank is inseparable from the efforts of loyal employees. To share the achievement of the Bank’s development with them

and in line with the principle of “care for employees”, the Bank gives its retired employees guarantees with complementary medical insurance and critical illness insurance and guarantees on medical reimbursement for treatments in other districts, thus strengthening the medical security for retired employees and improving their quality of life.

The Head Office held an activity for retired employees to show care and respect for the elderly on the occasion of the Double Nine Festival



On 26-27 October 2020, the Head Office made arrangements for retired cadres and employees to go to Jing County to celebrate the Double Nine Festival and exchange valuable opinions and ideas on the Bank’s development. These activities showcased the healthy and happy lives of retired cadres and employees and their spirit of making contributions and enjoying life despite old ages.

❖ Care for employees in straitened circumstances

The Bank adheres to the fine traditions, insists on the work of condolences to employees who are in difficulties in traditional festivals and at important moments. The trade union of the Bank made a list of employees in straitened circumstances based on application materials collected and paid follow-up visits to employees troubled with severe illnesses, hospitalisation and poverty. In 2020, the Bank granted RMB248 thousand of aid, with 62 people assisted.

Shouldering responsibility and creating social value together

The Bank actively fulfils social responsibilities and demonstrates our willingness to take responsibilities for the society. Based on our industry advantages, we made preparations and took measures in the unusual time for flood and pandemic prevention and control, and made efforts to help with the development of poverty-stricken areas and drive the development of culture and sports undertakings, so as to enhance the health and well-being of the whole society. We push ahead with our social and public welfare practices, trying our best to contribute to the society with actual deeds and realise harmonic development of the Bank and the society.

Striving to support flood prevention and control

In 2020, regions along the Yangtze river, Huai river, Xin'an river and Chaohu Lake suffered floods since the beginning of the flood season, posing a challenge for Anhui Province to cope with flood prevention and control and disaster relief at the same time. The Party Committee of the Bank diligently implemented the instructions and requirements given in the important speech of General Secretary Xi on flood prevention and disaster relief. We took immediate actions to ensure financial security for flood prevention and disaster relief, and devoted ourselves to the front-line work of flood prevention and disaster relief.

❖ Financial security for flood prevention

In order to support flood prevention and control with all necessary financial services and give full play to the functions of the financial sector in “protecting security and stability of people’s livelihood and production”, the Bank formulated the “Implementation Instructions on Emergency Loan Granting for Flood Prevention and Control of the Huishang Bank”, which provided guidance on providing differentiated preferential financial services for severely affected regions, industries and enterprises and required to open quick

approval channels to actually improve the financial supply capacity. During the flood season, the Bank reviewed applications for emergency flood prevention loans totalling RMB15.56 billion, and approved part of the applications totalling RMB9.88 billion, sparing no effort to support local governments and enterprises in flood prevention and control and post-disaster reconstruction.

❖ Front-line rescue

Faced with the severe conditions of flood prevention and control, the Bank upheld the concept of “people first, life first” and promptly established “Party member task force”, “youth task force” and “volunteer service team” based on our experience in pandemic prevention and control. A total of approximately 300 members of these teams directly participated in the front line work of flood prevention and disaster relief, helping with watch keeping, danger investigation, victims evacuation, post-disaster cleaning and other works.

Lu’an Branch volunteer service team went to a tributary of Laoxin river to carry out flood prevention work

Jinzhai Sub-branch of Lu’an Branch immediately established a flood prevention and control team of 15 volunteer members and sent them to a severely affected tributary of Laoxin river to help conduct all-day watch keeping on a rotating schedule, inspect the dykes to look for hidden danger, and monitor flow conditions, so as to ensure timely discovery and reporting of dangers and protect the life and property safety of residents living near the dyke sections that we took care of.



❖ Donating emergency supplies

In order to support the flood control and emergency rescue, the Bank proactively procured woven bags, mineral water, instant noodles, raincoats, umbrellas and other urgently needed supplies for those working at the front line of flood control and emergency rescue, and hurried off to the severely affected regions to deliver those supplies in person. During the flood season, the Bank allocated, from party membership dues, a special fund of over RMB790 thousand for flood control and emergency rescue.

Chuzhou Branch donated supplies for officials working at the front line of flood prevention

On 22 July 2020, the Party Committee of Chuzhou Branch led party members and cadres and a youth volunteer service team to go to Zhouhu Village, Chuzhou City to deliver living supplies to the officials and people working at the front line of flood prevention, showing our respect for those heroes sticking to their posts to protect homes.



