

2021

CORPORATE SOCIAL RESPONSIBILITY REPORT OF CHINA BOHAI BANK



Notes On Reporting

I. REPORTING SCOPE

The Report focuses on CHINA BOHAI BANK CO., LTD. and covers Our Bank's headquarter and branches. Due to the need for expression, such terms as "China Bohai Bank", "Our Bank" and "we" or "us" are used in the Report.

The Report is the eleventh Corporate Social Responsibility Reporting issued by CHINA BOHAI BANK CO., LTD.

This Report is an annual report covering the period between January 1, 2021 and December 31, 2021.

The previous report was issued in May 2021.

II. PRINCIPLES OF PREPARATION

As the Bank is an enterprise listed on the Main Board of Stock Exchange of Hong Kong (Stock Code: 09668), the Report refers to the Environmental, Social and Governance Reporting Guide of Stock Exchange of Hong Kong; the Report also refers to the GRI Standards issued by the Global Sustainability Standards Board (GSSB).

Based on the Bank's actual conditions, the indicators used in the Report are highly relevant to major topics of social responsibility, which can effectively reflect the Bank's performance in relevant topics and can be collected through the Bank's existing management system.

III. APPROVAL OF THE REPORT

The Report has been reviewed and approved by the office meetings of the president and the Board of Directors of the Bank when it is released to the public.

IV. DATA DESCRIPTION

Unless otherwise stated, the financial data in the Report are derived from the Bank's 2021 Financial Report, some of which involve data of other years. Unless otherwise specified, all currencies involved in the Report are RMB.

The data on the balance of loans to small and micro enterprises, the balance of loans to inclusive small and micro enterprises, and the balance of green credit in the Report are sourced from the regulatory statements submitted by the Bank to the China Banking and Insurance Regulatory Commission (CBIRC).

V. GUARANTEE METHOD

To ensure its authenticity and reliability, this Report was submitted to KPMG Huazhen LLP as per the International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) for a third-party report assurance with an independent assurance report and statement provided.

VI. ISSUE FORM

The Report is released in electronic form and can be viewed on the Bank's official website (<http://www.cbhb.com.cn>).

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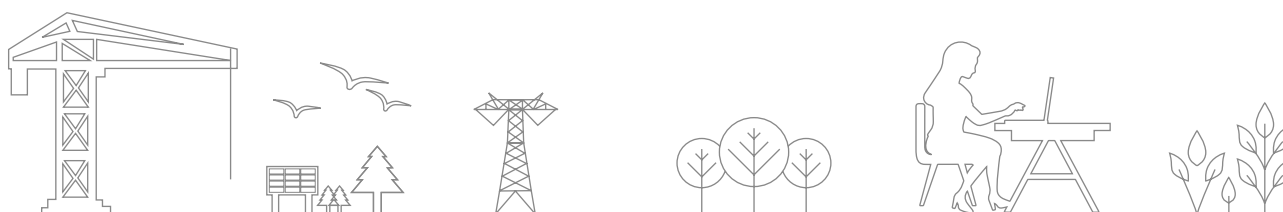
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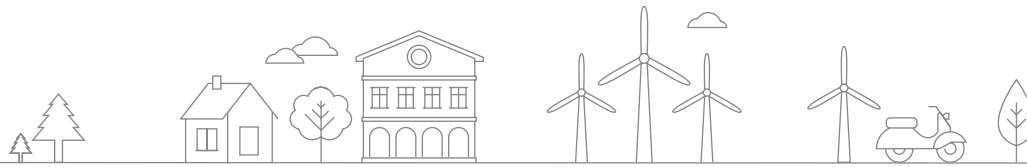
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Chairman's Statement

2021 is an extraordinary year, which marked the centenary of the Communist Party of China (CPC) and started the new journey towards the second centenary goals. Under the guidance of the 14th Five-Year Plan of the state, by upholding the development vision of building “a modern wealth and treasury manager offering the best customer experience”, China Bohai Bank actively built its operational model under the philosophy of “Bank the world”, fulfilled its social responsibilities, and endeavored to contribute to the sustainable of the economy, environment and society.

Remaining true to our original aspiration and serving the real economy. Under the general requirements for "stability on the six fronts" and "security in the six areas", we were committed to implementing the new development philosophy and by taking serving the real economy as the starting point and foothold and determining inclusive finance as transformation as an important strategy, pushed forward work regarding all-around rural revitalization, boosted our support for key fields, facilitated consumption upgrading and continued to enhance our comprehensive capabilities in serving the coordinated development of the Beijing-Tianjin-Hebei region, thus promoting the high-quality development of the economy of China.

Deepening transformation and creating outstanding customer experience. With our continuous efforts to expedite the development of a technology-based banking ecosystem, our financial service scenarios were continuously diversified and deepened, the capabilities to provide innovative products and services were further improved, and an increasing number of customers benefited from development of fintech. At the same time, we enhanced our efforts in the provision of services to provide convenient, safe and efficient services for customers and continued to move towards the goal of “a modern wealth and treasury manager offering the best customer experience.”

Focusing on carbon peaking and neutrality and promoting green development. Focusing on work in relation to “carbon emission peak, carbon neutrality,” we continued to provide more supports for the development of green, low-carbon and circular economy, adopted effective measure for green operation, and promoted the further progress of green development.

Contributing to public benefit and giving back to society. Under the people-centered development philosophy, we paid attention of the needs of the community and gave back to society. We have carried out paired-up assistance activities for nine consecutive years, sponsored Tianjin women’s volleyball team for ten consecutive years, and encouraged employees to participate in volunteer programs. We implemented policies regarding normalized epidemic prevention and control. Under the people-oriented development approach, we strove to create a broad career development platform for and realized better life together with our employees.

2022 is a key year for the innovation and transformation of China Bohai Bank. We will continue to adhere to the principle of development guided by party-building, take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the core contents of our development theories, and energetically start a new chapter for high-quality development. We will carefully listen to the voice of all stakeholders, improve our ESG management, and continue to promote sustainable development in all respects.

CHINA BOHAI BANK CO., LTD.

Secretary of the Party Committee and Chairman: LI Fu’an

President's Statement

2021 marks the centenary of the CPC, from which the CPC will continue to lead the people to tackle challenges and move forward and start the new journey towards building a great modern socialist country in all respects. China Bohai Bank comprehensively implemented its 4th “five-year plan” and established the mission of “serve the national strategy, serve the real economy and serve the good life, create sustainable value for shareholders, create a broad stage for employees and fulfill legal person responsibility for society (服务国家战略、服务实体经济、服务美好生活，为股东创造持续价值，为员工打造广阔舞台，为社会履行法人责任)” and achieved favourable performance in fulfilling the corporate social responsibilities, such as serving the real economy, developing green finance, providing high-quality services, promoting the growth of employees and facilitating social progress.

Continuously improving the quality and efficiency in serving the real economy. We implemented our inclusive finance strategies under the principle of “focus on the scale for the short term and focus on the quality for the long term”; in strict compliance with the requirement of “abstaining from shirking responsibilities, repealing poverty alleviation policies, ceasing assistance, and stopping regulation,” we devoted more efforts to consolidating the results of supporting poverty alleviation with finance and promoting rural revitalization in all respects; committed to the new development philosophy, we focused on serving the development of key sectors, facilitating consumption upgrading, promoting coordinated regional development, and contributing to the high-quality development of the economy of China. As of the end of 2021, the balance of the inclusive micro and small enterprise loans granted by the Bank was RMB59.482 billion, representing a year-on-year increase of 62.91%; the number of loan accounts was 146,218, representing a year-on-year increase of 69.51%, exceeding the targets for “two growths and two controls.” The balance of agricultural loans was RMB47.197 billion in total, representing a year-on-year increase of 5.08%; the accomplishment rate was 430.57%.

Continuously accelerating the development of banking ecosystem. With building “a modern wealth and treasury manager offering the best customer experience” as our strategic vision, we continued to focus on the building of banking ecosystem and deepen technological innovation. New progress has been realized in the development of fintech; technologies and operations have been further integrated; new results have been achieved in the fintech transformation and middle-office development; new innovative projects have been implemented. As of the end of 2021, the number of mobile banking customers was 3,143,400, with an increase of 404,200 as compared to last year; the number of existing customers of our banking ecosystem was 1,041,700 and the total amount of transaction reached RMB30.506 billion.

Achieving new progress in the promotion of green development. Based on the new development stage, the new development philosophy and the new development paradigm, we actively put the concept of green development into practice. We perfected the development of the green finance mechanism, established and improved the green finance management system, formulated supporting measures for green finance, optimized customer structure, improved service quality, and advanced the development of green finance business. In addition, we strictly managed our own energy consumption and realized green operation. As of the end of 2021, the balance of the Bank’s green loans was RMB24.719 billion, representing a year-on-year increase of 24.33%. In 2021, the Bank won the First Display of Talent Award of “Green Carbon Pioneer”: the Most Exploring Bank of the Year (“绿碳先锋” 初试锋芒奖—年度最具探索力银行).

Being dedicated to serving our customers and providing them with outstanding experience. With creating outstanding customer experience as the goal, providing services with agility and warmth as the direction, fintech as the foundation, and lean management as the approach, we developed our innovation capabilities in an in-depth manner for the three major business lines of retail banking, corporate banking and financial market and continuously launched high-quality innovative products and services to satisfy the demands of the market and promote the development of the industry. We reinforced our service management, optimized service channels, perfected service procedures and enhanced protection of consumers' rights and interests to continuously improve customer experience. In 2021, the Bank devoted great efforts to the implementation of the "Light Boat Plan" and opened 59 new sub-branches; the number of online banking customers increased by 1,424,100, and the total amount of transactions reached RMB6.48 trillion.

Promoting the development of employees through restructuring management model. We adhere to the people-oriented principle and take promoting the development of employees as one of our important missions and achievements. We continued to improve our market-based remuneration system, optimize the incentive and restriction mechanism, further implement market-based talent selection and appointment mechanism, and provide more training for employees. In 2021, the Bank provided 1,379 new positions and the number of female employees accounted for 52.02% of the total. More than 4,000 employee training sessions were organized.

Unwaveringly promoting the advancement of society. We carried out continuous paired-up assistance activities in Jizhou District, Tianjin and fully started a new round of assistance and poverty alleviation work; we have sponsored Tianjin women's volleyball team for ten consecutive years and signed the new agreement for a new cycle. Adhering to policies regarding normalized epidemic prevention and control, we actively supported the prevention and control efforts of the community; we encourage our employees to participate in volunteer programs, which were well recognized by the community. As of the end of 2021, our total investment in the paired-up village for poverty alleviation in Jizhou, Tianjin reached RMB10,012,700; the total amount invested to support rural revitalization through consumption in 2021 amounted to RMB1,644,400.

In 2022, the 20th National Congress of the CPC will be held and it is also a key year for the in-depth implementation of the 14th Five-year Plan. We will implement the guiding principles of the Sixth Plenary Session of the 19th CPC Central Committee and the arrangements made by the Central Economic Work Conference under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and with party-building as the guidance and compliance as the foundation, will adjust business structure and promote strategic transformation, enhance risk control and ensure operational security, and empower development by transform and innovation. We will continue to consolidate the development of the seven "new infrastructure" projects, enhance management and improve contribution to the economy, actively fulfil our social responsibilities in all respects, and forge ahead to start a new chapter of high-quality sustainable development.

CHINA BOHAI BANK CO., LTD.

Deputy Secretary of the Party Committee and President: QU Hongzhi

About China Bohai Bank

I. Introduction to the Bank

Since 1996, China Bohai Bank is the only newly established national joint-stock commercial bank approved by the State Council. It is the first national joint-stock commercial bank to introduce a foreign strategic investor at the stage of promotion and establishment, and the first national joint-stock commercial bank headquartered in Tianjin. It was established on December 30, 2005 and officially opened for business in February 2006. It was listed on the Main Board of the Hong Kong Stock Exchange on July 16, 2020.

China Bohai Bank was promoted and established by seven shareholders, namely TEDA Investment Holding Co., Ltd., Standard Chartered Bank (Hong Kong) Limited, China Ocean Shipping (Group) Company (currently known as China COSCO Shipping Corporation Limited), State Development & Investment Corporation (currently known as State Development & Investment Corp., Ltd.), Shanghai Baosteel Group Corporation (currently known as China Baowu Steel Group Corporation Limited), Tianjin Trust and Investment Company Limited (currently known as Tianjin Trust Co., Ltd.) and Tianjin Shanghai Investment Holding Company Limited. After listing, the Bank realized more diversification and marketization of shareholders, and further optimized the equity structure.

China Bohai Bank has gone through the start-up period of the first five-year plan and the scale-up period of the second and third five-year plans, and 2021 is the first year of the fourth five-year plan. China Bohai Bank continues to adhere to the development vision of becoming “a modern wealth and treasury manager offering the best experience”, promotes the transformation into a retail and transaction bank, realizes light-model operation, and actively builds the banking ecosystem through “Bank the world”.

As of the end of 2021, China Bohai Bank had total assets of RMB1,582.708 billion, representing an increase of



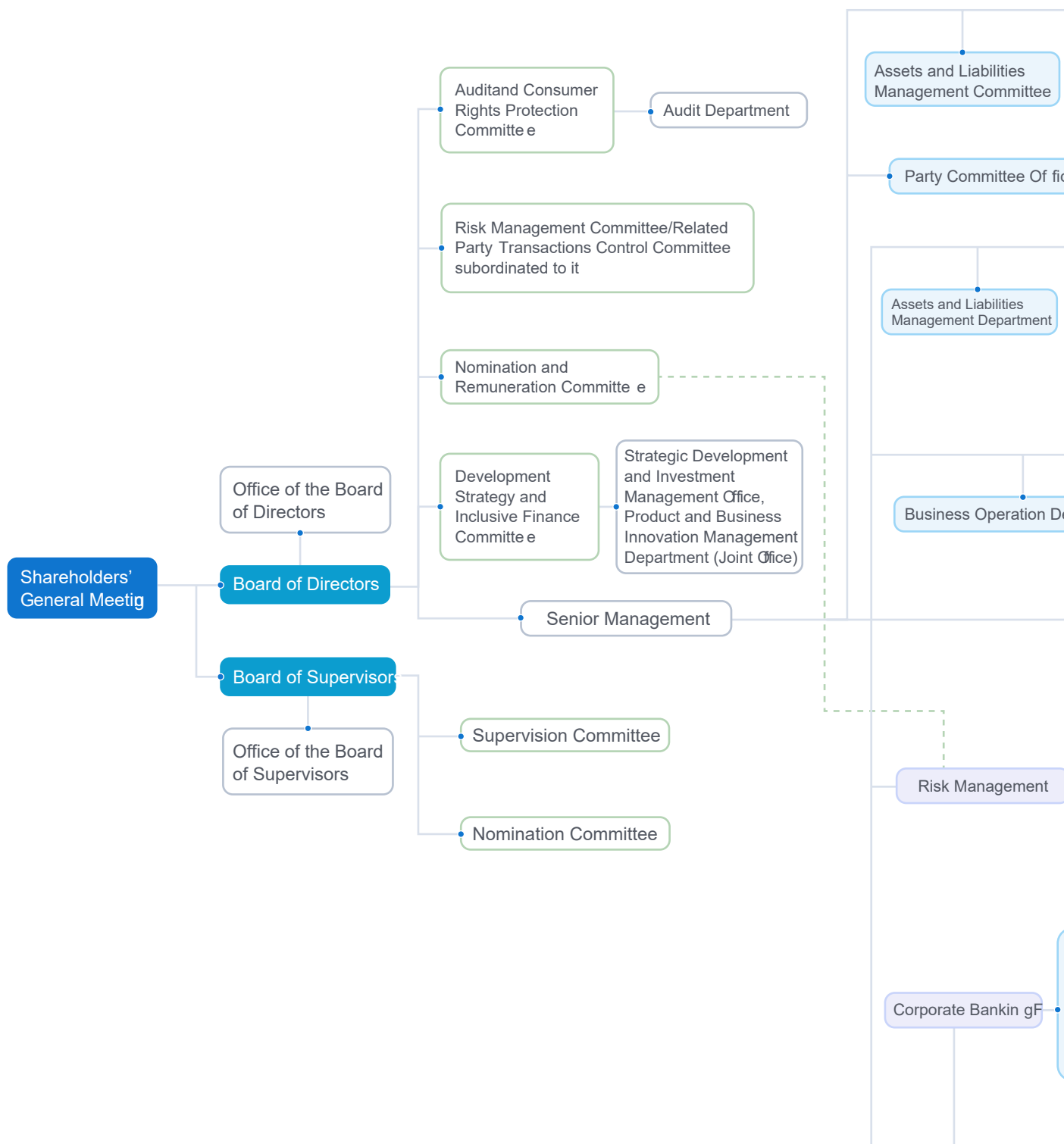


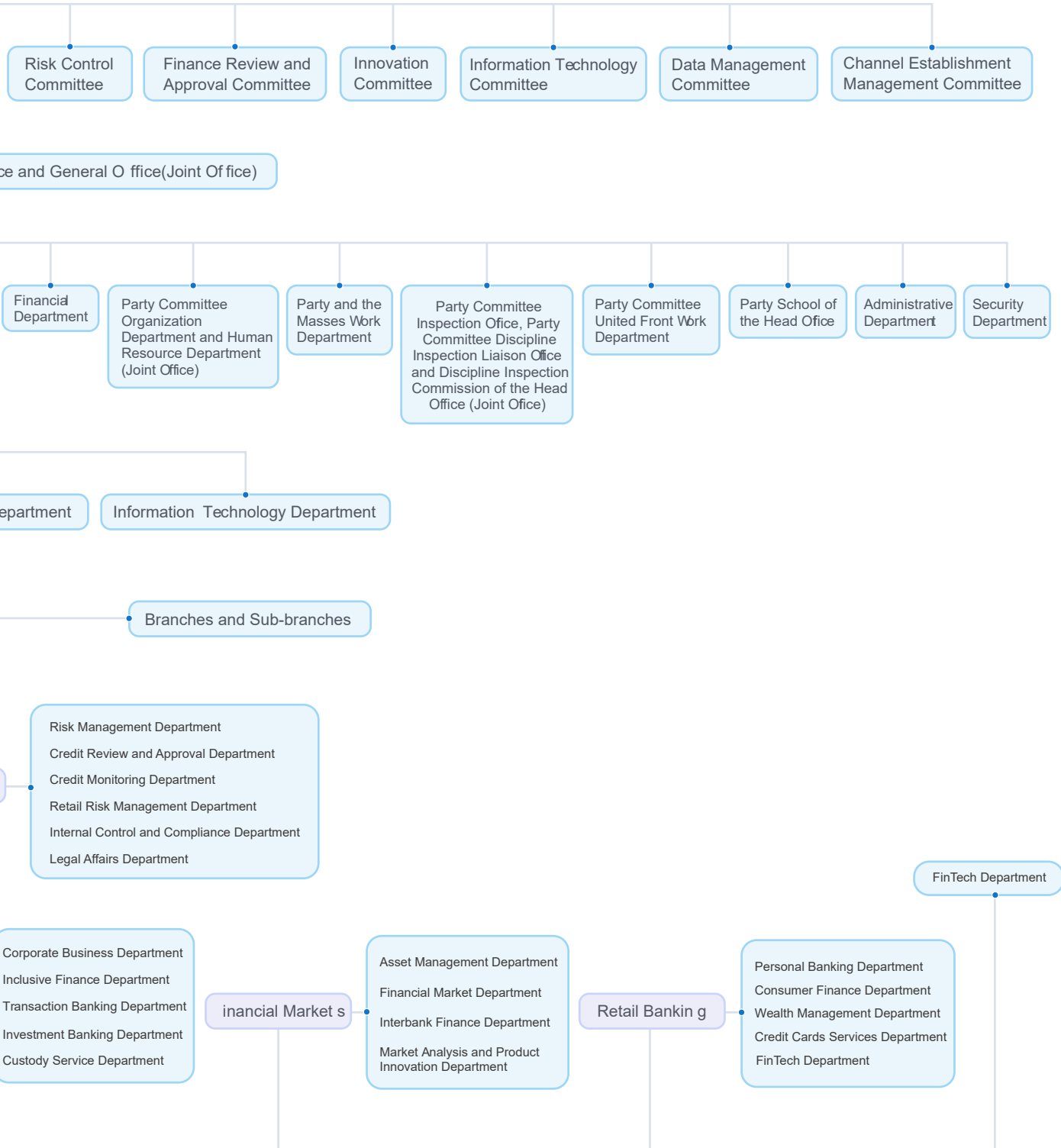
13.58% over the beginning of the year; gross loans and advances to customers amounted to RMB955.355 billion, representing an increase of 7.64% over the beginning of the year. Gross deposits from customers amounted to RMB820.589 billion, representing an increase of 9.89% over the beginning of the year. It realized profit before taxation of RMB10.304 billion and net profit of RMB8.630 billion. The non-performing loan ratio was 1.76%, representing a decrease of 0.01 percentage point over the beginning of the year.

At present, the Bank has established 36 tier-one branches (including three branches under direct management of the Head Office such as Suzhou, Qingdao and Ningbo Branches and one overseas branch), 32 tier-two branches, 192 sub-branches and 29 small and micro community sub-branches in china, the total number of branches and sub-branches and outlets under which reached 289, covering the key cities around the Bohai Sea, the Yangtze River Delta, the Pearl River Delta and the central and western regions.

In 2021, China Bohai Bank ranked 111st among the "Top 1000 World Banks" released by The Banker, moving up 22 places compared with the previous year. In 2021, the Bank also won the "Annual Pension Business Bank" Award, "Annual Low-Carbon Bank" Award, "Annual Financial Technology Progress" Award and other awards.

II. Organizational Structure





III. Corporate Governance

(I) Corporate governance structure

In accordance with laws and regulations such as the Company Law as well as with reference to the actual situation of the Bank, the Bank has established a corporate governance structure which comprises the Shareholders' general meeting, the Board of Directors and its special committees, the Board of Supervisors and its special committees and the senior management and its special committees, conforms to the modern enterprise system and integrated the Party's leadership into all links of corporate governance. The Party organization plays a leading role, and ensures the direction, overall situation and implementation. The Shareholders' general meeting is the highest organ of authority of our Bank, and exercises its functions and powers according to laws. As the decision-making organ of the Bank, the Board of Directors assumes the ultimate responsibility for the Bank's operation and management and is accountable to the Shareholders' general meeting. The Board of Supervisors is the Bank's supervisory organization and is accountable to the Shareholders' general meeting. The senior management, as the executive organ of the Board of Directors of the Bank, is responsible for the Bank's operation and management and is accountable to the Board of Directors. In 2021, the Shareholders' general meeting, the Board of Directors and its special committees, the Board of Supervisors and its special committees fully played their roles in decision-making and supervision and held 54 meetings in total, at which they deliberated 190 proposals and adopted 188 resolutions, heard and reviewed 60 work reports and formed opinions thereon, and made timely decisions on major issues concerning the Bank's development and facilitated the implementation thereof.

(II) Corporate governance system

Since its establishment, the Bank has established a relatively complete corporate governance system and continuously revised and improved it, laying a solid foundation for the legal, compliant and efficient operations of all corporate governance entities. In 2021, in accordance with relevant laws, regulations and regulatory requirements as well as with reference to the actual development situation of the Bank, the Shareholders' general meeting formulated the Bank's Equity Management Measures; the Board of Directors formulated the Bank's Investor Relations Management Measures, the Authorization Management System of the Board of Directors to Senior Management, the Professional Manager Performance Assessment Management Measures, and the Remuneration Management Measures of Persons in Charge of Municipal Enterprises, the Remuneration Management Measures for Professional Managers, the Liability Quality Management Measures, the Management Measures of Large Exposure, the Management Measures for Consignment Wealth Management Business, the Management Regulations on Sales of Consignment Wealth Management Business, and the Management Measures for Sales Personnel of Consignment Wealth Management Business, and revised the Bank's Working Rules of Risk Management and Green Finance Committee of the Board of Directors, the Data Governance Policy, the Statement on Risk Appetite and the Internal Audit Charter, and the Audit and Consumer Rights Protection

Committee of the Board of Directors revised the Administrative Measures for Off-office Audit of Branch Leadership Members and Head of Departments of the Head Office, the Internal Audit Policies and Procedures and the Rules for Management of External Accounting Firm. The Board of Directors and the Board of Supervisors jointly revised and approved the Bank's Information Reporting System, the Administrative Measures for Reputational Risk and the Evaluation Methods on Directors' Performance Measures, and the Board of Supervisors revised and approved the Bank's Measures for the Evaluation of the Performance of Supervisors, which further improved the corporate governance system and continuously facilitated the building of its corporate governance system.

(III) Standardized information disclosure mechanism

On the basis of sound corporate governance, the Bank continued to regulate the information disclosure mechanism and treated shareholders and stakeholders fairly. In 2021, nearly 50 information disclosure documents including regular reports and interim announcements were published on the websites of the Hong Kong Stock Exchange and the Bank. The Board of Directors successfully completed the preparation and disclosure of the 2020 Annual Report, and completed the preparation and disclosure of the 2021 Interim Report in accordance with the requirements of the Listing Rules. The Audit and Consumer Rights Protection Committee under the Board of Directors of the Bank and independent Directors strictly implemented the Working Procedure of the Audit Committee under the Board of Directors for Review of Annual Financial Reports and the Working Policy of Independent Directors for Annual Reports. The supervisory role in the preparation, review and disclosure of annual reports was further brought into play.

(IV) Good information communication mechanism

Timely and unimpeded information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management is essential for corporate governance entities to fully perform their duties and improve their performance efficiency and level. To ensure timely and unimpeded information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management, and improve the efficiency and level of duty performance, a total of 27 issues of minutes of the President's executive meetings, 20 issues of minutes of President's special meetings, 31 issues of information reports, 2 issues of situation reports, 5 issues of internal control and compliance risk alerts, 6 issues of related party transaction reports, and 10 issues of information bulletins for Directors and Supervisors of the Bank were sent in 2021, providing information support for scientific decision-making of the Board of Directors, the Board of Supervisors and their special committees.



The Topic of Responsibility





I. The Bank formulated the Plan for Development Strategy (2021-2025)

- The Bank's strategic vision is to become "a modern wealth and treasury manager offering the best experience (最佳體驗的現代財資管家)" and its mission is to "serve the national strategy, serve the real economy and serve the good life, create sustainable value for shareholders, create a broad stage for employees and fulfill legal person responsibility for society (服務國家戰略、服務實體經濟、服務美好生活, 為股東創造持續價值, 為員工打造廣闊舞台, 為社會履行法人責任)." The Bank is based on the new development stage, implementing the new development concept and integrating into the new development pattern. During the Fourth "Five-Year Plan", the Bank insisted on transforming into a retail bank, a transaction bank and a light-model bank. The Bank focuses on building an eco-banking model of "Bank the world" to create five strategic capabilities of "Ecosystem" "Engaged" "Enable" "Everywhere" and "Engined" achieving comprehensive upgrade of business model.
- During the Fourth "Five-Year Plan", the Bank has accelerated the formation of a trinity of corporate, retail, and financial market business development. The retail banking business insists on using MAU operation as the starting point and AUM operation as the cornerstone, and enhancing customer value as the goal, providing customers/users with personalized, differentiated, and customized products and services through the "Plug & Play" business model to build the distinct competitive advantages for China Bohai Bank. The corporate banking business adheres to the transformation direction of "Transaction Banking + FPA", and it realizes the change from asset pulling to asset leveraging through the "Platform Boosting" business model, which lays a solid foundation for the Bank's business transformation. The financial market business insists on taking trading as its soul, returning to its origin and creating value as its starting and ending point, and effectively helps the Bank's strategic transformation and business development through the "Supportive Activation" business model.



The Bank held the Fourth "Five-Year Plan" seminar

➤ During the Fourth “Five-Year Plan” period, the Bank will build a strategic support system with “Seven New Infrastructure Construction” including FinTech, creative R&D, operation system, incentives and constraints, internal control & compliance, risk management, training and education as the main body. The FinTech system was positioned to strengthen technology empowering and drive the “light front platform, fast middle platform, strong back platform” comprehensive digital transformation. The creative R&D system is positioned to drive development with innovation, creating a flexible production system and an agile innovation bank. The operation system is located at “lifting weights as lightness”, and the “weights” of operation enables the “lightness” of business. The incentives and constraints system is fighter-oriented, and gives play to the advantage of flexible mechanisms. The internal control & compliance system is located in the “immune system”, “repair system” and “prevention system” of the Bank’s operation and management. The risk management system is designed to enhance the ability of “risk control for the bank protection, taking the construction of “Risk 30+” as the support to realize the transformation from “management” to “empowering.” The training and education system is designed to supplement digital talents, and we strive to raise the percentage of digital talents in our workforce to 20%.



渤海银行股份有限公司
2021-2025 年发展战略规划

Plan for Development Strategy of CHINA BOHAI BANK CO., LTD. (2021-2025)



The Bank held a meeting for implementation and promotion of the Fourth “Five-Year Plan”.



The Bank held a meeting for summarizing the achievements of the Fourth “Five-Year Plan” development strategic plan.

II. The Bank Actively Supports the Rainstorm-stricken Areas in Henan

In July 2021, many places in Henan experienced continuous heavy rainfall, and Zhengzhou, Anyang, Xinxiang, Hebi and other places suffered severe floods and caused heavy losses. After the torrential rains and floods in Henan, the Zhengzhou Branch of the Bank took urgent action and introduced a number of specific measures to ensure the safety of people's livelihood and property, ensure the smooth flow of various financial services, and fully support flood prevention and disaster relief.

The first is to increase investment and fully support enterprises in flood prevention and disaster relief. After the flood, the Branch actively sorted out the situation of the reserve projects, opened up green channels, accelerated the approval process, accelerated the loan issuance, and fully supported the flood prevention and disaster relief, production and operation of the enterprise.

The second is to carry out the investigation of existing customers and actively help enterprises in difficulty to tide over the difficulties. The Branch checked the existing credit customers one by one, and grasped the impact of the flood situation on the production and operation of enterprises in a timely manner through telephone, WeChat, on-site visits, etc. For customers who have difficulty in repayment due to disasters, the Branch adopted the differentiated measure of "one policy for one customer" to tide over the difficulties together with the enterprise. For credit customers due in the second half of 2021, especially the business due in July and August, the Branch made arrangements for loan renewal in advance. For enterprises that are temporarily in trouble due to the impact of heavy rain, the Branch actively supported enterprises to overcome difficulties by extending the period, deferring the repayment of principal and interest for small and micro enterprises, adjusting the repayment plan, and adjusting the method of interest settlement.

The third is to provide all-round lobby services for the convenience of the public. In order to meet the basic living security of the residents around the outlets after the disaster, the Branch has added a "Love Harbor" citizen service corner at each business outlet to provide citizens with rest areas, hot water, towels, power banks and other items. Each business network strives to provide living water for the surrounding residents, and provides special assistance to the elderly, lonely and widowed, and fully assists the government in carrying out flood relief work.

The fourth is to organize fundraising activities. The Party Committee of the Branch urged the cadres and staff of the whole Bank to pay close attention to the disaster, lend a helping hand and donate to the disaster-stricken areas. On July 24, the Branch organized a charity donation ceremony and raised a total of RMB120,000.

The fifth is to provide support to front-line rescuers and supplies to surrounding community units. Members of the Party Committee of the Branch led the vanguard of Party members to deliver drinking water and hot meals to the front-line rescue teams; they went to Zhengdong New District Law Enforcement Bureau (鄭東新區執法局), Jicheng Road Sub-district Office (祭城路街道辦事處) and other units to deliver mineral water, disinfectant and other condolences to the staff who worked hard during the flood and kept their posts silently.

In addition, the Labor Union of Wuhan Branch of the Bank issued a fundraising initiative to support the disaster-stricken areas to employees on July 28. Within one day, all employees of the bank donated RMB80,788 through the Xinxiang Charity Federation of Henan Province to support the resettlement and post-disaster reconstruction of severely affected victims in Weihui City.



Zhengzhou Branch actively participated in the rain and flood rescue



Wuhan Branch staff donated to Weihui disaster area

ESG Report





I. Economic Performance

Indicator	Unit	2020	2021
Total assets	RMB'0,000	139,352,312.5	158,270,759.8
Total assets	RMB'0,000	3,249,217.0	2,919,436.4
Net profit	RMB'0,000	844,457.1	862,972.4
Average Return on total assets	%	0.67	0.58
Weighted average return on net assets	%	10.68	8.88
Non-performing loan ratio	%	1.77	1.76
Capital adequacy ratio	%	12.08	12.35
Provision coverage ratio	%	158.80	135.63

II. Market Performance

The Bank's remuneration system, oriented by development strategy, is consistent with the operation management requirements of modern commercial banks, coordinated with the interests of Shareholders, the Bank and employees, and aligned with the Bank's current development requirements. The Bank adopts the principles of strategy orientation, classification management, value orientation, performance orientation and total amount control. By benchmarking the remuneration levels of peers in the market, the Bank implements differentiated remuneration management for employees in different levels to enable to play a positive role of remuneration management in attracting, retaining and motivating talents. The Bank's remuneration is not affected by any gender factor. Both male and female employees are paid according to their posts and paid according to their work.

III. Indirect Economic Impact

As of the end of December 2021, the Bank established 36 tier-one branches (including Suzhou, Qingdao and Ningbo Branches under direct management of the Head Office), 32 tier-two branches, and 192 sub-branches in 25 provinces, autonomous regions, municipalities directly under the Central Government and special administrative regions, including Tianjin, Beijing, Hangzhou, Taiyuan, Chengdu, Jinan, Shanghai, Shenzhen, Nanjing, Dalian, Guangzhou, Changsha, Shijiazhuang, Wuhan, Hohhot, Fuzhou, Hefei, Zhengzhou, Xi'an, Changchun, Chongqing, Shenyang, Xiamen, Haikou, Qingdao, Ningbo, Nanning, Nanchang, Guiyang, Kunming and Hong Kong. There were 260 sub-branches or above, 29 small and micro community sub-branches, and 289 outlets in operation.

Indicator	Unit	2020	2021
Number of domestic and overseas branches	/	239	289
Number of domestic self-service banks	/	205	314
Number of self-service devices	Set	613	610

IV. Procurement Practice

(I) Improving and optimizing the procurement system and enhancing the legal compliance management

The Bank kept on optimizing and improving the procurement system management structure, and issued the 2021 Procurement Authorization Catalogue of Bohai Bank (《渤海銀行 2021 年度採購授權目錄》) and the Operational Guidelines for Grade-A Procurement Project of Bohai Bank (《渤海銀行 B 級採購項目操作指引》), which further enhanced the legal compliance management of all-grade procurement projects.

(II) Developing an intelligent procurement management system to boost the digital management capability of the procurement process

The Bank further deepened the development of the procurement management platform with “Bocai Yiguan” as the core; launched the electronic procurement organization program function of “Bocai Yicai”; further played the platform role of “Bohai Procurement Easy Management” to facilitate the high-frequency small-amount procurement. The Bank has basically completed the development of a relatively independent and closely connected intelligent procurement technology platform system, which provides supply chain cooperation solutions covering management and service for suppliers. In 2021, the Bank received a total of 5,948 orders on the “Bohai Procurement Easy Management Platform” with a total order value of RMB110 million.

(III) Strengthening centralized procurement management to ensure legal compliance and efficiency in procurement

First, the Bank adhered to the “open and transparent” procurement method. The transaction amount of public Grade-A procurement projects accounted for 82.7% and the number of public projects made up 70.2%. Second, the Bank insisted on the procurement organization form featuring “entrusted procurement”. The Bank fully leveraged the professionalism of procurement agencies to regulate the procurement process. The transaction amount of Grade-A entrusted procurement projects accounted for 95.4%. Meanwhile, more than 90% of Grade-A procurement projects have external review experts accounting for no less than two-thirds. The Bank always adopts the principles of openness, impartiality and fairness in the procurement process, and there were no complaints received from suppliers in 2021. Third, the Bank improved quality and efficiency while pursuing “legal

compliance and efficiency". 131 single-batch Grade-A procurement projects had a total procurement budget of RMB701 million, and a final transaction amount of RMB596 million, which resulting in saving rate of 15% and saving amount (contribution to net profit) of RMB105 million.

