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BANK OF TIANJIN CO., LTD
2022 SOCIAL RESPONSIBILITY REPORT



(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1578)



Bank of Tianjin Co., LTD

2022 SOCIAL RESPONSIBILITY REPORT

About This Report

Reporting Period

1 January 2022 – 31 December 2022. In order to make this Report more comparable and forward looking, some information contained in this Report falls outside the Reporting Period specified above.

Reporting Cycle

This is an annual report.

Entities Covered by This Report

Data and facts involved herein cover the head office, branches, subsidiaries and affiliates of Bank of Tianjin Co., Ltd. For the sake of presentation, they are collectively referred to as “Bank of Tianjin”, the “Bank”, “We” or “Us” in this Report.

Guidelines for Report Preparation

This Report is prepared in accordance with the *Environmental, Social and Governance (ESG) Reporting Guide* under Appendix 27 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “Listing Rules”), and with reference to the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB) and relevant requirements set out in the *Opinions of the General Office of the China Banking Regulatory Commission on Strengthening the Social Responsibilities of Banking Financial Institutions*, the *Guidelines on Corporate Social Responsibilities of Chinese Banking Financial Institutions* and the *Guidelines on Environmental Information Disclosure for Financial Institutions*.

Principles of Report Preparation

This Report is compiled following the principles of materiality, quantification, balance and consistency.

Materiality: The materiality of the Company’s ESG issues is determined by the Board of Directors. The process of communication with stakeholders and identification of substantive issues as well as the matrix of substantive topics are disclosed in this Report.

Quantification: The statistical standards, methods, assumptions and/or calculation tools for quantifying the key performance indicators herein as well as the sources of conversion factors are all explained in the interpretation of this Report.

Balance: This Report impartially presents the performance of the Company during the Reporting Period, and has avoided choices, omissions or reporting formats that may inappropriately affect the decision or judgment of its readers.

Consistency: Unless otherwise stated, the statistical methods and criteria adopted for data disclosure in this Report are consistent with those of previous years.

Data Explanation

Financial data disclosed in this Report are derived from the audited 2022 financial report. In case of discrepancy between data contained herein and the 2022 annual report, the latter shall prevail. Unless otherwise stated, the scope of other statistics covers the head office, branches, subsidiaries and affiliates of the Bank.

All monetary amounts stated in this Report are in Renminbi unless otherwise stated.

Form of Publication

This Report is published in electronic form. The electronic version can be downloaded on the HKEXnews website (website: www.hkexnews.hk) and our website (website: www.bankoftianjin.com).

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Chairman's Message

The year 2022 was a milestone year in the history of the Communist Party and China. Under the guidance of the spirit of the party's 20th National Congress, we fully practiced the political and people-oriented nature of financial work, firmly promoted the implementation of the "14th Five-Year Plan" strategic plan of the Bank of Tianjin, and served the real economy and the people's livelihood; we also worked hard and moved forward with courage, relied on financial technology to enhance our comprehensive service capabilities, strictly guarded the bottom line of risks, and consolidated our sustainable development foundation. In the process of development, we have deeply excavated and absorbed the excellent cultural factors accumulated in the history of Bank of Tianjin, and gradually formed a corporate culture concept system with the core of "Far-sighted, Hard-working, Sharp, Wisdom and Kind", leading the new journey of building a socialist modern commercial bank across the Bank.

Far-sighted. In the face of new internal and external situations and new challenges, we updated the development philosophy in a timely manner, adjusted the development strategy, established a socialist modern city commercial bank as its development vision, and took the "reform + innovation" dual-track development strategy as the driving force for business growth to comprehensively promote the Ten Major Projects (3.0). The Bank seized the development opportunity of financial technology, spent four years to complete the construction of the third phase of the IT planning project and build the local dual-active data center in Wuqing-Xiqing, the local third data center and an off-site disaster recovery center in Chengdu, forming an industry-leading multi-active disaster recovery system with "four centers in two areas". The Bank took advantage of the trend to successfully launch a new generation of decentralized core system during the Reporting Period, reflecting a "quality" leap in technology upgrades, business enhancements, localisation requirements and digital transformation. The Bank has become the first modern bank in China to achieve ecological transformation of the full spectrum of business through the "cloud + distributed + multi-business" technology, shaking off the stereotype of traditional city commercial banks with backward technology.

Hard-working. The Bank fulfilled the mission of a state-owned financial enterprise, worked hard and forged ahead with perseverance, and precisely increased support for key areas such as major national strategies, regional key projects, green development, technological innovation and rural revitalisation, and promoted the development of various businesses to achieve effectiveness. The Bank utilised key project loans and bond underwriting investment to support the coordinated development of the Beijing-Tianjin-Hebei region; implemented a "package" of economic stabilization measures, made full use of the central bank's refinancing, rediscounting and inclusive small and micro loan support tools, and stepped up efforts to provide relief to inclusive small and micro enterprises; in response to the national strategy of "peaking carbon dioxide emissions and carbon neutrality", guided the allocation of resources to green and low-carbon fields through various measures including green credit, green bonds, green leasing, and green personal financial products, providing strong support for the construction of ecological civilisation.

Sharp. The Bank coordinated development and safety, continuously enhanced the awareness of risk prevention, used keen insight to conduct forward-looking research and judgment, continued to pay attention to financial risks, and proactively resolved the risky assets left over from history. Adhering to the strategic vision of building an "honest and compliant bank", we continued to improve the comprehensive risk management system, optimised the compliance risk management process, fulfilled the responsibilities of anti-money laundering, anti-fraud and anti-cross-border gambling, gave full play to the functions of discipline inspection and supervision and party committee inspection and anti-corruption, and effectively improved the compliance operation and risk management. Meanwhile, the Bank paid attention to new risks such as ESG and climate change, innovatively carried out climate risk management research and stress testing, optimised the environmental and social risk management process, promoted low-carbon operation and green office to reduce the impact on the environment.

Wisdom. The Bank used financial technology to empower the construction of a "citizen's bank", closely grasped changes in the environment and policies, actively adjusted strategies, and took advantage of Internet thinking to help the development of small and micro economies and the improvement of consumer experience. The Bank worked closely with the government platform to create a "Smart Xiao Er" scenario ecosystem, empowering individual entrepreneurs from all dimensions of marketing, products, payment and digitisation, and innovated the "Smart Xiao Er-Tianhangyongbei (智慧小二•天行用呗)" online credit loan, of which Tianjin has always maintained a lower interest rate of 3.95%, alleviating the problem of "difficult, expensive and slow financing" for small and micro enterprises. As of the end of the Reporting Period, the number of merchants in

the network of "Smart Xiao Er" accumulatively reached to nearly 600,000, of which nearly 45% of the registered small and micro enterprises and individual merchants in Tianjin, providing credit support of a total of RMB6,470 million, which has received special reports from CCTV's "Morning News" and "Xinwen Lianbo", and has been included in the 15 initiatives of the Tianjin Municipal Government to help enterprises alleviate their difficulties, the "23 financial policies" of Tianjin Branch, the People's Bank of China and the implementation plan of Tianjin's package of policies and measures to solidly stabilize the economy. In addition, the Bank formulated the Strategic Plan for Financial Technology and Digital Transformation (2022-2025), promoted efficient and intelligent operation, established intelligent customer service, completed the intelligent upgrading of branches, created a differentiated service model for the elderly, and realised online and offline multi-dimensional, comprehensive digital transformation, bringing excellent experience to consumers.

Kind. The Bank has always maintained close contact with stakeholders such as employees and customers, and responded to the expectations and demands of all sectors of society. Adhering to the combination of strict management and gracious treatment, the Bank steadily promoted the construction of professional sequences, and built a development platform for employees to grow and flourish; fulfilled the commitment of caring for employees, created a sound office environment, and enhanced employees' sense of happiness and belonging. We attached great importance to the protection of consumer rights and interests, continued to improve the consumer rights and interests protection system, enhanced information security management and control, and promoted product and service transparency to improve consumer satisfaction. Taking giving back to the society as our duty, we combined our own business and resource advantages to carry out targeted assistance, charitable donations, financial knowledge promotion, voluntary services and other actions to actively respond to and practice corporate social responsibility.

The Bank shall forge ahead to make a fresh start, and make concerted efforts to embark on a new journey. In 2023, we will continue to carry forward the spirit of watering the harvest with sweat and moving forward with hard work, take serving the real economy and empowering a better life as the corporate mission, and work together with the whole society to seek positive interaction between corporate development and social responsibilities, so as to provide customers with warmer, more efficient and high-quality financial services, and to make important contributions to the development of the environment, society and economy.

Bank of Tianjin, Chairman

2022 Key Performance

Supporting the real economy

- The Bank implemented the financial assistance policy, and a total of 2,363 enterprises were granted deferment of repayment of the principal and interest of RMB12.22 billion throughout the year.
- The Bank contributed to the coordinated development of Beijing-Tianjin-Hebei, and issued RMB9.112 billion in the coordinated development loans of Beijing-Tianjin-Hebei throughout the year, representing a year-on-year increase of 102.35%.
- The Bank improved the initiative, accuracy and coverage of inclusive financial services. As of the end of the Reporting Period, the balance of inclusive loans to small and micro enterprises amounted to RMB29.564 billion, representing a year-on-year increase of 19.75%; the balance of agriculture-related inclusive loans amounted to RMB4.074 billion, representing a year-on-year increase of 24.15%.
- The scenario ecosystem empowered the Bank to build a citizen's bank. The cumulative number of merchants in the network of the "Smart Xiao Er" was nearly 600,000, of which nearly 45% of the registered small and micro enterprises and individual merchants in Tianjin, providing credit support of a total of RMB6,470 million.



Supporting the ecological environment

- The Bank supported the transformation towards the green economy. As of the end of the Reporting Period, the green credit balance amounted to RMB16.417 billion, representing a year-on-year increase of 36.0%; the green bonds underwritten and invested amounted to RMB8.121 billion; Bank of Tianjin Financial Leasing Green Financial Lease Loan amounted to RMB4.264 billion, accounting for 44.05% of the loan balance.
- The Bank innovated personal green financial products, launched the first ESG theme wealth management product, issued the "happy bicycle (快樂單車)" theme credit card, and carried out low-carbon environmental credit card rights activities.
- The Bank promoted the green transformation of financial services, and the replacement rate of electronic billing statements reached a year-on-year increase of 9.47 percentage points.



Supporting a harmonious society

- The Bank provided an excellent service experience, and 27 branches passed the certification review of the elderly-friendly service standards, and 9 of them were rated for the "Elderly-friendly Model (适老示范)".
- The Bank popularised knowledge of financial literacy to all sectors of the community, with 3,700 promotional and educational events on financial literacy held and 210,000 copies of promotion materials distributed during the Reporting Period.
- The Bank participated in public welfare undertakings. During the Reporting Period, we donated RMB7.88 million, with over 2,000 hours spent on volunteer services.
- The Bank focused on the development needs of its employees and implemented a talent echelon cultivation programme, with 1,575 employee training sessions conducted and 106,700 person-times trained throughout the year.



Economic Performance

Indicator	Unit	2020	2021	2022
Total assets	RMB100 million	6,877.60	7,199.04	7,610.83
Customer loans and advance balance	RMB100 million	2,957.52	3,246.07	3,373.97
Total liabilities	RMB100 million	6,338.12	6,623.63	7,004.64
Deposit balance	RMB100 million	3,559.82	3,824.79	3,977.65
Operating income	RMB100 million	171.97	176.94	157.59
Profit before allowance	RMB100 million	132.66	132.94	113.34
Net profit	RMB100 million	43.43	32.14	35.63
Taxes paid ¹	RMB100 million	8.96	4.38	4.53
Average return on total assets	%	0.64	0.46	0.48
Capital adequacy ratio	%	14.48	13.49	12.80
Provision coverage ratio	%	183.45	154.26	159.27

Social Performance

Indicator	Unit	2020	2021	2022
Total number of employees	Person	6,663	6,587	6,708
Number of male employees	Person	2,736	2,683	2,726
Number of female employees	Person	3,927	3,904	3,982
Social insurance participation rate	%	100%	100%	100%
Housing provident fund participation rate	%	100%	100%	100%
Total outgoing donations	RMB10 thousand	618.60	33.00	788.00

Environmental Performance

Indicator	Unit	2020	2021	2022
Consumption of water distributed via municipal water supply	Tonne	137,410.89	137,242.17	130,858.74
Outsourced electricity consumption	MWh	28,222.87	33,930.60	33,451.60
Gasoline consumption	Liter	181,331.60	181,659.46	143,151.23
Diesel consumption	Liter	1,200.11	994.90	1,372.69
Natural gas consumption	Cubic meters	182,778.00	344,015.30	569,919.61
Outsourced heat	GJ	61,312.80	53,808.99	49,758.88
Direct GHG emissions	tCO ₂ e	799.66	1,152.67	1,563.83
Indirect GHG emissions	tCO ₂ e	26,450.31	29,728.34	28,867.97
Total GHG emissions	tCO ₂ e	27,249.97	30,881.01	30,431.80
GHG emissions per RMB1 million of revenue	tCO ₂ e/RMB1 million	1.58	1.75	1.93
GHG emissions per person	tCO ₂ e/person	4.09	4.69	4.54
Overall energy consumption	MWh	48,819.81	54,189.95	54,698.53
Overall energy consumption per RMB1 million of revenue	MWh/RMB1 million	2.84	3.06	3.47
Energy consumption per employee	MWh/person	7.33	8.23	8.15

¹ Taxes paid include "income tax" and "taxes and surcharges" from the Bank's financial indicators.

About Us



Bank of Tianjin Co., Ltd., referred to as Bank of Tianjin, is a company listed on the main board of the Hong Kong Stock Exchange (stock code: 1578) and headquartered in Tianjin. Bank of Tianjin was formerly known as Urban Credit Cooperatives. In 1996, it was established as "Tianjin City Cooperative Bank" on the basis of 65 urban credit cooperatives and 2 business departments of associated cooperatives. The Bank changed its name to "Tianjin City Commercial Bank" in 1998 and then to "Bank of Tianjin" in 2007, and began to implement cross-regional operations, with branches in three municipalities, Beijing, Tianjin and Shanghai, and three provinces, Hebei, Shandong and Sichuan. As of the end of the Reporting Period, there were a total of 217 business institutions nationwide, including 1 business department, 7 first-tier branches, 6 second-tier branches and 6 central branches. The Bank established Bank of Tianjin Financial Leasing Co., Ltd. and Tianjin Jizhou County Bank, and established 7 Jinhui County Banks in Ningxia and Xinjiang Autonomous Regions.

Bank of Tianjin takes "serving the real economy and empowering a better life" as its corporate mission, "building a socialist modern city commercial bank" as its development vision, and "accompanied by heart, intelligent service, and joyful experience" as its service concept. In recent years, the Bank promoted the dual-track strategy of "reform + innovation", strengthened digital transformation, refined management and integrity and compliance construction, and focused on cultivating and shaping its operating characteristics in inclusive finance, wealth management, financial market, Internet finance, technology finance, pension finance and other fields, continuously enhancing its sustainable development capabilities. The Bank became the first modern bank in China to achieve ecological transformation of the full spectrum of business through the "cloud + distributed + multi-business" technology. The Bank ranked 187th among "Top 1,000 World Banks" of 2022 by the British "The Banker" Magazine, ranked 23rd among "2022 Tianjin Entrepreneur Top 100", and ranked 9th among "Tianjin 2022 Service Enterprises Top 100".



Professional Affiliation

The Bank has joined a number of industry organisations and is a standing director unit of China Enterprise Confederation, China Enterprise Directors Association, Tianjin Commercial Federation, and Tianjin Institute of Finance; a director unit of China Banking Association; a vice president unit of Tianjin Enterprise Confederation and Tianjin Entrepreneur Association; and a member unit of Tianjin Banking Association, Tianjin Numismatic Society and Hong Kong Chinese Listed Companies Association. We successfully joined the International Capital Markets Association (ICMA) in 2022 and have been actively involved in multi-industry exchanges and cooperation.



Advantages of Our Qualifications

- Licensed for bonds market maker in interbank bond market
- Grade-A lead underwriter of non-finance corporate debt financing instruments
- Trustee's business qualifications for non-financial corporate debt financing instruments
- Core dealer of credit risk mitigation tools, credit risk mitigation warrant issuer, credit-linked note issuer
- One of the first financial institutions to be licensed by the Beijing Financial Assets Exchange for underwriting debt financing plans, securitization of credit assets and annexation loan
- A member of the book-entry and saving treasury bond underwriting syndicate of the Ministry of Finance; Lead underwriter of Tianjin local government bonds; a member of local debt underwriting syndicates in Beijing, Shenzhen, Shanghai, Hebei, Shandong, Sichuan and other regions; a member of the underwriting syndicate of financial debts of three policy banks
- Licensed for hedging derivatives trading
- Licensed for interest rate swap transactions and real-time undertaking of interest rate swap services, licensed for standard bond forward transactions, one of the first interest rate swap options entry institutions and collar options entry institutions
- Licensed for gold inquiry business trading with the Shanghai Gold Exchange; Class A membership with the International Board of the Shanghai Gold Exchange
- The Shanghai Branch of the Bank secured the membership of the China Foreign Exchange Trading Center to conduct foreign currency interbank borrowing in the Shanghai Free Trade Zone
- Participating institution in online interbank deposit in China Foreign Exchange Trading Center



Organiser

Award/honorary title

"The Banker" Magazine	Ranking 187th among "Top 1,000 World Banks" of 2022 Ranking 234th among "Top 500 World Bank Brand Value" of 2022
China Enterprise Confederation, China Enterprise Directors Association	Ranking 195th among "2022 Top 500 Service Enterprises in China"
Tianjin Enterprise Confederation, Tianjin Entrepreneur Association	Ranking 23rd among "2022 Tianjin Entrepreneur Top 100"
Tianjin Enterprise Confederation, Tianjin Entrepreneur Association	Ranking 9th among "Tianjin 2022 Service Enterprises Top 100"
China Banking Association	Ranking 33rd among "2022 China Banking Top 100"
SASAC	Listed as the "Local State-owned Enterprises Social Responsibility • Pioneer 100 Index"
China Business Journal	2022 Social Responsibility Bank with Excellent Competitiveness
Tianjin Federation of Industry and Commerce (as Sponsor) and Tianjin Daily (as the organiser)	Model Tianjin Most Socially Responsible Enterprise
www.investor.org.cn	2022 Outstanding Contribution Award for Green Finance of Commercial Bank
Wind	Rated A on Wind ESG Rating List of 2022 Mainland China Listed Banks
China Securities Journal	The "Golden Bull Award for Wealth Management Products of Banks (City Commercial Bank)" The "Golden Bull Award for Wealth Management Products of Banks"
National Interbank Market Trading Center	2022 Annual Inter-bank Local Currency Market Influence Award- Core Dealer 2022 Annual Inter-bank Local Currency Market Influence Award- Money Market Dealer 2022 Annual Inter-bank Local Currency Market Innovation Award – X-Repo 2022 Annual Inter-bank Local Currency Market Innovation Award –X-Lending Top 20 of 2022 Interbank Foreign Exchange Market
Interbank Market Clearing House Co., Ltd.	Shanghai Clearing House Outstanding Foreign Currency Repurchasing and Clearing Participant
ChinaBond Pricing Center Co., Ltd	2022 China Bond Index User Comprehensive Evaluation "Innovation Pioneer"



Total assets
RMB **761.083** billion

Operating income
RMB **15.759** billion

Corporate Governance

- ✔ Corporate Governance and Strategic Planning
- ✔ ESG Management
- ✔ Compliance and Risk Management

Outstanding balance of
customer loans and advances
RMB **337.397** billion

Total liabilities
RMB **700.464** billion

Net profit
RMB **3.563** billion

Deposit balance
RMB **397.765** billion



Value-driven Bank,
Compliant and Honest Bank



Corporate Governance and Strategic Planning

Corporate Governance

The Bank effectively implemented the relevant governance principles of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and has established a corporate governance structure including the general meeting of shareholders, the Board of Directors, the Board of Supervisors, and senior management, and formed a modern financial enterprise system with Chinese characteristics centered on the *Articles of Association of Bank of Tianjin Co., Ltd.*, continuously strengthened the leadership of the Party, promoted the independent operation, effective checks and balances, mutual cooperation and coordinated operation of all bodies charged with governance, and steadily improved the corporate governance in strict compliance with laws and regulations including the *Company Law of the People's Republic of China*, *Law of the People's Republic of China on Commercial Banks*, *Corporate Governance Standards for Banking or Insurance Institutions* and regulatory provisions.

Continuously Strengthening the Construction of Corporate Governance System

Conducting benchmark upgrading steadily. In accordance with the *Three-year Action Plan for Reform of State-owned Enterprises* and the *Three-Year Action Plan for Improving Corporate Governance of the Banking and Insurance Sectors (2020-2022)* and other requirements, and in conjunction with regulatory requirements and the results of corporate governance assessment, the Bank conducted a comprehensive self-examination of the benchmark and improvement of corporate governance in the closing stage, and follow up and supervised each item to fully implement the corporate governance requirements and promoted the formation of a more scientific decision-making, effective supervision and stable operation of corporate governance.

Improving the system. With the amendment of the *Articles of Association* as the core, the Bank improved the working rules and authorisation management system of the shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management, and further clarified the working duties and procedures of the shareholders' general meeting, the Board of Directors and its special committees, the Board of Supervisors and its special committees and the senior management. In accordance with the latest regulatory requirements, the Bank revised and improved the Measures for Performance Appraisal of the Board of Directors and the directors, the supervisors, the senior management and its members, the chief auditor of performance evaluation methods and the internal audit working, improving the

assessment and evaluation system of the bodies charged with corporate governance to facilitate the performance of duties and responsibilities. We organised the system re-inspection in high quality and further supplemented and revised the management system at all levels and lines around key governance and operation issues such as information disclosure, risk management, internal control and compliance and information technology construction. In 2022, the head office formulated 79 new management systems and revised 130 management systems to further improve the management system.

In 2022, the general meeting of shareholders, the Board of Directors and its special committees and the Board of Supervisors and its special committees held a total of 68 meetings. A total of 19 proposals were considered and approved at the general meeting of shareholders; 69 proposals were considered and approved and 24 reports were reviewed at the meeting of the Board of Directors; 83 proposals were considered and approved and 27 reports were reviewed at the meeting of the Board of Supervisors, effectively ensuring the decision-making supervision and implementation of major issues.

Continuously Improving the Performance of the Board of Directors and the Board of Supervisors

Successfully completing the renewal of the directors, supervisors and the senior management. The Bank adhered to the principle of diversified composition and reasonably added the executive directors combining their career experience, professional expertise, gender and other factors, selected independent directors and external supervisors, and further strengthened the Board of Directors and the Board of Supervisors. Up to now, there are 15 directors on the Board of Directors of the Bank, and five of them are independent non-executive directors, accounting for one-third of the Board of Directors and providing sufficient independent opinions to the Board of Directors. In terms of professional background, seven of the Board members have a professional background in finance, four in finance, accounting and auditing, two in economics and management, one in law and one in education. In terms of gender, there is one female executive director and three female non-executive directors, so the heterogeneity of the Board of Directors is effectively guaranteed. The Board of Supervisors has five supervisors, including one shareholder supervisor, two staff supervisors and two external

supervisors, providing effective support for the supervision and the performance of duties of the Board of supervisors.

Actively promoting the ability of directors, supervisors and the senior management to perform their duties. To strengthen the communication of performance of duties, we organised seminars between the Chairman and the external directors and supervisors to exchange views on development strategy, operation and management, and internal control of risks so as to promote the efficient performance of duties of the external directors and supervisors. The Bank also conducted performance training extensively and organised ESG and anti-corruption training and invited the external directors and supervisors to participate in corporate governance training organised by high-level departments to effectively enhance the ability of performance of the directors, the supervisors and the senior management. We perform daily communication steadily and also provided support for scientific decision-making and effective supervision by the Board of Directors and the Board of Supervisors by regularly sending minutes of meetings of the President's Office and compiling monthly reports on the communications of the Directors and Supervisors.

Fulfilling of Information Disclosure Obligations

In order to protect the interests of investors and other stakeholders, the Bank has strictly complied with the domestic and overseas information disclosure regulations and made timely, comprehensive and objective information disclosure in relation to important management system amendments, major personnel changes and important operational matters. In 2022, the Bank published more than 40 information disclosure documents, including regular reports and interim reports on the website of the Hong Kong Stock Exchange and the website of the Bank.

During the information disclosure process, the Board of Directors has fully performed its disclosure management function by organizing the preparation, review and disclosure of the Bank's Annual Report of 2021, Annual Social Responsibility Report of 2021, Interim Report of 2022 and other important periodic reports, and responded to the requirements of the Hong Kong Stock Exchange in advance to achieve simultaneous disclosure of the Annual Report and the Annual Social Responsibility Report; the Board of Supervisors has effectively performed its supervisory function by fully discussing and reviewing the relevant periodic reports and jointly ensuring that the information in the periodic reports was true, accurate and complete.

In 2022

The general meeting of shareholders, the Board of Directors and its special committees and the Board of Supervisors and its special committees held a total of meetings

68 meetings

The proposals were considered and approved at the general meeting of shareholders

19 proposals

The proposals were considered and approved at the meeting of the Board of Directors

Review reports

69 proposals

24 reports

The proposals were considered and approved at the meeting of the Board of Supervisors

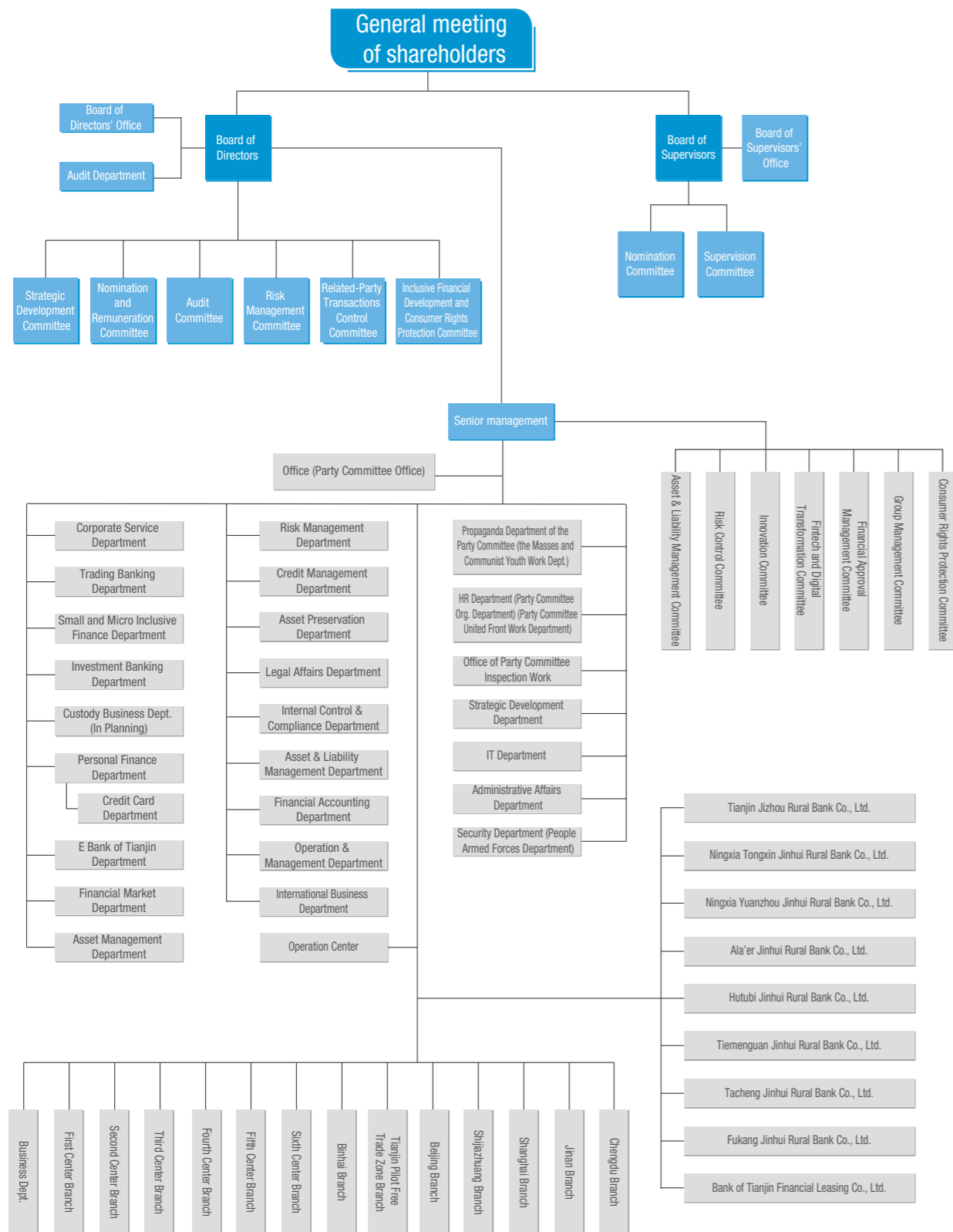
Review reports

83 proposals

27 reports

Effectively ensuring the decision-making supervision and implementation of major issues.