Education aid action

The Bank encourages all branches and sub-branches to carry out educational public welfare activities such as caring for left-behind children and the growth of the teenage, which fully demonstrates the Bank's good corporate image. All branches arrange one-to-one assistance where money and goods are donated to left-behind children of poverty stricken areas and support local

construction. In order to better care for and protect left-behind children in rural areas and children of rural migrant workers in the city, the Youth League committee and provincial Party committee of Anhui Province, as well as the headquarters of the Huishang Bank decided to build the “Huiyin Teenage Home” volunteer stations at schools or communities where left-behind children and children of rural migrant workers assembled. In addition, we have been engaged in volunteer services for the students taking college entrance examinations for many years, assisting them to start the journey to pursue their dreams.

Ma'anshan Branch carried out “Huiyin Youth Home” themed activities

On the afternoon of 23 June 2020, Ma'anshan Branch held a “Warm Dragon Boat Festival” event as part of the “Huiyin Youth Home” themed new-era civilised practice volunteer service activities. The



event expressed holiday greetings to the students in need, donated carefully prepared school bags and stationeries to them, and provided them a lively and interesting charity course on counterfeit currency recognition, thus bringing care and joy to the left-behind children.

The Bank carried out an education aid event themed “Realising Little Wishes to Warm Children’s Heart”

On 29 June and 2 July 2020, the Bank carried out an education aid event themed “Realising Little Wishes to Warm Children’s Heart”, in which the wishes of children from Chengmiao Primary School (Wangzhou Village, Si County) and Dawan Village Primary School (Jinzhai County) were collected, and our employees were encouraged to help fulfil these wishes through both online and offline channels. A total of 288 wishes were realised with the help of our employees during the event, with 20 computers and a charity education aid fund of RMB50,000 donated on the site.



The Bank vigorously carried out the public welfare activity of “Volunteer Services to Support the College Entrance Examination”

From 7 to 8 July 2020, branches in Ma’anshan, Xuancheng, Lu’an, Fuyang and other cities established volunteer service teams to carry out a series of activities themed “Volunteer Services to Support the College Entrance Examination”. Each branch set up an “Examination Support Station” at the examination centre to provide information and guidance services, with emergency stationeries available at the site. In addition, each branch also provided public lectures on how to fill in the admission application form, as part of the efficient, high-quality and considerate examination aids for examinees and their guardians.



Supporting cultural and sports undertakings

In passionate support of cultural and sport development, the Bank has stepped up its efforts in sponsoring and participating sport and cultural activities. In addition to promoting healthy living style and disseminating arts and culture, the Bank encouraged the staff to actively participate in such activities, so as to deliver a positive attitude towards life as a member of the Bank.

“Huishang Bank Cup” Hefei Marathon of 2020

On 8 November 2020, “Huishang Bank Cup” Hefei Marathon of 2020 was held in the East Square of the Yangtze Crossing Campaign Memorial. Due to the outbreak of the pandemic, the Hefei Marathon of 2020 innovatively adopted an “online + offline” mode, with 10,000 places open for the online race and 1,000 for the offline mini-race. It is the sixth consecutive year the Bank had

sponsored the event, which fully demonstrated the Bank’s willingness to support public fitness and the development of the sports undertaking.



The Sixth “Huishang Bank Cup” Anhui Provincial Football League of 2020



On 14 November 2020, the closing ceremony of the Sixth Anhui Provincial Football League, sponsored and co-organised by the Huishang Bank, was held at the Hefei Shushan Football Training Base. The competition

promoted exchanges between the provincial departments, enhanced their friendship, and improved our employees’ passion for sports and fitness so that they could work and study with a healthier body and high enthusiasm. The Bank’s football team won the fifth consecutive championship with excellent performance.

Protecting environment, guarding lush mountains and lucid waters

In order to help build an environment-friendly society, the Bank continued to improve the green financial management system, vigorously promote green credit, and fully support the low-carbon economy by facilitating green industries and providing green financial services to the public. We also strengthened our own green operations and actively carried out various green public welfare activities to promote the concept of green civilisation.

Practising green finance

The Bank thoroughly implemented the “Five Development Initiatives of Anhui Province” and the “Action Implementation Plan for Green Development”. In order to provide sufficient financial support for the building of a green and beautiful Jianghuai home, the Bank insisted on integrating the fulfilment of social responsibilities with the maintenance of commercial sustainability, and kept up with the new situation, new tasks and new requirements to enhance the awareness of green finance strategy at the Bank level, build a comprehensive green financial service and management system and further deepen the innovation of green financial products. During the reporting period, the Bank’s green loan balance was RMB20.916 billion, an increase of RMB6.098 billion or 41.16%, and the nonperforming loan ratio (NPL ratio) was zero.

The Credit Evaluation Department of the Bank was responsible for the bank-wide promotion of green credit. It took active measures to enhance green credit management, and promoted green finance based on a well-established organisational structure and management and control measures to realise full-cycle management of green credit business.

