

# 2020

# Environmental, Social and Governance Report

九江銀行股份有限公司 Bank of Jiujiang Co.,Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability) Stock Code: 6190



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# Chapter 1

## About this Report



## About this Report

Bank of Jiujiang Co., Ltd. ( “Bank of Jiujiang,” the “Bank” and “we” ) issued this Environmental, Social and Governance Report ( “this Report” or the “ESG Report” ) to highlight our considerations in promoting sustainable economic, social and environmental development as we conduct financial business, as well our practices in this regard and the results. This is the Bank's third ESG Report following the report issued in 2018.

derived from the Bank's 2020 financial statements prepared in accordance with the International Financial Reporting Standards ( “IFRS” ) and independently audited by KPMG. Other information was derived from the statistical data of the Bank's internal systems, branches and county banks. The relevant cases cited herein were drawn from the Bank's daily operations. Unless otherwise stated, renminbi is the functional currency throughout this Report.

### • Reporting Period

From 1 January 2020 to 31 December 2020 (the “Reporting Period” )

### • Reporting Cycle

Annual report

### • Scope of this Report

This Report has been prepared for the main reporting entity, Bank of Jiujiang Co., Ltd., and covers its head office, branches, sub-branches and county banks, unless otherwise specified.

### • Basis of this Report

This Report has been prepared in accordance with the disclosure requirements and recommendations specified in Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Main Board Listing Rules” ) issued by the Stock Exchange of Hong Kong Limited ( “SEHK” ), with reference to:

- 1 The Global Reporting Initiative's ( GRI ) Sustainability Reporting Guidelines ( G4 );
- 2 The former China Banking Regulatory Commission's ( “former CBRC” ) Opinions on Strengthening the Social Responsibility of Banking Financial Institutions;
- 3 The Shanghai Stock Exchange's Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange; and
- 4 The China Banking Association's Guidelines on the Corporate Social Responsibility of Banking Institutions of China.

### • Collection of Reporting Information

The financial information contained herein is partly

### • Assurance for this Report

The Board of Directors of the Bank (the “Board” ) guarantees that there are no false representations, misleading statements or material omissions in the contents of this Report, and assumes responsibility for the truthfulness, accuracy and completeness of its contents.

KPMG Huazhen LLP was appointed to perform independent and limited assurance and issue an assurance report on selected 2020 key performance indicators in accordance with the International Standard on Assurance Engagements ( “ISAE” ) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

### • Issuance Form

This Report is published both in print and online. The online version can be found and downloaded on the Bank's official website ( address: <http://www.jjccb.com> ) as well as on the SEHK's website ( address: <http://www.hkex.com.hk> ).

This Report is available in both Chinese and English. Where there are any discrepancies between these two versions, the Chinese version shall prevail.

### • Preparer of the Report

Office of the Board, Bank of Jiujiang

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## Chapter 2

### Message from the Chairman



## Message from the chairman

Over the past 20 years, Bank of Jiujiang has continued to work toward its goal of building a brand name as well as a household name. Keeping its corporate social responsibilities firmly in mind, the Bank has adhered to its market positioning in order to serve local small and medium-sized enterprises, micro enterprises, other private enterprises, and the general public. In this way, the Bank has been able to serve the real economy and society and support social development. Meanwhile, we have been able to improve our brand value by being socially responsible and directing the Bank's development to true success that goes beyond business growth.

**Taking responsibility in pandemic prevention and control.** In 2020, the Bank actively assumed its responsibilities in the provision of financial services and made pandemic prevention and control the top priority of its work. Immediately after the outbreak began, we established a pandemic prevention and control leadership mechanism to ensure the smooth implementation of related measures and the continuous operation of various financial services. We issued preferential loans to companies experiencing difficulties due to the pandemic and deferred their loan payments. By underwriting and investing in pandemic-related bonds, we helped provide much-needed funding and made a significant contribution to the fight against COVID-19.

**Developing green finance.** The Bank has actively implemented the national green development policy and sustainable development strategy by embedding the concept of green development in its corporate culture and conducting green operations throughout all business lines. In this way, we are striving to become a leading green financial bank that contributes to the construction of a modern and beautiful Jiangxi province. At the same time, we have continued to cooperate with external organizations. In this regard, we were the first Chinese city commercial bank to become a signatory of the Principles for Responsible Banking, and the first bank in the province to join the Green Credit Professional Committee under the China Banking Association.

**Efforts to alleviate poverty.** We have steadily implemented the national poverty alleviation policy, and we are using rational processes to precisely identify and target impoverished farmers after taking into account local circumstances, industrial characteristics and the farmers' conditions. As part of this effort, three of the Bank's Party cadres have worked in Huangshan Village for 5 consecutive years to help the villagers combat poverty, and jobs have been created or found for all registered destitute households in the village. We are proud to have contributed to the transformation of this poverty-stricken village into a moderately prosperous one.

**Using fintech to optimize operations.** The Bank has leveraged digital technology to reshape internal processes in risk management, compliance management, and operation management to build a digital bank in an all-round way. On the one hand, we have fully launched the Bank's new generation of core systems, which has enabled us to improve risk control and expand the digital transformation of credit business. We have also achieved effective online management of compliance, internal control and operational risk. On the other hand, we are also committed to enhancing customer experience. Taking advantage of the convenient, real-time, and automated nature of mobile devices, the Bank has launched various online retail products to provide customers with convenient and reliable financial services.

**Commitment to serving private entities.** We strongly support the development of private enterprises, and we are committed to helping them solve financing problems. During the year, the Bank continued to improve its whitelist system for private enterprises. The whitelist system is a comprehensive list management system that covers inclusion standards, pricing policies, exit mechanisms, assessments, applications, and timeliness of submissions. In this way, the Bank is contributing to the sustainable development of the private economy in a rational manner. Additionally, the Bank has increased support for the real economy and has launched a number of innovative financial products to seize market opportunities.

**Promoting public welfare and adopting a people-centered approach.** While pursuing business expansion, we have also supported vulnerable groups and given back to society. During the year, the Bank carried out its annual "One-Day Charity Donation Event" for the 14th consecutive year, and organized 33 charity events and donated RMB 8.91 million to charity. We also sought to uphold the Bank's people-centered philosophy during the year. To this end, we provided employees with broad career development prospects and growth opportunities while taking great care in the selection, training, deployment and retention of our people.

Together, we will continue our journey toward a brighter future, while also not forgetting why we started. The year 2021 marks the centenary of the Communist Party of China. As we reflect on the Party's centenary and advance toward the country's centenary, we will move to a new development stage, adopt new development concepts, listen to the voices of stakeholders, strengthen sustainability management, and implement sustainable development practices. By developing a sounder corporate governance system, maintaining a rational business orientation, and building a more socially responsible corporate image, Bank of Jiujiang will be able to write a new page in its journey of transformation and development.

## Chapter 3

### About Us





## Company profile

Bank of Jiujiang was incorporated as a regional commercial bank from eight city credit cooperatives in November 2000 upon approval from the Wuhan branch of the People's Bank of China. The Bank was renamed Bank of Jiujiang Co., Ltd. in October 2008. On 10 July 2018, Bank of Jiujiang was listed on the Main Board of the Stock Exchange of Hong Kong (SEHK) (stock code: 6190), becoming the first prefecture-level city commercial bank in Jiangxi province and central China to go public in Hong Kong SAR and be traded on the Main Board, as well as the second in mainland China as a whole.

By upholding the vision of building a “brand name and household name,” and after 20 years of unyielding effort and hard work undertaken by our people, Bank of Jiujiang has successfully created a compelling brand name. Since its founding, the Bank has expanded from 8 city credit cooperatives to 276 outlets, and its total assets now exceed RMB 400 billion. The Bank was ranked 322nd globally by *The Banker*, a widely-recognized magazine, in its World Banks 2020 list, climbing 5 positions from the previous year.

The Bank has continued to serve our customers and cultivate people over the past 20 years. Our customers and people have stood steadfastly behind the Bank, driving our progress and supporting our growth. In line with our mission of “delivering the greatest value for our customers and optimal positions for our people,” the Bank has vigorously developed green finance, inclusive finance, and special financial products designed to combat the pandemic to meet customer's financing needs. The Bank has always considered “human resources to be its most important resource,” and the Bank believes that excellent employees are needed in order to provide customers with high-quality financial services and truly deliver great value for them.

Throughout its 20-year history, during both good times and challenging times, Bank of Jiujiang has always followed the principles of “acting in good conscience, following the rules and valuing talent.” The Bank has always complied with regulations in its operations and management; resolutely safeguarded the interests of the Party, the country and the people; continued to improve its corporate governance; implemented national and industry policies, systems, and regulations; strictly supervised employees; and held steadfast to its core values of “customer centricity, compliance, and integrity.”





## Table of key performance indicators

Area	KPIs	Unit	2020
Economic KPIs	Operating income	RMB 100 million	101.92
	Net profit	RMB 100 million	17.10
	Total assets	RMB 100 million	4,157.94
	Total deposits	RMB 100 million	3,138.05
	Total loans and advances to customers	RMB 100 million	2,104.40
	Basic earnings per share	RMB	0.69
	Return on average assets*	%	0.44
	Non-performing loan ratio	%	1.55
	Provision coverage ratio	%	165.97
	Capital adequacy ratio	%	10.71
Social KPIs	Total charity donations	RMB 10,000	891.00
	Total number of employees	Person	4,227
	Total number of female employees	Person	2,385
	Targeted poverty alleviation loan balance	RMB 100 million	5.58
Environmental KPIs	Green credit balance**	RMB 100 million	117.63
	Electricity consumption by the head offices and branches	10,000 kWh	961.25
	Water consumption by the head offices and branches consumption	Tons	58,931.08
	Natural gas consumption by the head offices and branches	Cubic meters	45,444.01
	Paper consumption by the head offices and branches	10,000 sheets	656.06
	Petrol consumption by the head offices and branches ***	Liters	91,355.12

\*Return on average assets = net profit as a percentage of average total assets for the Reporting Period.

\*\*The green credit balance is based on the People's Bank of China's statistics for green loans.

\*\*\*Petrol consumption by the head offices and branches includes gasoline and diesel fuel consumption.

## Corporate governance



The Bank is responsible for maintaining sound corporate governance, which is key to enhancing the Bank's competitiveness. In accordance with the *Law of the People's Republic of China on Commercial Banks*, the *Company Law of the People's Republic of China*, the *Corporate Governance Code* of Appendix 14 of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and other laws and regulations, the Bank must continue improving its corporate governance system while standardizing its business and improving the quality of its services. The shareholders' general meeting remains the highest level of authority while the Board of Directors, the Board of Supervisors and the special committees are tasked with the responsibility of supervising the Bank's daily operations. In this way, the Bank has cultivated a healthy management and governance environment that enables prompt communication. This environment serves as the basis for the Bank's efforts to fulfill customers' needs and pursue business innovation.



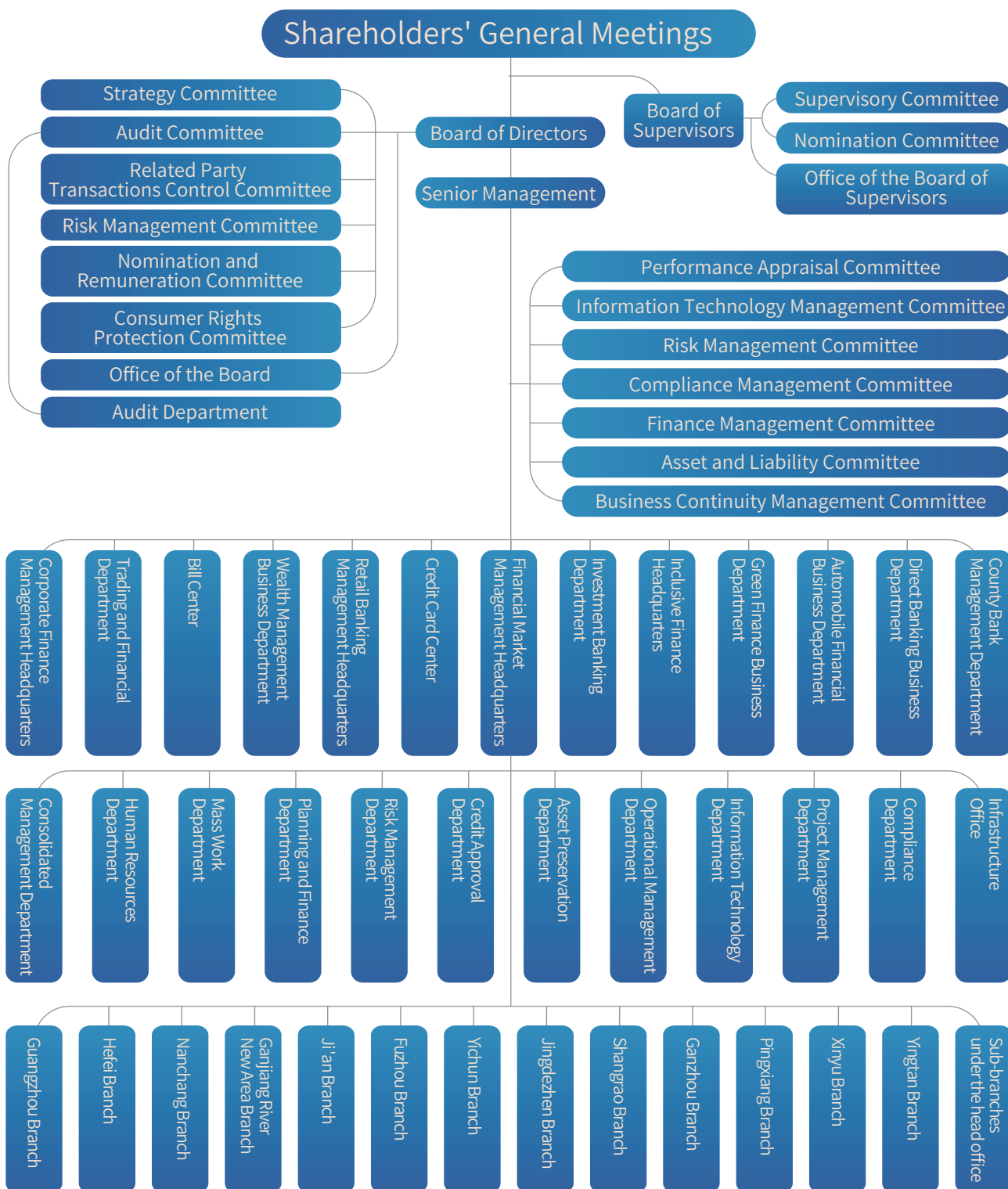
The shareholders' general meeting is the highest authority of the Bank while the Board of Directors, the Board of Supervisors and senior management are the decision-making, supervisory and executive bodies respectively. During the Reporting Period, the Bank organized three general meetings of shareholders (which included two separate meetings for the different classes of shareholders) at which 27 motions were deliberated and passed. The Bank's Board of Directors consists of 9 directors, including 2 executive directors, 3 non-executive directors, and 4 independent non-executive directors. These directors have extensive experience in fields such as finance, accounting, auditing, economics, management and law, and some of them have professional backgrounds in multiple fields. The Bank plans to elect one more executive director and one more non-executive director. The newly elected directors will be reported to the China Banking and Insurance Regulatory Commission (CBIRC) for approval. Their term of office commences on the effective date of the CBIRC's approval and ends on the expiration of the term of office of the sixth Board of Directors.



During the Reporting Period, the Bank held 9 Board meetings at which 96 motions were deliberated and passed. The Bank's Board of Supervisors consists of 6 members, including 2 employee representatives, 2 external supervisors and 2 shareholder representatives. During the Reporting Period, the Bank held 5 Board of Supervisors meetings at which 60 motions were deliberated and passed. The assembly of all meetings and the composition of the Board of Directors and the Board of Supervisors were in compliance with regulatory requirements.



The Bank attaches great importance to information disclosure. To this end, it has formulated the *Measures for Information Disclosure of Bank of Jiujiang Co., Ltd.* in accordance with the *Measures for the Information Disclosure of Commercial Banks*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and other regulatory requirements. Under the supervision of regulators, the Bank proactively manages investor relations by ensuring equal access to information and the provision of accurate information to investors on a timely basis. Since the Bank was listed on the SEHK on 10 July 2018, the Bank has promptly disclosed its results and information related to corporate governance for the reference of its investors. In addition, the Bank has maintained close and effective communication through daily phone calls, e-mails, visits and the Bank's website.



Note: The Bank has established the Inspection and Supervision Team of Bank of Jiujiang under the Jiujiang Municipal Supervisory Committee of the CPC, which is directly under the leadership of the Jiujiang Municipal Supervisory Committee.



## Internal control

The Bank has been committed to establishing a comprehensive and reasonable internal control system to ensure the compliance of its operations and the effectiveness of its risk management, which keep the Bank on track in terms of implementing its development strategies and attaining its business objectives. To this end, the Board of Directors is responsible for developing a systematic and sound internal control system to ensure prudent operations within the legal and regulatory framework. Senior management is responsible for implementing the internal control system according to the Board's decisions; formulating systematic policies, procedures and methods; taking corresponding risk control measures; and establishing and optimizing the internal organizational structure to ensure that the various functions of internal control can be carried out effectively. The Board of Supervisors is responsible for supervising and evaluating the work of the Board of Directors and senior management in connection with the establishment and implementation of the internal control system. At the same time, the Bank focuses on fostering employees' compliance awareness by providing systematic training for its employees, thus involving employees in the internal control mechanism. In doing so, the Bank is striving to develop into a financial institution with standardized internal control management.

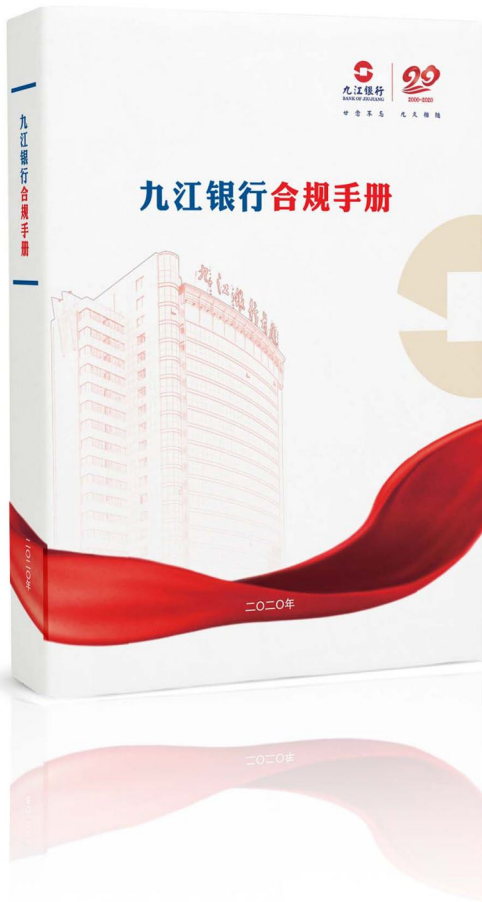
The Bank's internal control system covers all management and business processes. Branches set up compliance departments, and compliance managers are appointed for each key department and division of the head office. The Bank has established mechanisms for compliance departments and relevant personnel to submit external regulatory documents and information in a timely manner, regularly report internal control compliance inspection findings, implement and track regulatory opinions, and identify and monitor internal control compliance risks. In this way, the Bank is able to comprehensively supervise the compliance of its operations. During the Reporting Period, the internal control of all departments was reasonable and effective, and control measures were constantly revised according to in-process feedback to adapt to the latest developments in the industry.