Structural Diagram of Corporate Governance

Strategic Planning

Continuously Promoting the Implementation of Strategic Planning

In 2021, the Bank formulated the "14th Five-Year Plan" strategy according to the instructions of the Party and the government, development needs of the regional real economy, requirements of the regulatory authorities, expectations of customers and partners, expectations of shareholders and employees, as well as its own resource endowment and future development needs, thus setting the development vision of building the Bank of Tianjin into a modern socialist urban commercial bank.

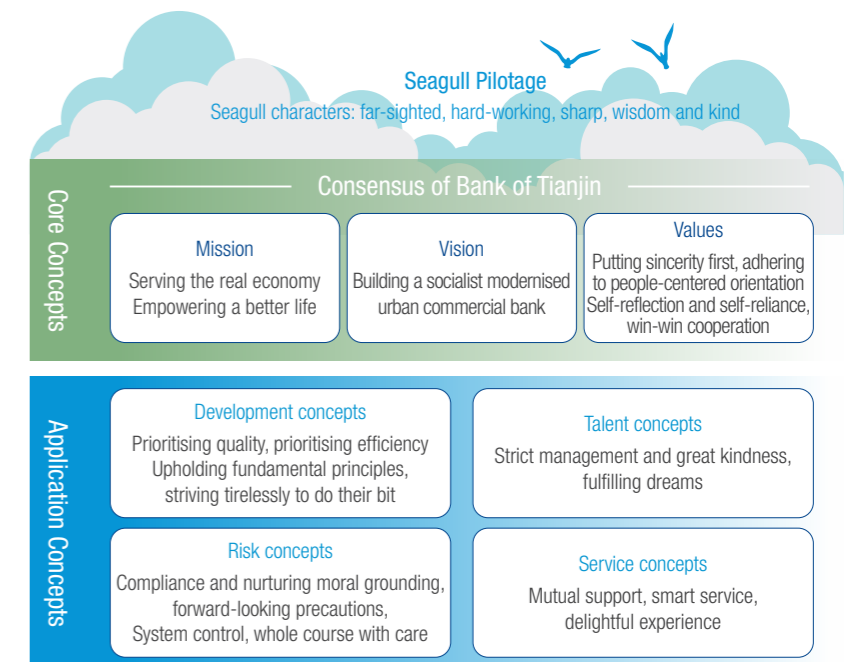
In 2022, the Bank formulated the *2022 Breakdown of Implementation Tasks of Development Strategic Plan of Bank of Tianjin*, focusing on 11 segments, 56 projects, 151 work objectives, developed 280 specific initiatives with annual (quarterly) work objectives and annual (quarterly) deliverables, forming a situation where everyone participates in strategic planning and everyone enjoys the development results.

As assessed, as of the end of the Reporting Period, 276 strategic initiatives had met the expected targets, with a 98.57% completion rate of annual strategic planning, and the completion rate of strategic planning implementation initiatives had met expectations.

In 2023, the Bank will complete the revision of the "14th Five-Year Plan" strategy, taking into account the internal and external changes, in order to thoroughly implement the spirit of the 20th Party Congress, the requirements of the 12th Party Congress of Tianjin and the 10 action plans organised by the municipal government to implement the spirit of the 20th Party Congress.

Corporate Culture

In 2022, the Bank refined the corporate culture concept system of "Seagull Pilotage" through the in-depth analysis of the "14th Five-Year Plan" and systematic reflection on the history, current situation and future of the Bank in combination with research and interviews, to form the core elements of Seagull character, mission, vision, core values, development concept, talent concept, risk concept and service concept.



ESG Management

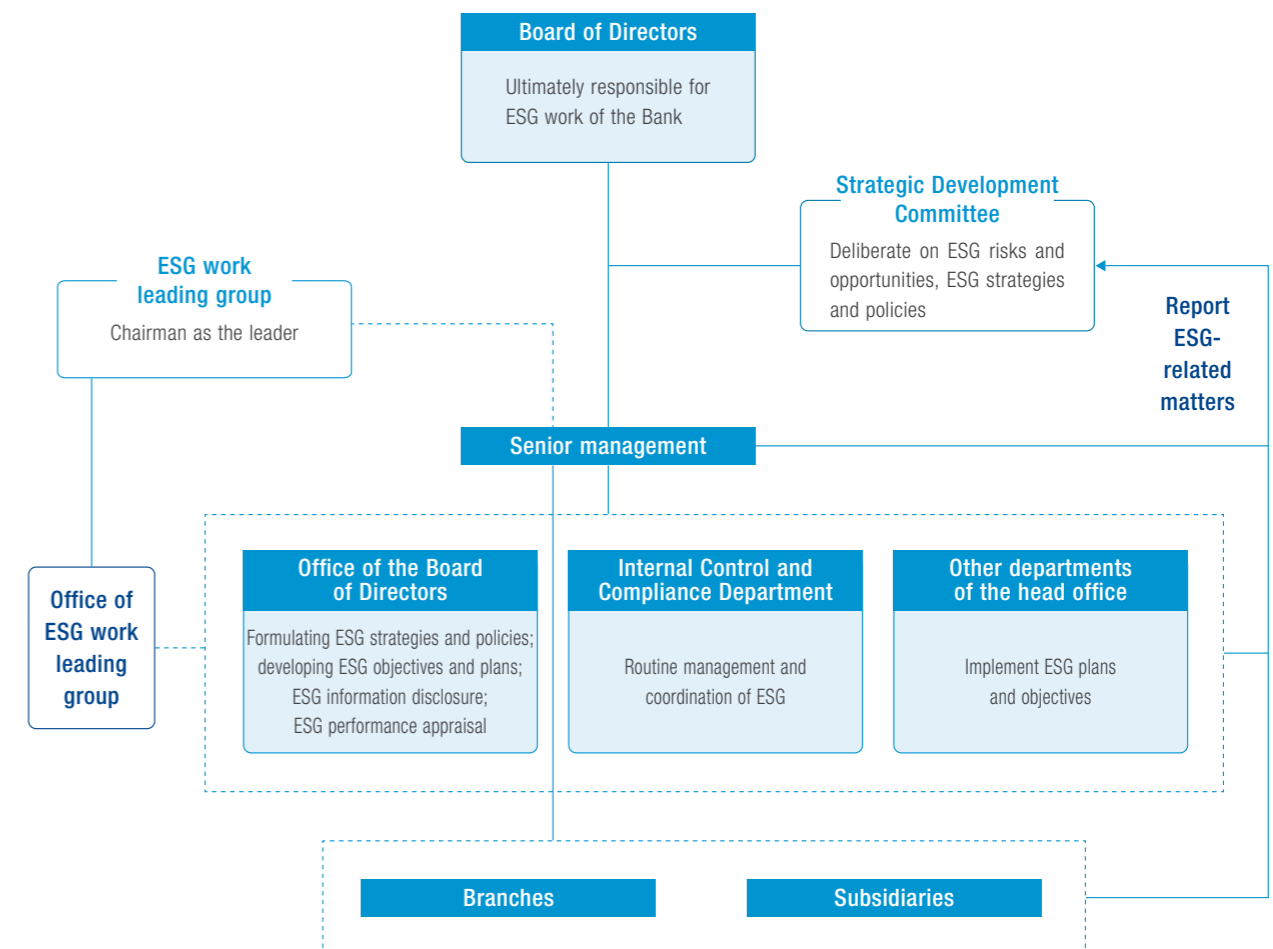
In accordance with the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange, the *Opinions of the General Office of the China Banking and Insurance Regulatory Commission on Enhancing the Social Responsibility of Financial Institutions in the Banking Industry*, and the *Guidelines for Corporate Social Responsibility of Financial Institutions in the Banking Industry of China* and other related requirements, the Bank has established a top-down ESG management system under the leadership of the Board of Directors, continuously promoted the implementation of ESG strategic planning, continuously strengthened the ESG management and talent system, and responded to the reasonable demands of various stakeholders.

Statement of the Board of Directors and the Responsibility Management

The Board of Directors of the Bank has the ultimate responsibility for ESG efforts. The Board of Directors of the Bank is responsible for analyzing the materiality of ESG issues every year, deliberating and determining the risks and opportunities of the Bank in terms of environment, society and corporate governance, formulating and improving ESG-related strategies, policies, systems and organisational structure, and taking the management and improvement of key issues as the target of sustainable development strategies in action. In 2022, the Board of Directors considered and adopted ESG-related issues such as the *Working Rules of the global change to the Strategic Development Committee of the Board of Directors of Bank of Tianjin Co., Ltd.*, the *2021 Social Responsibility Report of Bank of Tianjin Co., Ltd.*, the *2021 Green Credit Work Report of Bank of Tianjin Co., Ltd.* and *2022 Work Plan on Inclusive Micro and Small Business of Bank of Tianjin Co., Ltd.*; relying on a solid and effective ESG management framework, the Bank continued to promote the implementation of ESG management strategic objectives to achieve overall improvement of management capability, talent level and ESG business performance.

Establishing ESG Management Structure

The Bank has set up an ESG work leading group with the chairman as the leader, involving senior management, departments and branches of the head office, and leaders of subsidiaries, forming an ESG working mechanism with top-down participation of the whole bank. The Board of Directors is the supreme decision-making body for ESG management; the Development Strategy Committee under the Board of Directors is responsible for the specific management of ESG matters, regularly receives reports on ESG matters, reviews and reports to the Board of Directors on material ESG matters; the chairman is ultimately responsible for the ESG-related work. The senior management, departments of the head office, branches and subsidiaries are the executive bodies of ESG, responsible for implementing ESG-related plans and initiatives, and reporting to the Board of Directors and the Development Strategy Committee under the Board of Directors regularly. The office of the Board of Directors takes the lead in formulating ESG strategies, policies, annual objectives and plans, information disclosure and the performance appraisal of ESG implementation. The Internal Control and Compliance Department leads the organisation and coordination of routine ESG work, and the building of ESG system. For green finance, green operation, climate risk management and other critical work, the corresponding leading departments have also been defined.



Improving ESG System

At the institutional level, the Bank has incorporated "sustainability" into its business principles, "promoting economic development, environmental friendliness and social progress" into its management tenet, and added "supervising and evaluating the Bank's performance of social responsibility and promoting sustainable financial development" into the responsibilities and authority of the Board of Directors, incorporated ESG management responsibilities into the working rules of the Development Strategy Committee of the Board of Directors, and formulated and issued the *Management Policies on Social Responsibility (ESG) of Bank of Tianjin Co., Ltd.* and the *Measures for Management of Social Responsibility (ESG) of Bank of Tianjin*, realizing the systematization and institutionalization of ESG management.

On this basis, the Bank has taken full advantage of the ESG concept to rationalize and improve the bank-wide organisational system, departmental and job responsibilities, business processes and management systems, and continuously explore and improve the ESG system in accordance with the new *Environmental, Social and Governance Reporting Guidelines* issued by the Hong Kong Stock Exchange. In 2022, on the basis of ESG system information research, the Bank comprehensively sorted out the ESG system, gradually optimised the ESG system of Bank of Tianjin and improved the relevant systems, involving more than 50 systems in governance, environment and society, so as to provide institutional guarantee for the development of ESG work.

Promoting the Implementation of ESG Strategy

In accordance with the requirements of ESG management in the Bank's "14th Five-Year Plan" strategy, the Bank organised all departments, branches and subsidiaries to formulate ESG work objectives and action plans on an annual basis. Each institution is required to develop an annual work plan and task list based on the overall ESG strategy objectives, in line with the latest external regulatory requirements and its own line of work, and to specify the responsible team and specific deliverables, and to include the completion of ESG work objectives in the annual performance assessment. In 2022, the Bank's institutions defined 68 work objectives at the governance, environmental and social levels and developed

110 specific initiatives, with a completion rate of 92.73%, achieving tangible results in all ESG work and promoting the implementation of ESG strategies with high quality.

Strengthening ESG Talent Training

In order to deepen the understanding of ESG concepts and trends among employees at all levels and to enhance ESG capabilities, the Bank extensively conducts ESG training activities and strengthens ESG talent cultivation. Firstly, the Bank made a good selection of ESG training contents, and formed a *List of ESG Training Topics for Bank of Tianjin* based on the principles of relevance, practicality and foresight by consulting all departments, and identified various ESG training topics, including "Green Financial Management System", "the Bank's Path to 'Carbon Neutrality'", "Green Financial Products and Innovation", "ESG Investment", "ESG Rating" and "ESG Authentication". Secondly, the Bank has done a good job in training employees at all levels, and has carried out multi-level training activities including directors and supervisors, senior management members and general employees covering building a net zero bank, ESG risk, green finance, ESG investment, etc. Thirdly, the Bank has been using the "combination of learning and application" of subject research to conduct cross-level and cross-departmental special projects such as climate risk stress testing, environmental information disclosure and green industry research to enhance the staff's ability to explore the frontiers.



Stakeholders' Communication

The Bank has established a rich mechanism of daily and regular communication to systematically sort out and summarize stakeholders' communication and feedback, and confirmed the annual material ESG issues accordingly.

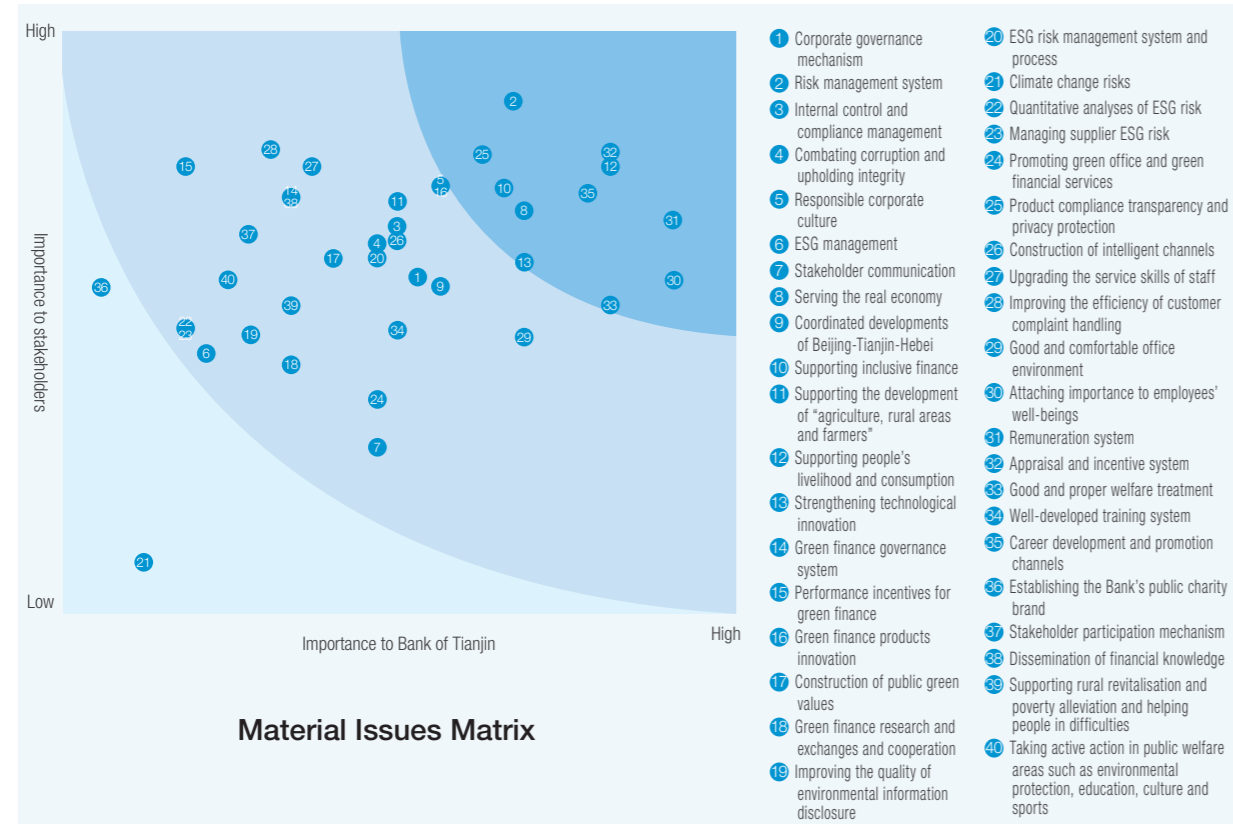
Stakeholder	Expectations and petitions	Communication method	Our response
Government	<ul style="list-style-type: none"> Serving the economic development strategy of the state Furthering regional economic development Serving rural revitalisation 	<ul style="list-style-type: none"> Policy documents Working meetings Information reporting Interviews 	<ul style="list-style-type: none"> Operated the business steadily in accordance with the law and implemented national macroeconomic policies Serving the real economy and promoting economic development Serving the major national strategies such as "Beijing-Tianjin-Hebei Integration" and "Double Carbon" goals

Stakeholder	Expectations and petitions	Communication method	Our response
Regulatory Departments	<ul style="list-style-type: none"> Legal and compliance management Holding the bottom line of risk Maintaining stability and security of the financial system 	<ul style="list-style-type: none"> Regulatory policies Investigations and visits Reporting materials Work instructions, reports 	<ul style="list-style-type: none"> Strictly implemented regulatory policies and requirements Enhanced corporate governance, equity management and related party management
Professional affiliation	<ul style="list-style-type: none"> Enhanced industrial self-discipline and optimised financial services 	<ul style="list-style-type: none"> Phone, WeChat, emails Information reporting Working meetings Trainings Questionnaires 	<ul style="list-style-type: none"> Improved communication mechanism for effective cooperation Actively involved in industrial activities
Shareholders	<ul style="list-style-type: none"> Strict risk control Satisfactory gains and returns Clear strategic planning Sound credit rating Smooth information communication 	<ul style="list-style-type: none"> General meetings of shareholders Investor hotlines, mailboxes 	<ul style="list-style-type: none"> Strict risk control and regulated corporate governance Strong operations to improve business performance Formulated a clear strategic plan based on its own state of development Optimised investment relation management Innovated method of shareholders' services
Clients	<ul style="list-style-type: none"> Detailed financial product information Premium and safe financial services Special offers and explanation of financial literacy 	<ul style="list-style-type: none"> Customer service hotline On-site survey Questionnaire survey 	<ul style="list-style-type: none"> Diversified product information to meet customer needs Improved product quality with a focus on customer experience Popularised knowledge of financial literacy and promoted special offers
Employees	<ul style="list-style-type: none"> Reasonable welfare and benefits Sound career development Satisfying working environment Protection of employees' legal rights and interests 	<ul style="list-style-type: none"> Employee representative conferences Forums Questionnaires Visits and condolences 	<ul style="list-style-type: none"> Fair employment policy Consummate remuneration and incentive mechanism and training system Focused on the office environment, physical and mental health of employees Protected rights of employees to get involved in democratic management and supervision of the enterprise Implemented employee benefit policies
Suppliers and partners	<ul style="list-style-type: none"> Long-term successful partnership Timeliness and data quality of communications and feedback Fair and good opportunities of partnership 	<ul style="list-style-type: none"> Phones, emails Bid invitation and bidding Contractual agreements Negotiations 	<ul style="list-style-type: none"> Investigation, communication and professional consulting Collected materials for report preparation Focused on timeliness and quality of information and feedback Equality with mutual benefits, performed contracts with honesty
Environment	<ul style="list-style-type: none"> Develop green finance Carry out green services Promote green offices 	<ul style="list-style-type: none"> Launch of green financial products Green financial service mode Popularisation on energy efficiency Conducted green public welfare activities 	<ul style="list-style-type: none"> Developed green credit loans and green bonds and innovated products Electronic and online financial services Create a green office environment to build up a green bank
Community	<ul style="list-style-type: none"> Involvement in community development Committed to social harmony Popularisation of financial knowledge 	<ul style="list-style-type: none"> Condolences and visits Public welfare activities Lectures to deliver financial knowledge 	<ul style="list-style-type: none"> Staged volunteer activities to help disadvantaged groups with active participation in public welfare undertakings Ensured safe operation and popularised financial knowledge
Social public and media	<ul style="list-style-type: none"> Maintained sound public relations 	<ul style="list-style-type: none"> Media publicity 	<ul style="list-style-type: none"> Proactive news reporting and popularisation

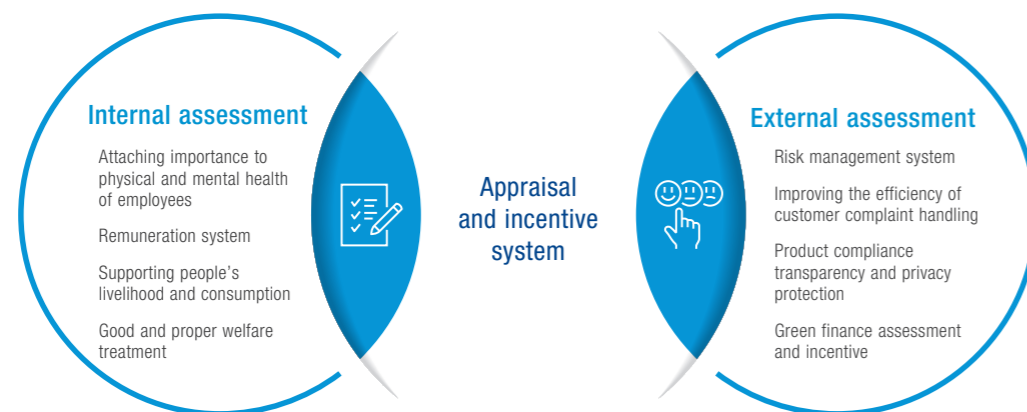
Assessment of Material Issues

According to the general disclosure issues, key performance indicators and relevant regulatory policy requirements and trends involved in the *Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange*, the Bank conducts an internal and external significance assessment on 40 issues from the four dimensions of corporate governance responsibility, economic responsibility, environmental responsibility, and social responsibility through questionnaire survey. Finally, 1,554 valid questionnaires were collected, and relevant issues were disclosed in this report according to the evaluation results.

From perspectives of the Material Issues Matrix, the issues involved in the questionnaire all reach the importance level. Most of the key topics focus on social responsibility, followed by economic responsibility, governance responsibility and environmental responsibility.



From the internal and external assessment of differences and common analysis, internal stakeholders should focus on the employees' physical and mental health, salary system, supporting people's livelihood consumption, good and proper welfare treatment, and other employees' interests, while external stakeholders pay more attention to risk management system construction, complaint handling efficiency, product compliance transparency and privacy protection, green finance and other contents closely related to customers and the public. Evaluation and incentive system became the top five issues in both internal and external evaluation.



Top Five Common Issues and Characteristic Issues by Importance

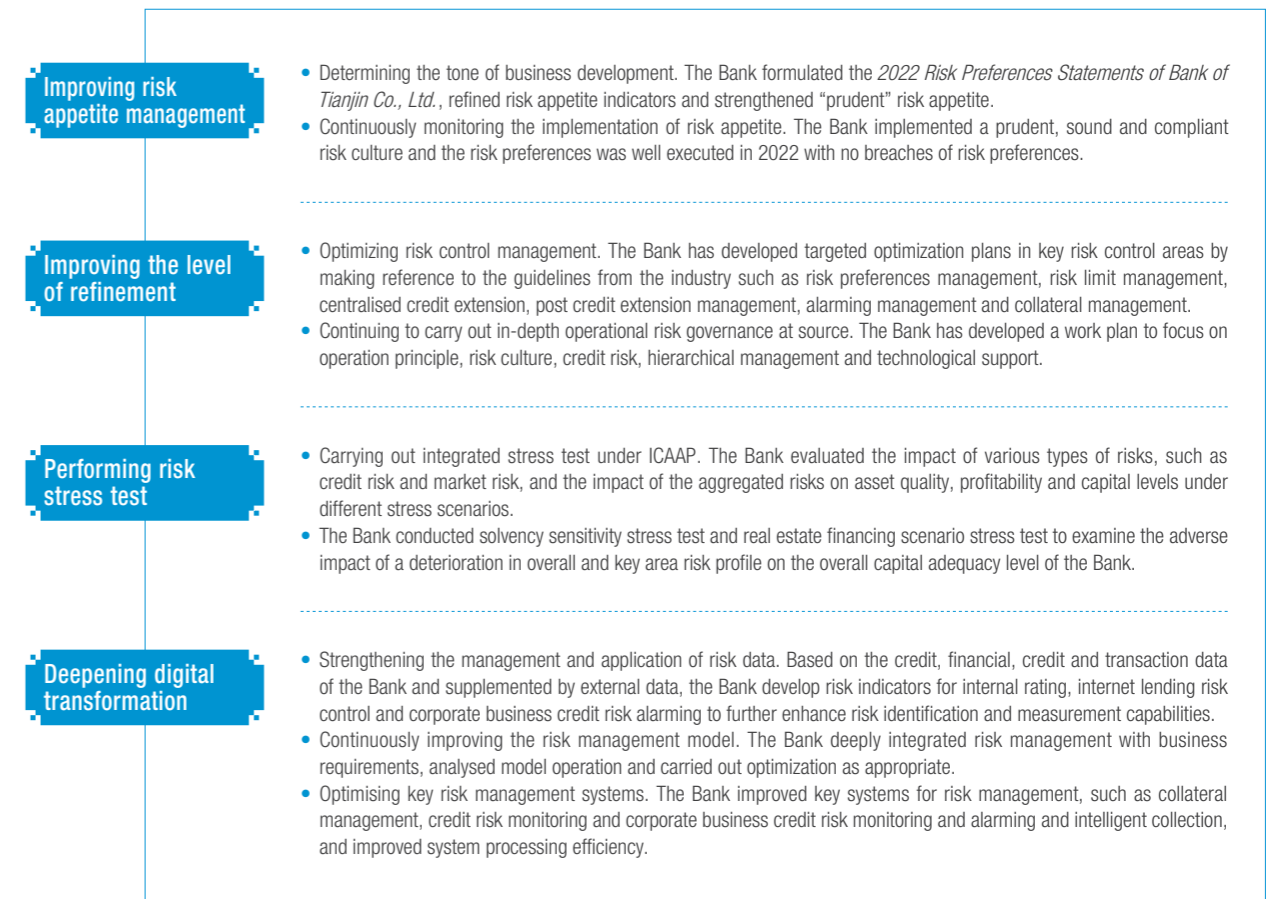
Compliance and Risk Management

By adhering to the strategic vision of building a "compliance and honest bank", the Bank has always taken strengthening risk management and compliance operation as its bottom line and principle. During the Reporting Period, we constantly improved the comprehensive risk management system, optimised the compliance risk management process, fulfilled the responsibilities of anti-money laundering, anti-fraud and anti-cross-border gambling, gave full play to the discipline inspection and supervision, function and the inspections and anti-corruption functions of the Party Committee, and practically improved the level of compliance operation and risk management.

Comprehensive Risk Management

The Bank formulated the *Comprehensive Risk Management System of Bank of Tianjin Co., Ltd.* By establishing and improving the comprehensive risk management system, the Bank ensures that all kinds of risks it faces are controlled within an acceptable range. The Board of Director is the supreme governing body for risk management, the Risk Management Committee under the Board of Directors is responsible for proposing recommendations or comments to the Board of Directors on the Bank's overall risk and risk management status, risk management policies, procedures and methods, making decisions on some risk management issues authorised by the Board of Directors and overseeing the risk management performance of the senior management.

In 2022, the Bank will continue to optimize the risk appetite management, improve and perfect the risk management system, optimize the risk management process, and cultivate the risk management culture.



• Case Study •

Establishment of the Company's business credit risk monitoring and early warning system

In order to further improve the timeliness of early warning management of credit extension business, improve the credit risk monitoring, early warning and feedback of credit extension business and the response mechanism after the occurrence of risk early warning signals, the Bank makes full use of the empowerment of internal and external data, excavates and builds a risk monitoring model, and establishes the credit risk monitoring and early warning system of corporate business.

Through the comprehensive use of industry and commerce, judicial, credit investigation, public opinion and other external information, in-depth mining of credit, settlement and other internal information, combined with business development to promote the targeted development of early warning rules, the system has realised automatic identification, automatic monitoring, automatic warning of credit risk signals of public credit business, and can identify and discriminate risk sources, risk scope, risk degree and risk trend in advance, which has improved the Bank's credit risk off-site monitoring mechanism, helping to improve the level of credit risk prevention and control.