Indicator	Unit	2020	2021
Number of suppliers in Chinese Mainland	/	881	780
Number of overseas suppliers	/	21	29
Total number of centralized procurement projects	/	1,146	672
Budget amount involved in centralized procurement	RMB'0,000	51,376	94,721
Average project cycle of centralized procurement	Day	42	43
Coverage ratio of centralized procurement catalog project performance management	%	100	100
Coverage ratio of supplier review	%	100	100
Total number of financial technology projects	/	269	195
Budget amount involved in financial technology projects	RMB'0,000	30,962	59,841
Average project cycle of financial technology projects	Day	38	146

V. Environmental Performance

(I) Materials

The material consumption of the Bank mainly comes from the paper consumption of certificates, bills, and documents generated in the business and office processes. In view of this, the Bank made great efforts to develop online banking business channels and actively applied WeChat, SMS and other information technology channels and means to reduce paper consumption in business operation. The Bank continued to improve the functions of the online office system on the PC and mobile terminals, and continuously promoted paperless office.

Indicator	Unit	2020	2021
Paper consumption of various promotional materials, card envelopes and single pages	10,000 pieces	84.31	119.57
Proportion of customers using electronic billing for credit cards	%	99.34	99.30
Paper saving of electronic billing	10,000 pieces	218.91	463.78

(II) Energy

For major energy consumption projects in the operation, the Bank applied energy-saving facilities and equipment and implemented strict management to prohibit unnecessary energy consumption. In 2021, due to the objective influence of the increase of institutions and personnel, the office power consumption of the Head Office and the total power consumption of the Data Center of the Bank increased.

Indicator	Unit	2020	2021
Average energy utilization efficiency of the Data Center	-	2.02	2.12
Total power consumption of the Data Center	kWh	10,577,866	12,824,633
Total office power consumption of the Head Office	kWh	16,774,940	18,513,850
Total fuel consumption of official business vehicles of the Head Office	litter	24,193	23,093

(III) Water resources

The Bank took comprehensive measures in terms of technology and management to reduce water consumption. Since its settlement in the China Bohai Bank Building, the Bank has regularly inspected the water installations, equipment and appliances on all floors of the building to ensure that the water-saving function is normal. During the cooling period in summer, the Bank has regularly inspected and maintained the automatic water replenishing devices of air-conditioning cooling towers to ensure the normal functions, and timely adjusts the water replenishment quantity to avoid wasting water resources; the Bank summarizes the water consumption records of the building every month, and takes targeted measures to ensure the water consumption according to the demand.

Indicator	Unit	2020	2021
Total office water consumption of the Head Office	ton	72,863	93,672

(IV) Sewage and Waste

The sewage generated by the Bank in the course of business operation and office operation is discharged into the municipal sewage pipeline network in accordance with relevant laws and regulations, and the domestic garbage is transported by the local environmental health team for treatment every day. The garbage rooms are sanitized every day. Overall cleaning is conducted once a week and sewage is cleaned once a month; other wastes are concentrated and transported in a "harmless" manner without any violation of regulations. The Bank used the updated office furniture and electric devices as temporary revolving materials or temporary office equipment for

newly-built institutions, "making the best use of everything and eliminating waste" and minimizing the adverse impact of e-waste on the environment.

(V) Products and Services

Indicator	Unit	2020	2021
Diversion rate of e-channel business	%	99.70	99.10

(VI) Environmental Compliance

In 2021, the Bank was not punished for environmental protection violations and did not receive any environmental complaints.

(VII) Green Procurement

The Bank promotes green low-carbon concepts in the whole process of procurement, gives full consideration to environmental protection, safety and health and recycling, and gives priority to the procurement of raw materials, products and services that are conducive to resource conservation and have the least impact on the environment. The Bank has established a bank-centric green supply chain, and integrated the concept of environmental protection and resource conservation into the full life cycle of the products procured. The Bank strives to coordinate economic activities with environmental protection, to achieve the purpose of supply chain enterprises sharing environmental protection responsibilities and improving resource utilization efficiency.

The Bank vigorously promotes green procurement, and gives priority to the procurement of environmentally certified products, to achieve the goal of energy conservation and consumption reduction, with reference to relevant national standards, industry standards and the list of items for the government procurement. The Bank clearly puts forward green environmental protection requirements when purchasing products and services, and urges suppliers to take active measures to continuously improve management level, technological innovation capabilities and environmental protection investment; to save resources and energy and reduce pollutant emissions by optimizing technological processes and adopting energy-saving and environmental protection equipment.

The Bank respectively specifies the quantitative indicators of green management system, clean production, safe production, recycling of scrap materials, green warehousing, packaging and logistics, etc. in terms of procurement project, pre-qualification, bid evaluation methods, qualification review standards and contract terms of suppliers, and clarifies selection criteria and requirements. In this way, suppliers are encouraged to actively promote the construction of ISO9001, ISO14001, ISO18001 and other systems, and reduce energy consumption and pollution in all links from production to sales.

VI. Social Performance

(I) Employment

The Bank strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests and other laws and regulations, legally hires employees and fully protects the legitimate rights and interests of employees.

Indicator	Unit	2020	2021
Total number of employees	Person	10,447	11,826
Number of female employees	Person	5,430	6,152
Number of male employees	Person	5,017	5,674
Number of employees under 30 years old	Person	2,411	2,767
Number of employees aged 31-50	Person	7,595	8,480
Number of employees over 50 years old	Person	441	579
Number of new employees	Person	1,241	1,896
Number of employees from Chinese Mainland	Person	10,398	11,764
Number of employees from Hong Kong, China	Person	49	62
Employee turnover rate	%	3.58	4.80
Turnover rate of male employees	%	1.87	2.37
Turnover rate of female employees	%	1.71	2.43
Turnover rate of employees under 30 years old	%	0.97	1.44
Turnover rate of employees aged 31-50	%	2.57	3.29
Turnover rate of employees over 50 years old	%	0.04	0.07

(II) Labor-capital Relationship

The Bank implements the labor contract system for all employees, and all contract employees must sign labor contracts with the Bank according to law. The Bank fully respects and effectively protects the legitimate rights and interests of employees, and takes effective measures such as promoting the construction of collective contract system and constantly improving the employees' representative meeting to continuously promote democratic management. We sincerely care for the employees pregnant and perinatal period, provide full convenience for the employees who receive the antenatal inspection in terms of work arrangement, give relevant employees maternity leave according to law, and set up "Mommy's Home" in the office and business premises that provide a healthy and warm private space for employees during the lactation period.

(III) Occupational Health and Safety

Our Bank's headquarter and all branches cooperate with well-known medical institutions to carry out annual physical examination and health consultation for all employees. Through various types of staff sports associations, we continuously enhanced extensive participation of employees, advocated a positive and healthy lifestyle, and helped employees adopt an optimistic and positive attitude and keep healthy. We continued to strengthen the management of employee canteens to ensure food safety; conducted regular employee satisfaction surveys to improve the service quality of canteens in a targeted manner; in response to COVID-19, the Bank formulated and strictly implemented various pandemic prevention and control measures , and fully safeguarded the health and safety of employees.

(IV) Training and Education

2021 is the first year of the implementation of the training system construction for one of the "Seven New Infrastructure Construction" of the Bank. The Bank closely follows the needs of transformation and development, empowers the construction of learning ecology with training innovation, and gives full play to the role of the Bank's trainings in the fields of knowledge production, knowledge dissemination and knowledge storage, so as to improve abilities and levels of the Bank's employees to grasp the overall situation, respond to risks and challenges, and promote actual work.

Indicator	Unit	2020	2021
Number of employee training periods	session	5,319	4,044
Number of employees participating in training	Person	163,392	588,485
Number of employees learning online	Person	11,083	12,516
Average length of training and learning for employees	Hour	25.11	22.44
Proportion of middle-level management participating in training	%	100	100
Proportion of grassroots employees participating in training	%	100	100
Average length of training for middle-level management	Hour	104	150
Average length of training for front-line employees	Hour	25	22

(V) Diversification and Equal Opportunities

The Bank values the diversity and equal opportunities for development of its employees. The Bank has established a scientific performance appraisal and incentive system to achieve fair, impartial, open and democratic

performance assessment and made full use of the assessment results. It strictly follows the principle of "equal employment" and firmly rejects discrimination against employees or restricts others from employment on the basis of race, nationality, region, religion and gender.

Indicator	Unit	Male	Female
Gender ratio of employees	%	47.98	52.02
Gender ratio of middle-level management	%	80.19	19.81

Indicator	Unit	2020	2021
Number of minority employees	Person	397	481

(VI) Handling Mechanism for Labor Issues

Pursuant to the provisions of the Trade Union Law of the People's Republic of China and the requirements of higher-level labor unions, the Bank has established labor unions at all levels and a sound working mechanism for the labor unions, continuously promoted democratic management of enterprises, and effectively safeguarded the rights and interests of employees. The Bank has an effective annual performance appraisal result appeal mechanism and actively applies information technology. In 2021, the Bank launched the "Dolphin Voice" platform on the PC and mobile terminals, extensively listened to and responded promptly and adequately to the opinions and suggestions put forward by employees; the senior management of the Bank required that "we firmly oppose the use of diplomatic language by all departments to answer questions, so that the platform will become a home for employees to know what they need and say what they want."

According to the Labor Contract Law and other relevant laws and regulations, all forms of forced labor and child labor are firmly prohibited. In order to avoid use of child labor and forced labor, we strictly comply with the requirements of laws and regulations, and review the age and background of candidates during the resume screening stage. Those who do not meet the relevant laws and regulations will not be allowed to pass the resume screening.

(VII) Local Community

The Bank continued to push forward the implementation of the "Light Boat Plan", to form an agglomeration effect of physical outlets. In the process of network layout, it gave priority to community gathering areas in terms of site selection, and at the same time, fully considered the acceptance of surrounding customer groups, especially the elderly, to increase the number of integrated light outlets with the aim of providing community residents with a full range of services and improving their service experience. As at the end of December 2021, the Bank has established 29 small and micro community sub-branches, 65 integrated light sub-branches and 260 sub-branches

or above, covering certain provinces and cities in Beijing-Tianjin-Hebei region, Yangtze River Delta region, Pearl River Delta region, Northeast China, Central and Western China.

(VIII) Anti-corruption

In 2021, the Bank made several deployments and specific arrangements for improving the Party conduct, clean government and anti-corruption, to comprehensively assign the responsibilities of the Party organizations at all levels and Party members and leading cadres, and promote the Party conduct, clean government and anti-corruption in depth according to higher standards and stricter requirements.

Developed the key points. The Bank developed the Key Points on Improving the Party Conduct, Clean Government and Anti-corruption of China Bohai Bank in 2021, which specifies main tasks and measures, and provides a key direction for improving the Party conduct, clean government and anti-corruption. The Party organizations at all levels closely focused on the key points, continued to deepen the improvement in the Party conduct, clean government and anti-corruption, and promote the construction of “dare not to be corrupt, cannot be corrupt, and do not want to be corrupt” system and mechanism.

Carried out special supervision and rectification work. The Bank formulated the Implementation Plan of the Party Committee of China Bohai Bank on Carrying out Special Rectification on Corruption Issues in State-owned Enterprises and Finance, developed 60 rectification measures for 27 aspects investigated, and divided into 105 specific rectifications. The Bank rectified its defects and implemented the requirements according to the standards, strengthened its daily supervision, implemented scheduling every two weeks, continuously submitted work ledgers, and supervised and promoted the implementation of the rectification tasks. As a result, phased results have been achieved in 105 rectification measures. The Bank focused on the “key minority”, carried out the supervision and rectification on corruption and profit-making problems of Party members and cadres through “shadow companies” and “holding shares for profit”, special rectification on leaders and cadres who “take the connected persons when promoting”, and special rectification on “public officials who illegally engaged in profit-making activities”, to continuously strengthen the restriction and supervision on the exercise of power, and promote the development of a supervisory work pattern in which one level is supervised by another level and implementation will be supervised at every level, so as to prevent the occurrence of corruption.

Established a special reminder mechanism for “taking the lead in integrity education”. In form of the Special Reminder Letter of “taking the lead in integrity education”, the Bank sent reminders on important contents such as the Party disciplines, Party rules and relevant discipline regulations to the “top leaders” of all departments at the head office and the Party organizations of the branches from time to time, urging the “top leaders” to lead by example and serve as role model. The Bank paid close attention to the key nodes of major holidays such as New Year's Day, Spring Festival, Qingming Festival, May Day, Dragon Boat Festival, Mid-Autumn Festival and National Day, regularly carried out integrity reminders, seriously carried out the supervision and inspection on the upholding of the spirit of the eight-point decision of the CPC Central Committee on improving Party conduct, and insisted on fighting the “four forms of decadence” as soon as they appear, striving to create a clean, upright working atmosphere.

Carried out inspection on integrity risk points. The Bank focused on key areas, key aspects, and key positions such as selection and employment, tendering and procurement, credit approval and disposal of non-performing assets, and organized and carried out integrity risk inspection by drawing on the advanced experience of the region and the industry, and combining with the work and job responsibilities of various departments at the head office. The departments at the head office identified a total of 252 integrity risk points and formulated 437 prevention and control measures accordingly, and developed the Integrity Risk Point Inspection and Prevention List. The Bank timely checked any deficiencies and filled any omissions, and strengthened its weaknesses, promoting Party self-governance in every aspect to go into depth and practice.

Continued to carry out warning education. The Bank issued the Notice on Further Effectively Conducting the Work of Learning from Cases, Promoting Reform with Cases, and Promoting Governance with Cases, which specifies the specific work requirements for carrying out warning education, promoting reforms with cases, and promoting governance with cases. The head office and branches carried out warning education activities by holding warning education conferences, organizing visits to the education exhibition on the theme of promoting Party self-governance in every aspect, the exhibition of clean government culture construction, and the clean financial culture exhibition, giving lectures on warning education, and visiting the clean government culture education centers and warning education bases and anti-corruption warning education bases, in order to guide Party members and cadres to hold discipline in awe and bottom line. The Bank arranged to study typical cases to promote warning education, and organized 187 people to circulate the Tianjin City's Warnings of Cases Investigating and Punishing Young Cadres Violating Discipline and Law, the Tianjin City's Warnings of Cases Investigating and Punishing Conducts Involving Gangs, Evil, Corruption and "Umbrella", the Tianjin City's Warnings of Cases Investigating and Punishing Formalism, Bureaucratism, Non-action and Irresponsibility and the Tianjin City's Warnings of Cases Investigating and Punishing Disciplinary Inspection and Supervision Cadres Violating Discipline and Law offline, and submitted 46 learning experience articles, educating and guiding middle-level cadres to learn from such cases and take others as a mirror, and keep the bells ringing in their minds and uphold their mind bottom line. We sent typical negative cases issued by the Central Commission for Discipline Inspection and the Tianjin Municipal Commission for Discipline Inspection 15 times through WeChat work groups and emails in a timely manner, covering more than 1,000 Party members at the head office, continuously deepening the work of integrity warning education. The Bank carried out integrity and self-discipline trainings for new staff. The Bank strengthened new employees' awareness on integrity and self-discipline through promoting the clean government system, anti-corruption situation in finance, typical cases of banks violating regulations and disciplines, and China Bohai Bank's requirements on clean government and integrity reminders. In the China Bohai Bank News, the Bank established the "Window of Integrity" column as the main position for promoting Party integrity.

Further improved the long-term monitoring mechanism. The Bank formulated the Interim Measures for the Supervisory Joint Meeting of China Bohai Bank, held a supervisory joint meeting, established a working mechanism for information sharing, achievement application and coordination including disciplinary supervision, inspection supervision, financial supervision, audit supervision, and established three-dimensional and all-round

supervision network covering all employees. With regard to the problems that appear and tend to violate the eight-point decision of the CPC Central Committee on improving Party conduct and its implementation rules found during the inspections, the Bank supervised and guided the branches in accordance with higher standards and stricter requirements to draw inferences from others and make serious rectifications. The Bank further enforced strict financial disciplines, and regulated financial expenditure behaviors, eliminating the potential problems violating the spirit of the eight-point decision of the CPC Central Committee on improving Party conduct and involving the "four forms of decadence", and developing a working collaboratively atmosphere around the Bank, which continuously strengthened the awareness on disciplines and rules around the Bank.

(IX) Anti-unfair Competition

In strict compliance with the Anti-Unfair Competition Law of the People's Republic of China and the Convention on Anti-Unfair Competition of the Chinese Banking Industry, the Bank strictly managed and restricted its business activities, put an end to all kinds of unfair competition behaviors, and effectively maintained a good financial market order.

(X) Marketing and Logo

For various financial products, the Bank has detailed and standardized product manuals, which provide systematic description and introduction of investment types, sales channels, expected returns, risk rating, transaction time limit and redemption period and fully notice and inform customers of potential risks. The Bank strictly complied with the relevant provisions on prohibited marketing behaviors, comprehensively and accurately described the true conditions of products and services when carrying out marketing activities, and there were no behaviors in violation of laws, regulations and regulatory requirements on the protection of consumers' rights and interests.

In 2021, the Bank published announcements on its official website in a timely manner in response to the business adjustment of its partners in the process of debit card marketing activities, and provided guidance and services to customers. According to the changing market demand and the need to further improve business management, the Bank closed the electronic cash transfer to debit cards initiated by UnionPay channel (self-service machines) in April 2021. In order to protect customers' right to know, the Bank released the Notice on the Adjustment of Channels to Transfer Electronic Cash to Debit Cards of China Bohai Bank in the "Important Announcement" on the homepage of its official website in a timely manner, and sent message notices to customers who had related transactions in the previous year. In the process of debit card marketing activities, it followed the principles of simplicity and accessibility to publish key information that may influence consumer decision-making, such as activity details, so that it is easy for customers to understand. In accordance with the provisions of the Civil Code and in response to the Bank's business development, the new version of the Debit Card Regulations of China Bohai Bank was launched on January 1, 2021. The revised Regulations have more clearly stipulated the rights and obligations of the Bank and the cardholders, which facilitates the cardholders to fully understand the service details and management requirements, and protects the cardholders' right to know. Before the Bank's debit card marketing and publicity materials, information about new business or business adjustment are announced, the

consumer protection functional department will conduct a special consumer protection review and adjust them according to the consumer protection review opinions. In 2021, it issued the information, including the Year of the Ox Zodiac Card activity, two debit card marketing activities for the first half and the second half of the year, the preferential policies and explanations for debit cards for employee payroll, the announcements on adjustment of channel to transfer electronic cash to debit cards, the notices on online payment security lock.

Indicator	Unit	2020	2021
Overall customer satisfaction	%	99.1	99.48
Manual service volume of remote banking	10,000 persons	48.19	51.58
Online channel chat-bot service volume	10,000 persons	30.91	69.28
Number of customer complaints received	Piece	4,345	3,594
Number of performances being praised and recognized by customers	Times	38	56

Note: the data set out in the above table is that from the “95541 Customer Service Center” service of the Bank.

(XI) Market Promotion

The Bank has always adhered to the principle of legal compliance and honest operation, strictly required institutions, outlets and employees to conduct standardized publicity, strictly regulated marketing and promotion activities, and strictly prevented any acts that infringe upon the legitimate rights and interests of consumers.

The Bank organized outlet marketing, and carried out a series of “Smartphone Classroom” activities for the elderly through on-site salons and at the communities/senior activity centers, in which it instructed elderly customers to use mobile banking, WeChat banking (official account), WeChat, Taobao, Navigation Maps, Douyin, 12306 Train Ticket Purchase and other commonly used mobile APPs to help the elderly better adapt to the smart society. In 2021, the Bank organized nearly 300 relevant activities.

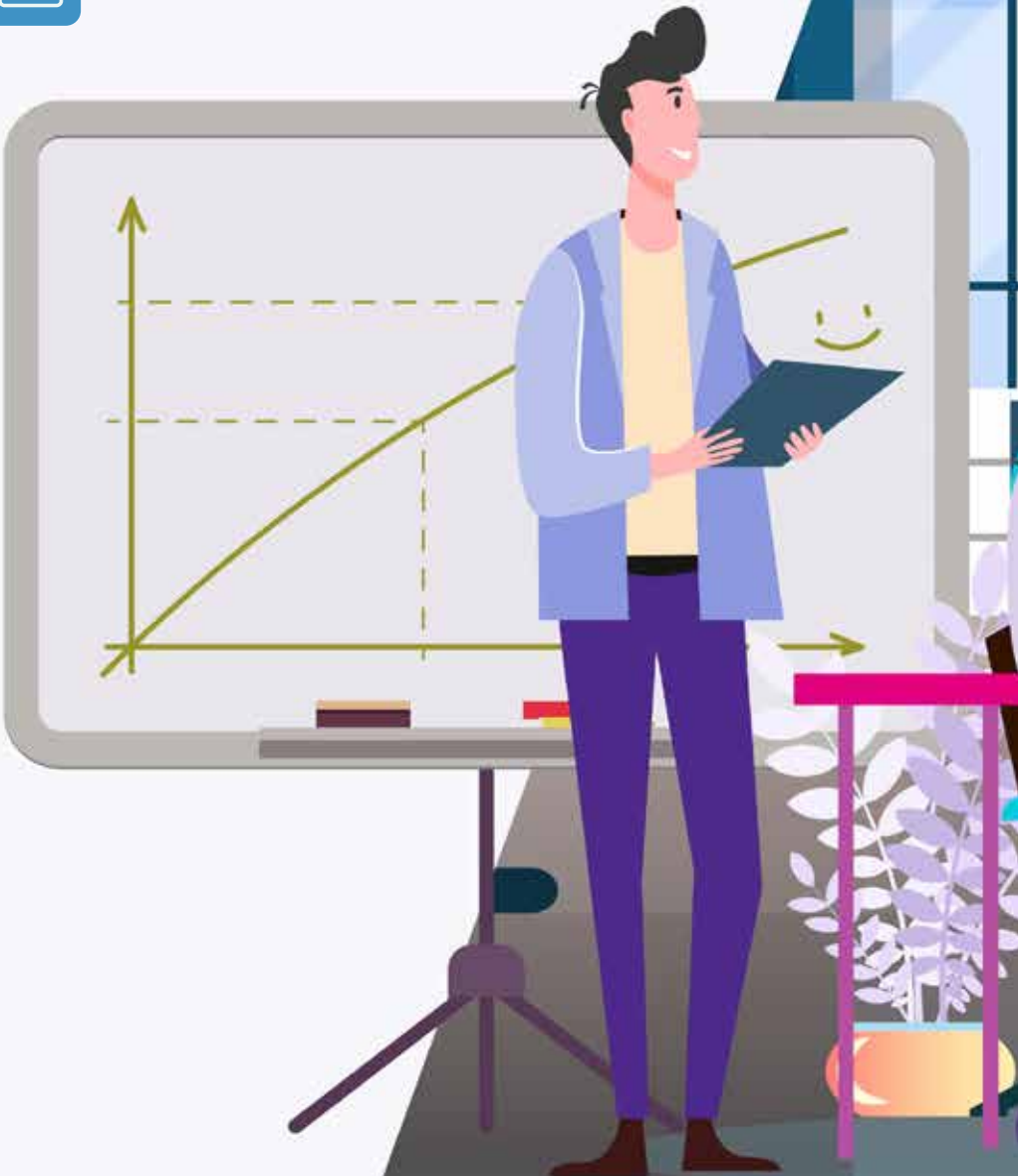
(XII) Customer's Privacy Right

The Bank made efforts to protect the privacy of its customers by strengthening the construction and implementation of systems and enhancing the technical level of customer information protection. In order to improve the protection of the customers' personal information and enhance the ability to respond actively to emergencies related to personal information, the Bank organizes emergency drill for personal information every two years.

In 2021, the Bank strictly complied with the laws and regulations such as the Personal Information Protection Law of the People's Republic of China and the industrial standards, and revised and issued the User Privacy Policy for Mobile Banking APP of China Bohai Bank (Revised in 2021), in order to properly protect its customers' privacy.

Social Responsibility Strategy and Management

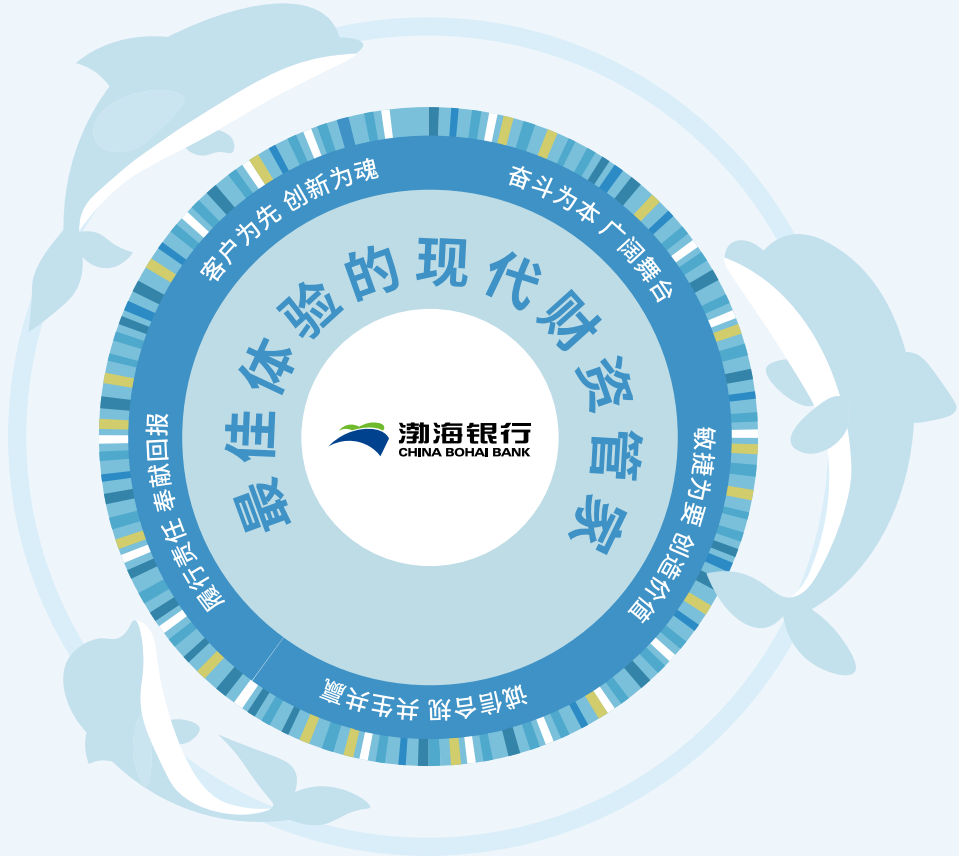
The Fourth “Five-Year Plan” of the Bank has established the corporate mission of “serving the national strategies, the real economy and Chinese people’s well-being, creating sustainable value for shareholders, establishing a platform with infinite opportunities for employees’ growth and performing corporation responsibility for the society”. On this basis, the Bank took active practices and continue strengthened its social responsibility management.





I.View of Social Responsibility

(I) View of social responsibility and models



View of Social Responsibility

- A modern wealth and treasury manager offering the best customer experience
- Customer first and innovation as the soul
- Struggle-oriented and infinite opportunities
- Agility as the essence and value creation
- Honest compliance, symbiosis and win-win result
- Take responsibility, devote and offer returns

(II) Duty Performance Methods

Customer first and innovation as the soul:

The Bank takes initiative to discover, quickly understand and comprehensively respond to customer needs, embraces changes and is innovative and brave. Besides, it also adept at establishing new ideas and using new methods flexibly with a sense of foresight to give rise to a corresponding solution, through which it would offer services exceed customers' expectations and can create recognized value of customers.

Struggle-oriented and infinite opportunities:

The Bank promotes employees to establish a strong sense of mission, to form a will to strive collectively, to be self-critical, to accept challenges, and to achieve self-transcendence; and facilitates them to strive to be a fighter who possesses aspiration, capability, performance, contribution, and will continue to create value. The Bank regards employees as the most valuable asset, respects the dignity and value of employees, and established a platform with infinite opportunities for employees' career development to satisfy their value requirements of "obtaining stable and reasonable income, enjoying full rights and interests protection, and good career and growth opportunities".

Agility as the essence and value creation:

Shareholders hope to fully understand the Bank's operating conditions and obtain steady and sound investment income. The Bank will keep improving the corporate governance ability to make timely, true, accurate and standardized disclosure of operating information. The Bank continues to enhance its standardized, modularized and parametric professional capabilities, adheres to pursue agility in process, lean and enterprise-level, to facilitate "AGILE" transformation and enhance our core competitiveness, so that create good operating results and fulfill our commitments to shareholders' investment value.

Honest compliance, symbiosis and win-win result:

The Bank firmly establishes the concept of "no activities will be conducted in the circumstances of no politics, non-compliance and not consistent with the requirements of risks management", adheres compliance operation according to the law. The Bank builds ecology with partners in a diversified manner to serve ecological users with ecological resources; and establishes symbiotic relationships and achieves win-win result through empowering to each other between the ecological partners. Fair competition is the business ethics that the Bank has always adheres to. We firmly oppose unfair competition, adhere to the principle of reciprocity, and pursue the establishment of long-term and mutually beneficial relations with all competition participants in an equal market environment.

Take responsibility, devote and offer returns:

The Bank recognizes its corporate social responsibility from the perspective of achieving the “Two Centenary Goals” and realizing the Chinese Dream of Rejuvenation. Adhering to the unification of economic, environment and social benefits, the Bank actively performs corporation responsibility for the society with aims to contribute more to the development of economy and society.

(III) Responsibility Practice

The Bank upheld Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, adapts new development stages in all aspects and effectively implements the new development concept to build a new development landscape with best efforts. The Bank keeps the original aspiration and mission of serving the national strategies, the real economy and Chinese people’s well-being in its mind, centering on the development vision of “a modern wealth and treasury manager offering the best customer experience”, and adheres the high-quality transformation with no hesitation, actively promotes the transformation of operation management and the change of development mode to better serve the real economy, support small and micro enterprises in a deeper way, and more vigorously promote the improvement of people’s livelihood.

The Bank established its general business mode of “Bank the world(渤觀約取，海潤萬物)”, which focuses on the target ecology, drives the intelligent engine, deepens the professional empowerment and pursues symbiosis and win-win result to achieve ubiquity. Through the “five E” strategic capacity construction, the Bank focus on chasing excellent customer experience, shifts from product output to capability output to realize capability output of “finance + technology” and empower ecological partners, thereby meet the financial needs of ecological users.

The Bank provides various opportunities for employees, and through scientific career planning, it helps employees realize their own value at work; improves employees’ professional quality through comprehensive capacity expansion and business training; safeguards the legitimate rights and interests of employees by continuously improving the system and organizational system; promotes the physical and mental health of employees through a variety of cultural and sports activities and assists employees to build a happy life through warm assistance policies.

The Bank performs corporation responsibility for the society. It adheres to unify the economic responsibilities and environmental obligations, deepens the implementation of the concept of “clear waters and green mountains are as valuable as mountains of gold and silver” and “innovation, coordination, green, openness and sharing”, strengthens sense of political responsibilities and historical mission, and implements green financial strategies to comprehensively facilitate construction of green financial systems. The Bank is committed to becoming an excellent corporate citizen, earnestly responding to the expectations and demands of stakeholders, offering achievements, giving back to the society and promoting social harmony and development.

II. Substantive Issues

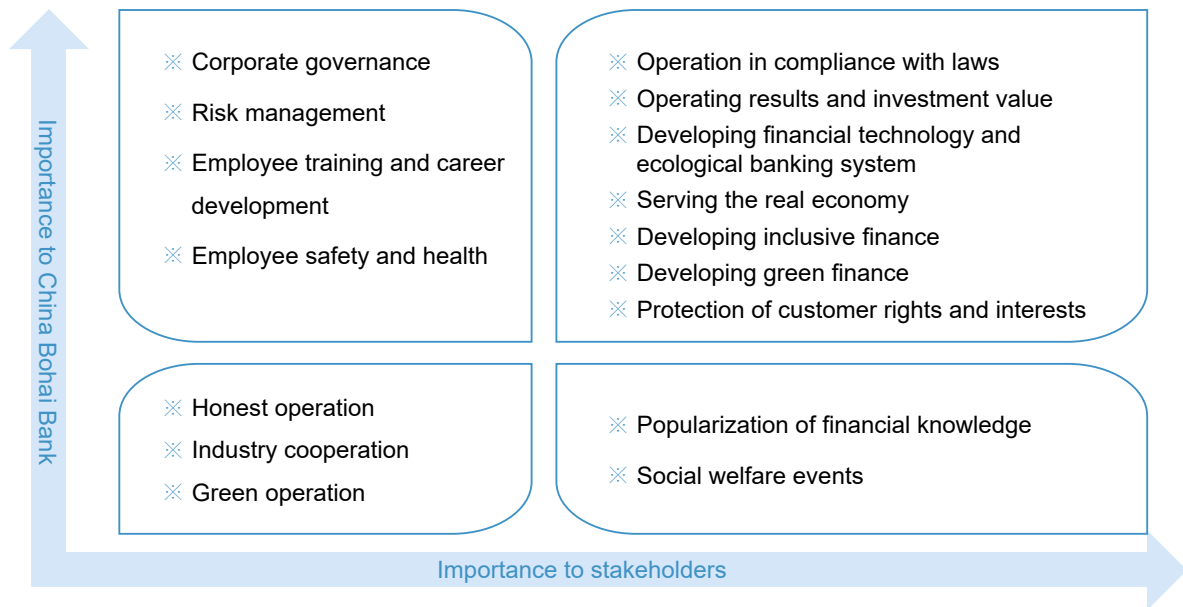
Through the identification, assessment and screening of social responsibility issues, the Bank identifies substantive issues that are important to us and stakeholders, and discloses and responds to them in the annual social responsibility report.

Substantive analysis		
Indicator	Assessment	Screening
<ul style="list-style-type: none"> ✘ The Bank deeply understood the macro and industrial policies, and defined the policy requirements, orientation and policy opportunities for commercial banks to perform social responsibilities. ✘ Based on the background of sustainable development and social responsibility issues, the Bank benchmarked itself against domestic excellent joint-stock commercial banks and understood the hot topics of corporate social responsibility at home and abroad. ✘ On the basis of the above, the Bank identified the issues of social responsibility important to the Bank and core stakeholders. 	<ul style="list-style-type: none"> ✘ The Bank assessed the importance of the identified issues of social responsibility. ✘ The ranking result of the issues was obtained based on the importance assessment. 	<ul style="list-style-type: none"> ✘ High-substantive issues were disclosed in the annual social responsibility report or as the focus of disclosure.

III. China Bohai Bank and Stakeholders

Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
Government and regulatory authorities	<ul style="list-style-type: none"> ✘ The Bank accomplished the tasks set forth in the national strategy and promoted economic and social development. ✘ The Bank operated in compliance with laws and regulations and achieved healthy development. 	<ul style="list-style-type: none"> ✘ Deep implementation of economic financial policies. ✘ Carrying out and implementation of regulatory requirements. ✘ Participation of relevant investigations and meetings. ✘ Acceptance of daily supervision and regulation. ✘ Reporting of report materials and statistical statements, etc. 	<ul style="list-style-type: none"> ✘ The Bank centering on the three major tasks of "serving the real economy", "preventing and defusing risks" and "deepening financial reform", it actively integrated itself into such major national strategies as the "Coordinated Development of the Beijing-Tianjin-Hebei Region", "Peak Carbon Emissions", "Carbon Neutrality" and "Rural Revitalization", and vigorously developed inclusive financial services, as well as increased the support for the private enterprises and small and micro enterprises. ✘ The Bank resolutely implemented various regulatory policies, implemented comprehensive, proactive, agile and effective risk management and strengthened internal control; held the lifeline and laid a solid foundation for the sustainable development.
Customers	<p>The Bank provided high-quality financial products and services and continuously improved customer satisfaction.</p>	<ul style="list-style-type: none"> ✘ Research of customer satisfaction rate. ✘ Investigations of customers' demands. ✘ The 95541 Customer Service Center and the credit card customer service center. ✘ Wechat and other internet channels. ✘ Business promoting activities and financial knowledge popularization activities. 	<ul style="list-style-type: none"> ✘ The Bank strove to build "a modern wealth and treasury manager offering the best customer experience" in the minds of customers, and will continue to improve its lean financial services capabilities. ✘ The Bank enhanced its ability in application of financial technology, and further promoted agile transformation to build a financial ecological service system. ✘ The Bank promoted consumption upgrading, boosted people's wealth growth to meet people's growing needs for a better life.

Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
Employees	<p>The Bank provided broad space for career development, a scientific remuneration and welfare system, and a sound working environment.</p>	<ul style="list-style-type: none"> ✘ The staff congress. ✘ Reporting and appeal mechanisms. ✘ Platform of “Dolphin Vocal Sound”. ✘ Staff sports activities. 	<ul style="list-style-type: none"> ✘ The Bank continuously expanded career development channels. ✘ The Bank improved the constraint and incentive mechanism. ✘ The Bank resolutely safeguarded the legitimate rights and interests of employees. ✘ The Bank cared for employees’ physical and mental health and well-being.
Shareholders	<p>The Bank realized sustainable operation, improved return on investment, and disclosed information in a timely, truthful, accurate and comprehensive manner.</p>	<ul style="list-style-type: none"> ✘ Regular reports and information announcements. ✘ The general meeting, the meeting of Board of Directors and its special committee, the meeting of Supervisory Committee and its special committee. ✘ Investors communication. 	<ul style="list-style-type: none"> ✘ The Bank further promoted high-quality transformation and development, created sound operating results, continuously strengthened corporate governance and improved the information disclosure mechanism.
Market	<p>The Bank achieved mutual benefit and win-win results</p>	<ul style="list-style-type: none"> ✘ Daily communication. ✘ Communication and cooperation with other banks. ✘ Bidding activities. ✘ Visit suppliers. 	<ul style="list-style-type: none"> ✘ Benign competition, equal cooperation and honest performance.
Public	<p>The Bank participated in social welfare events and promoted social harmonious development.</p>	<ul style="list-style-type: none"> ✘ Targeted assistance. ✘ Voluntary services by employees. ✘ Provision of support to community construction and held community service campaigns. 	<ul style="list-style-type: none"> ✘ The Bank continued to participate in the social welfare events, widely and deeply popularized financial knowledge, as well as supported and encouraged employees to participate in voluntary services.
Environment	<p>The Bank supported green and environmental protection</p>	<ul style="list-style-type: none"> ✘ Targeted assistance. ✘ Implementation of green financial policies and regulatory requirement. ✘ Disclosure of environment performance and key indicators. 	<ul style="list-style-type: none"> ✘ The Bank implemented green finance strategy and comprehensively facilitated construction of green finance system.



IV. Social Responsibility Management

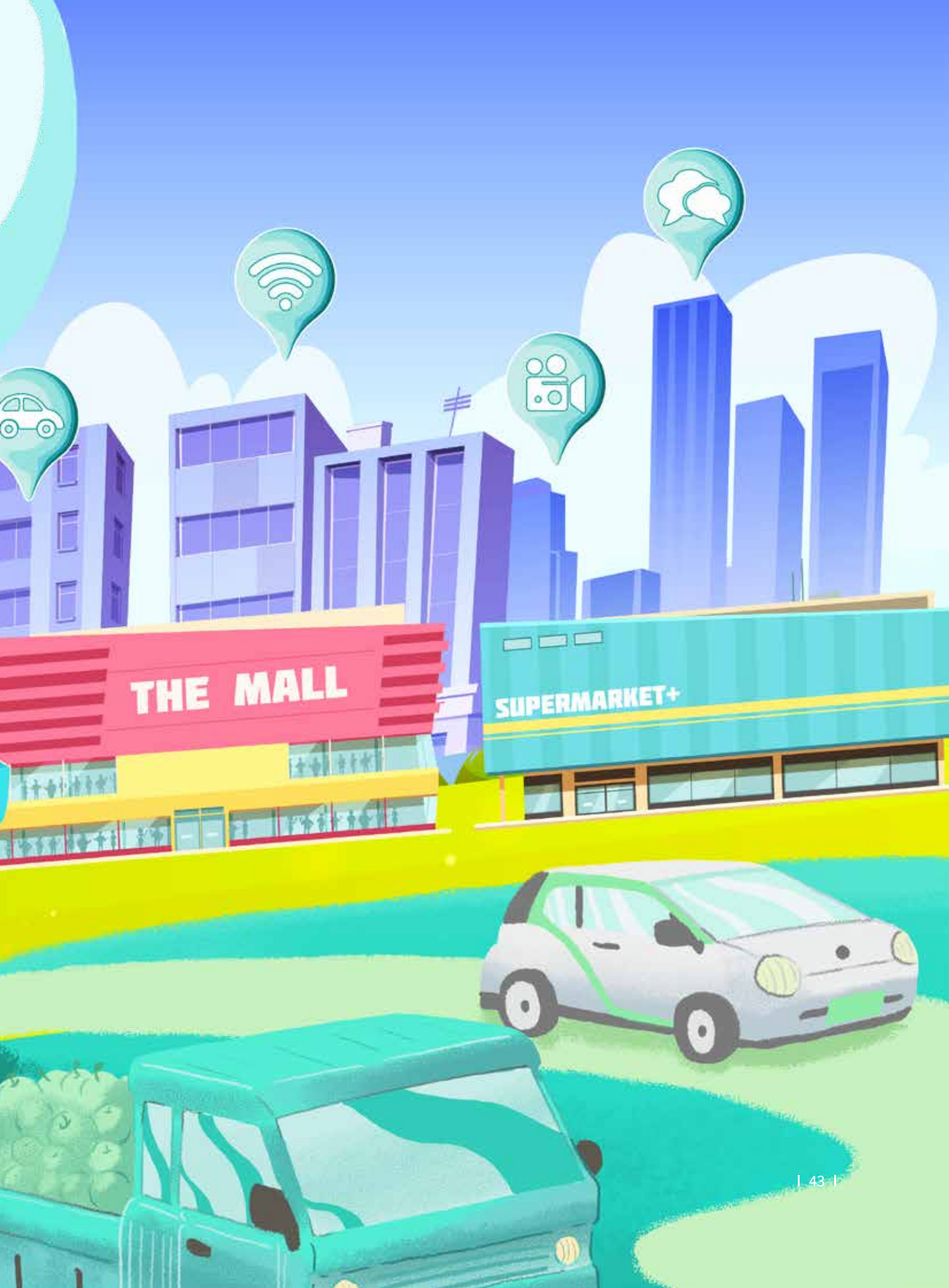
In 2021, the Bank further optimized our social responsibility management and improved the management and performance capacity of social responsibility. Firstly, international authorities were introduced to provide ESG management consulting services and improve the scientificity and normativity of the social responsibility management. Secondly, the Measures for the Administration of External Donations of CHINA BOHAI BANK CO., LTD. were formulated to optimize the decision procedures of donations and further strengthen the standardized management.

The Bank continuously conducted disclosure of social responsibility information in 2021, prepared and publicly released the 2020 Social Responsibility Report of China Bohai Bank in accordance with the requirements of the “Environment, Social and Governance Reporting Guide” of the Stock Exchange, which made a comprehensive, accurate, truthful and sufficient disclosure of the performance of the Bank in three major responsibility areas of economy, environment and society, and provided detailed ESG key performance indicators. This is the tenth Corporate Social Responsibility Report publicly and regularly issued by the Bank.

Keeping Original Aspirations and Serving Real Economies

The Bank resolutely implemented the new development philosophy, and set serving the real economy as the original intent and goal in accordance with the overall requirements of “Security in Six Key Areas (namely, job security, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments) (六保)” and “Stability on Six Key Fronts (namely, employment, the financial sector, foreign trade, foreign investment, domestic investment, and expectations) (六稳)”. The Bank has identified inclusive finance as an important strategy for transformation and development, comprehensively promoted rural revitalization, reinforced support services in key areas, helped to elevate consumption to higher level, continuously expanded the comprehensive service capacity for the coordinated development of Beijing-Tianjin-Hebei Region, and promoted high-quality development of China’s economy.





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Implementing Inclusive Financial Strategies

- The Bank conscientiously implemented the decision and deployment of the Communist Party of China, the State Council and the CBIRC on inclusive finance, followed the general requirements of “Security in Six Key Areas” and “Stability on Six Key Fronts”, raised its political status, strengthened its responsibility and always taking the provision of service to the real economy as the starting point and the ultimate goal. The Bank had set inclusive finance as an important strategy for its transformation and development, and placed it in a more prominent position. The Bank adhered to the development strategy of “getting bigger in short term and better in long term”, constantly improved business guidelines, strengthened differentiated management and credit allocation to key regions and industries, sped up the integration of online and offline businesses, streamlined business processes, improved service efficiency and standards, and maintained the rapid development of inclusive finance business, and completed various business targets.
- As of the end of December 2021, the Bank had an inclusive small and micro enterprise loan balance of RMB59.482 billion, representing an increase of RMB22.970 billion or 62.91% as compared to the beginning of the year. We secured 146,218 loan customers, representing an increase of 59,961 or 69.51% as compared to the beginning of the year. The NPL ratio of inclusive small and micro enterprise loans was 1.34% and the average loan execution interest rate maintained essential stability, overachieving the objectives of “two growths and two controls”.

(I) Resolutely implementing decisions and arrangements to promote the high-quality development of inclusive finance business

Improving
strategic
decisions.



According to the Circular of the General Office of China Banking and Insurance Regulatory Commission on Further Promoting the High-quality Development of Financial Services for Micro and Small-sized Enterprises in 2021, the Bank formulated the 2021 Development Plan for Inclusive Finance Business of China Bohai Bank Co., Ltd. in the beginning of 2021, which has been considered and approved by the Development Strategy and Inclusive Finance Committee under the Board of Directors. The Development Plan set out the size and risk assets of the inclusive credit business and strengthened monitoring and implementation of the execution of credit plans. The Development Plan highlighted differentiated positioning and promoted the high-quality development of the inclusive finance business through focusing on key regions, indicators and industries.

Highlighting focus on customers.



The Bank adhered to the ecosystem bank development concept of inspecting “small enterprises” in “big industries”, emphasized customer focus, strengthened industrial layout and followed the path of scenario-based and professional development of inclusive finance. It conducted in-depth studies on industrial characteristics, focused on regional and featured industries, advantageous industrial clusters, core industrial chains and featured industrial parks, formulated tactical maps and marketing sandboxes and established the featured development model with mass development and professional operation of inclusive finance.

Strengthening evaluation and incentive.



The Bank actively advanced the implementation of regulatory policies and indicators on initial loan, delay of principal and interest repayment from time to time, unsecured loans and services for small and micro technology enterprises and included the initial loan, the inclusive agriculture-related loans, the consolidation of the achievements of poverty alleviation and other indicators in the assessment of the party building of the branch party committee.

Boosting policy support.



The Bank kept on implementing preferential mechanisms on internal capital transfer for inclusive finance. It granted a discount of 50BP to the internal pricing for inclusive finance and a discount of 75BP for inclusive agriculture-related loans and guided branches to strengthen credit allocation to inclusive finance and industries related to agriculture and rural revitalization to reduce the capital cost of enterprises and serve real economies.

(II) Increasing innovation of inclusive financial products and fully improving the quality and efficiency of financial services

Speeding up in product innovation.

- Based on the “small, rapid, frequent and urgent” capital demands of small and micro enterprises, the Bank adopted big data, intelligent risk control and other means to provide convenient and high-efficient financial services to solve the pain point of financing problems of small and micro enterprises. As of the end of 2021, the Bank has achieved direct data connection through the “interaction between banking and taxation” with taxation authorities in 28 provinces and municipalities. It developed “Bohai Business Loans”, “Bohai Tax-based Business Loans” and other online credit products and accurately appraised the operation conditions of small and micro enterprises through data analysis on tax contribution, taxation rating, taxation penalties, industrial and commercial, judicial, credit and other dimensions, which are characterized by accurate quota and rapid approval and comprehensively improved the quality and efficiency of services. As of the end of December 2021, the Bank has issued “Bohai Tax-

based Business Loans” with an amount of RMB1.681 billion to a total of 6,808 individual customers and issued “Bohai Business Loans” with an amount of RMB2.254 billion to a total of 2,502 corporate customers. Meanwhile, the Bank is actively connecting procurement and financing platforms of local governments and developing online “Government Procurement Loans” for small and micro enterprises by leveraging on the big data on government procurement to provide small and micro customers with credit-based order financing.

Expanding the coverage of small and micro enterprises.

- To further expand the coverage of inclusive finance for small and micro enterprise, the Bank continuously stepped up innovation in financial products in supply chains. It focused on the “pain point” of small and micro enterprise in the chain and broke through “blocks” in financial services on production, distribution, circulation, consumption and other processes. Through innovation in business models and risk mitigation means and leveraging on core enterprises, leading Internet companies, business communities, markets, big data platforms of governments and other information centers, the Bank achieved mass marketing of businesses to facilitate the improvement of the stability and competitiveness of industrial and supply chains and support small and micro enterprises in integrating into domestic and international dual circulations and growing stronger in the new development pattern. The solutions and products covering “1+N” ecological and supply chains developed by the Bank achieved the extension of credit to inclusive small and micro enterprises in bulks and well solved the financing demands of small and micro enterprises in industrial and supply chains. For example, the supply chain financing business of livestock breeding carried out Jiangxi Zhengbang Breeding Co., Ltd. and Shandong New Hope Liuhe Group Co., Ltd., the order financing business in the cable industry carried out by the State Grid, the “Silage Loan” inclusive financial business carried out by Yili Group and the two-right mortgage “Bohai Farmer Loans” business carried out by Jilin Province Rural Financial Comprehensive Service Corp., Ltd. As of the end of December 2021, the Bank added 35 “1+N” credit plans on inclusive finance in bulks with a total access amount of RMB46.57 billion.

Intensifying efforts on bank-insurance cooperation.

- In 2021, the Bank intensified cooperation with insurance companies, actively conducted product innovation, developed and launched “Additional Insurance”, “Government-Bank Insurance”, “Insurance for Vehicle Circulation” and other standard products. Meanwhile, the Bank expanded the coverage of small and micro enterprises in the upstream and downstream of supply chains by leveraging on credit enhancement services provided by insurance companies and expanded the scope of services from tier-one suppliers to tier-two and tier-three suppliers of core enterprises.

(III) Enhancing livelihood services and fully practicing “Inclusive Finance Facilitates Small and Micro Enterprises and Benefiting People’s Livelihood”



Extending repayment period and assisting enterprises with difficulties. During the special period for fighting against the COVID-19 epidemic, the Bank rapidly adopted measures for small and micro corporate customers with repayment difficulties due to the impacts of the pandemic, fully reviewed the list of customers with loans to mature soon, arranged special personnel to inspect each account to understand the demands of customers for extension or delay interest payment and change of repayment plans to practically provide guarantees on financial services. For small and micro enterprises in wholesale and retail, accommodation and catering, logistics transportation, cultural tourism and other industries in particular, the Bank resolutely implemented policies of “no withdrawal, cut-off or reduction of loans”. As of the end of December 2021, the amount of delay of principal and interest repayment reached RMB1.329 billion, involving 265 customers.



Adopting various measures to promote increase and expansion of inclusive finance. Firstly, leveraging government credit information platforms to expand initial loans. The Bank continuously sped up in connecting the information platforms of taxation authorities, the PBOC, the NDRC and big data companies on government credit and sorted out the white-list of customers for initial loans and key marketing through joint modeling with the focus on regional featured and advantageous industries. It accurately provided financial services to small and micro enterprises through regularly organizing bank-government-enterprise connection meetings. Secondly, establishing the “banks + chambers + enterprises” connection mechanism. The Bank constantly stepped up cooperation with federations of industry and commerce, industrial associations and other institutions, established mechanisms on policy collaboration, financing services, information exchanges, problem negotiations, publicity and communications and carried out various publicity activities on inclusive financial policies in various branches. Thirdly, organizing special activities and providing grass-roots services. The Bank extensively conducted special actions on “entering sub-districts, communities and parks” and provided door-to-door policies, products and services. Since the initiation of special actions, 33 branches have provided customers with “one policy for one enterprise” point-to-point financial services through the model of “online scanning the QR code + appointment for door-to-door services”, which expanded the number of initial loans and the proportion of unsecured loans. Fourthly, strengthening the publicity of inclusive financial policies. All outlets adopted various measures and intensified the publicity of the functions of credit loan products, the preferential interest rates of initial loans and the policy of “One Hundred Banks Enter One Million Enterprises” through platform-based media, LED screens, official WeChat accounts and other channels.

Cases

“Bohai Business Loans”, an online credit loan product for inclusive small and micro enterprises

“Bohai Business Loans” is an online credit loan product for inclusive small and micro enterprises launched by the Bank during the pandemic. It issues loans to small and micro enterprises through automatic approval based on the tax contribution, industrial and commercial, judicial, credit and other information of enterprises.

In August 2021, Tianjin Branch implemented the first renewal of “Bohai Business Loans”. Based on the financing demand of the customer, Tianjin Branch opened green channels for credit renewal during the business handling process, completed the reporting and approval processes and the issuing of loans within two days and renewed the capital demand of the customer five days prior to the maturity of the business, which strongly guaranteed the normal production and operation of the customer.

To strengthen inclusive financial services and reinforce the vitality of small and micro enterprises, the Bank issued the Circular on Conducting the Renewal of Online Loan Business for Inclusive Small and Micro Enterprises upon Maturity, further emphasizing the implementation of policies on delay of principal and interest repayment and supporting policies on credit loans for inclusive small and micro enterprises online. It required identifying the repayment willingness during handing the business and conducting renewal upon maturity. For small and micro enterprises in production and manufacturing, wholesale and retail, transportation, resident services and other industries affected by the pandemic and customers with credit maturing before December 31, 2021, strong repayment willingness and temporary turnover difficulties in continuous operation, it required implementing policies on delay of principal and interest repayment from time to time for inclusive small and micro enterprises. It reported for approval based on the process of “continuous loans of micro and small enterprises”, a renewed loan product without principal repayment of the Bank, or the business requirements on delay of principal and interest repayment to reduce the repayment pressure of enterprises and support small and micro enterprises in overcoming difficulties through formulating repayment plans, adopting principal repayment in batches and other means.

Cases

The Bank provides high-quality services for Tianjin Yingfu Weiye Technology Development Co., Ltd.

Established in 2015 with a registered capital of RMB10 million, Tianjin Yingfu Weiye Technology Development Co., Ltd. is principally engaged in the operation of integration services on information systems. Its upstream customers mainly include Digital China Integration Services Co., Ltd., Beijing Merlin Computer Room Equipments Ltd., Tianjin Shiang Technology Co., Ltd. and other enterprises. It provides integration services on information systems for the Blood Diseases Hospital of Chinese Academy of Medical Sciences (the Institute of Hematology of Chinese Academy of Medical Sciences), the Technology Experimental Primary School of Nankai District, Tianjin,

Binhai International Airport Branch of the Public Security Bureau, Nankai Branch of the Public Security Bureau and other schools, hospitals and public security departments in the downstream. The company owns various utility model patents and technologies independently developed.

After the company proposed the demand for credit capitals to Tianjin Branch on December 15, 2021, the Inclusive Finance Department of the branch and Jinghai Sub-branch immediately visited the company to understand the recent operation conditions, financial conditions, upstream and downstream cooperation as well as financing with other banks. Despite the small size of the company, it has outstanding technological strength and various copyrights, patents and other intangible assets. Considering the broad market prospect of its industrial finished products in the future, the Bank approved a liquidity loan of RMB750,000 for it within three working days and completed the issuing of the loan on December 30, 2021.

Cases

The Bank actively promotes the issuance of special financial bonds for small and micro enterprises

The Bank actively implements regulatory policies and promotes the issuance of special financial bonds for small and micro enterprises. Following the successful issuance of financial bonds for small and micro enterprises with RMB10 billion in 2020, the Bank summarized relevant experience in time, earnestly implemented various credit policies of the People's Bank of China on supporting small and micro enterprises, innovated systems and mechanisms, credit products and service models and actively promoted the registration and issuance of the new tranche of special financial bonds for small and micro enterprises with RMB10 billion.

To practically strengthen credit supports to small and micro enterprises, the Bank plans to continuously issue special bonds for loans to small and micro enterprises with RMB10 billion in 2022. The proceeds will be specially used for loans to small and micro enterprises based on applicable laws and the approval of competent authorities and intensify supports to promote the steady business development of small and micro enterprises.



Supporting Serving Rural Revitalization

- In 2021, the Bank conscientiously implemented the decision and deployment of the Communist Party of China and the State Council on the effective linkage between consolidating and expanding the results of poverty alleviation and rural revitalization, earnestly implemented the requirements of the "Notice of the General Office of the CBIRC on High-Quality Services for Rural Revitalization by Banking and Insurance Sectors in 2021" (《中國銀保監會辦公廳關於 2021 年銀行業保險業高質量服務鄉村振興的通知》), adhered to "abstaining from shirking their responsibilities, repealing poverty alleviation policies, ceasing assistance, and stopping regulation", took stronger measures, consolidated the results of financial support for poverty alleviation and promoted rural revitalization comprehensively. As of the end of 2021, the balance of the Bank's agricultural-

related loans amounted to RMB47.197 billion, representing an increase of RMB2.282 billion or 5.08% as compared to the beginning of the year and completing 430.57% of the planned amount.

(I) Strengthening the main responsibility of the party committee

- In order to fully implement the financial support for rural revitalization and consolidate the achievements in poverty alleviation, the Bank formulated the 2021 work plan for consolidating the achievements in poverty alleviation, which was considered and approved by the Board of Directors. The Bank established a leading group for consolidating the results of poverty alleviation and serving rural revitalization, with the chairman as the group leader, the president as the deputy group leader, the vice president in charge as the chairman, and other senior managers of the Head Office as members of the group, to be responsible for the organization and leadership of the Bank's poverty alleviation and serving rural revitalization.

(II) Improving relevant mechanisms

- The Bank further improved relevant mechanisms and introduced preferential policies on credit approval authorization, economic capitals allocation, internal capital transfer pricing, appraisal and incentive to consolidate the work on poverty alleviation.

➤ **Formulating the “Implementation of Support to Consolidate and Expand the Achievements in Poverty Alleviation and to Comprehensively Promote the Implementation of Rural Revitalization”.** In line with the new development concept, the Bank focused on consolidating and expanding the achievements in poverty alleviation, comprehensively promoting rural revitalization, and taking the realization of high-quality agricultural and rural development as the main line, guiding the Bank to do a good job in financial support to ensure food security and supply of important agricultural products, rural industry development, modern agricultural development, and rural construction actions.

➤ **Formulating credit guidelines on supporting rural revitalization.** The Bank clearly defined the key directions and areas of credit support for rural revitalization and formulated annual policies and investment guidelines to support rural revitalization to implement and optimize financial supports to “rural revitalization”.

➤ **Delegating approval authority.** On the one hand, the Bank fully implemented the embedded professional approver system on inclusive finance on the level of branches. On the other hand, it granted full authorization on inclusive businesses, including consolidating achievements in poverty alleviation, to comprehensively improve the professionalism and efficiency of approval on inclusive finance.

➤ **Strengthening evaluation and incentive.** The Bank fully demonstrated the guiding effect of evaluation, increased the weight of the KPI assessment for agriculture-related loans to 3% of KPI appraisal indicators on wholesale loans; and included the consolidation of the achievements of poverty alleviation and the inclusive agriculture-related indicators in the assessment of the party building of the branch party

committee. Meanwhile, the Bank increased the weight of agriculture-related loans and increased evaluation on rural revitalization bonds and other products under key promotion to urge branches to step up efforts in consolidating the achievements of poverty alleviation.

- **Formulating preferential pricing policies.** The internal capital transfer pricing discounts for inclusive agriculture-related loans were further increased to 75BP, and an additional 5-15BP of regional discounts were granted through the establishment of an incentive for the completion of inclusive business, guided branches to actively carry out financial services related to rural revitalization. The Bank implements a risk weight of 75% for standards-compliant inclusive businesses, 25% lower than that of ordinary corporate business capitals; and set preferential industrial investment parameters on agriculture-related industries. The Bank gave full display to the incentive and guiding effects on economic capitals in the selection of front-end customers, business access and external pricing.
- **Optimizing the process of personal agriculture-related loan business.** The Bank formulated the administrative measures of Operating Procedures for Deepening the Development of Personal Agriculture-Related and Poverty Relief-Related Loan Business of China Bohai Bank (Provisional) (《渤海銀行關於深化開展個人涉農及扶貧貸款業務的操作規程(暫行)》). The Bank optimized the operation process of all aspects of personal agriculture-related loan business, to improve the efficiency of the review and approval of agriculture-related loans.


(III) Innovating agriculture-related financial products and services and speeding up in the implementation of industrial projects

In 2021, the Bank continued to adhere to the principle of adapting measures to local conditions and market orientation. With the “1+N” business mode as the main means, the Bank innovated products and service models with FinTech to comprehensively enhance the financial assistance ability in rural revitalization.



Innovating the business model. The Bank continued to promote the implementation of the product plan of the Agriculture Development Loan Cooperated between and Provided by “Bank, Government and Guarantee Institutions (銀政擔)” based on the characteristics of small, fragmented and unsecured demand for agriculture-related loans, and took the initiative to cooperate with members of the National Agricultural Credit Guarantee Union system to build a cooperation platform of bank and guarantee institutions. For example, the Chengdu Branch carried out cooperation with Sichuan Agricultural Financing Guarantee Co., Ltd. and Chengdu Modern Agriculture Financing Guarantee Co., Ltd. on agriculture-related loans with a total limit of RMB300 million to continuously support new agricultural business entities, new industries and new businesses in rural areas. Meanwhile, the Bank developed special agricultural-related and inclusive agricultural-related loan products,

taking into considerations the characteristics of the new agricultural business entities such as family farms, farmers' cooperatives, leading agricultural industrialized enterprises. It displayed the advantages of the leading dairy industry in Inner Mongolia, accurately seized market dividends and business opportunities brought about by the dairy industry in the new cycle and new times in a timely manner and carried out cooperation with Yili Group on "Silage Loans" and "Meadow Loans".



Innovating the areas of business. In the agriculture-related supply chains and business areas, the Bank leveraged on its core customers, namely "Jiangxi Zhengbang Breeding Co., Ltd." and "Shandong New Hope Liuhe Group Co., Ltd.", in carrying out the supply chain financing business of livestock breeding. The two core enterprises have been granted a total limit of RMB600 million, RMB42.67 million of which has been issued. In the emerging investment banking business area, the Bank actively promoted the issuance of rural revitalization bonds by leading agricultural companies. In 2021, the Bank underwrote rural revitalization bonds for Inner Mongolia Yili Industrial Group Co., Ltd., Jiangxi Ganyue Expressway Co., Ltd., China Mengniu Dairy Company Limited and Nanjing Jiangning Transportation Construction Group Co., Ltd. with an amount of RMB4.35 billion. Some of the proceeds were specially used in the development of relevant industries and project construction in areas lifted out of poverty, including the payment of milk amount to dairy farms, to drive the stable development of modernized and scaled breeding and ancillary forage farming industries in rural areas and stockbreeding areas and promote the modernized and scaled development of farms and dairy farms. It enhanced the construction of public infrastructure in rural areas, improved the transportation efficiency of agricultural products and the tourism development in villages along roads and supported the integrated development of urban and rural transportation to serve rural revitalization with transportation.



Innovating the tools of business. The Bank boosted efforts in technological empowerment, enhanced cooperation with platform companies with credible big data and solved the problem of last mile of rural finance. The "Bohai Farmer Loans (渤農貸)", an online one-stop product under the cooperation between Changchun Branch and Jilin Financial Holding Group, provides guaranteed loans for farmers with right to benefit from land. The Bank innovated the tools of financing services, broke through the limitations of the physical network, and truly solved the urgent needs of farmers.

- In addition, the Bank continued to carry out small credit services for people lifted out of poverty. It established green channels for small credit services for people lifted out of poverty, conducted “reporting on a monthly basis, appraisal on a quarterly basis and assessment on an annual basis” on the progress of loans issuing and improved the issuing efficiency of loans. It implemented classified supports and directly granted credit to registered poverty-stricken households with certain working capacity, labor skills and the ability to become rich. For groups without working capacity or the ability to become rich or with extreme living difficulties or low education level, it strived to explore cooperation channels and joined relevant government departments, insurance companies and guarantee companies to provide supports together. The Bank further intensified management on the use of poverty alleviation funds and arranged operating agencies to conduct precise inspections on the use of poverty alleviation loans to prevent misappropriation of poverty alleviation funds. It conducted inspections on customers with difficulties on a monthly basis and reasonably carried out the renewal and extension of loans under the premise of meeting policies with risks under control. For customers with temporary repayment difficulties, the Bank reasonably appraised the true repayment willingness and ability of customers based on inspections on risks, actively negotiated with customers, prevented arbitrary withdrawal or cut-off of loans and strived to guarantee stable credit supports.

Cases

Xi'an Branch continues to support water infrastructure construction in old revolutionary base areas

Based on local conditions, Xi'an Branch of the Bank solved water shortage in old revolutionary base areas with financial services and supported infrastructure construction in old revolutionary base areas. Focusing on red tourism, featured agriculture and other advantageous industries in Yan'an, the Bank promoted featured development of rural areas in old revolutionary base areas and supported rural revitalization in old revolutionary base areas with comprehensive financial services.

The Branch provided credit support of RMB750 million to the construction of the “Water Diversion Project from the Yellow River in Yan'an”. The project is a key water supply project in the joint dispatching of “two grids” in Shaanxi Province, one of the “top 10 water source projects” in Shaanxi Province during the 13th Five-year Plan period, a key water conservancy project at the provincial level as well as a key water source project under planning and construction in Yan'an City. Located in the hilly and gully region of the Loess Plateau, Yan'an faces serious water shortage and is a typical resource-based city with water shortage. Due to the insufficient supply of water resources, the development of Yaodian Industrial Park in Yan'an City and the Salt and Coal Gasification Industrial Park in Yanchang County in surrounding areas was greatly restricted. The implementation of the project sped up the industrial transformation and the construction of energy and chemical bases in Yan'an City and promoted the construction and industrial development in surrounding areas, which is of significance to promoting the ecological improvement and the sustainable development of the society.

On such basis, the Branch issued credit capitals of RMB38 million to Yanchuan Cultural Tourism (Group) Co., Ltd. in the region. In the end of June 2021, the Branch and the party committee and the government of the county initiated an economic forest project on rural revitalization under the government-bank-enterprise cooperation, which covers an area of 127 mu and can effectively lead local villagers to increase income and get rich.

Through the above measures, the Bank and Yan'an City jointly explored a new path of boosting support to industrial assistance and vigorously supporting rural revitalization.

Cases

The Bank actively allocates and invests in special rural revitalization bonds

The Bank pays close attention to the issuance of rural revitalization bonds in the bonds market and actively supports allocating and investing in relevant rural revitalization bonds under the premise of maintaining risks controllable. It reinforces capital supports, promotes the effective display of the role of finance in supporting agriculture and facilitates high-quality and efficient agriculture, rural areas suitable for business and with pleasant living environments and the prosperity and affluence of farmers.

In 2021, the Bank invested in rural revitalization bonds with a total amount of RMB25.97 billion, including RMB50 million in special rural revitalization financial bonds issued by China Development Bank, RMB120 million in special rural revitalization bonds issued by local governments and RMB110 million in rural revitalization credit bonds. In addition, the Bank invested RMB25.69 billion in financial bonds issued by the Agricultural Development Bank of China.



Serving Construction in Key Areas

- 2021 is the first year of the “14th Five-Year Plan”. China’s economy and society have entered the high-quality development stage for “speeding up in creating a new development pattern with the domestic circulation playing a principal status while domestic and international dual circulations remaining mutual promotion”. The proposing of goals on “peak carbon emissions and carbon neutrality” and the implementation of the Development Plan on Circular Economy during the “14th Five-Year Plan” Period and other economic policies set out the orientation for China Bohai Bank to unswervingly implement the new development concept, strengthen the ability to serve nation building with high sense of responsibility and mission and promote the high-quality economic development.

(I) Continuously increasing supports to new infrastructure area

- In 2020, the Bank issued the marketing guidance on the new infrastructure construction area and carried out marketing in the new infrastructure area. Through the joint efforts of the whole Bank, it recorded remarkable achievements in the new infrastructure construction area. In 2021, to step up efforts in supporting new infrastructure construction and on the basis of meeting the orientation of national policies, the Bank amended the Marketing Guidance on New Infrastructure Construction of China Bohai Bank based on its actual conditions, specifying three major areas, namely information infrastructure, integration infrastructure and innovation infrastructure, and covering seven emerging industries, namely 5G network, Industrial Internet, big data center, artificial intelligence, ultra high-voltage power transmission, charging piles for new energy vehicles, intercity high-speed rail and intercity rail transit. Meanwhile, it offered guidance on project marketing, product and service strategies and risk prevention and control in the new infrastructure construction area to branches to enhance supports on new infrastructure ability.

(II) Expanding the scale of support to industrial chains under domestic circulation

- The Bank actively implements requirements on national development, deepened industrial researches, focused on the new infrastructure construction area with 5G as the core, refined industrial development plans and formulated marketing and credit guidance on “high-end equipment manufacturing”, “semiconductor” and other industries. It reviewed high-quality customers in the whole industrial chains, intensified supports to high-quality projects and their industrial chain projects and focused on supports to infrastructure projects in “domestic circulation” industrial chains.

(III) Attaching great importance to serving the development of circular economy

- In accordance with the Development Plan on the Circular Economy during the “14th Five-year Plan” Period issued by the National Development and Reform Commission, the Bank issued the Circular on Promoting the Business Development of Circular Economy on Wholesale Banking of China Bohai Bank. It required all branches attaching great importance to the development of circular economy, taking foot in the new development stage, implementing the new development concept, creating a new development pattern and elaborating organizations and arrangements based on actual conditions. Firstly, it shall specify key areas, key customers and key projects and reinforce investment and financing supports to key projects and projects under the circular economy. Secondly, it shall strengthen innovation on green financial products, establish and improve supporting systems on the development of the green and low-carbon circular economy and provide financial guarantees to the sustainable development of the circular economy.

Cases

Changchun Branch successfully issues the first “energy conservation bonds” in Jilin Province

In December 2021, the Bank successfully issued ultra short-term financing bonds of Jilin Electric Power, the first “energy conservation bonds” in Jilin Province, as the leading underwriter. The proceeds were all used in guaranteeing energy supply in winter and spring.

To implement the deployments of the CPC Central Committee, the State Council and relevant authorities on energy supply, the association of traders officially launched energy conservation bonds in the fourth quarter of 2021 to fully guarantee power supply at the end of the year and the beginning of the next year and ensure energy supply for public life and heating in winter. With the great support of the Investment Banking Department of the Head Office, the branch achieved labeling on the association of traders in three days and initiated the online issuance of “energy conservation bonds” in two days.

Cases

Suzhou Branch facilitates project of Guowang Gaoke as leading bank of syndicated loan

On September 1, 2021, the project promotion of Shenghong Group & signing ceremony of the syndicated loan for the 500,000-ton functional fiber project of Guowang Gaoke (Suqian) was held in Wujiang, Suzhou. The syndicated loan for the project was jointly provided by China Bohai Bank, the Bank of China, Shanghai Rural Commercial Bank and China Everbright Bank with a scale of RMB2.75 billion. Suzhou Branch of the Bank participated in and attended the signing ceremony as the leading bank of the syndicated loan for the first time. The syndicated loan was successfully issued on the same day.