## Employee behavior management

The Bank continues to improve the structure of its employee behavior management. It has established the Compliance Committee under senior management to provide specific guidance and to supervise and evaluate staff behavior management. The Bank has also dispatched compliance officers to various branches and sub-branches, covering five major lines of business: corporate finance, retail finance, credit approval, operations management, and planning and finance, thereby embedding staff behavior requirements throughout the major business lines' operations and management processes. On the policy front, the Bank formulated the *Contingency Plan for the Employee Behavior Management of Bank of Jiujiang*, and revised the *Management Measures for "Fake and Dishonest" Employee Behaviors of Bank of Jiujiang* during the year.

In order to effectively monitor abnormal movements in employees' accounts and control the risk of employees participating in financial crimes, the Bank has established an account abnormality monitoring system to continuously monitor abnormal transactions in the accounts of its employees and their related persons. Designated personnel check and verify accounts involved in abnormal transactions in accordance with the *Operational Procedures for Off-site Audit, Monitoring and Management of Abnormal Transactions of Employees of Bank of Jiujiang*. The monitoring system and the standardized verification and checking mechanism have effectively increased the Bank's sensitivity to abnormal employee behaviors and have enhanced the accuracy of monitoring.





## ● Compliance Handbook ● ● ●

In order to build a long-term compliance management mechanism and continue to promote compliance culture and education, the Bank issued the *Compliance Handbook of Bank of Jiujiang* in 2020, which was formulated according to the Bank's development needs with reference to internal and external policies, systems and regulations. As a result, Bank personnel can now inquire about major external regulatory rules, laws and regulations, and the Bank's rules and measures in a classified manner. With the formulation of the Compliance Handbook, the Bank has established a compliance culture in which employees are expected to strictly abide by the Bank's compliance requirements. The Compliance Handbook has made a significant contribution to the sustainable development of the Bank.

◀ Compliance Handbook of Bank of Jiujiang

## ■ Anti-corruption measures

Adhering to “simplicity, stringency, transparency and easiness” as its management concepts, the Bank has taken various anti-corruption measures to foster a corruption-free culture by combining mutual supervision and constraint with publicity and educational activities.

At the end of 2019, the Bank established the Inspection and Supervision Team of Bank of Jiujiang which is directly under the leadership of the Jiujiang Municipal Supervisory Committee. The Bank also set up disciplinary inspection and supervision teams at the branches and sub-branches. These inspection and supervision teams scrutinize the Bank's anti-corruption practices, petition management, moral hazard monitoring and corruption record keeping to ensure that all employees strictly comply with the Eight-point Regulation. The Inspection and Supervision Team leader also serves as a member of the Bank's CPC Committee, the Surveillance Team leader and Chairman of the Board of Supervisors to supervise the audit work. In short, the Bank has formed a supervision and constraint mechanism comprising the CPC Committee, the Disciplinary Inspection and Supervision function, the Audit function and the Supervisors, with these four functions generating a synergistic effect that enables comprehensive supervision.

In 2020, Bank of Jiujiang conducted many anti-corruption publicity and educational activities in the form of themed Party classes, reminder talks, inquiries, admonitory talks, oaths, article writing activities, and other initiatives.

### Case study Integrity seminars for newly-appointed middle and senior management personnel

On 5 June 2020, Mei Mengsheng, the Inspection and Supervision Team leader, gave a talk on integrity to 54 middle and senior management personnel that had been recently appointed to the head office. During the talk, Mei emphasized three requirements. First, loyalty to the Party, the organization and Bank of Jiujiang: Mei said that these personnel should enhance their political capabilities, implement the decisions of the central government, and keep in mind the Bank's responsibilities and missions. Second, respect for power, rules and customers: These personnel should always be vigilant, abide by all rules, and work earnestly to create maximum value for customers. Third, integrity: Mei said that personnel should "be cautious," honest and self-disciplined; be prudent in making friends; and keep a tight rein on their desires. Mei went on to say that these personnel should be self-disciplined, maintain morally upright social circles and strictly abide by various rules such as the Eight-point Regulation.

At the meeting, the newly-appointed personnel watched an educational video, signed the *Self-discipline Declaration of Middle and Senior Management of Bank of Jiujiang and the Undertaking before Appointment*, and took a solemn oath. Integrity seminars before taking office are an important part of the Bank's efforts to implement routine supervision. The purpose of the seminars is to enable newcomers to take their posts soberly and perform their duties honestly and with integrity.



Photo of the integrity talk

\*The photos of this annual report were all taken during the Bank's activities, and have been used by the Bank for news-reporting purposes. We cannot contact the people in the photos as we do not have their contact information. If the use of these photos leads to infringement of portrait rights or other issues, please be aware that this was not the Bank's intention and the photos have not been used for profit-making purposes. The Bank will immediately rectify the situation upon notification by the relevant rights holder.

### Case study Special meeting on implementing the spirit of the Eight-point Regulation

On 29 October 2020, under the unified planning of the CPC Committee, the Inspection and Supervision Team held a special meeting on implementing the spirit of the Eight-point Regulation. The meeting conveyed the spirit of the Regulation, explained ways to implement the Regulation through tightened internal control over finances, and promoted the stringent implementation of the requirements regarding the financial system, among other requirements.

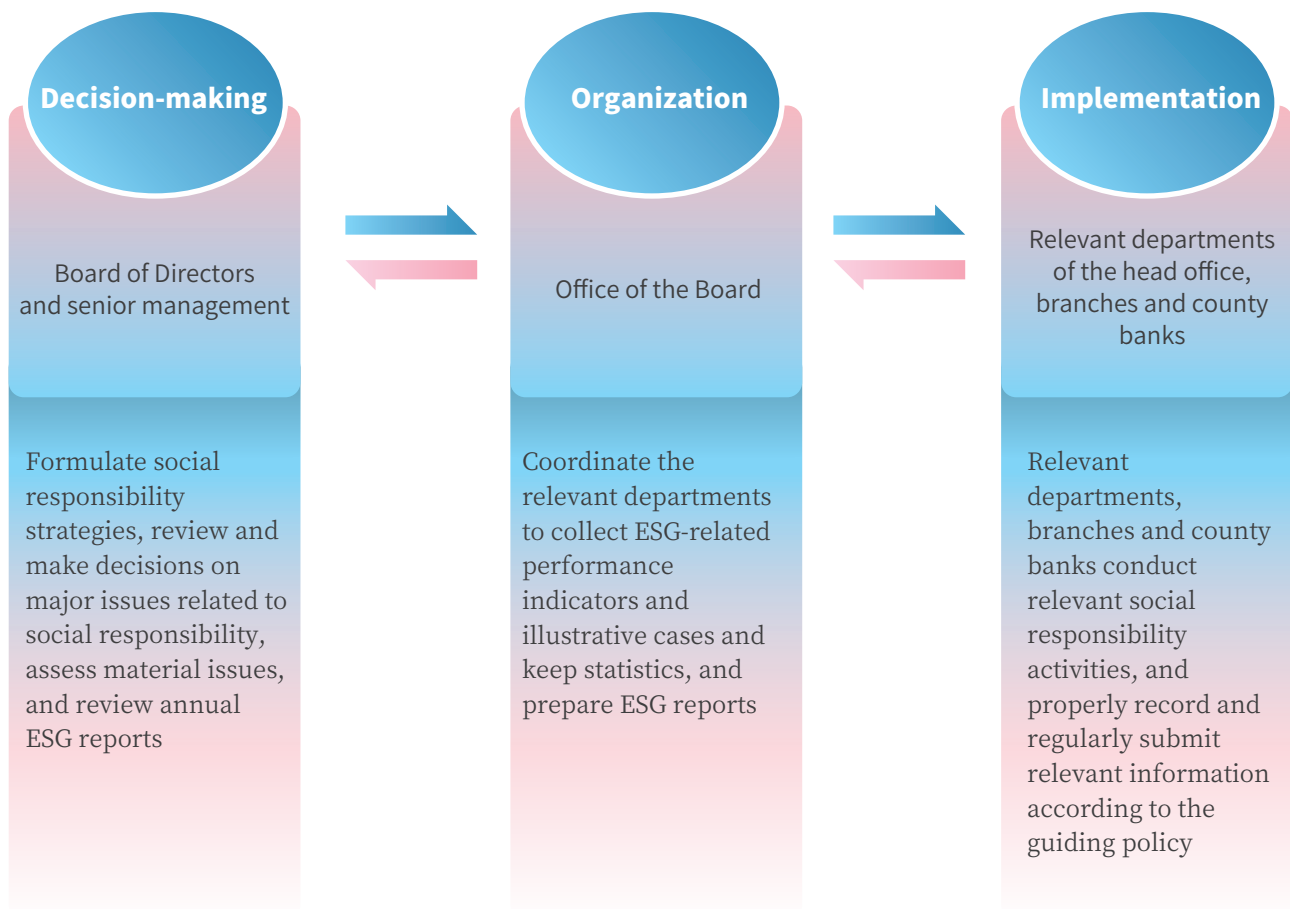
The Inspection and Supervision Team convened the meeting to implement the spirit of the Regulation throughout the Bank. The purpose of this meeting was to educate and remind all branches and sub-branches to continue improving their work styles and rid themselves of bad habits. The meeting also reiterated the importance of the spirit of the Regulation in long-term development. In summary, the meeting sent a clear signal that discipline must be strictly enforced and violations must be corrected.



The Bank's special meeting on implementing the Eight-point Regulation

## ⦿ Social responsibility management ⦿

The concept of sustainability permeates throughout the Bank's daily business development processes; and the Bank has established a social responsibility management system with clear responsibilities, with the goal of creating a virtuous cycle. The Board of Directors and senior management are responsible for formulating social responsibility strategies; the Office of the Board is responsible for organizing related activities; and other departments and entities are responsible for implementing the activities and providing feedback to their superiors for evaluation purposes.



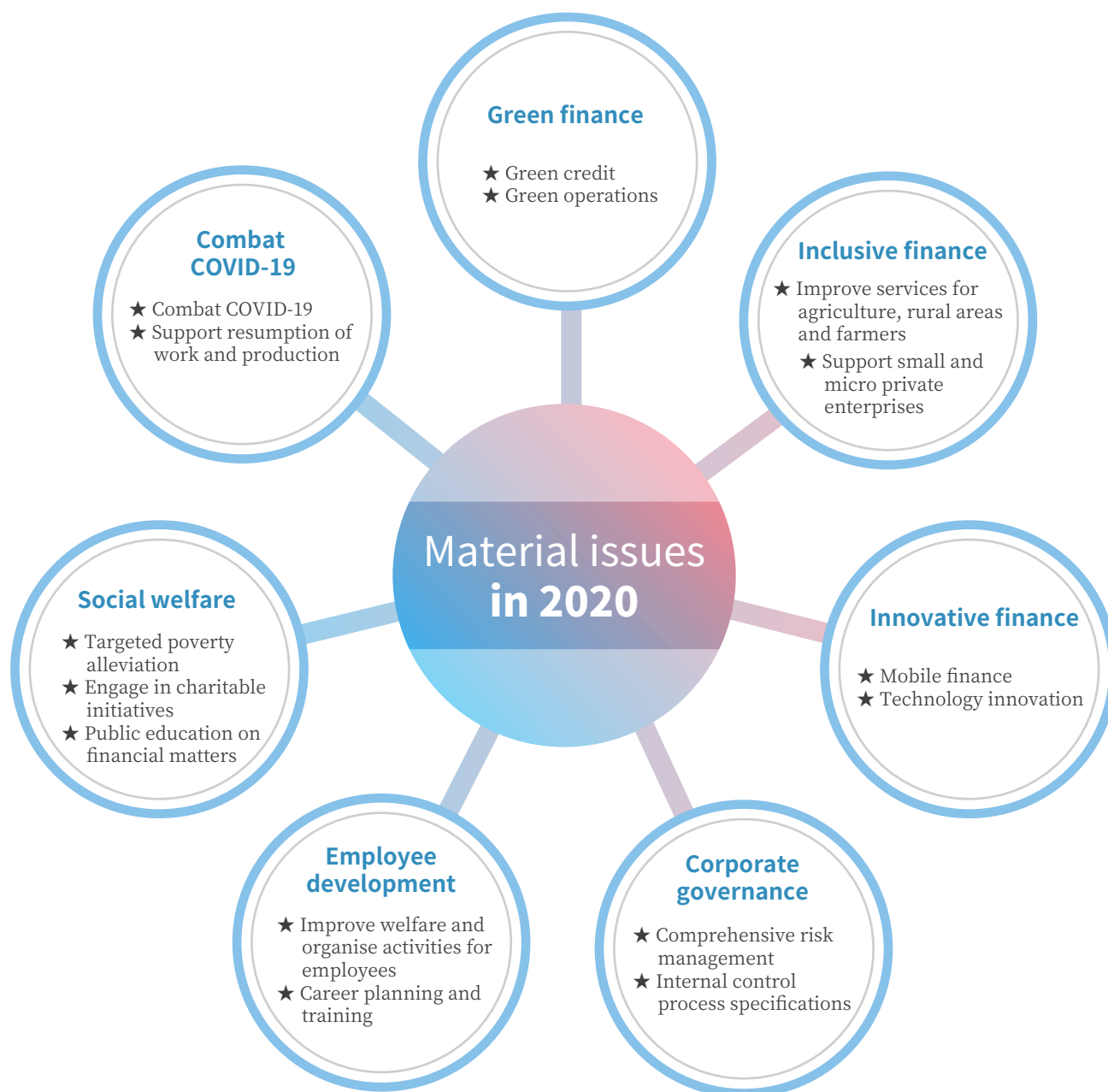
## Stakeholder participation

Stakeholders	Expectations and requests	Means of communication	Responses and measures
Government	<ul style="list-style-type: none"> <li>◎ Implement national policies</li> <li>◎ Develop inclusive finance</li> <li>◎ Develop innovative finance</li> <li>◎ Support resumption of work and production</li> </ul>	<ul style="list-style-type: none"> <li>◎ Policy documents and guidelines</li> <li>◎ Seminars</li> <li>◎ Work meetings</li> <li>◎ Information reporting</li> </ul>	<ul style="list-style-type: none"> <li>◎ Promptly support enterprises</li> <li>◎ Develop innovative products for agriculture, rural areas and farmers</li> <li>◎ Deepen bank-enterprise partnerships</li> <li>◎ Support private enterprises</li> </ul>
Regulatory authorities	<ul style="list-style-type: none"> <li>◎ Strengthen risk management</li> <li>◎ Ensure compliant operations</li> <li>◎ Maintain financial stability</li> <li>◎ Prevent financial crimes</li> </ul>	<ul style="list-style-type: none"> <li>◎ Regulatory policies</li> <li>◎ Surveys and onsite visits</li> <li>◎ Request instructions and report on work progress</li> <li>◎ Data reporting</li> </ul>	<ul style="list-style-type: none"> <li>◎ Implement regulatory requirements</li> <li>◎ Improve corporate governance</li> <li>◎ Continue to conduct anti-corruption activities</li> <li>◎ Improve employee behavior management</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>◎ Sound business operations</li> <li>◎ Clear strategic planning</li> <li>◎ Prompt information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>◎ Shareholders' general meetings</li> <li>◎ Communication with investors</li> <li>◎ Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>◎ Standardize corporate governance</li> <li>◎ Formulate development strategies</li> <li>◎ Maintain investor relations</li> </ul>
Customers	<ul style="list-style-type: none"> <li>◎ Innovative financial products</li> <li>◎ Provide quality services</li> <li>◎ Protect consumers' interests</li> <li>◎ Enrich service scenarios</li> </ul>	<ul style="list-style-type: none"> <li>◎ Marketing activities</li> <li>◎ Onsite surveys</li> <li>◎ Customer service hotlines</li> <li>◎ Digital platforms</li> </ul>	<ul style="list-style-type: none"> <li>◎ Develop innovative products</li> <li>◎ Popularize smart devices</li> <li>◎ Spread financial knowledge</li> <li>◎ Increase smart payments</li> </ul>
Employees	<ul style="list-style-type: none"> <li>◎ Enhance compensation and benefits</li> <li>◎ Better care for employees</li> <li>◎ Career development planning</li> <li>◎ Create a healthy work environment</li> </ul>	<ul style="list-style-type: none"> <li>◎ Labor unions</li> <li>◎ General meetings of employee representatives</li> <li>◎ Suggestion mailboxes</li> <li>◎ Employee feedback</li> </ul>	<ul style="list-style-type: none"> <li>◎ Improve the performance appraisal system</li> <li>◎ Enrich employees' leisure activities</li> <li>◎ Organize skills training for employees</li> <li>◎ Improve the office environment</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>◎ Procure fairly</li> <li>◎ Act in good faith</li> <li>◎ Maintain good relationships</li> </ul>	<ul style="list-style-type: none"> <li>◎ Negotiations</li> <li>◎ Cooperation agreements</li> <li>◎ Tendering and bidding</li> </ul>	<ul style="list-style-type: none"> <li>◎ Improve the procurement management system</li> <li>◎ Enhance communication</li> <li>◎ Compliant tendering and bidding</li> </ul>
Partners	<ul style="list-style-type: none"> <li>◎ Cooperate for mutual benefits</li> <li>◎ Communicate and exchange industry ideas</li> </ul>	<ul style="list-style-type: none"> <li>◎ Seminars</li> <li>◎ Project cooperation</li> </ul>	<ul style="list-style-type: none"> <li>◎ Ensure equality, mutual benefits, good faith and performance</li> <li>◎ Strategic cooperation</li> </ul>
Communities	<ul style="list-style-type: none"> <li>◎ Combat COVID-19</li> <li>◎ Targeted poverty alleviation</li> <li>◎ Public education on financial matters</li> </ul>	<ul style="list-style-type: none"> <li>◎ Visits and interviews</li> <li>◎ Onsite surveys</li> <li>◎ Publicity and educational activities</li> </ul>	<ul style="list-style-type: none"> <li>◎ Donate anti-pandemic materials</li> <li>◎ Dispatch employees to villages</li> <li>◎ Organize publicity events</li> </ul>
The general public and media	<ul style="list-style-type: none"> <li>◎ Smooth communication mechanism</li> </ul>	<ul style="list-style-type: none"> <li>◎ News</li> <li>◎ Interviews</li> </ul>	<ul style="list-style-type: none"> <li>◎ News media campaigns</li> <li>◎ Outdoor publicity activities</li> </ul>
Environment	<ul style="list-style-type: none"> <li>◎ Promote green finance</li> <li>◎ Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>◎ Studies on customer demand</li> <li>◎ Feedback</li> </ul>	<ul style="list-style-type: none"> <li>◎ Increase the size of green credit</li> <li>◎ Implement green office practices</li> </ul>



## Analysis of material issues

Through regular real-time internal communication and external exchanges, the Bank ensures that it fully communicates with various stakeholders and responds to them on a timely basis. By considering its business characteristics and development strategies as well as the State's guiding policy, the Bank identifies social responsibility issues, determines which issues are material to the Bank's sustainable development and stakeholders, and discloses these issues in the Report.