Risk indicators (31 December 2022)

Non-performing loan ratio

1.84%

Year-on-Year change -0.57%

Allowance coverage ratio

159.27%

Year-on-Year change 5.01%

Capital adequacy ratio

12.80%

Year-on-Year change -0.69%

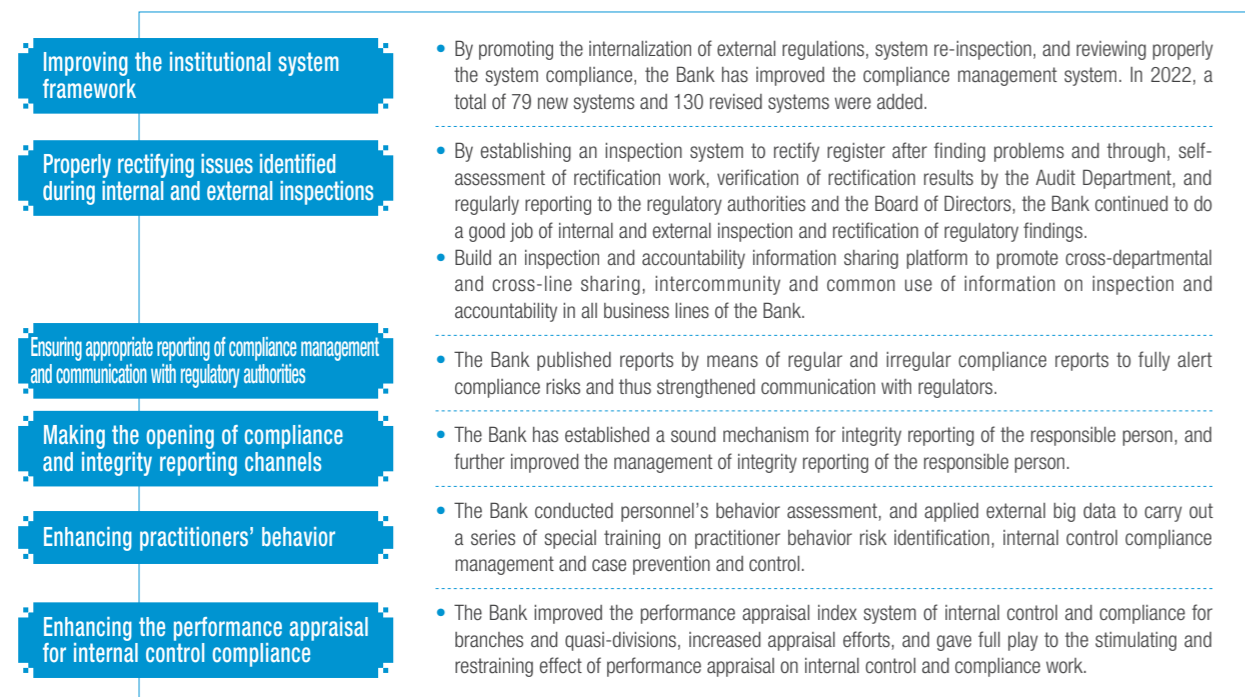
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The special work on "continuous and in-depth internal control and compliance management" was carried out

Since 2022, the Bank has carried out a bank-wide special work on "continuous and in-depth internal control and compliance management". The Bank has formulated the *Implementation Plan of Bank of Tianjin on Continuous and In-depth Internal Control and Compliance Management* and carried out it in an orderly manner according to three stages: mobilization and launch, rectification and improvement, and acceptance and evaluation. The Bank promoted the rectification and improvement of problems on seven dimensions as a whole, thoroughly investigated repeated problems against 796 banking industry risk points, and resolutely solved the repeated problems; improved 87 systems of internal control and compliance management, discovered and filled the loopholes of the system, and built the system firewall; promoted the construction of 34 business and management systems, increased the efforts of information system construction and financial technology application; strengthened the whole process of transaction management and enhanced the "three checks of loans" through the "four-in-one" model and the refined construction of the comprehensive risk management system; and built a bank-wide practitioners' behavior management system; conducted practitioner risk screening with external big data and effectively strengthened the supervision and management of employees' behavior; promoted intelligent branch reform and enhanced the overall brand influence of Bank of Tianjin; released 41 prohibitions on integrity risks of Bank of Tianjin and organised a full bank-wide inspection. Such series of key initiatives have been taken to effectively enhance the Bank's risk prevention and control capability and internal control management level.

Compliance Risk Management

The Bank has attached great importance to compliance risk management, consistently develops the compliance culture, and has incorporated compliance risk into its integrated risk management system and stressed on the correlation of compliance risk and credit risk, market risk and operational risk and other risks, striving for consistency between various risk management policies and procedures. In 2022, the Bank continued to improve its internal system, continuously improved the supporting mechanism related to compliance risk management, maintained its compliance risks at a low risk level and achieved effective control over compliance risks.



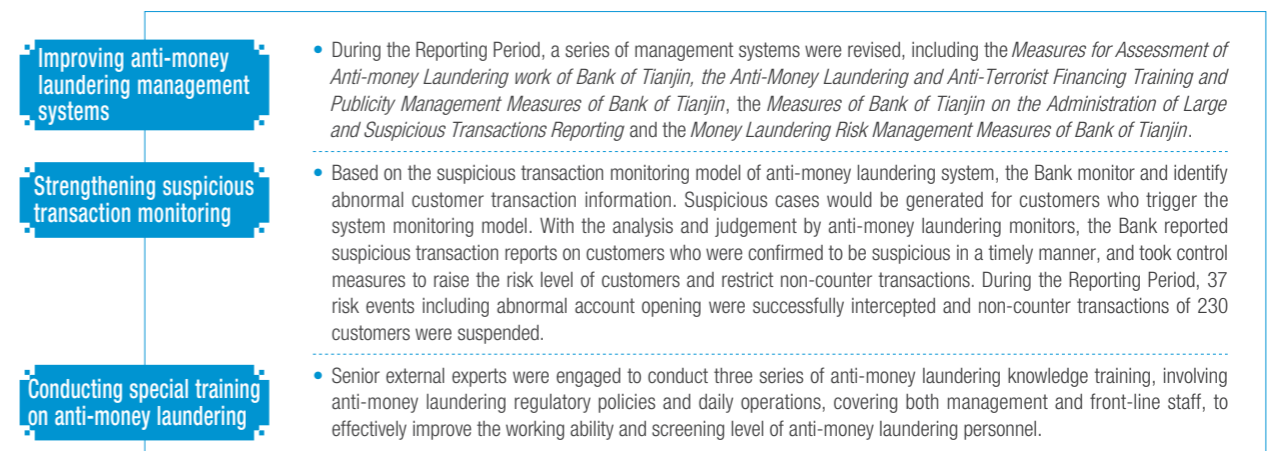
Anti-money Laundering, Anti-fraud, Anti-cross-border Gambling

The Bank has strictly followed the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on the Prohibition of Commercial Bribery*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Measures for the Administration of Reporting Large Transaction and Suspicious Transaction by Financial Institutions*, the *Guidelines for the Management of Money Laundering and Terrorist Financing Risk Assessment and Customer Classification of Financial Institutions*, the *Guidelines for the Management of Practitioners' Conduct of Banking Financial Institutions* and other regulations to prevent various risk events including bribery, extortion, fraud, money laundering and terrorist financing, and strictly adhere to the bottom line of integrity and compliance.



Anti-money Laundering

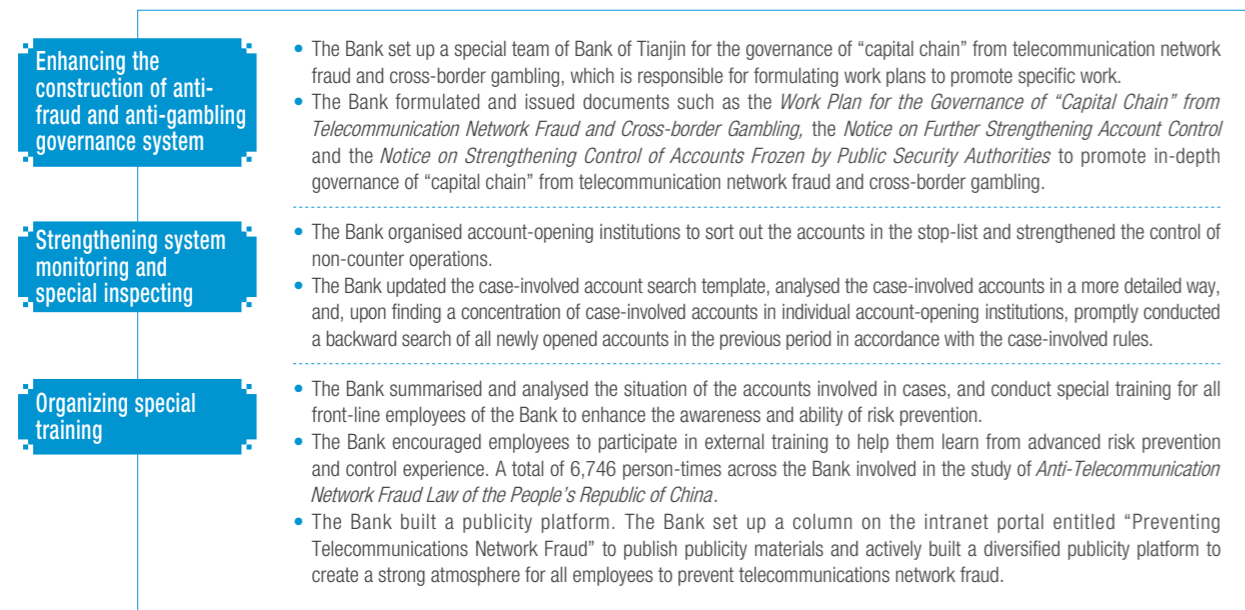
Adhering to the management concept of "risk-based active anti-money laundering across the bank", the Bank has formulated a series of institutional documents and management processes, including the *Money Laundering Risk Management Policy of Bank of Tianjin Co., Ltd.*, in accordance with regulatory requirements, to build up a comprehensive anti-money laundering management system. Through a series of measures such as continuous improvement of the management system, strengthening the monitoring of suspicious transactions and conducting anti-money laundering training, the Bank has achieved effective results in anti-money laundering work. During the Reporting Period, the Bank was not aware of any litigation arising from the violation of anti-money laundering and other laws and regulations in the places of operation.



Anti-fraud, Anti-cross-border Gambling

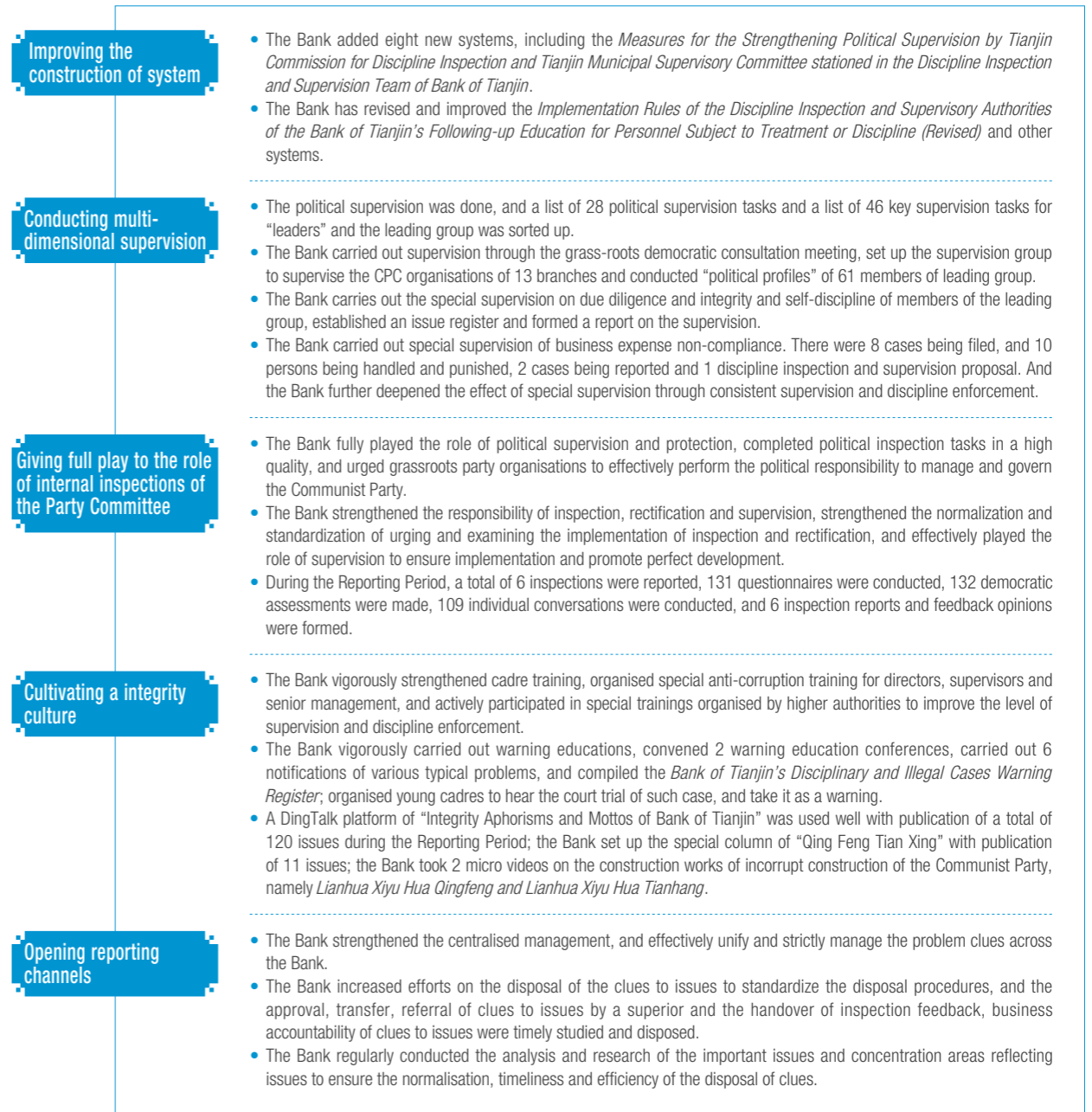
The Bank has adhered to a "people-centered" development philosophy, implements the *Opinions on Strengthening the Fight Against Illegal Crimes of Telecommunication Network Fraud* issued by the CPC Central Committee and the State Council, highlights the problem-orientation, strengthens the rule of law thinking, focuses on source management, comprehensive management, insists on joint management, group prevention and settlement, and effectively puts anti-fraud and anti-cross-border gambling measures such as fight, prevention, management and control in place with stronger political commitment, mission commitment and responsibility commitment, and such measures were implemented in detail and in practice. During the Reporting Period, the Bank enhanced its governance system construction, strengthened its system monitoring and special investigation, organised special training, and effectively improved its anti-fraud and anti-cross-border gambling governance capabilities.

In May 2022, the Bank's Second Central branch provided timely clues to the People's Bank of China Tianjin Branch and the Public Security Bureau after discovering abnormal account opening, and assisted the Tianjin telecommunication network crime management task force to successfully dismantle a criminal gang who illegally organised account opening, protecting more people from telecommunication network fraud, which was commended by the local People's Bank of China.



Anti-corruption

Guided by Xi Jinping's socialist ideology with Chinese characteristics in the new era, and in accordance with the *Regulations on Disciplinary Actions by the Communist Party of the People's Republic of China* and the *Oversight Law of the People's Republic of China* and other Party rules and disciplines as well as laws and regulations, the Bank continued to promote the Party's strict self-governance in an overall manner with firm determination, severe measures and strict discipline, so as to shape up an entrepreneurial environment where honesty, integrity and unity prevail, and provide the strong support for our promotion of business development and strategic transformation. During the Reporting Period, the Bank continued to promote the in-depth development of financial anti-corruption by using various methods including discipline inspection and supervision as well as party committee inspections. The Bank is not aware of any lawsuits arising from violations of anti-corruption laws and regulations in the places of its operation.



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Carrying out the follow-up education of personnel being punished

During the Reporting Period, the Bank carrying out the follow-up education of personnel being handled and punished in 2022, with a total of 12 persons participating in follow-up educations. On 20 May 2022, the Integrity Watch column of Tianjin TV reported on the above-mentioned work of the Bank with the title of "Reviving the spirit, starting out again of 'fallen cadres' through the follow-up education". By carrying out the activities and publishing the relevant information in public media, the Bank's social image being responsible, entrepreneurial, enterprising and innovative has been enriched and highlighted, which has been well received and achieved the unity of political effect, brand effect and social effect.



Loan for the collaborative development in Beijing-Tianjin-Hebei region reached

RMB **9.112** billion,
an increase of
102.35%
year-on-year

Bonds underwritten in Tianjin reached

RMB **58.685** billion,
ranking first in Tianjin

“Smart Xiao Er” has accumulated nearly

600,000
online merchants

Providing credit support of
RMB **6.47** billion

Balance of loans to small and micro businesses under inclusive finance services reached

RMB **29.564** billion,
an increase of
19.75%

Reform + Innovation

- ✔ Supporting High-quality Development of the Real Economy
- ✔ Supporting the Coordinated Development of Beijing, Tianjin and Hebei
- ✔ Group Collaborative Support for Inclusive Finance
- ✔ Scenario Empowerment for Building a Citizen Bank



A mainstream bank in Beijing-Tianjin-Hebei and a dual-track bank



Supporting High-quality Development of the Real Economy

The Bank duly implements all kinds of national economic and financial policies, proactively adapts to the main line of building a modern country with comprehensive socialism and deepening supply-side structural reform, and allocates more credit resources to key areas and weak spots of economic development. Through innovative service models for the real economy, the implementation of financial assistance policies to alleviate the difficulties of enterprises to achieve the transfer of financial system liquidity to the real economy, especially to private and small and micro enterprises and other groups with financing difficulties, to increase the initiative, precision and coverage of services to the real economy.

Innovative Service Model for the Real Economy

The Bank has always adhered to the philosophy of serving the real economy with finance, focusing on its main business and returning to its roots. In order to enhance the ability to serve the real economy, the Bank adheres to the dual-track strategy of "reform + innovation", focuses on the industry and customer group transaction needs, and innovates the real economy service channels from various aspects such as product system, technology support and marketing management to meet diversified financial service needs.

- We formulated the *Measures for the Management of Tender Pass Business of Bank of Tianjin*.
- We formulated the *Measures for the Management of Bank of Tianjin's Cross-border Funds Centralised Operation Business* to provide multinational companies with convenient tools to realize centralised operation and management of cross-border funds.
- We enriched the supply chain financing mode and launched BOT E-chain, E-commerce acceptance bill guarantee and discount, E-commerce bill pledge financing and other products.

- We planned and launched the research and development of new scenario-based treasury management products such as "Merchant Pass", "E Deposit Pass" and "Committee Loan Pass", in accordance with the development direction of scenario-based treasury management.
- We promoted supply chain financing, factoring and factoring business online.



Case Study

"BOT E-chain" solved procurement problems of important manufacturing enterprises

For preventing and controlling the COVID-19, the Chinese medicine industry has ushered in new opportunities for rapid development, at the same time it met an urgent problem in its financing. A large Chinese medicine manufacturer needs to purchase Chinese herbs such as salvia miltiorrhiza and Astragalus for years, and settles with upstream first-tier suppliers on credit, with billing periods ranging from 180 days to 360 days. And its second-tier suppliers are mostly agricultural cooperatives and farmers, who prefer to traditional cash settlement and "small, frequent and urgent" payments, which require timeliness and convenience. Through the "BOT E-chain", the Bank meets the financial settlement needs of upstream suppliers, relieving the manufacturer's pressure of capital turnover, actively promoting the cooperative relationship between core enterprise and supplier. With continuous optimisation in the business process and business model of supply chain finance, the Bank is recognised by customers.

As of the end of the Reporting Period

the Bank's supply chain finance business had an annual cumulative volume of

RMB 6.482 billion

representing an increase of **90.27%** over the same period

Among the supply chain products, the volume of online products accounted for

32.37%

representing an increase of **13** percentage points over the same period

further improving the quality and efficiency of serving the real economy

Implementation of Financial Assistance Policies to Alleviate the Difficulties of Enterprises

Amid the epidemic, the Bank further elevated its political stance, practicing its responsibility as a local corporate bank. We thoroughly implemented the *Package of Policy Measures for Solidly Stabilizing the Economy* issued by the State Council and the *Notice on Further Improving Financial Services for Enterprises in Difficult Industries Affected by the COVID-19* issued by CBIRC, and implemented the *Bank of Tianjin's Implementation Plan for Stabilizing the Economy*, the Bank strengthened its support for the weak links of the real economy by relying on measures such as deferring the repayment of principal and interest and innovating diversified products.

Deferment of repayment of the principal and interest

- The Bank implemented the *Bank of Tianjin's Credit Extension Policy for Micro, Small and Medium-sized Enterprises (including Small and Medium-sized Enterprise Owners)* and *Notice on the Relief Work for Micro, Small and Medium-sized Enterprises and Private Businesses*, clarified the targets, policies, supporting materials, application procedures and work requirements.
- We have developed online deferred application function for customers to submit application, and carried out real-time approval for deferment of repayment of the principal and interest as much as possible.
- As of the end of the Reporting Period, the Bank handled deferment of repayment of the principal and interest for 2,363 enterprises for a total of RMB12.22 billion; received 238 applications for deferring repayment of personal loans for consumption for a total of RMB4.92 million; and received 5,138 applications for deferment of repayment of credit cards for a total of RMB82.40 million.

Providing key industries affected by the COVID-19 the Priority of Financial Services

- We helped to stabilise the economy and promote foreign trade, innovate the credit enhancement which is calculated by export credit insurance, and strengthen the "Credit Insurance" product that provides financing support for micro, small and medium-sized foreign trade enterprises, so as to provide financing support to micro, small and medium-sized foreign trade enterprises in a more effective and precise way.
- We carried out financial assistance for key industries such as catering, accommodation, culture and tourism. And we mapped the list of key support enterprises, developed financial support and risk mitigation program according to the principle of "one policy for one enterprise".

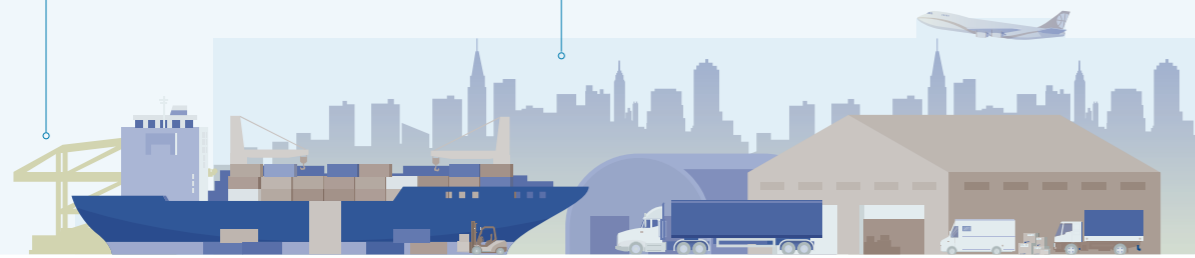
• Case Study •

Export credit insurance and credit enhancement to help enterprises expand foreign trade business

As import and export enterprises, foreign trade enterprises which provide comprehensive service generally face problems such as difficult to get financing and high costs in financing due to their light assets and limited pledges. As the main body of the new trade mode supported by the policy development, foreign trade enterprises generally take out export credit insurance and obtain certain premium preferences and premium subsidies from the commerce department. The Bank designed an "Export Credit Insurance + Blockchain Platform" service solution for a foreign trade company in Tianjin. According to the solution, the company, under the business scenario of overseas warehouse, could verify the export customs declaration information of enterprises online on the cross-border financial blockchain platform, speeding up each financing by 1-2 working days on average. Besides, it allows the transferring of export credit insurance indemnity rights for credit enhancement purpose for the company to get a loan of over RMB20 million, with a weighted average interest rate of only 3.95%, which efficiently meets the foreign trade financing need of the company.

As of the end of the Reporting Period, the approved credit line supported by the Bank's linked export credit insurance companies through short-term export credit insurance credit enhancement reached RMB**565** million.

Meanwhile, the Bank provided cross-border payment and settlement services for more than **450** foreign trade enterprises, with the number of customers increasing by nearly **50%** compared with last year, and invested RMB**22.718** billion in on and off-balance sheet trade financing, providing solid financial support for cross-border development of enterprises.



Supporting the Coordinated Development of Beijing, Tianjin and Hebei

As an urban commercial bank based in the Beijing-Tianjin-Hebei Region, the Bank regards "focusing on supporting the development of the real economy in Beijing-Tianjin-Hebei Region, and becoming a mainstream bank in the Beijing-Tianjin-Hebei region" as the top priority of the six development visions, and has been actively involved in Beijing-Tianjin-Hebei projects to provide support for regional development projects and contribute to regional economic development. With the *2021-2025 Strategic Plan of Development of Bank of Tianjin* and the *Plan of Bank of Tianjin on Supporting the Coordinated Development of Beijing-Tianjin-Hebei*, the Bank promotes industrial upgrade and transfer, furthers the co-construction and sharing of public services, takes on tasks related to relieving Beijing of functions non-essential to its role as the national capital, gives full support to the construction and development of the Xiongan New Area, and helps Tianjin realize the functional positioning of "the advanced production, research and development base of China, the international shipping hub of northern China, an innovative financial demonstration area and a pilot zone in the reform and opening-up of China".

In 2022, in support of the coordinated development of Beijing-Tianjin-Hebei integration, the Bank backed up the construction of Tianjin National Advanced Manufacturing R&D Base, and supported the construction of Northern International Shipping Core Area and Xiongan New Area, covering working capital loans, project loans, M&A loans, channel investment business, comprehensive credit and other product portfolios.

During the year

Issue loans for the coordinated development of the Beijing-Tianjin-Hebei region

RMB **9.112** billion

An increase of RMB**4.609** billion or **102.35%** over the same period last year

As of the end of Reporting Period

Scale of loans in the Beijing-Tianjin-Hebei region

RMB **224.59** billion

Year-on-year increase **15.3%**

Supporting major projects

- Supporting urban construction: The Bank deeply engaged in the construction of Xiongan New Area and supported urban infrastructure construction enterprises; issued a green asset-backed special plan of RMB47 million for Xiongan New Area's geothermal heating charge rights.
- Supporting eco-environment protection: The Bank has provided financial support for a series of green and environmental protection projects, including the PPP project of ecological protection in the northern mountainous areas of Tianjin, the Tianjin Beichen Dashi Sewage Treatment Plant Project and new energy technology.
- Supporting public services: The Bank has increase financial support for the medical industry in Beijing-Tianjin-Hebei region during the pandemic, and provided financing for pharmaceutical companies and medical technology projects.

Innovating service means

- The Bank has underwritten RMB58.685 billion of various bonds for Tianjin, ranking first in the Tianjin market; underwrote RMB13.359 billion of local government bonds in Beijing-Tianjin-Hebei region.
- The Bank has explored new modes of serving science and innovation enterprises, and has provided financial support for enterprises to achieve technological breakthroughs and industrial upgrades. The Bank has issued an aggregation of RMB4.761 billion of science and innovation notes for high-quality enterprises, and ranked the first in Tianjin market; and has issued the first single state-owned enterprise intellectual property securitisation product in China, turning "dormant" patent assets to "actively blood creating" patent assets for enterprises, achieving a breakthrough of "zero" in securitisation of intellectual property assets in Tianjin.

Optimizing the layout of branches

- The Bank set up 181 branches in Beijing, Tianjin and Hebei, accounting for 83% of the branches in the jurisdiction area, with its outlets covering the core areas of Beijing and Shijiazhuang, Baoding, Tangshan and other major cities in Hebei Province.
- In 2022, the Bank relocated four sub-branches in the Beijing-Tianjin-Hebei region, aiming to continuously strengthen the outlet layout in the Beijing-Tianjin-Hebei region through "new construction + relocation", and realize the continuous extension of service area.

• Case Study •

Underwriting the first Beijing-Tianjin-Hebei science and technology innovation asset-backed notes in China (high-growth bonds)

On 31 March 2022, the Bank, as the lead underwriter, successfully leading underwrote the first Beijing-Tianjin-Hebei science and technology and innovation asset-backed notes (high-growth bonds) in China, with a total amount of RMB161 million. The Bank created the first Credit Risk Mitigation Warrant (CRMW) for asset securitisation products of science and technology innovation enterprises in China, with an amount of RMB103.4 million. The asset securitisation product was provided through the "Jin Xin Rong" docking financing platform of Tianjin Municipal Bureau of Financial Work, which provided big data-assisted

risk control. All the proceeds were used for 9 national-level specialised, refined, differentiated and innovative "little giants", and national high-tech enterprises, national enterprises technology center and other technological innovation enterprises in the Beijing-Tianjin-Hebei region. It effectively broadened the financing channels of enterprises, reduced financing costs, solved the difficulties of small and medium-sized science and technology innovation enterprises in issuing bonds for financing in the public market, and realised the precise support for science and technology innovation enterprises.