<p><u>Green policy guidelines</u></p>	<p>Issued the “Three-year Action Plan for Developing Green Finance of the Huishang Bank (2018-2020)” and the “2020 Credit Granting Policy of the Huishang Bank”, which formulated specific action targets and work measures for the development of green finance throughout the Bank.</p>
<p><u>Allocating resources properly</u></p>	<p>Strictly controlled the credit granting to high-pollution and high-emission industries, gradually reduce the ratio of loans in those high-pollution, high-energy-consumption and overcapacity industries, and allocated resources in a manner that gives priority to national strategic emerging industries, “innovative and entrepreneurial” companies and high-tech startups and channels higher credit support for such enterprises.</p>
<p><u>Due diligence</u></p>	<p>Implemented a “one-vote veto” policy for environmental protection, conducted investigations from the aspects of industry access, production permits, technical standards, business qualifications, production safety, environmental approval, etc., evaluated and classified customers’ environmental and social risks, and identified and prevented potential risks arising from non-compliance with the environmental protection.</p>
<p><u>Follow-up monitoring after credit granting</u></p>	<p>Adhering to the principle of “comprehensive management, classified management, dynamic management, and sustainable management”, included customers’ environmental and social risk information in the range of duration management after credit granting, so as to ensure timely identification</p>

	and proper handling of customers that fail to meet relevant national environmental and social standards.
<u>Assessment and evaluation indicators</u>	Established a green credit assessment system by a series of indicators such as the implementation of the green credit system, growth rate of green credit business, ratio of green loan balance, quality of green credit statistical data and implementation of risk limits for overcapacity industries. Conclusions from the assessment were directly reflected in the annual performance assessment of branches.

Advocating green services

While advancing the intelligent operation of outlets, the Bank also applied the concept of green development to the entire process of outlets' construction, operation and service.

- Strictly controlled the quality of construction materials, and limited the range of choice for wall latex paint and all decorative materials to domestic first-class brands and models;

- Selected environment-friendly materials instead of traditional wood materials to reduce the emission of formaldehyde and other pollutants;

- Utilised LED energy-saving lamps for all light sources, properly designed the layout of the hall and strictly controlled the design of illuminance to avoid energy waste;

- Carried out regular quantitative detection of indoor air pollutants for completed outlets, and restricted the placement of furniture until the detection result was qualified;

- Encouraged people to live a low-carbon, environment-friendly lifestyle by promoting e-banking, e-receipts and other new green finance services to them through staff publicity or the screens in the hall.

Promoting green operation

We have been strictly following laws and regulations including the “Environmental Protection Law of the People’s Republic of China”. With the goal of creating an energy-saving enterprise, we have been striving to integrate the concepts of environmental protection, energy conservation and low-carbon sustainable development into our daily operations.

Reducing waste discharge

As a financial institution, the Bank produces little emissions of industrial effluent, waste gases or hazardous wastes, and only a limited amount of office wastewater, office waste and household waste.

In the aspect of wastewater, the Bank complies strictly with applicable laws and regulations including the “Water Pollution Prevention and Control Law of the People’s Republic of China”, and discharging its wastewater into urban sewer systems after preliminary sedimentation. The impurities in the sediment will be cleaned by municipal sanitation offices.

Greenhouse gas emissions of the Bank are mainly attributed to the electricity purchased in Scope 2. In strict compliance with the “13th Five-Year Plan Work Scheme for Control of Greenhouse Gas Emissions”, the Bank takes measures to preserve energy and increase power use efficiency, such as promoting energy conservation, adopting LED light sources, etc., so as to reduce greenhouse gases emission.

In the aspect of waste management, the Bank has been strictly following the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”. All wastes in its office buildings is sorted by cleaners on a daily basis. Non-recyclable wastes will be timely placed at temporary sites by municipal cleaning companies and recycled by specialised recycling companies. In 2020, the Head Office building recycled a total of 4,278 kilograms of waste cardboard boxes and newspapers. During the reporting period, the Bank’s KPIs in the aspect of emissions were as follows:

Emissions	2020	2019	2018
Wastewater discharge (10 thousand tonnes)	2.8	2.4	2.3
Total GHG emissions (Scopes 1 and 2) (tonnes)	3,869.5	3,703.8	4,218.8
Direct GHG emissions (Scope 1) (tonnes)	648.9	731.5	806.8
Including: Natural gas (tonnes)	557.8	629.3	702.9
Including: Petrol (tonnes)	91.1	102.2	103.8
Energy Indirect GHG emissions (Scope 2) (tonnes)	3,220.6	2,972.3	3,412.0
Including: Electricity purchased (tonnes)	3,220.6	2,972.3	3,412.0
Total GHG emissions per employee (tonnes/employee)	2.9	3.0	3.4
Total Non-hazardous waste emissions (tonnes)	13.6	14.4	12.0
Non-hazardous emission intensity (tonnes/employee)	1.0×10^{-2}	1.1×10^{-2}	9.6×10^{-3}

Notes:

1.The statistics of the KPIs in the aspect of emissions are exclusively intended for the head office. In future, the Bank will systematically include branches and sub-branches into the scope of the statistics.