Facilitating in Elevating Consumption to Higher Level

- As a key driver to expand domestic demand and promote economic and social development, consumption is one of the key concerns under the “14th Five-Year Plan”. In 2021, the Bank enhanced the momentum of financial services through financial innovation, supported the development of emerging industries, promoted consumption upgrading in traditional industries, advanced the upgrading and expansion of consumer consumption and facilitated in elevating consumption to higher level by adapting to supply and demand sides.
- The Bank continuously strengthens the development of emerging industries, serves new customers based on 5G, block-chain, artificial intelligence and other applications, constantly innovates products and service models, optimizes business processes, explores new financing methods, promotes the development and innovation of supply chain finance, supports the stable circulation, optimization and upgrading of supply and industrial chains, and provides diversified services to new types of business and new economies.
- The Bank effectively applies FinTech in promoting the implementation of various financial scenarios in cross-border e-commerce through the building of innovation capabilities on digital products. In view of the characteristics of the cross-border e-commerce industry and the difficulties in actual business operation, it established financing service models for cross-border e-commerce. Driven by data and technology, it created a supply chain financial collaboration platform based on the integration of four flows, namely “fund flow, order flow, logistics flow and information flow”, integrated the warehousing, distribution and supply chains and logistics elements for new retails and provided value-added financial services on online supply chains for cross-border e-commerce by leveraging on the platform of free trade (FT) zones. By monitoring cargo chains and capital chains in the whole process, the Bank realized process automation, service agility and intelligent risk control and completed functions such as automatic credit granting, automatic lending, automatic payment, automatic repayment, automatic limit adjustment, forming a seamless connection between business scenarios of merchants and financial services of banks. In the first half of 2021 alone, the Bank has provided automated financing with an amount equivalent to RMB100 million for 31 cross-border e-commerce platforms through the financing service model for cross-border e-commerce.
- To meet the “Internet +” needs of traditional human service agencies, the Bank and its partners jointly reviewed the processes and systems of staff and salary management in the human service industry as well as welfare malls, personal financial products and other derivative demands, realizing the new model of “Internet + office automation + finance”. The Bank outputs standardized products and services to the vertical industries on human resources in the form of “human products + financial services” to rapidly expand the scale of services; carries out scenario-based combination and reshaping of the resources and processes of the human resources service industry and embeds financial services into cooperation scenarios on human resources;

conducts financial empowerment on platforms with credit enhancement for credit products, welfare mall payment and settlement and other highlight functions through 7×24-hour services, full coverage of all account systems of the Head Office and branches and remuneration information to facilitate web-friendly online and digital upgrading of the traditional human service agencies.

- In 2021, the Bank launched the “Cloud Mortgage (雲按揭)” business of China Bohai Bank, which enables house buyers to directly complete loan application at the premises and obtain credit results in real time, improving the acceptance efficiency of the mortgage business and laying a foundation for the digital, online and intelligent operation of the traditional individual loan business on the whole. The Bank innovatively developed a consumer loan product for online scenarios with the combination of loan accounts and class II electronic accounts, featuring revolving line, daily interest calculation, entrusted payment, fast payment, online application, automatic approval and real-time use. The product can be used for designated scenario-based installments and wide-area fast payment and can collaborate with various ecological scenarios such as travelling, supermarkets and vertical e-commerce to provide customers with high-quality credit services. The Bank stepped up efforts in the construction of private banking. Firstly, the Bank provided private banking customers with health care and privileged travelling services, covering physical examinations, dentistry, consultation with famous doctors, airport lounges, limousine pickup and VIP access, to improve experience of private banking customers. Secondly, the Bank enriched the portfolio of private banking products, introduced products from asset management institutions such as trust and securities companies to meet the product allocation needs of private banking customers; launched new wealth management products for private banking to highlight the sense of exclusiveness of private banking customers; and developed family trust business to meet the all-round needs of private banking customers for family wealth management. Thirdly, the Bank started the construction of private banking centers at tier-one branches and improved its professional ability to serve private banking customers through the construction of physical sites, introduction of professional talents and other measures.

- In terms of Internet-based consumer finance, the Bank continued to optimize cooperation with leading platforms and standardized business and cooperation models. Firstly, the Bank earnestly carried out the rectification of existing projects based on regulatory requirements. As of the end of December 2021, in terms of the proportion of capital contribution, the proportion of capital contribution to the Internet-based joint loan under the cooperation with the Bank was adjusted to 70% contributed by the Bank and 30% by its partners. In terms of concentration, the balance of loans jointly funded by the Bank with a single platform and its related parties was less than 25% of the Bank’s net tier 1 capital, ensuring strict compliance with regulations to carry out the business. Secondly, the Bank continued to promote new projects and new platform-based businesses and successfully completed the “Assured Borrowing (放心借)”, the joint loan business in cooperation with ByteDance, further improving the layout of platform-based businesses.

Cases

Shanghai Branch awarded the “2021 Outstanding Contribution Award in the Construction of UnionPay Acceptance Market in Shanghai”

In December 2021, Shanghai Branch of the Bank was awarded the “2021 Outstanding Contribution Award in the Construction of UnionPay Acceptance Market in Shanghai” by China UnionPay Shanghai Branch. In accordance with the relevant work requirements of regulatory authorities and China UnionPay, the branch focused on “Stability on Six Key Fronts” and “Security in Six Key Areas”, actively assimilated into the integrated development strategy of the Yangtze River Delta and vigorously participated in the construction of the UnionPay acceptance market environment in Shanghai. The branch cooperated with relevant departments of China UnionPay and participated in the construction of the NFC co-construction scheme for public transportation, Quick Pass. In addition, the branch signed a tripartite cooperation agreement with China UnionPay and Shanghai Metro to connect the Smart Metro Travel Card of the Bank to the UnionPay SAAS platform, further meeting the needs of citizens for convenient travelling.



The Bank successfully held the 2021 Family Wealth Forum



Promoting Coordinated Development of the Region

As a legal person financial institution headquartered in Tianjin, the Bank insists on taking foot in Tianjin and serving Tianjin. In terms of resources allocation, the Bank increases resources to the construction of “one base and three districts” in Tianjin, the development pattern of twin cities of “Jincheng” and “Bincheng” and the construction of a socialist modern metropolis to serve the overall reform and development of Tianjin during the “14th Five-Year Plan” period with actions of China Bohai Bank. Under the Beijing-Tianjin-Hebei coordinated development strategy, the Bank firmly establishes the idea of “a game of chess”, strives for breakthroughs and progress in connection, coordination, reform, linkage and connectivity, continuously innovates product models and business structures, deeply promotes the digital, information-based and light-asset transformation and continuously expands comprehensive service capabilities.

Cases

Tianjin Branch signs contracts on the “National Digital Content Service Trade Platform”

In January 2021, Tianjin Branch of the Bank supported the “National Digital Content Service Trade Platform” with the “Cloud Account (雲賬戶)” system and signed a business cooperation agreement on the platform with Tianjin Inspiration & Creativity Sci-tech Development Inc. (靈然創智 (天津) 動畫科技發展有限公司), the developer of the platform.

The platform is a national platform authorized by the Ministry of Culture and Tourism and the China Cultural Industry Association with the participation of Huawei Group in its operation. Tianjin Inspiration & Creativity Sci-tech Development Inc., the developer of technologies for the platform, is an international leader in relevant core technologies. As a core cooperation unit of the Ministry of Industry and Information Technology and the Ministry of Education, it participates in the formulation of national industry norms and technical standards. Currently, the company is assisting the Tianjin Municipal Government in building a demonstration area for digital service innovation.

Main connection scenarios between the branch and the platform include the establishment of the platform account system for the Tangka block-chain project in Huangnan Prefecture, Qinghai Province, a counterpart assistance area of Tianjin, and the payment and settlement of development and production costs. The head of Huangnan Prefecture, Qinghai Province called in person to express his gratitude to the Bank for participating in and supporting the Tangka block-chain project for poverty alleviation.

Cases

Branches of the Bank receive letters of thanks from local governments

In 2021, the Bank actively supported regional coordinated development and made comforting contributions to local economic and social development. Several branches received letters of thanks from local governments.

In January 2022, the People’s Government of the Inner Mongolia Autonomous Region sent a letter of thanks to the Bank, expressing recognition over Hohhot Branch for “serving real economies, small and micro enterprises and local people” and hoping that the Bank would increase investment to further support the local economic and social development.

In January 2022, Beijing Branch received a letter of thanks from Beijing Local Financial Supervision and Administration. It thanked Beijing Branch for taking foot in resource endowment, adhering to the best standards, continuously making efforts in serving real economies with financial services, deeply advancing the construction of “two districts”, expanding the coverage of inclusive finance, advancing the reform and innovation of green finance and exploring and cultivating new growth drivers to assist in building a precise and efficient financial service system for serving real economies as well as promoting the organic combination of steady growth, structural adjustment and

reform of the capital to integrate into the new development pattern in 2021.

In January 2022, Shijiazhuang Branch received a letter from Shijiazhuang Local Financial Supervision and Administration, thanking the branch for its contribution to the high-quality development of Shijiazhuang. It especially thanked the branch for achieving substantial and effective connection with five state-owned enterprise groups in Shijiazhuang after comprehensive reorganization and integration, supporting local economic development and opening 7 outlets in Shijiazhuang, providing high-quality, efficient and all-dimensional financial services to local people and enterprises.

In December 2021, the Department of Finance of Shanxi Province sent a letter, thanking the Bank for its active participation in the issuance and bidding of provincial government bonds and for making important contributions to local economic development. In 2021, the Bank underwrote provincial government bonds with a total amount of RMB2.832 billion, ranking high among the members of underwriting syndicates for government bonds in Shanxi Province and making important contributions to supporting economic development in Shanxi Province.

Cases

Taiyuan Branch actively participates in the creation of a civilized city

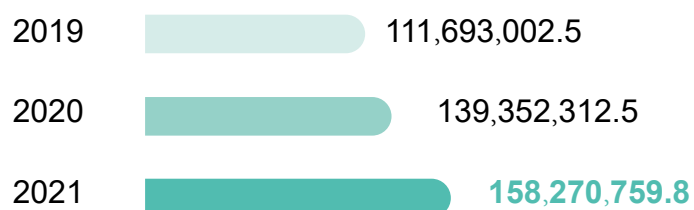
In 2021, Taiyuan Branch actively participated in the creation of a civilized city under the guidance of “making ceaseless in creating a civilized city for people”. The branch established a leading group for the creation of a civilized city with the president as the group leader, the management members of the branch as the deputy group leaders, persons in charge of institutions as primary responsible persons for the creation of a civilized city of the institutions, earnestly fulfilled responsibilities at all levels with reference to the inspection standards and actively participated in the creation of a civilized city with the sense of city owners. The branch formulated the Plan on Advancing the Creation of a Civilized City by Taiyuan Branch of China Bohai Bank in 2021 and clarified the organization and leadership, division of responsibilities, inspection basis, inspections and rectifications and working requirements. It identified gaps and improved weaknesses with reference to the standards, carried out supervision and inspection, worked hard to implement the three responsibilities (namely, responsibilities on sanitation, greening and order) in the gate area (門前三包) and continuously optimized window services. The branch combined the creation of a civilized city with key work in consumer protection services, focused on serving the elderly, further improved convenience service facilities and means of outlets, solved the difficulties in using intelligent technology by the elderly and improved the sense of experience, fulfillment and satisfaction of elderly customers. The branch encouraged all employees to actively participate in and built an outstanding image in the industry. It issued the Notice on Calling on all Employees to Prepare for the Inspections on the Creation of a Civilized City by the Central Civilization Office, conveyed the requirements on the creation of a civilized city to each employee and called on all employees and their families to establish the concept of “Taiyuan is our home and civilization depends on everyone” and consciously abide by the code of conduct on urban civilization. The Branch also included the results of the creation of a civilized city into the annual assessment mechanism and gave praise or bonus points to institutions and individuals with outstanding performance in the creation of a civilized city.



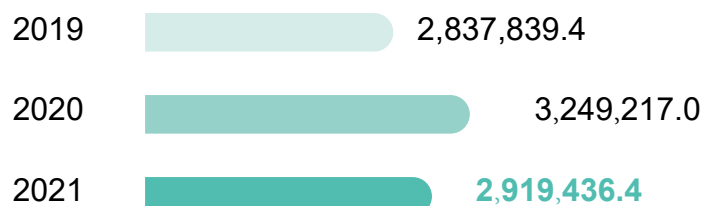
Continuously Expanding Investment Value

Key Operating Results Indicators

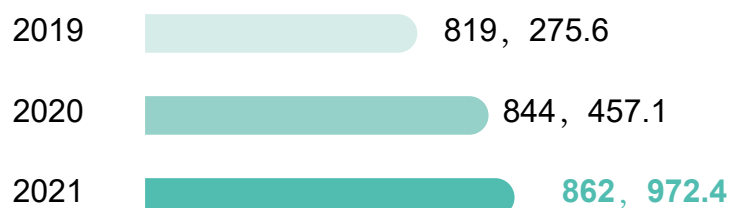
Total assets in recent three years (RMB'0,000)



Operating income in recent three years (RMB'0,000)



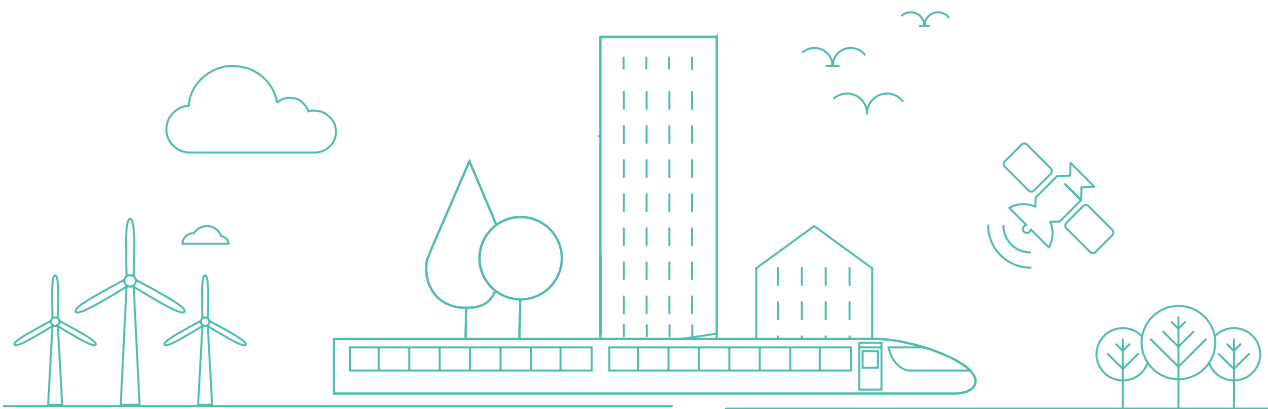
Net profit in recent three years (RMB'0,000)



Total assets in recent three years (RMB'0,000)



Operating income in recent three years (RMB'0,000)





Strengthening Technology Empowering and Building a Bank with Open Ecosystem

In 2021, focusing on the requirements of the Fourth “Five-Year Plan” and strategic decoding, the Bank continued to accelerate the transformation and development of technology bank, reinforce FinTech empowerment, deepen the integration of technology and business, and gradually improve the ability of agile empowerment; it enriched channel service capabilities, accelerated the construction of “cloud outlets” and an open ecosystem. Leveraging FinTech and deepening agile transformation, the Bank’s ability to innovate financial products and services has been continuously enhanced. It effectively solved the pain points in market demands and provided customers with higher-quality financial products and services.





Reinforcing FinTech Empowerment

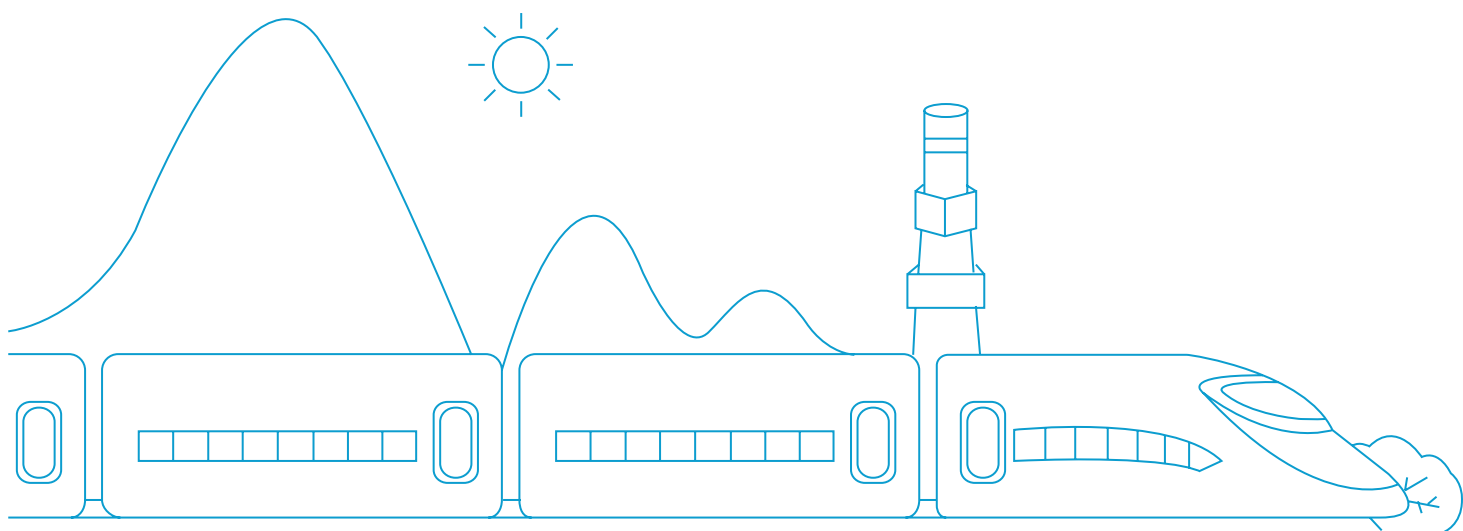
- In 2021, focusing on the requirements of the Fourth “Five-Year Plan” and the transformation and development, the Bank continuously displayed the role of technology, deepened the integration of technology and business and gradually improved the ability of agile empowerment. The Bank successfully completed the project on financial technology transformation and middle-end platform architecture design, undertook business strategies and developed a set of corporate and standardized business model assets through modeling at the corporate level. It vigorously promoted data governance, improved the quality of data application, strengthened the ability on data management and control and completed the introduction of data management and control platforms, building core capabilities on metadata collection, metadata/data dictionary management, data quality management, data standard management and data model management and control. The Bank accelerated in the upgrading of the cloud computing structure and built an integrated automatic operation and maintenance platform to continuously enhance the intelligent operation and maintenance capability.

(I) Information technology continuously empowering product innovation

- Firstly, improving the supply of financial products and empowering financial products and services to improve the quality and efficiency. The Bank constantly improved the ability on product R&D and innovation and sped up in the construction of the new version of mobile banking to build the “double model”. On the one hand, it continued to improve financial functions and systems, consolidated the login system, the user system, the payment system and other fundamental financial functions and strengthened the building of wealth, loans, credit card, inclusive finance, financial information and other financial products to continuously optimize and upgrade customer experience and develop systems on user services. On the other hand, it actively established non-financial financial scenario ecosystems, strengthened platform-based cooperation on various industries, built new scenarios of Internet-based services and made full use of high-quality resources under the cooperation with the Bank to expand the business scope of “Bo Lan Hui (渤 攬 惠)”. The Bank focused on building high-frequency scenarios, including catering, entertainment, transportation, tourism, vehicles and shopping malls, built regional and featured scenarios and developed integrated service models for customers to promote the “intensifying” of customer value. The Bank comprehensively enhanced the building of the payment capability, improved product functions and created the “Bohai Bank E Pay (渤 銀 E 付)” product series. In the product level, it upgraded the “Sincere e Deposits (誠 e 存)” product series and expanded service scenarios. Starting from the design on “Class II account + fund custody” and based on the characteristics of business scenarios of the industry, the Bank added active marketing, payment and other

functions to meet demands under more business scenarios. It advanced the building of “R0 deposit” products and launched the plan on “R0 deposit” products based on the UnionPay business for the repurchase business on investment and wealth management products of non-banking financial institutions in the market. In the level of fundamental functions, it improved the establishment of NUCC channels, advanced the optimization of UnionPay credit and debit channels, initiated the construction of no-jump UnionPay payment business and put the UnionPay corporate Token business into production, further improving the account ability and payment ability and further consolidating foundations for financial empowerment on partners in the ecosystem. The Bank enriched the functions of “Sheng Xi Bao (省 息 寶)” products and achieved cross sale of asset and liability businesses; completed the testing on the development of products on the transfer of certificates of deposit, solving the pain points of medium- and long-term time deposit products with single realization channel and low realization income for customers and meeting customer demands for liquidity and income; and successfully put charitable products, corporate two-valued structural deposit products, institutional cyclic open wealth management products and “Bo Ju Ying (渤 聚 赢)” into operation. The Bank agilely responded to business demands of customers in the financial market, put interest rate options, bonds borrowing and other new products into operation and initiated the project on standard bond forwards and the optimization of processes.

- Secondly, displaying the advanced productivity and improving the ability on independent control. The Bank advanced the construction of platforms for the application of distributed technological standards and specifications, unified technological structures and development instruments in the R&D of relevant products and the implementation of projects within banks to improve the development efficiency and the ability on independent control. Based on the distributed technological platforms, the Bank put 25 application systems, including the mobile middle platform for retail, the retail limit, the self-developed supply chain platform, the inclusive scenario-based platform and electronic confirmation requests, with independent design into operation in 2021.



(II) Advancing data governance system and speeding up in data empowerment

- The Bank comprehensively promoted the construction of the data governance system, built the unified data platform and sped up in data empowerment across the Bank. It completed the overall planning and design on the target data structure and the middle data platform, developed the data, application and technology structure and system based on “Data Lakehouse” and formed the planning on the ability on the first five middle data platforms, covering “intelligent marketing”, “intelligent risk control”, “intelligent finance”, “customer insight” and “product analysis”. It implemented physical models of middle platforms and initiated the construction of new data warehouses based on “Data Lakehouse”. It has initiated the design of 245 data models in nine sectors, including customers, deposits and loans.
- The Bank developed the comprehensive data service capacity and achieved active data empowerment on business. It vigorously promoted the construction of automatic approval models on corporate businesses, integrated internal and external data of the Bank, developed intelligent approval models on real estate and explored the application of intelligent algorithm under risk control scenarios of banks. It established the Enterprise Federated Learning Platform and completed the verification of model effects under five risk control scenarios and one marketing scenario. Focusing on the target and planning on intelligent marketing business capabilities, the Bank continuously completed the establishment of systems on the customer marketing sector. The marketing navigation on corporate business, the inclusive and comprehensive business management system, the public account of wealth and treasury manager and other systems have been put into development and operation, offering integrated marketing supports to management and operation staff and customer managers at all levels. It completed the trial project on “Bohai Bank Intelligence” in Tianjin Branch and achieved whole-process management on marketing. It explored the construction of data service portals at branches and provided the customization capability on data application and services with the characteristics of branches. The Bank explored the coordinated working model on the innovation of data and products and completed the R&D of “Corporate Star (企明星)” products and enterprise exploration, instant message, Feiyu report, property appraisal and other applications; completed the establishment of the geographic information and service platform and realized the visual statistics and analysis capabilities on surrounding areas of outlets based on maps.



Accelerating Ecological Construction

- The Bank vigorously promoted the construction of mobile banking and cloud outlets and channels and enriched the “Bohai Bank E Pay (渤銀 E 付)” product series. As of the end of the Reporting Period, the total number of users of online banking channels of the Bank was 12,139,000, representing an increase of 1,424,100 or 13.3% over the end of 2020. The number of transactions through online banking channels of the Bank was 57,950,200 and the amount of transactions reached RMB6.48 trillion.

(I) Enriching channel service capabilities and building an open ecosystem

- The Bank improved the functions of online proprietary channels. Firstly, it completed the construction of mobile middle platforms for core big retail of Internet-based finance, built 20 business centers and provided 634 service capabilities. Secondly, it successfully completed the development of the new version of mobile banking APP and carried out trial operation within the Bank leveraging on the mobile middle platforms for big retails, making preparations for marketing towards customers in the next stage. Thirdly, it completed the construction of the soft platform of the calling center and the development of the intelligent outbound call application and built the corporate intelligent outbound call service platform supporting all businesses of the customer service center. Fourthly, it completed the planning on the transformation of online corporate banking (phase I) and the approval of technology development.
- The Bank strengthened the construction of the ecological system and put the self-developed platform for supply chain financial services into operation. It has completed the implementation of business in 11 branches, registered 20 core suppliers and issued total loans of over RMB97 million. It put the reverse factoring service platform into operation and successfully completed the implementation of “E-Limen”, “CSCC”, “Cainiao Phase-III” and other businesses.

(II) Accelerating the construction of “cloud outlets” and deeply exploring the platform-based ecosystem

- The Bank focused on the establishment of “cloud outlets”, constantly improved financial empowerment and the establishment of the function system of an open bank through the optimization of platform-based products and the innovation of Internet-based financial businesses and service models.

- Firstly, the Bank vigorously sped up in the construction of channels of “cloud outlets”, reshaped business and service models of banks and achieved “five upgradings” on customers, products, channels, partners and operation to develop exclusive business models of ecological banking and the operation system of cloud outlets with the integration of multi scenarios and channels. Meanwhile, it focused on building various key projects on “cloud outlets”, enriched project reserves and sped up in platform-based cooperation and connection.
- Secondly, the Bank focused on five core elements, namely ecological and supply chains, platforms, scenarios, ecosystems and systems, improved the tourism and travelling ecosystem, the human resources ecosystem, the intelligent property ecosystem and the industrial Internet ecosystem and upgraded the product model of “Sincerity Deposit”. It embedded core businesses and services of China Bohai Bank into the business process of the cooperation platform to build an online and open ecological banking system with “joint development, sharing and win-win results”.



The Bank signs strategic cooperation agreements with Huawei Technologies Co., Ltd.



The Bank reached comprehensive strategic cooperation with Yonyou Network



Innovating Financing by an Agile Bank

- Leveraging FinTech and deepening agile transformation, the Bank's ability to innovate financial products and services has been continuously enhanced. It continuously launched innovative products to individual, corporate and interbank customers, solved the pain points in market demands and provided customers with higher-quality financial services.
- The Bank increasingly enriched the category of retail structural deposit products and introduced structural deposit products pegged to euro/USD exchange rates to meet the demands of relevant customers. The Bank promoted innovation in the project on the new-generation standard credit card, which is characterized by simpler application procedures, more rapid approval procedures, more beautiful UI design and more diversified interests systems. For family customer groups, the Bank developed family theme credit card products, which adopted diversified card face designs, provided diversified family interests and satisfied all-dimensional card demands from basic necessities to health and medical treatment. The Bank developed interests systems on personal loan customers. Based on analysis on customer scoring, historical performance on loans in the Bank, aging of online credit loans and other customer behaviors, it distributed differentiated interests bonds on withdrawal, allowing customers with outstanding credit performance to experience preferential online credit loan products and guiding and encouraging personal loan customers to develop good credit habits. The Bank leveraged on the recoding of customer communications during the telephone marketing of all credit cards and applied technology on exploring big data texts to deeply understand customer demands. Based on the results of text exploration, the Bank optimized business processes, increased the frequency of interactions, focused on pain points and difficulties of customers and provided personalized and accurate interpretations.
- The Bank established innovative business models of an open bank with innovation models of electronic accounts to solve the pain points of the B-end customer's online financing channels and obtained the approval for Xiong'an Supervision Sandbox Innovation Project Pilot. The project marks that the Internet-based innovation business of the Bank was recognized by regulatory authorities on business processes, innovation models, risk control, system construction and other aspects, which is of significance to subsequent business innovation and expansion. The Bank adhered to the goals of "technology empowerment, serving enterprises, promoting transformation and improving economy" and sped up in the establishment of "digital, online, intelligent, interactive and coordinated" intelligent property models in new times. Through in-depth inspections and innovative R&D and with building an open bank as the vision, leveraging on online platforms and taking the opportunity of building smart cities, the Bank developed "sample projects" on intelligent properties as pioneers in innovation and transformation and selected Tianjin, Zhengzhou, Shenyang and Chengdu Branches as pilot banks for "sample projects". It deeply explored intelligent property resources, triggered the linkage of

community ecosystems, initiated service flows and gradually covered individuals, merchants and government ends.

- Following the development trends and requirements of currency digitalization, the Bank further promoted the development of digital economy, stimulated the vitality of market entities, enriched scenarios of financial services and expanded customer groups and flows, creating a convenient and safe financial environment and providing high-quality financial services for customers. The Bank actively participated in pilot programs promoted by the PBOC, cooperated with designated operating institutions on the agency of digital RMB, built pilot scenarios for the closed use of digital RMB and gradually promoted it on such basis.

Cases

Automatic approval business of “Bohai Bank Cloud Mortgage” preliminarily improves quality and efficiency

In 2021, the Bank independently designed and developed the “Bohai Bank Cloud Mortgage (渤銀雲按揭)” automatic approval system, connected to systems of branched and successfully accepted online business applications. On the basis of the unified risk control model of the Bank, regional policies and customized sub-models for customers of all branches, the “Bohai Bank Cloud Mortgage” automatic approval system effectively improved the effectiveness of online risk control and the coverage of automatic approval.

Xi’an Branch successfully implemented the first “Bohai Bank Cloud Mortgage” automatic approval business on September 9. It took only 4 hours and 20 minutes in completing the whole-process work in seven stages, including online acceptance, OPS review, automatic approval, approver review, signing of contract, contract review and issuing of loans. The automatic approval process took only 51 seconds, which significantly improved the approval efficiency and brought outstanding service experience to customers.

Cases

The Bank successfully launches the supply chain financial service platform

On August 26, 2021, the Bank successfully completed the development and introduction of the system on the supply chain financial service platform. The system was independently established, operated and maintained by the Bank. Through connecting to nine important systems, including the deposit system, the CRMS system, the factoring system, the limit system, the image processing platform and the pricing system on customer risks, and leveraging on the functions on verification of electronic signature and bulk verification of invoices in online corporate banking, it achieved the whole-process online operation covering online registration and verification, recommendation of the white-list of industrial chains, online signing of contracts, online transfer and confirmation of creditor’s rights, online financing application and online payment. It not only improved customer experience but also extended the service, transaction and payment chains of our supply chain finance.

Cases

Shenzhen Qianhai Branch innovates and expands exchange rate products and facilitates customers in solving operation difficulties

The Bank continuously promotes the development of derivative foreign exchange products and businesses. Based on the business demands of customers, the Bank formulates plans on comprehensive financial services to improve innovative services on agency products.

A platform-based supply chain management company mainly provides enterprises or individuals with services on overseas procurement of frozen raw poultry and livestock meat and seafood products. Due to the huge number of foreign exchange payments with small amount, it faces difficulties in foreign exchange risk management. The enterprise made payments for goods through spot foreign exchange purchase in banks and seldom conducted risk hedge on derivative foreign exchange products for a long time. The operation of the enterprise was significantly affected by the fluctuations of foreign exchange rates.

To solve the operation difficulties faced by the enterprise, Shenzhen Qianhai Branch of the Bank assisted the enterprise in avoiding risks on exchange rates, reducing difficulties in locking exchange rates and improving the operation efficiency and conducted the design of plans on comprehensive financial services. To reduce difficulties in locking exchange rates and labor costs, it handled inward documentary bills for businesses with consistent payment dates and conducted forward foreign exchange purchase after summarizing foreign exchange positions of customers. In 2021, the branch handled a total of 69 inward documentary bills in US dollars and nine forward foreign exchange purchases for the customer.

Cases

The Bank conducts interbank borrowings flow with the BCARC

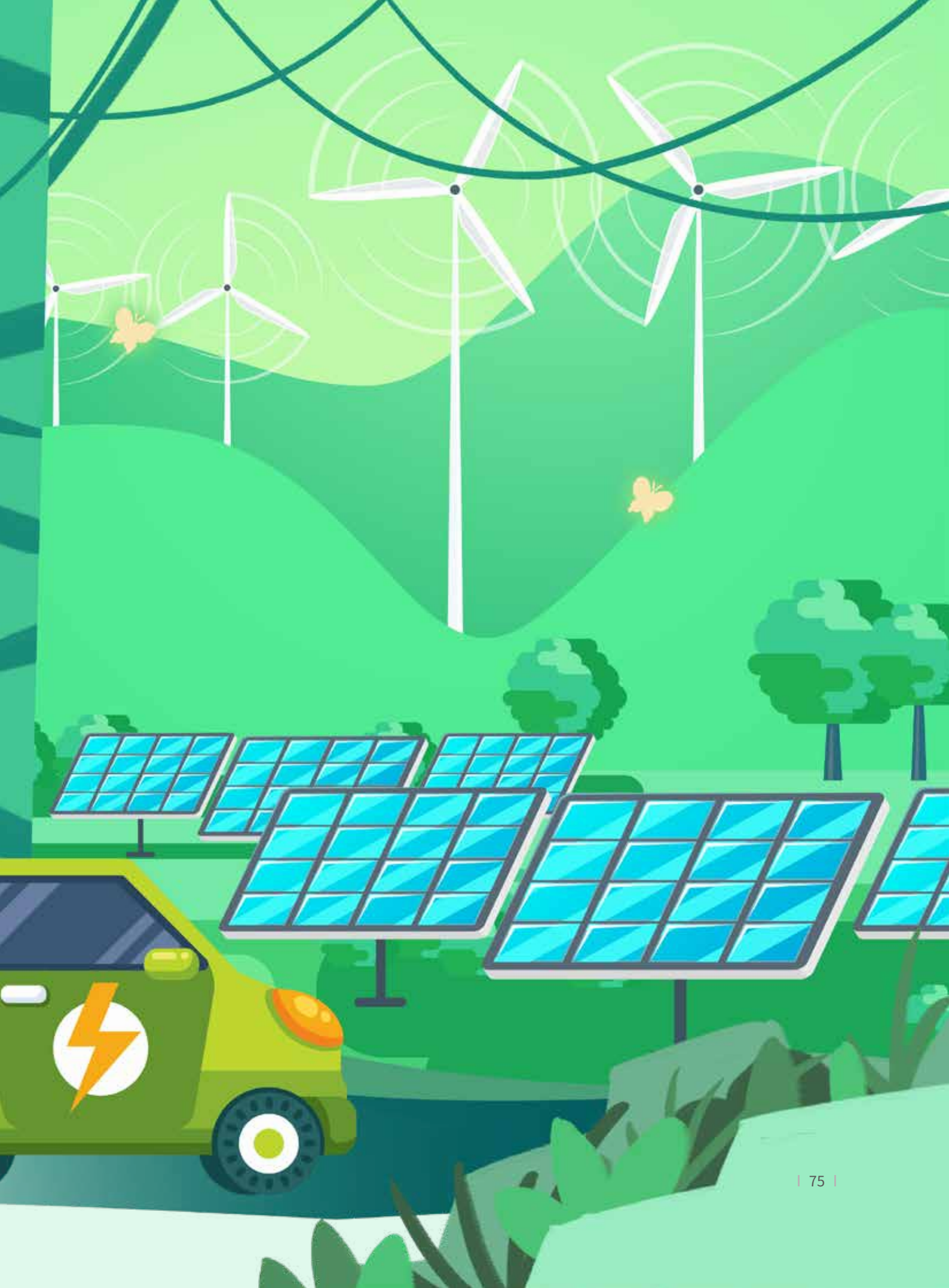
On June 16, 2021, the Bank successfully obtained the Notice of Filing (Yin Deng Bei Han [2021] No. 035) on Botong No. 1 property trust registration and flow business, a project on the flow of interbank borrowings, from the Banking Credit Asset Registration and Circulation Center Co., Ltd. (the BCARC) in 2021. The total filing amount was RMB10 billion and the issuance model was shelf offering. It successfully issued the phase-I and phase-II of the project on the flow of interbank borrowings through private placement on June 23, 2021 and September 29, 2021, respectively, with a total issuance amount of RMB1 billion.

In 2021, the Bank initiated the new model of interbank business for the flow of interbank borrowings, marking that the Bank has made a solid step in the “light asset” and “transaction-based” transformation of the interbank business.