• Case Study •

Innovative tool used as a driver, successfully issued the first “private enterprise bond financing support tool + science and technology innovation notes” in China

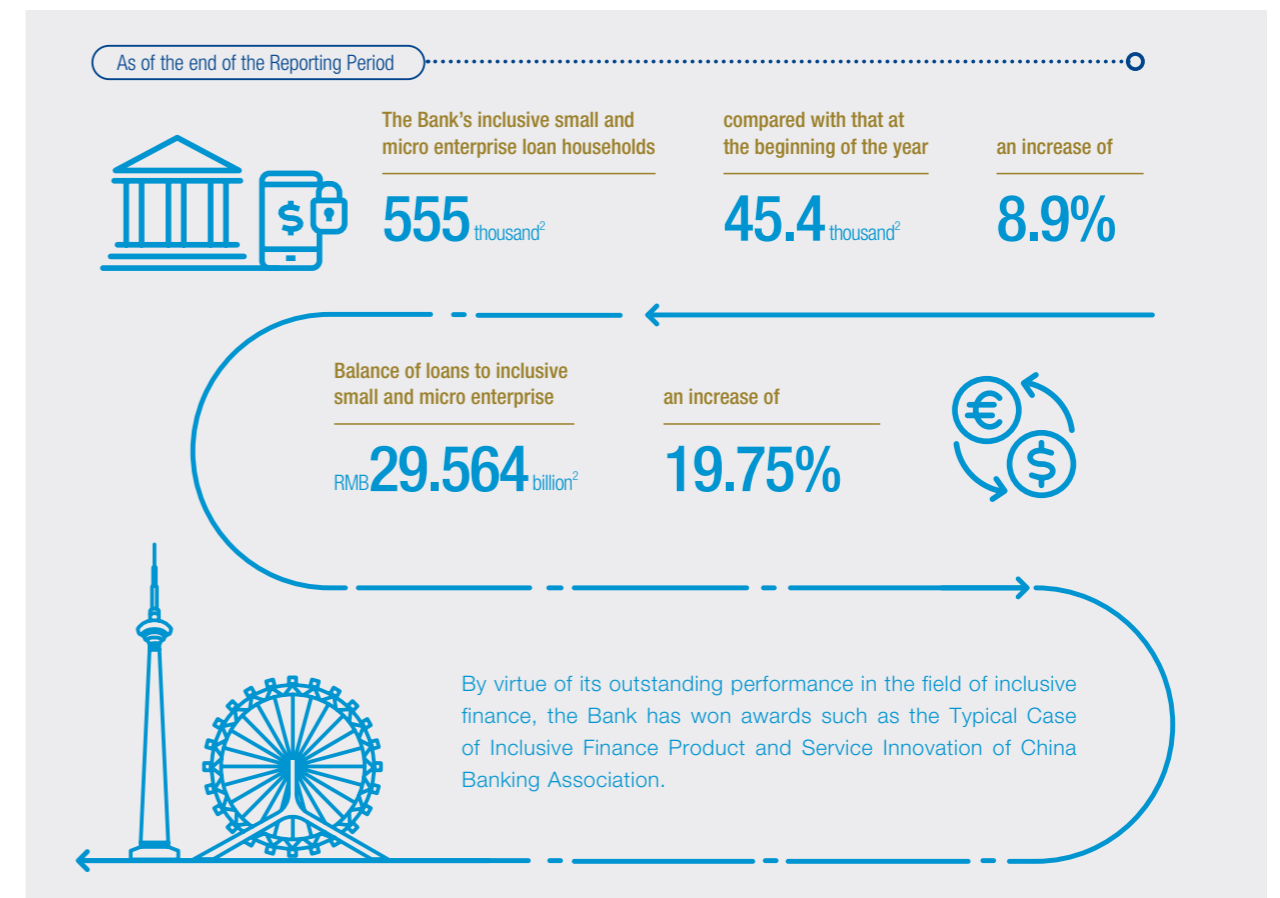
Science and technology innovation is a key factor for high-quality economic development. How to support the transformation of scientific and technological achievements, the research and development of key technologies for enterprises, and the development of science and technology-based micro, small and medium-sized enterprises? Finance is certainly an important part. On 30 June 2022, the Bank successfully issued “TASLY Holdings Group CO., LTD. 2022 First Tranche Ultra Short Term Financing Notes (Science and Technology Notes)”, which was independently underwritten by the Bank. This is the first “bond financing supporting tools for private enterprises+ innovation notes” nationwide and the first innovation notes in Tianjin, science and technology innovation note. The Bank and the CBIC jointly created a CRMW of RMB150 million for the bond, so that the coupon rate of such bond was 160BP lower than the coupon rate of the previous bond, representing the lowest bond issue price of the issuer in the past two years. By helping the enterprise to reduce financial costs, the project precisely guided the funds flowing to the field of science and technology innovation, giving full play to the important role of capital market resource allocation, and helping science and technology innovation and progress.




Group Collaborative Support for Inclusive Finance

Serving Small and Micro Enterprises

Since 2022, the Bank has duly implemented the requirements of *the Circular of the State Council on the Issuance of a Solid Package of Policy Measures to Stabilize the Economy, the Notice by the General Office of the China Banking and Insurance Regulatory Commission of Further Strengthening of Financial Services for Micro and Small Enterprises in 2022*. By organizing and promoting its branches to strengthen the service connection for small and micro enterprises, increasing the proportion of inclusive loans for small and micro enterprises, and maintaining low interest rates of the loans for small and micro enterprises, the Bank has enriched the service system of small and micro products, expanded the channels for publication, and provided more accurate and efficient financial services for small and micro enterprises and small private businesses.




² The data of the Bank, exclusive of the subsidiaries.




Improving the service mechanism

- We revamped the assessment system, and ten indicators such as small and micro enterprise loans, agriculture-related loans, science and technology enterprise loans, merchants of first loan, weighted average interest rate and non-performing tolerance were incorporated into the comprehensive performance assessment system and increased the assessment score for the growth of inclusive small and micro loan balances.
- We issued the *Notice on Further Optimizing and Improving the Due Diligence Exemption Mechanism for Inclusive Small and Micro Enterprises and Credit Business Involving Agriculture* to clarify the scope of due diligence exemption personnel, the scope of identification and the content of positive and negative lists.




Reducing financing costs

- The Bank made full use of the central refinancing support tool to increase financial support for small and micro enterprises. As of the end of the Reporting Period, the Bank has declared and approved RMB16.675 billion of refinancing loans with the average weighted annualised interest rate of 4.56%.
- We took rediscount business as an entry point to implement the central financial policy and serve to improve the financing environment for small, micro and private enterprises. During the Reporting Period, the total application for rediscounting was RMB6.575 billion, involving 445 enterprises, with an average financing cost of 1.94% for enterprises, which is 171BP lower than the LPR for the same period, involving 409 private and small and micro enterprises with a total amount of RMB6.269 billion.
- For inclusive small and micro enterprises loans, we reduced internal funding prices and continued to effectively transfer policy dividends to terminal interest rates. In Tianjin, the pricing of small and micro online loans, such as "e-Loan for taxpayers", "e-loans for supermarkets", "Tianhangyongbei" and "e-Loan for home mortgage" was maintained at an annualised rate of 3.95%.



Improving the supply capacity of products and services

- The online self-supporting products such as "e-Loan for taxpayers", "e-loans for supermarkets", "Tianhangyongbei" can be "instant approved for loan", among which "e-loans for supermarkets" and "Tianhangyongbei" are revolving loan products, which can achieve "pay back as you go" and meet "short, small, frequent and urgent" capital needs.
- The Bank launched the first online collateral-based micro and small self-employed loan product "e-Loan for home mortgage" for micro, small and private business, with a maximum loan period of 5 years to meet medium and long-term capital needs.
- The Bank has formulated the *Financing Service Program on Supporting Enterprises Eligible for VAT Period-end Retained Tax Refund Policy (Trial)*, which allows small and micro enterprises and manufacturing enterprises enjoying the retained tax refund policy to apply for short-term financing by using the tax refundable amount as the source of repayment, further enriching the financing channels for small and micro enterprises.



Multi-channel to increase publicity efforts

- The Bank launched financial products and services promotion in through business outlets, portal websites, mobile APP, WeChat official account and other channels, and added a number of products to the "Jin Xin Rong" platform and the "Tianjin Comprehensive Credit Service Platform for SME Financing (Xinyidai Platform)", so that financial services can reach and benefit more service subjects.
- We established a financial services commissioner mechanism to do a good job in publicizing national financial services policy for small and micro enterprises, docking government agencies and enterprises to fully support the financing needs of the real economy.

• Case Study •

Bank of Tianjin Financial Leasing Co., Ltd. empowered the inclusive financial leasing business in digital way

Bank of Tianjin Financial Leasing Co., Ltd. earnestly implemented the requirements of the *Guiding Opinions on Promoting Sound Development of the Financial Leasing and the Guidance on Further Strengthening Financial Services for Small and Medium-sized Enterprises*, followed the overall strategic plan of the Group, focused on the field of people's livelihood, explored technology-enabled business models, and innovated diversified financial leasing products.

Based on the strong technological innovation strength and information processing capability of Ant Chain, Bank of Tianjin Financial Leasing Co., Ltd. carried out in-depth cooperation with the company. Bank of Tianjin Financial Leasing Co., Ltd.


approved RMB20 million financial leasing credits to support the "Rong Yi Lease" project under an enterprise in Hangzhou, a scenario party in the Ant Chain, to facilitate the leasing business cooperation of furniture and home appliances with a C-end furniture manufacturer. The project integrates the demand for furniture and home appliances in the process of housing rental, focuses on the value of use to effectively solve the housing problems of newly employed college students and other new citizen groups, and contributes to the vigorous development of the national rental housing market. At the same time, it is in line with the green low-carbon lifestyle and sustainable value concept, with good economic, environmental and social benefits.

Supporting Rural Revitalisation

The Bank has actively responded to the call of the state and regulatory authorities for supporting rural revitalization and consolidating poverty alleviation efforts. In accordance with the deployment of the Central Committee of the Communist Party of China, the State Council and regulatory agencies on financial services for the revitalization of rural areas, the Bank provided its services to meet the needs of the grass-roots, took advantage of the synergy between the Bank and village banks, and carried out targeted financial services for agriculture, rural areas and farmers.




As of the end of the Reporting Period

 outstanding agriculture-related loans of the Bank hit

RMB **19.648** billion³

an increase of

RMB **339** million³ compared with that at the beginning of the year

 outstanding inclusive agriculture related loans reached

RMB **4.074** billion³

an increase of

RMB **792** million³ **24.15%** compared with that at the beginning of the year or a growth rate of

Improving service mechanism

- The bank has tightened the assessment of agriculture-related credit and raised the assessment score to guide branches to actively carry out agriculture-related business.
- The Bank reduced the internal capital cost of agriculture-related loan business by implementing the preferential policy from the original FTP price.
- The Bank issued guidance on due diligence and liability exemption, and established the sound long-term mechanism of "daring, being willing and being able to lend and exceling in lending".

Diversified financial services products

- The bank has developed a new product "Nongle Loan", for farmers who operate featured leisure tourism projects to meet their financial needs for rebuilding and expanding leisure tourism facilities.
- The "Rural Revitalisation Theme Credit Card" is issued to meet the living and consumption needs of rural and new citizen, with differentiated value-added rights and benefits such as agricultural-related accident insurance, medical services and agricultural product logistics, and to promote the extension of credit card financial services to rural areas.
- The Bank underwrote Tianjin's first state-owned enterprise rural revitalization bond with an amount of RMB300 million, bringing financial assistance into fields.

Enabling financial technology

- The Bank has developed the online agriculture-related scenario credit loan "Seagull Loan - Chongho Bridge", mainly serving farmers, small business owners or family operators in rural areas, and achieving accurate delivery to farmers in the county.
- The Bank continued to promote the online guarantee farmer loan product - "Hui Nong Loan". In collaboration with core agriculture-related enterprises, we introduced external high-quality guarantee companies to guarantee farmers' loans in full by taking information of farmers' feed purchase transaction at the core data and adapting to different breeding cycles such as aquatic products, poultry and pigs, realizing the online operation of breeding loans for farmers.

Extending service reach

- The Bank has set up 49 sub-branches in the agriculture-related areas of Tianjin, accounting for nearly one third of the total branches in Tianjin.
- Ningxia Tongxin Jinhui Rural Bank has successively launched featured credit products including "Jin Epidemic Loan", "Zhufubao", "Xingye Loan", "Poverty Alleviation Loan" and "Nongle Loan" in order to support real economy such as special planting, farming large households, grain trafficking, cashmere purchase and sale, private business vendors in Tongxin County.

³ The data of the Bank, exclusive of the subsidiaries.

• Case Study •

Specialty loans support to corps agricultural development

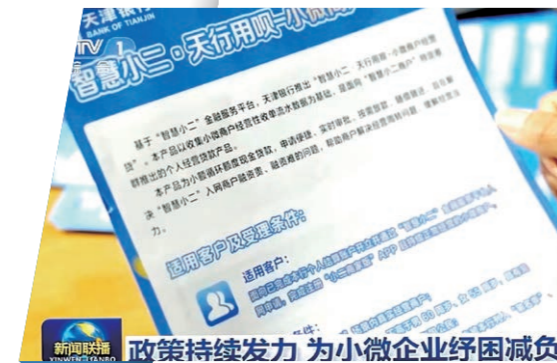
Agriculture is the backbone of the regiment's economy and the basis for its development. In order to ensure the financial needs of the regiment and farmers during the spring farming season, Tiemenguan Jinhui Village Bank actively implements the policies related to the *Regiment's Common Code for Small Farmers "Two Free and One Benchmark" Loans*. It introduced the "Regiment and Farmers Loan", the implementation of credit loans, no guarantee and preferential interest rates for the current period of LPR, and established of the "Regiment and Farmers Loan" service team. With green channel fully opened, it gives priority to accepting applications for agricultural planting loans to support small farmers of employees within 3 working days. During the Reporting Period, the Bank has issued 284 "small farm loans to employees", with a total amount of RMB32.676 million. Our preferential, streamlined and fast financial services expanded the coverage of financial services for farm workers in the regiment, helped farmers save costs and ensured timely availability of funds for spring preparation and timely agricultural production.



Scenario Empowerment for Building a Citizen Bank

Building the "Smart Xiao Er" Ecosystem

In recent years, the government has introduced a series of financial support measures, requiring financial institutions to provide precise financial services for pandemic prevention and control, resumption of work and production, and development of the real economy with full consideration of the characteristics and constraints faced by micro, small and medium-sized enterprises and private business. The "Smart Xiao Er" financial service platform, emerged at the right moment, adheres to the concept of "supporting small and micro enterprises, practicing inclusive, returning to the origin, and serving entities", empowering private business in all dimensions. As of the end of the Reporting Period, the number of merchants in the network of "Smart Xiao Er" accumulatively reached nearly 600,000, of which nearly 45% of the registered small and micro enterprises and individual merchants in Tianjin, covering 16 administrative regions in Tianjin and ten major industries such as clothing, food, housing, transportation and entertainment, etc. The "Smart Xiao Er" financial service platform construction project was shortlisted in the 2022 Banking Industry Digital Transformation Starlight Project Collection activity list.



Fees and costs reduction

- The Tianjin branch of the People's Bank of China incorporated all credit loans for private business issued by the financial service platform of "Smart Xiao Er" into the scope of the refinancing and credit loan support program, which further expanded the space for making profits and further reduced the financing costs for merchants.
- We have created an exclusive pure credit loan for individual entrepreneurs, "Smart Xiao Er - Tianhangyongbei", which can "dynamically withdraw and repay as you go", and at the same time to alleviate the problem of "difficult, expensive and slow financing" for individual entrepreneurs, and maintain a fixed interest rate of 3.95% in Tianjin.

Marketing empowerment

- We created an exclusive marketing and customer acquisition platform. Through self-developed marketing strategies, we issued different types and forms of coupons to new and existing customers to achieve customer acquisition and attraction, thereby effectively improving business performance.
- We cooperated with the government of Dongjiang Free Trade Zone to issue government consumption vouchers. We used "Smart Xiao Er" as the exclusive cooperation platform for the issuance of consumption vouchers to implement "helping enterprises to alleviate difficulties", boosting economic demand and enhancing consumption vitality.

Product empowerment

- Smart Xiao Er - Tianhangyongbei: We provide pure credit loans tailored to private business. And through big data analysis of their daily business income, we can achieve "easy access to the network, dynamic withdrawals, pay back as you go, and revolving use". As of the end of the Reporting Period, we provided credit support of RMB6.47 billion to a total of 108,700 private businesses, and the total financial services provided exceeded 130,000 times, with a first loan rate of 16%.
- The product dubbed "Tianhangxinbei-Rent Loan": Management of leasing information, three-party online confirmation of leasing contracts, rent payment and other functions were realised through the "Smart Xiao Er Cluster Management Platform" and "Xiao Er Merchant Mobile APP", thus forming a closed loop of business.
- Exclusive financial products for merchants: Our bank has tailored financial products exclusively for online merchants of "Smart Xiao Er", and secured the combination of "Smart Xiao Er" products, bringing real benefits to online merchants.

Payments empowerment

- The Bank provided offline "fusion payment QR code" to merchants settling on the platform, supporting code-scanning consumption through Bank of Tianjin Payment, QuickPass, WeChat and Alipay, etc. The Bank also provided merchants with unique mobile payment services such as transfer, intelligent voice broadcast, preferential consolidation and cancellation and other services. After the consumer pays by scanning the QR code, the funds are settled to the merchant's account opened in the Bank in real time.

Digital empowerment

- We made two functions of "Data Dictionary" and "Business Broadcast" for small and micro merchants, which realize the visualisation of daily business data through customer analysis, surrounding traffic and daily business broadcast.
- We launched the "Smart Xiao Er- Payroll Service" customised for small and micro merchants to provide a package of exclusive services, such as payroll, personnel management, working capital credit, and exclusive financial management for employees, using technology capabilities to empower the management of private businesses.
- We help the government's digital governance by creating the "Smart Xiao Er" social retail service data monitoring system to provide the government with a "business service mapping data report" to capture the dynamics of economic operation and reduce administrative costs.

External evaluation

- The General Office of the Government of Tianjin Municipality published the *Several Measures to Assist Enterprises and Support the Development of Market Entities*, which listed the promotion of Bank of Tianjin's "Smart Xiao Er" financial service platform as one of the 15 measures to further support the high-quality development of market entities under the normal epidemic prevention and control.
- The *Plan of Tianjin to Implement the Package of Policies and Measures for Solidly Stabilizing the Economy* proposes to focus on promoting the financing service model of the "Smart Xiao Er" platform to further expand the scale and coverage of loans for inclusive small and micro enterprises.
- CCTV news, the State Administration for Market Regulation, the People's Bank of China, Tianjin Daily, Tianjin Yun and other platform media have reported the model and effectiveness of and give full recognition for the financial service platform of "Smart Xiao Er".

Serving the People's Livelihood

Adhering to the service tenet of "return to life, get close to customers, and let customers feel the service of the bank", the Bank continues to increase its support for the development of people's livelihood industry and try to work out the thorny problems with the people's livelihood. The Bank provides multi-scene services to simplify livelihood services, and create more convenience for citizens and people. The Bank continuously innovated financial products and marketing activities, provided multi-dimensional services for people's consumption, bringing banking services closer to people's lives. In addition, in 2022, the Bank has implemented the requirements of the *Notice of the China Banking and Insurance Regulatory Commission, People's Bank of China on Strengthening Financial Services for New Citizens*, formulated and issued the *Implementation Plan of Bank of Tianjin on Strengthening Financial Services for New Citizens* and the *Guidance on Providing Special Support to New Citizens for Individual Housing Mortgage Loans* to realize our responsibility and fine management, which have helped the Bank to provide convenient and efficient financial services for new citizens and made the brand image of "citizen bank" more popular.

Serving the people's livelihood

- We provided substantial support for the development of the medical industry by providing credit aid for products related to medical safety environment and life protection.
- Adhering to the concept of financial services for people's livelihood, the Bank has made every effort to build a "citizen bank" and has successively launched services in such scenarios as electronic tax payment, nontax, social security, medical treatment, public provident fund, housing supervision, maintenance funds and financial subsidies focusing on the four fields – products, scenarios, data and channels.

Supporting people's livelihood and consumption

- Taking various life scenarios of "clothing, food, housing and transportation" as the starting point of activity planning, the Bank stepped closer to people's lives and promoted the recovery of consumption by virtue of special offers such as "money off", "random discount" and "Tuesday Benefit" featuring multiple scenarios, long term and high frequency and convenient use processes.
- Our bank, through the deep exploration of life scenarios, launched "Bank of Tianjin China Resources Pass Co-branded Credit Card" and "Bank of Tianjin Meituan Ladies Co-branded Credit Card" to further enrich the life consumption scenarios of the public, meeting the diversified demands of consumers.
- In response to the call of the Red Cross Society of China Tianjin Branch, the Bank issued "Bank of Tianjin Red Cross White Warrior Identity Credit Card" for medical and health workers in Tianjin, providing warm-hearted financial services for white warriors through the product's additional privileged service benefits such as VIP lounge at airports and highways and vehicle roadside assistance.

Special services for new citizens

- We use "e-Loan for taxpayers", "e-loans for supermarkets" to serve the new citizens and improve credit financing support for them. As of the end of the Reporting Period, the total loans issued to new citizen through "e-Loan for taxpayers" and "e-loans for supermarkets" reached RMB7.179 billion.
- Based on the needs of new citizens' investment and financial management, we designed exclusive financial products to meet the needs of new citizens' investment and financial management, so as to enhance their sense of belonging and meet their needs.
- We provide special support for new citizens' mortgage loans, including simplified income verification documents, declaration of the lowest interest rate pricing, provision of fund escrow and other convenient services.



Our green credit balance amounted to
 RMB **16.417** billion,
 representing an increase of
36.0%
 year on year

Innovation was made on personal green financial products, and the first ESG-themed financial products and green low-carbon-themed credit cards were launched

The green bonds underwritten and invested amounted to
 RMB **8.121** billion



Credit balance for the clients listed on the significant environmental and social risk list decreased by
25.99%
 year on year

Environmental Services

- ✔ Serving Green Finance
- ✔ Strengthening Environmental Risk Management
- ✔ Practising Green Operation

“ Responding to ‘Carbon Peaking and Carbon Neutrality’ Goals and Building a Green Bank ”

In 2022, at the 20th CPC National Congress, it was pointed out that "achieving harmony between human beings and nature" is the essential requirement for Chinese modernisation, and it is an important task for the Party and the country in the future to accelerate the green transformation of development pattern, strictly prevent and control environmental risks, enhance the diversity of the ecosystem, actively advance peak carbon dioxide emissions and carbon neutrality, and actively respond to the global governance of climate change. Against such backdrop, the Bank has been actively fulfilling its corporate social responsibility as a financial enterprise, and continuously improving its green financial services system, strengthening environmental risk management and promoting green operation concepts in line with the external requirements and the strategic planning of the "14th Five-Year Plan", in order to fulfill its strategic goal of building a green bank with practical actions.

Serving Green Finance

In 2022, the China Banking and Insurance Regulatory Commission issued the Green Finance Guidelines for the Banking and Insurance Industry, and Tianjin City issued a series of policy documents such as the Tianjin Implementation Plan for Peak Carbon Dioxide Emissions and the Tianjin Implementation Plan for Accelerating the Establishment and Perfection of a Green Low-Carbon Circular Development Economic System, which made arrangements to promote the development of green finance and make the green finance industry to play a guiding role. The Bank has responded proactively by supporting and guiding the transformation of real enterprises with green credit and green bonds, exploring personal green financial products, promoting the green concept to enjoy popular support and giving full play to the role of financial enterprises in promoting green transformation.

Increasing the Effort in Launching Green Credit

The Bank, strictly in line with the requirements of the *Development Strategic Plan of Bank of Tianjin Co., Ltd. for 2021-2025*, continuously improved its green credit system guarantee, strengthened business marketing promotion, increased its financial resources allocation, refined its performance appraisal management and promoted its personnel capability enhancement, and the scale of green credit launching increased significantly.

Improving system protection

- Issuing the *Credit Granting Policy Guidelines of Bank of Tianjin for 2022*, in which it is clearly proposed that energy conservation and environmental protection, new energy vehicles, clean energy, rail transit and other industries shall be designated as industries enjoying priority support.
- Specifically formulating the *Green Credit Financial Crediting Policy Guidelines*, to guide operating institutions to actively market and expand green industry projects and client resources, paying attention to the prevention and control of potential environmental and social risks.

Enhancing promotion of marketing

- Establishing a list system-based marketing promotion working mechanism, organising and issuing the *List of Green Carbon Emission Reduction Projects of Tianjin*, the *List of Pollution Prevention and Control Projects of Tianjin Enjoying Special Fund* and the *List of Wind Power and Photovoltaic Power Generation Reserve Projects and Enterprises of Tianjin*, assisting operating institutions to screen green credit granting clients, formulating green financial service plans, and promoting green credit business reserve and launching.

Increasing financial resource allocation

- Continuing to favor green credit business in terms of internal fund transfer pricing (FTP) and economic capital measurement, implementing more favorable internal fund transfer pricing policies, and better utilising the guiding and leveraging effect of special resources.

Refining performance appraisal management

- In line with regulatory requirements, the appraisal indicator for green credit business has been adjusted from an appraisal in terms of the percentage of green credit to an appraisal in four appraisal dimensions, including green credit growth rate, percentage, product innovation and data quality, to promote the continuous improvement of the overall appraisal performance of green finance.

Promoting personnel capability enhancement

- Organising several special training sessions on topics including green financial policies, green financial products, environmental and social risk management and others, to promote the continuous improvement of personnel awareness level and professional capacity.

Carrying out special audit on green credit

- Carrying out internal audit focusing and centering on the green credit implementation, overall carrying out of business and completion of key indicators throughout the Bank in 2021, to promote further improvement of the green credit management structure, refine green credit process management, and develop appraisal and incentive mechanisms in a reasonable manner.

According to the latest data of the China Banking and Insurance Regulatory Commission, as of the end of the Reporting Period

the balance of green credit business amounted to

RMB **16.417** billion

representing an increase of

RMB **4.348** billion

or

36.0%

over the beginning of the year

the green finance lease loan of Bank of Tianjin Financial Leasing Co., Ltd. amounted to

RMB **4.264** billion

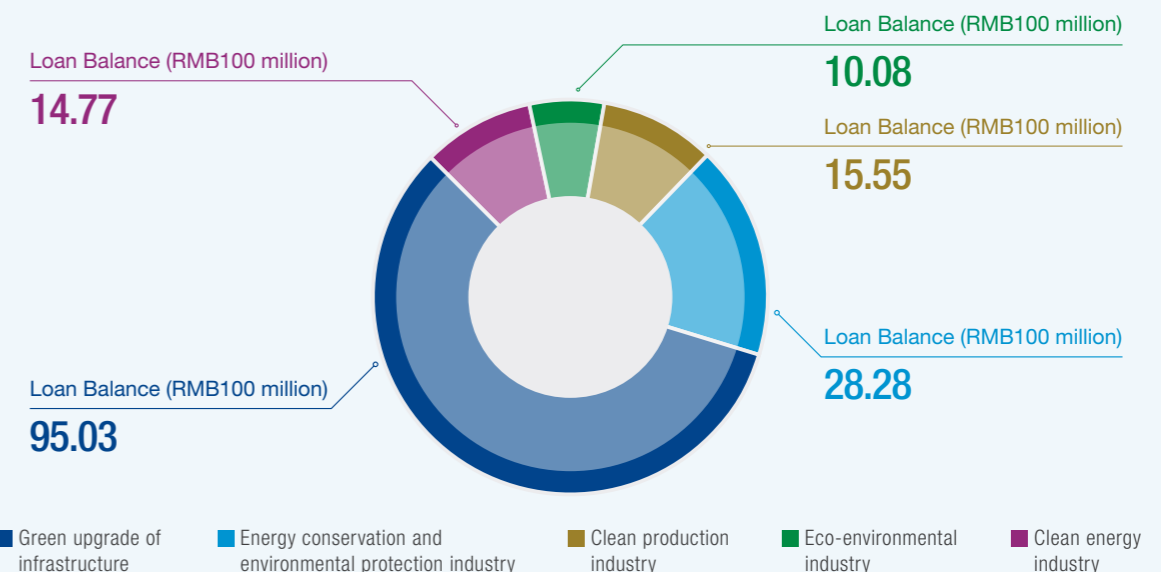
accounting for

44.05%

of the loan balance



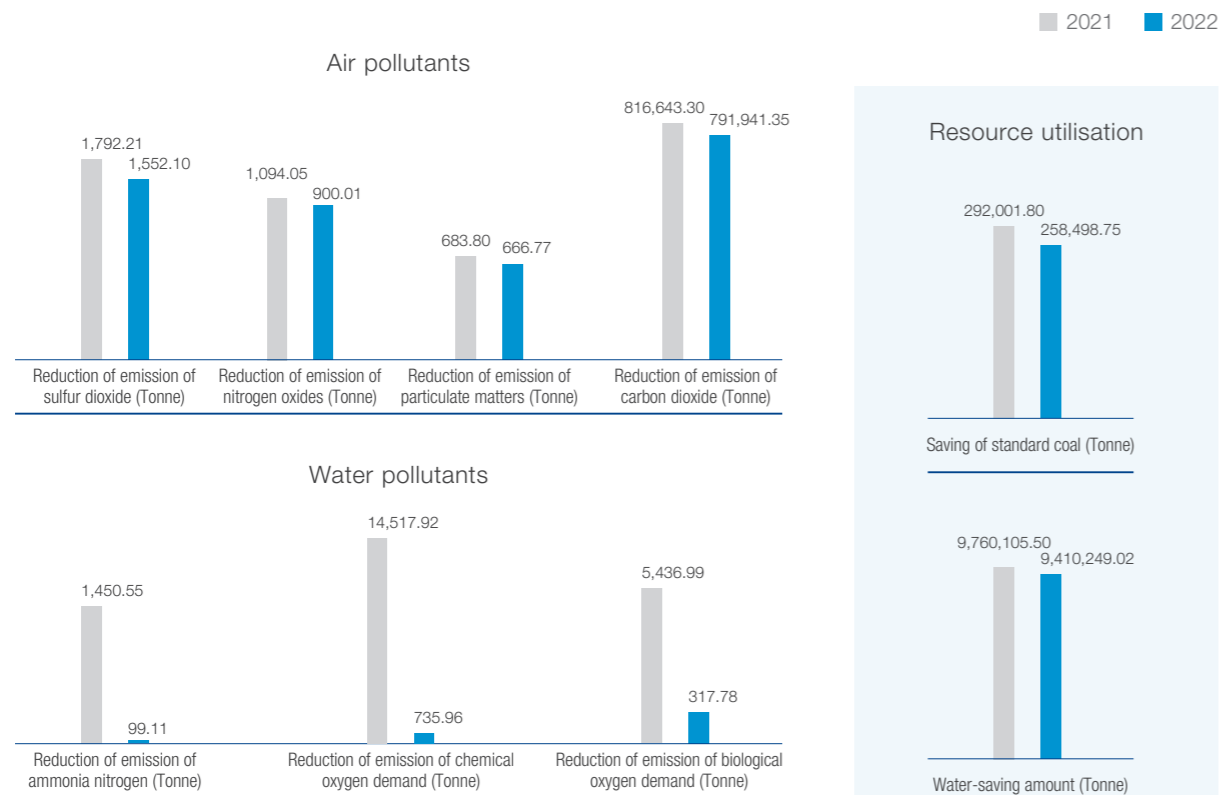
Top Five Green Credit Investment Areas and Scale Thereof



Environmental Benefits of Green Credit

The Bank measured the environmental benefits of green credit based on the project approval documents, feasibility study reports, environmental impact assessment approvals and environmental impact assessment reports of some green credit projects in accordance with the *Notice on Submitting Green Credit Statistical Forms* and the requirements of the *Energy Conservation and Emission Reduction Measurement Guidelines* and other documents of the China Banking and Insurance Regulatory Commission, involving a green credit balance of RMB2,497 million, representing 15.21% of the green credit balance of the Bank as at the end of 2022.