2.Based on the Bank’s operational characteristics, our greenhouse gas emissions are mainly derived from direct GHG emissions caused by gasoline and fossil fuel combustion consumption of the Bank’s commercial vehicles (Scope 1), and energy indirect GHG emissions caused by purchased electricity (Scope 2)).

3.Greenhouse gases include carbon dioxide (CO₂). Greenhouse gas emissions are presented as CO₂e and accounted for according to the “Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators” issued by the National Development and Reform Commission (“NDRC”).

4.Since the hazardous wastes generated during the operation of the Bank are mainly a small amount of discarded toner cartridges and ink cartridges produced by office printing equipment, which are all recycled by the supplier and have no substantial impact, KPI A1.3 (hazardous waste generated in total) is not disclosed in this Report.

Conservation of resources

In strict adherence to the “Energy Conservation Law of the People’s Republic of China”, the Bank commits itself to upgrading the use efficiency of energy, water resources, and materials. The Bank issued the “Interim Measures for the Management of Energy Conservation of the Huishang Bank”, specifying management scope and measures relating to water, electricity, oil and gas conservation, in order to effectively implement energy-saving work.



Poster of energy conservation publicity week

Domestic water constituted a major part of the Bank’s water consumption, and the water source was from municipal water supply, so we were guaranteed with sufficient suitable water. In 2020, the head office was recognised as one of the sixth batch of water-saving units among provincial public institutions in Anhui Province.

In order to improve energy utilisation efficiency and economic benefits in response to the national call for “Building a resource conserving, environment-friendly and harmonious society”, the Bank established polices for energy conservation performance assessment and conducted regular energy conservation monitoring and inspection to enhance our energy efficiency management. The head office implemented various energy conservation and water conservation measures to integrate energy conservation and emission reduction into daily management:

<p><u>Energy saving</u></p>	<ul style="list-style-type: none"> • Adjust the running time of air conditioners based on real-time weather changes, to minimise electricity and natural gas consumption as far as possible • Reduce the stand-by time of computers, printers, photocopiers and other office equipment • Take advantage of natural light where possible to reduce electricity consumed for lighting • Discourage the use of elevators from the 5th floor down and have only one elevator in operation at the south and north door each after 19:00 of every working day and during holidays
<p><u>Water saving</u></p>	<ul style="list-style-type: none"> • Induction faucets have been applied in areas such as the restaurants and restrooms • Strengthen water management in key areas by putting up logos, conducting routine patrolling, etc., and avoid water running out, bubbling, leaking or dripping
<p><u>Green Office</u></p>	<ul style="list-style-type: none"> • With active use of telecommuting to reduce unnecessary business travel, the Bank held 145 video conferences during the reporting period • Set up office supplies purchase and receipt policies to regulate the procedures of office supplies maintenance, receipt, recycling and disposal etc.; circulate documents through the OA system • Default to double-sided printing, in an effort to cut paper waste

During the reporting period, the Bank’s KPIs in the aspect of use of resources were as follows:

Use of resources	2020	2019	2018
Total energy consumption (MWh)	7,740.45	7,790.5	8,792.2
Including: Gasoline (10 thousand litre)	4.1	4.6	4.9
Including: Natural gas (10 thousand m ³)	25.8	29.1	32.5
Including: Electricity purchased (10 thousand kWh)	457.8	422.5	485.0
Total energy consumption per employee (MWh/employee)	5.9	6.2	7.1
Running water consumption (10 thousand tonnes)	3.5	4.5	6.5
Running water consumption per employee (tonnes/employee)	26.5	36.0	52.4

Notes:

1.The statistics of the KPIs in the aspect of use of resources are exclusively intended for the head office. In future, the Bank will systematically include branches and sub-branches into the scope of the statistics.

2.Total energy consumption is calculated based on the consumption of electricity and fuel and the default parameter values related to fossil fuel as shown in Attached Table 1 to the “Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators” issued by the National Development and Reform Commission (“NDRC”).

3.KPI A2.5 (consumption of packaging materials in total for finished products) is not applicable to the Bank since our operations do not involve the usage of packaging materials.

Response to climate change

We took active measures to deal with the potential operational risks arising from extreme weather and natural disasters. The head office formulated and

improved the emergency plans such as the “Flood Prevention Emergency Response Plan for Headquarters Buildings”, the “Power Outage Emergency Response Plan for Headquarters Buildings”, and the “Anti-seismic Emergency Response Plan for Headquarters Buildings”, aiming at dealing with floods, power outages, earthquakes and other natural disasters and carrying out emergency rescue in an efficient and well-organised way, and minimising the Bank’s losses caused by those disasters, including damage to equipment and facilities, business disruption and threat to employees’ lives.