Focusing on Peak Carbon Emissions and Carbon Neutrality and Promoting Green Development

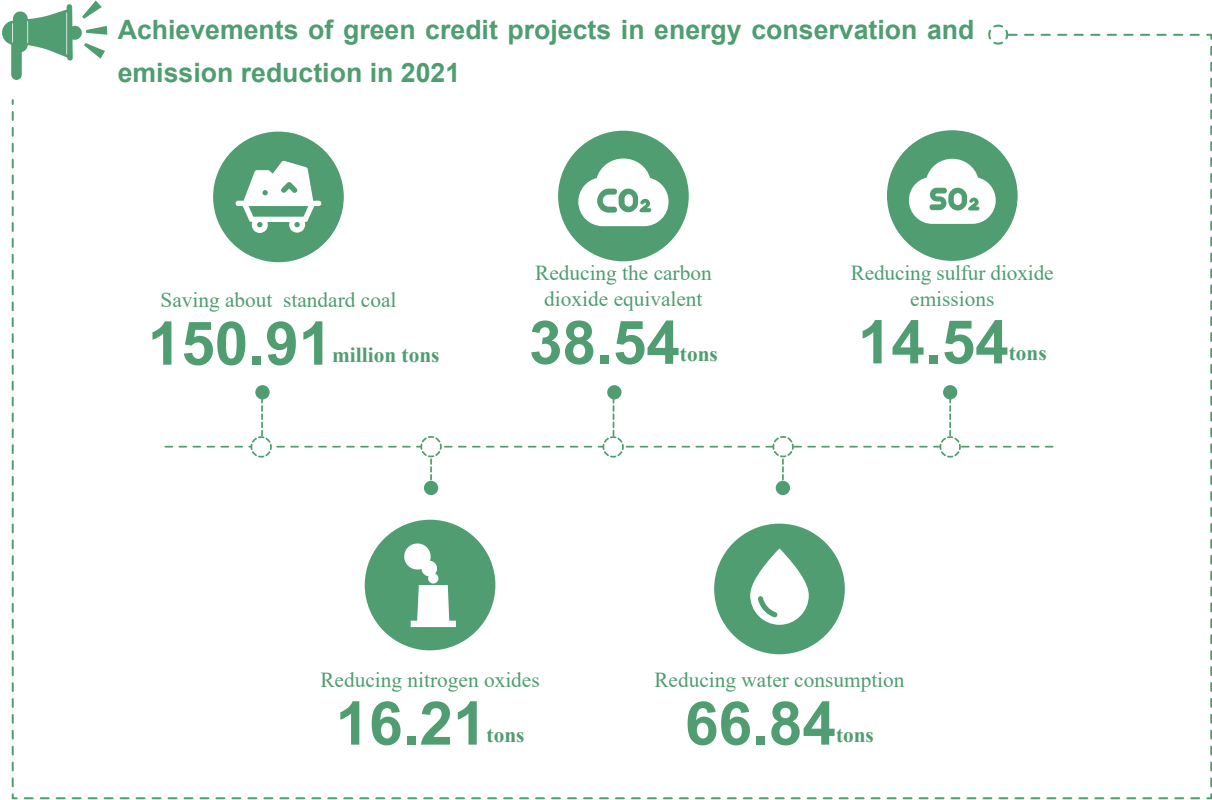
In 2021, based on the new development stage, the Bank implemented the new development philosophy, built a new development pattern and actively practiced the concept of green development. Focusing on the effort related to “peak carbon emissions and achieve carbon neutrality”, the Bank continued to increase support for green, low-carbon and circular economy, took a series of effective measures to promote green operation, and continued to make progress in promoting green development.





Improving Green Finance Systems

■ As of the end of 2021, the green loan balance of the Bank amounted to RMB24.719 billion, representing an increase of RMB4.838 billion or 24.33% as compared with the beginning of the year. Specifically, the loan balance for clean energy industry amounted to RMB3.462 billion, representing an increase of RMB958 million or 38.26% as compared with the beginning of the year. The Bank independently led the underwriting of two green bonds with a total of RMB1.5 billion. The Bank actively conducts green investments. As of the end of 2021, the balance of green bonds invested by the Bank amounted to RMB1.655 billion. At the 9th China Small and Medium Enterprises Investment and Financing Fair and 2021 “Small Business, Big Dreams” Summit jointly organized by China Association of Small and Medium Enterprises, China Banking Association and China Futures Association, the Bank’s cooperation case with green photovoltaic enterprise Aiko Solar Energy Technology Co., Ltd was awarded the “2021 Excellent Case of Financial Services for Micro, Small and Medium-sized Enterprises” (2021 年金融服務中小微企業優秀案例). The Bank was awarded the 2021 First Display of Talent Award of “Green Carbon Pioneer”: the Most Exploring Bank of the Year (「綠碳先鋒」初試鋒芒獎—年度最具探索力銀行) at the “Green Empowerment – Sustainable Development” Banking Green Finance Forum.



(I) Improving the construction of green finance mechanism

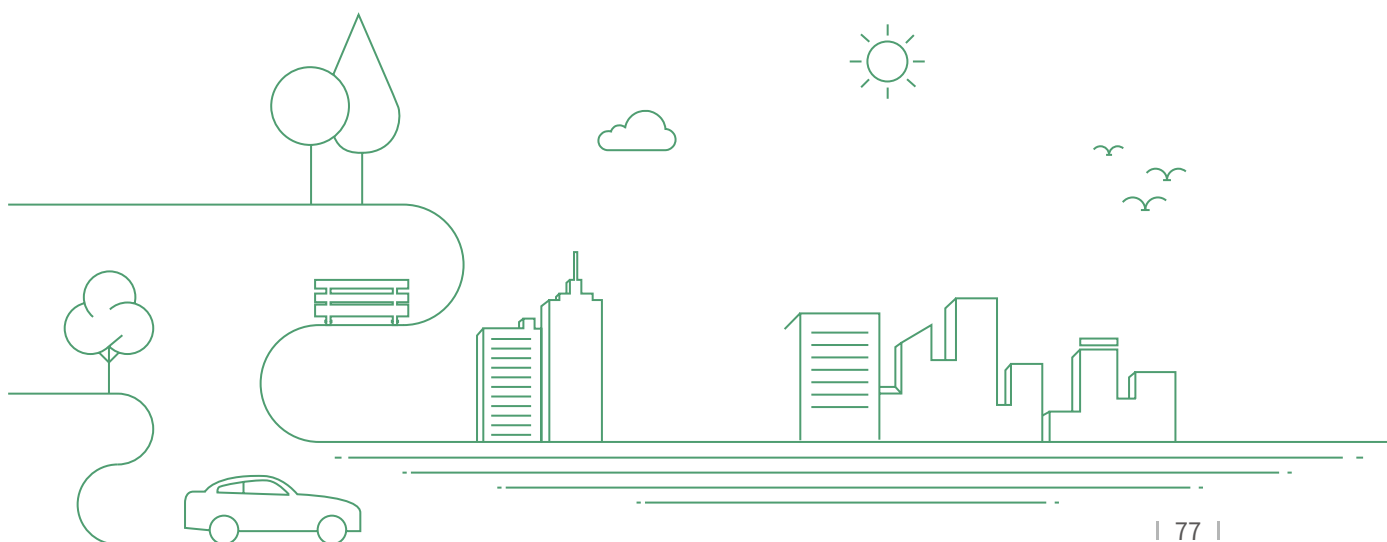
- The Bank promoted the implementation of the green finance strategy and established a Green Finance Leading Group at the Head Office, with the president as the leader, the vice president in charge as the deputy leader, and other senior management as team members, responsible for guiding and coordinating the Bank's green finance work. The Leading Group is responsible for setting green finance development objectives, establishing mechanisms and processes, clarifying responsibilities and authorities, conducting internal control inspections and assessments, reporting to the Risk Management and Green Finance Committee of the Board of Directors on green finance development every year, and reporting and disclosing green finance-related information to regulatory authorities in accordance with regulations.

The Leading Group set up an office in the Corporate Business Department at the Head Office, which is responsible for leading the organization, management, coordination and promotion of all green finance work of the whole bank. Meanwhile, the Bank clarified the responsibilities and labor division of each department at the Head Office in promoting the green finance work.

Each branch completed the implementation of green finance-related policies as required.

(II) Establishing a sound green financial management system

- The Bank formulated and issued documents such as the Guidance on Further Promoting the Development of Green Finance Business of China Bohai Bank (《渤海銀行關於進一步推動綠色金融業務發展的指導意見》) and Notice on Further Clarifying the Preferential Policies for Green Credit Business in 2021 (《關於進一步明確 2021 年綠色信貸業務優惠政策的通知》). According to the requirements of the Fourth "Five-Year Plan" of the Bank, the overall objectives and requirements for the development of green finance business were clarified, the next key industries and customers for green finance business were specified, and supporting products and policy protection measures were introduced. At the same time, the Bank was required to further improve its environmental, social and governance performance to promote the overall rapid growth of the green finance business of the Bank.



(III) Developing green financial supporting measures

Setting up special assessment indicators for green finance. The Bank strictly implemented the assessment requirements of the People's Bank of China and other regulatory authorities on green finance, incorporated green finance assessment indicators into the KPI assessment of branches, and fully utilized the assessment tools to guide and supervise the implementation of green finance regulatory policies and indicators, further promoted the development of green finance.



Formulating preferential policies for green finance business. The Bank introduced initiatives for special scale allocation, FTP discounts, external pricing discounts, etc. in the field of green credit and clean energy loans, to guide the adjustment and optimization of the asset structure by means of capital allocation, and fully support the allocation of resources in the field of green credit by unleashing the existing resources and dynamic allocation.

Strengthening the environmental and social risk management of the credit business. In accordance with the Regulations on Environmental and Social Risk Management of the Credit Business of China Bohai Bank (《渤海銀行授信業務環境和社會風險管理辦法》), the Bank further strengthened the environmental and social risk classification of credit customers (projects), implemented comprehensive and whole-process risk management for environmental and social risks of proposed credit customers or projects, and prevented the environmental and social risks.



Establishing the “carbon emission reduction facility”. The Bank actively carried out the work related to carbon emission reduction facility, in accordance with the requirements of the Notice on the Establishment of Carbon Emission Reduction Facility (《關於設立碳減排支持工具有關事宜的通知》) issued by the People's Bank of China, conducted credit fund investment in the field of carbon emission reduction, vigorously motivated the use of carbon emission reduction facility of the PBOC and did a good job of financial support for carbon emission reduction.

Conducting trainings on green financial business. By conducting training, the Bank enhanced the professional level of green finance business management. The Bank invited famous green finance experts in China to hold special training on green finance of the Party Committee Theoretical Central Learning Group (larger). The Bank conducted trainings on green loans and green bonds, and other comprehensive financial products and marketing training for business staff. The Bank set up a “Green Finance” column on the risk management information sharing platform to collect and organize important policies in the field of green finance, share the results of research reports, and enhance the depth and breadth of learning and research in the field of green finance.



Cases

Awarding ceremony of China Bohai Bank Cup—2021 Global Youth Sustainable Development Forum & ESG Investing Contest successfully held

On December 11, 2021, the awarding ceremony of the “China Bohai Bank Cup—2021 Global Youth Sustainable Development Forum & ESG Investing Contest” was successfully completed in Tianjin. The activity was jointly held by the Bank, the ESG Research Initiative Center at the University of Chicago and Prestige and Fortune Fintech, attracting nearly 8,000 participants from all walks of life and competitors globally.

23 teams with 42 members from the University of Oxford, Harvard University, Zhejiang University, Nankai University and other well-known domestic and overseas universities stood out from nearly 900 competitors and were awarded global champion, runner-up and second runner-up as well as individual prizes and outstanding prizes. The profound knowledge of young competitors about sustainable development and ESG investment was highly recognized by experts and judges.

The purpose for the Bank to initiate and hold the contest is to take the opportunity of the contest to convey the concept of green finance and green investment to the young generation, guide youngsters to learn and practice the concepts of sustainable development and ESG investment, facilitate the realization of China’s goals on “peak carbon emissions and carbon neutrality” and safeguard our clean waters and green mountains

Cases

Supporting wind power and photovoltaic industry and facilitating “peak carbon emissions and carbon neutrality”

As renewable energy, wind and photovoltaic power are listed as priorities in energy development by the state. The Bank fully recognizes the significance of the healthy and orderly development of wind and photovoltaic power and other industries, continuously intensifies researches on wind and photovoltaic power and other clean energy industries and adjusts the allocation of credit resources in time with the focus on supporting investment and financing activities on carbon emission reduction and guides more financial resources to flow to green and low-carbon industries.

Guangzhou Branch has been earnestly implementing the new strategy of “four revolutions and one cooperation” on energy security and continuously boosting financial efforts in supporting the development of green economy in recent years. Through the in-depth cooperation with PowerChina Guizhou Engineering Co., Ltd., the branch supported the development of wind power and photovoltaic industries and facilitated the achievement of goals on “peak carbon emissions and carbon neutrality” as scheduled to make financial contributions to “a more blue sky, greener mountains and clearer waters”.

During the three-year partnership with PowerChina Guizhou Engineering Co., Ltd., the branch continuously deepened cooperation and supported the development of the company through loans, opening bank acceptance bills, letters of credit and other business models. It has become a key financial partner of the company, vigorously supporting the development of green industries.

PowerChina Guizhou Engineering Co., Ltd. is a tier-1 subsidiary of Power Construction Corporation of China, a central enterprise among Fortune Global 500. It is specially engaged in wind power projects, solar power generation projects and other new energy business. It is the executive vice president of the International New Energy Solution (INES), the executive director of the Photovoltaic Green-ecosystem Organization (PGO) and a member of the National Alliance of Modern Agriculture and Photovoltaic Industries (國家現代農業光伏產業聯盟).

Cases

Shenzhen Qianhai Branch actively promotes green development

In 2021, Shenzhen Qianhai Branch of the Bank constantly deepened the concept on sustainable development, strived to develop the green finance business, improved the level of green operation and actively practiced green development.

In March 2021, the branch invested RMB320 million in the first tranche of Greater Bay Area green and targeted asset-backed notes (carbon neutrality bonds) in 2021 issued by Guangzhou Public Transport Group Co., Ltd. with an issuance size of RMB1.35 billion. The rating of the company is AAA while the rating of the bonds is AAA_s. It is expected to save 693.92 million tons of standard coal and reduce 1,383.33 million tons of carbon dioxide emissions.

The branch irregularly organizes relevant trainings on green finance, laying a solid foundation for carrying out the business. Relevant trainings focus on relevant national policies on peak carbon emissions, carbon neutrality and green finance, provides detailed interpretations on the policy background and relevant systems of green credit and conducted in-depth analysis in combination with cases, further enhancing the awareness of employees of the branch on the systems on green finance and improving the capability on conducting businesses on green finance.

The branch extensively carries out publicity and advocacy in routine work to create a green office environment. Firstly, it implements green procurement. It selects “classic UPM all-wood pulp copy paper” on the “Bohai Cai Yi Gou” platform. The paper originates from forests under sustainable management and the woods are traceable products under environmental standards. Secondly, it initiatively saves water, electricity and energy, actively advocates waste sorting and implements low-carbon and environmental concepts in routine work and life.



The Bank holds special training on green finance of the Party Committee Theoretical Central Learning Group (larger)



Persistently Adhering to Green Operation

- As a financial enterprise, the Bank generates no pollutants and emission with obvious impacts on the environment during the operation process, but we never ignore the management and control on our own energy consumption. With the increasing expansion of the scale of operation and significant increases in staff and equipment, the Bank adopts effective measures on key areas, strictly controls its own energy consumption and always adheres to green operation. During the design and construction of China Bohai Bank Tower, we have set the primary target and functional characteristic on environmental friendliness and strived to develop it into a landmark in green development.



Green building



For the use of high-power electrical equipment, we formulate relevant prompt and restraint systems to strictly require employees to save energy and reduce consumption.



In order to save power, we make full use of the building automatic control system, and shut down the power equipment that can be shut down firmly; and strengthen the lighting management through the light control system, to ensure the effective use of lighting facilities and avoid waste.



We formulate and strictly implement the indoor temperature standard according to the work nature and characteristics of each area of the building, the temperature and comfort requirements of different areas and different time periods of the building, and the change of outdoor temperature. The working environment is about 26°C in summer and 20°C in winter, so as to save energy while ensuring good office conditions.



We insist on monthly statistics and records of energy consumption of the building, and find and rectify problems in time through daily data changes of energy consumption.



We regularly inspect the automatic water-replenishing devices of water dispensers on all floors of the building.



During the cooling period in summer, we conduct regular inspections on the cooling tower to ensure the normal operation of the floating valve for water replenishment, timely adjust the water replenishment quantity to prevent water waste as a result of overflowing from the cooling tower.



Green office



Official documents of the Bank are processed in the OA system and the functions of the system have been continuously improved. In 2021, the Bank completed the phase-II upgrading and renovation of the OA system on sending, receiving and signing, supervision, meeting, chops and licenses, notification of items and other functional segments, effectively improving the turnover rate of official documents and optimizing the office system and processes. In 2021, the Bank handled a total of approximately 432,000 official documents in the OA system with an average of nearly 140 documents handled online each day.



All departments of the Head Office assign special persons to manage office consumables, especially consumables for printers, photocopiers and fax machines, strengthen the management of office consumables and regulate their use standards so as to reduce losses and waste, extend the life of office items, facilitate full recovery and save resources.



Climate Risk Stress Test

- The Bank was engaged in the climate risk sensitivity stress test initiated by the PBOC, in an effort to evaluate the potential impact of the transformation under the peak carbon emissions and achieve carbon neutrality goals on the credit assets of the Bank. The test results showed that under stressed scenarios, the credit risks of customers in thermal power, steel and cement rose somewhat, however, the impact on the capital adequacy of the Bank was under control.

To reduce the potential impact of climate risk on the Bank, it actively deploys alarming plans, initiatively adopts more complete response measures on the cultivation of awareness, risk management, business marketing, data disclosure and other aspects, adjusts the allocation of credit resources in time with the focus on supporting investment and financing activities on carbon emission reduction and guides more financial resources to flow to green and low-carbon industries.

Dedicated to Serving Customers and Creating Excellent Experience

In 2021, the Bank has always adhered to the development philosophy of “people-oriented”, strengthened service management, optimized service channels, improved service processes, standardized service standards, strengthened the protection of consumer rights and provided customers with convenient, safe and efficient services.







Solidly Pushing forward Service Management

- The Bank solidly advanced various service management work and continuously improved the quality of overall customer services through establishing and improving of the service management system, strictly following service standards, strengthening supervision and assessment, enhancing complaint management, organizing service activities and carrying out service innovation.

(I) Establishment of management systems

- To guide the service management work at branches, the Branch formulated the Specifications on Service Etiquette of Employees at Business Outlets, the Administrative Measures for Inspections on Service Quality of Business Organizations, the Administrative Measures for Handling of Consumer Complaints, the Response Plan on Service Emergencies at Business Outlets and other systems and established a sound service management system. It actively promoted all relevant departments at the Head Office to introduce service specifications on lobby managers, operational personnel, retail customer managers and other frontline positions at business outlets.
- To practically guarantee the legitimate interests of consumers and improve the service management system of the whole Bank, the Bank formulated and issued the Notice on the Establishment of the Consumer Rights Protection Working Committee of China Bohai Bank, the Terms of Reference of the Consumer Rights Protection Working Committee of China Bohai Bank, the Work Plan for the Protection of Financial Consumer Rights of China Bohai Bank Co., Ltd. (2021-2025), the Privacy Policy on Users of Personal Mobile Banking APP of China Bohai Bank (Revised in 2021), the Ban on Retail Business Sales of China Bohai Bank and the Guidance on Actively Applying the Mediation Mechanism in Resolving Financial Disputes of China Bohai Bank. It revised the Appraisal and Evaluation Indicators on Consumer Rights Protection and established the appraisal and evaluation system covering all relevant departments of the Head Office horizontally and all branches vertically with the composition of seven segments, namely system construction, publicity and education, complaint management, protection of consumers' financial information, code of conduct, service management and routine management.
- The Bank revised the Management Standards on Operating Businesses and Services at Business Outlets of China Bohai Bank in 2021 and further refined relevant contents on the management of operating businesses and services to continuously improve customer experience. It formulated and issued the Guidance on Off-site Inspections on Business Operation Lines in 2021, incorporated consumer protection and service management into the routine off-site inspections on operation lines and implemented normalized management. In addition,

to implement the requirements of the PBOC on optimizing account services, the Bank released the Notice of China Bohai Bank on Optimizing Banking Account Services and Account Risk Prevention and Control and the Notice of China Bohai Bank on Optimizing Banking Account Services and Account Risk Prevention and Control for Small and Micro Enterprises and formulated the Business Guideline on Streamlining Accounting Opening Services for Small and Micro Enterprises of China Bohai Bank (Trial), further optimizing banking account services for small and micro enterprises.

- The Bank formulated the Administrative Measures of China Bohai Bank for Cooperation on Regulatory Platform for Migrant Workers' Salary in Project Construction Area (Trail) in 2021 and revised the Administrative Measures for Business on Sincerity Deposit Platform of China Bohai Bank, the Administrative Measures for Door-to-door Service Business on Electronic Banking of China Bohai Bank and the Administrative Measures for Business on Sincerity Deposit Platform of China Bohai Bank. It put forward specific requirements on the implementation of code of conduct on the protection of consumer rights and interests and the management of the protection of consumer rights and interests at all branches in specific provisions of business systems to practically safeguard the legitimate rights and interests of consumers.
- The Bank issued the Administrative Measures on Consumer Complaints of the Credit Cards Services Department of China Bohai Bank (Revised in 2021) in 2021, adding the treatment principles of "tracing to the source and conducting rectification, addressing both symptoms and root causes; recoverability and traceability", further specifying the principles for handling complaints and the division of responsibilities and optimizing processes for complaint handling. It issued the Administrative Measures on Credit Line of Credit Card Business of China Bohai Bank (Revised in 2021), improving the contents on the protection of consumer rights and interests. It revised the Operating Procedures for Marketing Business Through Credit Card Customer Service Hotline of China Bohai Bank to ensure the trading security of financial consumers in purchasing and using financial products and services.
- The Bank formulated or revised the Procedures for "Golden Lending Loan" Personal Unsecured Loan Business of China Bohai Bank, the Operating Procedures for "Owner's Loan" Personal Online Consumption Loan Business of China Bohai Bank, the Temporary Measures for the Management of "Bohai Bank E Loans Government Data" Personal Unsecured Loan Products of China Bohai Bank, the Administrative Measures for Internet-based Personal Loans of China Bohai Bank (Temporary), the Administrative Measures for Personal Unsecured Loans of China Bohai Bank (Revised in 2021) and other systems and promoted the compliant business development through continuously improving the construction of systems.
- The Bank revised and issued the Administrative Measures for Agent for Insurance Business in Retail Banking of China Bohai Bank (Revised in 2021) and the Sale Procedures for Agent for Insurance of China Bohai Bank (Revised in 2021) and further standardized the development of being agent for insurance business. It formulated the Administrative Measures for Family Trust Consultancy Business of China Bohai Bank (2021 Version), further enhanced the management of the family trust business and promoted the standard development of the family trust business.

(II) Service management measures

Management of service monitoring

To increasingly enhance the overall service capability of business outlets, the Bank conducted two phases of service video inspections and four phases of third-party “mystery man” inspections in 2021, covering 32 tier-one branches with 969 inspection on business outlets (including small and micro sub-branches in communities). The results of inspections were incorporated in the performance evaluation on branches. It also provided one-to-one guidance and key assistance to branches with weak service management and various problems and achieved remarkable results. The overall service quality of all branches was improved while remaining stable; the service awareness and capability of frontline staff were generally enhanced; and the service environment of business outlets was significantly improved. The Bank maintains normalized service management and regularly inspects the implementation of work at branches with routine off-site inspections on business lines as drivers. Meanwhile, it regularly reports problems identified and incorporates evaluation results into the annual work appraisal of the branch, urging branches to earnestly implement them. It continuously conducts unannounced examinations and inspections characterized by “deeply visiting the frontline, identifying risks and improving experience”, constantly reviews and optimizes the design and functions of business procedures of the Head Office to improve customer experience. The customer service center of the Bank further steps up supervision and inspection on internal control and strictly implements requirements on the protection of personal financial information security to prevent all operational risks and case risks. It further reinforces the control and management of service quality through checking materials, on-site inspections and viewing monitoring records. As of the end of November 2021, the Bank conducted a total of nearly 44,000 sample inspections on audio, online, intelligent and outbound calls on marketing service. The Credit Cards Services Department carried out inspections on whether it has infringed the right to know, the property security right, the information security right and other rights and interests of consumers in telephone marketing, involving 124 audio records and 764 reviews on backlists. Through the intelligent quality examination system, the Bank conducts normalized special inspections on audio records of telephone marketing on a monthly basis, covering untruthful publicity of telephone marketing seats, committed returns in disguised forms, misleading consumers and service attitudes. It achieved quality examination on all successful orders and key inspections with key words on unsuccessful orders.

Appraisal on service quality

The Bank incorporates service management into the appraisal and evaluation system on the protection of consumer rights and interests and includes it into the comprehensive performance appraisal on branches as a fundamental management indicator. It also conducts necessary adjustments to the contents of appraisal based on key points in the annual service management work and work plans. In 2021, the items of appraisal on service management included service inspections at the Head office, service inspections by the “mystery man” from the Head Office, inspections on services at branches and monitoring on key service problems, further improving the system and contents of the appraisal and evaluation on service quality.

Trainings on service skills

In 2021, the Bank carried out trainings on the protection of consumer rights and interests. It organized special live trainings on “Intelligent Transformation of Lobbies—Improvement of Comprehensive Capability of Lobby Staff”, assisting business staff at outlets in mastering the dynamic planning and management of lobby services with intelligent counters and equipment as the core and laying a solid foundation for further improving the service experience of customers. The Bank organized and carried out trainings on explaining and analyzing key problems in special counter businesses, improving the understanding of relevant policies and systems and the ability to control risks in practical operation across the Bank and vigorously promoting the compliant and accurate handling of relevant counter businesses. It conducted special trainings on regular opening of corporate and interbank accounts “in turns” and enhanced the capability on solving problems and controlling risks as well as the capability of branches on supporting services.

Valid questionnaires

26,000



Customer satisfaction rate

96.4%

Accepted customer calls

1,411,300



representing a year-on-year growth of

5.09%

Customer calls accepted by manual service through telephone channel

373,500



with a customer satisfaction rate of

99.5%

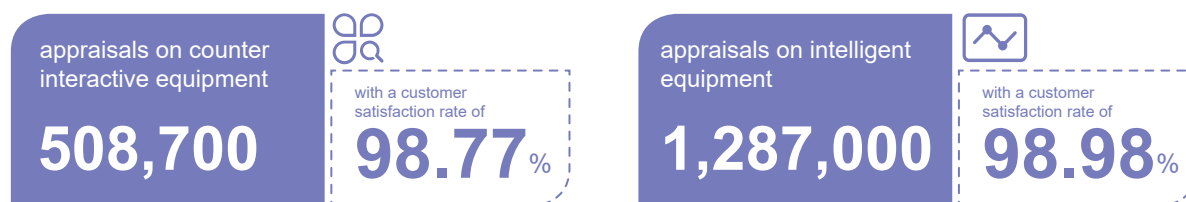
Customer inquiries accepted at online customer service channel

98,100



with a customer satisfaction rate of

96.19%



Continuously Improving Service Channels

(I) Construction of business outlets

- The Bank continues to advance the “Light Boat Plan” and form the accumulation effect of physical outlets. During the layout of outlets, it prioritizes community accumulation areas and fully considers the acceptance of surrounding customer groups, the elderly in particular, and increases the number of comprehensive light outlets to provide community residents with all-dimensional services and improve customer experience. With concise decoration styles and white as the primary color, new outlets highlight the sense of technology and modernization. It adds a series of intelligent equipment and intensified smart and intelligent services to improve the service quality of outlets.

(II) Construction of online channels

- Focusing on eight innovative service systems, the Bank conducts the construction of the new version of mobile banking and continuously consolidates the user system (Bohai Bank E Connect), the account system (Bohai Bank E Accounts), the payment system (Bohai Bank E Pay) and other fundamental financial functions. It strengthens the construction of wealth (Bohai Bank E Wealth), loans (Bohai Bank E Loans), credit cards, inclusive finance, financial information and other financial products and acquires customers through “Bo Lan Hui” scenarios. It achieves the conversion of flow value through the equity system, the growth system and other value-added services and provides customers with a full lifecycle, full relationship graph and tailor-made intimate butler service (Bohai Bank E Butler). On December 25, 2021, the Bank initiated the customer experience activity on the public testing version of the new mobile banking (version 6.0).

The Bank completed the overall upgrading of the 3.0 version of the credit card APP. The 3.0 version achieved full upgrading on UI, back-office functions, iterated operation and performance as compared with the 2.0 version. In 2021, it completed a total of over 60 optimizations of the function and customer experience of the credit card APP and WeChat banking.

(III) Construction of intelligent banking

- To increasingly improve the customer experience in handling financial businesses, the Bank installed “Lego-style” intelligent comprehensive counters, facilitate customers in handling businesses comfortably. It established the service model on lobby businesses with intelligent counters and equipment as the core and continuously optimizes the transaction functions of intelligent counters and transaction equipment at business outlets and enriches the types of transactions. It reviewed the transaction functions at the PAD equipment end and proposed demands for adding new transaction functions, forming a service model with the crossing and complementation of intelligent counters and equipment and PAD equipment and effectively improving the intelligent level of business outlets.

The 95541 customer service center of the Bank continuously promotes the construction of the “AI + artificial” service platform. Firstly, it constantly optimizes the structure of intelligent knowledge base. Based on the interactions between intelligent robots and customers and the adjustments to the contents of the knowledge base, it maintained 3,950 knowledge points and expanded 6,635 questions. It newly added process, image-text, video and other information interaction models and increased the contents of knowledge base by 10.77% as compared with that of 2020. The rate of problem solving through the text channel was 96.18%, representing an increase of 0.62% from 2020. Secondly, it extended the working hours of manual services. It provided 7×13-hour manual services and achieved effective human-machine coordination with intelligent robot services, reaching the advanced level in the industry. It accepted 84,139 customer calls converted from online customer service, increasing 22.32% from the level before the extension of the working hours and effectively meeting the demands of all-media customers for online business services in late hours.

Cases

Shijiazhuang Branch builds online live streaming platform

Shijiazhuang Branch of the Bank actively promotes “three transformations” in financial services. Leveraging on the WeChat official account, the video channel, the corporate WeChat and other third-party carriers, the branch innovatively established the online live streaming platform named “Xiao Bo Benefiting Life”.

The branch establishes an agile live streaming team with young staff acting as hosts and initiates live streaming with the theme of “Xiao Bo Benefiting Life with Gifts” on Thursday evening each week. It deeply introduces the functions of financial products and extensively publicizes financial knowledge during the live streaming, improving the quality and efficiency of financial services and attracting the participation of online fans. It records 5,000 online views during each live streaming and approximately 700 customers have joined the corporate WeChat group.



Continuously Optimizing Service Processes

- In 2021, the Bank continuously promoted innovation in service mechanism and concepts. Firstly, to break the limitations of physical locations, achieve authorized cloud production of standardized services, realize intensive business processing and service sharing across products, channels, and regions and create a “cloud production” model of centralized operation, the Bank clarified the initiation mechanism on the “cloud production” model, the teller management mechanism, the business acquisition mechanism and monitoring and data analysis models. Secondly, it formulated plans on the construction of video business halls and explored technical proposals and plans on connecting the “air bank” with the UCR. Thirdly, it established the fundamental framework structure of remote disaster recovery centers for centralized operation, completed certain functions of remote disaster recovery centers for centralized operation and increased the levels and business handling logics of disaster recovery centers. Fourthly, it completed the upgrading of the monitoring platform. The monitoring data is synchronized and transferred to the unified data platform simultaneously in the form of real-time data, improving the efficiency of synchronization and enhancing the stability of functions. In addition, it optimized the display of monitoring, upgraded from the traditional UI to BI analysis tools in combination with animation engines. Users can monitor the business of the Bank more visually to deploy staff and positions in real time and further improve customer satisfaction.

(I) Counter businesses

- In 2021, the Bank made a total of 454 proposals on the optimization of systems and put 282 systems into operation, involving 1,173 business handling steps.



Establishing processes of “fast account opening of corporate banking settlement accounts”.

Based on the demands of small and micro customers in opening basic deposit accounts and general deposit accounts and to further improve the efficiency in opening corporate accounts, the Bank put the processes of “fast account opening of corporate banking settlement accounts” into operation in July 2021. Through process optimization and technological improvement, it adjusted the original model with preview by outlets, submission by customers at the counter and waiting for review by the Head Office into direct preview by the Head Office and one-off returning of preview results and issues, reducing the time for the operation of information input at the counter and the waiting time of customers. After the new processes of fast account opening are put into operation, the median time for opening basic deposit accounts and general deposit accounts was shortened to 39 minutes, reducing 11 minutes as compared with the original account opening processes and significantly improving the efficiency of account opening for customers.



Promoting streamlined accounting opening services on bank accounts.

The Bank formulated the Business Guidance of China Bohai Bank on Streamlined Accounting Opening Services on Bank Accounts of Small and Micro Enterprises (Trial) and promoted streamlined accounting opening services on bank accounts of small and micro enterprises in an orderly manner. It required business organizations at all levels to follow the principles of risk-oriented, hierarchical management and voluntary selection, streamline the procedures on identification verification and open streamlined accounts in line with the identification verification and account risks and meeting the demands of small and micro enterprises after understanding the operation conditions, uses of account and capital payment demands of small and micro enterprises under the precondition that customers meet requirements on risk rating and reach agreements on the function of accounts. Subsequently, it may upgrade the functions of such accounts after completing the regular verification of identification based on customer demands.



Introducing the function of “online business hall—identification of customer identity”.

Through the introduction of third-party commercial database, it achieved automatic penetrating into equity and the calculation of all beneficiaries and major controlling shareholders in the identification of customer identity, providing technology and data supports to more rapidly and accurately conduct the identification of customer identity and providing an effective path for solving difficulties in identifying the identity of non-natural person customers.



Reshaping remittance processes.

On the one hand, it reduces the contents for input at the acceptance position in branches and shortens the processes of central business in centralized operation. On the other hand, it increases the bulk initiation function on corporate remittance and internal remittance, effectively shortening the processes of business handling and achieving improvement in the process efficiency and the experience of internal and external customers.



Continuously advancing the upgrading and iteration of functions of systems.

It completed the addition of the authority of level-05 tellers in category 01 and trading through PAD equipment, identification of customer identity through online business hall, provision and allocation of interest on internal accounts, automatic provision of interest and interest settlement, manual interest settlement and other functions. It added purchase with certificates, issuing of certificates on corporate deposits and credit of companies and other functions on the corporate banking client end. It optimized the functions of the serial number collection and inquiry systems for local and foreign currencies and integrated the nature codes of certain foreign exchange accounts, further optimizing the operation of frontline employees and improve the efficiency and automation in business handling.

(II) Inclusive finance business

- The Bank attaches great importance to the optimization of inclusive finance business processes and conducts comprehensive review and optimization of product processes. Focusing on two mortgage products, namely “Bohai Bank Housing Flash Loans (渤銀房閃貸)” and “Mortgage Quick Loans (房抵快貸)”, the Bank conducts optimization and upgrading on streamlining business processes, optimizing risk control strategies, reducing input items of customer managers, optimizing the list of materials, adding the function on online appraisal report on collateral, the white-list of premises and the five-year repayment of net interest, comprehensively improving the business efficiency.

(III) Agent for insurance business

- To further standardize business development, the Bank revised the Administrative Measures for Agent for Insurance Business in Retail Banking of China Bohai Bank (Revised in 2021) and the Sale Procedures for Agent for Insurance of China Bohai Bank (Revised in 2021). It continuously diversified online channels for agent for insurance business and introduced the UCR transaction channel in October to meet the demands of lobby customers for handling businesses. Based on the requirements of the Circular of China Banking and Insurance Regulatory Commission on Standardizing Traceable Management of Internet-based Insurance Sales, the Bank introduced the traceability function on the agent for insurance business under the mobile banking channel and set up comprehensive, systematic and standard traceability procedures to fully guarantee the right to know, independent choice and fair trading of consumers.