Environmental Protection Benefits of Green Credit



Note: The environmental protection benefits of green credit are measured and calculated as the ratio of loan balance of the Bank to the total project investment balance

• Case Study •

Supporting the development of green buildings

In October 2022, the People's Bank of China, Tianjin Branch and the China Banking and Insurance Regulatory Commission, Tianjin Office jointly issued the *Notice on Promoting Green Finance to Support Green Buildings*, to guide financial institutions to meet the reasonable financing needs for green buildings. The Bank responded quickly and actively dovetailed with the Tiannan Innovation Valley project, providing RMB600 million of project loan credit support to the construction company of the project to promote the synergistic development of green finance and green buildings. The project is located in Haihe Education Park in Jinnan District, Tianjin, covering an area of 137 mu and a total building area of 240,000 square meters, and is a project which was listed in the key projects bank in 2021. According to the project approval document, the project is expected to reduce 38,500 tons of carbon dioxide per year after completion.

Actively Carrying out Green Bond Underwriting and Investment

Upholding the concept of green investment and financing, the Bank actively utilised its advantageous position in the financial market and continues to strengthen its underwriting and investment of green bonds to help the construction of green financial market. During the Reporting Period, the Bank achieved a total of RMB8.121 billion in green bond underwriting and investment and ranked fourth in the list of green debt financing instruments investors of urban commercial banks in 2022 published by the National Association of Financial Market Institutional Investors with a strong track record in the field of green bond investment.

• Case Study •

Creating the first ESG-themed bond index in Beijing-Tianjin-Hebei Region

In June 2022, the Bank and the China Bond Financial Valuation Center of the China Central Depository & Clearing Co., Ltd. jointly released the "China Bond-Beijing-Tianjin-Hebei ESG-themed Selected Credit Bond Index of Bank of Tianjin", which is the first ESG-themed bond index focusing on the Beijing-Tianjin-Hebei region in China, combining the China Bond ESG database with commercial banks' bond investment and research strategies, taking into account the mainstream international appraisal system and the characteristics of the Chinese bond market, providing the RMB bond market with a multi-angle and refined reference benchmark for ESG investment, effectively filling the gap of ESG-themed index investment in the Beijing-Tianjin-Hebei region and actively guiding market capital to serve the development of the Beijing-Tianjin-Hebei region. As of the end of the Reporting Period, the number of component bonds of the index was 2,316, and the total market value of the index was RMB7.34 trillion.

• Case Study •

Underwriting the "Clean Energy Equipment Manufacturing" green financial bonds issued by China Development Bank

In March 2022, China Development Bank successfully issued RMB12 billion of special "Clean Energy Equipment Manufacturing" "Bond Connect" green financial bonds in the national Inter-bank Bond Market to global investors. The Bank, as one of the five selected leading underwriters, fully supported the issuance of such bonds, actively organised and carried out the pre-issuance publicity work and promoted market-oriented sales, with an aggregate lead underwriting amount of RMB1 billion. Such bonds have obtained independent assessment and certification from third-party institutions and the labeling certification from the international Climate Bonds Initiative, with a green rating of G1. It is estimated that the relevant projects can achieve an annual carbon dioxide emission reduction amounting to 3,478,800 tonnes and standard coal savings amounting to 1,313,000 tonnes after completion.

• Case Study •

Facilitating green assets securitization

During the Reporting Period, the Bank designed and issued green (carbon neutrality) asset securitization products for leasing companies or entities with green assets, taking into account the characteristics of existing clients. Among them: the Bank issued the first green asset securitization product with an underwriting amount of RMB801 million as a main underwriter for Far Eastern Leasing Co., Ltd., and issued the first and second phase of energy leasing green asset-backed commercial notes for 2022 for Datang Finance Leasing Co., Ltd., with an underwriting amount of RMB895 million and the underlying assets were the financial leasing debts of photovoltaic and wind power projects and their subsidiary security interests which the promoters were entitled to, helping the enterprises to revitalise their stock assets and broaden their financing channels.



Exploring Personal Green Financial Product Innovation

In order to further expand the scope of green financial services and promote the concept of green development among the people, the Bank has increased its effort in product innovation centering on personal wealth management products, credit cards and other retail businesses to guide the clients to turn to green investment and green living patterns with featured financial products.

• Case Study •

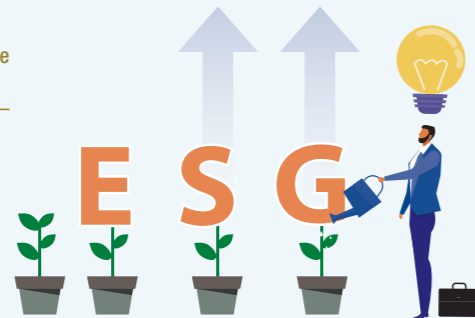
Launching the first ESG-themed wealth management product

In September 2022, the Bank successfully issued its first ESG-themed wealth management product named "Huan Cheng Wealth". Through macro market research and comprehensive ESG evaluation, such product was invested in investment targets with sound ESG performance, increased the excavation of investment targets related to carbon peaking and carbon neutrality, actively paid attention to investment opportunities in cutting-edge technology, green consumption, innovative medical care and other fields that conform to the ESG concept, and committed to controlling fluctuations downwards and striving for income flexibility upwards to create long-term sustainable investment returns for clients.

As of the end of the Reporting Period

the balance of the product reached

RMB 140 million



• Case Study •

Issuing "Happy Bicycle"-themed credit cards

In October 2022, in order to promote the green and low-carbon environment protection concept and meet the daily travel needs of the public, the Bank cooperated deeply with Meituan platform and issued the new "Bank of Tianjin-Meituan Happy Bicycle Co-branded Credit Card" product and carried out low-carbon environment protection credit card benefits activities. Firstly, the cardholders who successfully completed the tasks specified for the activities would be rewarded with the corresponding Meituan bicycle riding cards; secondly, the cardholders could sign up for the "UnionPay Green Low-Carbon-Themed Card - Low-Carbon Town" activity and acquired green low-carbon energy through three ways including green consumption (low-carbon market), environmental knowledge quiz (low-carbon school) and environmental fun games (low-carbon park), exchanging for value-added benefits. The green low-carbon-themed credit card has followed the trend of green consumption, and will mobilise the enthusiasm of the whole society to save energy and reduce carbon emission, and promote the formation of green low-carbon lifestyle and consumption.

Strengthening Environmental Risk Management

As an important part of ESG risk, the Bank has been strengthening environmental risk management as an important task, and in line with external requirements such as the *Guidelines on Green Finance for the Banking and Insurance Industries*, the *Environmental Information Disclosure Guidelines for Financial Institutions* and TCFD recommendations, exploring the integration of ESG risk into the comprehensive risk management system, continuously innovating climate risk management methods, optimising environmental and social risk management, monitoring credit for the industries with "High Energy Consumption, High Pollution and Overcapacity", and effectively avoiding the impact of environmental risks on the Bank.

Innovating Approaches to Climate Risk Management

As the first city commercial bank in China to announce its support for TCFD, the Bank closely aligns itself with the requirements of the TCFD recommendations and continues to improve its climate risk management level through various means such as climate risk and opportunity identification, formulating climate risk response initiatives and exploring climate risk stress testing.

Responding to Climate Risk

Improving credit guidance

- Including a section on climate change risk and response policies in the annual credit policy guidance, specifying climate risk types, characteristics, impacts and response measures, and guiding the institutions to effectively manage climate risk in the course of business.
- Conducting research on climate risk stress testing.

Business continuity management and control

- Improving the business continuity management system and carrying out system re-examination.
- Organising the carrying out of business impact analysis and specifying business continuity management requirements.
- Organising the carrying out of business continuity emergency drills.
- Implementing the rectification of the problems found in internal and external inspections.
- Organising the carrying out of business continuity internal control inspection and continuously monitoring the implementation of rectification.

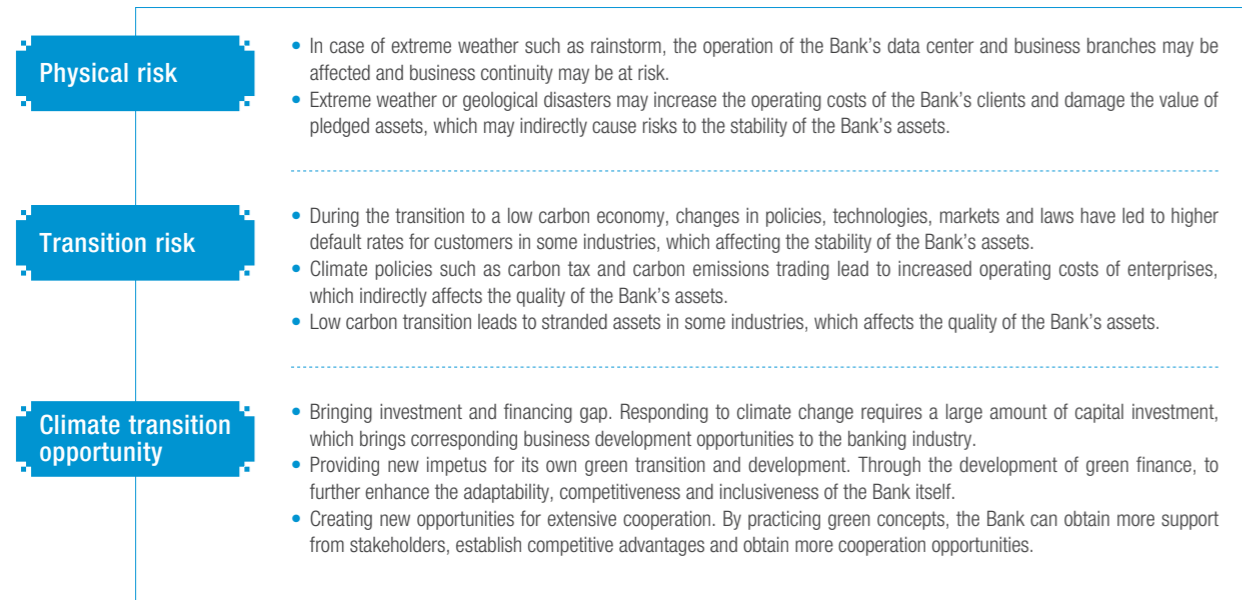
Enriching data center emergency response scenarios

- Improving the *Data Center Infrastructure Emergency Response Plan* to specify extreme weather scenarios and emergency response initiatives.
- During the Reporting Period, new typhoon emergency response scenarios were added, in which emergency drills were organised to strengthen the familiarity of operation and maintenance personnel with the emergency plan.

Arranging flood prevention for branches

- Re-revising and issuing the *Special Emergency Plan of Bank of Tianjin for Flood Control*.
- According to the *Information Table of Water-prone Roads in Tianjin City Districts and Counties (2022 Version)*, 371 water-prone road points are listed, and 19 business outlets of the Bank which may be impacted are under supervision and inspected.
- The Bank has set up 53 flood prevention and rescue teams with 1,472 members, equipped with flood prevention materials and fully prepared.

Climate Risk and Opportunity Identification



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Exploring climate risk stress testing

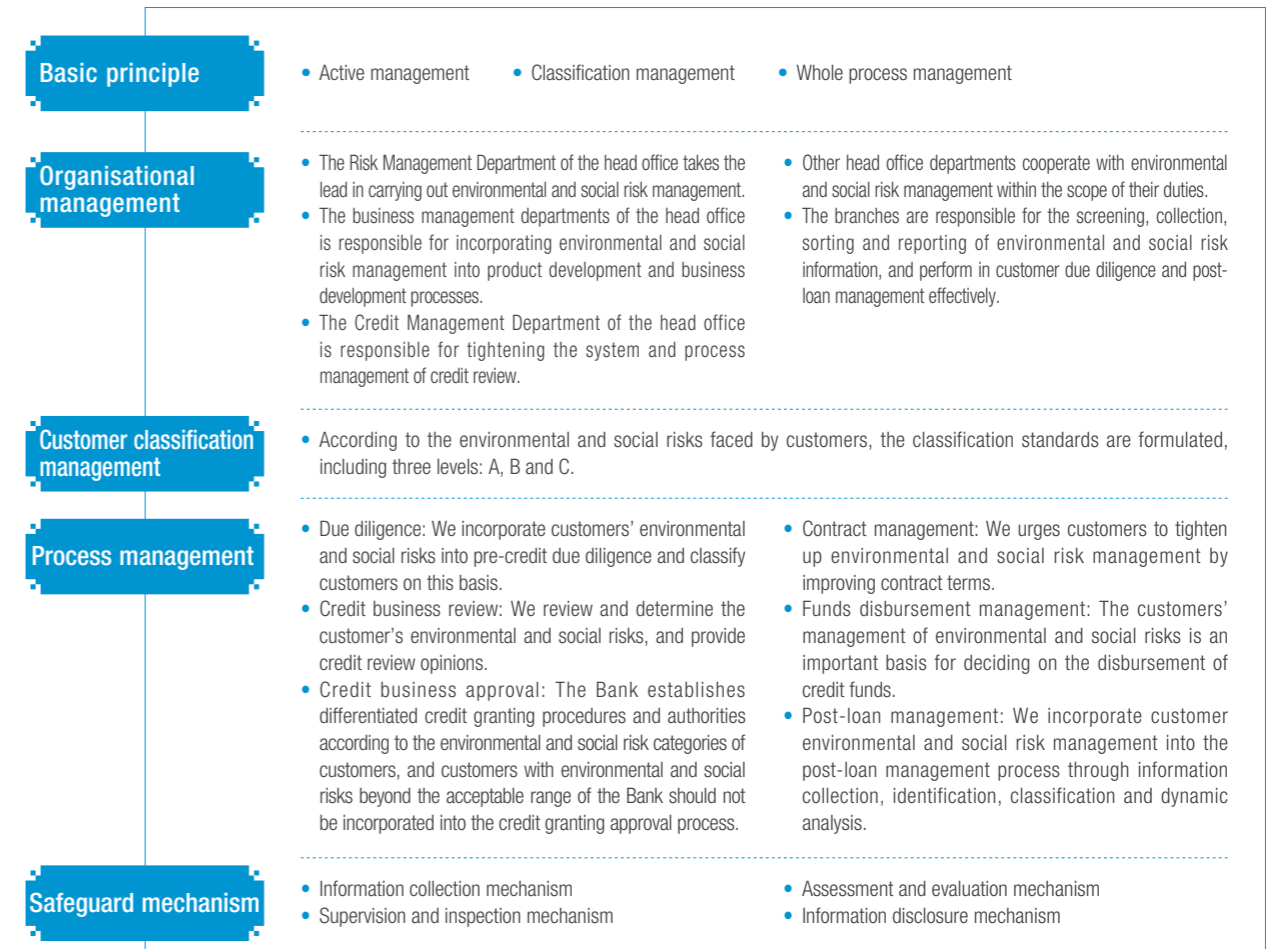
During the Reporting Period, in line with TCFD recommendations and the relevant requirements of the *Guidelines on Environmental Information Disclosure for Financial Institutions*, the Bank selected four high-carbon industries - electricity, iron and steel, petrochemicals and chemicals - for a climate risk stress test study, using 2021 as the base period. From the influencing factors of carbon price, market demand, energy price and other perspectives, we constructed a climate risk stress test model under the delayed transition scenario of central bank and regulators' Network for Greening the Financial System (NGFS), simulated and measured the balance sheets of relevant enterprises, and accordingly measured the probability of default and the impairment loss to be accrued by enterprises to measure the impact on the capital adequacy ratio, a stress indicator.

Under the stress scenario, the Bank's enterprises in relevant high-carbon industries will face increased operating pressure and higher probability of default by 2050, but the impact on the Bank's capital adequacy ratio will be manageable as their credit balances will account for a relatively small proportion of the Bank's total loans.

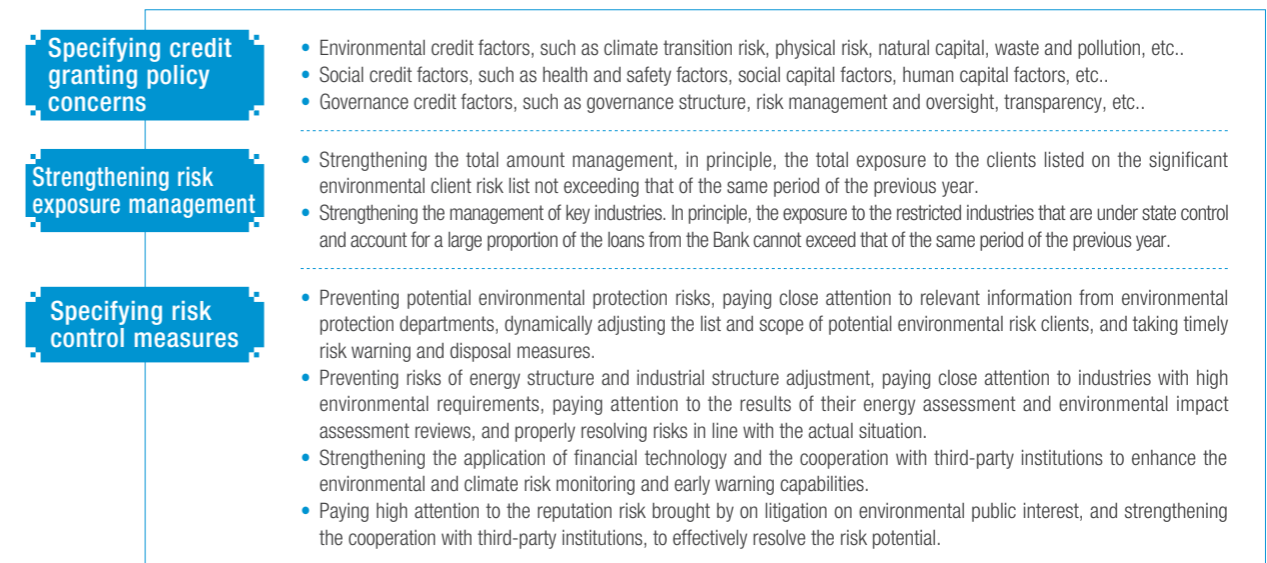
Optimising Environmental and Social Risk Management

The Bank has formulated the *Environmental and Social Risk Management Measures for Credit Business of Bank of Tianjin (Trial)* to specify the management process of environmental and social risks in credit business. In the approval of credit granting projects, it will carefully implement credit granting business policies, incorporate the assessment and analysis of "environmental and social risks" into the credit granting process, and firmly implement the "one-vote veto" system for environmental protection and production safety. In 2022, the credit granting policy guidelines for significant environmental and social risks were incorporated into the *Credit Granting Policy Guidelines of Bank of Tianjin for 2022*, and a business ledger for significant environmental and social risks was established, to continuously improve the level of environmental and social risk management. As of the end of the Reporting Period, the credit balance of the clients listed on the significant environmental and social risk list of the Bank decreased by 25.99% year on year.

System of Environmental and Social Risk Management



Formulating Credit Granting Policy Guidelines for Industries with Significant Environmental and Social Risks

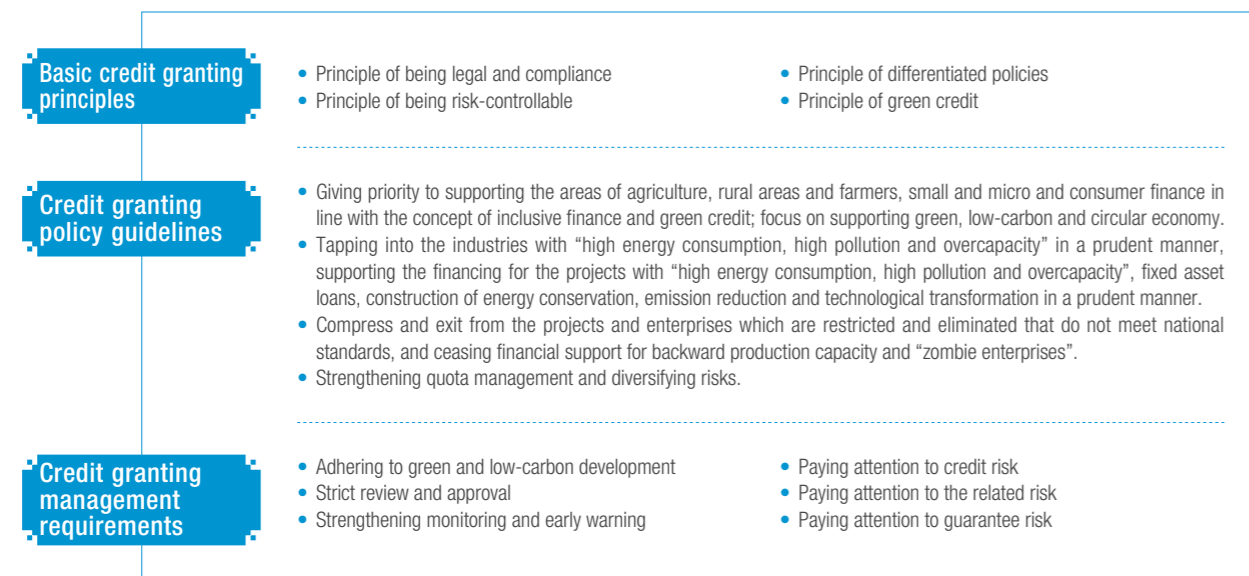




Monitoring Credit for the Industries with “High Energy Consumption, High Pollution and Overcapacity”

The Bank further improves its monitoring over credit for the industries with “high energy consumption, high pollution and overcapacity”, has added a section on credit granting policy guidelines for the industries with “high pollutants and high energy consumption and overcapacity” in the *Credit Granting Policy Guidelines of Bank of Tianjin for 2022*, and strengthened credit management for the industries with “high energy consumption, high pollution and overcapacity” at the levels of access, examination and approval and post-credit granting management in accordance with the principle of strictly controlling the increase and optimising the stock, to strictly control risks.

Credit Granting Policy Guidelines for the Industries with “High Energy Consumption, High Pollution and Overcapacity”

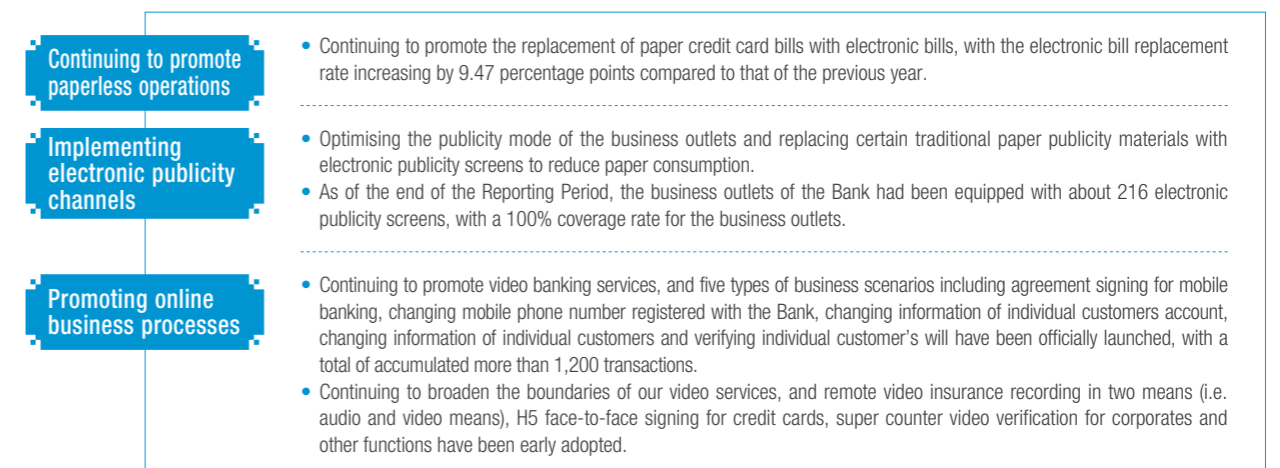


Practising Green Operation

The Bank strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other laws and regulations, strives to reduce the impact of its own operations on the environment, and contributes to the construction of ecological civilisation and the Beautiful China. In 2022, the Bank continued to promote the green transformation of financial services, practice green procurement concepts, promote green office models, strengthen energy consumption and waste management, and the level of its green operation was significantly improved. During the Reporting Period, the Bank had no environmental lawsuits arising from environmental issues.

Promoting the Green Transformation of Financial Services

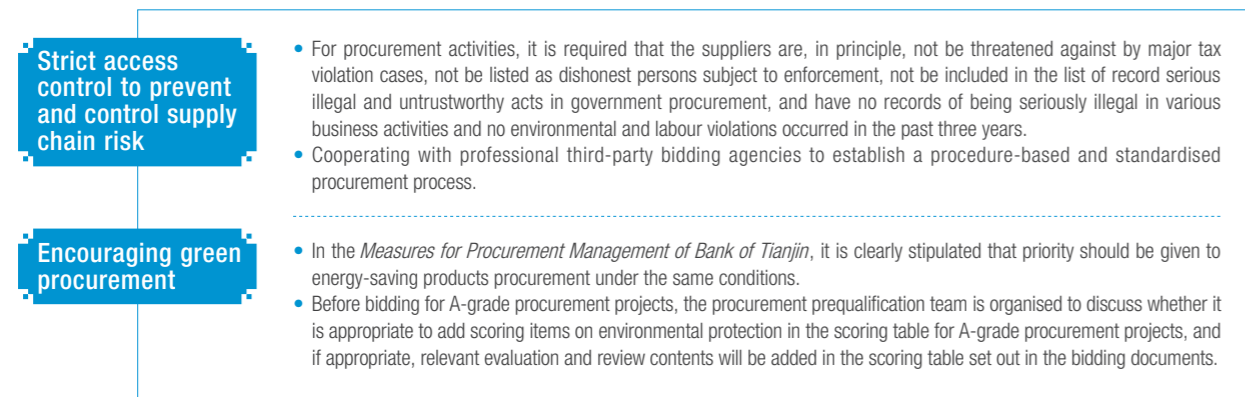
During the Reporting Period, the Bank continued to promote the construction of paperless financial services and online financial channels to reduce the impact of its business operations on the natural environment, in line with the concept of low-carbon operations and reducing energy consumption.