In June 2020, the heavy rain imposed severe challenges on several branches’ operation as they had to fight flood and pandemic at the same time. In order to ensure the proper, timely and efficient implementation of bank-wide flood control and disaster relief, the Head Office issued the “2020 Flood Prevention and Control Work Plan of the Huishang Bank” and the “2020 Flood Prevention and Control Emergency Plan of the Huishang Bank”, assembled a flood prevention and control emergency leadership team and emergency rescue team, and established 24-hour watch-keeping and reporting policies. Adhering to the principal of combining preventive preparation with emergency response, we purchased sandbags, rain cloths, buckets, lighting equipment and other materials required for flood control and disaster relief in a timely manner to ensure regular office hour and protect the life and property safety of employees in branches and sub-branches.

Sticking to green purchase

In order to strengthen the management of centralised procurement bidding agencies, regulate their behaviours, and improve the effectiveness and efficiency of centralised procurement, the Bank formulated the “Measures for Suppliers Management under Centralised Procurement of the Huishang Bank” pursuant to applicable laws, regulations and policies including the “Bidding Law of the People’s Republic of China” and the “Regulation on the Implementation of the Bidding Law of the People’s Republic of China”, so as to enhance regulated and standardised management of green purchase from

the aspects of supplier admission, supplier classification, follow-up monitoring and assessment, etc.

Adhering to the requirements of green bidding and procurement, the Bank integrates the concepts of low carbon and environmental friendliness into project construction to build high-quality environment-friendly projects and enhance the awareness of social responsibility. We put forward unified supplier admission standards in our ITB documents, requiring all potential suppliers to observe national environmental standards, and giving higher ratings for those who had passed the certifications of the environmental management system and the quality management system. We required all bidders to prepare a statement explaining the green, energy saving, low-carbon and environment-friendly elements in their companies and projects, and asked the bidders to practice thrift in preparing tender documents, such as adopting double-sided printing and avoiding luxurious covers.

The Bank divided suppliers into goods suppliers, engineering suppliers and service providers, and strictly abided by environmental protection standards to give priority to energy-saving and environment-friendly products in procurement. For supplier monitoring, we established and improved an adverse supplier information reporting mechanism, carried out daily supervision and annual assessment based on supplier's product performance, service capabilities and service efficiency, and terminated cooperation with unqualified suppliers.

Promoting green practices with actions

The Bank actively organised green public welfare events, publicity campaigns, lectures and other activities to encourage employees and the public to take practical actions to spread the concept of green and low-carbon life and promote the construction of ecological civilisation.

Chuzhou Branch held a “3.12” voluntary tree planting activity



On 12 March 2020, Chuzhou Branch organised internal volunteers to carry out a tree planting event in spring, which enhanced employees’ awareness of greening and ecology, and also fully demonstrated Huishang Bank’s resolution to “actively fulfil social responsibilities and make contributions to the creation of a civilised city”.

Bengbu Branch carried out a voluntary environmental protection activity themed “Care for Nature, Brook No Delay”

On 5 June 2020, Bengbu Branch set up a volunteer team of party members and cadres to hold a science popularisation campaign themed “World Environment Day” in neighbourhoods jointly with volunteers from Jinshan Neighbourhood, encouraging citizens to care for the environment, protect their homes and embrace green mobility.



At the site of the activity, volunteers of the branch tried their best to help citizens better understand the importance of environmental protection through publicity, promotion, and popularisation of laws and concepts related to environmental protection. Over 50 pieces of brochures containing general knowledge on environmental protection and leaflets for promoting environmental protection were distributed during the activity, which were highly praised by the public.

Nanjing Branch successfully held an activity themed “Garbage Classification Knowledge Lecture”

On 17 November 2020, Nanjing Branch successfully held an event themed “Garbage Classification Knowledge Lecture”, inviting middle-aged and elderly customers and their families in the surrounding neighbourhoods of the branch to participate. The event combined financial knowledge publicity with sharing on the specific rules and details of garbage classification, and conducted a simulated garbage classification competition, which not only helped the public understand financial knowledge, but also improved their awareness of the importance of garbage classification.

GRI & ESG Standards Index

GRI Standards Index

GRI Standards	Disclosure Title	Chapter (s)
Organisational profile	102-1 Name of the organisation	About the Bank
	102-2 Activities, brands, products, and services	About the Bank
	102-3 Location of headquarters	About the Bank
	102-4 Location of operations	About the Bank
	102-5 Ownership and legal form	About the Bank
	102-6 Markets served	About the Bank
	102-7 Scale of the organisation	About the Bank
	102-8 Information on employees and other workers	Putting people first, with whole-hearted care for employees
	102-9 Supply chain	Promoting green operation
	102-10 Significant changes to the organisation and its supply chain	Not applicable
	102-11 Precautionary principle or approach	Preventing financial risk
	102-12 External initiatives	/
	102-13 Membership of associations	/
Strategy	102-14 Statement from senior decision-maker	Leaders' Statement
	102-15 Key impacts, risks, and opportunities	Preventing financial risk; Social responsibility communications
Ethics and integrity	102-16 Values, principles, standards, and norms of behaviour	Insisting on leadership through Party building; Preventing financial risk; Social responsibility concept
	102-17 Mechanisms for advice and concerns about ethics	Insisting on leadership through Party building; Preventing financial risk; Social responsibility concept

GRI Standards	Disclosure Title	Chapter (s)
Governance	102-18 Governance structure	Consolidating corporate governance
	102-19 Delegating authority	Social responsibility concept
	102-20 Executive-level responsibility for economic, environmental, and social topics	Social responsibility concept
	102-21 Consulting stakeholders on economic, environmental, and social topics	Social responsibility communications
	102-22 Composition of the highest governance body and its committees	Consolidating corporate governance
	102-23 Chair of the highest governance body	Consolidating corporate governance
	102-24 Nominating and selecting the highest governance body	Consolidating corporate governance
	102-25 Conflicts of interest	Social responsibility concept
	102-26 Role of highest governance body in setting purpose, values, and strategy	Consolidating corporate governance
	102-27 Collective knowledge of highest governance body	Consolidating corporate governance
	102-28 Evaluating the highest governance body's performance	Consolidating corporate governance
	102-29 Identifying and managing economic, environmental, and social impacts	Social responsibility concept
	102-30 Effectiveness of risk management processes	Preventing financial risk
	102-31 Review of economic, environmental, and social topics	Social responsibility communications
	102-32 Highest governance body's role in sustainability reporting	Social responsibility concept
	102-33 Communicating critical concerns	Social responsibility communications
	102-34 Nature and total number of critical concerns	Social responsibility communications
	102-35 Remuneration policies	/
	102-36 Process for determining remuneration	/

GRI Standards	Disclosure Title	Chapter (s)
	102-37 Stakeholders' involvement in remuneration	/
	102-38 Annual total compensation ratio	/
	102-39 Percentage increase in annual total compensation ratio	/
Stakeholder engagement	102-40 List of stakeholder groups	Social responsibility communications
	102-41 Collective bargaining agreements	Not applicable
	102-42 Identifying and selecting stakeholders	Social responsibility communications
	102-43 Approach to stakeholder engagement	Social responsibility communications
	102-44 Key topics and concerns raised	Social responsibility communications
Reporting practice	102-45 Entities included in the consolidated financial statements	About this Report
	102-46 Defining report content and topic boundaries	About this Report
	102-47 List of material topics	About this Report
	102-48 Restatements of information	Not applicable (No significant changes)
	102-49 Changes in reporting	About this Report
	102-50 Reporting period	About this Report
	102-51 Date of most recent report	About this Report
	102-52 Reporting cycle	About this Report
	102-53 Contact point for questions regarding the report	About this Report
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report
	102-55 GRI content index	GRI Standards Index
102-56 External assurance	/	
Management approach	103-1 Explanation of the material topic and its boundary	Social responsibility communications
	103-2 The management approach and its components	Consolidating corporate governance Social responsibility concept

GRI Standards	Disclosure Title	Chapter (s)
	103-3 Evaluation of the management approach	Consolidating corporate governance; Social responsibility concept
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Report Highlights
	201-2 Financial implications and other risks and opportunities due to climate change	/
	201-3 Defined benefit plan obligations and other retirement plans	Safeguarding employees' interests and rights
	201-4 Financial assistance received from government	/
GRI 202: Market presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
GRI 203: Indirect economic impacts	203-1 Infrastructure investments and services supported	Serving the real economy; Developing inclusive finance
	203-2 Significant indirect economic impacts	/
GRI 204: Procurement practices	204-1 Proportion of spending on local suppliers	/
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Preventing financial risk
	205-2 Communication and training about anti-corruption policies and procedures	Preventing financial risk
	205-3 Confirmed incidents of corruption and actions taken	/
GRI 206: Anti-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not applicable (During the reporting period, no lawsuit has occurred to the Bank)
GRI 301: Materials	301-1 Materials used by weight or volume	Promoting green operation
	301-2 Recycled input materials used	/

GRI Standards	Disclosure Title	Chapter (s)
	301-3 Reclaimed products and their packaging materials	Not applicable (The usage of packaging materials is not relevant to the Bank's operation)
GRI 302: Energy	302-1 Energy consumption within the organisation	Promoting green operation
	302-2 Energy consumption outside of the organisation	/
	302-3 Energy intensity	Promoting green operation
	302-4 Reduction of energy consumption	Promoting green operation
	302-5 Reduction in energy requirements of products and services	Promoting green operation
GRI 303: Water	303-1 Water withdrawal by source	Promoting green operation
	303-2 Water sources significantly affected by withdrawal of water	/
	303-3 Water recycled and reused	/
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
	304-2 Significant impacts of activities, products, and services on biodiversity	Not applicable
	304-3 Habitats protected or restored	Not applicable
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Promoting green operation
	305-2 Energy indirect (Scope 2) GHG emissions	Promoting green operation
	305-3 Other indirect (Scope 3) GHG emissions	Promoting green operation
	305-4 GHG emissions intensity	Promoting green operation

GRI Standards	Disclosure Title	Chapter (s)
	305-5 Reduction of GHG emissions	/
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable (Emissions of ODS are not relevant to the Bank's operation)
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not applicable (The kind of emissions is not relevant to the Bank's operation)
GRI 306: Effluents and waste	306-1 Water discharge by quality and destination	Promoting green operation
	306-2 Waste by type and disposal method	Promoting green operation
	306-3 Significant spills	Not applicable (Spill risks are not relevant to the Bank's operation)
	306-4 Transport of hazardous waste	Not applicable (Hazardous wastes produced from the Bank's operation are recycled by vendors for disposal)
	306-5 Water bodies affected by water discharges and/or runoff	Not applicable (Water bodies affected are not relevant to the Bank's operation)
GRI 307: Environmental compliance	307-1 Non-compliance with environmental laws and regulations	Not applicable (Within the year, no any non-compliance with environmental laws and regulations has occurred to the Bank)
GRI 308: Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria	Promoting green operation
	308-2 Negative environmental impacts in the supply chain and actions taken	/

GRI Standards	Disclosure Title	Chapter (s)
GRI 401: Employment	401-1 New employee hires and employee turnover	Safeguarding employees' interests and rights
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Safeguarding employees' interests and rights
	401-3 Parental leave	Safeguarding employees' interests and rights
GRI 402: Labour/ Management relations	402-1 Minimum notice periods regarding operational changes	Not applicable (The Bank has been strictly following relevant laws and regulations)
GRI 403: Occupational health and safety	403-1 Workers representation in formal joint management-worker health and safety committees	/
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	/
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Protecting employees' health and safety
	403-4 Health and safety topics covered in formal agreements with trade unions	/
GRI 404: Training and education	404-1 Average hours of training per year per employee	Promoting professional development
	404-2 Programs for upgrading employee skills and transition assistance programs	Promoting professional development
	404-3 Percentage of employees receiving regular performance and career development reviews	Promoting professional development
GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	Consolidating corporate governance; Putting people first, with whole-hearted care for employees
	405-2 Ratio of basic salary and remuneration of women to men	/

GRI Standards	Disclosure Title	Chapter (s)
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	/
GRI 407: Freedom of association and collective bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child labour	408-1 Operations and suppliers at significant risk for incidents of child labour	/
GRI 409: Forced or compulsory labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	/
GRI 410: Security practices	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of indigenous peoples	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 412: Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	/
	412-2 Employee training on human rights policies or procedures	/
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	/
GRI 413: Local communities	413-1 Operations with local community engagement, impact assessments, and development programs	Shouldering responsibility and creating social value together
	413-2 Operations with significant actual and potential negative impacts on local communities	/
GRI 414:	414-1 New suppliers that were screened using social criteria	/

GRI Standards	Disclosure Title	Chapter (s)
Supplier social assessment	414-2 Negative social impacts in the supply chain and actions taken	/
GRI 415: Public policy	415-1 Political contributions	Not applicable
GRI 416: Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	Not applicable (The item is not relevant to Bank's operation)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable (The item is not relevant to Bank's operation)
GRI 417: Marketing and labelling	417-1 Requirements for product and service information and labelling	Considerate services at bank outlets Protection of customers' rights and interests
	417-2 Incidents of non-compliance concerning product and service information and labelling	Not applicable (During the reporting period, no any noncompliance has occurred to the Bank)
	417-3 Incidents of non-compliance concerning marketing communications	Not applicable (During the reporting period, no any noncompliance has occurred to the Bank)
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protection of customers' rights and interests
GRI 419: Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Not applicable (The Bank has been strictly following relevant laws and regulations)

ESG Reporting Guide Index

KPI	Description	Disclosure obligations	Chapter (s)	Notes
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.	Comply or explain	Protecting environment, guarding lush mountains and lucid waters	
A1.1	The types of emissions and respective emissions data	Comply or explain	Promoting green operation	
A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Comply or explain	Promoting green operation	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Comply or explain	Not applicable	Hazardous wastes produced from the Bank's operation are recycled by vendors for disposal
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Comply or explain	Promoting green operation	
A1.5	Description of measures to mitigate emissions and results achieved	Comply or explain	Promoting green operation	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Comply or explain	Promoting green operation	

KPI	Description	Disclosure obligations	Chapter (s)	Notes
A2 Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Comply or explain	Protecting environment, guarding lush mountains and lucid waters	
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)	Comply or explain	Promoting green operation	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Comply or explain	Promoting green operation	
A2.3	Description of energy use efficiency initiatives and results achieved	Comply or explain	Promoting green operation	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Comply or explain	Promoting green operation	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Comply or explain	Not applicable	The item is not relevant to the Bank's operation
A3 The Environment and Natural Resources				
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Comply or explain	Practising green finance	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Comply or explain	Practising green finance	

KPI	Description	Disclosure obligations	Chapter (s)	Notes
B1 Employment				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Comply or explain		Putting people first, with whole-hearted care for employees
B1.1	Total workforce by gender, employment type, age group and geographical region	Recommended Disclosure		Putting people first, with whole-hearted care for employees
B1.2	Employee turnover rate by gender, age group and geographical region	Recommended Disclosure		Safeguarding employees' rights and interests
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	Comply or explain		Protecting employees' health and safety
B2.1	Number and rate of work-related fatalities	Recommended Disclosure	/	
B2.2	Lost days due to work injury	Recommended Disclosure	/	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Recommended Disclosure		Protecting employees' health and safety

KPI	Description	Disclosure obligations	Chapter (s)	Notes
B3 Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Comply or explain	Promoting professional development	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Recommended Disclosure	Promoting professional development	
B3.2	The average training hours completed per employee by gender and employee category	Recommended Disclosure	Promoting professional development	
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	Comply or explain	Safeguarding employees' rights and interests	
B4.1	Description of measures to review employment practices to avoid child and forced labour	Recommended Disclosure	Safeguarding employees' rights and interests	
B4.2	Description of steps taken to eliminate such practices when discovered	Recommended Disclosure	Safeguarding employees' rights and interests	
B5 Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain	Comply or explain	Promoting green operation	
B5.1	Number of suppliers by geographical region	Recommended Disclosure	/	

KPI	Description	Disclosure obligations	Chapter (s)	Notes
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Recommended Disclosure	Promoting green operation	
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	Comply or explain	Leveraging local advantages and promoting economic development Empowering better user experience with technology	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Recommended Disclosure	Not applicable	The item is not relevant to the Bank's operation
B6.2	Number of products and service related complaints received and how they are dealt with	Recommended Disclosure	Protection of customers' rights and interests	
B6.3	Description of practices relating to observing and protecting intellectual property rights	Recommended Disclosure	Preventing financial risk	
B6.4	Description of quality assurance process and recall procedures	Recommended Disclosure	Not applicable	The item is not relevant to the Bank's operation
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Recommended Disclosure	Focus on information security	

KPI	Description	Disclosure obligations	Chapter (s)	Notes
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	Comply or explain	Preventing financial risk	
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	Recommended Disclosure	Preventing financial risk	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Recommended Disclosure	Preventing financial risk	
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	Comply or explain	Shouldering responsibility and creating social value together	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Recommended Disclosure	Shouldering responsibility and creating social value together	
B8.2	Resources contributed (e.g. money or time) to the focus area	Recommended Disclosure	Shouldering responsibility and creating social value together	

Readers Feedback Form

Thank you for reading the “Huishang Bank Corporation Limited 2020 Social Responsibility Report”. In order to provide more valuable information to the Bank’s stakeholders and improve its ability and level of fulfilling social responsibilities, the Huishang Bank would welcome any feedback or suggestions you might have about this report.

You can send this form to any of the following:

E-mail address: bangongshi@hsbank.com.cn

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How would you rate your opinion of the Huishang Bank Corporation Limited 2020 Social Responsibility Report?

Very High High Neutral Low Very Low

How would you rate your opinion of the economic, social and environmental responsibilities of the Huishang Bank?

Economic responsibility	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Social Responsibility	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Environmental Responsibility	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low

Please rate the effectiveness of this Report in reflecting the economic, social and environmental impact the Huishang Bank has brought about through its social responsibility practices?

Excellent Good Fair Poor Terrible

How would you rate your opinion of the clarity, accuracy and completeness of the information, data and indicators this Report has disclosed?

Clarity	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Accuracy	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Completeness	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low

Do you find this Report in easy-to-read contents and formatting?

Yes Neutral No

Feel free to share any comments or suggestions you may have on the Huishang Bank and this Report:



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