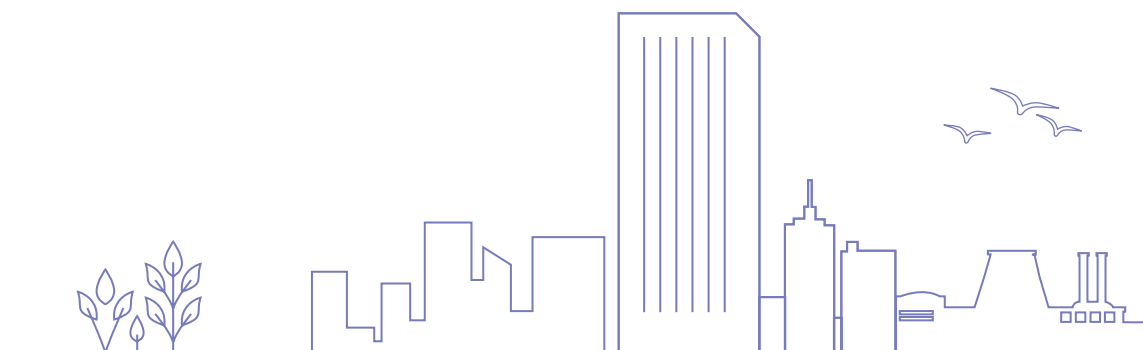
(IV) Credit card services

- The Bank completes the revision of base texts for credit cards, the replacement of old application forms with new ones and the updating of the price list. The Bank continues to optimize and upgrade credit cards and installment products and optimizes and adjusts the rules on prepayment for credit card installments. It optimizes the existing rules on the billing date and adds the 10th day of each month as the billing date; and conducts unified adjustments to the upper limit of installment products.



Improving Services to Fight against the COVID-19 Pandemic

- The Bank actively implements the Circular on Continuously Preventing and Controlling the COVID-19 Pandemic issued by the CBIRC to guarantee fundamental financial services in areas hit by the pandemic. The Bank requires business outlets consolidating the defense on the prevention and control of the pandemic and properly provides financial services under various special circumstances through clarifying responsibilities on prevention and control, refining prevention and control measures and strengthening prompts on the pandemic to practically guarantee the quality of financial services.
- In terms of repayment difficulties of certain small and micro corporate customers due to the impacts of the pandemic, the Bank immediately prepared and issued the list of inclusive customers with loans matured in the end of June 2021 and arranged customer managers of all business units to identify the demands of existing customers for extension delay interest payment and change of repayment plans. For customers with temporary difficulties in scheduled repayment of principal and interest of loans as a result of the pandemic, it provides the corresponding guarantees to inclusive financial services in time. Meanwhile, for wholesale and retail, accommodation and catering, logistics transportation, cultural tourism and other industries significantly affected by the pandemic, it strictly implements policies of “no withdrawal, cut-off or reduction of loans”.
- The Bank formulated the Special Response Plan on Business Continuity under Emergencies on the Prevention and Control of the COVID-19 Pandemic of the Business Operation Department and established “response groups on pandemic prevention of branches”. Based on particular matters on the pandemic reported by branches, the Bank vigorously organized the formulation of plans on undertaking businesses in all operation lines to ensure the continuity in the handling of operation businesses.



Cases

“Digital supply chain financial service platform” of Shijiazhuang Branch appraised by People’s Government of Shijiazhuang City

Shijiazhuang Branch of the Bank actively promotes “three transformations” in financial services. Leveraging on the WeChat official account, the video channel, the corporate WeChat and other third-party carriers, the branch innovatively established the online live streaming platform named “Xiao Bo Benefiting Life”.

The branch establishes an agile live streaming team with young staff acting as hosts and initiates live streaming with the theme of “Xiao Bo Benefiting Life with Gifts” on Thursday evening each week. It deeply introduces the functions of financial products and extensively publicizes financial knowledge during the live streaming, improving the quality and efficiency of financial services and attracting the participation of online fans. It records 5,000 online views during each live streaming and approximately 700 customers have joined the corporate WeChat group.

Cases

Xi’an Branch opens “green channels” for fighting against the pandemic

Under the normalized prevention and control of the pandemic in 2021, Xi’an Branch of the Bank actively responded to policies of regulatory authorities and the Head Office and stepped up financial support to enterprises engaged in the prevention and control of the pandemic, regional featured production enterprises and relevant enterprises on national economy and people’s livelihood. For municipal public utilities, logistics, pharmaceutical and agriculture-related industries and enterprises with green credits, the branch set up special supporting policies on review and approval and offered comprehensive supports on the basis of controlling risks.

In 2021, the branch issued loans of RMB175 million to 11 enterprises in hospital operation, pharmaceutical development and production, medical devices wholesale and other industries.



Cases

Nanjing Branch contributes to pandemic prevention and control

In August 2021, the Delta variant raged in Nanjing. Nanjing Branch of the Bank immediately joined in the prevention and control of the pandemic. Firstly, it actively provided assistance to nucleic acid testing sites. After learning that volunteers are required in conducting national nucleic acid test in communities under joint development, Chengbei Sub-branch and Daguang Road Sub-branch immediately recruited volunteers. Volunteers from the branch actively participated in order maintenance, scanning for testing, login for registration and other support work in nucleic acid testing at designated nucleic acid testing sites. Secondly, it offered care to “defenders”. The branch, Chengbei Sub-branch and the business department provided food, materials for fighting against the pandemic and preventing heatstroke and exposure to the sun to local sub-districts and communities, assisting urban “defenders” in the hot summer. Thirdly, it provided uninterrupted security services. During the pandemic, all business outlets gave priority to customer demands and rapidly and effectively satisfied customer demands while preventing and controlling the pandemic.

Cases

Nanning Branch awarded “Contribution Award in Serving Guangxi and Preventing the Pandemic”

In May 2021, Nanning Branch of the Bank was awarded the “Contribution Award in Serving Guangxi and Preventing the Pandemic” in the social responsibility selection in the banking industry in Guangxi in 2020 organized by the Guangxi Banking Association. Only seven units were awarded the honor across Guangxi.

Since 2020, the branch has been deeply implementing various work requirements of the party committee, the government and regulatory authorities of Guangxi Autonomous Regions and the party committee of the Head Office and actively supporting the prevention and control of the pandemic, resumption of work and production and improvement of the quality and efficiency of financial services. It kept on returning to main businesses, deeply developed inclusive finance and implemented reduction of fees and interest concessions; continuously fulfilled responsibilities and continuously injected capital “drivers” and financial “energy” to the economic and social development in Guangxi; vigorously carried out the protection of consumer rights and interests, improved the service quality at outlets and actively conveyed the “warmth of China Bohai Bank”, which was fully recognized by local governments and banking associations.



Sincerely Treating Customer Complaints

- The Bank follows the principles of abiding by laws and regulations, understanding each other, providing convenient and efficient services, addressing both symptoms and root causes and resolving through diversified manners in accepting and handling complaints. It always adheres to creating the best user experience with the consumer perspective and the concept of whole process accompanying, attaches great importance to the root cause of complaints, continuously optimizes and improves products and services, actively builds just and fair financial consumption environment.
- The Bank has published complaints telephone number, mailing address and other information in the striking positions of official website, mobile client and other electronic channels and places of business and published email address, website and other information of the Bank to receive complaints through the Internet complaint channels. The complaint channels are smooth, effective, convenient, effectively protecting the legal rights and interests of consumers.
- In 2021, the Bank further improved the complaint management system, optimized complaint handling processes, standardized work procedures and strengthened statistical analysis on complaints, normalized monitoring and management of third-party partner institutions. The Bank accepted 6,907 consumer complaints, with a 100% complaint settlement rate and 85.73% satisfaction rate of customer return visit. Main complaint categories: credit card complaints accounted for 38.94%, loan complaints accounted for 21.87%, proprietary wealth management complaints accounted for 6.14%. Main complaint areas: Guangdong (5.95%), Tianjin (6.76%), Shanghai (4.4%), Beijing (4.29%) and Shaanxi (3.11%).



Comprehensively Safeguard Rights and Interests of Customers

Expectations and Requirements of Customers

- Transaction and fund security.
- Transaction information and personal information security.
- Enjoying the right to know and the right to choose products and services.

Response of China Bohai Bank

- Strengthening the organizational building of consumer rights protection.
- Enhancing institutional improvement of consumer rights protection and strictly implementing the system.
- Strictly guarding against telecommunication and Internet frauds, preventing counterfeit money, and preventing and cracking down on illegal fund-raising.
- Comprehensive use of technical and civil defense means to strengthen customer information protection capacity.
- Strengthening the education and training of all employees, especially the front-line and operating personnel of outlets, to ensure that employees could understand and master the policies, rules and requirements for compliant operation, protection of customer transaction and information security and consumer rights and continuously improve their service awareness and capability.
- Strictly implementing laws, regulations and industry standards to effectively protect consumers' right to know, right to choose and other legitimate rights and interests.

Actual working methods and results

- The Board of Directors of China Bohai Bank undertakes ultimate responsibility to consumer rights protection, and the Audit and Consumer Rights Protection Committee under the Board of Directors assists the Board of Directors in performing relevant responsibilities.
- The Head Office has set up the Consumer Rights Protection Working Committee with the bank leader in charge as the chairman and composed of heads of relevant departments of the Head Office; the Head Office has set up the office of the Consumer Rights Protection Working Committee and each tier-one branch has established a consumer rights protection working committee responsible for planning, deploying, guiding and supervising the consumer rights protection work of the institution at the their levels.
- Establishing a reporting system for consumer rights protection. According to relevant provisions of the Administrative Measures on the Protection of Consumer Rights and Interests of China Bohai Bank, the branches submit the consumer rights protection work report to the consumer

rights protection department of the Head Office on July 10 and January 20 of the next year, as well as submit the brief report on consumer rights protection and the report on financial knowledge popularization every month on an irregular basis.

- Establishing and improving various internal control systems. In 2021, the Bank has formulated a total of 14 internal control systems on consumer rights protection, revised nine systems and further established and improved the working mechanism on consumer rights protection.
- The Head Office has 11 full-time employees for consumer rights protection in 2021.
- Implementing “private service systems”, such as “Silence Service Card” for customers with large deposits and withdrawals, service for large withdrawals in private areas of Bohai Infinite and security guards for the whole process.
- Adhering to zero tolerance of case risk, and effectively blocking telecommunication and Internet frauds, abnormal account opening and abnormal Internet banking business.
- Publishing the List of Financial Service Prices at outlets.
- Transparent fee rates that are easy to retrieve.
- Establishing and opening a variety of complaint and reporting channels.
- Carrying out 618 special trainings on consumer rights protection through online and offline models with a total of 111,000 participants, including over 20,000 participants in offline trainings and over 90,000 participants in online trainings at the Head Office and branches, covering the middle and senior management of the Head Office and branches, the departments of the Head Office and branches related to consumer rights protection and the management personnel on consumer rights protection, front-line and grass-roots business personnel and new employees.

(I) Strengthening the construction of review mechanism on consumer rights protection

- The Bank continuously strengthens the construction of the prior review mechanism on financial consumer rights. It formulated and issued the Administrative Measures for Review on Consumer Rights Protection of China Bohai Bank, the Notice on Further Conducting Review on Consumer Rights Protection and the Notice on Further Standardizing Review on Consumer Rights Protection, specified basic principles to be followed in consumer rights protection, the division of responsibilities of all departments, the scope, procedures and key points of review and ensured the coverage of the development and design of products and services, risk grading, risk positioning of consumers, pricing management, formulation of agreements and other key processes in key points of review. Meanwhile, the Bank formulated the Refined Table of Key Points of Review

on Consumer Rights Protection. Based on various notices, reports, announcements and actual review cases released by regulatory authorities, the Bank divided, refined and classified key points of review on consumer rights protection and proposed opinions on standardizing review, further improved the standardization of key points of review and review opinions and enhanced guidance on routine review on consumer rights protection in the Head Office and all branches.

- The Bank incorporated review on consumer rights protection into its risk management and internal control systems. Firstly, it included functional departments on consumer rights protection into the list of working units of the Product Innovation Committee in the Terms of Reference of the Product Innovation Committee of China Bohai Bank (Trial), requiring them to participate in risk management on product innovation and safeguard the legitimate rights of consumers. Secondly, it clarified the division of responsibilities of all departments in the Administrative Measures for Review on Consumer Rights Protection of China Bohai Bank. All business departments are responsible for whole-process management and control of products and services of their lines and updating relevant business processes, operational standards and code of conduct on employees in time based on regulatory requirements, business development and market changes. They shall strengthen management on business and operating activities and undertake the primary responsibility on the legality and compliance of products and services in consumer rights protection. Thirdly, all business departments fully consulted the opinions of functional departments on consumer rights protection before the introduction of products and services, actively submitted complete review on consumer rights protection in a timely manner and set the implementation of review opinions on consumer rights protection as an essential condition for product approval. Fourthly, it intensified inspections and accountability on the implementation of review on consumer rights protection and incorporated the implementation of review into the scope of internal control and audit inspections. It also included the review on consumer rights protection into the point management on violation of regulations by employees to increasingly enhance the awareness of submission and review staff on risks, compliance and responsibility. Fifthly, it strengthened appraisal and evaluation on the implementation of review on consumer rights protection and incorporated the reporting, review, the handling of review opinions, management of review archives and other work of business departments and all branches into the appraisal on consumer rights protection.

(II) Further standardizing the disclosure of product and service information

- To further standardize the disclosure of product and service information and guarantee the legitimate rights and interests of consumers, the Bank formulated the Administrative Measures for the Disclosure of Financial Products and Services Information of China Bohai Bank (Trial), specifying the division of duties on information disclosure of all departments, the contents of information disclosure and the management and investigation of responsibilities on information disclosure. The Bank discloses product and service information in a timely, truthful, accurate and comprehensive manner to financial consumers in strict compliance with regulatory requirements in routine work and adopts manners conducive for consumers' receiving and understanding in

information disclosure. It provides definitions of technical terms on loan products in all contracts on retail credit loans and notably marks on contents requiring consumers' attention (such as the use of bold and black fonts). It offers notable prompts on contents about interest rates, fees, incomes, risks and other key information in marketing and publicity and provides contact information on consultation (complaint) to ensure that consumers can receive complete information.

(III) Attaching great importance to the protection of consumers' financial information

- The Bank always follows the principles of legality, reasonableness, necessity and authorized approval and collects personal financial information based on the requirements of laws and regulations as well as business needs. It never collects information not related to business or adopts improper methods in collecting information. It never collects personal financial information through illegal, secret or indirect methods without the knowledge or participation of customers. The Bank uses consumers' financial information in strict compliance with the provisions of laws and regulations as well as the uses, scopes and manners agreed by both parties.

Cases

The Bank reduces cross-bank withdrawal fees on debit cards through self-service equipment

The Bank actively responded to the Proposal on Reduction of ATM Cross-bank Cash Withdrawal Fees jointly released by the Payment & Clearing Association of China and China Banking Association. It reduced local and remote cross-bank withdrawal fees on debit cards (through self-service equipment) to RMB3.5 each time from July 20, 2021, providing card holders with more preferential financial services.



Cases

Suzhou Branch actively participates in preventing telecom frauds with big data under “police-banking cooperation”

In 2020, based on relevant requirements of the joint office on cracking down and treating new types of criminal and illegal activities through telecommunications and the Internet in Suzhou City, Suzhou Central Sub-branch of the PBOC, the Anti-Fraud Center of the Suzhou Municipal Public Security Bureau, various banks, telecommunications operators and other relevant departments established a laboratory on the analysis of security data from various parties (hereinafter referred as the “Laboratory”) with the purpose to establish a long-term mechanism through the application of big data and the coordination of various parties and provide data and capability supports to the prevention and treatment of telecom frauds.

In 2021, Suzhou Branch of the Bank actively cooperated in the big data analysis and reporting of the Laboratory, independently developed the encrypted reporting system on phase-I additional accounts and phase-II existing accounts. Meanwhile, it achieved the decryption function on encrypted data from the PBOC and the publicity security bureau. Through the efforts in nearly half a year, it identified two accounts on the blacklist and over 70 accounts with medium and high risks. The Laboratory identified potential victims based on capital flows and successfully prevented various telecom frauds. The governance has been widely recognized in the society.

- The Bank formulated and issued the Administrative Measures for the Protection of Personal Financial Information of Customers of China Bohai Bank, putting forward requirements on the collection, storage, use, entrusted processing, sharing, transfer, public disclosure and cross-border transmission of personal financial information, the formulation and releasing of privacy policies, supervision and inspection, the handling of security accidents and other management contents on the protection of personal financial information. It formulated the Privacy Policy on Users of Personal Mobile Banking APP of China Bohai Bank and the Privacy Policy of China Bohai Bank Co., Ltd., further optimizing the policy on the collection, use, storage, sharing and protection of customer information. It formulated and issued the Response Plan on Emergencies in the Protection of Personal Information of Customers of China Bohai Bank, specifying standards on the grading of emergencies in the protection of personal information of customers, the organizational system and division of responsibilities of institutions at all levels as well as procedures of the reporting and handling of emergencies.





Serving the Elderly with Love

- To practically assist the elderly in crossing the “digital divide” and provide multi-channel, multi-dimensional and multi-functional convenient services for the elderly to integrate into the intelligent life, the Bank formulated 38 solutions on retaining traditional services, streamlining business processes, upgrading intelligent systems and popularizing technological applications. It strived to make such measures accurate, operable and evaluable and further clarified target results, time schedule and division of responsibilities. As of the end of 2021, all measured have achieved preliminary results. Focusing on high-frequent matters and service scenarios with the application of intelligent technology by the elderly, such measures allowed the elderly to better enjoy intelligent services.
- Branches of the Bank enter communities and elderly activity centers and actively carry out activities under “intelligent mobile classes”, guiding elderly customers to use mobile banking, WeChat banking (official account), WeChat, Taobao, navigation map, Tik Tok, 12306 ticket buying and other common mobile APPs and allowing the elderly to better adapt to and integrate into the intelligent society. As of the end of December 2021, the Bank conducted over 200 activities under “intelligent mobile classes” in total. In addition, the Bank also regularly organized experience learning, trial application, experience exchange, mutual assistance and other themes activities at outlets to assist the elderly in understanding new things, experiencing new technology and integrating into the intelligent society and enrich their community life. As of the end of 2021, all business outlets carried out over 8,000 activities in total with over 100,000 participants.
- The 95541 customer service center of the Bank rapidly implemented the working requirements of the Implementation Plan on Practically Solving the Difficulties of the Elderly in Using Intelligent Technology issued by the General Office of State Council and officially launched the featured service of the 95541 “special line for the elderly” on February 26, 2021. Leveraging on the big data-based intelligent identification technology, it automatically identifies the identification of customers. When registered customers aged 60 and above calls the 95541 hotline, they can skip the voice menu and keys operation of the customer service hotline and connect personal services directly through “one-click operation” and enjoy high-quality online services. On such basis, the customer service center further improved the service functions of the special line for the elderly, carefully selected professional service staff with strong awareness on respecting the elderly and established a skilled team on serving the elderly to patiently listen to them, offer professional interpretations and considerate services and provide remote warmth and care.

Cases

The Bank issues “Bo Tai Card”, a debit card themed respecting the elderly


To further meet the financial demands of elderly customers, the Bank officially issued “Bo Tai Card”, a debit card themed respecting the elderly, for customers aged 50 and above on October 14, 2021, the Chung Yeung Festival. A leaflet with detailed introduction of the functions, preferential policies and common knowledge on card security was offered when issuing cards. It also equipped cardholders and folding accounting books based on the bookkeeping habit of the elderly and the card has been popular among elderly customers.

The card also provides various preferential services, such as free of suspension service charges, free of cost on reissuance of cards and free of annual charges on text messages. To provide more card security guarantees to elderly customers, the Bank adds online payment security locks on the basis of the transaction security locks on the original six cards and also supports the setup of functions of all security locks through calling the customer service hotline.

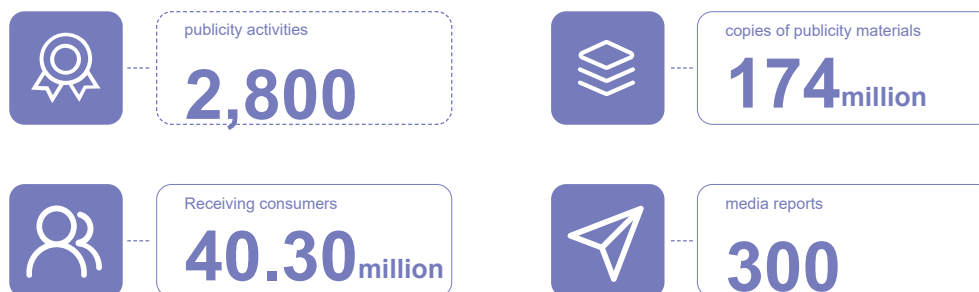
Cases

Jinan Branch and Jinan Radio & Television Station reach cooperation agreement on serving the elderly

On June 10, 2021, Jinan Branch of the Bank and Jinan Radio & Television Station held the signing ceremony on strategic cooperation. The branch and Jinan Radio & Television Station reached cooperation plans on “Show of Dreams of the Middle-aged and the Elderly”, “Elderly University”, “Blooming Health APP” and “Blooming Farm”. Both parties will display their advantages and jointly serve the “grey-haired group” in the region, provide exchange platforms for their entertainment and offer service guarantees to their life to benefit the elderly and fulfill social responsibilities.



Extensively Popularizing Financial Knowledge



- In early 2021, the Bank formulated and issued the 2021 Work Plan of China Bohai Bank on Popularization of Financial Knowledge and Consumer Education and further specified the job requirements on the commonweal, innovation and effectiveness of the publicity and education of financial knowledge. It carried out overall planning on the popularization of financial knowledge and financial consumer education in terms of the targets, contents, subjects, methods and time for publicity and education and established normalized education and publicity mechanisms.
- The Bank actively participated in various concentrated financial consumer education activities organized by the PBOC and the CBIRC and practically fulfilled the subject responsibilities on the popularization of financial knowledge in the banking industry and financial consumer education to increasingly enhance the financial awareness and quality of financial consumers. In 2021, the Bank organized the “March 15 Financial Consumers’ Interests Day”, “Popularizing Financial Knowledge and Holding the ‘Money Bag””, “Financial Knowledge Popularization for Miles”, “Month of Financial Knowledge Popularization, Financial Knowledge Popularization to Every Family, Be a Rational Investor and a Good Financial Netizen” and other activities and achieved outstanding publicity results.
- Based on its own characteristics and advantages, the Bank actively carries out routine publicity and education activities. Firstly, it makes full use of the official WeChat platforms of the Head Office and branches to popularize financial knowledge. In 2021, it opened the “special column for the protection of consumer rights and interests” in the official WeChat account and divided it into four segments, namely dynamics on the protection of consumer rights and interests, knowledge popularization, Xiaohai class and video section, to regularly publish information on publicity and education. It continuously conducted normalized publicity of financial knowledge through the “daily sign-in on the protection of consumer rights and interests” under the “one sentence for financial publicity and education each day” published through the official WeChat account. It released 81 pieces of publicity and education information through the official WeChat during the year with a monthly average of 6.8 pieces and a total of 170,000 views. Secondly, it adhered to putting outlets as the center and set up “Xiaohai class on the protection of consumer rights and interests” in the public education

area of outlets. It designed exclusive logos and displayed the QR codes of Chengfang 32 of the PBOC, the official WeChat of the CBIRC and the special area for the protection of consumer rights and interests in China Bohai Bank, opening the portal for customers at outlets to learn about knowledge on the protection of consumer rights and interests online. It actively cooperated with surrounding publicity and education channels and organized publicity and education activities in sub-districts, communities, elderly universities, schools, business communities, enterprises and construction sites. The Bank jointly carried out over 2,000 activities on financial knowledge popularization and consumer education activities throughout the year with a total of over 60,000 participants in the society. Thirdly, it vigorously innovated the forms of publicity and education and enriched publicity and education materials. With “Xiaohai” as the themed image and in combination of cases on the protection of consumer rights and interests, the Bank designed and prepared themed cartoons, such as “Xiaohai class on the protection of consumer rights and interests begins”, “Hold on and do not fly!”, “Telecom fraud on ‘scanning QR codes for gifts, click farming and part-time jobs’” and other works. It prepared and released 17 issues in 2021 and has released 20 issues in total. It also designed and formulated the Manual on Elderly Services of China Bohai Bank and shot themed videos on the publicity and education of the protection of consumer rights and interests.

Cases

Short videos on financial knowledge popularization of the Bank awarded prizes

Short videos on financial knowledge popularization themed “Keeping alert on investment traps and being intelligent ‘elderly’”, “Revealing fraud on false job hunting and holding the money bag” and “Deposit insurance safeguards deposit security” shot by the Bank were awarded the first, second and third prizes at the evaluation of outstanding short videos themed “Popularizing Financial Knowledge and Creating a Beautiful Life Together” jointly organized by Tianjin Branch of the PBOC and Tianjin Internet Finance Association.

“We are in action for cutting off bank card supply for fraud”, an original video shot by Taiyuan Branch of the Bank, was awarded the second place in the exhibition of short videos on financial security education in Shanxi Province on March 15 jointly held by the CBIRC Shanxi Office, Taiyuan Central Sub-branch of the PBOC, the Department of Public Security of Shanxi Province and the Administration for Market Regulation of Shanxi Province.

“Answers”, a themed short film on respecting the elderly shot by the Bank, was selected for exhibition at the “2021 ‘Jinsheng Yueyun’ – Financial Knowledge Popularization in Financial Community in Guangdong Province and Cloud Live Streaming of Public Arts and Publicity” jointly held by the Office of Cyberspace Affairs of the Guangdong Provincial Party Committee, Guangzhou Branch of the People’s Bank of China, the CBIRC Guangdong Office and the CSRC Guangdong Office.

Strengthening the Compliance Concept and Adhering to the People-oriented Principle

The Bank is based on the compliance, continuously improving the joint force of risk management and control, taking a series of effective measures to strengthen the compliance concept of all employees, reinforcing risk control to ensure business safety. The Bank adheres to the people-oriented principle and regards promoting employee development as one of its important missions and achievements. Our Bank makes constant effort to perfect the market-oriented compensation system, optimize the incentive and restraint mechanism, promote the construction of the market-oriented personnel selection and employment mechanism, further enhance staff training and create a broad career development platform. Our Bank respects the value of employees, effectively protects the rights and interests of employees, and works together with employees for a better life.







Improving the Joint Force of Risk Management and Control

(I) Risk management

- In 2021, the Bank actively practiced the risk culture featuring “comprehensive, proactive, agile and to-the-point”, sped up in establishment of the comprehensive risk management system, conducted technology empowerment in all dimensions and developed the digital risk control model to improve the digital management of various risks. It strengthened the governance of operational risk from the source, reflected problems from the root causes and deepened the governance of operational risk from the source through learning lessons from cases. It enhanced internal control and compliance management and established the risk control system with the coordination of three lines of defense to improve the joint force of risk management and control. It carried out “reviews on systems and processes” and improved the top design and systems on comprehensive risk management.
- The Bank continuously enhances the management of various risks. It strengthens credit risk management, establishes and improves the unified credit and large exposure management system and the risk management information system, intensifies concentration risk management and control to ensure concentration risk indicators controlled with the target range of credit risk preference; actively implements national macro credit policies, keeps on serving real economies, improves the risk operation capability, steps up supports to inclusive small and micro enterprises, private enterprises, the field of green credit and advanced manufacturing industries and supports business transformation, innovation and development; enhances the management of asset quality, adopts various means to speed up the disposal of existing non-performing assets, makes provisions for impairment losses of assets in time with sufficient amount and boost the risk mitigation capability to ensure the healthy and stable quality of assets. The Bank consolidates market risk management, continuously optimizes the trading book limit management and implements active interest rate risk management to improve the accuracy and precision of market risk management; improves the interest risk management system on banking books and enhances refined and active management capabilities. It intensifies the establishment of the liquidity risk management system, improves means on liquidity risk management and refines various liquidity risk management tools to enhance the risk-resistance capacity. The Bank consolidates and perfects the foundation for operational risk and compliance risk management, improves the quality and efficiency of operational risk management and actively responds to and disposes major unexpected risk events. It continuously improves the country risk management system, strengthens monitoring, analysis and limit management of country risk and enhances the country risk management capability. The Bank improves the reputational risk management system, actively carries out news publicity and active prevention and makes proper response to increasingly improve opinion management; and

vigorously participates in selection and appraisal of awards by media to continuously improve the brand reputation. It steadily promotes strategic risk management, plans the strategic development under the Fourth “Five-Year Plan” of the Bank in a scientific manner, specifies the orientation and target tasks for the transformation and development in the following five years and strengthens the publicity of strategies to comprehensively advance the implementation of plans. Based on capital constraints, it coordinates the operation plans across the Bank, improves the policy-oriented capital allocation and appraisal mechanism; conducts medium and long-term capital planning and improves the market-based sustainable capital replenishment mechanism; perfects the framework of the capital management system, continuously promotes internal audit and rectification, organizes the preliminary preparation for the implementation of “new regulations on the capital indicators” and facilitates the approval of systems and projects. It establishes and improves the information technology management system, conducts risk appraisal, response and monitoring in an orderly manner and attaches importance to improving the effectiveness of the information technology risk management.

- Meanwhile, the Bank strictly adheres to the concept of legal compliance operation and further enhances the perspectiveness and effectiveness of comprehensive risk management and escort for the transformation and high-quality development of businesses.

(II) Internal control and compliance

The Bank has established a “four-in-one” internal control organization system consisting of process execution, functional management, second-line supervision and internal audit. The Bank adheres to the principle of “comprehensive, whole-process, and whole-workforce” in internal control management, compliance support, operational risk prevention, case prevention and control, anti-money laundering management, business continuity management, auditing and inspection and other aspects, to promote compliant and orderly management and steady development of all operations.

- The Bank actively promotes the construction of the “digital Big Compliance” system and continuously optimizes the internal control and compliance environment, improves the internal control and compliance evaluation mechanism, boosts efforts in rectification and accountability and intensifies trainings and education, significantly improving the compliance awareness across the Bank and steadily enhancing the capability on internal control and compliant governance.
- Based on the requirements under the Circular of China Banking and Insurance Regulatory Commission on Carrying out Activities under the “Year of Internal Control and Compliance Management” in the Banking and Insurance Industries, the Bank, following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strengthened its political positioning, fulfilled social responsibilities, coordinated deployment, earnestly conducted self-examination and continuous rectification, seriously investigated responsibilities, consolidating subject responsibilities and continuously promoting activities under the “Year of

Internal Control and Compliance Management”. It continuously improves the long-term mechanism of internal control and compliance from the root systems such as institution, process and system, practically reduces repeated illegal and non-compliance activities and increasingly enhances the capability on serving real economies.

- The Bank earnestly fulfilled its anti-money laundering obligations and practices the “risk-oriented” principle to improve the concept of money laundering risk management across the Bank and form an anti-money laundering work pattern in which business lines and compliance lines cooperated with each other. The Bank improved the establishment of the anti-money laundering system, and issued the Administrative Measures for Self-Assessment of Money Laundering and Terrorist Financing Risks of China Bohai Bank (Trial) (《渤海銀行洗錢和恐怖融資風險自評估管理辦法(試行)》) and the Administrative Measures for Anti-Money Laundering and Counter Terrorism Financing of Cross-border Business of China Bohai Bank (Trial) (《渤海銀行跨境業務反洗錢和反恐怖融資管理辦法(試行)》) and other systems to consolidate the foundation for anti-money laundering work. The Bank adhered to the evaluation principles of comprehensiveness, objectivity, matching and flexibility, and launched a new round of money laundering risk self-assessment. The Bank organized multi-level and multichannel anti-money laundering training and strived to integrate the concept of anti-money laundering into all departments, institutions and relevant positions of the Bank. The Bank carried out publicity activities such as anti-money laundering and prevention of illegal fund-raising, and formed a characteristic publicity model and work pattern of point to area and area to whole, built a firewall against external risks, and fulfilled its obligations to maintain financial and social stability. The Bank orderly promoted the intelligent construction of anti-money laundering work to build an intelligent, open, shared and integrated anti-money laundering ecosystem.



Building Broad Career Platforms

- “Building broad career platforms for employees” is one of the corporate missions determined under the Fourth “Five-Year Plan” of China Bohai Bank. During the fight for high-quality transformation and development, we improved the incentive and restraint mechanism and strived to expand staff development paths; incorporated the construction of training systems into “seven new infrastructure construction” to promote the continuous growth and progress of employees and actively cultivate the high-quality and compound talent team.

(I) Expanding staff development paths through three major measures

■ To implement the Fourth “Five-Year Plan”, establish and improve a sound and effective incentive and restraint mechanism and expand staff development paths, the Bank issued the Trial Measures for Management of Positions and Grades of Employees of China Bohai Bank, formulated a clearer and more specific position sequence system, and expanded the development channels of employees.

■ The Bank promoted competition for positions among grass-roots management, built exchanges platforms for talents of the industry, provided equal opportunities and established stages for employees with the intention, thinking, skills and experience in work to showcase themselves.

The Bank formulated a rotation exchange plan for grassroots cadres and employees at the Head Office and branches, which promoted the communication and training of grassroots cadres between them in an orderly manner, and completed the training and reserve of grassroots cadres and employees.

(II) “Six New” trainings promoting the improvement of employees’ capabilities

New progress in the establishment of training systems.

Based on the requirements on the establishment of training systems, the Bank established 144 work accounts, refined training responsibilities and sped up in promoting the close integration of trainings with talent management, professional promotion and qualifications for positions. It conducted accurate stratification on training targets and courses and enhanced the coordinated management of internal and external faculty and courses.

New results in digital transformation of training technologies.

The Bank strengthened the construction of training platforms by leveraging on artificial intelligence and big data technologies and actively promoted the applicator of short videos, course recommendation by supervisors, customized courses, course monitoring and other new functions. Meanwhile, it promoted labeling management on existing course resources and established classified labeling logos. It set up operational standards on the operation of platforms and built a pattern with the training center responsible for coordinating and all departments and branches independently managing trainings.

New development in trainings forms.

On the basis of traditional face-to-face lecturing by training experts, policy publicity, experience sharing, on-site teaching, forums and communications and other forms, the Bank introduced sandbox simulation and group exercises, restored tasks and challenges in key processes of typical scenarios and improved the learning experience of employees.

New improvement in capabilities on talent cultivation.

The Bank attached great importance to trainings and 17 senior management and middle cadres participated in lecturing in person on the establishment of political thinking, strategic planning, risk management, industrial trends and other sectors. Based on the development demands of various talents, 140 middle cadres participated in management seminars at the training center of Huawei. 160 new staff employed through social recruitment, 287 new staff employed through campus recruitment and approximately 90 employees of the newly opened Guiyang and Kunming Branches accepted trainings on 52 professional courses covering professional integrity, rules and systems, product knowledge and business processes.

New results in implementation of service strategies.

The training center of the Bank organized key training programs such as “Fourth Five-Year Strategic Planning”, “Big Data Academy”, “Blue Ocean Project” and “Product Manager Workshop”, and trained professionals in architecture planning, business modeling and data statistical analysis through cooperation with other departments and introduced industrial digitalization, short video marketing, AI scenario fusion, supply chain creation and other related courses. The project of “network capacity improvement” involved the recording and launching of 180 professional customized courses and 80 public courses for 1,500 retail marketing and management personnel of the Bank.

New driving forces for deepening frontline trainings.

The training center of the Bank actively carried out “bringing courses to grass-roots employees” and provided courses on ideals and concepts to Nanchang, Haikou and Qingdao Branches. It listened to opinions of grass-roots employees on trainings through various training classes to actively respond to and meet the development demands of employees.

Cases

The Bank holds offline training courses of Big Data Academy in 2021

On October 25, 2021, the Bank initiated the training courses of “Offline Study for Grade I of Big Data Academy in 2021”. The purposes are to establish and improve the talent cultivation system, innovate the cultivation model of professional talents and boost the cultivation of compound talents; and carry out internal reform to meet the demand for sustainable development of digital financial talents.

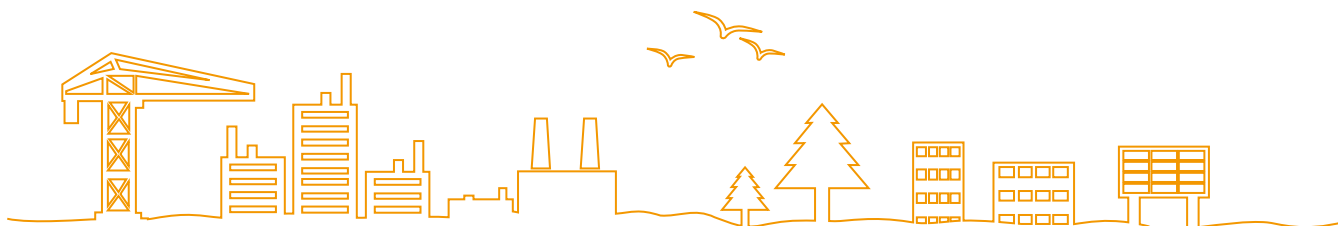
The Big Data Academy is an important measure for the implementation of the new infrastructure project of the Bank on education and training to build a data-driven organization and break bottlenecks in transformation. It is devoted to achieving the targets on the cultivation of digital financial talents and speeding up in digital transformation.

Cases

The Bank organizes labor and skill competitions themed “Contributing to the 14th Five-year Plan with Joint Efforts and Embarking on a New Journey of Innovation”

On October 25, 2021, the Bank initiated the training courses of “Offline Study for Grade I of Big Data Academy in 2021”. The purposes are to establish and improve the talent cultivation system, innovate the cultivation model of professional talents and boost the cultivation of compound talents; and carry out internal reform to meet the demand for sustainable development of digital financial talents.

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Respecting and Protecting Employee Rights and Interests

Legitimate rights and interests of employees

- The right to equal employment.
- The right to labor remuneration and security and welfare.
- The right to resolve labor disputes fairly and properly.
- The right to work-life balance.

Measures of China Bohai Bank

- Strict and fair recruitment system and working mechanism.
- In accordance with the relevant provisions of the Administrative Measures for Middle Managers and Below Employees' Compensation of China Bohai Bank, the Bank continuously carried out adjustments to the fixed salary for the entire Bank's employees.
- The Bank promoted the establishment of a collective contract system.
- The Bank continuously improved the union organization and working mechanism.
- The Bank implemented a system of employee representative congress. All policies, systems, work arrangements, etc. involving employees' rights and interests must be reviewed and approved by the employee representative conference. In 2021, the Bank convened three meetings of the employee representative congress, nine meetings of the labor union committee and four meetings of the labor union review committee; the Head Office convened three meetings of the employee representative congress, 13 meetings of the labor union committee and 11 meetings of the labor union review committee, reviewed and approved proposals including the Report on Performance of Employee Supervisors of China Bohai Bank in 2020, the Election of Employees' Representative Supervisors to the Fifth Session of the Board of Supervisors of China Bohai Bank, the Administrative Measures for the Annual Comprehensive Performance Assessment of Middle Managers of China Bohai Bank (Revised in 2021).
- In accordance with the requirements of the Interim Measures of China Bohai Bank for Administration of Employee Leave and the Notice on Adjustment to Marriage and Maternity Leaves of Employees of China Bohai Bank, the Bank implemented paid annual leaves, sick leaves, marriage leaves, maternity leaves and other rest and holidays of employees to protect the legitimate rights and interests of employees to rest and leave.

- The Bank safeguarded the rights and interests of female employees in accordance with the law and organized a series of distinctive activities to make the majority of female employees work and live happily. In 2021, the labor union of the Head Office purchased health insurance for 970 female employees from Tianjin Municipal Trade Union. Tianjin Hedong Sub-branch of the Bank was listed in the selection of national “May 1st Female Model Positions”.



The Bank carries out celebrations of 2021 International Working Women’s Day on “March 8”



The Bank carries out the activity of “Contributing to the 100th Anniversary of the Founding of the Party with a Never-fading Flower Banquet”

Cases

Business Department of Suzhou Branch of the Bank wins the title of “Women’s Civilization Position”

On March 25, 2021, the business department of Suzhou Branch of the Bank won the title of “Women’s Civilization Position in the Park” selected by Women’s Working Committee of Suzhou Industrial Park. It is the only banking financial institution among the selected units.

With female employees accounting for 52% of employees at the Branch, it always attaches importance to the protection of the rights and interests, training and development of female employees. At the beginning of its establishment, the Branch has established a labor union with the women’s working committee and female employee windows such as “Women’s Commando” and “Women’s Civilization Post” under it, so as to give full play to the positive role of female employees in the business development of enterprises.

The Branch conducts special activities to display the talents of female employees on March 8 Women’s Day each year. Based on the interest of female employees, the Branch has set up activity groups with high participation rates, such as yoga, cooking and flower arranging, to continuously enrich the spare life of female employees and improve the skills and living quality of female employees, receiving positive feedbacks from employees and their families.

The Branch earnestly implements policies on the protection of the rights and interests of women and children, strictly protects the rights and interests of female employees during pregnancy, childbirth and lactation, and relevant employees enjoy full vacations and related allowances. The Branch sets up supplementary medical insurance for all employees and their children, and adds special physical examination programs for female employees, effectively protecting the physical and mental health of female employees.

In addition, the Branch also actively participates in community care for women and children.





Caring for Happiness and Health of Employees

- The Bank regards continuously satisfying employees' aspiration for a better life as one of the important development goals of the enterprise. In 2021, we adhered to the "people-oriented" and "caring" concepts of China Bohai Bank and continuously facilitated employees in living a happy life.

(I) Assisting employees with difficulties

- The Bank actively implemented policies on assisting employees with difficulties, carried out the activity of "visiting employees to learn about their needs by labor union cadres", and visited employees with the title of Model Worker at all levels and the title of "Craftsmen of China Bohai Bank". Combined with the activity of "Celebrating the Centennial of the Founding of the Party and Sending Warmth", the labor union of the Head Office provided assistance and sympathies to employees with difficulties with a total amount of RMB15,000. During the flood in Zhengzhou, the labor union of the Head Office raised flood relief materials with a value of RMB90,000 for employees of Zhengzhou Branch.
- The labor union of the Head Office revised the Administrative Measures for the Sympathies and Assistance to Employees with Difficulties of Labor Unions of China Bohai Bank (Interim)". It optimized the expenditure structure of the labor union, increased the proportion of funds for serving the grassroots and sympathies to employees, and increased sympathies for bravery and voluntary blood donation. Meanwhile, the limit of average allowances for employees on traditional festivals was raised to RMB1,600 and the limit of allowances for hospitalization of employees was raised to RMB1,500 each time, practically solving difficulties and bringing warmth to employees and the public.

(II) Promoting inclusive services

- The Bank focused on the reform and innovation of labor unions and promoted inclusive services. In 2021, the labor union of the Head Office provided 1,332 employees with membership cards for exclusive guarantees and offered a mutual assistance and guarantee plan on critical illness and hospitalization and a mutual assistance and guarantee plan on accidental injuries for in-service employees for 2,154 employees.
- The labor union of the Bank continued to implement inclusive policies on investing funds and resources at the basic level. The labor union allocated funds of RMB5.32 million (RMB2,800 per capita) to support the grassroots organizations to carry out normalized, miniaturized and inclusive cultural and sports activities.





The Bank holds the employee performance activities of “Light of Data, Brightening the Party Flag” to celebrate the 100th anniversary of the founding of the Party



The Bank wins the Enterprise and Institution Group Champion in Go Competition in “Sports Lottery Cup”, Tianjin’s First Community Games and the Eighth Citizens Games

Cases

The Bank launches public sports activity of “Let’s Do Work-break Exercises” through DingTalk

In December 2021, the Bank launched the video course of “Work-break (Workplace) Exercises of China Bohai Bank” through the DingTalk mobile client, advocating the combination of work and rest for all employees, strengthening daily physical exercise and devoting to work and life with a good physical and mental state.

Work-break (Workplace) exercises include three different sections of demonstration courses, namely, “eye exercises, shoulder and neck exercises and waist and back exercises”. Each section is only three to four minutes and employees can exercise throughout the whole process without leaving the workplace. They can also choose a certain type or section of health exercises based on their own needs and the length of their spare time.

The activity of “Let’s Do Work-break Exercises” is regularly pushed to all employees of the Bank each working day through “Smart Work Assistant” on the DingTalk mobile client, reminding employees to exercise on the workplace during work breaks to relieve fatigue. The video link of the demonstration course on work-break exercises is valid for a long time and employees can click to learn and exercise at any time and place (such as at home).

The video course of work-break exercises was warmly welcomed with active participation of all employees of the Bank.

Cases

Labor union of the Head Office of the Bank actively carries out mental health service activities for employees

In 2021, the labor union of the Bank implemented a project on care about the physical and mental health of employees to promote the construction of a professional and diversified mental health service system for employees with the focus on frontline employees.

From August to September, the labor union of the Head Office specially invited a professional psychological counseling agency recommended by Tianjin Municipal Trade Union to customize an online mental health service plan for the employees of the 95541 customer service center and the credit card customer service center, and appointed four well-known psychological consultants to carry out the first online one-to-one psychological consultation service for 47 employees. Through the patient and cordial listening and guidance of psychological consultants, employees generally felt more cheerful and their psychological pressure has been fully released.

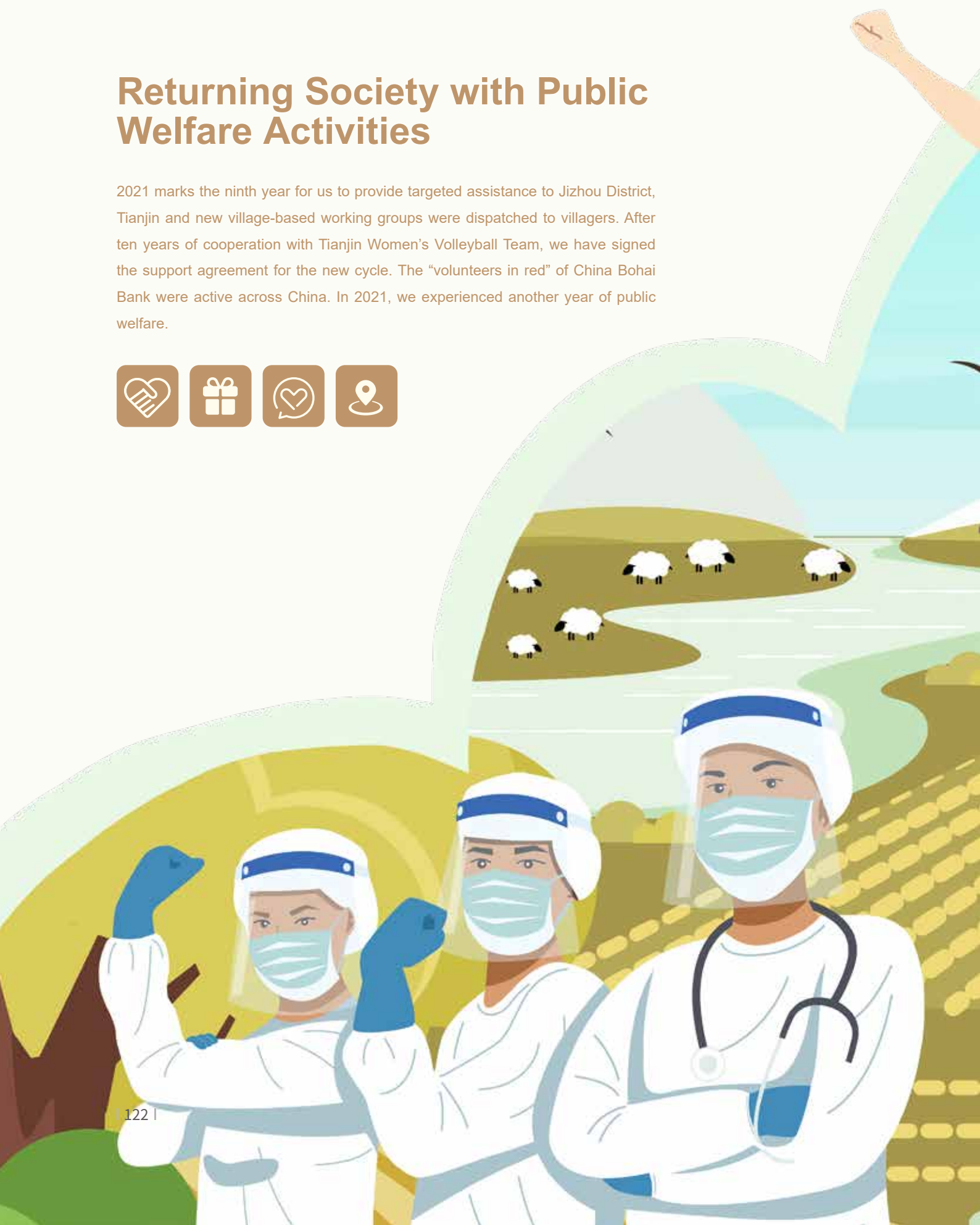
Cases

Labor union of Beijing Branch participates in “Mutual Assistance and Guarantee for Employees in Beijing” for employees

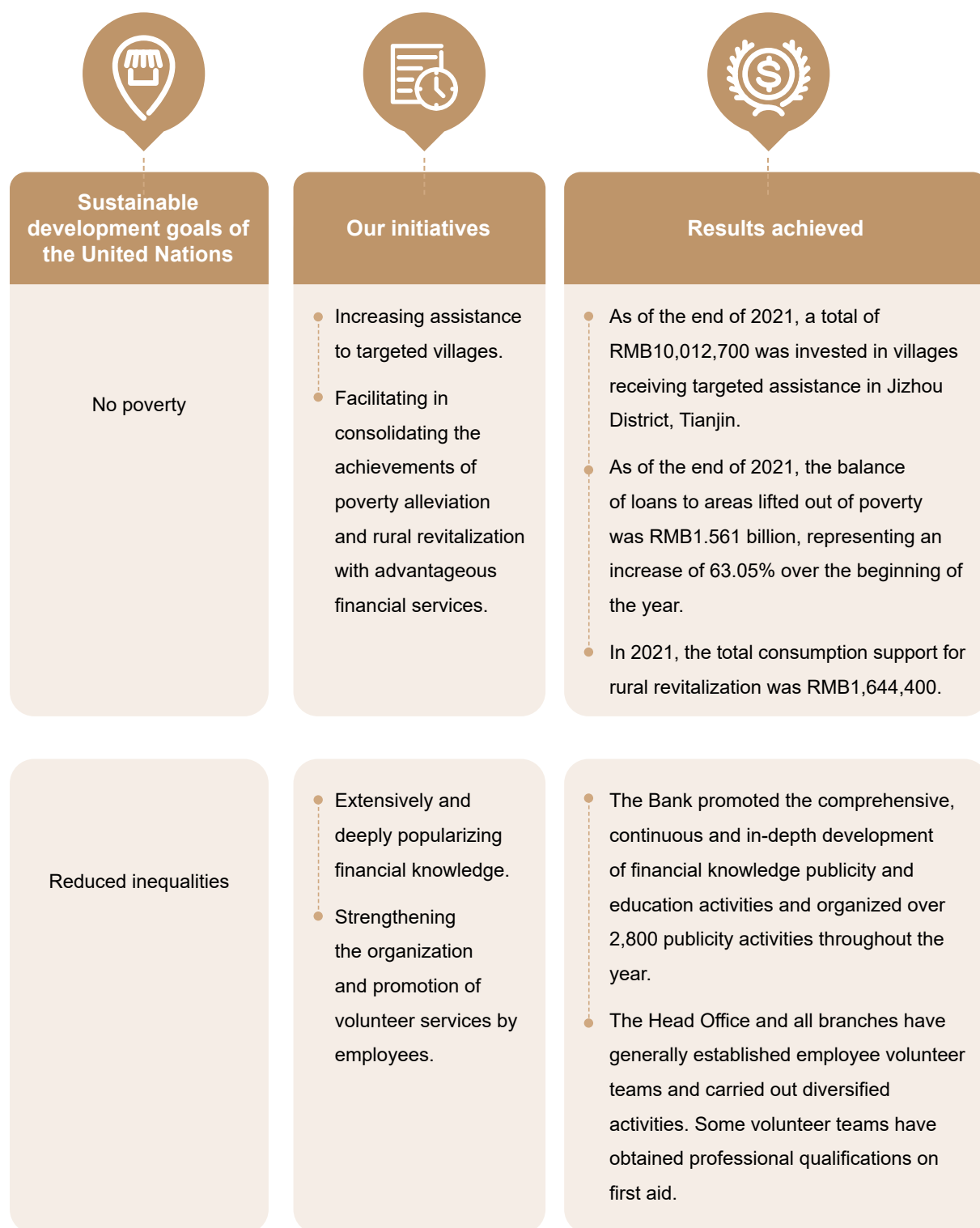
The labor union of Beijing Branch of the Bank innovated its work ideas, solidly promoted work efficiency and strived to do practical work for employees. It participated in the activity of “Mutual Assistance and Guarantee for Employees in Beijing” for all employees. The mutual assistance activities in 2021 covered guarantees to the birth, old age, illness, death, injury and disability of employees and became a useful supplement to employee guarantees. Meanwhile, the labor union of the Branch strengthened work communications with Beijing Municipal Federation of Trade Unions and assisted employees in filing claims in a timely manner, which was fully recognized by employees of the Branch.

Returning Society with Public Welfare Activities

2021 marks the ninth year for us to provide targeted assistance to Jizhou District, Tianjin and new village-based working groups were dispatched to villagers. After ten years of cooperation with Tianjin Women's Volleyball Team, we have signed the support agreement for the new cycle. The "volunteers in red" of China Bohai Bank were active across China. In 2021, we experienced another year of public welfare.









Rooted in Jizhou with Targeted Assistance

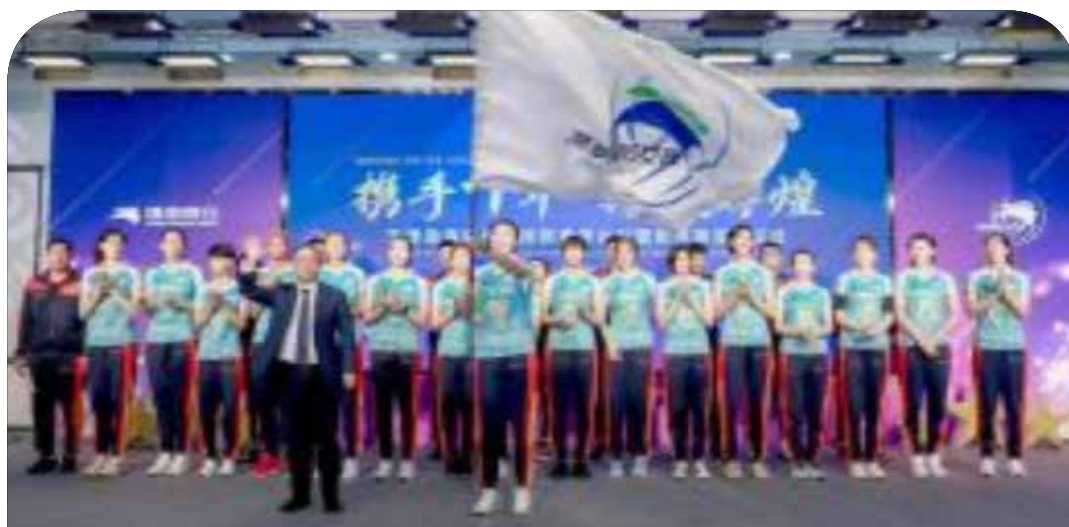
- Since August 2013, the Bank has provided targeted assistance to Jizhou District, Tianjin. Focusing on infrastructure construction, the development of characteristic industries and assistance to groups with difficulties, we have actively made capital inputs and committed to fostering endogenous driving forces for economic development and changes of villages receiving targeted assistance, establishing a long-term mechanism on consolidating the achievements of poverty alleviation. Year after year, our working group is stationed in villages receiving targeted assistance. Assistance cadres visited farms, introduced technology and projects and developed watermelon planting and other featured agricultural and industrial projects, increasing incomes of villagers. Road hardening, public lighting, environmental sanitation and other infrastructure projects have changed the appearance of villages.
- In July 2021, the Bank continued to carry out a new round of targeted assistance, providing assistance to four less developed villages, namely Madao Village, Zhaojiatuo Village, Guiningtun Village and Yuanxinzhuang Village in Sangzi Town, Jizhou District. The new working groups closely cooperated with the “two committees” of villages, conscientiously implemented the requirements on assistance and conducted in-depth inspections and researches in accordance with the Notice on Issuing the Evaluation Criteria on “Five Increases and Five Improvements” in Supporting the Development of Less Developed Villages in Tianjin. Assistance cadres extensively listened to the opinions and suggestions of villagers, fully understood their development needs, identified industrial assistance projects one by one, planned infrastructure construction projects for villages one by one and formulated the Work Plan of China Bohai Bank on Supporting Less Developed Villages. In the next three years, the Bank plans to invest assistance funds of RMB3.20 million each year to promoting villages with targeted assistance to consolidate the achievements of poverty alleviation and advance high-quality rural revitalization.



Supporting Women’s Volleyball for Ten Years

- The Bank has been supporting Tianjin Women’s Volleyball Team since 2012. Tianjin Bohai Bank Women’s Volleyball Club have won championships at home and abroad and obtained the 14 championships of the Chinese Women’s Volleyball Super League. We have always actively contributed to the growth and development of the club. As of the end of 2021, the Bank has invested a total of RMB135 million to support Tianjin Women’s Volleyball Team.

- On November 19, 2021, the ceremony for embarking on a new journey in the new season and the signing ceremony for the new cycle of Tianjin Bohai Bank Women's Volleyball Team themed "Joining Hands for Ten Years and Continuing Glory" was held in information center for the National Games in Tianjin. The Bank continued to sign the "agreement for the new cycle" with Tianjin Municipal Bureau of Sports to jointly support Tianjin Bohai Bank Women's Volleyball Club to introduce international advanced management experience and operation models and build a leading international volleyball club.



The Bank continues to support Tianjin Women's Volleyball after ten years of cooperation

Cases

Xi'an Branch assists the 14th National Games and the Paralympics and Special Olympics

The 14th National Games (hereinafter referred to as the 14th National Games), the 11th National Paralympic Games and the 8th Special Olympics (hereinafter referred to as the "Paralympics and Special Olympics") of the People's Republic of China was held in Xi'an in September 2021. It is the first top national sports held in central and western regions, and also a large-scale games held after China made major strategic achievements in fighting against the COVID-19 pandemic.

As the official partner of the “14th National Games”, Xi’an Branch of the Bank attached great importance, made careful deployment, took unified actions and coordinated promotion, comprehensively provided supports and guarantees through financial services during the “14th National Games”. To optimize the environment for hosting the “14th National Games”, the Branch strongly supported the port area to improve infrastructure construction. Firstly, focusing on the construction of the National Games Village, the Branch provided financing of RMB1 billion for the construction of the “Middle School Project in the National Games Village” to fully support the construction of infrastructure around the National Games Village and improve the living environment. Secondly, focusing on the improvement of the regional environment, the Branch provided financing of RMB750 million to the “Silk Road Economic Belt - Procurement Center Project of Xi’an Port”, and offered financing of RMB200 million to the China-Europe Railway Express, assisting Xi’an Port to give full play to its regional advantages and boost the improvement of the regional business environment.

The Branch established green service channels for the “14th National Games” accounts at business outlets, formulated streamlined account opening processes for small and micro start-ups and provided safe, efficient and high-quality services for units and individuals related to the “14th National Games” in opening new bank accounts and handling related businesses. The Branch made full use of reservation through WeChat applet, UCR and other smart devices to divert customers and further improve service efficiency.

To ensure sufficient cash for customers during the “14th National Games”, the Branch coordinated cash reserves of all outlets to ensure sufficient cash at the counter. Meanwhile, the Branch set up special windows for exchange of small notes, allowing customers to exchange at any time. It urged outsourcers to carefully carry out the maintenance of the paper coin exchange machines and the supplementation and clearing of banknotes at the outlets and prepare sufficient small banknotes to fully meet the exchange needs of customers. The Branch also required sorting and disinfecting cash to ensure the cleanness and tidiness of the cash paid.

To further improve service guarantees during the “14th National Games” and improve the emergency rescue ability of all employees of the Branch to respond to emergencies, the Branch appointed training experts on first aid in Xi’an to give on-site lectures to employees, and organized special training on Heimlich first aid, wound dressing and cardiopulmonary resuscitation in the region to prepare for emergency services during the “14th National Games”.



Effective Prevention and Control of the COVID-19 Pandemic

- In 2021, the Bank firmly maintained normalized pandemic prevention and control with strict prevention and control management, took comprehensive measures to ensure no pandemic caused by business activities and to fully protect the health and safety of employees. Meanwhile, the Bank actively participated in and assisted pandemic prevention and control in communities and was highly recognized for its social contribution in responding to the COVID-19 pandemic.

(I) Earnestly implementing epidemic prevention and control

- In 2021, the Bank fully and strictly implemented the guidance and work requirements on epidemic prevention and control at all levels and carried out normalized epidemic prevention and control prudently. Our departments and staff in charge of epidemic prevention closely followed the sudden changes in the situation at home and abroad and conducted over 200 risk investigations based on the scattered recurrence and outbreaks in 26 cities throughout the year. From the outbreak of the epidemic in 2020 to the end of 2021, the branches of the Bank at home and abroad have not experienced clustered or disseminated epidemics and have not been involved in any violations of laws, regulations and systems on pandemic prevention and control.

Improving prevention and control efficiency

The Bank strictly implemented various epidemic prevention regulations and continued to improve the efficiency of epidemic prevention and control. Firstly, it formulated control measures on personnel flow, strictly implemented the prevention and control requirements on “not leaving the employment place unless necessary; and obtaining approval before leaving” during special periods, and carried out a flexible and off-peak commuting system. Starting from November 2021, the Head Office will conduct nucleic acid testing on off-site commuters more than three times a week on average. Secondly, it implemented a 24-hour all-weather “three inspections for epidemic prevention” at the Head Office building and the entrances of all outlets, and regularly carried out sterilization, which was recognized by superior units in seven public and private investigations. Thirdly, it strengthened prevention on people, objects and the environment, and ensured standardized sterilization on key parts and environments. The dining hall of the Head Office building implemented measures such as “dining at different time for different departments and sitting on the same side in one direction” to ensure the health and safety of employees. Fourthly, it improved various emergency plans, made all-out efforts in maintaining the stability of all business systems, adequate prepared for emergency in response to epidemic prevention and control, and strengthened business

system monitoring and emergency response. It also coordinated arrangements on epidemic prevention and operation at outlets and properly provided financial services under various special scenarios to ensure “uninterrupted” financial services.

Formulating “screening” plans

The Bank formulated the Proposal on Establishing Mass Nucleic Acid Testing Sites in the Business Complex of China Bohai Bank and the Emergency Plan on the Prevention and Control of the COVID-19 Pandemic of China Bohai Bank. In June 2021, the Bank improved the proposal on mass nucleic acid testing at the building of the Head Office, set up exercise sites for mass nucleic acid testing and conducted two maneuvers on the whole process of screening.

Conscientiously implementing vaccination against the COVID-19 pandemic

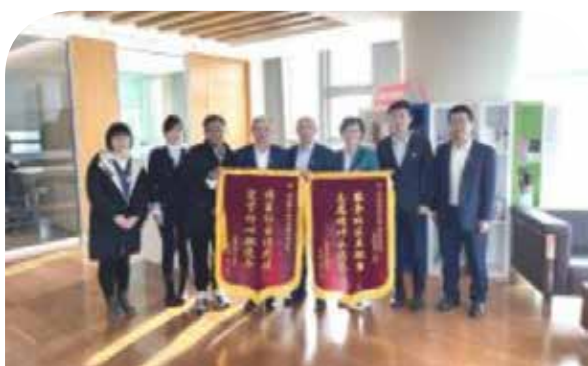
In January 2021, the Bank initiated the vaccination against the COVID-19 pandemic. By the end of 2021, the vaccination rate of employees (including outsourced employees) in Tianjin reached over 97%, realizing the target of “building a solid immune health barrier” and strengthening the protection of the health and safety of employees.

Strengthening supervision and inspection on epidemic prevention and control

The Bank integrated normalized self-inspection and random inspection with special inspections during holidays and key periods and achieved full coverage of inspection and supervision on epidemic prevention of all branches. Volunteers from the Head Office and Tianjin Branch established a volunteer service team on epidemic prevention and control. They were on duty for a total of 289 days with 3,300 participants in the temperature measurement. 572,500 people entering the Head Office and various institutions and outlets of the Bank in Tianjin received non-contact temperature measurement.

(II) Participating in social prevention and control

- The Bank actively assisted communities in the prevention and control the epidemic. Xinheyuan Community in Dawangzhuang Sub-district, adjacent to China Bohai Bank Building, is a relatively concentrated area for foreigners. Due to ineffective communications with different language, community workers were unable to master the health status of foreigners in a timely and accurate manner, posing great pressures on epidemic prevention. After learning about the difficulties in community work, the Bank specially organized foreign language volunteer teams in English, Japanese, French, German, Spanish, Russian and other languages and undertook the translation work in the community for epidemic prevention and control. From March to April 2021, the foreign language volunteer teams assisted Xinheyuan Community in completing the inspection of a total of 184 foreigners from 27 countries. The Party Committee of Xinheyuan Community in Dawangzhuang Sub-district sent a pennant reading “Solving Problems for the Public, Building Volunteer Pioneers Together”.



Chenghouli Community in Dawangzhuang Sub-district presents a pennant to the Bank



Volunteers of the Bank assisted in vaccination for foreigners in communities



Diversified Voluntary Services

- The Bank always attaches great importance to voluntary services and has registered and established a voluntary service team at the Head Office of China Bohai Bank on www.tjzyfw.com. In 2021, more than 1,050 registered volunteers at the Head Office actively promoted the normalized, refined and personalized voluntary service activities in the new era in combination with the activity of “I Do Practical Work for the Public”, and carried out over 90 voluntary service activities. In the evaluation of “six batches” of advanced models for voluntary service themed learning from Lei Feng in Tianjin, the volunteer service team of the Head Office won the title of “Outstanding Voluntary Service Team in Tianjin”, and various employees won the titles of “Outstanding Volunteers in Tianjin” and “Outstanding Voluntary Workers in Tianjin”.

The Bank arranged cultural volunteers to deeply enter communities and carry out activities such as art performance, publicity and education activities. In March 2021, the cultural volunteer team entered Dawangzhuang Community and participated in the voluntary activity of “Voluntary Activities Make Public Welfare more Wonderful” to commemorate the 100th anniversary of the founding of the Party. On May 16, on the occasion of the 31st National Day for Helping the Disabled, art volunteers came to the disabled to provide vocal art tutoring. On June 1, art volunteers participated in the opening ceremony of the 3rd Community Culture and Art Festival of Dawangzhuang Sub-district themed “Striving for A Century, Embarking on a New Journey”. On June 15, art volunteers participated in the “Travelling in Tianjin” art performance for the disabled hosted by the Service and Management Center for Social Organizations in Tianjin.



“Promoters”:
Facilitating the construction of community culture



“Guardians”:
Voluntary blood donation relay for life.

In 2021, the blood bank of Tianjin Blood Center is in urgent need of blood replenishment. 108 volunteers from China Bohai Bank gathered quickly and donated 23,900ml of blood on March 9. Among the volunteers, there are “charity activists” who have donated blood 12 times with a cumulative blood donation exceeding 4,000ml as well as “new volunteers” who donated blood for the first time. Some volunteers celebrated their birthdays by participating in blood donation and some have exceeded the upper age limit for blood donation.



“Guides”:
Facilitating the improvement of neighborhood environment

Volunteers of the Bank participated in the improvement of random parking of shared bicycles in communities. Volunteers conducted a carpet inspection on the main and secondary roads, back streets and alleys and surrounding areas of the communities, focusing on the standardized placement of shared bicycles piled up on both sides of roads, obstructed passages and occupied roads.



“Warm-hearted employees”:
Visiting people with difficulties.

There were two poverty-stricken households in Chenghouli Community, Hedong District, Tianjin. One is Grandma Liang, an 83-year-old receiving subsistence allowance with a monthly income of over RMB1,000 only. She is bedridden with intestinal obstruction and the treatment cost makes economic situation of her family worse. The other is the 61-year-old veteran Uncle Liu, suffering from cerebral infarction and diabetes. His family members have a meager income and are living in difficulties. After learning about the situation, the party members and volunteers of the Bank bought rice, noodles, oil and other daily necessities at their own expenses, and raised money for them. On April 21, 2021, they visited the two elderly with difficulties.

Since 2021, our matchmaker volunteer team, the public go-between alliance of universities, the Federation of Trade Unions of Tianjin Hebei District and Hexi District and other institutions and units jointly held a special gathering for single youth, go-between activity themed “Encounter in Spring, Promise for Life”, single young workers gathering with the theme of “Destined Spring, Love in Hexi” and other activities, guiding young people to establish a correct outlook on love and life and helping young people achieve double harvests in their families and career.



“Enthusiasts”:
Go-between for young people



Cases

Employees of the Bank donate to the public welfare project of “Donating RMB1 for Family with Love” public welfare project

On June 11, 2021, in response to the call of the Women’s Federation of Hedong District, Tianjin, the labor union of the Bank carried out voluntary donations among employees of the Head Office to the public welfare project of “Donating RMB1 for Family with Love” jointly initiated by Tianjin Women’s Federation and Tianjin Women and Children’s Development Foundation. A total of 33 grass-roots labor union groups and 783 employees made a donation of RMB42,885.81. All donations will be used for special assistance projects such as “Relief for Women with Difficulties and Serious Diseases”, “Aid for Students with Difficulties”, “Caring for Children in Poor Families” and “Poverty Alleviation Workshop” to improve the living, learning and employment conditions of relevant women and children in areas receiving counterpart assistance from Tianjin, including Gansu Province, Hotan in Xinjiang, Qamdo in Tibet and Huangnan in Qinghai.



Cases

Changchun Branch listed as Xingmeng Public Welfare Base

On March 22, 2021, Changchun Branch of the Bank signed a strategic cooperation agreement with Xingmeng Public Welfare Foundation and Xingmeng Public Welfare Development Center. It was officially listed as a Xingmeng Public Welfare Base and more than 100 employees of the Branch became Xingmeng public welfare volunteers. The Branch actively played the role of the public welfare base and the voluntary service team, and jointly planned public welfare projects, held public welfare activities and carried out social services with four major platforms of Xingmeng Public Welfare, namely the Public Welfare Foundation, the Public Welfare Development Center, the Public Welfare Volunteer Alliance and the “Public Welfare Bank”. The Branch also guided customers to join volunteer services, integrated social resources and provided professional supports.

On December 17, 2021, the staff of Chunyang Community of Tiexi Sub-district and representatives of special families made a special trip to Changchun Branch and presented the pennant with “Assisting Students with True Love and Helping the Poor with Warmth”. In the Party Day activity themed “I Do Practical Work for the Public” jointly launched by the Branch, Chunyang Community of Tiexi Sub-district and Xingmeng Public Welfare Foundation, employees of the Branch as public welfare volunteers took active actions, donated education funds for children from special families of the community, and sent cold-resistant items to special families in the community.



Cases

Beijing Branch actively participates in activities themed “I’m doing my part for the Winter Olympics” by employee volunteers in Beijing

In order to vigorously promote the spirit of the Winter Olympics and volunteerism, further create a strong atmosphere among employees to assist the Winter Olympics and display their enthusiasm in integrating and participating in the Winter Olympics, Beijing Branch of the Bank encouraged employee volunteers to participate in cultural activities related to the Winter Olympics.

The labor union of the Branch actively participated in the exhibition themed “Chasing Dreams in Ice and Snow, Meeting the Future” organized by Beijing Federation of Trade Unions with the opportunity of “Celebrating the 100-day Countdown to the Beijing Winter Olympics”. Relying on the labor union group, the labor union of the Branch arranged all employees to participate in and submitted a total of 32 calligraphy, painting, seal cutting and photography works, which were praised by Beijing Federation of Trade Unions.

Cases

Jinan Branch actively carries out employee voluntary activities

On March 6, 2021, Jinan Branch of the Bank organized a public tree planting activity with the theme of “Young People Strive for Excellence in Green City of Spring”. After 2 hours of hard work, more than 40 saplings were planted. On December 24, in the face of the sudden drop in temperature and heavy snow, the youth voluntary service team of the Branch went to the fifth community of Dianliuxincun Sub-district Office, Lixia District, Jinan City to carry out voluntary service activities, helping the elderly establish awareness on preventing financial fraud and popularizing financial knowledge. The Branch also assisted the community in cleaning up the neighborhood environment, provided care and consolation and delivered daily necessities such as rice, flour and laundry detergent to the residents with difficulties.

The youth voluntary service team of the Branch was established in 2015 with 62 registered members. Since its establishment, it has actively organized more than 50 activities such as public welfare education practice, voluntary services themed learning from Lei Feng, publicity of financial knowledge in communities, clothing donations and education assistance, with nearly 3,000 hours of services, nearly 10,000 participants and over one hundred clothes donated. The team was commended by Jinan Municipal Committee of the Communist Youth League in 2021.

Cases

Hangzhou Xiaoshan Sub-branch awarded “Youth Civilization” at district level

In August 2021, Xiaoshan Sub-branch of Hangzhou Branch of the Bank was awarded the title of “Youth Civilization” in Xiaoshan District in 2020. Under the leadership of the Party branch, young employees of the sub-branch played a pioneering and exemplary role, carried forward the core socialist values and actively fulfilled their social responsibilities. In order to maintain uninterrupted financial services during the COVID-19 pandemic, young employees worked for 23 consecutive days without any complaints and they were well received by customers.

Cases

Shijiazhuang Branch carries out the activity of “replacing donation with purchase to help farmers with love”

Pingshan County, located at the east foot of Taihang Mountains and the north bank of Hutuo River, is a well-known old revolutionary area in the country. In recent years, Pingshan County has cultivated and developed various distinctive agricultural industries such as walnuts, apples, traditional Chinese medicinal materials and edible fungi, and built various high-quality brands such as Pingshan cotton walnuts, Nancecheng peaches offered as birthday presents and Eshi apples.

To better serve residents of the old revolutionary area and promote the economic development of the old area, in December 2021, Shijiazhuang Branch of the Bank carried out the activity of “replacing donation with purchase to help farmers with love” to purchase distinctive agricultural products from the old revolutionary area. The Branch gave full play to the advantages of its business outlets and purchased distinctive agricultural products of the old revolutionary area as gifts for customers. Meanwhile, the Bank designed the promotion leaflet of “helping farmers with love” to introduce the distinctive agricultural products of the old revolutionary area to customers, and leverage on the customer traffic to assist the “going out” of the high-quality agricultural products from the old revolutionary area.

Cases

Nanchang Branch and Nanchang Women’s Federation carry out caring activities of “Warm-hearted Women Bringing Love Home”

On January 27, 2021, Nanchang Branch of the Bank and Nanchang Women’s Federation carried out activities themed “Warm-hearted Women Bringing Love Home”, bringing warm and care for orphans, left-behind children and children from families with difficulties in Chixi Township, Jinxian County. The Branch carefully prepared schoolbags, stationery, scarves, children’s masks, Spring Festival couplets and other gifts for children with difficulties and helped them spend a happy, safe, warm and happy winter holiday.

Cases

Hefei Branch actively carries out voluntary service activities

From May to June 2021, Hefei Branch of the Bank carried out a series of voluntary services to better serve the public. Volunteers and community members cleaned up street garbage and placed randomly parked bicycles to further improve environmental protection. To promote the COVID-19 vaccination, the Branch arranged volunteers to participate in the vaccination in Shuanggang Sub-district and conducted order maintenance and registration at the vaccination point and guided citizens to complete vaccination in an orderly manner.



Volunteer service team of the Head Office wins the title of “Excellent Voluntary Service Team in Tianjin”



Volunteers from Dalian Branch carry out activities on environmental renovation



Volunteers from Shijiazhuang Branch participate in epidemic prevention and control

Outlook for 2022

In 2022, the 20th National Congress of the CPC will be held and it is also a key year for the in-depth implementation of the 14th “Five-Year Plan”. Entering a new stage of development, the banking industry will usher in new opportunities and face continuous challenges. 2022 is also a key year for China Bohai Bank to implement the Fourth “Five-Year Plan”. We will concentrate on implementing the spirit of the Sixth Plenary Session of the 19th CPC Central Committee and the decisions and deployment of the Central Economic Work Conference, completely, accurately and comprehensively implement the new development concept, and insist on transformation and development strategy to contribute to the stable, healthy and sustainable development of the economy and society in accordance with “giving priority to stability and pursuing progress while maintaining stable performance”.

Improving the level of financial supply and striving to promote a virtuous circle of progress while maintaining stability in the national economy

In accordance with the general requirement of “giving priority to stability and pursuing progress while maintaining stable performance”, we will improve the operating mechanism and business system for supporting key areas, further enhance financial innovation capabilities, and ensure financing for key areas and major projects in the 14th “Five-Year Plan”, strive to support key core technology research enterprises and “Specialized and Deep” (專精特深) enterprises; focus on inclusive finance strategy, promote small and micro enterprises’ financing increment, expansion, and price reduction, and further improve the quality and efficiency of serving rural revitalization; adhere to the “internationalization” strategy, and actively serve the country’s major opening-up strategy.

Building an open ecosystem, and striving to achieve the vision of the “modern wealth and treasury manager offering the best experience”

We will continue to vigorously develop financial technology, improve the level of digitalization and intelligence; continue to strengthen technological empowerment, solidly promote the construction of ecological scenarios, and create high-quality financial products and services through a powerful innovation engine to achieve excellent customer experience. We will adhere to the lifeline of legal compliance and integrity management, continue to strengthen service management, optimize service processes, and effectively protect the rights and interests of consumers. We are unwavering in our commitment to become a modern wealth and treasury manager offering the best experience.

Practicing the concept of green development, and helping China achieve the goal of peak carbon emissions and carbon neutrality as scheduled

We will continue to explore and practice the concept of green development, provide more and better green financial products and services, and actively support the development of low-carbon and environmental protection industries; we will continue to promote our own green operations, and use stricter management and more scientific methods to effectively manage and control the energy consumption in the operation process, which helps China achieve the goal of “peak carbon emissions and carbon neutrality” as scheduled.

Paying attention to the well-being of the society and the people, and striving to build a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful

We will continue to provide targeted assistance to economically weak villages in Jizhou District, Tianjin City, consolidate the achievements of poverty alleviation and promote rural revitalization, so that the villages will be more beautiful, the nostalgia will be stronger, and the fellow villagers will be more prosperous. We will continue to support the Tianjin women’s volleyball team, actively participate in the construction of “volleyball city”, support the sports cause to promote social progress and make the mother city more famous. We will increase the standardization of employee volunteer teams, contribute to the construction of a public welfare society, and make continuous contributions to building China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful.



Social Recognition

In 2021, the Bank ranked 111st among the "Top 1000 World Banks" released by The Banker, moving up 22 placed compared with the previous year.

The Bank ranked 322nd among the "2021 Fortune China 500 List" (2021 年《財富》中國 500 強公司排行榜). This is the first time the Bank has been included in the list.

In the 21st Century Annual Finance Summit of Asia of 2021 (2021 年 21 世紀亞洲金融年會) hosted by the 21st Century Business Herald, the Bank won the awards of "Annual Pension Business Bank (年度養老業務銀行)" and "Annual Low-carbon Bank (年度低碳銀行)".

In the "12th China Finance Golden Tripod Awards (第十二屆中國金融金鼎獎)" selection hosted by the National Business Daily, the Bank won the "Annual Financial Technology (年度金融科技)" award and the "Annual Outstanding Contribution to Inclusive Finance (年度普惠金融卓越貢獻)" award, and selected to "Top 50 Brand Value List of Chinese Listed Companies (中國上市公司品牌價值榜新銳榜 Top 50)".

In the "2021 Financial Institutions of Excellent Competitiveness (2021 年卓越競爭力金融機構)" selection hosted by the China Business Journal, the Bank won the "Outstanding Bank with Competitive Customer Experience (卓越競爭力客戶體驗銀行)" award.

At the 2021 China's Financial Innovation Forum and China Financial Innovation Award Presentation (2021 中國金融創新論壇暨中國金融創新獎成果發佈會) hosted by the Chinese Banker, the Bank won the "Top 10 Transaction Banking Innovation Award (十佳交易銀行創新獎)" and "Top 10 Retail Banking Innovation Award (十佳零售銀行創新獎)".

In the "Golden Jubilee Award (金禧獎)" selection hosted by China Investment Network, the Bank won the awards of "2021 Excellent Financial Technology Company (2021 卓越金融科技公司)" and "2021 Outstanding Wealth Management Bank (2021 優秀財富管理銀行)".

At the "2021 Thinking Finance Investor Annual Party and the 13th JINQIAO PRIZE Award Ceremony (2021 年思維財經投資年會暨第 13 屆金橋獎頒獎盛典)", the Bank won the "2021 Outstanding Innovative Commercial Bank of the Year (2021 年度優秀創新能力商業銀行)" award.

The Bank was awarded the 2021 First Display of Talent Award of "Green Carbon Pioneer": the Most Exploring Bank of the Year (「綠碳先鋒」初試鋒芒獎—年度最具探索力銀行) at the "China Banking Industry Green Finance Development Report (《中國銀行業綠色金融發展報告》) Conference and 'Green Empowerment – Sustainable Development' Banking Green Finance Forum".

In the "First 'Brand Thrives, Wins the Future': 2021 Tianjin Good Brands Solicitation and Selection Activity", the Bank was awarded "2021 Tianjin Good Brand TOP Influence Brand".

At the 9th China Small and Medium Enterprises Investment and Financing Fair and 2021 "Small Business, Big Dreams" Summit, the Bank was awarded the "2021 Excellent Case of Financial Services for Micro, Small and Medium-sized Enterprises"(2021 年金融服務中小微企業優秀案例) award.

In the "ChinaBond Outstanding Member Selection Activity", the Bank won the "Annual Outstanding Issuer - Financial Bond Issuer" award for the fifth time.

In the "3rd China Private Banking Elite Competition (2021)" (第三屆中國私人銀行精英賽(2021)), the Bank won the "Best Organization Award".

The Bank won the "Emerging Private Banking Award" at the "11th Fund and Wealth Management • Jiefu award" ceremony of Finance Vision China.

In "the 5th New Gravity Summit", the Bank was awarded the "2021 Digital Risk Control Innovation Model Award of Financial Institutions".

In the 12th "Golden Pixiu Award (金貔貅獎)" selection among banking industry hosted by Each Finance and Financial Money magazine, the Bank won the "Gold Innovator Financial Institution of the Year (年度金牌創新力金融機構)" award.

In "the Customer Insight 2021 (6th) Banking Industry Customer Experience Summit Forum", the Bank was awarded the "Digital Intelligence and Efficiency Improvement Model in Banking", "Excellent Case in Banking: Service Experience Model".

In "2021'Golden Headset' China's Best Customer Center Selection and Award", the Bank won the "Excellent Customer Service Award".

In the "5th China Customer Service Festival Vocational Skills Competition" (第五屆中國客戶服務節職業技能大賽), the Bank's credit card customer service management team won the "Best Happy Team in 2021 China Customer Service Festival" (2021 年中國客戶服務節最佳幸福團隊) award.

The Bank won the honorary title of "Tianjin Excellent Volunteer Service Team" (天津市優秀志願服務團隊) in the "2021 Tianjin Learn-from-Lei Feng Volunteer Service 'Six Batches (六個一批)' Advanced Typical Promotion Selection".

Assurance Report of Independent Third Party

To the Board of Directors of China Bohai Bank Co., Ltd.,

We have been engaged by the Board of Directors of China Bohai Bank Co., Ltd. (“China Bohai Bank” or the “Bank”) to provide limited assurance on the key data for the year of 2021 selected from the 2021 Corporate Social Responsibility Report of China Bohai Bank for the year ended December 31, 2021 prepared by China Bohai Bank (the “Social Responsibility Report”).

I. Key data

We have performed a limited assurance engagement on the following key data in the Social Responsibility Reports:

balance of inclusive loans to micro and small enterprises (RMB100 million)

- balance of agricultural loans (RMB100 million)
- balance of green loans (RMB100 million)
- total assets (RMB100 million)
- total amount of loans and advances granted (RMB100 million)
- net profit (RMB100 million)
- non-performing loan ratio (%)
- number of domestic and overseas branches
- capital adequacy ratio (%)
- total office power consumption of the Head Office (kWh)
- total office water consumption of the Head Office (ton)
- total number of employees
- number of female employees
- number of ethnic minority employees
- amount of green bonds independently underwritten as lead underwriter (RMB100 million)
- number of employee training sessions organized
- complaint resolution rate (%)
- overall customer satisfaction (%)

Our assurance engagement is limited to the key data for the year of 2021 selected from the Social Responsibility Report, and our work does not cover the other information disclosed in the Social Responsibility Report and the information for 2021 and before.

II. Standards

The standards adopted by China Bohai Bank for the preparation of the key data in the Social Responsibility Report are set forth in the basis of preparation for key data (the “Basis of Preparation”) attached above.

III. Responsibilities of the Board of Directors

The Board of Directors of the Bank is responsible for the preparation of the key data in accordance with the Basis of Preparation. Such responsibilities include designing, implementing and maintaining internal controls in relation to the preparation of the key data in the Social Responsibility Report to ensure that these data are free from material misstatement, whether due to fraud or error.

IV. Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

V. Responsibilities of the CPA

We are responsible for expressing conclusion on the key data in the Social Responsibility Report based on the work performed.

We have performed the assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits and Reviews of Historical Financial Information, which requires us to plan and perform our work to obtain assurance conclusion.

VI. Summary of work performed

The nature and timing of the procedures performed in a limited assurance engagement differs from that of a reasonable assurance engagement, and the extent is smaller. As such, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We would not express reasonable assurance on whether the key data in the Social Responsibilities Report have been prepared in accordance with the Basis of Preparation in all respects. The assurance engagement performed by us includes assessing whether there is a risk that the

key data in the Social Responsibilities Report are subject to material misstatement due to fraud or error, and the selection of assurance procedures depends on the judgement of the CPA and our assessment of the risk of the engagement. In addition, our work is not for the purpose of expressing an opinion on the effectiveness of the internal control of China Bohai Bank.

Within the scope of the engagement, we only carried out our work at the level of the Head Office of China Bohai Bank.

The procedures performed by the us include:

- (1) conducting interviews with relevant departments of China Bohai Bank which have participated in the provision of the key data in the Social Responsibility Report;
- (2) analyzing the key data in the Social Responsibility Report;
- (3) inspecting the key data in the Social Responsibility Report by sample;
- (4) recalculation.

VII. Inherent restrictions

The users of this report should be aware that there are still no generally accepted standards for the evaluation and measurement and as such there are no consistent measurement methods, which may impact the comparability of the data among companies.

VIII. Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the key data selected from the Social Responsibility Report have not been prepared in accordance with the Basis of Preparation in all respects.

IX. Restriction on use

This report has been prepared solely for the preparation of the Social Responsibility Report by the Board of Directors and is not appropriate for and may not be used for other purposes. We do not accept any responsibility to any third party other than the Board of Directors of China Bohai Bank.

KPMG Huazhen LLP

Beijing, China

5, 30, 2022

Annex: Basis of preparation of the key data

- **Balance of inclusive loans to micro and small enterprises (RMB100 million):** Balance of inclusive loans to micro and small enterprises has been adjusted in accordance with the Notice by the General Office of the China Banking and Insurance Regulatory Commission of Further Promoting the High-quality Development of Financial Services for Micro and Small Enterprises in 2021 (Yin Bao Jian Ban Fa [2021] No.49), removing data in relation to bill discounting and inter-bank discounting.
- **Balance of agricultural loans (RMB100 million):** Balance of agricultural loans includes balance of loans to agricultural hukou holders, balance of loans to non-agricultural hukou holders for agriculture, forestry, animal husbandry and fishing, loans to rural enterprises and other organizations and loans to urban enterprises and other organizations for agriculture.
- **Balance of green loans (RMB100 million):** Balance of green loans presents the balance in the sheet of green loans of China Bohai Bank. Balance of green loans is determined with reference to the scope specified in the Notice of the People's Bank of China on Revising the Special Statistic System of Green Loans (Yin Fa [2019] No.326).
- **Total assets (RMB100 million):** Total assets represent the book value of total assets set out in the financial statements of China Bohai Bank Co., Ltd. as at the end of each year.
- **Total amount of loans and advances granted (RMB100 million):** Total amount of loans and advances granted represents the original amount of the loans and advances granted as set out in the financial statements of China Bohai Bank Co., Ltd. as at the end of each year.
- **Net profit (RMB100 million):** Net profit represents the amount of net profit set out in the income statement of China Bohai Bank Co., Ltd. for each year.
- **Non-performing loan ratio (%):** Non-performing loan ratio is calculated by dividing the balance of non-performing loans (exclusive of interest accrued) by the total amount of loans and advances granted (exclusive of interest accrued).
- **Number of domestic and overseas branches:** Number of domestic and overseas branches includes tier-one branches, tier-two branches and sub-branches and micro and small community sub-branches of China Bohai Bank Co., Ltd. at home and abroad.
- **Capital adequacy ratio (%):** Capital adequacy ratio is calculated in accordance with the relevant requirements of, among others, the Administrative Measures for the Capital of Commercial Banks (for Trial Implementation).

- **Total office power consumption of the Head Office (kWh):** Total office power consumption of the Head Office represents the total electric power consumption of the Head Office building of China Bohai Bank Co., Ltd. for the whole year.
- **Total office water consumption of the Head Office (ton):** Total office water consumption of the Head Office represents the total water consumption of the Head Office building of China Bohai Bank Co., Ltd. for the whole year.
- **Total number of employees:** Total number of employees represents the total number of regular employees with which China Bohai Bank Co., Ltd. or its domestic or overseas branches have signed labor contracts, excluding dispatched workers.
- **Number of female employees:** Number of female employees represents the total number of regular female employees with which China Bohai Bank Co., Ltd. or its domestic or overseas branches have signed labor contracts, excluding dispatched workers.
- **Number of ethnic minority employees:** Number of ethnic minority employees represents the total number of regular ethnic minority employees with which China Bohai Bank Co., Ltd. or its domestic or overseas branches have signed labor contracts.
- **Amount of green bonds independently underwritten as lead underwriter (RMB100 million):** Amount of green bonds independently underwritten as lead underwriter represents the amount of the bond instruments underwritten by China Bohai Bank Co., Ltd. as lead underwriter the proceeds of which will be used to finance green projects meeting required conditions or for the refinancing of these projects.
- **Number of employee training sessions organized:** Number of employee training sessions organized represents the total number of training programs provided by China Bohai Bank Co., Ltd. to employees employed under contract, including off-the-job training and online training organized by the Head Office and domestic and overseas branches.
- **Complaint resolution rate (%):** **Complaint resolution rate = (1-number of unresolved customer complaints/total number of customer complaints) x 100%.**
- **Overall customer satisfaction (%):** Overall customer satisfaction = (1-number of dissatisfied respondents/total number of respondents) x 100%. The figure is based on the service statistics of the “95541 customer service center” of China Bohai Bank Co., Ltd.

Index Of Guidance For Environment, Society And Governance Report By Stock Exchange

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
■ A.Environment			
Aspect A1: Emissions			
General disclosure	Policies and compliance with relevant laws, regulations related to the emission of exhaust gas and greenhouse gases, sewage discharge to water and land, generation of hazardous and non-hazardous wastes, etc.	Explanation or compliance	P24-P26,P74-P83
A1.1	The types of emissions and respective emissions data	Explanation or compliance	P24, As a financial institution rather than an industrial enterprise, the Bank does not produce emissions that have a significant impact on the atmosphere and the environment during its operations, so it has not established an emissions density statistical system.
A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity	Explanation or compliance	As a financial institution rather than an industrial enterprise, the Bank does not produce emissions that have a significant impact on the atmosphere and the environment during its operations, so it has not established an emissions density statistical system and plans to gradually establish it in the future.
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity	Explanation or compliance	P24-26
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity	Explanation or compliance	P24-26
A1.5	Description of measures to mitigate emissions and results achieved	Explanation or compliance	P24-26,P74-P83
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Explanation or compliance	P24-26,P74-P83

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
Aspect A2: Use of resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Explanation or compliance	P24-P26,P74-P83
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	Explanation or compliance	P24-P26
A2.2	Water consumption in total and intensity	Explanation or compliance	P25
A2.3	Description of energy use efficiency initiatives and results achieved	Explanation or compliance	P24-26,P74-P83
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Explanation or compliance	P25
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Explanation or compliance	Not applicable
A3: Environment and natural resources			
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Explanation or compliance	P24-P26, P76-P80
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Explanation or compliance	P24-26,P74-P83

B Society

Conventions for employment and labor

Aspect B1: Working conditions

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer that are related to the remuneration and dismissal, appointment and promotion, working hours, holidays, equal opportunity, diversity and anti-discrimination and other benefits and welfares.	Explanation or compliance	P22, P27, P112-P115
B1.1	Total workforce by gender, employment type, age group and geographical region	Suggested disclosure	P27
B1.2	Employee turnover rate by gender, age group and geographical region	Suggested disclosure	P27
Aspect B2: Health and safety			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to provision of a safe working environment and assurance of employees from occupational hazard.	Explanation or compliance	P28
B2.1	Number and rate of work-related fatalities	Suggested disclosure	The Bank plans to disclose this Indicator gradually in the future.
B2.2	Lost days due to work injury	Suggested disclosure	The Bank plans to disclose this indicator gradually in the future.
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Suggested disclosure	P28,P116,P128-P129

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
Aspect B3: Development and training			
General disclosure	Policies of knowledge and skills about enhancement on employees' fulfillment of job responsibilities. Description of training activities	Explanation or compliance	P28, P113-P115
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Suggested disclosure	P28
B3.2	The average training hours completed per employee by gender and employee category	Suggested disclosure	P28 The Bank disclosed the average training hours of its employees. The Bank has not yet established the average training hours completed per employee by gender, and will continue to improve the statistical indicators in the next step.
Aspect B4: Labor standards			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to the prevention of use of child labor or force of labor	Explanation or compliance	P29
B4.1	Description of measures to review employment practices to avoid child and forced labor	Suggested disclosure	P29
B4.2	Description of steps taken to eliminate such malpractices when discovered	Suggested disclosure	The Bank has no child labor and forced labor issues.
Operating practices			
Aspect B5: Supply chain management			
General disclosure	Policies on managing environmental and social risks of the supply chain	Explanation or compliance	P23-P24, P26

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
B5.1	Number of suppliers by geographical region	Suggested disclosure	P24
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Suggested disclosure	P23-P24,P26
Aspect B6: Product responsibility			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to the health and safety, advertising, labels, privacy issues and remedy methods of supplied products and services.	Explanation or compliance	P32-P33, P98-100
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Suggested disclosure	Not applicable
B6.2	Number of products and service related complaints received and how they are dealt with	Suggested disclosure	P98
B6.3	Description of practices relating to observing and protecting intellectual property rights	Suggested disclosure	The Bank strictly maintained and protected intellectual property rights in accordance with laws.
B6.4	Description of quality assurance process and recall procedures	Suggested disclosure	Not applicable
B6.5	Description of policies about consumer data security and privacy and relevant implementation and supervision methods	Suggested disclosure	P33,P100-P103

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
Aspect B7: Anti-corruption			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to the prevention of bribery, extortion, fraud and money laundering.	Explanation or compliance	P30-P31,P111-P112
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	Suggested disclosure	There is no such situation in the Bank.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Suggested disclosure	P30-P32,P111-P112
Community			
Aspect B8: Community investment			
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Explanation or compliance	P18-P19,P44-P56, P106-P107,P122-P137
B8.1	Focus on areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Suggested disclosure	P122-P137
B8.2	Resources contributed (e.g. money or time) to the focus area	Suggested disclosure	P122-P137

Gri Indicator Index

GRI102: General Disclosure

■ Organization overview

Disclosure item	Content	Relevant section or paragraph
102-1	Name	P1
102-2	Activities, brands, products and services	P8-P9,P140-P141
102-3	HQ location	P163
102-4	Business location	P22
102-5	Ownership and legal form	P8
102-6	Market served	P8,P22
102-7	Organization size	P22,P27
102-8	Information about employees and other workers	P27
102-9	Supply chain	P23-P24
102-10	Major changes in the organization and its supply chain	P30-P32,P111-P112
102-11	Early warning principle or policy	P30-P32,P111-P112
102-12	External initiative	P1
102-13	Association membership	P140-P141

■ Strategy

Disclosure item	Content	Relevant section or paragraph
102-14	Statement from senior decision-makers	P4-P7
102-15	Key impacts, risks and opportunities	P110-P111

■ Morality and integrity

Disclosure item	Content	Relevant section or paragraph
102-16	Values, principles, standards and codes of conduct	P16-P17,P30-P32,P111-P112
102-17	Mechanisms for ethical advice and key issues	P30-P32,P111-P112

■ Governance		
Disclosure item	Content	Relevant section or paragraph
102-18	Governance structure	P10-P13
102-19	Authorization	P13
102-20	Responsibility of the executive management for economic, environmental and social issues	P34-P41
102-21	Consultation with stakeholders on economic, environmental and social issues	P34-P39
102-22	Composition of the highest governance body and its committees	P10-P11
102-23	Chairman of the highest governance body	Please refer to the annual report
102-24	Nomination and selection of the highest governance body	Please refer to the annual report
102-25	Conflict of interest	Please refer to the annual report
102-26	Role of the highest governance body in formulating purpose, values and strategy	P10-P13
102-27	Highest governance body and collective awareness	P10-P13
102-28	Highest governance body and performance evaluation	Please refer to the annual report
102-29	Identification and management of economic, environmental and social issues	P41
102-30	Effectiveness of the risk management process	P110-P111
102-31	Review of economic, environmental and social issues	P39-P41
102-32	Role of the highest governance body in sustainability reporting	P10-P13
102-33	Communication of important concerns	P39-P40
102-34	Nature and total number of important concerns	P39-P41
102-35	Remuneration policy	P22
102-36	Process of determining remuneration	Please refer to the annual report
102-37	Stakeholder participation in the remuneration decision process	Please refer to the annual report
102-38	Annual total compensation ratio	Please refer to the annual report
102-39	Annual total compensation ratio	Please refer to the annual report

■ Participation of stakeholders

Disclosure item	Content	Relevant section or paragraph
102-40	List of stakeholder groups	P39-P40
102-41	Collective bargaining agreement	Not applicable
102-42	Identification and selection of stakeholders	P39-P41
102-43	Stakeholder participation policy	P39-P41
102-44	Main topics and key issues raised	P39-P41

■ Reporting practice

Disclosure item	Content	Relevant section or paragraph
102-45	Entities covered in the consolidated financial statements	P1
102-46	Definition of report content and topic boundaries	P1,P41
102-47	List of substantive issues	P39-P41
102-48	Information restatement	There is no significant change in reporting scope from prior year reports
102-49	Report changes	There is no significant change in reporting scope from prior year reports
102-50	Reporting period	P1
102-51	Last report date	P1
102-52	Reporting period	P1
102-53	Contact information for issues in this report	P163
102-54	Statement of reporting compliance with GRI standards	P1
102-55	GRI content index	P153-P162
102-56	External assurance	P142-P146

GRI201: Economic Performance

Disclosure item	Content	Relevant section or paragraph
201-1	Economic value directly generated and distributed	P22,P62-P63
201-2	Financial impact of climate change and other risks and opportunities	P74-P83

GRI202: Market Performance

Disclosure item	Content	Relevant section or paragraph
202-1	Ratio of the standard starting salary by gender to the local minimum wage	The Bank plans to disclose this indicator gradually in the future.
202-2	Proportion of hiring executives from local communities	The Bank plans to disclose this indicator gradually in the future.

GRI203: Indirect Economic Impact

Disclosure item	Content	Relevant section or paragraph
203-1	Infrastructure investment and supporting services	P54-P55
203-2	Significant indirect economic impact	P18-P19,P74-P83,P122-P137

GRI204: Procurement Practice

Disclosure item	Content	Relevant section or paragraph
204-1	Proportion of purchase expenditure from local suppliers	P24

GRI205: Anti-corruption

Disclosure item	Content	Relevant section or paragraph
205-2	Communication and training of anti-corruption policies and procedures	P30-P32
205-3	Confirmed incidents of corruption and actions taken	P30-P32

GRI204: Procurement Practice

Disclosure item	Content	Relevant section or paragraph
206-1	Legal proceedings against unfair competition, antitrust and antitrust practices	P32

GRI301: Materials

Disclosure item	Content	Relevant section or paragraph
301-1	Weight or volume of materials used	P24-P26
301-2	Recycled feed used	P24-P26
301-3	Recycled products and packaging materials	Not applicable

GRI302: Energy

Disclosure item	Content	Relevant section or paragraph
302-1	Energy consumption within the organization	P24-P26
302-3	Energy intensity	P24-P26
302-4	Reduction of energy consumption	P24-P26
302-5	Reduction of energy demand for products and services	P24-P26,P74-P83

GRI303: Water Resources

Disclosure item	Content	Relevant section or paragraph
303-1	Water intake by source	Not applicable
303-2	Water sources that are significantly affected by water intake	Not applicable
303-3	Water recycling and reuse	P25

GRI305: Emissions

Disclosure item	Content	Relevant section or paragraph
305-1	Direct (Scope 1) greenhouse gas emissions	Not applicable
305-2	Energy indirect (Scope 2) greenhouse gas emissions	Not applicable
305-3	Other indirect (Scope 3) greenhouse gas emissions	Not applicable
305-4	Greenhouse gas emission intensity	Not applicable
305-5	Greenhouse gas reduction	Not applicable
305-6	Emissions of ozone depleting substances (ODS)	Not applicable
305-7	Emissions of nitrogen oxides (NOX), sulfur oxides (SOX) and other major gas	Not applicable

GRI306: Sewage and Waste

Disclosure item	Content	Relevant section or paragraph
306-1	Total amount of water discharged by water quality and discharge destination	P25-P26
306-3	Major leak	Not applicable
306-4	Hazardous waste transportation	Not applicable
306-5	Water bodies affected by drainage and/or runoff	P25-P26

GRI307: Environmental Compliance

Disclosure item	Content	Relevant section or paragraph
307-1	Violation of environmental laws and regulations	P26

GRI308: Supplier Environmental Assessment

Disclosure item	Content	Relevant section or paragraph
308-2	Negative impact of the supply chain on the environment and the actions taken	P26

GRI401: Employment

Disclosure item	Content	Relevant section or paragraph
401-1	New employees and employee turnover	P27
401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	P27-P29,P116-P121

GRI402: Labor Relations

Disclosure item	Content	Relevant section or paragraph
402-1	Minimum notice period for operational changes	The Bank plans to disclose this indicator gradually in the future.

GRI403: Occupational Health and Safety

Disclosure item	Content	Relevant section or paragraph
403-2	Types of work-related injuries, rates of work-related injuries, occupational diseases, lost working days, absenteeism, etc.	The Bank plans to disclose this indicator gradually in the future.

GRI404: Training and Education

Disclosure item	Content	Relevant section or paragraph
404-1	Average training hours received by an employee per year	P28
404-2	Employee skill improvement program and transition assistance program	P28,P113-P115

GRI405: Diversity and Equal Opportunity

Disclosure item	Content	Relevant section or paragraph
405-1	Diversity of governance institutions and employees	P28-P29

GRI406: Anti-discrimination

Disclosure item	Content	Relevant section or paragraph
406-1	Discrimination incidents and legal corrective actions	P28-P29

GRI407: Freedom of Association and Collective Bargaining

Disclosure item	Content	Relevant section or paragraph
407-1	Operating sites and suppliers where freedom of association and collective bargaining rights may be at risk	Not applicable

GRI408: Child Labor

Disclosure item	Content	Relevant section or paragraph
408-1	Operating sites and suppliers with significant risk of child labor incidents	Not applicable

GRI409: Forced or Compulsory Labor

Disclosure item	Content	Relevant section or paragraph
409-1	Operating sites and suppliers with significant risks of forced and compulsory labor incidents	Not applicable

GRI410: Security Practice

Disclosure item	Content	Relevant section or paragraph
410-1	Security personnel trained in human rights policies or procedures	Not applicable

GRI411: Rights of Indigenous Peoples

Disclosure item	Content	Relevant section or paragraph
411-1	Incidents involving violations of the rights of indigenous peoples	Not applicable

GRI412: Human Rights Assessment

Disclosure item	Content	Relevant section or paragraph
412-1	Operating sites subject to human rights review or impact assessment	Not applicable
412-2	Employee training on human rights policies or procedures	Not applicable
412-3	Important investment agreements and contracts that contain human rights clauses or have undergone human rights review	P28-P29

GRI413: Local Communities

Disclosure item	Content	Relevant section or paragraph
413-1	Operating sites with local community participation, impact assessment and development plan	P90-P91
413-2	Operating sites that have actual or potentially significant negative impacts on local communities	Not applicable

GRI414: Supplier Social Assessment

Disclosure item	Content	Relevant section or paragraph
414-1	New suppliers screened by social criteria	P23-P24
414-2	Negative impact of the supply chain on society and the actions taken	Not applicable

GRI415: Public Policy

Disclosure item	Content	Relevant section or paragraph
415-1	Political contributions	Not applicable

GRI416: Customer Health and Safety

Disclosure item	Content	Relevant section or paragraph
416-1	Assessment of the health and safety impact of product and service categories	P98-P103
416-2	Violations involving the health and safety impact of products and services	Not applicable

GRI417: Marketing and Identification

Disclosure item	Content	Relevant section or paragraph
417-1	Requirements for product and service information and labeling	P33,P100-P103
417-2	Violations involving product and service information and labeling	Not applicable
417-3	Violations involving marketing	Not applicable

GRI418: Customer Privacy

Disclosure item	Content	Relevant section or paragraph
418-1	Substantiated complaints of violations of customer privacy or loss of customer information	Not applicable

GRI419: Socio-economic Compliance

Disclosure item	Content	Relevant section or paragraph
419-1	Violation of laws and regulations in the social and economic fields	Not applicable

Reader's Feedback

Dear Readers:

Hello!

Thank you for reading. We would like you to evaluate this report so as to improve the Bank's ability to fulfill its social responsibilities. Please put forward your valuable comments and suggestions during your busy schedule to facilitate the continuous improvement of our social responsibility report and the entire social responsibility work.

You may provide feedback through the following means.

Fax: 022-58314881

Letter: Party and Mass Work Department, Bohai Bank, No.218 Haihe East Road, Hedong District, Tianjin City (Zip Code: 300012)

E-mail: yj.hao@cbhb.com.cn

Please give us your comments:

1.Are you able to fully obtain the required information from this report?

Yes Partly No

2. Do you think this report fully reflects the economic responsibilities of the Bank?

Yes Partly No

3. Do you think this report fully reflects the social responsibilities undertaken by the Bank?

Yes Partly No

4. Do you think this report fully reflects the environmental responsibilities undertaken by the Bank?

Yes Partly No

5. Does the layout design of this report meet your aesthetic requirements? Does it make your reading and understanding easier?

Yes Partly No

6. If you have other comments and suggestions, please briefly describe them.



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