Suppliers Management and Green Procurement

The Bank has formulated the *Measures for Procurement Management of Bank of Tianjin* in accordance with the *Bidding and Tendering Law of the People's Republic of China* and other laws and regulations, to effectively regulate the procurement and management of suppliers. The Bank practiced the ESG concept through strict control over access conditions and encouragement of green procurement.

Suppliers Management and Green Procurement Mechanism



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Practicing green procurement and promoting green operation

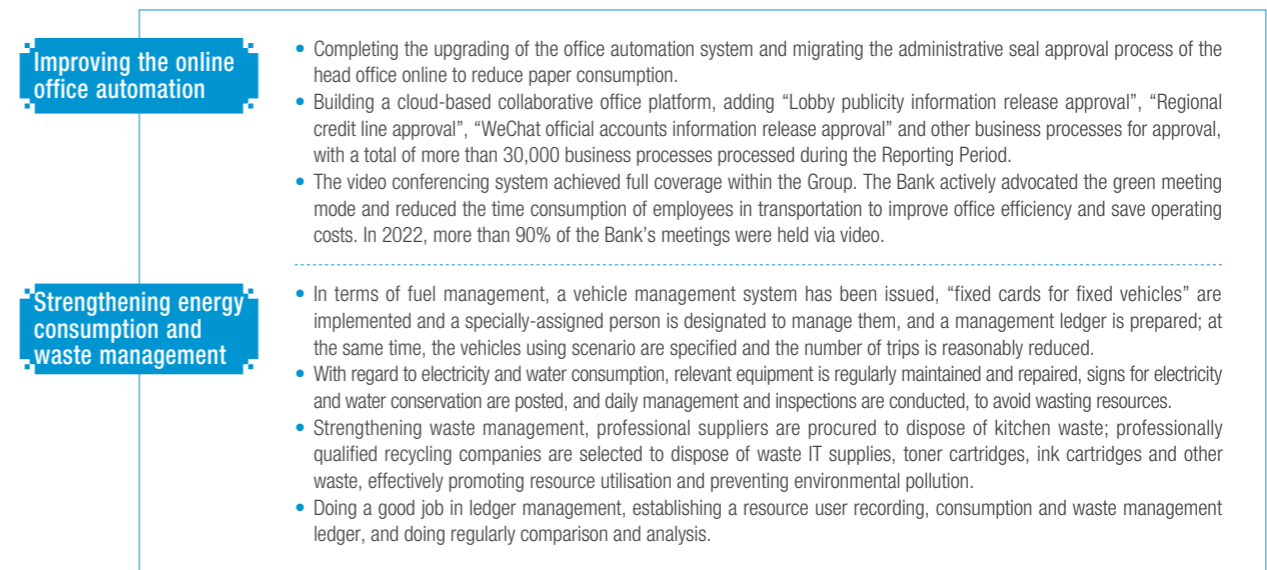
- When tendering for shortlisted furniture suppliers, suppliers are required to have CMA quality inspection reports, environmentally friendly paints shall be used and the plates used shall meet national standards;
- When tendering for office equipment, the shortlisted suppliers are required to provide environmental protection equipment which are energy-saving and environmentally friendly;
- For the manufacturing of work wears, green and environmentally friendly fabrics is required;
- In the tendering requirements for the property of the back office operation center, it is proposed that the property company needs to do a good job in energy management and conservation.

Procurements by Suppliers in the Reporting Period



Promoting Green Office Model

The Bank strictly abides by the laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, strives to reduce the impact of its operations on the environment, makes efforts to integrate low carbon and environmental protection into the Company's operation and management, and has formulated the *Measures for the Management of Motor Vehicles of Bank of Tianjin*, the *Implementation Rules for the Management of Administrative, Security and Fire Protection Physical Assets of Bank of Tianjin* and other systems, and standardised the use of energy and waste disposal. During the Reporting Period, the Bank continued to promote the construction of a green office system by improving the online office automation, strengthening energy consumption and waste management, and carrying out special activities for energy saving and environmental protection.



• Case Study •

Promoting the concept of ecological civilisation

During the Reporting Period, in order to learn and implement the core spirit of the message given by President Xi Jinping to the National Event of June 5th Environment Day in 2022, the Bank issued the *Practicing "Simple, Modest, Green and Low Carbon" Habits*, and issued 22 initiatives in terms of concern for ecological environment, saving energy and resources, practicing green life, reducing pollution and protecting ecological environment. At the same time, the Bank organised its employees to carry out low-carbon cycling, tree planting, rubbish collection and greening activities, guiding the employees to be active propagators and exemplary practitioners of the concept of ecological civilisation.



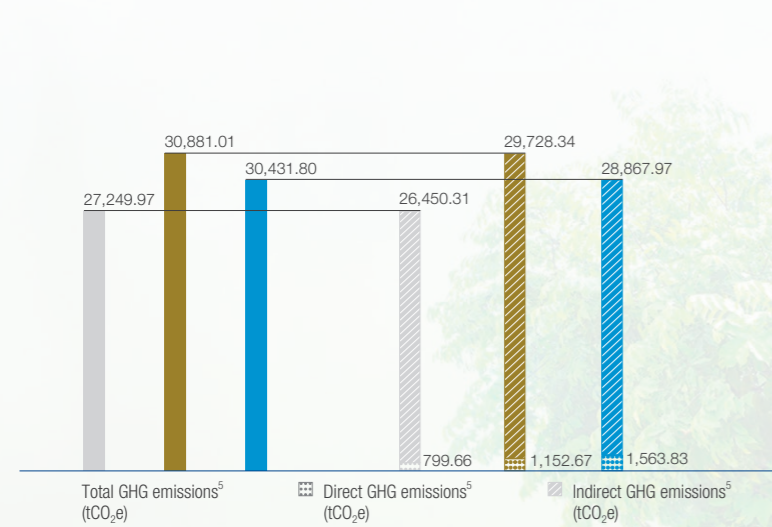
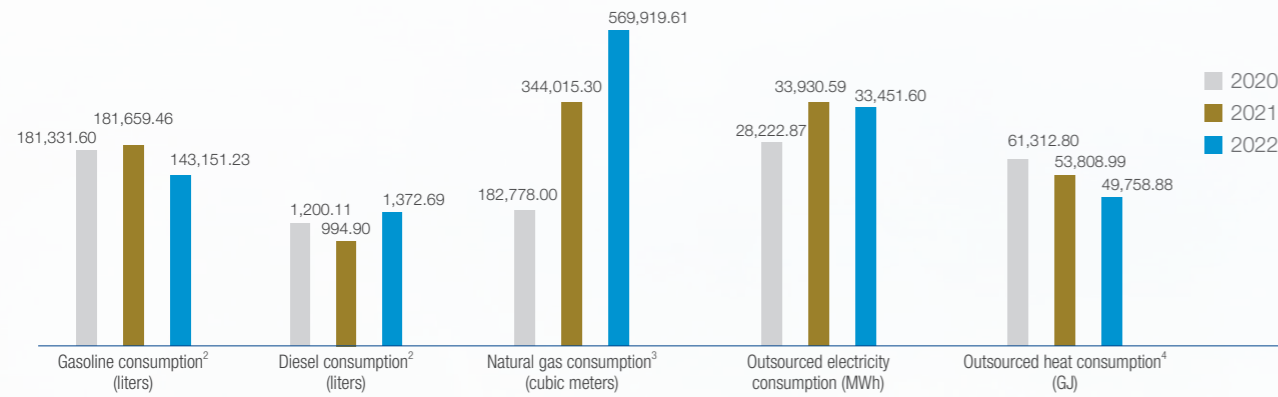
Low-carbon Health Travelling Cycling Propaganda Activity by Business Department

Environmental Targets and Performance

In accordance with the requirements of the *Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange*, the Bank will strive to achieve carbon neutrality at the bank-wide operational level, actively promote the refined management of energy and resource use and greenhouse gas emissions in its own operations, and continuously promote carbon emission reduction actions such as green and low-carbon offices, energy-saving and emission reduction transformation, and clean energy use, so as to minimise the negative impact of the Company's operations on the environment and climate and build itself into a net-zero bank. The Bank is conducting examination of GHG emissions, planning of emissions reduction and other relevant efforts and will establish its environment targets with reference to the targets of carbon peak and carbon neutrality.

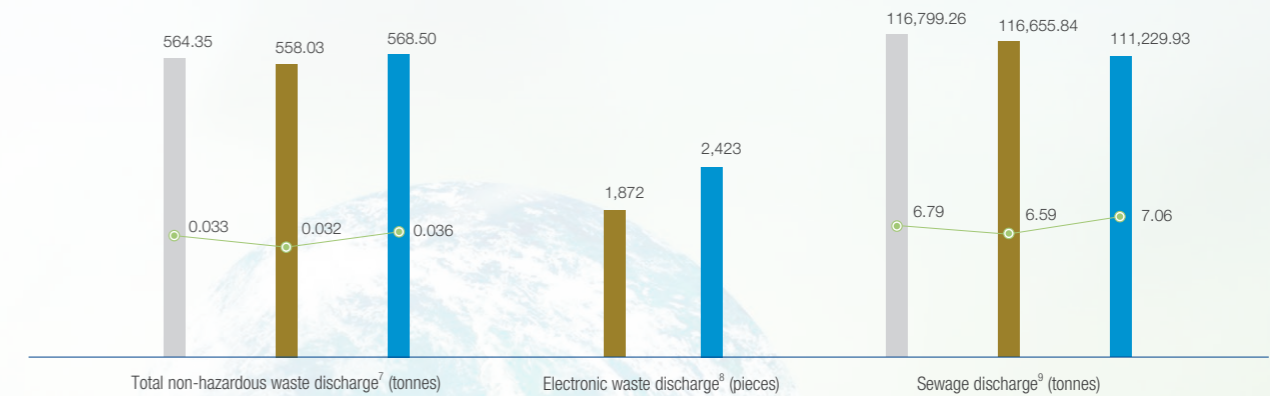
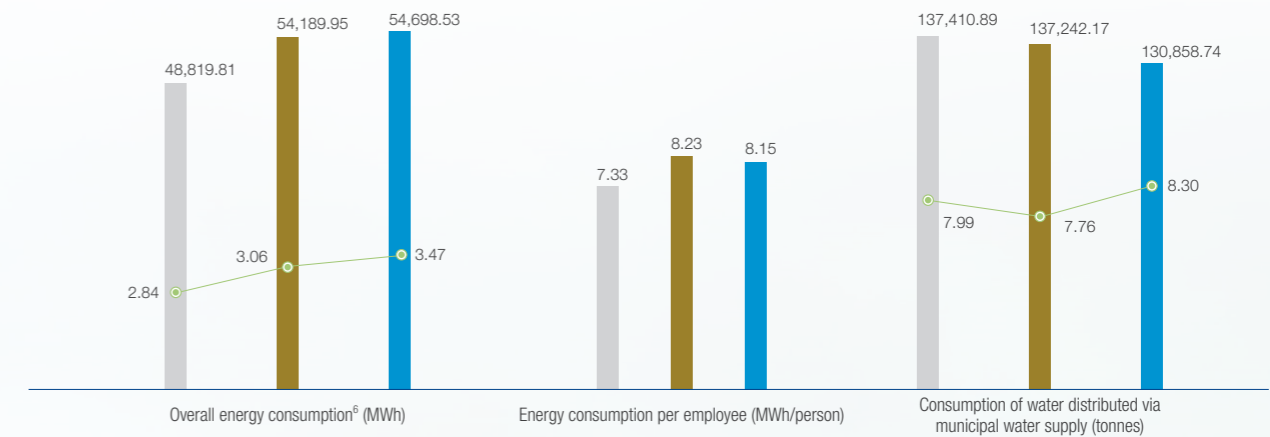
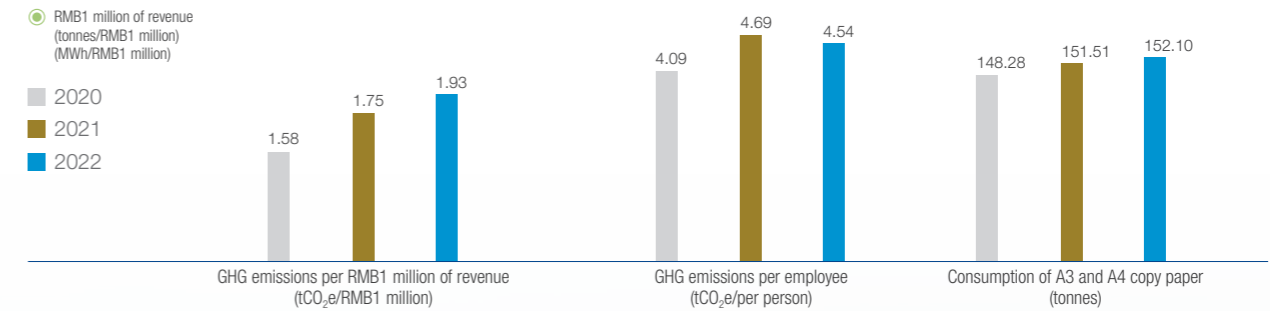
Energy Consumption and Emissions Data¹

The Bank's energy resource use mainly refers to the use of gasoline for business vehicles, outsourced heat for heat supply and daily use of electricity and paper. The main emissions include greenhouse gases generated due to energy consumption and office consumables and household waste.



Notes:

- Unless otherwise specified, environment-related statistics contained herein cover the Bank's head office, branches, subsidiaries and affiliates.
- Gasoline consumption refers to the amount of gasoline consumed by vehicles owned by the Bank.
- Natural gas consumption primarily refers to that incurred from the use of supporting facilities such as natural gas fired heating boilers and cookers at the canteens.
- With respect to the method for calculating outsourced heat for 2022, reference was made to the *Energy and Water Statistical Report System (November 2020)* formulated by the National Bureau of Statistics and supplemented and printed by the Beijing Municipal Bureau of Statistics. The statistics herein cover the Bank's head office, branches, subsidiaries and affiliates that paid heating charges to heat suppliers.
- GHGs mainly include carbon dioxide, methane and nitrous oxide, and our GHG emissions mainly come from the use of outsourced electricity, outsourced heat, natural gas, gasoline and diesel. With respect to the method for calculating GHG emissions, reference was made to *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard 2012 (Revised Edition)* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) and the *Fifth Assessment Report* issued by the Intergovernmental Panel on Climate Change (IPCC). With respect to the grid emission factor adopted in the calculation of scope 2 emissions, reference was made to the China regional grid emission factor (2019) newly-released by the Department of Climate Change of the Ministry of Ecology and Environment.



- The overall energy consumption mainly refers to the use of outsourced electricity, outsourced heat, natural gas, gasoline and diesel, and with respect to the energy conversion coefficients, reference was made to the *General Rules for Calculation of Overall Energy Consumption* (GB/T 2589-2008).
- Non-hazardous waste herein refers to domestic waste produced in office operations only. With respect to the method for calculating the total amount of domestic waste produced in office operations, reference was made to the *Handbook of Urban Domestic Source Pollutant Production and Discharge Coefficient for the First National Pollution Source Census* issued by the State Council.
- Electronic waste includes electronic waste obsoleted during office operations, such as computers (host machines), monitors, servers, notebook computers and printers.
- With respect to the method for calculating sewage discharge, reference was made to GB 50318-2017 *National Standard Urban Drainage Project Planning Code of the People's Republic of China* issued by the Ministry of Housing and Urban Rural Development.
- Packaging material does not apply to the Bank.



Number of training sessions for employees

1,575 sessions

Employees trained reached

106,700

person-times

Number of financial knowledge publicity and education activities reached

3.7 thousand

and number of publicity materials distributed reached

210 thousand

Outgoing donations reached

RMB **7.88** million

27 branches passed the certification and review under standards for elder-friendly services, **9** branches of which were rated as "Elder-Friendly Service Models"

Contributing to the Society

- ✔ Providing Superior Experience
- ✔ Protecting Consumers' Rights and Interests
- ✔ Participating in Social Welfare Initiatives
- ✔ Supporting Employees' Development

“ The Bank that offers superior experience and cares about employees ”

Providing Superior Experience

The Bank is committed to building itself into a "bank that offers superior experience" by providing higher quality experience to customers and building stronger emotional bond with customers. In 2022, we, adhering to the principle of "being customer-centric", continually carried out digital transformation, and provided more humanised, integrated and convenient services to customers by adopting a multi-dimensional service model focusing on developing internet finance business and pushing forward with the transformation of grassroots outlets toward intelligent and asset light operations. We focused on consumer interests and needs, and provided efficient, satisfactory and pleasant experience to customers by offering them high-standard services.

Promoting Digital Transformation of Customer Service

In 2022, the Bank attached great importance to digital transformation and fintech building. Actively responding to the requirements of the *Guiding Opinions on the Digital Transformation of the Banking and Insurance Industry* and the *FinTech Development Plan (2022-2025)* issued by regulatory authorities, the Bank formulated the *Strategic Plan for Financial Technology and Digital Transformation of Bank of Tianjin Co., Ltd. (2022-2025)*. With customers' needs as the orientation and focusing on serving real economy, the Bank achieved the multi-dimensional and all-around digital transformation of both online and offline channels and provided customers with high-quality and efficient financial services.

Raising the intelligent levels of customer services

- The Bank continuously trained, annotated and improved smart customer service robots and further diversified and refined business intentions and scenarios.
- The Bank introduced the smart voice navigation, prioritised smart robots over manual services, conducted real-time analysis on customers' actual needs and dynamically adjusted customer service models through streamlining and reducing the original button broadcasting list of telephone banking services.
- In 2022, the accuracy rate of the automatic speech recognition (ASR) and the natural language understanding (NLU) was improved to 86.5% and 91.3%, respectively, both reaching the leading level in the industry.

Improving online service channels

- The Bank developed the remote video banking service, established connections between customers and remote seats through online video appointments with mobile banking services and applied more normal operation scenarios based on customers' needs.
- The Bank introduced WeChat banking of Bank of Tianjin, the WeChat official account for credit cards and other customer service windows and can serve the demand for business consultancy from various channels with one system and one interface.
- The Bank launched the online information pre-filling function for issuing certificates of deposit through smart teller machines. Customers can directly issue paper certificates of deposit through smart teller machines after pre-filling business information through mobile banking, which improves the efficiency in business handling.



• Case Study •

Building a mobile portal and digital platform

In order to continuously deepen financial reform and innovation and speed up in the digital transformation of inclusive finance, the Bank of Tianjin focused on building a mobile portal and digital platform and launched the new-generation mobile banking. With the concept of building a mobile banking featured by "more understanding, warmth, convenience, preference and reliability", the version applied voice banking, video banking and Smart Xiao Er (智慧小二) and connected unified risk control, big retail, unified payment, big data and other platforms to fuse various scenarios and services into one portal. It introduced various new functions such as real-time assets and liabilities, digital RMB, smart recommendation, financial calendar, income and expenditure account book, living payment, voice navigation, voice broadcasting, seagull zone, queuing appointment and form filling appointment, providing multi-dimensional convenience to users' financial life and ensuring customers' financial security.



In terms of intelligence, the new-generation mobile banking leverages on big data support and intelligently recommends wealth management, funds, certificates of deposit, credit cards and other high-quality products and theme pages based on the data portrait of customers. It intelligently estimates financial services and provides personalised reminders based on the operation record, billing date, financial calendar and other information of customers.

For digitalisation, the new-generation mobile banking comprehensively analyzes the data on the use of various functions of mobile banking, the clicking and stay of all pages/menus as well as the trading and retention of all products based on the embedding analysis through the mPaaS platform and continuously and accurately optimizes the interactions of functions, products and pages to constantly improve the customer experience.

The new-generation mobile banking focuses on the security sector. On the one hand, it conducts real-time monitoring on the equipment information, network information and customer information through a unified risk control platform and makes risk decisions with the corresponding security policies. With the scope of trading covers login, registration, account opening, changes in accounts and other scenarios, it can guarantee the capital security of customers in all dimensions. On the other hand, the system carries out the rating on security risks based on the current trading data and intelligently judges trading risks. It balances customer experience and trading risks by enhancing certification on high-risk transactions and simplifying certification on low-risk transactions.

Improving Service Quality of Outlets and Meeting Diversified Needs

With building a "bank that offers superior experience" as the strategic goal and the *Service Standards for Operating Units of Bank of Tianjin* and the *Elderly Customer Service Standard* as the standards, the Bank has continually improved the service efficiency and quality at its outlets and provided intimate professional financial services for its customers. It continuously improved professional and standard elder-friendly financial services and promoted the service model through building standard elder-friendly service outlets, allowing the elderly to gain more sense of accomplishment, happiness and safety. In 2022, a total of 27 business outlets of the Bank participated in the certification on elderly-friendly services and all of them have passed the certification and review under standards for elder-friendly services by the National Financial Technology Certification (Beijing), 9 of which were rated as "Elder-Friendly Service Models".

Continuously promoting standard financial service

- The Bank revised two service standards, namely the *Service Standards for Operating Units of Bank of Tianjin* and the *Elderly Customer Service Standard*, which have been disclosed in the "National Public Platform of Corporate Standard Information".
- The Bank was involved in the "leader" activities of 2022 financial enterprise standards, and was selected into the list of alternative "leaders".

Supervising and reviewing standard financial outlets

- More than 200 outlets of the Bank subject to supervision and review had special internal reviewers to complete self-assessment of service quality and effectively improve the standardisation, institutionalization and normalization of outlets by combining outlet service supervision and review with on-site inspection.

Performing outlet on-site inspection

- A third party was engaged to carry out on-site inspection of the outlets, including business environment, hardware facilities, vocational image of employees, key promotional materials and advertising, etc., covering all outlets of the Bank for four quarters over the year.
- The Bank carried out video monitoring inspections on lobby services at branches, monitored and fed back on shortcomings and deficiencies in services at outlets to continuously improve customer service experience.

Deepening elderly-friendly services

- Over 200 business outlets of the Bank installed, upgraded or transformed elderly-friendly facilities, including over 1,600 mobile tables, special armrests, hearing aids and reading glasses with different dioptries.
- The Bank iterated and optimised the functions of smart teller machines, provided the elderly with adjustment of page layout, zoom in the size of the font, voice broadcasting, magnifying glasses and other functions, achieved free switch between the ordinary model and the care model and offered elderly customers with more comfortable and convenient operation interfaces.
- The Bank built the elderly-friendly financial publicity column—the "Harbor", an e-lecture on financial knowledge, with the contents including the protection of personal information, safety protection on network-based transactions, fraud prevention on digital RMB and precautions on illegal financial advertising. It is released on the WeChat official account of the Bank of Tianjin on a weekly basis and a total of 32 issues have been released to assist the elderly in improving their financial literacy and risk prevention capabilities.

Protecting Consumers' Rights and Interests

The Bank attaches great importance to the protection of consumer rights and interests and strictly complies with the requirements of the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant laws and regulations and formulated the *Strategic Planning for Consumer Rights Protection of Bank of Tianjin Co., Ltd. (2021-2025)*, *Policies for the Administration of Protection of Consumer Rights and Interests of Bank of Tianjin Co., Ltd.*, *Implementation Measures of Bank of Tianjin for Protecting Consumer Rights and Interests* and other all-round, multi-level consumer rights protection system to incorporate consumer protection into its corporate governance, corporate culture and business development strategies.

Strengthening Network Information Security and Protecting Customers' Privacy

The Bank strictly complied with the relevant laws, regulations and policies such as the *Cybersecurity Law of the People's Republic of China*, the *Guidelines on the Information Technology Risk Management of Commercial Banks*, and the *Supervision Measures for Information Technology Outsourcing Risks of Banking and Insurance Institutions*. We have continually improved our information security management system, and have formulated a series of management policies such as the *Integrated Construction Planning on Network Security of Bank of Tianjin*, the *Network Security Management Methods of Bank of Tianjin*, the *Management Methods on Information Technology Outsourcing of Bank of Tianjin* and the *Implementation Rules on Data Security Management of Bank of Tianjin*. By defining organisation and management responsibilities, the Bank has earnestly tightened the protection of important data and customers' individual information to prevent the loss, falsification and leakage of information and effectively enhanced network information security. In 2019, the Bank obtained the UKAS and CNAS certification, and passed the review on the ISO27001 certificates for 2020 to 2022, developing into one of the industry leaders in Tianjin.

During the Reporting Period, the Bank did not have any confirmed cases of violation of customers' privacy or loss of customers' data.

- **Establish the personal information protection system *Measures for the Management of Personal Financial Information Protection of Financial Consumers of Bank of Tianjin*.** The competent departments of all business lines integrated the concept of personal financial information protection into the processes of business innovation, product development and design, operation management and risk management.

- **Clarify customers' privacy policy.** The Bank has published its e-channel privacy policy at both its official website⁴ and mobile banking app to make sure that customers know about its policy of collection and utilization of personal information as well as confidentiality policy.

- **Conduct inspections on information leakage risk.** The Bank organises and conducts inspections on the leakage risk of customers' personal financial information every half year and rectifies the problems identified in the inspections in a timely manner to ensure the security of customers' financial information.



- **Focus on Internet and effectively enhance network security protection.** We carried out 7x24 external websites monitor, regular internet Web scanning and penetration testing, and implement external centralized monitoring on office Internet of the head office, branch and subsidiaries.

- **Define tiered management of data and approval rights.** We formulated the *Data Safety Classification Standard of Bank of Tianjin* and the *Implementation Rules of Data Security Management of Bank of Tianjin* to conduct tiered data management based on the sensibility and established an approval mechanism of data utilisation, thus making the necessary encryption for data storage and transmission.

- **Standardize information technology outsourcing management.** Since information technology outsourcing is a professional field of information technology, we have established a set of relevant standards and templates for information technology outsourcing management, which effectively reduces outsourcing risk hazards.

⁴ <http://www.bankoftianjin.com/wlyx/bzzx/aqzq/ysbmsm/268647.shtml>

Improving the Transparency of Products and Services

We provide transparent products and services to customers, perform obligations of information notification and risk warning before sales in strict compliance with regulatory requirements, strictly prohibit misleading and fraudulent sales practices, and protect consumers' right to know, enjoy property safety, and make independent choices.

- We implement the practice of "audio and video recording" in the sales area, and have tightened regulation on personal proprietary wealth management product sales practices and the practice of acting as an agent to sell products to ensure regulatory compliance in business development.
- We have formulated and issued the *Rules on Managing Personal Product Information Query Platform of Bank of Tianjin*, which specified the responsibilities related to personal product information protection and helped safeguard consumers' right to know and make independent choices.
- We incorporated consumer protection into product design and development, strictly implemented the pre-sale consumer protection review system, and tightened the monitoring and management of marketing activities.
- The Bank revised the original *Credit Card Application Contract of Bank of Tianjin* and other agreements. It added contents such as actively informing the channels for consultation and complaint acceptance of the Bank and the channels for inquiries on the terms and conditions of credit cards and relevant contracts (agreements) signed by customers and notified customers of matters such as repayment notification and reporting of overdue information in manners as provided in the contracts. It clarified the purpose, manner and scope of personal information processing to customers and added the expression of risks on electronic billing and relevant legal liabilities and disciplinary measures on the leasing, lending, sale and purchase of accounts.

Protecting Intellectual Property Rights

The Bank attaches great importance to digital transformation and fintech building. Adhering to the concept of autonomous digital transformation and with the implementation of the planning on IT structure as a driver, the Bank fully releases the business value and pays close attention to the development and application of new financial technologies by leveraging on the transformation opportunity. The Bank carries out intelligent property right ("IPR") management in strict accordance with the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other relevant laws and regulations, developed and issued the *Implementation Rules of Management of Information Science and Technology Intellectual Property Right of Bank of Tianjin*, insisted on the principle of independent control of key technologies, strengthened the protection of the intellectual property rights of self-developed technologies, promoted the conversion and application of intellectual property rights to enhance the intellectual property management standard of the information technology.

To avoid IPR-related disputes, the Bank specifies explicitly the ownership of IPRs in the contract when carrying out technology development cooperation with outsourcers, and requires that the systems and services provided by the outsourcers should not infringe the IPRs of third parties.

• Case Study •

The Bank successfully applies IPRs for various scientific and technological achievements

With the digital transformation and upgrading and the implementation of the planning on IT structure, the Bank has developed various research and application achievements in relevant sectors of system building. In order to protect the Bank's intellectual property rights and promote the conversion of technological innovation results, the Bank initiated the application for intellectual property rights at the beginning of 2022. It obtained the registration and authorization for a total of 11 software copyrights and one design patent in 2022, including the testing of automatic systems, the platform for solutions to hot accounts in banks' core systems, mobile corporate banking software and mobile payment transactions. After the completion of phase-III of the IT planning, the Bank started a new round of application for intellectual property rights for various new achievements with 2 design patents and 13 software copyrights under application.