## Chapter 4

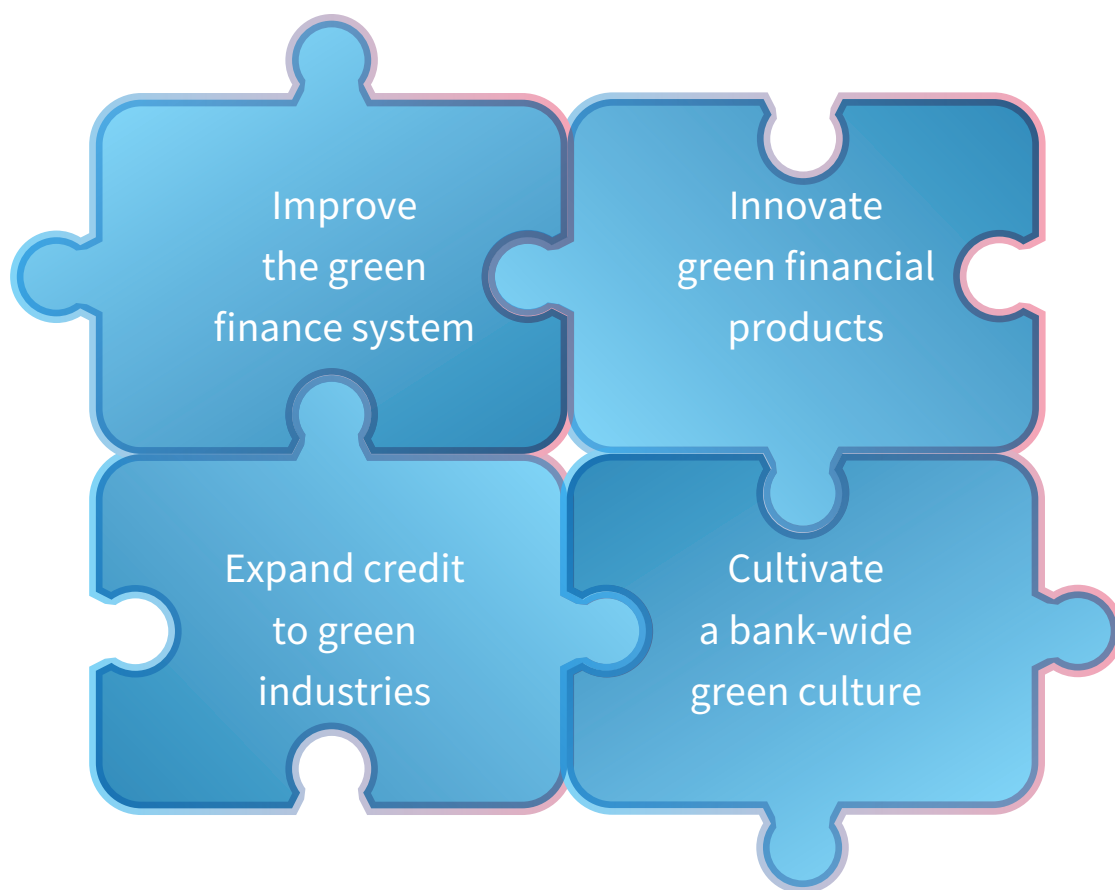
### Promoting green finance and green banking



## Our strategic positioning: A bank committed to green finance

In order to capitalize on the policy advantages stemming from Ganjiang River New Area's selection as a pilot zone for green finance reform and innovation, we have established a green finance department. We were the first bank in Jiangxi province to set up such a department. In addition, we have established a dedicated post at the branch and sub-branch levels to support the development of green finance in Jiangxi province. Furthermore, the board of directors has authorized its strategy committee to manage and implement green finance initiatives and has assigned strategic priority to green finance. Meanwhile, we have also set up a green finance steering group and included our positioning as “a bank committed to green finance” in our corporate culture handbook.

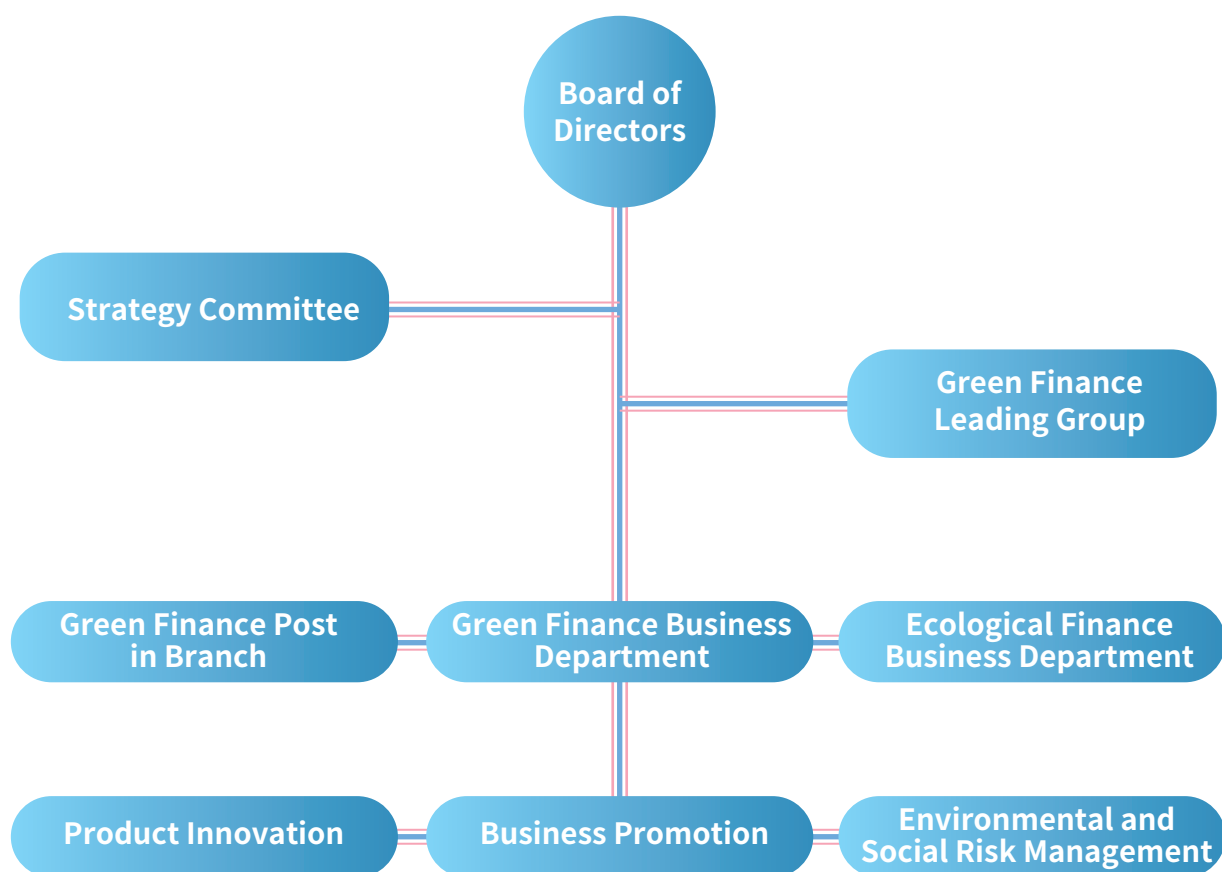
### Our strategic plan



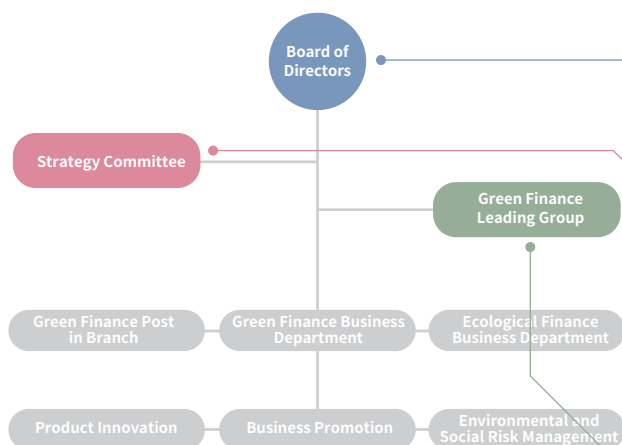
## Improving the green finance system

Green finance, environmental protection and other related issues are at the top of the Bank's agenda. We strongly support the effort to develop the Ganjiang River New Area into a pilot zone for green finance reform and innovation. To this end, we are pursuing a sustainable growth model that allows us to focus on green finance and innovation while also maintaining our market orientation. Meanwhile, we are continuously innovating the management system, organizational structure, work culture and values that we have set for developing green finance. In addition, we have included the requirement to develop green finance as a key element of our long-term plan.

### Internal organizational structure to support the development of green finance





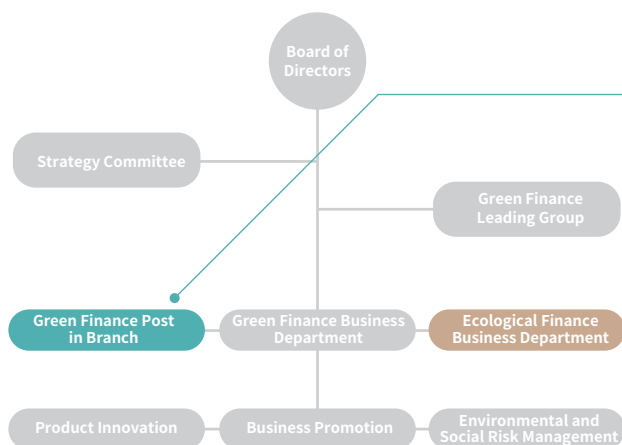


## Board level

The board of directors has authorized its strategy committee to assume planning and supervision responsibilities for green finance, in particular in respect of strategy determination and supervision of management's progress in implementing strategies.

The strategy committee consists of three directors and reports to the board of directors. It reviews reports prepared by the green finance working group, provides written proposals to the board of directors for deliberation, and supervises management's progress in implementing the proposals that have been finalized by the board of directors.

Meanwhile, to further innovate our existing green finance system, we have set up a green finance steering group which is led by the president of the Bank of Jiujiang. The steering group consists of the heads of the Bank's 14 major departments, including the head of the Green Finance Business Department, who concurrently serves as the group's office director and is responsible for overall planning and coordination in respect of the Bank's green finance initiatives.



## Management level

To fully embrace and implement sustainability concepts, we continuously innovate our products, processes and policies, as well as our approaches to managing related environmental and social risks that may arise. Furthermore, we have established a dedicated post at the head office as well as at the branch and direct sub-branch levels that is responsible for communicating issues and providing comprehensive high-quality solutions for green finance projects and clients.

On 28 May 2020, the Bank's Fuzhou branch unveiled its Eco-Finance Business Department, which is the first of its kind among banks in Jiangxi province. The launch of the Eco-Finance Business Department is our response to the government's call for developing Jiangxi province into an ecological conservation pilot zone. In addition, this department is evidence of the positive results that have been achieved since Fuzhou became the second city in China to carry out pilot reform for the mechanism for promoting the value of ecological products. Through its Eco-Finance Business Department, the Fuzhou branch will continue to develop innovative brands and unique products to support local green industries, while also continuously improving its green finance service system. In this way, the branch will help promote the value of ecological products and make Fuzhou a model for China's ecological conservation efforts.

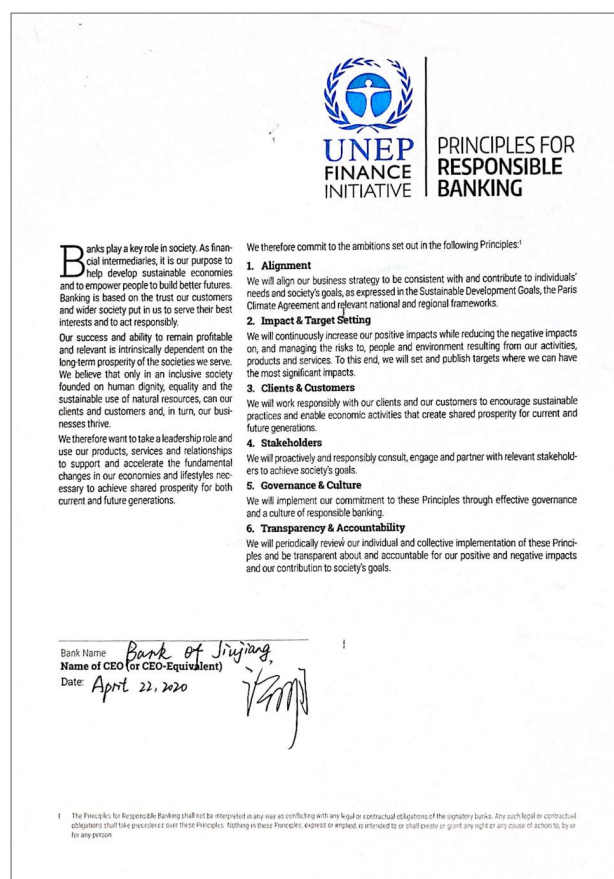
## Strengthening ties with industry organizations

In 2020, the Bank communicated frequently with international organizations as well as with other parties, which has helped us enhance our green finance capabilities. At the same time, we have been able to promote our image as “a bank committed to green finance” by telling the Bank's story, which is unique to Jiangxi province, to different social organizations.

### Cooperating with international organizations

In April 2020, we became a member of the UNEP Finance Initiative and signed the Principles for Responsible Banking (PRB). We were the first urban commercial bank in China to sign the PRB. The Principles for Responsible Banking is a comprehensive framework that the UNEP Finance Initiative has developed in collaboration with other parties to help banks align their business with society's goals, as expressed in the Sustainable Development Goals and the Paris Climate Agreement. The PRB is designed to help financial intermediaries such as banks play a key role in taking action to mitigate climate change and shape a sustainable future.

In signing the Principles for Responsible Banking, we pledged to do the following: align our business strategy with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks; work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations; and implement our commitment to these Principles through effective governance and a culture of responsible banking.



We became a signatory of the Principles for Responsible Banking

## ● Cooperating with domestic organizations ● ● ●

Following the announcement that it was expanding its membership, in April 2020, we became one of the first banks to join the Green Credit Committee of the China Banking Association, and we were the first bank in Jiangxi province to do so. The Committee, which was established in November 2014 under the coordination of the China Banking Association by the 29 banks that signed the *Chinese Banking Industry's Shared Commitment to Green Credit*, aims to provide guidance when banks and financial institutions apply green credit standards, allocate resources and pursue sustainability in respect of green credit business.

During the same month, we became a member of the Climate Investment and Financing Committee of the Chinese Society for Environmental Sciences. We were the first urban commercial bank in China to become a member.



We became a member of the Chinese Society for Environmental Sciences



## Expanding credit to green industries

Jiangxi province was approved as one of China's first ecological conservation pilot zones in June 2017. Since then, we have implemented the relevant guidelines released by Jiangxi province's Party committee and the provincial government. These guidelines call for continuously increasing credit granted to green industries and making a positive environmental and social impact in support of ecological conservation efforts, among other initiatives. In response, we have worked to deliver a solid performance by granting more credit to green industries. According to the green credit statistical standard released by the People's Bank of China, as of 31 December 2020, the Bank's green credit balance totaled RMB 11.763 billion, up 40.02% from the beginning of the year. In addition, green credit as a proportion of total credit increased as well. With a focus on supporting green, low-carbon and recyclable economies, the Bank has mainly lent green funds to companies that need to upgrade infrastructure and those that are engaged in the energy-saving, ecological conservation and clean energy industries.

### Performance reviews and incentives for green credit business

To increase credit granted to qualifying green projects, we have put in place a performance review mechanism and a preferential credit policy. For branch heads, the scope of the overall assessment includes their performance in the area of green credit. In addition, we have prioritized funds transfer pricing and risk capital support for green credit, while also improving the incentive structure to motivate branches to promote green loans. At the same time, we are continuously enhancing our technology capabilities to support green credit business. In 2020, in line with the revised policy for green loan statistics released by the People's Bank of China, we modified our existing system in order to enhance our statistical capabilities in respect of green loans.

#### Case study Green finance bonds issued by Bank of Jiujiang

In 2018, we issued "Bank of Jiujiang's 2018 Green Finance Bonds - Issuance 1" and "Bank of Jiujiang's 2018 Green Finance Bonds - Issuance 2," whereby we raised a total of RMB 4.0 billion to fund loans for qualified green projects. As of 31 December 2020, all of the raised funds have been used to support green projects, with funds totaling RMB 6.565 billion granted to 100 projects. As of the year-end, the related balance amounted to RMB 4.0 billion. The green finance bonds are designed to support companies that are engaged in pollution prevention, energy conservation and clean energy projects. These bonds can play a key role in facilitating economic transformation and industrial upgrading while also ensuring the sustainability of the real economy.

Furthermore, we have formulated the *Administrative Measures of Bank of Jiujiang for Funds Raised by Green Finance Bonds* and set up a special account for these funds. These moves are designed to regulate our management of raised funds to safeguard investors' rights and interests and ensure that the funds are used for their intended purposes. The document prescribes the procedures for evaluating and selecting eligible projects, managing the funds, seeking third-party certifications and providing disclosures. In July 2020, Dagong Global Credit Rating and Lianhe Credit Rating assigned AAA ratings to Bank of Jiujiang and its green finance bonds.

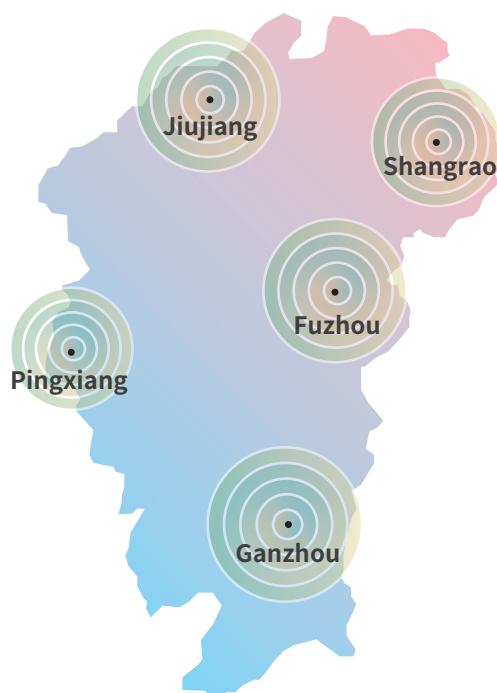
## 🕒 Innovating green financial products 🕒

Based on local economic conditions and industry-specific factors, as well as the circumstances and risk profile of specific companies and projects, we strive to develop innovations in an effort to provide green projects with wide-ranging and diverse financial products.

### Case study “Green Home Loan” supports environmental projects with financing difficulties

Bank of Jiujiang launched its “Green Home Loan” product to support environmental projects that lack classification and disposal infrastructure and to help companies that are experiencing financing challenges because they have made significant investments and are waiting to collect a return on their investments. With the “Green Home Loan” product, we have been able to steadily help governments and companies address the funding challenges they face in environmental project operations.

As of 31 December 2020, the Bank had granted “Green Home Loan” products amounting to RMB 112 million. These funds have been used to support the construction and operations of environmental projects based in Jiujiang, Ganzhou, Shangrao, Fuzhou, and Pingxiang. We have been pleased to see these projects play a positive role locally.





## Case study “Jiuyin Green Bill Financing” helps address the financing needs of green industries

“Jiuyin Green Bill Financing” provides qualifying companies with easy access to note acceptance and discounting at preferential rates. In accordance with applicable standards, the eligibility of companies is determined based on their main business type, the nature of the transaction, or the way that they will use the funds. “Jiuyin Green Bill Financing” is an innovative green financial product that we have launched to apply relevant monetary policies and address the short-term, recurring and urgent financing needs of small and medium-sized enterprises that are engaged in green industries.

In October 2019, we initiated a green bill project in collaboration with the Jiuyin Bill Research Institute of Jiangxi University of Finance and Economics and the International Research Institute for Green Finance of the Central University of Finance. On 27 March 2020, we issued the *Administrative Measures of Bank of Jiujiang for Jiuyin Green Bill Financing (for Trial Implementation)* and set up a special working group for implementing and promoting the Bank's green bill initiatives. Since this time, we have undertaken a number of bill acceptance and discounting projects across the Bank to address the specific needs of eligible companies based on their business type, the nature of their transaction, or their intended use of the funds.

On 11 May 2020, the Bank's Ganjiang River New Area branch rediscounted a green bill amounting to RMB 500,000, which was the first project of its kind in Jiangxi province and a demonstration of how green bills can be used as a tool to grant the PBOC's rediscounted funds to enterprises. As of 31 December 2020, we had processed green bill acceptance projects amounting to RMB 661 million, discounting projects amounting to RMB 792 million and rediscounting projects amounting to RMB 586 million. These funds have been used to support the development of green buildings, new energy vehicles, recycling resources and other green initiatives.

## Engaging in industry and regulatory discussions for green finance

We actively engage in relevant industry and regulatory discussions to promote the development of green finance at the Bank and for society as a whole.

Throughout 2020, we maintained frequent communication with other financial institutions and international organizations. The knowledge we gained from these discussions has expanded our vision for green finance planning and helped us chart a course for the future development of our green finance business. In January 2020, we were invited to give a speech describing our business model and innovations in the field of green finance at the “Forum for Projects that Support Sustainable Banking and Develop the Green Finance Capabilities of Small and Medium-sized Banks,” which was jointly organized by the International Finance Corporation (IFC) and CIB Research. In June 2020, we were the only urban commercial bank in central China to be invited to attend the discussion held by the Research Bureau of the People's Bank of China on its performance evaluation program for green finance. At the discussion, we submitted proposals to include green bills into the scope of green financing, expand the usage of green re-loans, and set green finance benchmarks for banks, and our proposals were appreciated by the People's Bank of China and other participants. Furthermore, in October 2020, we were invited to attend the UNEP Finance Initiative's Asia-Pacific event on behalf of China's banking industry to share information about the practices we have used to support a green recovery from the economic fall-out caused by the COVID-19 pandemic.

In addition, we regularly engage and communicate with local governments and regulators. Throughout 2020, we attended multiple regulatory discussions held by local financial supervision bureaus, the Jiangxi Banking and Insurance Regulatory Bureau, the Nanchang Central Sub-Branch of the People's Bank of China and other authorities to share our opinions and experience regarding the self-discipline mechanism, information disclosure on environmental practices, innovation achievements and other issues related to the green finance sector.



## Cultivating a green culture









In addition to our ongoing efforts to improve the green finance system, increase the credit we grant to green industries and innovate green loan products, we are also working to promote a green culture that focuses on energy efficiency across business processes.

### Promoting green operations

To cultivate a culture of green operations and a green work environment, we formulated the *Administrative Measures of Bank of Jiujiang for a Green Office (for Trial Implementation)*. These measures are designed to enhance our energy efficiency management and improve the efficiency of our resource utilization so that we can reach our sustainability goals with respect to energy conservation, environmental protection and cost reduction. We have put in place a set of measures in different categories to ensure we save water, electricity, petrol, paper and other resources, and reduce direct and indirect greenhouse gas emissions on a daily basis.

By category	Existing measures
Electricity consumption	<ul style="list-style-type: none"> <li>◎ Use energy-saving lamps and turn on lights only as needed</li> <li>◎ Set upper and lower temperature limits for air conditioners and use air conditioners only as needed</li> <li>◎ Turn off long-term idle electrical appliances</li> <li>◎ Encourage employees on lower floors to use the stairs as often as possible</li> </ul>
Petrol consumption	<ul style="list-style-type: none"> <li>◎ Reasonably arrange vehicles and allocate personnel to ensure that vehicles are as full as possible</li> <li>◎ Phase out vehicles with high fuel consumption and replace them with new fuel-efficient and environmentally-friendly small-displacement vehicles</li> <li>◎ Conduct educational initiatives on petrol conservation for employees</li> </ul>
Water consumption	<ul style="list-style-type: none"> <li>◎ Repair and maintain water pipes and other equipment on a regular basis</li> <li>◎ Use water only as needed</li> </ul>
Materials consumption	<ul style="list-style-type: none"> <li>◎ Promote paperless offices</li> <li>◎ Encourage reasonable use of paper, double-sided printing, and printing on the reverse side of wastepaper</li> <li>◎ Reduce the use of disposable products</li> <li>◎ Encourage the recycling and reuse of waste resources</li> </ul>
Food consumption	<ul style="list-style-type: none"> <li>◎ Encourage staff not to take more than they actually need at the dining table</li> <li>◎ Place leftovers at a designated counter</li> </ul>

## Bank of Jiujiang's resource consumption and greenhouse gas emissions in 2020

	Category	Unit	2020
	Electricity consumption by the head office and branches	10,000 kWh	961.25
	Water consumption by the head office and branches	Tons	58,931.08
	Natural gas consumption by the head office and branches	Cubic meters	45,444.01
	Petrol consumption by the head office and branches <sup>1</sup>	Liters	91,355.12
	Paper consumption by the head office and branches	10,000 sheets	656.06
	Greenhouse gas emissions by the head office and branches	Tons of carbon dioxide equivalent	7,167.18
	— Direct greenhouse gas emissions <sup>2</sup>	Tons of carbon dioxide equivalent	273.11
	— Indirect greenhouse gas emissions <sup>3</sup>	Tons of carbon dioxide equivalent	6,894.07

1. Including the use of petrol and diesel for business vehicles, canteens and power generation.
2. Including greenhouse gas emissions resulting from natural gas, liquefied gas and diesel consumption.
3. Including greenhouse gas emissions resulting from electricity consumption, wastepaper disposal and transportation.

In accordance with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other related laws and regulations, we have developed a system and set of measures for promoting environmental awareness and low-carbon lifestyles among our employees. As part of our effort to cultivate a green culture that focuses on energy efficiency, in 2020 we included all 13 branches into the scope of resource consumption assurance for the first time in order to promote the green culture initiative throughout the Bank and ensure that resource consumption is documented in a standardized manner.

## ● Paperless office ● ● ●

In line with our strategic positioning as “a bank committed to green finance,” we started to implement the “paperless” initiative following the launch of our “901” core system, and we began promoting the use of electronic vouchers throughout the Bank in May 2020. This move has enabled us to significantly reduce the effort and resources that were previously required to sort, check and move vouchers to warehouses. According to our data, since implementing this initiative, nearly 70% of the Bank's vouchers have become “paperless.” This change has helped us enhance customer experience and improve our clerks' work efficiency.

In addition, we have launched an electronic register system (phase II), as part of our effort to move paper registers online. The electronic register system, which is part of the Bank's “paperless” initiative, has improved the Bank's energy efficiency and has helped us align with the national sustainable development strategy. The electronic register system, which contains 15 register books and is compatible with Android and IOS systems, can meet the daily needs of bank clerks, customer managers and heads of accounting affairs. The system helps simplify work processes, improve efficiency and save on printing costs.



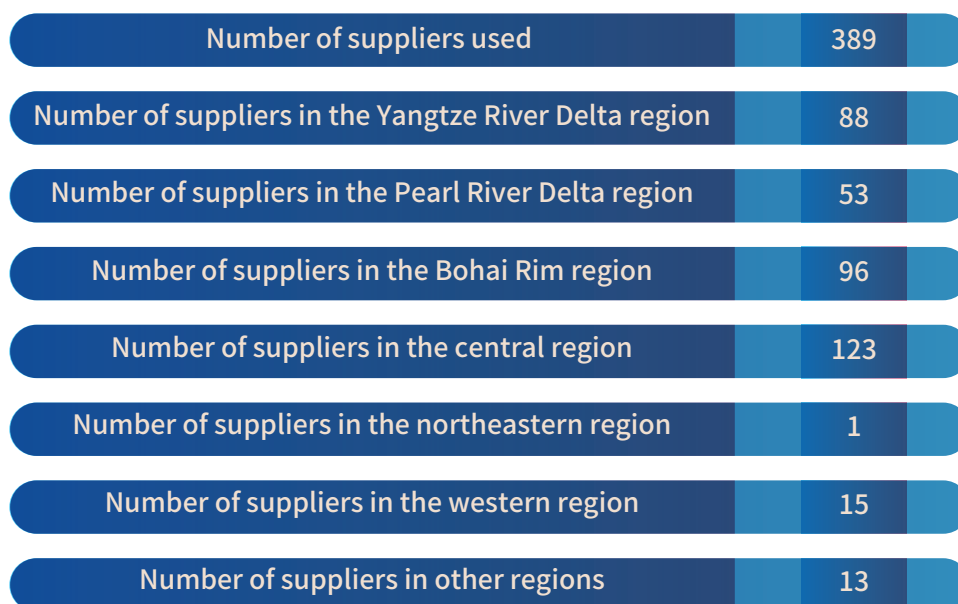
The interface of the Bank's electronic register system



## ● Procurement management ● ● ●

We continuously improve our management of the procurement process, including management of the bidding process and suppliers, and we actively implement the concept of green procurement. We only select suppliers whose products and services comply with relevant national, industry, and occupational health and safety standards and that are subject to our supervision. We also monitor the environmental impact of the items we purchase. We do not accept suppliers with products or services that are highly pollutive or energy-consuming, and we urge our suppliers to improve their environmental protection measures and fulfill their social responsibilities.

### Supplier-related KPIs in 2020



## ■ Spreading green ideas

In addition to operating in a green fashion, we also attach great importance to spreading green ideas. To this end, we have been harnessing the Internet, newspapers, television, bulletin boards and other media, as well as campaigns in local communities, streets and college campuses, to tell a wider audience about the progress we have made in promoting green finance, and to spread information about the Bank's green financial products and practices.

In line with the guiding principles of the Jiangxi Banking and Insurance Regulatory Bureau, in June 2020 the Bank issued the *Notice on Publicizing Ecological Awareness Month for Banks and Insurers in Jiangxi* to raise awareness and strengthen leadership at the branch level for green finance campaigns. This initiative aligned with a series of activities and events that we carried out in the second half of the year, which included launching a green finance lecture series and an internal subject-matter training course, and competing in several green finance knowledge competitions, in which we won the top prizes.

Our achievements in promoting green finance have been widely recognized by local governments. In 2020, the Bank won the "Responsible Organization in the Financial Services Sector in Jiangxi Province" award for the first time, and the "Bank Excelling in Green Credit Performance Review and Evaluation in Jiangxi Province" award for the third consecutive year. In addition, Bank of Jiujiang has also been named an "Advanced Green Finance Organization in Jiangxi Province" for the 3-year period from 2018 to 2020 by the Office of Jiangxi province's Steering Group for Green Finance Reform and Innovation.



## Chapter 5

Developing inclusive finance, and Supporting small and micro enterprises and private economy



## Steadily promoting the development of agriculture, rural areas and farmers

The Bank has conscientiously followed the CCP Central Committee's instructions regarding serving “agriculture, rural areas and farmers”; actively implemented the rural revitalization strategy; intensively cultivated promising sectors; and strongly supported the operational financing needs of agricultural enterprises, township enterprises and farmers, thus contributing to rural economic growth. In conducting inclusive finance business, the Bank pursues the strategic policy of “adjusting the industry structure, saving capital, controlling non-performing loans, and stable growth”; and it is committed to expanding county-level business, strengthening the agricultural industry, and revitalizing the rural market. As at 31 December 2020, the balance of the Bank's agricultural loans stood at RMB 43,217 million.

### Exploring the features of the agriculture industry and optimizing inclusive financial services

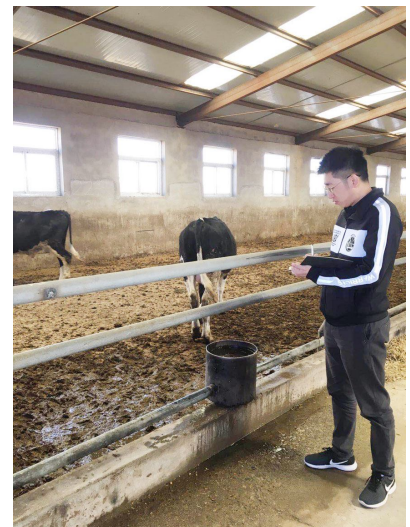
In 2020, the Bank thoroughly implemented the Guiding Opinions on Financial Services for Rural Revitalization in order to tilt the allocation of its resources toward services related to “agriculture, rural areas and farmers”, provide them with more sources of financing, and continuously improve its inclusive financial products and service system. In order to precisely direct financial resources to “agriculture, rural areas and farmers,” the Bank has steadily explored the characteristics of the local agriculture industry and has developed a series of inclusive financial products that support its growth, such as the “Jushidai Loan” and “Smart Loan for Farmers.” In 2020, a total of RMB 69 million had been granted to 653 farmers under the “Jushidai Loan,” and RMB 31 million had been granted to 808 farmers under the “Smart Loan for Farmers.” Meanwhile, the Bank has also developed new products such as the “Rural Talent Loan” and “Smart Loan for Ranches” to target specific customer groups and provide customized financing services.

In addition, the Bank has comprehensively upgraded and transformed its online and offline inclusive financial services by extending the reach of offline services, promoting the digitalization of offline services, and standardizing online services. These upgrades have greatly improved the timeliness of business processing, optimized the customer experience, and expanded the Bank's customer base in rural areas.

#### Case study Offering new financial products for the supply chain of “agriculture, rural areas and farmers”

In response to the government's call, the Bank has been using innovative technology to help farmers and herders become more profitable, and to grow together with farmers, herders and breeding enterprises. In order to solve financial difficulties related to beef cattle breeding, the Bank has launched special inclusive financial products such as the “Smart Loan for Ranches” and “Smart Warehouse Loan.” Under the “Smart Loan for Ranches” product, ranches provide services related to breeding, supervision, and insurance, among other areas, as well as joint liability guarantees. Using an online platform, herdsmen and farms can use their own beef cattle as collateral to apply for loans on their mobile phones. In 2020, the Bank had granted loans totaling RMB 1,907 million to the supply chain of new “agriculture, rural areas and farmers.”

The Bank's employee visiting a farm ►



## Case study Inclusive financial service stations

According to the concept of “piloting first, moving from one point to the whole area, and progressing step-by-step,” the Bank has been piloting its inclusive financial service station project in the Jiujiang and Ji'an regions, and plans to proceed steadily in phases. As at 31 December 2020, the Bank had set up 591 service stations, which had conducted 6,881 transactions amounting to RMB 3,967,100. In addition, during the year, the Bank organized 160 special marketing activities and issued more than 1,600 cards in total, effectively expanding the coverage of its inclusive financial services and establishing a solid rural customer base.



Inaugural ceremony of the inclusive financial service station at the Ruijin sub-branch

## Case study Loans Guaranteed by JACG for the Benefit of Farmers

In March 2019, the Bank's Inclusive Finance Headquarters entered into a cooperation agreement with Jiangxi Provincial Agricultural Credit Guarantee Co., Ltd. (JACG) to promote “Loans Guaranteed by JACG for the Benefit of Farmers” across the province. The product targets customers in the agriculture industry, and JACG provides a guarantee for 80% of the loan principal and interest. This innovative financial service model combines credit extension and inclusive finance to support and benefit farmers.

## Publicizing inclusive finance and invigorating the rural economy

In 2020, the news that Bank of Jiujiang had signed a strategic cooperation agreement with Zhengbang Group and Aonong Group was reported by CCTV-2 Finance, Xinhua Finance and China News Service. In April 2020, media outlets such as Sina Finance and the Financial Information Network published an article titled Bank of Jiujiang Promotes Rural Agricultural Development with Financial Resources, which reported on our initiatives and achievements in the field of inclusive finance.



CCTV-2 Finance reports the conclusion of a strategic cooperation agreement between the Bank and Zhengbang Group



The Bank signs a strategic agreement with Aonong Group



# Sparing no effort to help small and micro enterprises resume work and production

The sudden outbreak of COVID-19 in 2020 has brought unprecedented operating difficulties to small and micro enterprises, which urgently need preferential financial support to overcome the adverse impact. In this regard, Bank of Jiujiang has resolutely implemented the decisions of the CPC Central Committee, the State Council, the Jiujiang Municipal Party Committee, and the municipal government, as well as the work requirements issued by regulatory authorities. In addition, the Bank has put equal emphasis on shouldering its responsibility and ensuring effective operations, and to this end it has promptly introduced policies and exclusive financial products to alleviate the difficulties that small and micro enterprises are facing.

## Fighting the pandemic and helping small and micro enterprises resume work and production

During the epidemic, based on national macro-control policies, the Bank has used internal and external financial resources to help small and micro enterprises resume work and production. By leveraging credit policy tools, innovating financial products, and promoting its online financing platform, the Bank has provided small and micro enterprises with financial support to help them resume work and production.

### Case study Multiple credit policies ease small and micro enterprises' financing difficulties

In order to support small enterprises, the Bank has fully implemented the central bank's small and micro loan policy, which calls for banks to issue preferential loans to small and micro enterprises at interest rates not higher than LPR+50 basis points. As at 31 December 2020, the Bank had granted loans totalling RMB 9,160 million to 15,187 small and micro enterprises that were eligible for special small-scale refinancing. In 2020, the Bank handled a total of 1,561 small and micro bill discounting transactions, with a re-discounting balance of RMB 6,363 million and a bill balance of 5,785 million. In addition, the Bank has deployed the deferred principal and interest payment policy to alleviate the financing difficulties facing small and micro enterprises. From 1 June 2020 to 31 December 2020, the Bank deferred principal repayments for inclusive small and micro loans amounting to RMB 2,639 million. The Bank's anti-pandemic refinancing and small-scale refinancing balance ranks first among legal entities in Jiangxi province, and the Bank is also the provincial leader in terms of the amount of principal and interest payments it has deferred.

### Case study Using product innovation to help small and micro enterprises resume work and production

In the face of the challenges presented by the pandemic, the Bank has accelerated the pace of product innovation, and it has launched a number of special products to help entities resume work and production. The Bank has also continued to expand its issuance of credit loans for small and micro enterprises. From 1 March 2020 to 31 December 2020, the Bank granted a total of RMB 4,733 million in inclusive small and micro credit loans, leading other legal entities in Jiangxi province.

Furthermore, the Bank has launched the "Business Support Loan" to meet corporate credit needs and help small and micro enterprises engaged in the processing, manufacturing, trade circulation, leisure and restaurant, and business service industries that have been greatly affected by the pandemic resume work and production. Under the "Business Support Loan," the Bank also offers the "Salary Loan" and "Rental Loan" products for specific purposes. In addition to credit limits for general working capital, the Bank has also set credit limits in specific areas such as salary and rental payment. In 2020, the Bank granted the "Business Support Loan" to 126 companies, with a total loan amount of RMB 272 million. The Bank has also launched the "Quick and Flexible Mobile Credit – Quick Operating Loan," which is based on a precise customer group model and stall owner customer group model that target family businesses and small and micro business owners, providing loans to trading areas, markets, distributors, and stall owners with financial needs. As at 31 December 2020, the Bank had granted loans amounting to RMB 465 million to 1,998 customers, with the total loan balance standing at RMB 315 million.

### Case study Promoting the Small and Micro Enterprise Financing Platform to connect banks and enterprises

The Jiangxi Province Small and Micro Enterprise Financing Service Platform serves as a bridge between banks and enterprises. The platform guides small and micro enterprises through the loan application process and strengthens the connectivity of online services. In 2020, the Bank launched a number of promotional activities related to the platform and issued instructions to the branches to encourage them to increase the proportion of loan applications submitted via the platform. As at 31 December 2020, the Bank had 106,400 small and micro-enterprise customers registered on the platform. Among them, 9,871 customers had been granted loans, with a total loan amount of RMB 14,544 million. The platform has improved the efficiency of financial services provided to the real economy, thereby promoting the orderly resumption of work and production for small and micro enterprises and aiding in the fight against the pandemic.

# Rationally supporting the growth of the private economy

The private sector is an important driving force for regional economic growth. The Bank is committed to supporting the development of the private economy, with a focus on partnering with local private enterprises to achieve common growth. By doing so, it helps enterprises grow their business and upgrade their products and services in a sustainable manner.

## Improving the management of the whitelist of private enterprises and giving them priority in preferential credit extension

On the policy front, the Bank vigorously supports the development of private enterprises. Through strengthened analysis, study and classified management, it has helped these customers solve many of their financing problems.

During the year, the Bank continued to improve its whitelist system for private enterprises. To this end, in order to dynamically manage the list, it has developed a comprehensive list management system that covers inclusion standards, pricing policies, exit mechanisms, assessment, application, and submission timeliness. In this way, the Bank is contributing to the sustainable development of the private economy in a rational manner.

The whitelist covers customers from the healthcare, education, energy, and regional industries, and it focuses on attracting private enterprises that contribute to local economic development and that are line with the direction of national strategic development. These customers, like those in agriculture and green finance, have been prioritized for credit granting. At their discretion, branches and sub-branches can provide these customers with additional discounts within a certain limit based on the head office's pricing policy. Meanwhile, the Bank has dynamically monitored whitelisted customers, and it has promptly initiated procedures for customers that have major ownership disputes or that are suspected of committing illegal acts by freezing their remaining credit lines or promptly taking other measures if their credit facilities have already been drawn down. The Bank's dynamic management of the whitelist and the related preferential pricing policies are conducive to the effective allocation of financial resources, enabling high-quality private enterprises to obtain financial support in a timely manner at a lower cost and promoting the vigorous development of the private economy.

## Supporting the real economy and enhancing bank-enterprise cooperation

In 2020, the Bank worked to strengthen its cooperation with enterprises in the interest of producing mutual benefits. To this end, the Bank launched a number of innovative products to provide a full range of financing solutions and services that are suited to different enterprises' unique circumstances. In this way, the Bank has been able to use its banking capabilities to seize market opportunities and work with various enterprises to achieve win-win benefits.

### Case study Floating-rate loans secured by live pigs

To further develop the financial services it provides to the breeding industry, the Bank recently launched its livestock-secured loan business. In one case, Zhengbang Agriculture and Animal Husbandry Industry Co., Ltd. (正邦农牧實業有限公司), a subsidiary of Zhengbang Group Co., Ltd., was able to collateralize its 7,200 hybrid sows and gilts to obtain a credit line of RMB 50 million under the Bank's floating-rate live pig-secured loan program. The loan amount is determined based on the appraised value of the collateral. Through this business, the Bank has revitalized breeding companies' biological assets by allowing these customers to use their core biological assets to obtain financing. This loan product effectively increases their liquidity and ensures the normal capital flows of their business. From a broader perspective, this product also helps promote the large-scale development of the breeding industry.

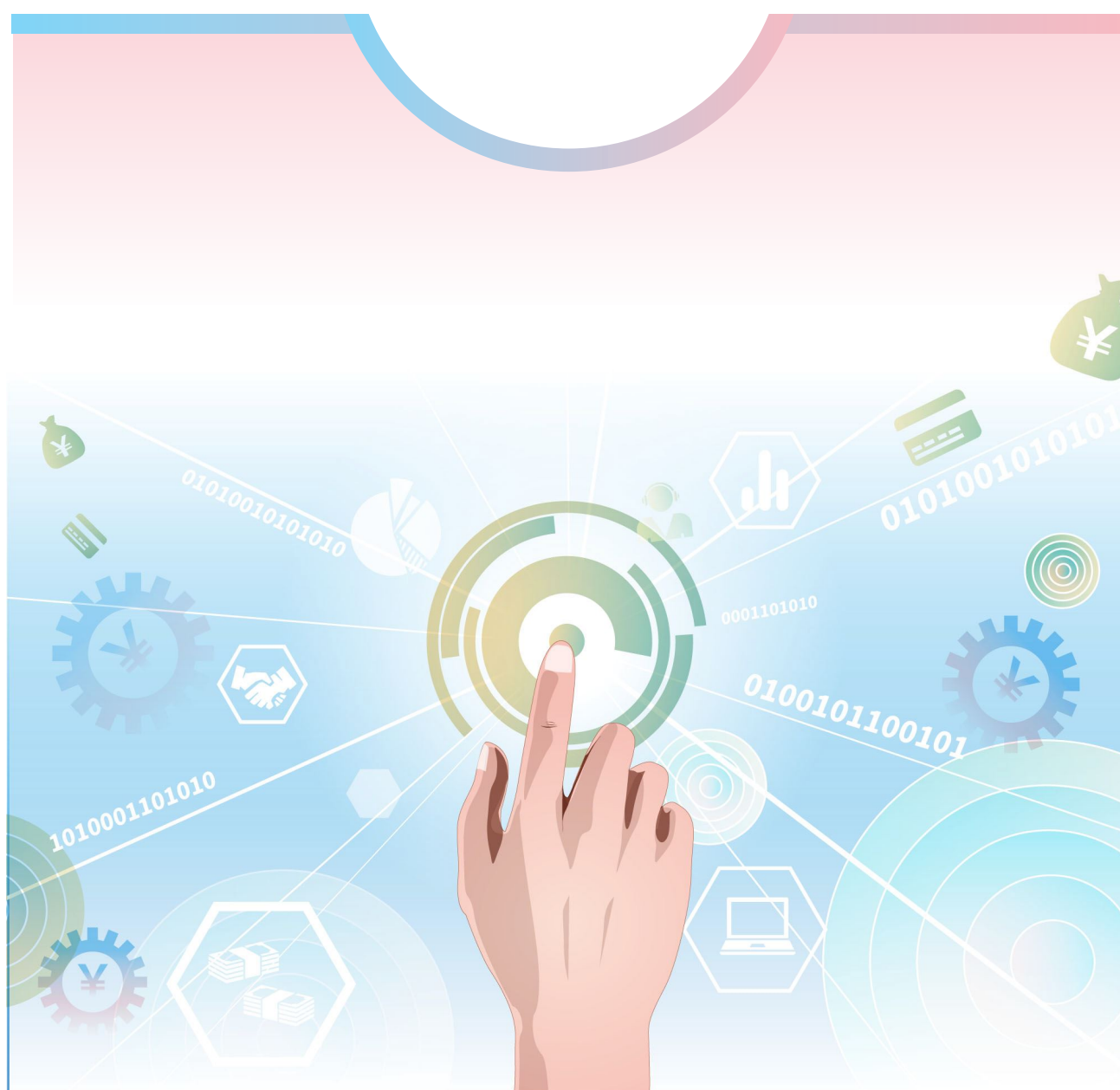


Floating-rate loans secured by live pigs



## Chapter 6

### Leveraging technology to develop smart finance



## ◉ Transforming into a digital bank ◉

With the rapid development of technologies such as mobile Internet and artificial intelligence, society has entered a digital era that is driven by information technology. Against this backdrop, the Bank has emphasized digital transformation at the strategic level. The Information Technology Management Committee has been set up under senior management to lead the planning and implementation of digital transformation projects. In addition to using online tools such as mobile apps to optimize customer services and broaden customer acquisition channels, the Bank is also actively applying digital technologies in risk management, compliance management and operations to reshape business processes. Overall, the Bank is linking online and offline businesses to drive effective digital transformation and develop into a digital bank in an all-round way.

### Digital transformation of risk management – “902 Project”

Following the launch of the next-generation “901 Project” core system in 2019, the Bank has expanded its digital transformation to cover credit business. According to the Bank's overall development strategy, the head office has started to construct the “902 Project” after considering the Bank's current credit business management practices and future development and transformation needs.

The “902 Project” consists of six smart credit management tools, which have effectively improved the timeliness, accuracy, security, uniformity, and prospectiveness of credit business operations. The 902 Project's tools have enabled omni-channel customer acquisition, full-process business processing, full-caliber product coverage, comprehensive risk control, all-dimensional quota control, and centralized collateral management. In general, the “902 Project” has optimized business processes, integrated system architecture, and improved the Bank's overall risk control. At present, all six smart credit management tools have been put into operation.



## Digital transformation of compliance management – internal control compliance and operational risk management system

In order to realize the digital transformation of the Bank's internal control compliance management and operational risk management, the Bank has established an intensive internal control compliance and operational risk management system with reference to the requirements of the Capital Management Measures for Commercial Banks, the Guidelines for Internal Control of Commercial Banks, and the Guidelines for Compliance Risk Management of Commercial Banks. In this way, the Bank has achieved effective online management of compliance, internal control and operational risk.

The internal control compliance and operational risk management system covers internal control compliance management, legal affairs management, consumer rights protection, case prevention and control, management of major events concerning financial stability, and operational risk management modules, and for the first time the system is using online and digital tools to integrate compliance tasks, events and data. This new approach has enabled the Bank to more quickly respond to compliance risks and has reduced such risks to a certain extent.

## Digital transformation of operation management – the “panorama screen”

In 2020, in response to the call for digitalization, Bank of Jiujiang built a “panorama screen” for the operations of the head office, branches, and sub-branches based on its existing system. In order to effectively reflect the operations of each outlet, the “panorama screen” is made up of nine modules, including an outlet window module, an online and offline business module, a counter module, an institutional efficiency module, and a business processing time module. Through real-time and T+1 indicators, management and various business units can conduct analysis and make decisions based on a visual representation of the operational dynamics of each office. Overall, the “panorama screen” plays a significant role in supporting the Bank's digital transformation and has strengthened the Bank's ability to provide refined financial services.



## Online services improve the customer experience

Due to the popularization and evolution of mobile devices, interaction between banks and customers is no longer limited to outlets. For this reason, Bank of Jiujiang has resolutely implemented strategic plans for digitalization and mobilization. The Bank is committed to fully leveraging the convenient, immediate and automated nature of mobile devices to develop and promote various online retail banking products, with the ultimate goal of providing customers with convenient and reliable financial services, improving the efficiency of financial services, and better meeting the wealth management needs of customers. In 2020, many of the Bank's online financial products recorded rapid growth in terms of customer numbers, credit amounts, loan balances, and other metrics. These achievements demonstrate that the development of our online financial services is on the right path and that we are more effectively meeting market needs and customer demands. As at 31 December 2020, e-banking business accounted for 91.17% of the Bank's total transaction volume.

### Online financial products – loans

The Bank's online loan products cover retail customers, family businesses, and small and micro enterprises, and the business scope of its loan products includes consumer loans, business loans and mortgage loans. Its loans can be divided into five categories: “Quick and Flexible Mobile Credit – Pocket Money,” “Quick and Flexible Mobile Credit – Commercial Shops Loan,” “Quick and Flexible Mobile Credit – Tax Loan,” “Quick and Flexible Mobile Credit – Quick Operating Loan,” and “Housing Property-backed Instant Loan.”

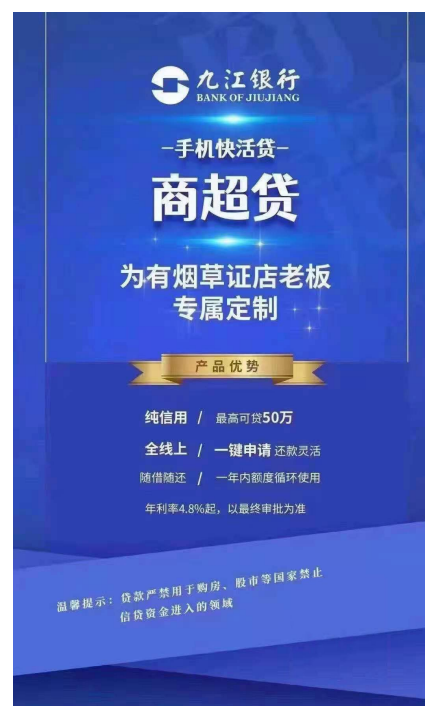


#### Quick and Flexible Mobile Credit – Pocket Money

The “Quick and Flexible Mobile Credit – Pocket Money” loan is an online personal consumer loan product that is totally credit-based. It does not require application materials, and the approval process is quite quick. This product was designed with the goal of “providing readily available pocket money to everyone.” For this product, the Bank has established a risk control review and approval model that uses big data analytics and references information such as existing customers' daily operational data, and personal credit profiles. With this model, the Bank uses its smart risk control system's decision engine to enable automatic reviews and approvals and quick loan disbursements. By accessing this product, customers can conveniently obtain the money they need for daily purchases wherever they are. As at 31 December 2020, the Bank had granted loans amounting to RMB 3,661 million (representing an increase of RMB 2,381 million year-on-year) to 51,809 customers, with the total loan balance standing at RMB 1,247 million.

## Quick and Flexible Mobile Credit – Commercial Shops Loan

The “Quick and Flexible Mobile Credit – Commercial Shops Loan” is an unsecured, totally online loan product. Using the Tobacco Bureau platform, this product targets small and micro tobacco businesses to effectively address customers' financing difficulties and improve their settlement efficiency. Tobacco-related data is at the core of the risk control decision-making process for this product. To offer this product, the Bank quickly structures risk data based on information collected by the mobile frontline operator terminal and through live feedback transmitted to the Bank's database system. The Bank also receives relevant characteristics data to perform risk verification, and it directly connects to the rating sub-module in the big data risk management process to standardize risk control, accelerate loan disbursement, and reduce labor costs. As at 31 December 2020, the Bank's “Quick and Flexible Mobile Credit – Commercial Shops Loan” product had been used to successfully grant loans totaling RMB 3,027 million to 16,406 customers, a year-on-year increase of 158%. The total loan balance at the 2020 year end was RMB 701 million.



## Quick and Flexible Mobile Credit – Tax Loan

The “Quick and Flexible Mobile Credit – Tax Loan” is an automated and totally online credit product that is based on a new tax bureau-bank-enterprise cooperation model. Through a big data financial risk control platform, the product provides inclusive credit rating and funding services to taxpayers in good standing, especially small and micro enterprises, in order to support the “Widespread Entrepreneurship and Innovation” initiative. It links taxpayers' tax credits to their financing development and transforms tax credits into credit assets for small and micro enterprises, thereby making their tax credits more useful. At the same time, the product simplifies traditional manual review and approval processes, improves the efficiency of credit business approvals, reduces the use of subjective factors in the approval process, and uses big data analysis to control risks more effectively. As at 31 December 2020, the Bank had granted loans amounting to RMB 4,850 million to 6,192 customers, and the total loan balance for this product had increased by more than 70% year-on-year to RMB 1,762 million.





## Quick and Flexible Mobile Credit – Quick Operating Loan

With its “Quick and Flexible Mobile Credit – Quick Operating Loan” product, the Bank has been able to improve loan efficiency by connecting with customers' ERP systems to assess customers' loan repayment abilities. Based on market research, the Bank selected a number of prominent local companies with long industrial chains and strong system construction capabilities. After connecting to their ERP systems, the Bank conducted data mining and assessed the companies' risk profiles before granting loans to them. The product features a transaction mechanism that incorporates entrusted payment as well as self-service borrowing and repayment to verify customers' loan usage and mitigate the risk of loan misappropriation. In addition, the product applies a data-driven credit management and marketing system to establish real-time warning mechanisms and enable regular post-loan inspections of corporate customers. In this way, the Bank is able to better control risks and improve the customer experience. As at 31 December 2020, the Bank had granted loans amounting to RMB 3,124 million to 3,572 customers, and the total loan balance for this product had surged by more than 220% year-on-year to RMB 1,929 million. During the pandemic, the Bank launched three more Quick Operating Loan products to meet the operational needs of small and micro enterprises and family businesses. As shown below, each product was designed to cater to the needs of specific customer groups:

### Quick Operating Loan – Precise Customer Groups

The Bank offers convenient online credit products for distributors, trading areas, wholesale market operators, and stall owners. As at 31 December 2020, the Bank had granted loans amounting to RMB 465 million to 1,998 customers, with the total loan balance standing at RMB 315 million.

### Quick Operating Loan – Core Enterprises

The Bank confirms loans based on transactions between its customers and core enterprises to ensure the stability of core enterprises' upstream and downstream supply chains. As it expands its customer base, the Bank attaches great importance to the daily operations of small and micro enterprises involved in grain supply, pork supply, and the industrial supply chain. As at 31 December 2020, the Bank had granted loans amounting to RMB 2,659 million to 1,491 upstream and downstream customers of 12 core enterprises, with the total loan balance standing at RMB 1,613 million.

### Quick Operating Loan – The Guarantee Model

The Bank entered into a batch guarantee loan agreement with Jiangxi Province Financing Guarantee Group. By connecting the two parties' systems and leveraging the advantages of the Bank's branch network, risk control capabilities and technology, the Bank and the Group are able to conclude loan agreements online in batches with the fees and charges clearly set out. On 27 November 2020, the batch guarantee loan business was launched, and the first transaction in Jiangxi province was conducted on the same day. The product provides more options to small and micro enterprises and family businesses.



## ● Housing Property – backed Instant Loan ● ● ●

The Bank offers two types of “Housing Property-backed Instant Loans”: “Housing Property-backed Instant Loan 1” and “Housing Property-backed Instant Loan 2.” Loan 1 is granted in conjunction with the mortgage of a property owned by the borrower or a third party and is provided for consumption or operational purposes such as children's education or housing renovations. Loan 2 is a loan granted to the borrower that is guaranteed by a guarantee institution or an insurance company. The borrower takes out a second mortgage on his or her self-occupied property to obtain the guarantee from a guarantee institution or guarantee insurance from an insurance company that is the Bank's business partner, and the Bank grants loans based on the third-party guarantee and the borrower's repayment ability. Customers can initiate loan applications by logging into the Bank's mobile banking app or mini program. The Bank's big data risk control system will transfer the application to the corresponding process according to the type of real estate, and produce a preliminary rating, pre-approval credit limit and interest rate. The “Housing Property-backed Instant Loan” uses big data risk control technology and online processing, which has made it popular among customers. As at 31 December 2020, the number of customers who had accessed this product soared 215% year-on-year to 2,946 customers.

## Online wealth management products

By adhering to the tenet of “increasing your wealth,” the Bank is committed to meeting the diverse and personalized needs of customers, and continues to launch diversified wealth management products covering various liquidity levels, income methods, and risk levels. As at 31 December 2020, the balance of the Bank's open-end wealth management products stood at RMB 17,344 million, a year-on-year increase of 357%, and the number of customers reached 127,466, a year-on-year increase of 181%.

## ● Jiuying Financial Management ● ● ●

The Bank's Jiuying Bao product was first issued on 13 December 2019. As at 31 December 2020, the asset size of the net-worth wealth management product Jiuying Bao “Zengli No. 1” stood at RMB 12,869 million and the total number of customers for this product was 87,254, setting a record high for the net-worth cash management category in the Bank's wealth management business. “Jiuying Zengli No. 1” has been rated a five-star wealth management product in the cash management category (the highest rating) by PY Standard, and it is the only wealth management product in Jiangxi province to achieve this rating.



## Information technology empowers smart finance

The rapid development of information technology has penetrated people's daily lives and brought about tremendous changes in many sectors, such as clothing, food, housing, and transportation. To take advantage of this trend, the Bank has been using information technology to bridge financial resources and customer needs, and it has embedded information technology into its financial services to facilitate people's daily lives and promote industrial development.

### Technology-assisted livestock collateral assessment

Companies and farmers in the breeding industry own a large number of productive biological assets (such as sows and piglets), but they often find it difficult to obtain financing from banks and other financial institutions with these assets. To address this issue, the Bank has launched its floating-rate secured loan business for sow breeding, which uses technology to grant livestock-secured loans to customers in the breeding industry.

The difficulty with livestock-secured loans lies in post-loan management. The Bank dynamically tracks the pledge rate by capturing daily transaction prices; sets up the security level, alert level, and liquidation level; and determines the frequency of post-loan management procedures based on early warnings. In addition, the Bank tracks loan withdrawals and repayments by customers in a timely manner.

Furthermore, the post-loan monitoring system updates the pig farm's core productivity indicators (such as sow elimination rates and feed ratios) in real time, dynamically analyzes the pig farm's production capacity and profitability, cross-checks data rationality and reliability, and dynamically evaluates and tracks the value of the collateral and controls risk by monitoring the proportion of pregnant sows, non-pregnant sows and lactating sows in the farm. Based on the information system's timely data reporting and powerful data analysis capabilities, the Bank's floating-rate secured loan business for breeding sows has effectively helped breeding companies revitalize their biological assets and more easily access financing.

### Promoting the development of the mobile payment project

In order to embrace the concept of “making payments more convenient and making finance more inclusive” in the current online and digital age, the Bank has explored various applications and enriched payment scenarios by linking financial services to people's daily lives with respect to clothing, food, housing and transportation. In 2020, the Bank provided payment collection services to more than 84,000 physical merchants and conducted 66.9381 million transactions, which amounted to RMB 28,218 million.

At the same time, the Bank has continued to promote the mobile payment project and has increased the number of mobile payment merchants and key scenarios for receiving payments, with a focus on applications in key trading areas, public transportation, smart education, and smart property. The Bank's efforts have paid off, and the number of key mobile payment applications increased by more than 130 during the year. In 2020, the Bank won the “Excellent Award for Mobile Payment Scenario Construction” and the “Excellent Award for Expansion to Small and Micro Merchants” issued by China UnionPay's Jiangxi branch. In addition, the Bank's “Jiuhui” taxi service platform won the “Excellent Award for Innovative Channel Construction” in the “First Excellent Cases Selection for City Commercial Banks' Digital Finance and Payment Innovation” activity.

### Smart medicine enables bank-hospital cooperation

In order to actively respond to national policies calling for the development of “Internet and healthcare,” the Bank has given priority to supporting hospitals and has cooperated with hospital operators to create new scenarios for “smart medicine.” In this regard, the Bank's goal is to help hospitals effectively address new healthcare needs, and vigorously support major hospitals' efforts to deploy patient-oriented service models and deliver a convenient service experience. With respect to smart medicine, the Bank has worked with external software vendors to help hospitals develop smart medical treatment systems and related social media accounts, as well as mobile payment functions, to improve the efficiency of hospitals' diagnosis and treatment, enhance patients' medical experience, and provide patients with comprehensive and integrated online financial services.

The “Smart Medicine” project has helped reduce long queues and payment difficulties in hospitals. In addition, the project has improved the management and operating efficiency of hospitals' crowd distribution and medical fee settlement capabilities, which has resulted in patients receiving a more convenient medical experience. As at 31 December 2020, the Bank had participated in “smart medical” construction for many hospitals in Jiangxi province, including more than 30 cooperative projects in Nanchang, Ganzhou, Jiujiang, Pingxiang, Yichun and other cities, and the Bank has received positive feedback from society.

## Chapter 7

Enhancing service quality and protecting  
customer rights and interests





## Comprehensively improving the quality of customer service

Adhering to the tenet of “creating maximum value for our customers,” Bank of Jiujiang has paid close attention to customers' financial needs, continuously enhanced customer service quality, and improved its standardized, intelligent, around-the-clock services. In 2020, the Bank's retail outlet transformation program made constant progress. By using intelligent equipment and providing service training, the Bank was able to improve its customer experience and optimize the efficiency of its customer services. Additionally, the Bank has optimized relevant processes in order to improve back-office management, generate synergy between online and offline resources, and provide customers with a full range of high-quality services.

### Using intelligent equipment across the Bank, and providing refined and standardized counter services

In order to accelerate the transformation of retail outlets and achieve the goals of improving customer experience, freeing up teller manpower, reducing operating costs, and building smart retail outlets, the Bank identified which services front-desk tellers conduct the most frequently based on factors such as institutional development, teller distribution, front desk business volume and business types, and introduced self-service processing equipment to handle some of these services. At present, 307 self-service machines have been deployed, covering all of the Bank's outlets.

With the aim of providing customers with standardized and refined services, the Bank has revised the *Management Measures for Standardized Services of Bank of Jiujiang*, and issued the *Guidance on Essential Credentials for Remote Authorization* with reference to the latest industry standards and practices. These documents provide detailed guidelines on the provision of standardized and refined counter services at retail outlets, and the feedback from customers has been positive. The results of the 2020 Customer Satisfaction Evaluation show that the Bank's customer satisfaction rate is as high as 99.2%.



Service etiquette contest

#### Case study Service etiquette contest

In July 2020, the Bank held the finals for its first service etiquette contest, which was themed “20th anniversary of Bank of Jiujiang,” at the Jiujiang Culture and Arts Center. Following intense competition, 15 representative teams from the branches advanced from the preliminary round, with 9 teams ultimately making it to the finals, where they showcased their knowledge and skills and competed for prizes. Through this contest, the Bank was able to establish a clearer service direction and customer positioning, while also improving its financial services.

### Strictly standardizing business operations, and upgrading operating procedures

In 2020, the Bank formulated the *Telephone Banking Operations Manual of Bank of Jiujiang*, the *Management Measures for Telephone Banking Business of Bank of Jiujiang*, and the *Rules for Call Center Services of Bank of Jiujiang*, and optimized the *Management Measures of Bank of Jiujiang for Handling Customer Complaints Received via Hotline 95316*. These documents are designed to standardize the operations of the call center, improve online consultation and services, guide customers through mobile banking and online banking transactions, and ensure that the Bank offers smooth financial services around the clock.

In order to meet the business needs of its outlets, the Bank has launched the centralized operations center to handle the night-time application processes (from 8 p.m. to 9 a.m. the next day). This process not only leaves traces for authorizations and operations initiated at night, but also facilitates system reporting for outlets that need to work overtime so that the centralized operations center can arrange for adequate staffing to handle night-time business processes.



## Protecting consumers' rights and interests

Bank of Jiujiang has improved its internal complaint channels and internal management in order to protect consumers' legal rights during the purchase, use and acceptance of financial services. In addition, the Bank has worked to raise consumer awareness of risk prevention and personal protection by conducting external publicity and educational activities on financial and anti-fraud topics. In this way, we are striving to build a healthier and more stable financial environment.

### Improving the consumer protection system to address customer needs

The Bank attaches great importance to the protection of consumer rights and interests, and for this reason it has established the Consumer Rights Protection Committee under the Board of Directors to carry out strategic planning, supervision and decision-making on major issues in this area. In 2020, the Bank strictly implemented the *Guidelines for the Protection of Consumer Rights and Interests in the Banking Industry and the Administrative Measures for Handling Consumer Complaints in the Banking and Insurance Industries* issued by the CBIRC, as well as the *Implementation Measures of the Protection of Financial Consumer Rights and Interests*. The Bank also revised the *Administrative Measures on the Protection of Consumers' Rights and Interests of Bank of Jiujiang* and the *Management Measures for Consumer Complaints of Bank of Jiujiang* in order to provide more comprehensive guidance for the protection of consumer rights from the management level all the way through to implementation. Furthermore, during the year, the Bank conducted more than 20 training sessions related to consumer rights protection for more than 15,000 participants. Our training sessions target senior executives, new recruits, employees from different business lines, and consumer protection management personnel. Moreover, in order to supervise all functional departments, branches and sub-branches directly under the head office, the Bank also revised the *Detailed Rules on the Evaluation of the Protection of Consumers' Rights and Interests of Bank of Jiujiang* to track the implementation of related work.

In order to meet ever-changing market demands and provide customers with the most suitable financial services, the Bank is steadily launching innovative financial products. During the product innovation process, we focus on upholding the consumer protection principle, and we implement all related requirements at each stage, including during product design, development, marketing and after-sales management. Furthermore, the Bank formulated the *Implementation Rules of Bank of Jiujiang for the Review of New Products and Services to Protect Consumer Rights and Interests*, and established an ex ante review, in-process intervention and ex post monitoring mechanism to avoid consumer disputes and infringements and handle them at the source.

By constantly improving its consumer rights protection system, the Bank has made remarkable improvements to its consultation and complaint services, which has resulted in a customer satisfaction rate for complaint handling of over 90%.

### Protecting consumer privacy and intellectual property rights

The Bank has put in place a sound management system for the protection of personal financial information in order to safeguard consumer privacy.

At the institutional level, Bank of Jiujiang has formulated the *Management Measures for the Protection of Personal Financial Information of Bank of Jiujiang* and the *Contingency Plan for the Protection of Personal Financial Information of Bank of Jiujiang* to specify the responsibilities of all relevant departments. At the level of information technology, the Bank centrally stores and isolates personal financial information and deploys security threat monitoring and blocking devices. In addition, we have installed an anti-data leakage system in office terminals to automatically encrypt all files to prevent personal information from leaking and ensure effective border protection. With respect to internal management, the Bank implements refined permission control on data usage and minimizes authorized data access, and it has built a network isolation area specifically for data analysis. As for customer information management, verification of key information such as customer mobile phone numbers and ID numbers, and invalid data clean-up are conducted across the bank to ensure the authenticity and validity of customer information.

The Bank has strictly complied with the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China*, and it has incorporated intellectual property rights protection into its internal controls. The Bank has effectively controlled risks related to intellectual property rights by focusing on the management of innovation, licensing and infringement in the area of intellectual property rights.

## Spreading financial knowledge and fostering risk awareness

In accordance with the *Management Measures for the Financial Knowledge Publicity and Education of Bank of Jiujiang*, the Bank has actively launched various activities across the Bank to spread financial knowledge, such as the “Campaign to Spread Financial Knowledge,” the “World Consumer Rights Day on March 15,” the “Special Month for Education on Preventing Illegal Fund-raising,” the “Prevention against New Types of Crimes Conducted via Telecommunications Networks,” and “Deposit Insurance.” Specifically, during the year, the Bank organized more than 900 publicity events and distributed over 210,000 leaflets to more than 650,000 people through its outlets and online channels, other venues, and designated personnel during the year, achieving good publicity results.

### Case study Providing Financial Knowledge to Thousands of Families during Financial Literacy Month

In order to educate financial consumers, spread financial knowledge, and improve the financial literacy of the public, the Bank launched multiple promotional activities in September 2020 in accordance with the Notice on Financial Literacy Month, Providing Financial Knowledge to Thousands of Families, Being a Rational Investor and Being a Good Netizen issued by the Office of the People's Bank of China. To increase our effectiveness, we took various approaches to maximize the coverage and impact of the activities. As a result, many financial consumers gained a better understanding of financial topics, and they are now in a better position to prevent various financial frauds. The Bank's efforts have helped clean up the online financial environment and promoted the rational use of financial services.



A designated employee spreads financial knowledge at a retail outlet

Publicity channel	Method
Promotion at outlets	◎ 24-hour display of promotional slogans on LED screens ◎ Put up promotional posters ◎ Distribute brochures
Online promotion	◎ Send promotional articles through the WeChat account and official website
Onsite promotion	◎ Conduct large-scale promotion campaigns on campuses, in enterprises and on streets
Promotion by designated personnel	◎ Assign designated personnel to answer inquiries at each outlet

## ● Anti-money laundering campaigns ● ● ●

The Bank is deeply aware of the serious hidden hazards that money laundering can bring to the order of the financial market and the regional economy. As a member of the financial system, the Bank has an unshirkable responsibility to prevent and combat money laundering and terrorist financing crimes. In accordance with the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Terrorism Law of the People's Republic of China*, and the *Administrative Measures for Financial Institutions' Reporting of Large-sum Transactions and Suspicious Transactions*, the Bank has organized anti-money laundering (AML) publicity and educational activities at all levels. These activities have deepened our employees' and the general public's understanding of AML-related issues, and are evidence of the Bank's efforts to fulfill its responsibilities and obligations with respect to AML. In 2020, the Bank integrated online and offline efforts to promote AML practices, including by establishing an online question-and-answer platform, promoting AML practices at its retail outlets, and conducting outdoor promotional activities. In total, more than 150,000 people took part in these activities during the year.

### Promoting AML knowledge outdoors to increase public awareness

The Bank has adopted a “going out” approach to reach people in areas with weak AML awareness and provide them with AML consultations and services. In this way, we have been able to effectively raise the AML awareness of people in these areas. During the year, the Bank conducted 474 outdoor publicity events in the countryside, on campuses, and in communities, enterprises, and markets, with more than 52,000 customers taking part in the events.

At the activities, the Bank distributed promotional leaflets to the public, provided onsite consultations, and described past cases to illustrate the serious consequences of money laundering and its harm to consumers. These activities have successfully heightened public awareness and enhanced people's understanding of relevant AML policies and regulations.



▲ A campus AML publicity activity

A community AML publicity activity ►





## Chapter 8

Using financial measures to combat COVID-19  
and promoting the public welfare





## ● Responding to the strategic plan ● for fighting COVID-19

Since the COVID-19 outbreak began in 2020, Bank of Jiujiang has actively responded to the impact of the epidemic in accordance with the requirements of the CPC Central Committee and the provincial and municipal governments to ensure the “six priorities” and stability in six areas. We have worked together in solidarity to combat the pandemic while also ensuring that we deliver a stable performance in various areas in an orderly manner. In respect of financial services, we started by expanding credit loans to support businesses. In addition, we donated funds and goods to support hospitals, and sent teams of employee volunteers to support local communities in the fight against COVID-19.

### Expanding credit to support businesses

Shortly after the COVID-19 outbreak began, the Bank adjusted its credit policy and launched special financial products in accordance with national decisions and planning related to pandemic prevention and control and resumption of work and production. With this change, we have been able to grant more loans to businesses that produce key medical supplies, as well as to small and micro businesses and self-employed business owners.

Under the rel oan policy, the Bank issued preferential loans to businesses producing key medical supplies, with interest capped at the loan prime rate (LPR) minus 100 basis points. As of 31 December 2020, the Bank had issued 183 preferential loans totaling RMB 3,312 million to 158 of these businesses. In addition, the Bank launched a special loan product called the “Aiding Finance Loan,” which accrues interest at a preferential LPR and provides easy access to credit to production and circulation enterprises operating in various fields during the pandemic, including medical care and pharmaceutical companies, material supply companies, and life support companies. As of 31 December 2020, the Bank had issued RMB 3,596 million in “Aiding Finance Loan” products to 221 companies. In addition, as a member of the underwriting syndicate led by the Export-Import Bank of China, the Bank actively responded to the call for underwriting services by underwriting financial bonds totaling RMB 150 million to support the fight against the pandemic. By taking these measures, the Bank has provided effective financial support for the prevention and control of the pandemic.



Small and micro enterprises and self-employed business owners engaged in the manufacturing and processing, commercial trade, recreation, restaurant, and commercial services industries have been severely impacted by the pandemic. To support the recovery of the real economy, the Bank issued preferential loans under its reloan policy and deferred principal and interest payments in an effort to ease pressure on these businesses. Meanwhile, the Bank developed special loan products including the “Business Support Loan” and the “Quick and Flexible Mobile Credit – Quick Operating Loan,” which are designed to support small and micro enterprises and help them resume work and production.

#### Case study Bank of Jiujiang grants a special loan to a Jiangxi-based company producing key medical goods

The Ministry of Finance, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the People's Bank of China and the National Audit Office jointly issued the *Emergency Notice on Strengthening Funding Support for Businesses Producing Key Medical Goods to Fight COVID-19* on 7 February 2020. The Bank responded quickly to this issuance and granted loans to these businesses accordingly.

During the pandemic, medical disinfectant products were in short supply. To help ensure a stable supply, the Bank continuously increased its financial support to businesses producing the relevant medical goods as well as to other businesses in the supply chain. Meanwhile, the branches conducted on-site visits at these businesses to consolidate the Bank's credit granting work during the pandemic.

In one case, the Bank granted Jiangxi Baiyiweishi Medical Technology Co., Ltd. a 1-year loan of RMB 2 million, which accrues interest at LPR minus 100 basis points, in an effort to support the company in the fight against COVID-19.



We conducted an on-site visit at Jiangxi Baiyiweishi Medical Technology Co., Ltd.

## Donating funds and supplies to demonstrate kindness

To address the severe impact of the COVID-19 pandemic, the Bank quickly undertook a series of actions to ensure that it was shouldering its social responsibilities. Throughout 2020, we held a number of donation events at the head office and branch level, whereby we raised funds and supplies totaling RMB 4.2027 million.

### Case study Bank of Jiujiang donates more than RMB 3.5 million to support the fight against COVID-19

To help Suizhou's fight against COVID-19, the head office held a donation event on 17 February 2020, whereby it raised more than RMB 3.5 million. Among these funds, RMB 1.2 million has been donated to Suizhou City in Hubei province, and the remaining portion has been used to support the fight against COVID-19 across Jiangxi province. The branches also echoed the call and donated money and materials to help Hubei and other pandemic-stricken areas fight COVID-19.

While the virus does not have a heart, we do. Our employees responded quickly and donated money and materials to show their kindness and support the fight against COVID-19.

### Case study Nanchang Changdong Jiuyin County Bank donates supplies to support the local fight against COVID-19

On 17 February 2020, Nanchang Changdong Jiuyin County Bank donated medical supplies, including masks, medical disinfectant alcohol, and 84 Disinfectant, to the government of Maqiu Township and Liyuzhou's Wuxing Reclamation Farm in Nanchang High-tech Zone, and sent greetings to the people working on the front line in the fight against COVID-19. Meanwhile, in view of the pandemic situation in Nanchang High-tech Zone, Nanchang Changdong Jiuyin County Bank responded quickly and sent a team of employees to perform support work at checkpoints in the Greenland New Metropolis Housing Estate in Nanchang High-tech Zone. During the pandemic, Nanchang Changdong Jiuyin County Bank took decisive action to fulfill its social responsibilities as a subsidiary of the Bank in Nanchang High-tech Zone, and it played its part on behalf of Bank of Jiujiang in the joint effort to combat COVID-19 in the area.



Nanchang Changdong Jiuyin County Bank donated medical supplies to support the local fight against COVID-19

## Volunteering to help local communities

In response to the call of Jiujiang's Steering Group for Pandemic Prevention and Control to implement the requirements of the Notice on Supporting Specific Local Communities in Preventing and Controlling the Pandemic, the Bank's Party committee took solid actions to help the pandemic prevention and control effort in accordance with the guiding principles released by the authorities. In addition to increasing credit and donating funds and supplies, the Bank also encouraged its employees to work as volunteers in the fight against COVID-19. During the pandemic, volunteers from Bank of Jiujiang contributed a total of more than 1,200 community service hours to help prevent and control the pandemic at the community level.

### Case study Volunteers from Bank of Jiujiang guard the Nengren Temple neighborhood

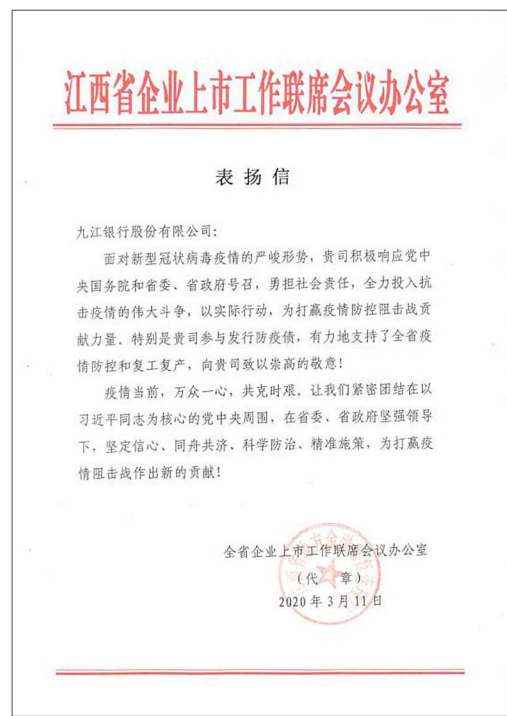
Shortly after the outbreak of COVID-19 began, the Bank put together a team of volunteers made up of Party members to support the Nengren Temple neighborhood in its fight against COVID-19. The volunteers adopted a daily work schedule of "8 people taking four shifts within the 16-hour timeframe from 8 a.m. to midnight" and helped inquire, take temperatures, and register information for vehicles and people traveling through the No. 22 Gantang South Road checkpoint. To ensure discipline among the volunteers, the Bank also put together a supervision team led by members of its Party committee, which conducted an on-site inspection once a week to understand how the volunteer services were progressing and to address any concerns or issues. In doing so, the Bank ensured that responsibilities were clearly distributed and that the design and operation of the measures taken were sufficiently effective to prevent and control the pandemic.

Bank of Jiujiang was a leading organization in Jiangxi province both in terms of how quickly it took measures and the extent and effectiveness of its measures. Jiangxi province's Office of the Joint Conference on Enterprise Listing spoke highly of the actions that the Bank had taken to fulfill its social responsibilities in the fight against COVID-19 in a letter of recognition and praise dated 11 March 2020.



Bank staffers conducted an on-site visit to understand pandemic prevention and control measures in the Nengren Temple neighborhood

The Bank received a letter of recognition and praise from Jiangxi province's Office of the Joint Conference on Enterprise Listing ►





## ◉ Promoting the public welfare ◉

While pursuing business expansion, the Bank proactively fulfills its social responsibilities to support vulnerable groups and give back to society. The Bank continuously organizes and participates in various charity events to do its part to promote societal harmony. In 2020, the Bank conducted a total of 33 charity events and donated funds totaling RMB 8.91 million.

In 2020, Bank of Jiujiang carried out its annual “One-Day Charity Donation Event” for the 14th consecutive year, whereby the Bank raised more than RMB 10 million and donated more than RMB 9 million to charity.

### Respect for the elderly and compassion for the young

Respecting the elderly and caring for young people is a significant tradition of the Chinese people, and elderly people and children are a key focus area of the Bank's charity work. For this reason, the Bank has established a long-term relationship with local nursing homes, children's rescue centers and other social welfare organizations, and it regularly provides donations and conducts on-site visits to help and show kindness to the elderly and children.

#### Case study Bank of Jiujiang visits a local nursing home and sends New Year's greetings and goods

In January 2020, the Bank's Labor Union conducted a visit to a nursing home located in Zhengcun Township in Xiushui County to deliver New Year's greetings and goods to the elderly. The goods included rice, cooking oil and a pig. With the visit, the Bank aimed to create a warm holiday ambience for the elderly so that they could have a peaceful and happy Spring Festival.

The Bank has always been committed to charity. In 2012, the Bank donated a building to the nursing home; and since then, staff from the Bank have conducted on-site visits every year to bring supplies to the elderly and show concern for them.



Bank staffers during an on-site visit to a local nursing home

#### Case study Bank of Jiujiang spends RMB 6.7 million to help Poyang Lake Children's Relief Center in Duchang County's Sun Village

On 18 May 2020, Bank of Jiujiang, Jiangxi province's Charity Federation, and Poyang Lake Children's Relief Center in Duchang County's Sun Village jointly held a signing ceremony for a series of tripartite projects that aim to support the development of Sun Village. Under the guidance of the province's Charity Federation, Bank of Jiujiang invested a total of RMB 6.7 million in projects that are designed to improve infrastructure, boost employment, and ensure children's mental health in Duchang County's Sun Village, as well as in projects that aim to provide long-term solutions that address the challenges that the Village faces in its daily operations.

As one of five Sun Villages in China, Poyang Lake Children's Rescue Center in Duchang County aims to safeguard the basic rights to life and education of orphans and minors with incarcerated parents; stay-at-home children; children from impoverished families; and children with disabilities. Since its founding in June 2007, the establishment has adopted more than 600 children from a dozen provinces or municipalities.

The Bank also donated funds to Duchang County's Sun Village in previous years, and those funds were used to supply hot water and provide better dormitories to staffers working in the Village. The Bank has also offered jobs to certain college graduates that were from Sun Village. Furthermore, in 2019, the Bank held an annual briefing on Sun Village graduates' academic performance, hosted a charity gala for the Village, and conducted volunteer programs during Mid-Autumn Festival and Little New Year festival.



Management personnel at the signing ceremony for projects that support Duchang County's Sun Village

## Providing financial support to heroes and their families

In addition to charitable activities for the elderly and children, the Bank has also committed itself to initiatives that support brave heroes and their families. Through these initiatives, the Bank aims to help cultivate a patriotic culture, pass down the patriotic spirit from generation to generation, and show respect for courageous individuals as well as love for their families.

### Case study Bank of Jiujiang visits the mother of a flood-fighting hero

In May 2019, the Bank established a one-on-one relationship with and assumed responsibility for taking care of Liu Xiaoping, the mother of a hero who passed away while fighting the flood. The Bank made this effort as part of the campaign organized by the Women's Federation of Jiujiang to pass down a spirit of patriotism from generation to generation and take care of the mothers of our country's martyrs. When establishing the relationship with Ms. Liu, the Bank developed a mechanism whereby the head office's Party committee took overall responsibility, the Department of Party Mass Work organized specific activities, and the local county-level branch carried out the duty of care. We visited Ms. Liu during the three most important festivals of the year: Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival, and we communicated frequently with her about her health. In this way, we were able to take solid action and fulfill our social responsibilities and duties.

On 14 January 2020, the Bank visited Liu Xiaoping and provided her with a monetary gift and goods. The goods included Spring Festival couplets, rice, and cooking oil. During the visit, Bank staffers talked with Ms. Liu about her current living conditions and health.



Bank staffers during a visit to Liu Xiaoping, who lost her son to the fight against the flood

### Case study Bank of Jiujiang provides financial assistance to individuals who help others during emergencies

On 2 November 2020, Bank of Jiujiang and Jiangxi province's Foundation for Justice and Courage presided over a promotional event where they jointly launched a support project for individuals who help others in emergencies. In 2017, the two parties entered into a long-term partnership agreement and identified a list of 84 individuals who were eligible to receive financial assistance under the project. Under the project, the parties provide financial assistance for medical care, specific needs, major illnesses and children's education to individuals who have been recognized by an authority at the provincial level or above for performing just and brave acts. The project is designed to ensure the health of these individuals by solving their financial difficulties and safeguarding their legitimate rights.

In 2020, Bank of Jiujiang and Jiangxi province's Foundation for Justice and Courage agreed to add another 70 individuals to the list, and provided RMB 570,000 to them and their families to help solve their financial difficulties. As of 31 December 2020, the Bank had donated a total of RMB 2,978,800 under this project.

The Bank has continued to implement this project to reward individuals for their brave acts. In addition, the Bank has steadily publicized the progress made under the project and promoted the brave acts of these individuals. As a result, more and more enterprises and individuals from all walks of life have joined this initiative. By rewarding, encouraging and promoting these people's brave acts, we are making sure we do what we can to help solve the needs of these heroes. In this way, we are helping promote a culture that encourages learning from and respecting these courageous individuals, with the ultimate goal of making Jiangxi a safe and secure place to live.



Bank staffers during a promotional event for the Bank's support project for individuals who help others in emergencies



## ◉ Promoting targeted poverty alleviation efforts ◉

The targeted poverty alleviation strategy is the key to China's approach to lifting impoverished people out of poverty. Bank of Jiujiang has gained a deep understanding of the message contained in the important speeches of the CPC Central Committee on targeted poverty alleviation, and has firmly implemented the country's strategies for poverty alleviation and elimination. Based on geographical and industrial characteristics, as well as household profiles in rural areas, the Bank is taking science-based measures to identify poor households as part of its targeted approach to poverty alleviation, while steadily promoting its poverty alleviation projects and carefully fulfilling its social responsibilities.

**Case study** Bank of Jiujiang takes a multi-pronged approach to mitigate the risk of people falling back into poverty in Huangshan Village during the pandemic

At the beginning of 2020, the COVID-19 pandemic broke out across the country and delivered a devastating impact to the economy and society as a whole. In particular, the outbreak of COVID-19 posed significant challenges to Huangshan Village and its battle against poverty. To minimize the impact of the pandemic, Bank of Jiujiang took multiple measures to ensure steady employment and the quality of poverty alleviation measures. The Bank's measures were designed to mitigate the risk that people would fall back into poverty, while also ensuring that the Village achieved its annual poverty alleviation goals for 2020 as scheduled. To this end, the Bank invested a total of more than RMB 180,000 in various financial assistance projects and industrial poverty alleviation projects, and set up a special fund to ensure the quality of poverty alleviation measures. Through this combination of policies, the Bank ensured that poor households in Huangshan Village affected by the pandemic obtained support and income in 2020 that were not less than what they obtained in previous years.

### ◉ Alleviating poverty by boosting employment ◉ ◉ ◉

Huangshan Village has used more than 80% of its photovoltaic power project funds to set up public welfare positions that offer a monthly payment of RMB 600 for 6 registered impoverished households. In addition, the Village was able to identify and provide three other jobs for unemployed individuals from impoverished households. Meanwhile, the poverty alleviation industrial base in Huangshan Village has recruited 8 individuals and entered into subcontracting agreements with an additional 6 impoverished households; these jobs are expected to generate an annual salary or income of around RMB 5,000 per person.

Three of the Bank's Party cadres have worked in the Village for 5 consecutive years to help the villagers combat poverty. In 2020, jobs were created or found for all registered impoverished households in the Village to ensure these families would not fall back into poverty during the pandemic.





## ● Alleviating poverty through industrial development ● ● ●

Industrial development is considered the starting point for implementing poverty alleviation and rural revitalization strategies, and poverty alleviation officials are continuously helping villagers develop their own industries in Huangshan Village. To this end, Huangshan Village invested more than RMB 50,000 in 150,000 high-quality white tea seedlings, which were procured from Anji City in Zhejiang province. As a result, the tea field in the Village's poverty alleviation industrial base has expanded from the previous 60 mu (1mu = 0.0667 hectares) to more than 120 mu. Following the expansion, the tea field is expected to achieve an annual output of more than RMB 200,000 and a profit of more than RMB 100,000.

Based on the vision of “developing an industrial system,” the poverty alleviation industrial base in Huangshan Village adopts a multi-pronged and customized approach to breeding and planting plans. This approach is designed to promote long-term sustainable development. In 2020, based on an investment of over RMB 40,000, the Village raised more than 600 free-range chickens and planted more than 10 mu of watermelons and 400 bayberry trees in the poverty alleviation industrial base. Through an order-based purchase model that has been set up with the Bank, in 2020 Huangshan Village sold more than 5,000 kilograms of watermelons, 7,500 kilograms of early-ripening pears, and 500 free-range chickens, which generated sales income of more than RMB 150,000 and boosted the income of the villagers.

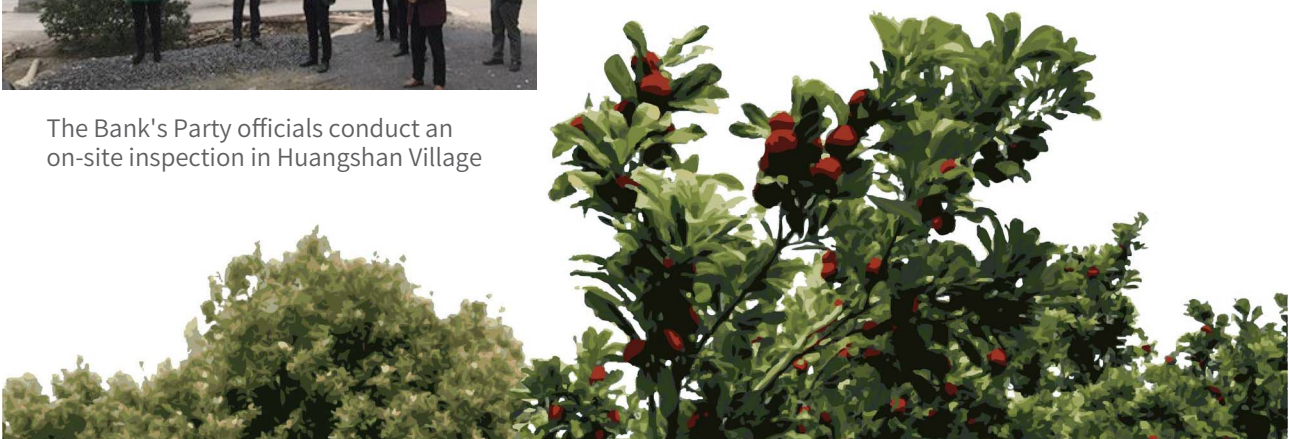
## ● Improving infrastructure ● ● ●

In 2020, the special poverty alleviation funds provided by the Bank and the earnings from the collective photovoltaic power projects were used to improve the infrastructure in Huangshan Village's poverty alleviation industrial base. More than RMB 440,000 was spent to upgrade infrastructure, including road hardening, an overhaul of the flood drainage offtake, and construction of a sprinkler irrigation system covering an area of more than 120 mu. These upgrades have effectively improved the industrial base's risk mitigation capabilities.



The Bank's Party officials conduct an on-site inspection in Huangshan Village

2020 marks the final year of the *13th Five-Year Plan*. During this 5-year period, the Bank has provided solid support for Huangshan Village as it has transformed from a poverty-stricken village into the moderately prosperous village that it is now, with all registered impoverished households lifted out of poverty.



## Chapter 9

Supporting people's development and promoting a  
home-like work culture



## Adopting a people-centered approach

Our people make the Bank profitable, as well as drive our sustainable and healthy growth. Guided by the idea that “human resources are our most important resource,” we provide attractive job posts as well as a good and fair work environment in an effort to retain our people.

### The Bank's staff structure is shown below

Category	As of 31 December 2020	
	Headcount	% of the total
By gender		
Males	1,842	43.58%
Females	2,385	56.42%
By employment type		
Individuals employed on a contractual basis	4,227	100%
By age group		
Age 30 and below	2,673	63.24%
Age 31-40	1,341	31.72%
Age 41-50	184	4.35%
Age 51 and above	29	0.69%
By region		
In Jiangxi	3,511	83.06%
Outside of Jiangxi	716	16.94%
By ethnicity		
Han ethnic group	4,176	98.79%
Ethnic minority groups	51	1.21%
By educational background		
Master's degree or above	458	10.83%
Bachelor's or vocational college degree	3,743	88.55%
Others	26	0.62%

Note: The data above covers the head office, branches and sub-branches, as well as the village and township banks.

We hire and promote candidates for each post in accordance with the relevant provisions of the national Labor Law and specific employment contracts. In 2020, no child labor and no cases of work-related injuries or deaths were reported. During the year, we fully safeguarded employees' rights to work and rest in accordance with the law, and we complied with the relevant laws and regulations on ensuring workers' health, safety and work environment. We also contributed to the basic social security fund for employees in accordance with the law, including basic pension and medical care insurance. In addition, we established a housing provident fund plan to address employees' housing needs, and organized physical examinations to ensure employees' health.



## Staff turnover in 2020

	% of the total	Number of individuals that left the Bank
	6.98%	295
By gender	As a proportion of total males or total females	
Males	6.73%	124
Females	7.17%	171
By age group	As a proportion of each age group	
Age 30 and below	7.89%	211
Age 31-40	5.67%	76
Age 41-50	3.80%	7
Age 51 and above	3.45%	1
By region	As a proportion of the total number of individuals employed by the Bank in or outside of Jiangxi	
In Jiangxi	6.72%	236
Outside of Jiangxi	8.24%	59

## Individuals that received training in 2020

	By gender		By grade		
	Males	Females	Senior management	Mid-level management	General staff
% of the total <b>99.24 %</b>	43.10%	56.90%	0.38%	19.83%	79.79%
Number of individuals that received training <b>4,195</b>	1,808	2,387	16	832	3,347
Hours of training received per capita	37.67	46.28	25.69	49.55	40.87
Hours of training received	69,383	110,382	411	41,371	137,984

We have always been committed to enhancing our people's professional skills and expertise. To this end, we harness both external and internal resources to provide our staff with classroom training and e-learning on an ongoing basis. We also offer tailored training courses for new hires, management personnel at different levels, and people from different functions to address their specific needs. All of these measures are designed to cultivate a diversified workforce and foster a Bank-wide atmosphere that encourages learning.

On 29 December 2020, Bank of Jiujiang Academy won the “Best Corporate University of 2020” award at the “2020 Top Corporate University in China Award Ceremony and the 10th Chinese Corporate University Development Forum.” We were pleased to receive this award as it represents significant recognition from a third-party authority of the achievements that we have made in promoting and developing talent.



We were proud to receive the “Best Corporate University of 2020” award

## The Bank's management trainee program

We have put in place a science-based management trainee program to nurture potential talent. This program focuses on equipping trainees with professional skills while also allowing trainees to express which business line they are most interested in joining. In this program, trainees undergo two phases of training. Phase 1 focuses on the development of professional skills, with job rotation opportunities on the front line, head office or branches, as well as in basic-level management. Phase 1 aims to give trainees a sound understanding of the customer service process at the outlet level and how the Bank achieves synergies. In addition, phase 1 provides trainees with practical capabilities that they can use to achieve goals, promote team building and allocate resources. In phase 2, trainees apply for the open position that they prefer at the head office or at a branch or sub-branch, and applicants are selected based on their assessment results.

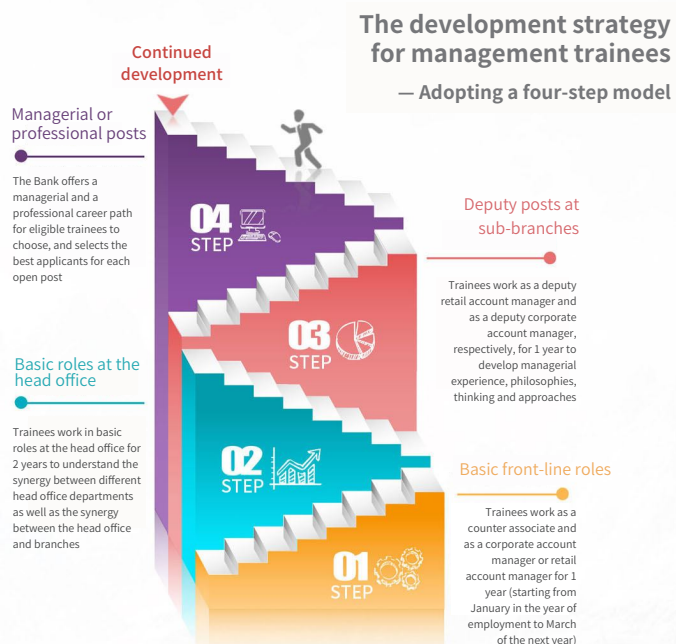


### Training and developing management talent using a holistic approach

The Bank adopts a “fail or pass” model under which, for each rotation job, management trainees are required to be in the top 80% to advance to the next level.

In addition, to advance to the next level, they are required to obtain a “pass” result in the qualification assessment for the corresponding position throughout the training period. This requirement aligns with the guiding principles of “combining theory with practice” and “promoting learning through exams.”

Based on the above model, all management trainees are expected to have the qualifications that are required to work as a counter associate, corporate account manager or retail account manager, and to have developed their own managerial styles and approaches.



## Case study Empowering our strategic reserve teams

In 2020, we organized special training for our strategic reserve teams at all levels, with the goal of energizing the organization and encouraging the development of potential talent. A total of 133 managers and employees from various branches attended the training.

We have cultivated three tiers of strategic reserve teams. The first-tier team is composed of 20 members pooled from among current sub-branch presidents, branch general managers, department heads of a second-level department at the head office, and outstanding employees who have been at the Senior Grade level for 1 year or more. For the first-tier team, the training focused on management concepts. As part of its training, the first-tier team went to Alibaba New Business Academy to hear lectures about Alibaba Group's human resources generalist system, management practices and business model. The second-tier team consists of 49 members pooled from among current assistants to sub-branch presidents, branch department deputy-heads, and outstanding employees who have been at the Intermediate Grade level for 1 year or more. The second-tier team's training focused on promoting innovative thinking. To encourage the development of this skill, we worked with Shanghai Jiaotong University to provide the trainees with lectures on risk management, fintech trends, and management reform, and we also conducted training on customer-service best practices in other industries. The third-tier team is composed of 64 members pooled from among outstanding management trainees, community-level sub-branch managers, persons in charge of accounting affairs and customer managers. For the third-tier team, the training focused on the ability to execute. To this end, we worked with Jiangxi University of Finance and Economics to provide the trainees with lectures on the new realities of the global economy and the financial services industry, as well as on innovative thinking, task execution and stress management.

The training courses and activities that we provided were inspiring and well-received among the attendees. To help our employees apply what they learned, we also conducted special workshops to share new information, and we presented useful articles and videos from the training courses via the Bank's Easy-Learning platform.

The pilot program for strategic reserve teams was the first initiative we have implemented to improve the Bank's tiered talent model, and the program has played a significant role in promoting and developing potential talent who are able to create value for and support the Bank's high-quality and sustainable growth.



A group photo of the Bank's first-tier strategic reserve team



A group photo of the Bank's second-tier strategic reserve team



A group photo of the Bank's third-tier strategic reserve team



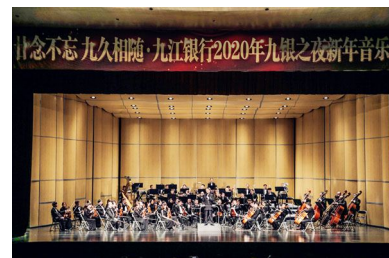
## Colorful events that promote a cheerful workplace

As part of our efforts to foster a positive work culture, focus on employees, and create a positive brand image, we held a wide range of cultural events in 2020 with the aim of enriching employees' lives and extending the Bank's "home-like" culture to every employee.

### Case study The 2020 New Year Concert

We held a New Year Concert on 11 January 2020 with the theme of "Bank of Jiujiang: 20 Years Down with Many More to Come." Conductor Tan Lihua, famous tenor Dai Yuqiang, pianist Chen Sa and the Beijing Symphony Orchestra provided an audio-visual feast for the eyes and ears of our clients, employees, and business partners as they played a number of beautiful classical melodies.

The Bank's 2020 New Year Concert ►



### Case study "Self-discipline Month" at Bank of Jiujiang

The Discipline Inspection Team, which supervises Bank of Jiujiang, has chosen April as annual "Self-discipline Month", as part of its effort to promote integrity and self-discipline among management and instill the Party's spirit in Party members. On 16 April 2020, the Discipline Inspection Team arranged for management personnel from Jiujiang to take a trip to the Minshan Revolutionary Martyrs Cemetery, where the group paid tribute to the martyrs and emphasized the importance of the principles of integrity and self-discipline. During the trip, the group members listened intently as the tour guide described the major battles that had taken place in Minshan Town. They brought a flower basket to the Martyrs Memorial site and observed a moment of silence to remember the martyrs, as well as the medical professionals and others who lost their lives during the COVID-19 pandemic.



Management personnel took a special trip during the annual "Self-discipline Month" in 2020

### Case study The 2nd staff football championship of Bank of Jiujiang

Bank of Jiujiang held its 2nd staff football championship in 2020. The tournament lasted for 7 days, and more than 240 players participated. In total, 16 teams played 32 matches in the group and knockout stages. Through sports events such as this one, the Bank aims to refresh its people and encourage them to regularly exercise to stay healthy.

The 2nd staff football championship of Bank of Jiujiang ►



### Case study Celebrating Bank of Jiujiang's 20th anniversary

On 18 November 2021, the Bank's people travelled from all over the country to Jiujiang City's Culture and Arts Center to hold a special gala to celebrate the Bank's 20th anniversary. During the day, many of the attendees also visited the monument that commemorates the heroes who fought the flood in 1998. At the gala, all of the Bank's branches participated in an artistic retelling of the Bank's story that captured the imagination of the audience.

We held a special gala to celebrate our 20th anniversary ►





## Promoting a home-like culture to improve staff cohesion

We are committed to creating a family-like atmosphere at the Bank that promotes mutual respect, care and sharing, where employees are encouraged to show respect and kindness to each other, care for each other, create wealth together, and share their experiences and knowledge. In 2020, we conducted a number of activities in various departments and branches with the aim of improving staff cohesion.

However, our focus on employees does not stop there. Over the years, we have carried out annual home visits in accordance with the Administrative Measures for Home Visits. The Measures, which were first developed in 2011, are designed to promote a home-like work culture that allows the Bank's management to gain a deeper understanding of employees' needs and concerns, with the goal of ensuring a shared prosperity between employees' families and the Bank. Home visits serve as an important vehicle for the Bank to gain a more comprehensive understanding of employees in terms of their living conditions, spare time, homelives and family members, and any difficulties they may be experiencing. Based on this understanding, the Bank has been able to strengthen its bond with employees and promote their sense of belonging.



Bank staff during a home visit

# Independent Limited Assurance Report

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

We were engaged by the Board of Directors of Bank of Jiujiang Co., Ltd. (the “Bank” ) to provide limited assurance on selected 2020 key performance indicators ( “key performance indicators” ) in the Bank's 2020 Environmental, Social and Governance Report for the year ended 31 December 2020 (the “ESG Report” ).

## **I Key performance indicators**

In this report, limited assurance procedures were performed on the following selected key performance indicators of the Bank's 2020 ESG Report:

- Total number of employees (person)
- Total number of female employees (person)
- Balance of targeted poverty alleviation loans (RMB 100 million)
- Green credit balance (RMB 100 million)
- Electricity consumption at the head office and branches (10,000 kWh)
- Water consumption at the head office and branches (tons)
- Natural gas consumption at the head office and branches (Cubic meters)
- Paper consumption at the head office and branches (10,000 sheets)
- Petrol consumption at the head office and branches (liters)

Our assurance work is limited to the selected 2020 key performance indicators in the ESG Report. Other information and information of 2019 and previous years disclosed in the ESG Report are not within the scope of our work.

## **II Responsibilities of the Board of Directors**

The Bank's Board of Directors is solely responsible for the preparation and presentation of the 2020 ESG Report, including the information and assertions contained in it, in accordance with the disclosure recommendations of the Stock Exchange of Hong Kong Limited's Guidelines for Environmental, Social and Governance Reporting (the “SEHK's Guidelines” ).

The Board of Directors is also responsible for designing, implementing and maintaining the internal controls that enable the preparation and presentation of an ESG report that is free from material misstatement, whether due to fraud or error.

## **III Responsibilities of KPMG**

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our work in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information.

We have complied with our independence requirement and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and we have complied with the applicable requirements of the International Standard on Quality Control 1 with respect to maintaining a comprehensive quality control system.

Our independent limited assurance report has been prepared solely to the Bank in accordance with

the terms of our engagement. Our work has been undertaken so that we might report to the Directors of the Bank those matters we have been engaged to report in this independent limited assurance report and for no other purpose. We do not accept or assume responsibility to any party other than the Bank for our work, for this independent limited assurance report, or for the conclusion we have reached.

#### **IV Summary of work performed**

A limited assurance engagement on the ESG Report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the ESG Report, and applying analytical and other procedures, as appropriate. Our procedures include:

- Inquire of management to gain an understanding of the Bank's processes for determining the material issues for the Bank's key stakeholders;
- Conduct interviews with management and relevant staff concerning sustainability development strategy and policies for material issues, and implementation of these across the business;
- Conduct interviews with relevant staff at the Bank who are responsible for providing the information in the ESG Report;
- Conduct a media analysis and an Internet search for the relevant information of the Bank in the Reporting Period;
- Inquire about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the ESG Report;
- Conduct limited testing to compare the information presented in the ESG Report to corresponding information in the relevant underlying sources to determine whether key information contained in such underlying sources has been included in the ESG Report;
- Reconcile key financial data and indicators presented in the ESG report with the audited financial statements;
- Read the information presented in the ESG Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Bank.
- Perform other procedures that we deem necessary.

The extent of the evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore, a lower level of assurance is provided. In addition, our work was not undertaken for the purpose of expressing an opinion on the effectiveness of the Bank's systems and procedures.

#### **V Inherent Limitation**

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

#### **VI Conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected 20 key performance indicators contained in the Bank's ESG Report for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with the SEHK's Guidelines.

KPMG Huazhen LLP

Beijing  
June 21, 2021

## ESG indicator index

Scope of Indicators and Aspects	General Disclosures	KPIs	Corresponding Chapter
A1 Emissions	Information on the policies and 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.	A1.1 The types of emissions and respective emissions data.	Cultivating a green finance culture
		A1.2 Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Cultivating a green finance culture
		A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not relevant. The Bank is a financial enterprise.
		A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not relevant. The Bank is a financial enterprise.
		A1.5 Description of measures to mitigate emissions and results achieved.	Cultivating a green finance culture
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Cultivating a green finance culture
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	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).	Table of key performance indicators
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume per facility).	Table of key performance indicators
		A2.3 Description of energy use efficiency initiatives and results achieved.	Cultivating a green finance culture
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Cultivating a green finance culture
		A2.5 Total packaging materials used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not relevant. The Bank is a financial enterprise.



Scope of Indicators and Aspects	General Disclosures	KPIs	Corresponding Chapter
A3 Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources.	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Cultivating a green finance culture
B1 Employment	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, leave and holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1.1 Total workforce by gender, employment type, age group and geographical region.	Adopting a people-centered approach
		B1.2 Employee turnover rate by gender, age group and geographical region.	Adopting a people-centered approach
B2 Health and Safety	Information on the policies and 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.	B2.1 Number and rate of work-related fatalities.	Adopting a people-centered approach
		B2.2 Lost days due to work injury.	Adopting a people-centered approach
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Adopting a people-centered approach
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Adopting a people-centered approach
		B3.2 The average training hours completed per employee by gender and employee category.	Adopting a people-centered approach
B4 Labor Standards	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	B4.1 Description of measures to review employment practices to avoid child and forced labor.	Adopting a people-centered approach careers
		B4.2 Description of steps taken to eliminate such practices when discovered.	Adopting a people-centered approach

Scope of Indicators and Aspects	General Disclosures	KPIs	Corresponding Chapter
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	B5.1 Number of suppliers by geographical region.	Cultivating a green finance culture
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Cultivating a green finance culture
B6 Product Responsibility	Information on the policies and 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.	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not relevant. The Bank is a financial enterprise.
		B6.2 Number of product and service-related complaints received and how they are dealt with.	Protecting consumers' rights and interests
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Protecting consumers' rights and interests
		B6.4 Description of the quality assurance process and recall procedures.	Not relevant. The Bank is a financial enterprise.
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting consumers' rights and interests
B7 Anti-corruption	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	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.	Corporate governance
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate governance
B8 Community Investment	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.	B8.1 Focus areas of contributions (e.g. education, environmental concerns, labor needs, health, culture and sports).	Using financial measures to combat COVID-19 and promoting the public welfare
		B8.2 Resources contributed (e.g. money or time) to the focus areas.	Using financial measures to combat COVID-19 and promoting the public welfare


## Feedback from Readers


Thank you for reading Bank of Jiujiang's 2020 Environmental, Social and Governance Report. In order to promote communication between the Bank and its stakeholders and enhance the Bank's capability to perform its social responsibilities, we hope that you can evaluate this report and provide valuable comments and suggestions. Please fill out the feedback form below. You may send us your feedback using any of the following methods.

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1. Please choose the stakeholder category that you belong to.

- ☐ Government   ☐ Regulator   ☐ Shareholder   ☐ Customer   ☐ Employee   ☐ Supplier  
☐ Partner   ☐ Community   ☐ Environment   ☐ Others

2. Your general evaluation of this report:

- ☐ Poor   ☐ Average   ☐ Good   ☐ Excellent

3. Your evaluation of Bank of Jiujiang's performance of social responsibilities from an economic perspective:

- ☐ Poor   ☐ Average   ☐ Good   ☐ Excellent

4. Your evaluation of Bank of Jiujiang's performance of social responsibilities from an environmental perspective:

- ☐ Poor   ☐ Average   ☐ Good   ☐ Excellent

5. Your evaluation of Bank of Jiujiang's performance of social responsibilities from a social perspective:

- ☐ Poor   ☐ Average   ☐ Good   ☐ Excellent

6. Do you think the information disclosed in this report is complete?

- ☐ No   ☐ Average   ☐ Yes

7. Do you think the content and typography is clear and suitable for reading?

- ☐ No   ☐ Average   ☐ Yes

8. Do you have any other comments or suggestions on the report or on how Bank of Jiujiang can improve the way it performs its social responsibilities?

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Thank you for  
your care and  
support for Bank  
of Jiujiang!