The obtaining of intellectual property rights represents the Bank's breakthroughs in the software R&D and certification on intellectual property rights, which will improve the Bank's systems on the protection of intellectual property rights, further enhance the soft power and core competitiveness of brands and provide strong technological supports to business development and customer services. Currently, results of various intellectual property rights have been applied in the new-generation mobile portal, "Smart Xiao Er" and other key programmes and implemented in new phase-III cores.



Actively Responding to Consumers' Feedback to Improve Consumers' Satisfaction

The Bank always focuses on customers and attaches great importance to customers' opinions and feedbacks. In strict compliance with the *Administrative Measures for Complaints Handling in the Banking and Insurance Industry*, the Bank formulated the *Measures for Managing the Handling of Consumer Complaints of Bank of Tianjin* and the *Implementation Rules on Complaints Handling through Telephone Channels of Operation Centers of Bank of Tianjin*. Based on the whole process, the Bank continuously tightens pre-sales management, carefully listens to customers' feedbacks, efficiently handles customers' comments and conducts continuous improvement and enhancement, thereby constantly optimizing services, striving to meet customers' appeals and providing them with satisfactory services.

During the Reporting Period, according to the standard statistical method adopted by the People's Bank of China for the statistical classification of financial consumer complaints, the number of customers' complaints the Bank received was 1,422, of which the categories of the complaints included loans, bank cards, RMB savings and others, with the areas covering Tianjin, Beijing, Hebei, Shanghai, Shandong and Sichuan. Once receiving the complaints from the customers, the Bank actively communicated with its customers and gave explanations with patience by fully utilizing diversified solutions to carry out negotiations until they are solved. There were neither continuous action such as appealing with aggressive behaviours or groups, or material complaints that led to public opinions and involved in litigation.

Tightening pre-sales management

- The Bank imposed strict requirements on sales compliance, and has tightened up pre-sales management and incorporated consumers' protection into product agreements in the product development stage. The Bank requires that the duty of disclosure should be performed and full disclosure of risks involved should be provided so as to reduce complaints from the source.

Listening carefully to customers' feedback

- The Bank intelligently calculated the number of complaints, and analysed trend of changes in the number of complaints and compliant concentration issue from handling channel, category and reasons of complaint issues.
- The Bank strengthened traceability analysis, continuously optimized the "Voice of Customers" mechanism, regularly summarized the business points mainly reflected by customers and transmitted them to the competent departments to improve and enhance products and services.

Tightening complaint management

- The Bank intensified the ticket linkage mechanism and smoothened channels for complaints handling. For customer complaints, the Bank makes feedbacks to branches immediately in the form of ticket and follows the progress of complaint handling in time to ensure the proper handling of consumers' complaints and constantly improve customer satisfaction.
- The Bank has launched a green channel for complaint handling, and specified the authority to grant compensation, compensation limits and procedures regarding claims for reasonable economic compensation made by individual customers, with the aim of improving complaint handling efficiency and customer satisfaction.

Continuous improvement and enhancement

- The Bank requires identifying weaknesses based on the complaints, proposing measures to improve related practices, and making sure that customer complaints and suggestions are processed efficiently and effectively to improve service quality.

Participating in Social Welfare Initiatives

The Bank earnestly performs its social responsibilities, and is committed to bringing positive changes to the society. In 2022, by leveraging its own characteristics and advantages, the Bank continuously promoted disseminating financial knowledge to improve the awareness of financial risk responsibility and prevention ability. At the same time, the Bank actively participated in social welfare activities, supported the construction of rural revitalization, cared about the development of education in poor areas, encouraged its employees to participate in public welfare voluntary activities in order to give back to the society with real actions.

Disseminating Financial Knowledge

The Bank is committed to contributing to the building of a harmonious financial environment. To protect the public from illegal financial activities, we vigorously carry out the dissemination and publicity of financial knowledge with our business outlets as publicity positions through "online + offline" channels and various models. Focusing on "protecting pockets and safeguarding a happy family", "countering fraud, refusing gambling and making safe payment", "reducing payment fees and returning benefits to people", "everyone responsible for countering counterfeit money" and other themes, the Bank appropriately organised publicity activities towards the public, "the elderly and minors", migrant workers and other groups highly exposed to fraud risks in particular. It disseminated common means of telecom frauds and prevention skills, typical cases of illegal fundraising for elderly-related programs and risk prompts, common knowledge on countering counterfeit RMB, illegal activities on refusing to accept RMB and other financial knowledge, which helped the public establish correct concept on wealth management, improve the awareness on relevant financial knowledge and enhance their financial literacy and capability on preventing financial risks.

Lobby safety prompting

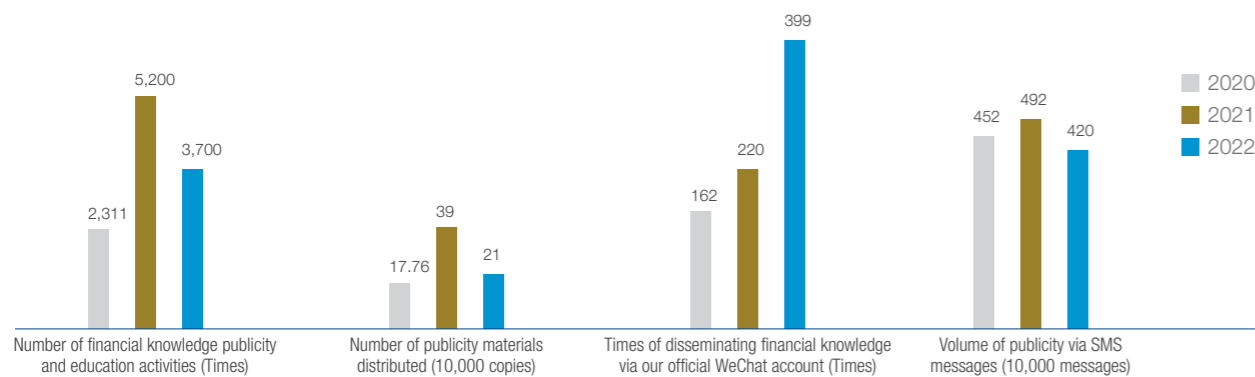
- The Bank tightened the inspection of the lobby, paid more attention to the abnormal customers who were transferring money while answering the phone or who refused to talk with our staff, and elderly customers for remittance who had weak fraud identification and prevention ability.
- When the customers were waiting for handling the business, we publicised and explained the common methods of new criminal activities of telecom fraud and Internet fraud to enhance financial consumers' risk awareness.

Creating new publicity forms

- The Bank created new publicity forms and improved the quality of publicity works. It prepared cartoons, micro films, long graphics, WeChat emoji pack and posters of solar terms in lunar calendar, interpreting financial knowledge more vividly and bringing financial knowledge closer to the life of ordinary people.
- The Bank built financial publicity platforms with relevant departments in society. It jointly organised publicity activities with the Public Transportation Branch of Tianjin Municipal Public Security Bureau and Tianjin Rail Transit Group and placed 200 display shelves with publicity and warning signs on preventing illegal fundraising and telecom frauds at 76 important stations of various metro lines.

Stepping up external exchange

- The Bank actively participated in soliciting public works on preventing illegal fundraising with award. Its works themed "Truth behind in Preventing Illegal Fundraising" was awarded the "Prize for Outstanding Design" and the Bank was honored the "Prize for Excellent Organisation".



Case Study

Working together with multi parties to carry out publicity activity dubbed "countering fraud, refusing gambling and making safe payment"

In order to effectively improve the social public financial literacy and improve community residents' ability to identify and counter fraud, especially older groups, the Bank worked together with the Economic Investigation Corps of Tianjin Municipal Public Security Bureau, the Civil Affairs Bureau of Heping District, Tianjin City and the Colourful Image community-based elderly service platform to carry out the illegal fundraising prevention and financial knowledge publicity activity themed "protecting your pensions and enjoying the later life".



During the preparation for the activity and to improve the effectiveness of publicity, the employees of the Bank conducted communications with the Economic Investigation Corps of Tianjin Municipal Public Security Bureau and the Colourful Image community-based elderly service platform and jointly formulated publicity plans suitable for the elderly. Policemen from the Economic Investigation Corps of Tianjin Municipal Public Security Bureau profoundly revealed various frauds of illegal fundraising with pensions through true cases. Lecturers from the First Central Sub-branch of the Bank of Tianjin interpreted typical fraud cases with the elderly involved, the safety use of banking accounts and other financial knowledge in details, shared anti-fraud formulas and helped the elderly remember key points in preventing frauds. To stimulate the enthusiasm of the elderly on site, the publicity activity set up experience sharing, interactions, question answering with award and other processes. Many old people told "their own stories" and shared their experience in identifying and preventing frauds. The activity was full of warm atmosphere.

The publicity activity is close to the life of ordinary people. Over 200 publicity materials and over 300 publicity gifts were distributed. The linkage with other parties in the society improved the effectiveness of the activity and created a positive social atmosphere on preventing illegal fundraising through "no participation, identification and reporting". It practically helped the elderly improve their financial knowledge and the capability on identifying and preventing frauds.



As of the end of the Reporting Period

Established volunteer service teams

17 teams

Registered volunteers

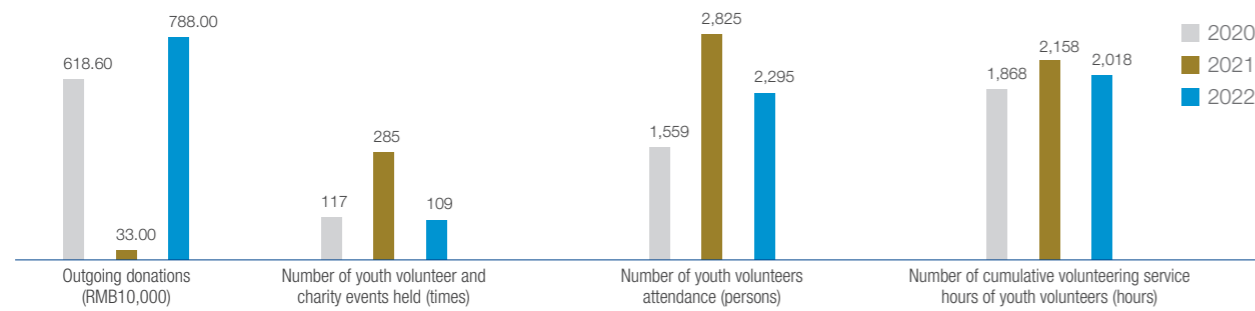
4,080 volunteers

Number of cumulative volunteering service hours was more than

2,000 hours

Being Active in Public Welfare Initiatives and Supporting Rural Revitalisation

The Bank always positively participates in public welfare, practices socialist core values, and vigorously promotes the voluntary service of dedication, friendship, mutual assistance, and progress. The Bank developed the *Management Mechanism of Public Welfare Project of Bank of Tianjin*, the *Management Measures of Voluntary Service of Bank of Tianjin (Trial)*, the *Management Policy on Outgoing Donations of Bank of Tianjin Co., Ltd.* and other policies and systems, and further standardised the management of public welfare services, and built a long-term public welfare voluntary service mechanism. All units focused on green and environmental protection, community action, caring for children, rural revitalisation and other sectors, continuously improved the carriers and efficiency of voluntary public services, and continuously improved participation of public welfare voluntary activities.



Case Study

Carefully and vigorously promoting the development of underdeveloped villages in Dongjituo Town, Ninghe District with love

In order to deeply implement the spirit of the important speeches and instructions on fully implementing the strategy on rural revitalisation by General Secretary Xi Jinping, the Tianjin Municipal Party Committee decided to carry out the three-year work on supporting the development of underdeveloped villages from July 2021 to 2024. The Bank acted in response to the calls of the Party. The Bank of Tianjin fully displayed its own advantages and the role as the "back force" for more than one year and carried out organisation, scientific planning and comprehensive implementation of policies. It dispatched six cadres to work in villages with cadres of underdeveloped villages and donated RMB4.4 million to carefully and vigorously promote the development of four underdeveloped villages in Dongjituo Town, Ninghe District with love, contributing the wisdom and strength of the Bank of Tianjin in promoting the new pattern of agriculture and rural areas characterised by "flourishing industries, liveable ecosystem, civilised conduct, effective governance and prosperous life".

Based on the conditions of four underdeveloped villages, including Changjiadian, with few land and industries, geographical dispersion and old infrastructure, the Bank outlined approaches for industrial development through "increasing income with agricultural machinery", "assistance through consumption" and "ecological empowerment". It innovatively adopted the model with "joint establishment of companies, joint operation and benefits sharing" and promoted the establishment of Tianjin Ningdong Agricultural Machinery Services Co., Ltd. It purchased imported self-propelled soiling food harvesters and increased the collective income with operating revenue from agricultural machinery to enhance the endogenous power. It encouraged subsidiaries and customers to conduct "procurement instead of direct assistance". Nearly 25,000 kilograms of high-quality rice from Ninghe were sold, which is expected to increase the revenue by nearly RMB200,000 each year and practically increased the income of local farmers. In addition, the Bank implemented the concept of green development. The "modification of water conservancy and culverts" significantly improved local water quality and increased the economic value added of agriculture in surrounding areas. As a result, the collective income of villages increased remarkably and the life quality of farmers was significantly improved.

Case Study

Consolidating poverty alleviation achievements through collaboration between eastern and western regions

With the complete victory in poverty alleviation in 2021, the focus of the work on "agriculture, rural areas and farmers" in China has historically transferred to fully promoting rural revitalisation. In 2022, the General Office of the CPC Central Committee and the General Office of the State Council issued the *Guideline on Further Strengthening Collaboration on Poverty Alleviation Between the Eastern and Western Regions*. The Bank actively responded and studied the implementation. It fully displayed the advantages as a financial enterprise and practically supported western and remote regions in consolidating poverty alleviation achievements through donations, assistance with consumption and education support to further improve the education environment and life quality.

Chengdu Branch of the Bank has always prioritized poverty alleviation through education in poverty alleviation and collaboration. It paid visits to grass-roots organisations for poverty alleviation and poverty-stricken villages. It has contributed to the construction of 15 "Seagull Libraries", 5 "Seagull Electronic Libraries" and 1 children's palace in 11 consecutive years, covering Bazhong, Liangshan, Luzhou, Ganzi and other old revolutionary areas and extreme poverty-stricken areas and creating learning places and spiritual homeland for thousands of students. Meanwhile, the Bank explored diversified financial assistance through various channels. It also purchased agricultural and sideline products from targeted western regions with value of more than RMB300,000, achieving "accurate assistance" in poverty alleviation.



强担当 | 天津银行：成都分行“产业+教育”新模式助力乡村振兴结硕果

强国号发布内容

天津国资
2022-06-17

已订阅

2018年，在四川银保监局统筹安排下，甘孜藏族自治州州府康定市成为天津银行股份有限公司（以下简称：天津银行）成都分行金融扶贫对口帮扶对象。天津银行成都分行党委以高度的政治责任感和使命感，认真落实帮扶要求，积极对接考察，创新帮扶措施，构建四维保障工作机制，打造“产业+教育”模式，走出了一条特色的帮扶之路。

四维机制提供保障。天津银行成都分行党委提高政治站位，高度重视，将扶贫工作纳入党委年度重点工作，着力构建四维保障机制，明确分行党委、基层党支部、党

欢迎发表你的观点





Supporting Employees' Development

Establishing "a bank that cares about employees" is the undertaking of the Bank to all employees and the intrinsic driver to achieve its dual-track strategic development goal of "reform + innovation". We adhere to the principle of equal employment and strive to create a workplace atmosphere featuring diversity; we protect employees' rights and interests, listen to their voices, and provide the necessary and quality employee benefits and excellent workplace; we have optimised the cultivation system, provided training to employees according to different training plans for different positions, and provided the best development opportunities for employees; we have also established a scientific remuneration system to effectively mobilize the enthusiasm and creativity of employees. The Bank endeavours to become "a bank that cares about employees" in all-round manner to enhance the sense of belonging and gains of employees and achieve the harmonious and joint development of employees and itself.

Equal Employment Opportunities

The Bank strictly complies with the *Labour Law of the People's Republic of China*, *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations. It sets eligibility requirements based on position needs and in accordance with the *Employee Management Measures of Bank of Tianjin*, and ensures recruitment information transparency and a fair recruitment process. The Bank respects the candidates' right to choose their positions based on their own will. We do not set discriminative or restrictive requirements on nationality, gender, religion, ethnicity or native place during recruitment, treat people with disabilities fairly, treat employees with different background equally, and is committed to creating a workplace atmosphere featuring diversity.

During the recruitment process, if the candidate is found to have irregular behaviours, the Bank will first check the relevant situations and cancel his/her eligibility if they are verified. The Bank also complies with the Provisions on the *Prohibition of Using Child Labour* and other relevant international regulations and requirements, carefully examines the age of the candidates, and does not hire children. During the Reporting Period, child labour did not occur in the Bank.

The Bank strictly complies with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and other relevant laws when handling employee dismissal or departure affairs, and handles employee departure formalities in compliance with the *Implementation Rules on Labour Contract System of Bank of Tianjin*, the *Implementation Rules on Employee Turnover Management of Bank of Tianjin* and relevant policies and rules on human resources management of the place where the operating unit is located. Employees have the right to resign freely with a reasonable notice.

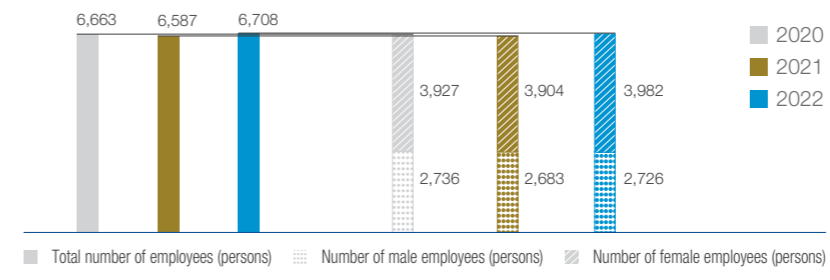
As of the end of the Reporting Period

the Bank had

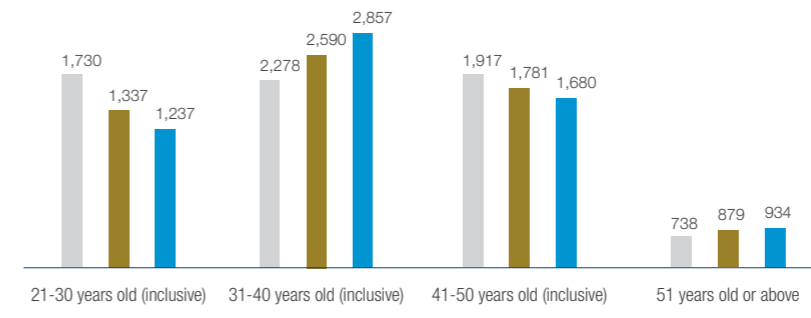
6,708 employees, all of which were full-time employees

with a signing rate of labour contracts

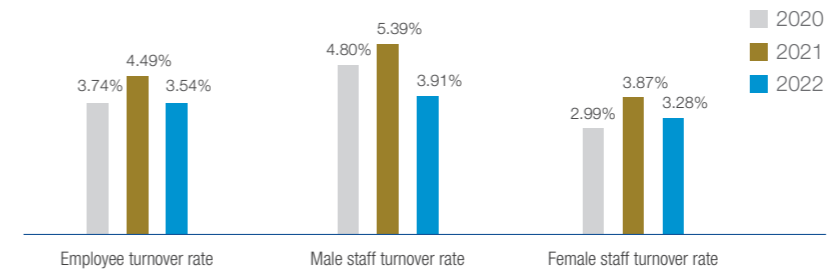
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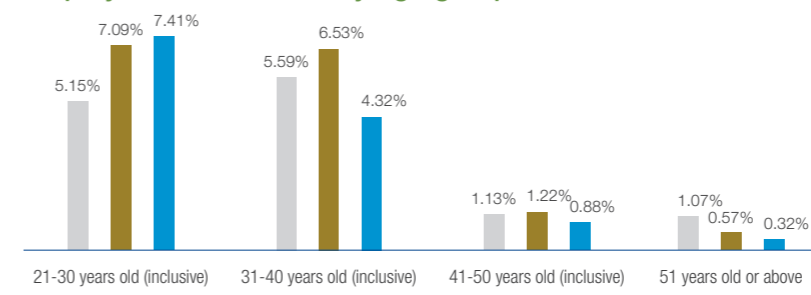
Number of employees by age group (persons):



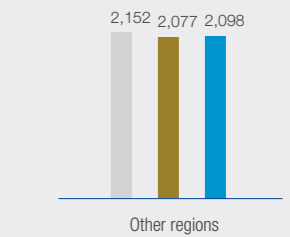
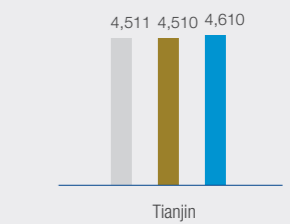
Employee turnover rate by gender:



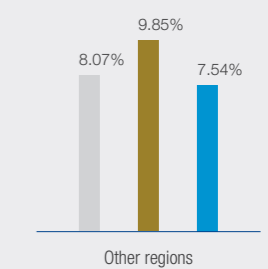
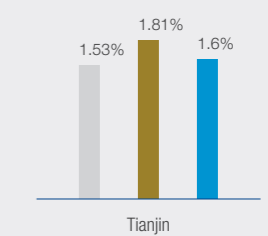
Employee turnover rate by age group:



Number of employees by region (persons):



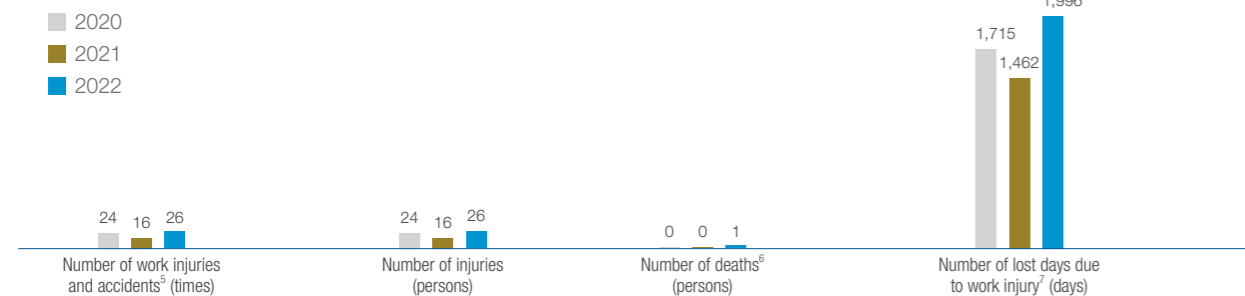
Employee turnover rate by region:



Protecting Employees' Rights and Interests

The Bank strictly complies with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other relevant national and local laws and regulations. The Bank formulated a number of internal policies such as the *Administrative Measures for Supplementary Medical Insurance of Bank of Tianjin's Employees* and the *Employee Welfare Plan of Bank of Tianjin* to further improve the employee benefits system, and took various effective measures to protect employees' rights and interests in order to ensure the benefits of employees.

Reasonable working hours	<ul style="list-style-type: none"> In accordance with the <i>Attendance System of Bank of Tianjin</i>, the Bank adopts an 8-hour working system, ensuring that employees are entitled to reasonable working hours and have the right to take leaves, and avoids forced labour. During the Reporting Period, forced labour did not occur in the Bank.
Protecting women's rights and interests	<ul style="list-style-type: none"> The Bank respects female employees, and does not arrange female employees to take on jobs that are prohibited in the labour scope. The Bank does not lower female employees' salaries, fire them or terminate their labour contracts because they are pregnant, have given birth or are in the lactation period, provided that they have not violated laws, regulations or the Bank's policies.
Providing adequate insurance coverage	<ul style="list-style-type: none"> The Bank provides supplementary pension insurance and medical coverage in accordance with the <i>Employee Welfare Plan of Bank of Tianjin</i>, and provides group accident insurance and group critical illness insurance for all the employees. The Bank cooperated with insurance companies to provide employees with services such as health stewardship and complimentary insurance for year-round travel protection. The Bank has formulated the Measures for the <i>Administration of Bank of Tianjin Grassroots Labour Union Funds</i> and the <i>Implementation Rules on Managing the Use of Funds Earmarked for Helping Others by the Labour Union of Bank of Tianjin (Revised)</i>, and increased support and help for employees facing difficult situations. The Bank visited the staff suffering from serious and major disease for 147 times and handed out consolation money of RMB157,500.
Caring about employees' health	<ul style="list-style-type: none"> The Bank organises employees to have a physical checkup every year in accordance with the <i>Measures of Bank of Tianjin for Employee Health Examinations</i>. The Bank has set up a sound health management system for employees and held a series of activities to care about their health, such as Yoga, exercise at workplace, healthy walking programs, and lectures on mental health, among others. The Bank established a safe and comfortable office environment for its employees. It had completed the renovation of the back office operation center building of the head office. The open office area is designed to improve the net height of the space through industrialization, with floor-to-ceiling windows to provide sufficient natural light; high light efficiency anti-glare light source and bright warm color tone are adopted to protect the safety of employees' eyes; green and environmentally friendly building materials are selected, and the building is put into use only after passing the indoor environmental pollution inspection and obtaining the fire inspection certificate for three times.
Promoting democratic management	<ul style="list-style-type: none"> The Bank has incorporated "Strengthening Democratic Management" into the Bank's "14th Five-Year" strategic plan, as an important part of the top ten projects (3.0). A total of five staff representative meetings were held to review major measures for business development, and the Bank carried out collective negotiations on wages and other work, implemented employees' right to know, participate, express and supervise in democratic management.



⁵ Work injuries and accidents include traffic accidents occurring when the employee is on his/her way to work, to home or to handle business, and injuries due to falling, being hit or death at workplace during working hours.

⁶ Work-related fatalities are incidental in each year and their rates are not representative and therefore are not disclosed in this Report.

⁷ The number of lost days due to work injury includes the number of working day leaves taken in the reporting year due to work injuries occurring in the reporting year and in the previous year(s).

Helping Employees with Their Development

The Bank deems employees' development as an inexhaustible source of corporate growth, and adopts the strategy of "developing the bank by relying on talent". The Bank is committed to providing a multi-dimensional development platform for employees by continually improving training-related mechanisms, providing resources to help employees acquire professional qualifications, and setting up an effective remuneration incentive system so as to adapt to the latest development trends in the financial industry toward increasing versatility, informatisation and globalisation.

Improving Training Mechanisms

The Bank updated the priority areas of staff training based on the key regulatory requirements, industry development trends, and the Bank's strategic plans. The Bank issued the 2022 Staff Training Priorities of Bank of Tianjin, formulated targeted training programs and examination plans, and provided the rich and diversified training to employees by continuously improving training related mechanisms and adopting innovative education and training mode. The Bank focused on building a team with the four types of talents, including high-quality management, young backup management, professional & technical staff, and operational staff. The Bank focused on building brand demonstration projects for leadership development, young trainee cultivation, management trainee succession and internal trainer cultivation to effectively improve the special capacity of four different types of talents.

Five priorities for the cultivation of talents



Stepping up the cultivation of high-quality management personnel

Leveraging external training resources, the Bank focused on improving the ability of all levels of management personnel, optimised the training materials on improving manager leadership and relevant teaching arrangements, provided training on topics surrounding political awareness and political ability, macroeconomic situation, and "14th Five-Year" strategic planning to help management personnel broaden the field of view, enlighten thinking and effectively improve overall leadership.

Building a pipeline of young managers

We stepped up efforts to cultivate young employees who have been included in the manager pipeline, selected outstanding young employees for the eighth training class for young key personnel, provided special courses on strengthening Party spirit, developing management capability and innovating thinking, and carried out group action learning for young employees under training with the focus on strategic and key projects to effectively help young employees improve teamwork awareness, make up for shortcoming in theory and learn practical experience.



Optimizing the cultivation plan for "management trainees"

We actively optimised the management trainee plan, took the mixed progressive training mode of "in-service training, grassroots practice, professional study, and continuous training" and planned to help new employees grow quickly with the Bank in the 30-month systematic training. In the meantime, the Bank combined the dynamic assessment results of management trainees with their future development plans to offer a clear professional development path for them.

Focusing on the cultivation of professional & technical talents

We organised the cultivation program for the internal trainers. Based on the talent cultivation strategy of "achieving professional excellence through highly specialised and practically-oriented training", the Bank selected business backbones from eight professional categories, namely retail business, corporate business, operation management, risk prevention and control, Party building and human resources, legal compliance, financial accounting and comprehensive management, for targeted counseling and training. It held the Bank's first excellent micro-course sharing activity and provided talent and intelligence guarantees to the business development of all professional lines of the Bank.

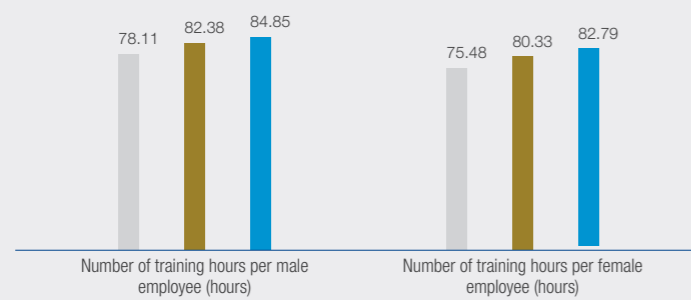


Paying due attention to the cultivation of operational talents

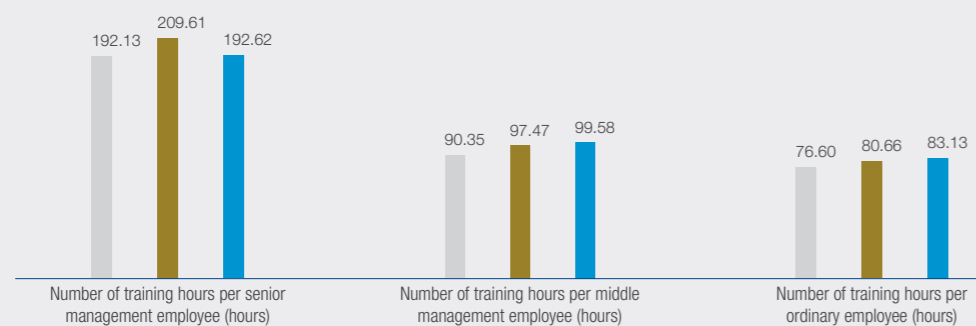
Focusing on the training content that front-line employees are most concerned about, we provided training on regulatory policies, rules and regulations, business processes, and information about products and services to them in an accurate and timely manner. During the Reporting Period, the Bank held a total of over 50 lectures for over 15,500 persons under the activity dubbed "Bank of Tianjin lecture hall - e-classroom", thus making the training courses for various business lines offered at the head office also available to the grassroots units to help employees improve professional competence, service capability and ability to perform job duties.



Number of training hours per employee by gender:



Number of training hours per employee by category:



Encouraging Employees to Obtain Professional Qualifications

To achieve the strategic goal of “developing the bank by relying on talent”, the Bank supports employees to improve service competence and obtain professional qualifications. As of the end of the Reporting Period, among the Bank’s employees, 2,063 had obtained the elementary qualification certificates for banking professionals, 126 had obtained the intermediary qualification certificate for banking professionals, the total number of qualification certificates for banking professionals obtained was 3,377.

- The Bank formulated the *Employee Professional Qualification Certificate Management Measures of Bank of Tianjin*, updated the cycle and period of further education of professional qualification in banking industry, improved the catalog of professional qualification certificates, and appropriately increased the maximum reimbursement limit for professional qualification certificates.
- The Bank gave publicity to and organised employees to apply for the 2022 banking qualification examination, and provided training on interpretation of primary and intermediate teaching materials and pre-examination counselling courses.
- In accordance with the *Employee Professional Qualification Certificate Management Measures of Bank of Tianjin*, the Bank links employees' exam results and professional credentials with their promotion prospects and outcomes in the selection of advanced and excellent employees.
- We set aside a certain amount of funds from the full-year education budget to support and guarantee employees' study and application for banking-related professional qualification certificates.



Scientific Remuneration and Incentive Policies

The Bank adheres to the principle of “equal pay for equal work”. Taking into account the actual situation, the Bank further adjusted and improved its remuneration system and related policies, and set up and improved scientific and effective incentive mechanisms. In order to comprehensively promote the implementation of the transformation of its intelligent outlets and improve the retail customer manager system, in 2022 the Bank formulated the *Management Measures for Retail Customer Managers of Bank of Tianjin* and the *Appraisal Measures for Retail Customer Managers of Bank of Tianjin*. It developed the matrix relation between positions and professional products and improved the transfer mechanism and promotion channels for different positions, which effectively stimulated the enthusiasm and creativity of employees and realised the professional management of retail teams.

- In accordance with the *Supervisory Guidelines on Sound Compensation in Commercial Banks* issued by the China Banking and Insurance Regulatory Commission, the Bank has formulated the *Remuneration Management Policy of Bank of Tianjin Co., Ltd.* and the *Remuneration Management Measures of Bank of Tianjin* to regulate remuneration management practices in a comprehensive manner.
- The Bank has set up a performance-based remuneration system, and determines employees' remuneration based on their positions and performance assessment results.
- Guided by the principle of offering incentives while imposing corresponding constraints, the Bank improved performance pay extension and recovery mechanism and gave full play to the guiding role of remuneration in business risk management and control to achieve stable operation and sustainable development.
- The Bank advanced the establishment of professional sequences in a steady and orderly manner, further expanded the professional development path for employees and set up the development platform for employees' working and entrepreneurship.



Caring about Employees' Life

The Bank implements the strategic planning on building a "bank caring for employees", insists on putting people first, continuously steps up efforts in caring about employees and is committed to creating a positive, harmonious and happy working environment for its employees. During the Reporting Period, we held a variety of cultural and sports activities to attract more employee participation and help employees have an increased sense of happiness and belonging. In

accordance with the *Implementation Measures of Conveying Warmth to Members of Bank of Tianjin Labour Union*, the *Administrative Measure of Revenue and Expenditure of Bank of Tianjin Grassroots Labour Union* and other management systems, the Bank continued to promote construction of trade union, and helped and visited various groups of staff, allowing employees to devote to their work and life with enthusiasm.

Youth Sharing Session Themed "Embracing the 20th National Congress of the CPC"



Activities on Women's Day Themed on March 8 "Building the Dream of the Bank of Tianjin Together for the Future"



"Fan Painting" Themed Activity at the Fifth Central Sub-branch



Participating in the 2nd "Friendship Cup" Football Match in Financial Industry in Tianjin City

Works in Employee Painting and Photography Contests

Consoling and visiting employees

- The Bank strengthens the consolation. The Bank visited labour models, seriously sick employees, and first-line employees for 1,626 times and handed out consolation money (or product worth) of RMB880,500 to increase the satisfaction of employees to the Bank.
- The Bank helped and provided assistance for employees facing different difficulties, and handed out consolation money (or product worth) of RMB150,000 to 18 employees facing difficulties.

Enriching cultural life

- The Bank deepened the building of the scholar Bank of Tianjin. It established three offline employee libraries on the occasions of the World Reading Day and the Children's Day and organised employee reading salons and parent-child reading activities themed "Seagull Reading", online recitations themed "Expressing Love and Ambition on Dragon Boat Festival and Carrying Forward Patriotism" and "Scholar Bank of Tianjin and Maintaining Original Aspiration through Reading" and other themed activities.
- The Bank elaborately organised the "Youth Sharing Session" and other popular activities among employees to further enhance the sense of belonging, happiness and accomplishment of employees.
- The Bank established and improved more than 60 clubs including balls, paintings, photography, yoga and others, and carried out more than 300 activities.
- On Ching Ming Festival, the Dragon Boat Festival, the Mid-Autumn Festival and other traditional festivals, the Bank conducted over 30 activities such as sports and health, cultural experience, knowledge competition, salon, DIY, painting and photography contests with over 2,800 participants.

• Case Study •

Holding "Seagull Reading" parent-child reading activities

The best education is companion and the best companion is reading. On 25 June, the Trade Union visited Guotu Jinwan and organised the "Seagull Reading" parent-child reading activities. Through flipped class, books sharing and environmental protection lectures, it enhanced interactions between employees and children, allowed them to increase knowledge in listening and reading and stimulated their enthusiasm in "loving reading, reading good books and being good at reading". 11 families from various departments participated in the activities.



Professional teachers from the "Spiritual Wealth Club" were invited to lecture on flipped classes. Through theory explanation, parent-child interactions, environmental protection classes and funny Q&As, it understood secrets of sentiment, publicised knowledge on green and environmental protection and allowed children to experience communication skills, share reading experience and share good habits on environmental

protection. Combining household demands of employees, the activities integrated reading and the building of family traditions, facilitated active communications between parents and children, created an atmosphere of reading and growing together and practically implemented the concept of being "a bank that cares about employees".



Special Topic

Transforming into the First Modern Bank in China to Achieve Ecological Transformation of the Full Spectrum of Business through the “Cloud + Distributed + Multi-business” Technology

The Bank of Tianjin has been closely following national policy guidance and fintech development trends and promoting the “2234” strategy on IT planning and technological development since 2018. On 21 August 2022, the new-generation distributed core system of the Bank of Tianjin was successfully put into operation and the Bank transformed into the first modern bank in China to achieve ecological transformation of the full spectrum of business through the “cloud + distributed + multi-business” technology.



One Perseverance

Firmly holding on to the “one perseverance” in completely shaking off the shame of traditional city commercial banks for backward information technology.

Two Preparations

Since the implementation of the IT planning, the Bank of Tianjin developed the sound momentum with the overall synergy of technology and business through the “two preparations” on building a compound talent system and strengthening the top design and coordinated management of financial technology. From “emerging under the trends” to “growing by following the trends” and “leading the trends”, the Bank of Tianjin fully leveraged on its own advantages and the complementary empowerment with leading Internet technology companies and promoted the transformation of traditional business with innovation, creating an independent path for the digital transformation of the Bank of Tianjin.

Building a compound talent system

- The Bank boosted efforts in recruiting technology talents and continued to attract professional fintech talents through the combination of social recruitment and campus recruitment. As of the end of the Reporting Period, the total number of employees at the technology department reached 180, representing an increase of 63.6% from the end of 2017.
- The Bank reviewed core technology talents, specified the demand for resources on distributed technology, big data, risk control and other sectors, formulated the promotion and appraisal mechanism on core talents and built the core talent pool and the backup talent pool.
- The Bank set up the laboratory for the verification of distributed technology and other themed experimental groups, strived to achieve technological breakthroughs with fintech companies and cultivated technical backbones. It trained talents through practical programs and built a compound expert team on “finance + technology” to support the digital development across the Bank.

Strengthening top design and coordinated management of financial technology

- The Bank established the “2234” strategic framework on technological development under strategic guidance. With smart banking and secure banking as strategies, the Bank promoted traditional and innovative businesses side by side. It established the Internet-based innovation platform, the sharing financial platform and the sharing basic platform with distributed, cloud computing, big data and artificial intelligence technology as basis and continuously enhanced the capabilities on safety and stability, financial services innovation, data empowerment and refined management.
- In accordance with the *Guiding Opinions of the General Office of China Banking and Insurance Regulatory Commission on the Digital Transformation of the Banking and Insurance Industry* and the *FinTech Development Plan (2022-2025)*, the Bank formulated the *Strategic Plan for Financial Technology and Digital Transformation of Bank of Tianjin Co., Ltd. (2022-2025)*, providing guidance on actively and steadily promoting the digital transformation during the “14th Five-Year Plan” period.
- The Bank improved the governance system on information technology. The Board, senior management and other bodies charged with corporate governance actively fulfilled responsibilities on information technology. It adjusted and renamed the original “Information Technology Management Committee” into the “Fintech and Digital Transformation Committee”, which is responsible for the unified leading, organisation and layout on the digital transformation, information technology and data governance work of the Bank.
- The Bank strengthened performance appraisal and included the progress of digital transformation into the appraisal systems of relevant departments to promote the efficient implementation of transformation.



Three Phases of Projects and Completion in Four Years

The Bank of Tianjin adopted the strategy of step-by-step implementation and smooth transition for “three phases of projects” under the IT planning. It will complete the establishment or modification of over 200 systems in the industry and develop 11 software copyrights and 1 patent in four years.

<p>“Foundation projects” in phase I</p>	<p>The Bank built the Seagull Cloud platform (海鷗雲平台) and distributed structure systems with cloud computing technology, providing computing, storage, network and safety guarantees to upper business systems</p>	<p>Construction period December 2018 to November 2019</p>
<p>“Standardised projects” in phase II</p>	<p>The Bank completed data and rules governance and established the business middle-office and the data middle-office based on the standardization of data and business rules.</p>	<p>Construction period March 2020 to February 2021</p>
<p>“Core projects” in phase III</p>	<p>With the focus on the overall transfer of core systems, the Bank decoupled systems and businesses with cloud, distributed database and micro-service technology, achieving high resilience in business handling capabilities.</p>	<p>Construction period May 2021 to August 2022</p>

Five-level Systems

Through IT planning and construction, the Bank of Tianjin completed system construction on different levels, including operation and maintenance management, operation management, product service, customer service and ecological channel, achieving all-around functional upgrading from its own operation and maintenance management to customer service.

<p>Operation and maintenance management</p> <p>The operation and maintenance management provides the Bank with basic environment management, public management, safety management, development and maintenance management and other functions.</p>	<p>Operation management</p> <p>Featured with data analysis, exploration and display, the operation management satisfies demands for statistical analysis, data reporting and internal operation management, such as position management, risk management, FTP and in-process monitoring.</p>	<p>Product service</p> <p>Product service is based on stability and featured with standardised and fixed products and public service units with the purpose of providing product services, such as accounts, deposits, payment, wealth management, funds, online loans, intermediary business, international settlement and bills.</p>	<p>Customer service</p> <p>Customer service is characterised by the packaging, pricing and service strategies on traditional financial products for different customer groups and assumes customer management, customer portrait, marketing activity management and other functions for private, corporate and interbank customers.</p>	<p>Ecological channel</p> <p>Ecological channel is featured with communications and experience. On the basis of its own services, it connects all payment channels, merchants and external units through channels out of the Bank and provides them with account, settlement and management services.</p>
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Six Achievements

Under the support of strong systems, the Bank of Tianjin made six achievements, namely “one cloud with multiple cores”, “multi-business at four centers in two places”, “cloud-native technology middle-office”, “middle-office-based big data empowerment”, “middle-office-based business service capability” and “intelligent operation and maintenance of information technology”.

<p>“One cloud with multiple cores”</p>	<p>The Bank built the new-generation distributed core system with the “cloud + distributed + multi-business” technology and developed the operation and transfer capabilities of core business systems on heterogeneous infrastructure, which can fully meet the national requirements on independent and controllable localisation.</p>
<p>“Multi-active at four centers in two places”</p>	<p>The Bank established data centers in Wuqing and Xiqing and the local third machine room, which constituted a multi-active disaster recovery system with “four centers in two places” together with the remote disaster recovery data center in Chengdu. It completed the transformation from the traditional disaster recovery model to the multi-active operation model and significantly improved the business continuity capability across the Bank.</p>
<p>“Cloud-native technology middle-office”</p>	<p>The Bank conducted the construction of the cloud-native structure on cloud and distributed technology platforms, developed cloud-native R&D processes and achieved the implementation of key capabilities on flexible deployment, grayscale release and refined traffic management and control on core areas, providing agile and efficient support to rapid business growth.</p>
<p>“Middle-office-based big data empowerment”</p>	<p>The Bank consolidated internal and external data, integrated various computing engines and scoring models and provided diversified data services on intelligent risk control, customer marketing and operation analysis.</p>
<p>“Middle-office-based business service capability”</p>	<p>It developed reusable corporate business middle-offices across the Bank and achieved agile product innovation, providing support to rapid response to customised and featured customer service demands.</p>
<p>“Intelligent operation and maintenance of information technology”</p>	<p>The Bank established automatic monitoring systems on distributed operation and maintenance, achieved unified monitoring on basic environment, servers and memories and the filtering, summarization and intelligent analysis on operation and maintenance information, alarmed on potential risks of systems and developed intelligent operation and maintenance capabilities.</p>



Seven Drivers

The Bank of Tianjin always firmly focuses on business development strategies in implementing the IT planning. Based on "seven drivers" to key businesses, namely companies and institutes, big retail, small and micro inclusiveness, financial market, comprehensive risk management, pricing management and resources allocation management, providing solid support to business development with IT technology.

- The Bank continuously strengthened the IT support to the transaction banking business, promoted the online operation of supply chain financing, factoring, letters of guarantee and opening of letters of credit and developed new scenario-based treasury management products, providing customers with safe, diversified and efficient trading and financing services.
- The intelligent operation systems of the corporate business are based on the front-end business marketing of the big corporate business line. While achieving online pre-lending, it achieved digital management on the whole of pre-lending, in-process and after-lending processes. Its overall functional framework covers three functional modules, including customer acquisition, identification and operation.
- The comprehensive management platform for corporate business is based on various scenarios for data use. It completed the development of the new cockpit for customer managers and the 360 view interface for customers, achieving the comprehensive display of customer and performance information.

Companies and institutes

Big retail

- The Bank implemented the transformation of smart outlets and completed the positioning of financial functions and the adjustment of organisational structure for "flagship", "comprehensive" and "light" outlets. With cloud studios, mobile work stations, retail middle-office, retail performance appraisal and other systems as carriers, it advanced gridding, online, mobile, digital and intelligent customer transactions and staff management.
- The Bank launched the panoramic view system for retail customers. It made up for the lack of systems and tools on retail customer portrait and developed a set of customer label system covering "social attributes, customer asset, customer liability, trading behaviors, business overview, investment preference and risk portrait".
- The establishment of new cores expanded our acceptance capability on core businesses and significantly improved the efficiency of business handling.

- The Bank tried the application of data analysis in marketing management, carried out the standardised governance of existing data and added the collection of sharing data. Based on the overall planning, priority to urgent demands and implementation in stages, it improved the marketing accuracy and management efficiency.
- With taking the "Smart Xiao Er" scene ecology its breakthrough, we built the digital layout of financial business through self-built ecology, self-controlled scenes, self-operated products and self-owned customer flow to realize the improvement of quality and efficiency of financial services.

Small and micro inclusiveness

Financial market

- The Bank developed and launched the phase-II project of the interbank business management system in financial market, the phase-I project of data middle-office in financial market, the programmatic trading system and the credit risk analysis system on bonds to continuously improve data governance, effectively control interest rates, exchange rates and credit risks and achieve technological empowerment on business development.

Comprehensive risk management

- The Bank continued to enhance the collection and application capabilities on internal and external risk data and constantly improved the capabilities on accurate customer risk portrait and risk identification.
- It achieved fully automatic risk assessment, quota approval, business pricing and risk alarming on the credit extension business through intelligent risk control models and rules.
- Through the credit system, internal rating system, collateral management system, risk alarming system, impairment management system, intelligent collection system and other digital risk management systems, the Bank safeguarded the whole-process risk management for the credit extension.

Pricing management

- In response to the liberalization of interest rates, the Bank continued to improve the pricing systems on interest rates and flexibly adjusted external pricing strategies. It completed the establishment of pricing systems and interest rate reporting, monitoring and analysis systems of the Bank, provided scientific and detailed design on pricing process, parameters, authority and models and achieved quantitative and scientific pricing with customers as the center.

Resources allocation management

- The Bank continued to perfect the pricing management system on FTP, designed and developed capital measurement tools, constantly optimised evaluation procedures on internal capital adequacy, continuously optimised the scientific and rational fund and capital allocation and improved the use efficiency of funds and capitals.





• Case Study •

Effectively enhancing expansion capabilities to meet the demand for increasing transaction volume

With the concept of unit structure and based on the deployment on the Seagull Cloud platform of the Wuqing-Xiqing Dual-Active Data Center, the new core of the Bank of Tianjin established a multi-copies structure at the local third machine room and the remote disaster recovery data center in Chengdu, thereby guaranteeing the business continuity under extreme scenarios such as failures of single machine room and meeting the safety requirements on financial data. The new core developed systems on distributed structural governance, quality management

and grayscale release to satisfy the rapid growth of core businesses through the design on the cloud-native overall structure. The new core system currently carries nearly 12 million users. The concurrent capacity on handling transactions can reach 5,000TPS, representing an increase of 25 times. The peak daily transactions can reach 50 million, increasing by 10 times. The time for end-of-day batch processing is shortened to 1/5 and the efficiency of batch processing is significantly improved.

• Case Study •

“Four centers in two places” guaranteeing business continuity

The Bank of Tianjin built the Wuqing-Xiqing Dual-Active Data Center, the local third data center and the remote disaster recovery data center in Chengdu, jointly constituting the multi-business disaster recovery system of the Bank of Tianjin with “four centers in two places”.

With the 1:1 allocation of resources in business systems and through private cloud, pooling of computing resources, local bottom dual-active storage, sharing of multi data replication technology and other means, the Wuqing-Xiqing Dual-Active Data Center developed all of over 200 business systems into an application-level disaster recovery model with high local availability for multi business, effectively guaranteeing the continuous operation of the production business. The local third data center provided database duplicates independent of the main backup machine room for the distributed database on the Seagull Cloud platform and offered arbitration services for storage products in traditional

zones, ensuring business continuity under failures of database duplicates in the main/backup machine rooms. The remote disaster recovery data center in Chengdu, Sichuan Province realised remote data backup with the Wuqing-Xiqing Dual-Active Data Center through multiple cross-area data replication technologies and achieved all data disaster recovery for traditional and innovation areas of the production environment of the local dual-active data center in Tianjin at the remote disaster recovery center.

The multi-business disaster recovery system with “four centers in two places” significantly boosted the supporting capability of IT infrastructure, enhanced the disaster recovery capability of business systems and provided more solid and stable guarantees to the rapid development of the Bank. It plays an important role in preventing risks, maintaining business continuity and enhancing reputation by the Bank.

• Case Study •

Reshaping operation systems

The Bank of Tianjin always insists on focusing on customers and builds a bank offering optimal service experience with digital development as the main line. It has been actively reshaping the operation systems since 2017 and making progress each year without suspension. It initiated the “transformation and construction of intelligent outlets” at the end of 2017 and comprehensively advanced the construction of intelligent outlets in four aspects, namely intelligent transformation, outlets reshaping, establishment of main service lines and centralised handling. In 2018, the “card activation transaction for personal customers” was successfully launched through smart teller machines, officially initiating new channels for intelligent business handling. At the end of the same year, the operation line achieved the model with separation for management and handling. The Operation Management Department is responsible for operation management while the Operation Center is responsible for operation. In 2019, the Bank continued to promote the transfer of high frequency OTC transactions to smart teller machines and improved the operation experience of customers. In 2020, the Bank

initiated the consultancy for operation system reshaping and formulated the *Reshaping Planning on Operation Systems of the Bank of Tianjin in 2020-2024*, specifying the overall strategic targets in reshaping operation systems. In 2021, it introduced subsystems on loan accounting and operation management platforms and completed the adjustment of operational and organisational structures, the establishment of professional operation sequence and the optimization of transactions through smart teller machines. In 2022, the Bank promoted the optimization of lobby operation services (e Family of the Bank of Tianjin), online services (e Appointment of the Bank of Tianjin), risk control models and data analysis projects. It introduced AI systems and developed intelligent customer services to fully improve the efficiency of customer services. The Bank completed the intelligent transformation of 100% of its outlets and the replacement rate of intelligent equipment for OTC businesses reached over 90%. It further bolstered the digital and intelligent operation management and improved customer experience in multi dimensions.

Future Prospects

2023 is the first year for implementing the spirit of the 20th National Congress of the CPC as well as a key year for the implementation of the "14th Five-Year Plan". The Bank will continue to shoulder the historical mission of building a modernised socialist city commercial bank, practically respond to the demand of stakeholders, better integrate the ESG concept into business operation and make contributions to the steady economic and social development.

We will strengthen the strategic guidance and improve the governance. Based on the spirit and requirements of the 20th National Congress of the CPC, we will further amend and improve the Bank's "14th Five-Year" strategic plan and integrate its own development into the policies of the Party and the country. In combination with external regulatory provisions, we will optimize the corporate governance systems and fully display the role of all bodies charged with corporate governance. We will strengthen comprehensive risk management, continue to prevent systematic risks, promote the refined construction on comprehensive risk management and achieve "cost reduction and efficiency enhancement" in risk management. We will solidly promote the establishment of internal control and internal audit and practically consolidate the second and third lines of defence.

We will maintain the positioning as a city commercial bank and serve the real economy. We will closely follow the strategies of "a manufacturing city" and "reinvigorating the city through science and education" and vigorously meet the financing demands of key enterprises in industrial and supply chains. We will continue the establishment of modernised transaction banking business systems with the integration of "transaction + payment + financing" and build the comprehensive financial service platform of "Financial Chains of the Bank of Tianjin" with the focus on "financing + intelligence" to build the FICC brand of the Bank of Tianjin and enhance the capabilities on serving the real economy and capital market. We will facilitate the construction of the "Citizen Bank", step up efforts in promoting small and micro inclusive business policies and product innovation, advance the application and expansion of "Smart Xiao Er" and be a financial partner of citizens and small and micro enterprises.

We will advance green development and enhance the environmental governance capability. We will continue to practice the strategic target on creating "a green bank", increase our investment in green credit, green bonds and featured products on green finance lease, facilitate the transformation and development of "industries with high energy consumption, high pollution and overcapacity" and promote the green transformation of the real economy. We

will innovate and develop personal green financial products, develop green life and green consumption concepts and bring ecological civilisation development to the deep hearts of the people. We will optimize the governance system on environmental risks, gradually perfect the management of environmental, social and climate risks and bolster the capability on responding to environmental risks.

We will perform our social responsibilities and concern about people's livelihood and welfare. With financial services as the driver, we will strengthen the protection of consumer rights, protect customer privacy, provide products and services in compliance with laws and regulations, strengthen financial publicity and anti-fraud education and assist customers in protecting their "pockets". We will continue to carry out public welfare voluntary activities and build the public welfare voluntary brand of the Bank of Tianjin. We will deepen our support to the development of underdeveloped villages, formulate scientific working plans and promote the long-term steady development of underdeveloped villages through industrial supports.

We will reinforce the consensus of employees and boost employees' development. We will conduct the building of talent teams under the guidance of corporate culture, boost publicity efforts, transform them into the value idea of employees of the whole Bank in working and entrepreneurship, enhance the sense of identity and keep them of one mind. We will beef up the building of cadre teams, steadily promote professional sequence management and expand employees' professional development path. We will strengthen the establishment of talent teams, optimize talent training systems and vitalize existing talents. We will boost efforts in caring about employees, organise cultural and sports activities and improve employee health service systems to practically safeguard employees' benefits.

ESG Indicator Index

Level	Content	Location of disclosure
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions and greenhouse gas emissions, discharges into water and soil, and generation of hazardous and non-hazardous waste. Note: ① Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. ② Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. ③ Hazardous wastes are those defined by national regulations.	55
A1 Emissions	A1.1 The types of emissions and respective emissions data.	56-57
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	56-57
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Bank's core businesses seldom involve the generation of hazardous wastes, and this indicator is not a material issue for the Bank.
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	56-57
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	56-57
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	56-57
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	53-57
A2 Use of Resources	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in 1000 kWh) and intensity (e.g. per unit of production volume, per facility).	56-57
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	56-57
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	56-57
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	55-57
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

Level	Content	Location of disclosure
A3 Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.	44-52
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	44-52
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	49-50
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact the issuer.	49-50
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	70-72
	B1.1 Total workforce by gender, employment type (whether full time or part time), age group and geographical region.	70-71
	B1.2 Employee turnover rate by gender, age group and geographical region.	70-71
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	72
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	72
	B2.2 Lost days due to work injury.	72
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	72
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	73-75
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	74
	B3.2 The average training hours completed per employee by gender and employee category.	74
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	70
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	70
	B4.2 Description of steps taken to eliminate such practices when discovered.	70

Level	Content	Location of disclosure
	General Disclosure Policies on managing environmental and social risks of the supply chain.	54
	B5.1 Number of suppliers by geographical region.	54
B5 Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	54
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	54
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	54
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of remedy.	63-65
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
	B6.2 Number of products and service related complaints received and how they are dealt with.	65
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	64
	B6.4 Description of quality assurance process and recall procedures.	N/A
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	25-27
	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.	No occurrence during the reporting period
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	26-27
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.	66-69
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, and sports).	66-69
	B8.2 Resources contributed (e.g. money or time) to the focus area.	66-69

Reader's Feedback

Thank you for reading the Report. In order to ensure effective communication with you and other stakeholders, and continuously improve the performance of environmental and social responsibility and preparation of social responsibility report by our Bank, we look forward to hearing your valuable opinions and suggestions. You are welcome to comment via the following contact channels:

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Please share your comments with us:

1. Your overall impression of this Report:

Excellent Good Average Poor

2. What do you think of the clarity, accuracy and completeness of the information and data disclosed in this Report?

Excellent Good Average Poor

3. How comprehensively do you think this Report reflects the economic responsibilities assumed by our Bank?

Excellent Good Average Poor

4. How comprehensively do you think this Report reflects the environmental responsibilities assumed by our Bank?

Excellent Good Average Poor

5. How comprehensively do you think this Report reflects the social responsibilities assumed by our Bank?

Excellent Good Average Poor

6. How reader-friendly is this Report in terms of design and layout?

Excellent Good Average Poor

7. Which aspect covered in this Report do you think needs to be improved most?

Operations Services Environment Employees Society

8. Is there any matter that you would like to know but is not disclosed in this Report?

9. Your opinions and suggestions on the Bank's social responsibility work and preparation of this Report: