



2023 CORPORATE SOCIAL RESPONSIBILITY REPORT OF CHINA BOHAI BANK

Notes On Reporting

I. REPORTING SCOPE

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

The Report is the thirteenth Corporate Social Responsibility Reporting issued by CHINA BOHAI BANK CO., LTD. This Report is an annual report covering the period between January 1, 2023 and December 31, 2023.

The previous report was issued in April 2023.

II. PRINCIPLES OF PREPARATION

(I) As the Bank is an enterprise listed on the Main Board of Stock Exchange of Hong Kong (Stock Code: 09668), the Report complies with the principles of preparation under the Environmental, Social and Governance Reporting Guide of Stock Exchange of Hong Kong.

1. Materiality: The Report discloses the ESG materiality assessment works through "ESG Issues Identification", "Materiality Analysis on ESG Issues", "Stakeholders" and other sections.

2. Quantitative: The Report adopts quantitative method for the measurement and disclosure of applicable key performance indicators. Details are set out in sections such as "ESG Performance" and "Major Environmental Performance".

3. Consistency: The Report maintains the consistency of statistical methodology and basis of key ESG performance as same as that of prior year. Footnote and explanation is made for indicators in which different statistical methodology and basis are applied.

(II) For various indicators of the Environmental, Social and Governance Reporting Guide in relevant sections of the Report, please refer to the section headed "Index of the Environmental, Social and Governance Reporting Guide of the Stock Exchange".

(III) The Report also refers to the GRI Standards issued by the Global Sustainability Standards Board (GSSB).

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

III. APPROVAL OF THE REPORT

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

IV.DATA DESCRIPTION

Unless otherwise stated, the financial data in the Report are derived from the Bank's 2023 Financial Report, some of which involve data of other years. Unless otherwise specified, all currencies involved in the Report are RMB.

The data on the balance of loans to medium, small and micro enterprises, the balance of loans to inclusive small and micro enterprises, and the balance of green credit in the Report are sourced from the regulatory statements submitted by the Bank to the National Financial Regulatory Administration (NFRA).

V.GUARANTEE METHOD

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

VI.ISSUE FORM

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



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Chairman's Statement

The year 2023 marked the beginning of the full implementation of the spirit of the 20th National Congress of the Communist Party of China (CPC). Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China Bohai Bank thoroughly studied and implemented the spirit of the 20th Party Congress and the Second Plenary Session of the 20th CPC Central Committee, conscientiously implemented the spirit of the Central Economic Work Conference and the Central Financial Work Conference, and met the work requirements of the Tianjin Municipal Party Committee and the Tianjin Municipal Government. The Bank bore the country's most fundamental interests in mind and strengthened its missionary commitment. It incorporated ESG initiatives into its management and focused on the "Five Major Developments", namely technology finance, green finance, inclusive finance, pension finance and digital finance. It worked hand in hand with stakeholders to break new grounds in high quality development and sustainable development, and maintained an "A" rating from MSCI ESG rating as one the leading listed Chinese banks.

Improving quality and efficiency to serve the real economy. China Bohai Bank firmly practiced the political nature of financial work, accurately assisted technological innovation, supported advanced manufacturing industries, helped small and micro enterprises, promoted rural vitalization, served infrastructure construction, integrated into the regional economy, and solidly serve the real economy with enhanced quality and efficiency. We coordinated the whole bank operation through "Revitalizing existing loans, cultivating incremental loans, and improving loan quality", deepened the reform and transformation, and made overall plans to promote high-quality development.

Anchoring double carbon target to build a green and beautiful China. China Bohai Bank thoroughly implemented Xi Jinping's ecological civilization idea, anchored the goal of carbon peaking in 2030 and carbon neutrality in 2060, improved the green financial policy system, deepened the connotation of green financial services, and served the overall economic and social green transformation and beautiful China construction. We improved our green development governance structure, comprehensively managed climate and environmental risks, and persisted in green operation.

Adhering to serving the people, and enhancing their well-being to create a better life together. China Bohai Bank fully practiced the people-oriented nature of financial work, deeply cultivated digital finance and built an innovative financial service model. The Bank helped the people's life and work, vigorously promoted the pension finance development, continuously

improved the refined service management level, and elevated service quality and customer satisfaction to meet the people's growing needs for a better life. We continued to enhance employees' value, promote their development and protect their rights and interests, actively participated in charity, kept providing targeted assistance, transferred financial warmth, and enhanced people's livelihood and well-being.

Steadily optimizing governance to build a solid base for development. China Bohai Bank thoroughly implemented the important requirements of “two consistencies”, continuously strengthened party building, promoted the comprehensive and strict party governance for in-depth development, and coordinated and advanced clean and honest party and government, as well as anti-corruption work. The Bank promoted the transformation of the institutional advantages of modern state-owned enterprises with China characteristics into governance efficiency, and constantly laid a solid foundation for sustainable development. The Bank continued to strengthen the Board capacity building to give full play to its ESG management decision-making and supervision role, and grasp the “steering wheel” of sustainable development. In addition, the Group adhered to the legal compliance values, and promoted standardized and orderly operation and management.

2024 is the 75th anniversary of the founding of the PRC, a crucial year for the implementation of the 14th Five-Year Plan, and a critical year for China Bohai Bank to promote high-quality transformation and development. We will thoroughly implement the important arrangements made by General Secretary Xi Jinping at the Central Economic Work Conference and the Central Financial Work Conference and the spirit of the important speech during his visit to Tianjin, bear in mind that “High-quality development is the unyielding requirement of the new era”, profoundly grasp the political and people-oriented nature of financial work, and unswervingly follow the financial development road with China characteristics. The Bank will earnestly fulfill its political, economic, environmental and social responsibility, constantly meet the needs of new quality productive force development and the people's financial needs, and bravely forge ahead in the great Chinese modernization journey.

WANG Jinhong
Secretary of the Party Committee and Chairman
of CHINA BOHAI BANK CO., LTD.
February 2024

President's Statement

In 2023, China Bohai Bank thoroughly studied and implemented the spirit of the 20th CPC National Congress and the Second Plenary Session of the 20th Central Committee, thoroughly learned, understood and consciously implemented the spirit of the Central Economic Work Conference and the Central Financial Work Conference, and promoted high-quality development with the guidance of “Revitalizing existing loans, cultivating incremental loans, and improving loan quality”. The Bank adhered to the people-centered value orientation, the fundamental purpose of financial services serving the real economy, and promoting transformation, innovation and development. Mindful of “the overall and long-term interest of the country”, we will strengthen our mission, earnestly fulfill our social responsibilities while promoting our own high-quality transformation and development, and continue to contribute to the people's happy life.

Being responsible to integrate into the overall development and serve the real economy. We completely, accurately and comprehensively implemented the new development concept, took serving the real economy as the starting point and the stance, and always closely linked the credit resources with the national development strategy to improve quality and efficiency and serve the real economy. We established a multi-level service system, provided lean service for “specialized, sophisticated, unique and new businesses”, and used financial power to promote technological innovation. We took stance in key fields to strengthen the weakness and benefit people's livelihood, supported advanced manufacturing industries and helped infrastructure construction. In addition, we implemented the “Ten Special Actions” for high-quality development and promoted coordinated regional economy development.

Taking the root in constant financial inclusion and people's livelihood improvement. We fully practiced the political and people-oriented nature of finance, adhered to financial inclusion, continuously expanded the depth and breadth of services for small and micro enterprises, solidly carried out rural vitalization financial services, continuously reduced fees to help enterprises in difficulties, and further enhanced financial inclusion and accessibility. As of the end of 2023, the Bank had an inclusive loan balance of RMB51.471 billion, with 115,665 inclusive loan accounts, and the average loan rate of 5.13%. The Bank increased the balance of inclusive agriculture-related loans by 24.67% compared with the previous year, and completed 183.71% of the annual plan. In the past three years, the Bank reduced interest of RMB155 million for a total of 150,000 small and micro enterprises in inclusive loans. We never forgot the initial aspiration of finance for the people, ensured the delivery of buildings, people's livelihood and stability, and helped the people in home ownership. We built the framework of “five ones” service system to effectively promote the “pension finance” business development; created self-managed consumer loan products, constructed an ecological platform for smart business circles, and promoted consumption to benefit people's livelihood and boost the economy. We made special efforts to improve the convenience of financial services and effectively enhance new residents' sense of acquisition and happiness. We strived to improve the refined service management level, effectively and comprehensively protected consumers' rights and interests, and continuously improved service quality and customer satisfaction.

Deepening green finance and promoting ecological civilization. We thoroughly implemented Xi Jinping's idea of ecological civilization and promoted green development around the goal of carbon peaking in 2030 and carbon neutrality in 2060. We continuously improved the green finance governance structure, with the Board setting up a risk management and green finance committee and the senior management establishing a leading green finance group. The Bank embedded the ESG risk management into the whole process of investment and financing business management to comprehensively manage climate risks and opportunities. We optimized the green finance system and mechanism and deepened the connotation of green financial services. We focused on the characteristics of resources, energy consumption and greenhouse gas emissions, and carried out energy conservation and consumption reduction work. We implemented green procurement, actively advocated the green and low carbon concept, and improved green operation level. As of the end of 2023, the Bank had a green loan balance of RMB31.259 billion, an increase of RMB3.954 billion or 14.48% compared with the beginning of the year.

Focusing on finance technology innovation and practicing the service purpose. We continued to build financial technology capabilities driven by dual drive of technology and data, and continuously enhanced our ability to digitally empower comprehensive financial services. We closely focused on the idea of “middle platform architecture, data-driven, intelligent operation and maintenance, agility and efficiency”, and improved our digital support ability for business through technologies such as cloud computing, artificial intelligence, natural language learning, knowledge map and big data. We made special efforts to build the service brand of “Boyin E-home” retail banking, successfully released the mobile banking 6.2 version, and constantly iterated and upgraded around the “finance + life” dual mode to solidly promote the comprehensive, digital and ecosystem construction process. We have injected digital factors into corporate business and other traditional businesses, and digitally transformed supply chain finance, cross-border finance, cash management and inclusive finance, so as to steadily improve our ability and level of serving the real economy.

Strictly abiding by the risk bottom line and escorting steady and healthy development. We further improved the corporate governance structure, institutional system and information communication mechanism, and continuously optimized corporate governance capabilities. We strictly abided by the risk management bottom line, adhered to the risk management concept of “comprehensive, proactive, agile and effective” and persisted in “steady” risk preference. We strengthened risk culture publicity, reinforced technology, customer, innovation and data drives, improved the fine and digital risk management level, promoted the construction of comprehensive risk management capabilities, advanced transformation and vitalization with intelligent and agile risk control capabilities, and enhanced stable and sustainable business development. In 2023, the Bank maintained healthy and stable asset quality, and kept all kinds of risks steady and controllable. We established a “four-in-one” internal control organization system, constantly improved the long-term internal control and compliance management mechanism, and achieved “comprehensive, whole-process, and whole-workforce” internal control and compliance management to effectively guarantee steady and enterprising operation and management. We strengthened practical political supervision based on the macro policies, focused on key tasks, carried out special supervision, implemented the spirit of the eight central regulations to rectify “four work styles”, and advanced in-depth anti-corruption struggle. In 2023, the Bank formulated 23 centralized rectification measures for party style and clean government building and anti-corruption, kept a close eye on the key nodes, and carried out 1221 times of supervision and inspection.

Promoting the charity spirit and helping secure people’s livelihood. We carried forward the charity spirit, deepened public welfare projects, conducted targeted poverty alleviation for ten consecutive years, made special charity donations, and supported the comprehensive promotion of rural vitalization. We strengthened the construction of staff volunteers, further promoted volunteer service activities, implemented and refined civilized practices in the new era, cared for vulnerable groups to warm their hearts, and contributed to the social well-being promotion. At the beginning of 2023, the Bank donated RMB3.20 million to the targeted aid village in Jizhou District, Tianjin, and RMB999,800 to Qahar Right Wing Rear Banner, Inner Mongolia Autonomous Region. As of the end of 2023, the Bank’s Head Office voluntary service team served a total of 15,751 hours and served more than 40,000 people.

2023 is an important year to implement the spirit of the Central Economic Work Conference and the Central Financial Work Conference. It is also an important year to study and implement the spirit of the important speech of General Secretary Xi Jinping during his visit to Tianjin, build a socialist modern metropolis in an all-round way, and strive to build a modernized Tianjin with China characteristics. The Bank will completely, accurately and comprehensively implement the new development concept, actively integrate and serve to build a new development pattern, and resolutely practice the fundamental purpose of financial services for high-quality real economy development. The Bank will persist in striving for progress while maintaining stability, promote stability by making progress, establish the new mechanisms before breaking the old ones, and compose a wonderful chapter in promoting the accelerated development of new quality productive forces, to present a gift for the 75th anniversary of the PRC.

QU Hongzhi
Deputy Secretary of the Party Committee and President
of CHINA BOHAI BANK CO., LTD.
February 2024

About China Bohai Bank

Introduction to the Bank

China Bohai Bank Co., Ltd. (“China Bohai Bank”) is the only newly established national joint-stock commercial bank since the amendment to the PRC Commercial Banking Law in 2003, and the first Chinese commercial bank to introduce a foreign strategic investor at the stage of promotion and establishment, and the first national joint stock commercial bank headquartered in Tianjin.

China Bohai Bank was promoted and established by seven shareholders, namely TEDA Investment Holding Co., Ltd., Standard Chartered Bank (Hong Kong) Limited, China Ocean Shipping (Group) Company (currently known as China COSCO Shipping Corporation Limited), State Development & Investment Corporation (currently known as State Development & Investment Corp., Ltd.), Shanghai Baosteel Group Corporation (currently known as China Baowu Steel Group Corporation Limited), Tianjin Trust and Investment Company Limited (currently known as Tianjin Trust Co., Ltd.) and Tianjin Shanghui Investment Holding Company Limited. It was established on December 30, 2005 and officially opened for business in February 2006. It was listed on the Main Board of the Hong Kong Stock Exchange on July 16, 2020.

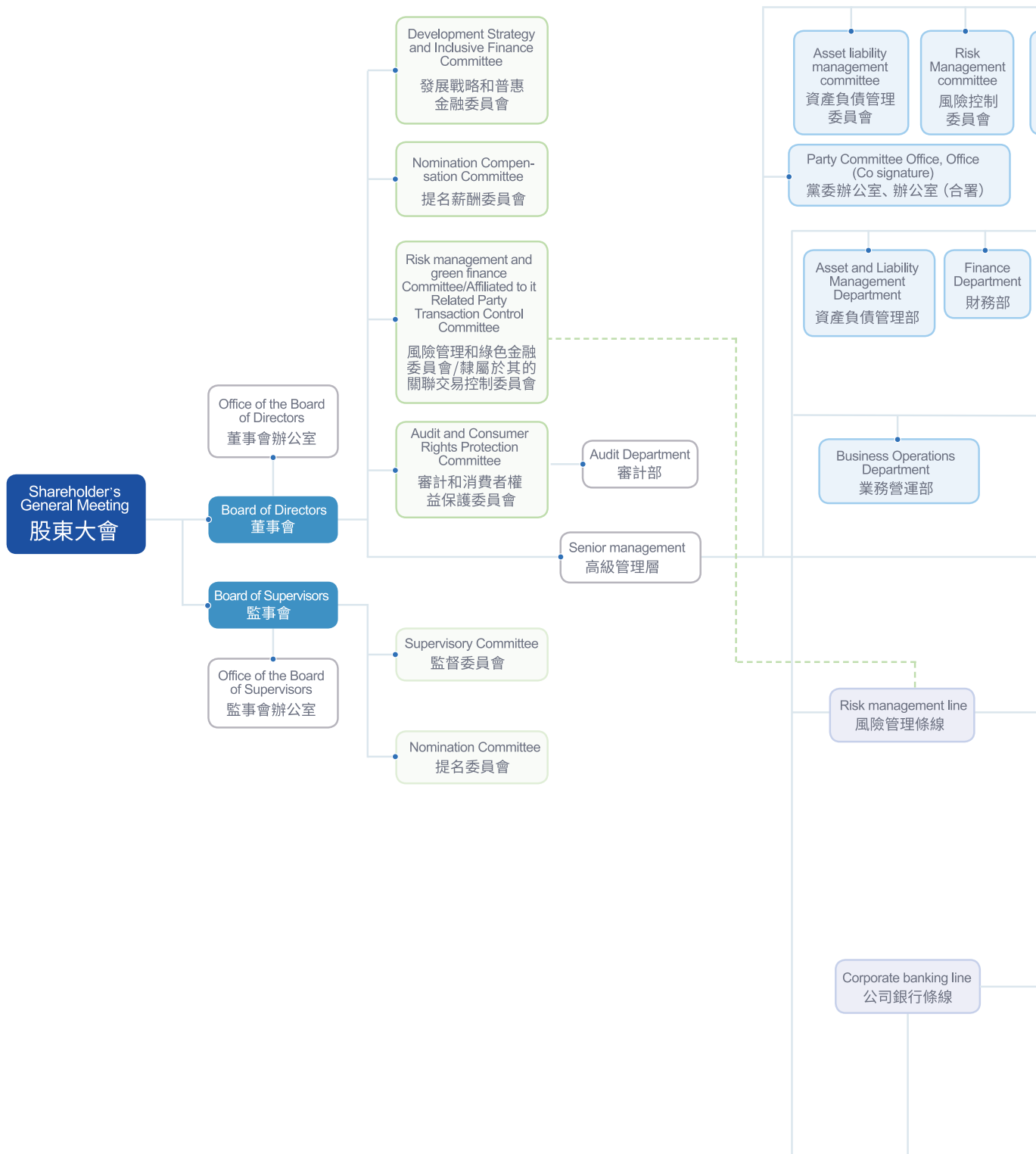
China Bohai Bank has been actively serving national strategies, supporting the real economy and improving the welfare of the people. In addition, the Bank facilitates the deepening of reform and transformation, and is committed to maintaining political consciousness and prioritizing the well-being of the people in its financial operation. The Bank coordinates its operation under the principle of “Revitalizing the Existing Assets, Cultivating Incremental Assets and Improving Asset Quality”. Taking quality improvement as fundamental objective with revitalization of existing loans as top priority and crucial element, through cultivating and supporting incremental business, the Bank formulates and arranges quality development strategies. By the end of 2023, the total assets reached RMB1,732.734 billion. The Bank has established 36 tier-one branches, 33 tier-two branches, 283 sub-branches, and 18 small and micro community sub-branches in 65 key cities across China and the Hong Kong Special Administrative Region. The total number of officially opened outlets reached 370. In addition, the Bank has established one branch-tier special institution capital operation center, and one tier-one subsidiary, namely CBHB Wealth Management Co., Ltd. (渤銀理財有限責任公司).

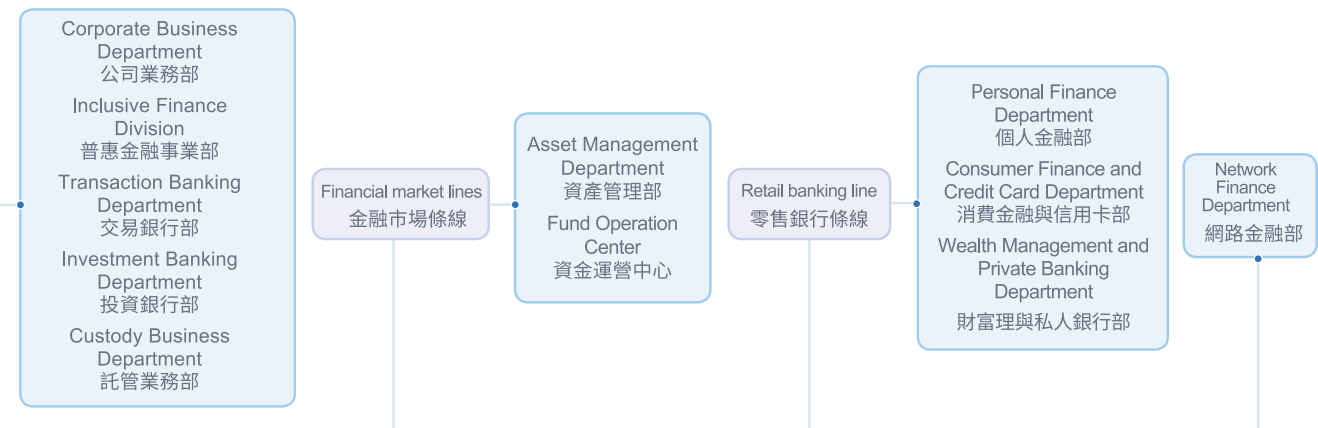




In 2023, China Bohai Bank ranked 124th among the “Top 1,000 World Banks” released by The Banker. China Bohai Bank has successfully won numerous awards among banking awards sponsored by authoritative media, including the “2023 Gamma Award for Inclusive Financial Services (2023 年度普惠金融服務銀行天璣獎)”, the “2023 Technology Empowering Financial Institution Award (2023 年度科技賦能金融機構獎)”, the “Outstanding Award for Financial Consumer Protection Practice (金融消費者保護傑出實踐獎)”, the “Trustworthy Wealth Management Bank of the Year (值得託付年度財富管理銀行)”, the “2023 Leading Bank in Cross-border Finance (2023 年度跨境金融領軍銀行)”, the “Pension Financial Service Institution of the Year (年度養老金融服務機構)” and the “Core Competitiveness - Star for Green Development (核心競爭力·綠色發展之星)”.

Organizational Structure





Social Recognition

In 2023, the Bank ranked 124th among the “Top 1000 World Banks” by the British magazine, The Banker.

The Bank ranked 258th in the “Fortune 500 China” list.

In 2023, the Bank ranked 23rd in the “Growth Leadership (成長力領先力)” list of China banking industry by the Time Weekly.

At the 2023 Banking Industry ESG Development Practice Cases (2023 銀行業 ESG 發展實踐案例) hosted by China Banking and Insurance News, the Bank won the “Technology Empowering ESG Development Case (科技賦能 ESG 發展案例)” award and the “Green Finance Innovation Case (綠色金融創新案例)” award.

At the 2023 China Banking Industry Gamma Award (2023 中國銀行業天璣獎) hosted by Securities Times, the Bank won the “2023 Gamma Award for Inclusive Financial Services (2023 年度普惠金融服務銀行天璣獎)” .

At the 2023 Shanghai Global Asset Management Conference and “Golden Hazel” Excellence Case in Asset Management Competitiveness (2023 上海全球資產管理年會暨「金榛子」資管競爭力卓越案例) hosted by the Financial Association, the Bank won the “Golden Hazel Award for Excellence in Fintech (卓越金融科技實力金榛子獎)” .

At the 8th Times Financial Golden Tangerine Award (第八屆時代金融金桔獎) hosted by the Time Weekly, the Bank won the “2023 Technology Empowering Financial Institution Award (2023 年度科技賦能金融機構獎)” .

In the collection of the 21st Century Outstanding Cases of Financial Development (2023) (21 世紀金融發展優秀案例 (2023 年)) hosted by 21st Century Business Herald, the Bank won the “2023 Corporate Service Bank of the Year (2023 年度企業服務銀行)” and the “2023 Retail Bank of the Year (2023 年度零售銀行)” .

At the 2023 Thinking Finance Investor Conference and “Golden Bridge Award” (2023 思維財經投資者年會暨「金橋獎」) hosted by INVESTOR CHINA, the Bank won the “2023 Outstanding Customer Service Commercial

Bank of the Year (2023 年度優秀客戶服務商業銀行)”。

At the 14th China Financial Development Forum and China Golden Censer (Finance) (第十四屆中國金融發展論壇暨中國金鼎獎(金融)) award ceremony hosted by National Business Daily, the Bank won the “Annual Excellence in Technology Finance Award (年度卓越科技金融獎)”。

At the 21st Financial Champion Awards Selection in the Bank Industry (第二十一屆財經風雲榜銀行業評選) hosted by hexun.com, the Bank won the “2023 Leading Bank in Cross-border Finance (2023 年度跨境金融領軍銀行)”。

At the 2023 (7th) CSR Development Forum (2023 (第七屆) 企業社會責任發展論壇) outstanding cases selection hosted by Beijing Business Today, the Bank won the “2023 CSR Low-Carbon Sample (2023 企業社會責任低碳榜樣)”。

At the “Golden Jubilee Award” selection hosted by China Investment Network, the Bank won three awards, namely the “2023 Outstanding Bank (2023 優秀銀行)”, the “2023 Outstanding Financial Service Bank (2023 優秀金融服務銀行)” and the “2023 Pioneer of Digital Life Innovation (2023 數字生活創新先鋒)”。

At the “2023 ESG Pioneer 60 (2023 ESG 先鋒 60)” selection hosted by Jiemian News, the Bank won the “ESG Green Finance Award of the Year (年度 ESG 綠色金融獎)”。

At the “6th Capital Market Summit for 2023 (2023 第六屆資本市場高峰論壇)” hosted by China Investment Network, the Bank won the “Digital Living and Innovation Pioneer Award (數字生活創新先鋒獎)”。

At the 2023 Consumer Finance Forum (2023 年度消費金融論壇) hosted by IFENG.com, the Bank won the “2023 Bank with Outstanding Services for the Real Economy (2023 年度卓越服務實體銀行)” award.

In the selection of the Huaxia Institutional Investor Annual Conference and the 16th Golden Cicada Award (華夏機構投資者年會暨第十六屆金禪獎) hosted by China Times, the Bank won the “2023 Outstanding Credit Card Service Bank (2023 年度優秀信用卡服務銀行)” award.

In the selection of the “Golden Brand (金字招牌)” of the financial industry hosted by Beijing News, the Bank won the “New Product Innovator (新銳產品創新者)” .

At the 2023 (11th) Best Banking Awards (2023 (第十一屆) 銀行綜合評選) hosted by Sina Finance, the Bank won the “Bank of the Year for Contributing to Pension Financial Services (年度養老金融服務貢獻銀行)”

At the 2023 China International Economic Management Technology Forum and the 2023 ESG and High Quality Development Summit (2023 中國國際經濟管理技術論壇暨 2023 ESG 與高質量發展峰會) hosted by The Economic Observer, the Bank won the “Core Competitiveness – Star for Green Development (核心競爭力 • 綠色發展之星)” award.

At the Financial Consumer Protection Seminar jointly promoted by jrj.com and China Banking Association, the Bank won the “Outstanding Award for Financial Consumer Protection Practice (金融消費者保護傑出實踐獎)” .

At the 2023 Retail Bank • Jiefu Award (2023 年度零售銀行 • 介甫獎) ceremony hosted by Finance Vision China, the Bank won the “Jiefu Award • Outstanding Retail Bank in Wealth Management Award (介甫獎 • 卓越財富管理零售銀行獎)” .

At the 4th China Private Banking Elite Competition (2023) (第四屆中國私人銀行精英賽 (2023)) organized by FPSB China, the Bank won the “Best Organization Award” for another consecutive year.

At the Wisely Gathering Power of Asset Management for the New Chapter of Wealth Management - Asset Management and Wealth Management Industry Development Summit 2023 and the third “Golden Honor Award” Ceremony (慧聚資管動力 智啓財富篇章—2023 資產管理與財富管理行業發展大會暨第三屆「金譽獎」頒獎典禮)” hosted by PYSTANDARD, the Bank won the awards of “Excellent Wealth Management Bank (卓越財富管理銀行)” , “Excellent Private Bank (卓越私人銀行)” and “Bank with Outstanding Wealth Service Capability (卓越財富服務能力銀行)” .

At the 14th Fund and Wealth Management • Jiefu Award ceremony hosted by Finance Vision China, CBHB Wealth Management, a subsidiary of the Bank, won the “Outstanding Wealth Management Banking

Subsidiary Award (優秀銀行理財子公司獎)” and the Bank won the “Outstanding Net Value Wealth Management Products Award (優秀淨值型理財產品獎)” .

In the list of the 13th “Gold Pixiu Award (金貔貅獎)” for 2022 published by YiQu Finance and Financial Money Magazine, the Bank won the “Annual Gold-Medal Award for Innovative Financial Institution (年度金牌創新力金融機構)” and “Annual Gold-Medal Award for Innovative Financial Product (年度金牌創新力金融產品)” .

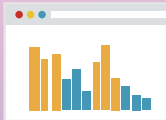
In the selection of the 6th Retail Bank Innovative Practice Award (第六屆零售銀行創新實踐大獎) jointly organized by Retail Banking Magazine and Digital Bank, the Bank won the “6th Retail Bank Innovative Practice Award – Best Customer Operation Award (第六屆零售銀行創新實踐大獎——最佳客群經營獎)” .

The volunteer team of the Bank’ s headquarters successively won various awards including “Lei Feng Demonstrative Unit of National Financial System (全國金融系統學雷鋒活動示範點)” , as well as the honorary title of “Leading Volunteering Group (志願服務先進集體)” granted by Tianjin Charity Association.

In the Excellent ESG Recognition Scheme hosted by Hong Kong Economic Times, the Hong Kong branch of the Bank won the “Excellent ESG Enterprise of 2022-2023” award.



ESG Performance





Economic Performance

Indicator	Unit	2022	2023
Total assets	RMB'0,000	165,945,990.2	173,273,383.6
Operating income	RMB'0,000	2,646,522.0	2,499,737.0
Net profit	RMB'0,000	610,747.5	508,090.3
Return on total assets	%	0.38	0.30
Return on net assets	%	5.81	4.48
Non-performing loan ratio	%	1.76	1.78
Capital adequacy ratio	%	11.50	11.61
Allowance coverage ratio	%	150.95	159.48

Environmental Performance

Key Environmental Performance

Indicator	Unit	2022	2023
Green loan business			
Balance of green loans	RMB100 million	273.05	312.59
Year-on-year increase in green loans	%	10.46	14.48
Environmental benefits of green loans			
Standard coal saved annually	'0,000 tons	8.34	16.46
Carbon dioxide emission reduction equivalent	'0,000 tons	29.52	47.42
Chemical oxygen demand emission reduction equivalent	Ton	420.98	2,248.30
Ammonia nitrogen emission reduction equivalent	Ton	897.02	362.34

Indicator	Unit	2022	2023
Sulfur dioxide emission reduction equivalent	'0,000 tons	0.05	0.04
Nitrogen oxide emission reduction equivalent	'0,000 tons	0.09	0.04
Volatile organic compound emission reduction equivalent	Ton	1545.45	844.11
Water consumption reduction equivalent	'0,000 tons	44.47	37.17

Note: Balance of green loans is aggregated by the green credit data of the Bank on the basis of People's Bank of China.

Materials

Indicator	Unit	2022	2023
Paper usage for various promotion materials, cards and envelopes, single-sheet papers	'0,000 pieces	26.20	17.95
Percentage of credit card customer using e-statement	%	100	100
Paper saved from e-statement	'0,000 pieces	585.10	771.23

Energy

Indicator	Unit	2022	2023
Average power utilization efficiency (PUE) of data center	-	1.78	1.79
Total power consumption of the Data Center	kWh	10,070,715	20,650,820
Total office power consumption of the Head Office	kWh	19,869,508	20,743,392
Total fuel consumption of official vehicles of the Head Office	Liter	13,494	14,873
Total gas consumption of the Head Office building	m3	1,058,582	749,254

Note: The total power consumption of the Head Office and the total gas consumption of Head Office building are aggregated by the property company that provides services to the Bank, based on the meter readings.

Water Resources

Indicator	Unit	2022	2023
Total office water consumption of the Head Office	Ton	91,571	86,390

Note: The total water consumption of the Head Office is aggregated by the property company that provides services to the Bank, based on the water meter readings.

Sewage and Waste

The sewage generated by the Bank in the course of business operation and office operation is discharged into the municipal sewage pipeline network in accordance with relevant laws and regulations. Domestic garbage is transported by the local environmental health team for treatment on daily basis. The garbage rooms are sanitized every day. Comprehensive cleaning is conducted once a week, while sewage is cleaned once a month. Other wastes are gathered and transported in a "harmless" manner without any violation of regulations.

Environmental Compliance

In 2023, the Bank was not punished for environmental protection violations and did not receive any environmental complaints.

Social Performance

Market Performance

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

Indirect Economic Impact

Indicator	Unit	2022	2023
Number of domestic and overseas branches	Branch	336	370
Number of domestic self-service banking outlets	Outlet	335	369
Number of self-service devices	Set	625	605

Procurement Practice

Indicator	Unit	2022	2023
Number of suppliers in Chinese Mainland	Supplier	581	689
Number of overseas suppliers	Supplier	5	7
Total number of centralized procurement projects	Project	358	848
Budget amount involved in centralized procurement	RMB'0,000	41,530	89,558
Average project cycle of centralized procurement	Day	57	34
Coverage ratio of centralized procurement catalog project performance management	%	100	100
Coverage ratio of supplier review	%	100	100
Total number of financial technology projects	Project	595	457
Budget amount involved in financial technology projects	RMB'0,000	61,081	58,474
Average project cycle of financial technology projects	Day	95.5	95.3

Products and Services

Taking FinTech as an important driver for high quality development, the Bank facilitates the “light front platform, fast middle platform, strong back platform” comprehensive digital transformation, and has been enhancing capability and standard of financial services in serving real economy. The Bank actively implements the new development requirements of “boosting real economy through digital operation” and “integration of real operations and digital operations”, continues to strengthen its competitive edges in financial operation and technology, and upgrades various types of financial products. In respect of retail business, the Bank firmly facilitates the progress of integration, digitalization and ecosystem construction. In respect of corporate business, the Bank achieves breakthrough in online financial service from the trial operation in the “1.0 generation” to the era of “3.0 generation”. From fundamental business fulfilling the needs of corporate customers to realization of comprehensive online services, the Bank strives to financial innovation in response to the ever-changing corporate

demands. In addition, the Bank has been enhancing its digitalized financial service capability for the integration of digital economy and real economy, helping people to get a better life.

Marketing and Logo

Indicator	Unit	2022	2023
Overall customer satisfaction	%	99.17	99.38
Manual service volume of remote banking	10,000 persons	56.31	109.86
Online channel chat-bot service volume	10,000 persons	109.51	274.36
Number of customer complaints received	Case	1,1380	2,1907
Number of performances being praised and recognized by customers	Time	77	324

Employment

Indicator	Unit	2022	2023
Total number of employees	Person	13,286	13,901
Number of female employees	Person	7,080	7,403
Number of male employees	Person	6,206	6,498
Number of employees under 30 years old	Person	3,404	3,509
Number of employees aged 31-50	Person	9,153	9,554
Number of employees over 50 years old	Person	729	838
Number of new employees	Person	2,106	1,360
Number of employees from Chinese Mainland	Person	13,222	13,843
Number of employees from Hong Kong	Person	64	58
Employee turnover rate	%	5.15	4.92
Turnover rate of male employees	%	2.94	2.57
Turnover rate of female employees	%	2.21	2.35
Turnover rate of employees under 30 years old	%	1.58	1.60
Turnover rate of employees aged 31-50	%	3.47	3.18
Turnover rate of employees over 50 years old	%	0.10	0.14

Training and Education

Indicator	Unit	2022	2023
Number of employee training sessions	Session	5,012	4075
Number of employees participating in training	Person	942,078	1,268,308
Number of employees learning online	Person	14,221	14870
Average length of training and learning for employees	Hour	24.89	31.55
Proportion of middle-level management participating in training	%	100	100
Proportion of grassroots employees participating in training	%	100	100
Average length of training for middle-level management	Hour	60	75
Average length of training for front-line employees	Hour	23.88	33.66

Diversification and Equal Opportunities

Indicator	Unit	2022	2023
Gender ratio of employees	%	46.74	53.26
Gender ratio of middle-level management and senior management	%	80.77	19.23

Indicator	Unit	2022	2023
Number of minority employees	Person	566	633

Charity

Indicator	Unit	2022	2023
Charity donation	RMB'0,000	420	419.98

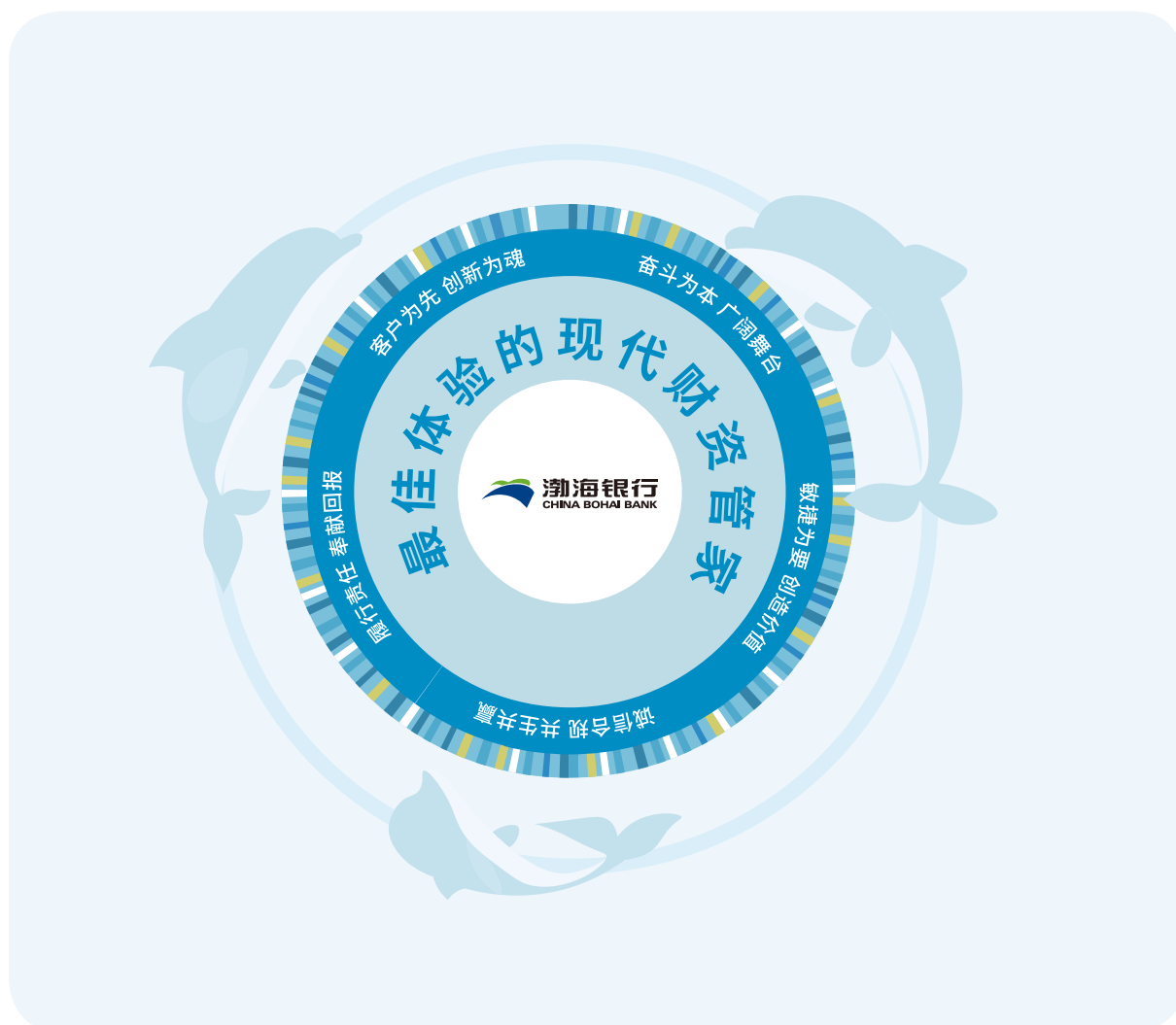
ESG Strategy and Governance

With comprehensive performance of social responsibilities as its core corporate mission, the Bank promotes the integration of ESG concepts into corporate culture and system, and continuously optimizes social responsibility strategies. Based on actual condition with reference to international ESG management standards, the Bank continues to put greater efforts in social responsibility governance. The Bank maintains A-grade in MSCI ESG Ratings, leading among domestic listed banks.





ESG Strategy



Customer first and innovation as the soul

The Bank takes initiative to discover, quickly understand and comprehensively respond to customer needs. It embraces changes and dares to innovate. The Bank is adept in establishing new ideas and using new methods flexibly with a sense of foresight to give rise to a corresponding solution, thus offering better-than-expected services for customers and creating values recognized by customers.

Struggle-oriented and infinite opportunities

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

Agility as the essence and value creation

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

Honest compliance, symbiosis and win-win result

The Bank adheres compliance operation according to the law. The Bank builds ecology with partners in a diversified manner to serve ecological users with ecological resources; and establishes symbiotic relationships and achieves win-win result through empowering to each other between the ecological partners. Fair competition is the business ethics that the Bank has always adheres to. We firmly oppose unfair competition, adhere to the principle of reciprocity, and pursue the establishment of long-term and mutually beneficial relations with all competition participants in an equal market environment.

Take responsibility, devote and offer returns

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

ESG Management

Governance Structure

The Board of Directors of the Bank is the top decision-making body for ESG risk management. It assumes the ultimate responsibility for ESG risk management, promotes the Bank's implementation of the goal of "peak carbon emission and carbon neutrality", regularly reviews the progress of ESG-related works, and considers the annual social responsibility (ESG) report, charity donation, green finance implementation report, inclusive finance business development plan, consumer rights protection and other resolutions. The Board of Directors has set up special committees, including the Risk Management and Green Finance Committee, the Audit and Consumer Rights Protection Committee and the Development Strategy and Inclusive Finance Committee, to consider the corporate governance, development strategy, risk management, internal control and compliance, related party transactions, green finance, inclusive finance, social responsibility, consumer protection and other issues related to the fulfillment of ESG responsibilities of the Bank, and to make recommendations to the Board of Directors.

ESG Management by the Board of Directors

In 2023, the Board of Directors deliberated and approved 21 ESG-related proposals, including the Bank's annual social responsibility (ESG) report, annual corporate governance policy review, ESG risk management policy, quarterly financial information and other insider information announcement, annual green finance work report, annual report and interim report, annual and semi-annual comprehensive risk management report, donation, chairman change, revision of the Group's risk preference statement, revision of the consumer rights protection management measures, and shareholder qualification assessment report. The Bank heard eight ESG-related reports, including the annual special report on related party transactions, the annual report on financial support for rural vitalization, the annual inclusive finance business development plan, the semi-annual consumer rights protection summary and work plan, the quarterly consumer complaints report, and the consumer rights protection supervision and evaluation. All directors studied the latest HKEX regulations, and participated in the special trainings on "Anti-corruption" and "Supervision Focus, International Trends and Suggestions of Financial Consumer Rights Protection". During the year, the Bank's three new directors participated in compliance training for Hong Kong listed companies.

The aforementioned Annual Report 2022 and Interim Report 2023, which were reviewed and approved by the Board of Directors, both included the topic of "ESG Risk", and the Comprehensive Risk Management Report 2022 included the topic of "ESG Risk Governance", which expounded the Bank's measures and achievements in the field of ESG risk management. Under the guidance and promotion of the Board of Directors, the Bank supported the development of the real economy in key national support areas, actively fulfilled its environmental and social responsibilities, created social value, strengthened its ESG responsibilities such as green finance, inclusive finance, private enterprises, manufacturing and rural vitalization, continuously improved its risk management capabilities, built a responsible bank with leading ideas, sustainable economy and outstanding ESG performance,

and improved its ESG governance performance and ESG performance.

On the 45th meeting of the 5th Board of Directors, the Bank deliberated and passed the 2022 Social Responsibility Report on 26 April 2023. Compared with last year, the Report added two chapters of Board Statement and List of Important ESG Management Systems, a new section “ESG management” to the “Social Responsibility Strategy and Management”, and a new section “Strengthening Climate and Environmental Risk Management” to “Developing Green Finance to Deal with Climate Change”, which described the Bank’s practices and achievements in strengthening climate and environmental risk management.

At the same meeting, the Board deliberated and approved the ESG Risk Management Policy, which clarified the ESG governance structure and the ESG management functions of the Board of Directors, the Board of Supervisors, the senior management and functional departments. The Policy clarified the ESG risk connotation, and incorporated ESG into the management process and comprehensive risk management system. The Policy clarified the Bank’s ESG risk policy, incorporated environmental and climate risks as important risk categories into the comprehensive risk policy management framework, established investment and financing business ESG risk management processes, and paid due attention to investment and financing risks and opportunities in the fields of climate change and biodiversity protection. Meanwhile, the Policy clarified the ESG information disclosure and reporting requirements. The Bank regularly disclosed ESG reports, including the disclosure of climate risk policies and measures, work information and environmental performance data during the year.

Progress in ESG management

In 2023, the Bank further improved the ESG information disclosure level, compiled and released the 2022 Corporate Social Responsibility Report of China Bohai Bank, which fully met the HKEX requirements on ESG report disclosure, and was authenticated by independent third-party authoritative organization according to internationally accepted standards. The Bank actively participated in the preparation of the Blue Book of Social Responsibility of Tianjin State-owned Enterprises, and won two “Excellent Case Enterprise Awards” in “Serving the Real Economy” and “Strengthening Technological Innovation”.

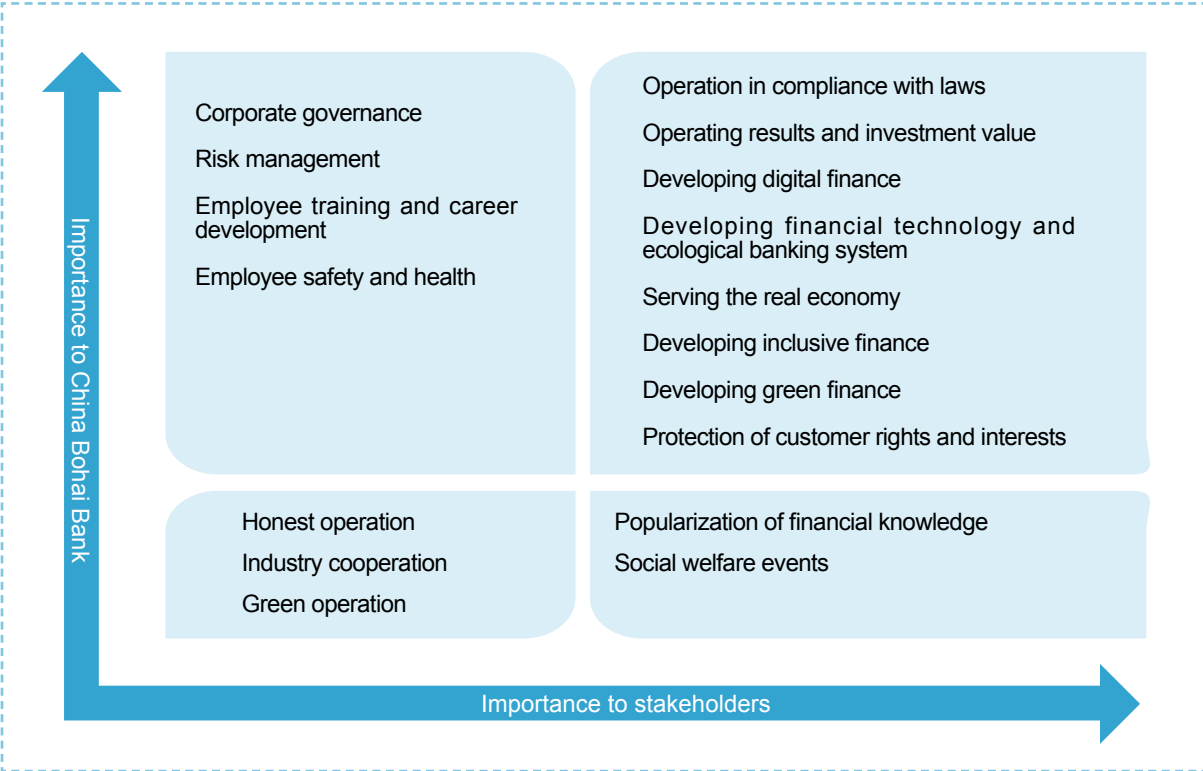
The Bank further improved the core corporate culture value system, and systematically sorted out the sub-cultural systems including green culture, consumer rights protection culture, risk culture and compliance culture, so as to more fully integrate ESG concept into the corporate culture system.

Issue Materiality Analysis

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

Substantive analysis

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



Stakeholders

Environment (E)

Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
Environment	The Bank supported green and environmental protection	<p>Implementation of green financial policies and regulatory requirement.</p> <p>Disclosure of environment performance and key indicators.</p>	<p>The Bank implemented green finance strategy, enhanced climate and environmental risk management, and comprehensively facilitated construction of green finance system.</p> <p>The Bank strictly controlled energy consumption and adhered to green operation.</p> <p>The Bank promoted green procurement to facilitate green development in supply chain.</p> <p>The Bank disclosed key performance and indicator data of climate and environment related matters in accordance with the principles of truthfulness, accuracy and timeliness.</p>

Social (S)

Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
Government and regulatory authorities	<p>The Bank accomplished the tasks set forth in the national strategy and promoted economic and social development.</p> <p>The Bank operated in compliance with laws and regulations and achieved healthy development.</p>	<p>Deep implementation of economic financial policies.</p> <p>Execution and implementation of regulatory requirements.</p> <p>Participation of relevant investigations and meetings.</p> <p>Acceptance of daily supervision and regulation.</p> <p>Reporting of report materials and statistical statements, etc.</p>	<p>The Bank resolutely took the road of financial development with Chinese characteristics, thus providing strong support the great rejuvenation of powerful Chinese nation through promotion of Chinese-style modernization.</p> <p>The Bank adhered to the fundamental purpose of serving the real economy, optimized financial services through reform and transformation, accelerated development by promoting the new quality productive forces, and continued to strengthen its capability in serving real economy and high-quality development.</p> <p>The Bank enhanced its support for technology innovation, advanced production, green development and medium, small and micro enterprise, and focused on the Five Major Developments, namely technology finance, green finance, inclusive finance, pension finance and digital finance.</p> <p>The Bank firmly implemented various regulatory policies, implemented comprehensive, proactive, agile and effective risk management, strengthened internal control, held the lifeline, and laid a solid foundation for the sustainable development.</p>

<p>Customers</p>	<p>The Bank provided high-quality financial products and services and continuously improved customer satisfaction.</p>	<p>Research of customer satisfaction rate.</p> <p>Investigations of customers' demands.</p> <p>The 95541 Customer Service Center and the credit card customer service center.</p> <p>Official website, WeChat and other internet channels.</p> <p>Business promoting activities and financial knowledge popularization activities.</p>	<p>The Bank has been improving its lean financial services capability.</p> <p>The Bank enhanced its ability in application of financial technology, and further promoted digital finance development.</p> <p>The Bank promoted consumption upgrading, and boosted people's wealth growth to meet people's growing needs for a better life.</p>
<p>Employees</p>	<p>The Bank provided vast path for career development, a scientific remuneration and welfare system, and an excellent working environment.</p>	<p>The staff congress.</p> <p>Reporting and appeal mechanisms.</p> <p>Platform of "Dolphin Vocal Sound".</p> <p>Staff leisure and sports activities.</p>	<p>The Bank continuously expanded career development channels.</p> <p>The Bank improved the constraint and incentive mechanism.</p> <p>The Bank resolutely safeguarded the legitimate rights and interests of employees.</p> <p>The Bank cared for employees' physical and mental health and wellbeing.</p>
<p>Market</p>	<p>The Bank achieved mutual benefit and win-win results</p>	<p>Daily communication.</p> <p>Communication and cooperation with other banks.</p> <p>Bidding activities.</p> <p>Visit suppliers.</p>	<p>Benign competition, equal cooperation and honest performance.</p>
<p>Public</p>	<p>The Bank participated in social welfare events and promoted social harmonious development.</p>	<p>Elimination of inequality on development through charity activities.</p> <p>Promotion of employee voluntary services to actively contributing to the building of harmonious society.</p> <p>Provision of support to community construction and held community service campaigns.</p>	<p>The Bank continued to work on targeted support and assistance.</p> <p>The Bank insisted on participating in social welfare events, and widely promoted the popularization of financial knowledge.</p> <p>The Bank supported and encouraged employees to participate in voluntary services.</p>

Governance (G)

Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
Shareholders	The Bank realized sustainable operation, improved return on investment, and disclosed information in a timely, truthful, accurate and comprehensive manner.	<p>Regular reports and information announcements.</p> <p>The general meeting, the meeting of Board of Directors and its special committee, the meeting of Board of Supervisors and its special committee.</p> <p>Investors communication.</p>	The Bank created sound operating results, continuously strengthened corporate governance, and improved the information disclosure mechanism.

Environment: build a green and beautiful China

Achieving the goal of carbon peaking in 2030 and carbon neutrality in 2060 and promoting the overall economic and social green transformation is the only way for China's high-quality development, with green the bright background of Chinese modernization. Taking finance as the green development propeller, China Bohai Bank has thoroughly implemented Xi Jinping's idea of ecological civilization, actively practiced the ESG concept, improved the green development governance structure, advanced the green financial policy system, consolidated the climate and environment risk management, deepened the connotation of green financial services, persisted in its own green operation, and strengthened the green background to build a beautiful China.





Improved green finance governance structure

◎ The decision-making level

The Board of Directors has established and implemented green development concepts such as energy saving, low carbon, environmental protection and sustainable development, determined the green finance development strategy, and examined and approved the green financial targets set by the senior management and the submitted green financial reports. The Board of Directors has established the Risk Management Committee and Green Finance Committee to supervise and evaluate the green finance strategy implementation.



The 26th meeting of the Risk Management and Green Finance Committee of the fifth session of the Board of Directors of China Bohai Bank Co., Ltd.

◎ The management level

The senior management has set up a leading green finance group, headed by the President of the Head Office and deputy head of the wholesale banking business, to be responsible for the organization and leadership of green finance throughout the Bank. According to the development strategy of green finance determined by the board of directors and the risk management and green finance committee of the Board of Directors, the leading group of green finance has worked out the business objectives of green finance, established mechanisms and processes, clarified responsibilities and authorities, conducted internal control inspection and assessment, reported the development of green finance to the Board of Directors and the risk management and green finance committee of the Board of Directors every year, and submitted and disclosed the relevant information of green finance to the regulatory authorities as required.

◎ The implementation level

The Bank's senior management has set up the Business Promotion Office under the Green Finance Leading Group in the Corporate Banking Department of the Head Office, which is responsible for taking the lead in coordinating and promoting the green finance business development and providing all-round green finance business support for branches. Other departments of the Head Office have taken the initiative to establish the awareness and responsibility of promoting green financial business development and their own low-carbon transformation, and are responsible for joining the lead departments to promote the Bank's green financial business and sustainable development capacity building. All branches are responsible for the implementation of green finance policies and businesses of the Head Office, and ensure communication with local regulatory authorities.

Improving Green Finance Policies and Systems

Based on its overall business strategy and risk management requirements, the Bank formulates and improves its green finance policies and systems such as green finance planning, credit policies, and environmental and climate-related financial risk management systems on an ongoing basis, and has formulated and published, amongst others, the Implementation Opinions on Accelerating the Development of Green Finance Business of China Bohai Bank, the Work Rules for the Members of the Risk Management and Green Finance Committee of the Board of Directors of China Bohai Bank Co., Ltd., the Guidance on Further Promoting the Development of Green Finance Business of China Bohai Bank, the Notice on Strengthening the Management of Green Financing Statistical Data, the Regulations on ESG Risk Management of the Credit Business of China Bohai Bank, the ESG Risk Management Policies of China Bohai Bank Co., Ltd., the Management Measures for the Proceeds from Green Financial Bonds of China Bohai Bank, the Notice on Carrying out Work on Carbon Emission Reduction Support Tools, and the Green Finance Analysis Report of China Bohai Bank and Action Plan for Wholesale Business Development (2023-2025). These policies and systems specified the key sectors with green finance support and environmental and climate-related financial risk management requirements so as to ensure the compliance of the business operations of the Bank with international, national and local green finance policies and put environmental and climate-related financial risk management requirements in place.

Green Finance Policies and Systems of China Bohai Bank

Document name	Document number	Main contents
Guidance on Further Promoting the Development of Green Finance Business of China Bohai Bank	Bo Yin Xing Ban [2021] No. 571	Promoting the development of green finance, specifying the goals, and focusing on key industries
Notice on Carrying out Work on Carbon Emission Reduction Support Tools	Bo Yin Pi Fa [2022] No. 3	Specifying the path to implement the policy for carbon emission reduction support tools, and its incentive arrangements
Notice on Strengthening the Management of Green Financing Statistical Data	Bo Yin Pi Fa [2022] No. 11	Strengthening green financing data management to reflect the authentic and accurate results of the development of green finance
Notice on Forwarding the Notice of the People's Bank of China on Matters Related to the Continuation of the Implementation of Carbon Emission Reduction Support Tools	Bo Yin Pi Fa [2023] No. 10	Specifying the continuation of the implementation of carbon emission reduction support tools, and its incentive arrangements
Notice on Further Regulating the Work Related to Carbon Emission Reduction Support Tools	Bo Yin Pi Fa [2023] No. 16	Further regulating the requirements and work arrangements for the application of carbon emission reduction support tools

Document name	Document number	Main contents
Notice on Publishing the Green Finance Analysis Report of China Bohai Bank and Action Plan for Wholesale Business Development (2023-2025)	Bo Yin Fa [2023] No. 73	Analyzing the development of green finance of the Bank, and formulating three-year action goals and action path plans for wholesale banking to promote green finance
Notice on Publishing the Management Measures for the Proceeds from Green Financial Bonds of China Bohai Bank	Bo Yin Xing Ban [2023] No. 447	Strengthening the management of proceeds from green financial bonds, and specifying the dedicated use of proceeds from green financial bonds for supporting green industries
Notice on Publishing the ESG Risk Management Policies of China Bohai Bank Co., Ltd.	Bo Yin Fa [2023] No. 32	Specifying the ESG risk management structure, ESG risk appetite and basic ESG risk policies of the Bank
Notice on Publishing the Regulations on ESG Risk Management of the Credit Business of China Bohai Bank (2023 Revision)	Bo Yin Xing Ban [2023] No. 192	Clearly incorporating the ESG risk management requirements into the entire investment and financing business management process of the Bank, and identifying, evaluating, monitoring and controlling the ESG risks in investment and financing business (credit customers)

Strengthening Climate and Environmental Risk Management

Attaching great importance to environmental and climate-related financial risk management, the Bank has incorporated the ESG risk management requirements into the entire investment and financing business management process in pursuit of comprehensive management of climate risks and opportunities through accurate identification, full assessment, precise monitoring, and scientific control of the climate and environmental risks faced by the credit business (credit customers).

Process for identifying, assessing, monitoring and controlling environmental risks

The Bank has incorporated the ESG risk management requirements into the entire investment and financing business management process to identify, assess, monitor and control the climate and environmental risks faced by the credit business (credit customers).

Credit investigation

During the credit investigation process, the Bank collects the environmental, social and governance (ESG) risk assessment documents and information of customers (projects), conducts environmental, social and governance (ESG) risk assessment for customers (projects) based on the collected information and with reference to the industries and regions in which the customers (projects) operate, and discloses the environmental, social and governance (ESG) risk profile and assessment results of such customers in the credit investigation reports. Based on the ESG risk sensitivity and specific environmental and social performance of the customer (project), the Bank classifies the customers into categories A, B, and C for classification management, and implements differentiated credit strategies for customers based on the classification results.

Credit review

During credit review, the Bank conducts another round of careful assessment on the environmental, social and governance (ESG) risk levels of customers, proposes targeted management measures based on their environmental, social and governance (ESG) risk profile, and specifies the relevant conditions for granting credit and terms of loans.

Credit approval

The credit approval officers review the environmental, social and governance (ESG) risk review conclusions of the credit customers, and employ the environmental, social and governance (ESG) risk factors as an important basis for decisions in granting credit.

Contract signing

Based on the environmental, social and governance (ESG) risk classification and risk profile of customers, the Bank adds guarantee clauses for the customers to reinforce their environmental, social and governance (ESG) risk management into the contracts.

Loan review

The Bank regards the environmental, social and governance (ESG) risk factors of customers as important factors in the loan review. For customers whose environmental, social and governance (ESG) risks are classified into categories A and B, the Bank reviews their fulfillment of terms of loans related to environmental, social and governance (ESG) risk management.

Post-loan inspection

The Bank collects the environmental, social and governance (ESG) risk information of customers on an ongoing basis, conducts dynamic monitoring and evaluation of the changes in environmental, social and governance (ESG) risks of customers, and adopts differentiated management measures. For customers with risk exposure, the Bank provides timely warning and formulates risk mitigation measures.

Comprehensive management of climate risks and opportunities

Attaching great importance to the identification and assessment of financial risks related to the climate and environment, and with reference to the requirements of climate-related financial disclosures (TCFD), the Bank assessed and analyzed the risks and opportunities arising from climate change in order to identify and manage the climate-related risks and opportunities in the course of business operations and risk management, and established appropriate measures in response to different impacts. The Bank takes the major physical and transition risk drivers into full account when formulating and implementing its business strategies, and assesses the impacts of such risks on the business model of the Bank in the short, medium and long term. In terms of strategic preferences, being fully aware of the opportunities and challenges in the green finance sector, the Bank has established green and low-carbon strategies and policies, and specified its strategic orientation centering on the goal of achieving carbon peak and carbon neutrality. The Plan for Development Strategy of China Bohai Bank Co., Ltd. and the Green Finance Analysis Report of China Bohai Bank and Action Plan for Wholesale Business Development (2023-2025) specified the deployment and resource allocation in green finance to provide comprehensive financial services for the green and low-carbon transition of the economy and society. At the same time, the Bank has incorporated the ESG risks into its overall business strategies and risk management framework to ensure the consistency between risk management framework and business objectives of the Bank.



Tapping into Green Financial Services

Centering on the “dual carbon” goals, the Bank optimized the construction of the green finance system and mechanism, comprehensively improved quality and efficiency by paying equal attention to products, services and technology and taking various measures to tap into green financial services, and thus received social recognition in green finance development

Development of green financial business

To consistently put the decision and deployment of the central government in place, the Bank actively implemented the green development philosophy while incorporating the sustainable development strategy. The Bank anchored low-carbon economy, circular economy and ecological economy around the “dual carbon” goals, increased resource investment in green and low-carbon sectors, and achieved new breakthroughs in economic and environmental benefits. As of the end of 2023, the Bank’s green loan balance was RMB31,259 million, representing an increase of RMB3,954 million or 14.48% as compared to the beginning of the year.

Performed the responsibilities as a financial enterprise, and optimized the construction of the green finance system and mechanism

The Bank has always firmly implemented the “green finance” major development proposed by the Central Financial Work Conference and the “Ten Actions” and “Three Points on Quantity and Quality” work requirements of Tianjin. We focused on building an advanced green finance bank in China, aiming at ensuring a significant increase in the green credit balance and proportion, and striving for other green financial businesses to reach the advanced level among the peers. The Bank issued a number of policies to support green finance, such as the Green Finance Analysis Report of China Bohai Bank and Action Plan for Wholesale Business Development (2023-2025). The Bank based itself on the resource endowment, strengthened its ESG philosophy, clarified its green finance development goal and action path, and guided the whole bank to continuously increase resource investment in green finance to help create a sustainable industrial and living environment.

Comprehensively improved quality and efficiency by paying equal attention to products, services and technology and taking various measures to tap into green financial services

Firstly, the Bank deeply developed into key green industries, conducted active marketing and grew hand in hand with green enterprises. Focusing on the industrial value and capital value of green finance, the Bank utilized the new energy industries characterized with huge size and rapid growth such as photovoltaic, wind power and energy storage, seized the development opportunities of emerging green industries such as biopharmaceuticals and new materials, developed hierarchical marketing and joint promotion mechanisms, and established sound cooperative relationships with key green enterprises. Secondly, the

Bank innovated service programs around carbon emission reduction support tools. Combined with the Bank's innovative green credit product "Green Asset-backed Loan", the Bank employed the combined scheme of "Green Asset-backed Loan + Carbon Emission Reduction Support Tool", implemented the "dynamic management + communication and matching of key projects" marketing model between the Head Office and branches, and consolidated cooperation with green enterprises to realize the development of green finance business. In particular, the Bank supported the Tianjin biomass power generation project which had been highly praised and encouraged by relevant institutions, and the project won the nomination award in the selection of Tianjin innovation projects in financial service for the real economy. Thirdly, the Bank continuously enhanced green finance technological capabilities. The Bank explored and realized green project identification, intelligent-aided credit decision-making in green credit business, customer information repository, green statistics intelligent operation and other functions to improve the environmental and social risk management level and continuously enhance the development quality and sustainable growth capabilities of green finance. Fourthly, the Bank strengthened risk management, reinforced high-carbon industry project management, supported the energy-saving transformation of traditional industries, refrained from across-the-board and campaign-style carbon reduction, and carried out climate risk stress tests to ensure that the overall green loan asset quality remained sound for an extended period.

Enhanced the business engagement capability in green finance, ensured environmental information disclosure, and expanded the sustainable development brand influence of the Bank.

Firstly, the Bank prepared its first environmental information disclosure report. Through disclosure of environmental information, the Bank rationalized the investment and financing business and the credit asset structure, and specified the distribution and proportion of green assets and high-carbon assets, thereby further specifying key sectors for capital investment and promoting investment and financing. Green and low-carbon transformation of business. At the same time, the Bank gradually improved and enhanced the ESG management mechanism, accelerated the green finance system construction, further established a good social image, and enhanced the brand influence of green finance. Secondly, guided by improving its management capabilities on green finance and based on sustainable business development, the Bank organized green finance special training in a multi-dimensional, multi-form and multi-cycle manner in conjunction with external professional institutions. The Bank arranged various green finance training courses from the business level, environmental and social performance level and management level to improve the pertinence and effectiveness of green finance training, formed a special green finance training system, and comprehensively strengthened the green finance industry development and operation capabilities. Thirdly, the Bank received recognition in green finance development, which demonstrated its brand influence. In 2023, in China International Economics and Technology Administration Forum and 2023 High-quality Development Summit, the Bank won the award of "Core Competitiveness – Star for Green Development". The Bank also won the ESG Green Finance Award of the year in 2023 ESG Pioneer 60 for its outstanding performance in green finance.

Innovation of green finance products and services

Taking foot in Tianjin and serving the whole country, the Bank has always closely aligned its credit resource allocation with national and regional green development strategies, and has flexibly and directly served key green sectors through constant innovation and optimization.

Focusing on carbon emission reduction support tools, the Bank promoted the use of its innovative green credit product “Green Asset-backed Loan”. The Bank employed the combined scheme of “Green Asset-backed Loan + Carbon Emission Reduction Support Tool” and implemented the “dynamic management + communication and matching of key projects” marketing model between the Head Office and branches, to achieve precise investment in green and low-carbon projects. The Bank supported green and low-carbon enterprises in expanding financing channels and reducing financing costs, and thus effectively solved the problems of difficult and expensive financing.



The Bank Won the Award of “Core Competitiveness · Green Development Star”



In September 2023, at the China International Economic Management Technology Forum & 2023 High-quality Development Summit, the Bank stood out for its outstanding performance in green finance business and won the award of “Core Competitiveness · Green Development Star”.

In recent years, with a high sense of responsibility and mission, the Bank has taken “dual carbon” and “green development” as the strategic transformation direction, and clearly put forward the green financial strategy in the “Fourth Five-Year Plan”. In order to ensure the organic integration of green development concept and business activities, the Bank has established the Risk Management and Green Finance Committee and the Green Finance Leading Group under the Board of Directors, to lead the Bank to provide continuous financial support to enterprises and projects specializing in energy conservation and emission reduction, circular economy and clean energy.

The Bank has helped reduce emissions and supported the green upgrading of traditional energy enterprises. At the beginning of August 2023, the Bank signed a strategic cooperation agreement with Tianjin Bohai Chemical Group Co., Ltd. to agglomerate the petrochemical industry for green, high-end and intelligent transformation and upgrading. Meanwhile, by issuing carbon emission reduction loans, we promoted the application and popularization of carbon emission reduction technologies and advanced the clean energy and low-carbon technology development. In the second quarter of 2023 alone, the Bank used carbon emission reduction

support tools to drive the annual carbon emission reduction of 225,300 tons of carbon dioxide equivalent.

The Bank provided differentiated and customized green credit products. In the field of green finance, the Bank differentiated and customized credit products according to the project characteristics, which strongly supported the smooth progress of green projects. For example, when supporting and serving the key green projects of garbage incineration treatment and power generation in Tianjin, the Bank established the mechanism of “dynamic management + key projects communication and docking” on a pilot basis, and customized the “green specific asset-backed loans” credit products through in-depth study and combination with the actual enterprise operation and financing situation, and developed the risk assessment model in a targeted manner to implement characteristic system support.



Shijiazhuang Branch Overfulfilled the Annual Green Credit Task



On 7 September 2023, the Shijiazhuang Branch reached RMB1.356 billion in green credit business balance, and completed the annual task nearly four months ahead of schedule.

Since the beginning of the year, in order to promote the green credit business development, the branch had started its work from four aspects. First was to focus on major industries. The branch business department carefully studied the relevant green credit policies, combined with the provincial industrial layout, aimed at the accessible industries and fields, and chose green industries such as gas, urban greening and wind power generation. The second was to screen target customers and key areas. According to the policy orientation, the branch used green credit to promote the manufacturing industry energy consumption transformation to realize industrial upgrading. Meanwhile, according to industrial layout, market space and cooperation degree, the branch focused on marketing green industry customers in Shijiazhuang, Langfang and Tangshan. The third was “companion marketing”. The branch leaders, corporate business, transaction and other departments insisted on working and commanding in the front line to get a deep understanding of customers, give specific guidance on scheme planning, product selection and interest rate matching, and directly connect customers, thus improving service efficiency.

Adhering to sound green operation

Focusing on its own operating resources, energy consumption and greenhouse gas emission characteristics, the Bank has established rules and regulations to strengthen daily management, applied energy-saving equipment and technical means, and taken various measures to carry out energy conservation and consumption reduction. The Bank has implemented green procurement, actively advocated the green and low carbon concept, and adhered to its own sound green operation, with “Low carbon” becoming the obvious feature and bright image of our office premises.

Energy management and greenhouse gas emission management

Aiming at the main energy consumption types in operation, the Bank has taken various measures to save energy and reduce consumption. In the central air conditioning refrigeration and heating, public area lighting, water supply and direct drinking water and other important energy consumption links, the Bank the applied energy-saving equipment and facilities and advanced technical means and other measures to save energy and reduce consumption.

In terms of greenhouse gas emission, the Bank strictly follows the Greenhouse Gas Emission Management System formulated by the environmental protection authorities. In order to reduce greenhouse gas emissions, the Bank has technically reformed the central air-conditioning heating system to fully meet the relevant requirements of the international standard ISO14064-2018 for greenhouse gas emissions. The Bank has commissioned a professional organization to test the greenhouse gases emitted by gas-fired boilers for four times in each heating season, and the test results were all within the allowable range of the specification.

Water resources management

The Bank made comprehensive measures from two aspects of technology and management, and strived to reduce water consumption level. Since moving to Bohai Bank Building, we have insisted on regular inspection of water devices, equipment and appliances on all floors to ensure the normal water-saving function. During the summer period, the Bank regularly inspects and prepares the automatic water supply device for air conditioning cooling tower to ensure normal function and timely water supply adjustment and avoid water resources wasting. The Bank collects and analyzes the water consumption records of the building every month, and take targeted measures to effectively reduce water consumption.

Paper consumption management

The Bank has continued to promote the OA system construction, combined the continuous system function improvement with paperless office management requirements, and strictly controlled paper consumption. In 2023, the Bank's Head Office reduced the use of copy paper by about 23% compared with the previous year. While optimizing the functional modules such as official documents, seals and licenses, supervision, and meetings in the OA system, the Bank completed the testing and commissioning of the system upgrading project, and put the integrated file management system into trial operation. The Bank reported the circulation of OA system official documents of all Head Office departments and offices and branches every month to promote the paperless office level. In addition, the Bank ensured smooth communication channels for documents from authorities and continuous daily use and maintenance of paperless file transmission system, which played a positive role in reducing paper consumption and relevant departments and institutions.

Wuhan Branch launched an energy-saving and efficiency-enhancing action



In order to conscientiously implement the cost reducing and efficiency increasing requirements, further enhance employees' awareness of saving energy and effectively reduce office energy consumption, Wuhan Branch launched an energy-saving and efficiency-enhancing action throughout the branch from October 2023, requiring all units and sub-branches to strengthen management and improve energy efficiency.

The major measures are as follows. First is to strengthen energy saving management, advocate natural light for lighting, properly use lighting lamps, and timely turn off unnecessary lamps when the office area is empty. The second is to require office equipment such as computers, printers and photocopiers to be turned off or adjusted to sleep mode when not in use. The third is to supervise employees to carefully check the power status in their office areas and public areas before leaving, and actively turn off unnecessary lamps and electrical appliances. The fourth is to clarify the responsibilities. Each unit defines the responsibility area according to the employee's office location, and the unit head is the first person responsible for energy saving to strengthen the employees' education and supervision, and appoint a dedicated person to implement the energy saving requirements in the responsibility area. The fifth is to supervise and inspect the daily energy conservation of various departments, and hold accountable the units and individuals who violate relevant requirements.

Beijing Branch promoted paperless office



Beijing Branch had carried out paperless office in terms of saving office consumables and reducing printing and copying costs, guided cadres and employees to develop a simple and moderate, green and low-carbon life and work style, and formed an atmosphere of advocating green life.

First was to strengthen leadership and responsibilities. The branch clarified the management system that the unit head was the first responsible person and the liaison person of each unit was the specific responsible person, and earnestly strengthened paperless office organization and leadership. The document handling personnel in each link took the green office responsibility and transmitted documents electronically. The second was to improve the system and conduct strict supervision. According to the actual situation, the branch formulated the office consumables management system, strengthened promotion, supervision and inspection, and established a long-term mechanism to ensure execution in place, and find out the shortcomings in time for improvement and rectification.

Green procurement

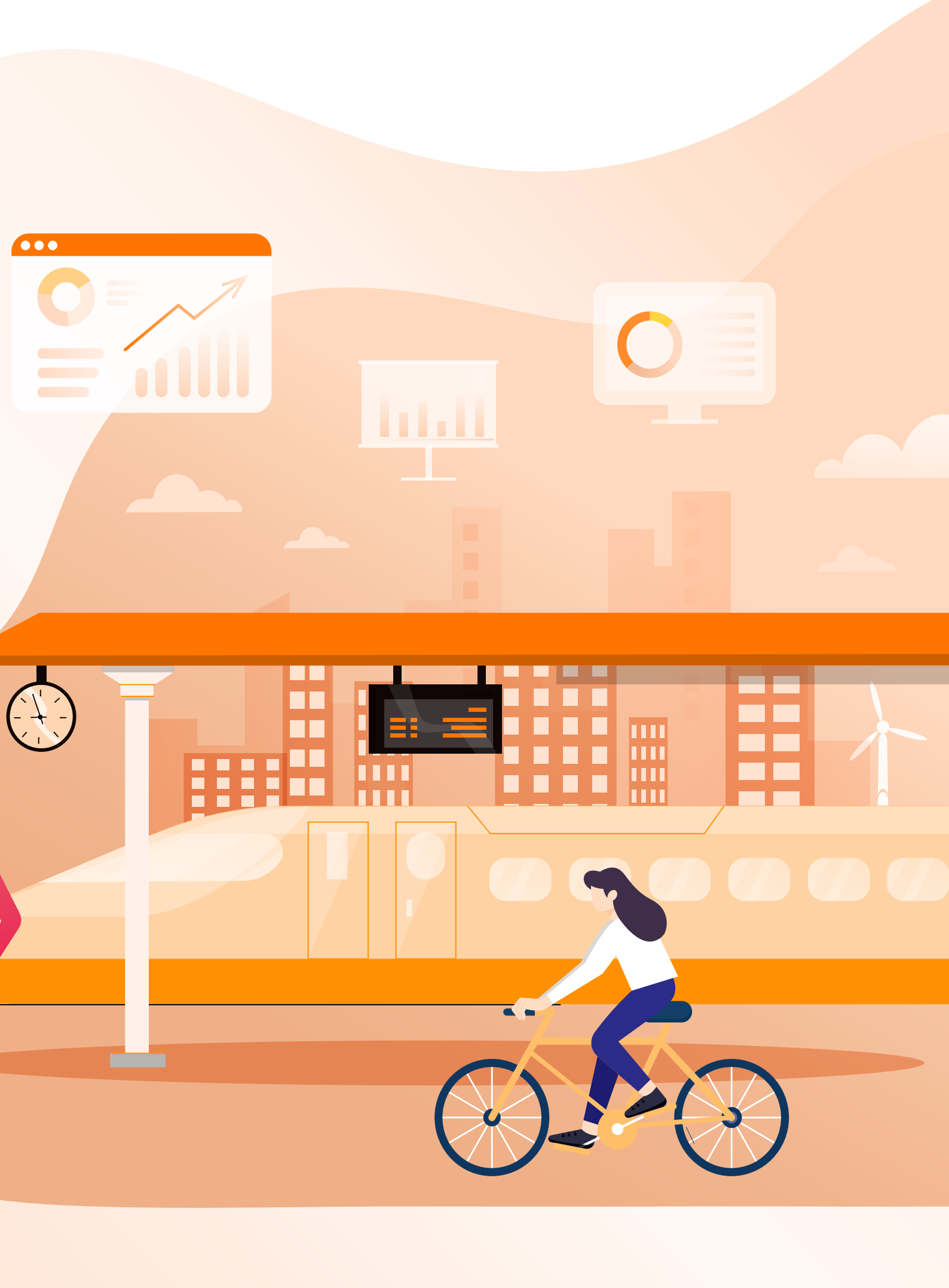
The Bank implements green procurement, actively advocates green and low carbon concept in the whole material procurement process, pursues the goal of shared responsibility among downstream enterprises in the supply chain for environmental protection and resource utilization efficiency improvement, and forms a sustainable development mechanism that promotes innovation, coordination, green, openness and sharing.

In 2023, the Bank continued to deepen green procurement management, and put the green and low carbon concept into the whole life cycle of purchased products. The Bank referred to the relevant national standards, industry standards and the government procurement item list, gave priority to energy-saving and consumption-reducing products, and preferred to purchase products that receive environment certifications to achieve the energy saving and consumption reduction goals. The Bank reflected the green low carbon and resource conservation requirements in the process of purchased products design and selection, raw material standards, finished product transportation, storage, use and scrapping treatment, and is committed to establishing a green supply chain around the Bank. The Group put forward environmental protection and social responsibility requirements in its procurement demands, and gave priority to purchasing resource-saving and environment-friendly raw materials, products and services. In the procurement initiation, pre-qualification, bid evaluation methods, supplier qualification standards and contract terms, the Bank defined the green procurement quantitative indicators in terms of supplier's green management system construction, cleaner production, safe production, recycling of waste materials, green warehousing, packaging and logistics, and urged suppliers to actively promote the ISO9001, ISO14001 and ISO18001 system construction, and reduce energy consumption and pollution.

Society: Sticking to serving the people and creating prosperity together

Realizing the great rejuvenation of the Chinese nation is ultimately for the people. Financial enterprises have a people-oriented nature as its fundamental attribute, and finance is the accelerator to create a better life for the people. China Bohai Bank never forgets the initial aspiration of finance for the people, and keeps in mind the mission of finance to serve the country. With the requirements of “Revitalizing existing loans, cultivating incremental loans, and improving loan quality” as a guide, the Bank enhances the financial inclusiveness and accessibility, and improves quality and efficiency to solidly serve the real economy. The Bank adheres to the “customer first” core value concept, continuously improves the digital financial service capability, and iteratively upgrade various financial products. The Bank continues to strengthen service management and focused on building a “greater consumer protection” pattern to help build a better life for the people.





Improving quality and efficiency to serve the real economy

Guided by the requirements of “Revitalizing existing loans, cultivating incremental loans, and improving loan quality”, the Bank further enhanced financial inclusiveness and accessibility, established a multi-level service system, provided lean service for “specialized, sophisticated, unique and new businesses”, and promoted technological innovation. The Bank took stance in key areas to make up shortcomings on, benefit people’s livelihood, support advanced manufacturing industries and help infrastructure construction. In addition, the Bank gave full play to the advantages of its headquarters, implemented the national strategy and the “Ten Special Actions” to promote the coordinated regional economy development, improve quality and efficiency, and solidly serve the real economy.

Focusing on inclusive finance to enhance financial accessibility

The Bank thoroughly implemented the spirit of the Central Economic Work Conference and the Central Financial Work Conference, strictly implemented the requirements of regulatory policies, focused on the tasks of stabilizing growth, employment and prices, and took stance on key players such as private enterprises, effectively enhanced the sense of obtaining in financial services and promoted the overall enterprise recovery and innovative development. The Bank adhered to the business idea of “strengthening customers, gathering ecosystem and grasping linkage”, focused on customer infrastructure and business structure adjustment, concentrated on “two areas”, “two chains” and ecosystem customer groups, and improved service accuracy in key areas. The Bank constantly improved the product, market and pricing strategies, strengthened the four guarantees of team building, process optimization, risk management and system construction, and enhanced inclusive finance service capacity. The Bank continuously improved the product system, iteratively upgraded key products, innovatively developed online products, enhanced service efficiency and customer experience, and achieved high-quality development in inclusive finance. As of the end of 2023, the Bank’s inclusive loan balance was RMB51.471 billion, with a total of 115,665 households and an average loan execution rate of 5.13%.

The Bank actively promoted the online transformation of inclusive finance products, and successfully broke the geographical limitation of physical outlets. At present, the Bank’s main business/consumer products have basically been online, which has improved the financial services inclusiveness and availability in remote areas, and promoted the fee reduction policy to take effect. On the basis of a whole-bank unified 50BPS reduction in inclusive finance loans, the Bank gave an additional 20-30BPS preferential authority to the northeast and northwest regions, and an additional 20-25BPS preferential treatment to industries that are greatly affected by the pandemic, such as freight logistics. The Bank implemented “Ten exemptions and four reductions” for the inclusive loan business fees, and reduced and exempted 59 items of fees for small and micro enterprises and individual industrial and commercial households. In the past three years, the Bank reduced or exempted a total more than RMB100 million in various fees, and reduced a total of RMB155 million in interests for 150,000 inclusive SME customers.

“Ten Special Actions” to fulfil missionary committee China Bohai Bank focuses on inclusive finance and comprehensively improved the service quality and efficiency for helping and benefiting enterprises



At the beginning of 2023, Tianjin Government Work Report proposed that in the next five years, Tianjin will anchor high-quality development and solidly promote “Ten Special Actions”. As the only national joint-stock commercial bank headquartered in Tianjin, the Bank fully promoted the implementation of the “Ten Special Actions”.

Focusing on upgrading inclusive finance and continued to promote the incremental inclusive finance expansion. In recent years, the Bank has further promoted the construction of a long-term mechanism of “lending boldness, willingness, capability and shrewdness”, steadily increased the credit supply, optimized the credit structure, and scientifically and accurately bailed out enterprises from difficulties. In addition, the Bank made every effort to improve the financial service quality and efficiency, continued to promote the incremental inclusive finance expansion, and strongly supported Tianjin’s real economy development with practical actions.

The Bank formulated “28 measures to stabilize the economy”, “22 measures to help stable Tianjin economic growth” and “18 measures to help Tianjin SMEs solve problems”, and set up a “Special class to serve and support Tianjin business development” to ensure financial security in key areas in Tianjin, so as to achieve “priority in quota, priority in approval, and unlimited investment”. For businesses that need principal repayment postponing and loan renewal, the Bank insisted on extending the loan as long as possible.

In terms of serving SMEs, the Bank insisted on “reducing costs”, and gave Tianjin and other key areas additional preferential 20-30BPS on the basis of a unified 50BPS reduction of the loan interest rate in inclusive finance, and an extra discount of 20-25BPS for freight logistics and other industries. For inclusive loans, the Bank exempted 10 fee items, and implemented minimum standards for 4 items. In terms of payment and settlement, the Bank exempted, reduced or conducted preferential charges in 59 items for SMEs and individual industrial and commercial households.

In the process of the inclusive finance development, the Bank continuously innovated its products and deepened scenario services. At present, the Bank has built a multi-scenario, multi-level and multi-dimensional inclusive finance product system, and launched innovative and inclusive products such as “Boyin Business Loan”, “Boyin Commercial Loan” and “Boyin Housing Loan”, all of which can achieve full online operation and provide “worry-free, time-saving and money-saving” financing services for SME owners and individual industrial and commercial households. In addition, in the logistics and transportation, government procurement, medical care and other inclusive finance sub-scenarios, the Bank built a personalized financial service plan. For example, the “Government procurement loan” product can be connected with the government procurement system to provide online access to the bid-winning suppliers and offer them working capital loan services. In terms of medical care, the Bank connected with the government’s “Jin Xin Rong” platform and provided working capital loan services for designated medical institutions and retail pharmacies based on medical insurance data.

Meanwhile, the Bank continuously strengthened financial technology empowerment. The Bank made full use of big data and other technologies to conduct integrated evaluation of big data information such as customer information, credit information, justice, taxation, industry and commerce, and built a more comprehensive and accurate customer portrait, so as to continuously innovate and develop online products and improve inclusive financial service efficiency. On the other hand, the Bank developed multiple online service platforms to ensure that customers can get online financial services such as application, withdrawal and repayment through online banking, mobile banking, WeChat Mini programs, WeChat official account and other platforms, so as to improve financing convenience for SMEs and make inclusive finance services widely available and accurate.



Improving service accuracy to support small and micro enterprises

The Bank took the initiative to connect with the small and micro enterprises, made in-depth research on the industry features, formulated a white list, and focused on regional characteristic industries, advantageous industrial clusters, core supply chains and characteristic industrial parks around the circles and chains, systems, platforms, ecosystems and scenarios. The Bank made and conducted batch distribution of a number of white lists of key real estate projects, core enterprises, guarantee companies and technological innovative enterprises, so as to carry out targeted top-down batch development and continuously expand the customer scope of small and micro enterprises. The Bank continued to increase marketing visits and took the initiative to visit the local Federation of Industry and Commerce. In addition, the Bank established contact with various small and micro enterprises through the Federation, accurately understood their financial service needs, and formulated service plans and product strategies in a targeted manner.

The Bank formulated a “white list” marketing strategy to accurately help the high-quality development of high-end manufacturing, green manufacturing, intelligent manufacturing and other industries, and continued to guarantee special marketing for “high-tech enterprises” and “state-level specialized, sophisticated, unique and new businesses and little giant firms”. The Bank formulated the marketing list of key customers included in the technology innovation refinancing policy, organized the whole Bank to carry out special marketing activities, guided branches to actively establish contact with local government departments such as the Bureau of Industry and Information Technology, the Science and Technology Bureau, the Science and Technology Innovation Center, and the Science and Technology Park Management Committee, and screened SMEs that meet the access standards for proactive services. In addition, the Bank made

full use of technological innovation refinancing tools, gave preferential guidance prices and internal fund transfer pricing support, vigorously supported technological innovation SMEs, and helped key core technology research and independent innovation.

Anchoring the goal of benefiting enterprises and the people, and focusing on effects of fees reduction



As a state-owned financial institution with warmth and responsibility, the Bank practiced the political and people-oriented nature of finance, implemented the national decision-making arrangements, conscientiously executed the regulatory policy requirements, and issued the Notice on Adjusting the Price of Some Services to Improve Service Quality and Efficiency. On the basis of the previously implemented fee reduction policy, the Bank has further intensified the efforts to reduce fees, and made more endeavors to support the real economy development and enhance the financial consumption experience.

All along, the Bank has maintained a low charging standard, effectively benefited the real economy, and played the payment service role for the people and the enterprises. In the price list, the Bank exempted 46 service charge items according to government regulations and 76 market-regulated price items (41 items for individuals and 35 items for corporates). For small and micro enterprises, the Bank made particularly clear to implement a free charge policy for eight items, namely the bank acceptance bill risk exposure occupation fee, bank confirmation letter, credit certificate, loan commitment letter, bank credit certification fee, prepayment penalty fee, corporate account overdraft fee and financial consultant service fee. The Bank also clarified to implement the lowest charge policy for seven items, namely guarantee issuance fee, guarantee amendment fee, letter of credit confirmation fee, bank external non-financing guarantee issuance, bank external financing guarantee issuance (including standby letters of credit), modification of external non-financing guarantee issuance and modification of external financing guarantee issuance (including standby letters of credit).

In the Notice on Adjusting the Price of Some Services to Improve Service Quality and Efficiency, the Bank further introduced measures to benefit enterprises and the people, such as canceling the commercial bill product cost, reducing the bank acceptance bill handling fee, reducing or exempting the printing fee of personal deposit account statements, and implementing cost-based pricing for the safety certification tools. Meanwhile, in order to help qualified small and micro enterprises and individual industrial and commercial households enjoy the fee reduction, the Bank continued to publicize the policy, and accurately pushed the policy to market players through online and offline channels.

With a series of measures to continuously strengthen service price management, sort out, streamline and integrate existing charging items, and deeply explore the fee reduction room, the Bank reduced or exempted a total of RMB1,481 million in market-adjusted fees from 2021 to 2023.

Qingdao Branch continued the “Branch Head’s Visit to Small and Micro Enterprises”



In order to further strengthen and improve the financial service mechanism for small and micro enterprises, and build and improve the inclusive financial system, Qingdao Branch launched the activity of “Branch Head’s Visit to Small and Micro Enterprises”, which was led by branch leaders and sub-branch heads, and joined by management departments and business departments, and continued to carry out the visiting activities. As of the end of 2023, Qingdao Branch had visited 28 local characteristic industries and innovative small and micro enterprises such as Qingdao Wilhelm Denture Technology Co., Ltd. and Qingdao Younite Shangpin Food Co., Ltd.

Based on its own development and business characteristics, the branch visited and investigated small and micro enterprises, learned their urgent matters, deeply understood their financial service needs, answered questions and made suggestions face to face for their development, and laid a foundation for excellent financial services.

Suzhou Branch successfully issued the first “Seeding Loan” for small and micro technology enterprises



On 16 August 2023, Jiangsu Branch successfully made the first working capital “Seeding Loan” amounting to RMB5.00 million to Jiangsu Hensun Information Technology Co., Ltd.

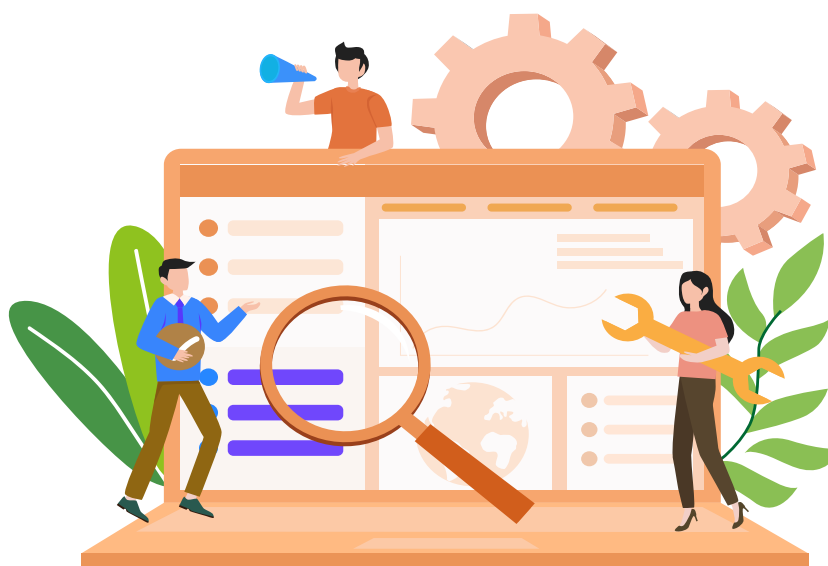
As a new product jointly launched by banks and the government, “Seeding Loan” was aimed at technology enterprises in Suzhou Industrial Park, and solved the financing problem for technology SMEs with strong innovation, high technology level and good market prospects. As a financial institution that signed the “Seeding Loan” cooperation agreement with the Suzhou Industrial Park Enterprise Service Center, the branch first made the “Seeding Loan” to a high-tech enterprise that had provided hospital intelligent information system integration services, data processing and other supporting services. Through the on-site visit and the analysis of various business indicators, the branch tailored the credit financing scheme, and received full affirmation from the customer.

Changsha Branch took various measures to make loans to relieve small and micro enterprises



In 2023, Changsha Branch increased its support for small and micro enterprises, helped stabilize market players, employment, entrepreneurship and economic development in Hunan, and introduced a number of measures to make loans to relieve small and micro enterprises.

First, the branch firmly established the business philosophy of serving small and micro enterprises, optimized the loan structure, increased the lending strength to small and micro enterprises, and provided loan services based on their real trade background and actual capital turnover needs. The branch formulated special policies around the needs of small and micro enterprises, and continuously increased resources support to key regions and industries. Second, the branch optimized and refined the loan pricing level, and implemented differentiated internal pricing. On the basis of the 50BPS general discount for inclusive finance loan FTP, sub-branches with better business assessment results for small and micro enterprises were encouraged to further increase the internal pricing discount. By increasing the internal fund transfer pricing discount and then the external guidance price, the branches reduced the financing cost of loans for small and micro enterprises. Third, the branch vigorously promoted the launching of featured inclusive finance products. According to the Head Office's product system of "Big data, strong guarantee, housing mortgage", the branch vigorously promoted the launching of products such as small loans Express Pass series products, Boyin Housing Loan, Boyin Business Loan and Boyin Commercial Loan. Fourth, the branch increased the publicity of inclusive finance service. The branch organized all business outlets within the jurisdiction to set up publicity boards, posted the Announcement of Measures for Inclusive Finance Benefiting Enterprises, printed the pamphlets of the Announcement, and repeatedly played it on the electronic display screen in the outlets.



Financial Contribution in rural revitalization

With capital as its core element, the Bank commenced financial services for rural revitalization by allocating more internal resources and enhancing the innovation of agriculture-related financial products. As of the end of 2023, the balance of agriculture-related loans of the Bank amounted to RMB56.313 billion, representing an increase RMB5.742 billion or 11.35% as compared to the previous year. the balance of inclusive agriculture-related loans of the Bank increased by 24.67% as compared to the previous year, completing 183.71% of the credit plan of the year, of which the balance of loans to areas lifted out of poverty increased by 321.89% as compared with the beginning of the year.

Enhancing financial services for rural revitalization

The Bank took the initiative to work closely with various industries to implement the development strategy of inclusive finance, and injected vitality into the rural revitalization through financial contribution. First, the Bank implemented a differentiated preferential mechanism for the inclusive agriculture-related loan business, set a weighting of risk assets at 75%, and implemented financial support policies for rural revitalization through differentiated parameter setting, so as to provide financial services and capital support to enterprises and people in poverty alleviation counties. Since 1 September 2023, the number of free domestic inter-bank ATM withdrawals of the “Rural Revitalization Card” will be increased from 5 withdrawals per month to 10 withdrawals per month, enabling more agriculture-related customers to enjoy exclusive benefits. Secondly, the Bank established a long-term poverty alleviation mechanism that alleviate poverty through consumption. The Bank increased the income of farmers through procurement by labor unions, special counters in the head office restaurant, new agricultural sales segments through mobile banking, such as “Gansu Poverty Alleviation”, “Hebei Poverty Alleviation”, “Tibet Poverty Alleviation”, “Xinjiang Poverty Alleviation”, as well as group purchases initiated by our employees.

Strengthening product innovation to better serve rural revitalization

First, the Bank continued to accelerate product optimization and upgrading of “Bohai Farmer Loan”, optimized the system on the basis of “disconnected direct connection” and enhanced customer experience catered to the needs of farmers. As of the end of 2023, the accumulated investment in Bohai Farmer Loans exceeded RMB500 million, the business of which covered the entire Jilin Province. The amount of loans disbursed in the original poverty areas and counties accounted for 37.65% of the total amount of loans disbursed. Second, in line with the characteristics of regional agricultural development, the Bank developed and launched a range of agricultural products, such as “Bohai Food Loan”, “Bohai Cattle Loan” and “Bohai Farmer Loan - Inclusive Farming”, which continuously enriched the spectrum of agricultural products and enhanced the quality of financial services to support the full implementation of rural revitalization.

“Bohai Farmer Loans” prepares to drive spring ploughing with loans



In order to help spring ploughing, in early 2023, the Bank increased credit supply, expanded insurance coverage, ensured to meet reasonable credit demand for spring ploughing, and innovated in various ways and different levels to support agriculture and farmers. Relying on innovative “Bohai Farmer Loans” product, Changchun Branch reached the “last mile” of rural financial services, which had effectively guaranteed the spring ploughing fund demand. During the spring ploughing period, the “Bohai Farmer Loans” made loans amounting to over RMB100 million.

In order to effectively help farmers seize the opportunity of farming season, the Bank’s head office and branches cooperated to increase the application loan quota, reduce the product interest rate and adjust the account function in the shortest time, and achieved three product upgrades, which strongly supported the regional spring ploughing and preparation. The Bank established a “Bohai Farmer Wealth” WeChat service group, and organized farmers and agricultural workers to carry out online exchange, extending financial services to the fields. While serving farmers, China Bohai Bank continuously increased cooperation depth and breadth with agricultural enterprises. Changchun Branch actively participated in supporting the “rural vitalization” in Jilin Province and promoted the “Ten Million Beef Cattle Construction Project”.

“Bohai Farmer Loans”, an online one-stop product jointly created by the Bank and Jilin Financial Holding Group in 2019, supports farmer financing through technological innovation, and provides farmers with a full-line process from application, approval to lending, breaking through the physical limitations and extending the reach of financial services in an all-round way.

Hohhot Branch actively explores the innovation of grain storage supply chain model



At the beginning of August 2023, Hohhot Branch visited the leading enterprises in agriculture and animal husbandry in Bayannur City to learn more about the cargo flow and capital flow between the enterprises and the upstream grain distributors during the grain storage period, and made a special financing plan for the customers.

This plan was a short-term working capital loan with the grain and oil company as the core enterprise, on the back of the trade contract between the core enterprise and the grain distributor. It took the qualified corn, sunflower seeds or other grain stocks purchased and recognized by the distributors as the pledge, and was specially offered to the distributors for grain purchase and targeted sales to the grain and oil company.

Multi-level service system to promote technological innovation

The Bank actively studied and formulated marketing lists for high-quality development technology companies, improved the accuracy and directness of financial services and actively increased credit granted to key enterprises and projects in the lists of technological small and medium-sized enterprises (SMEs), innovative SMEs, national high-tech enterprises, provincial “specialized, sophisticated, unique and new” SMEs, national “specialized, sophisticated, unique and new” small giants, enterprises leading an individual field of the manufacturing industry, national technology innovation demonstration enterprises, and pioneer enterprises, which are regularly published by the National Development and Reform Commission, Ministry of Science and Technology, Ministry of Industry and Information Technology, so as to increase the coverage of customer account opening and credit coverage. Focusing on the current development pain points and difficulties of technological enterprises, such as “light assets, high investment, rapid growth and strong volatility”, the Bank continued to enrich and improve its basic products, combination products and project products, increase the innovation of specialty products and accelerate the launch of products catering to the characteristics of technological enterprises, such as “Technology Express Loan”, “Listing Loan” and “Enterprise Innovation Credit Loan”, which provided technological innovations with resources that best suit their needs and circumstances.

Multi-level financial service system helps the construction and development of Tiankai Higher Education Innovation Park



In 2023, the Central Financial Work Conference put forward “Making great efforts in five fields of technology finance, green finance, inclusive finance, pension finance and digital finance”. The Bank closely followed the spirit of the Central Financial Work Conference to place finance-empowered technology enterprises in a prominent position and make steady progress on the road of helping high-quality development.

As one of the important measures for the “Ten Special Actions” related to the long-term Tianjin development in the next five years, Tianjin Tiankai Higher Education Innovation Park (Tiankai Park), plays a key role in promoting independent innovation. It officially opened in May 2023. The Bank took stance in Tianjin to serve Tianjin, conducted in-depth research on the financial service needs of technology enterprises in the Park, and tried every means to enrich technology financial products, improve service quality and build a multi-level financial service system. The Bank granted a total credit of more than RMB110 million to Tiankai Park, and provided financial services to over 10 technology enterprises and over 50 technology talents, highlighting the political responsibility and efficient and agile services as a Tianjin local financial state-owned enterprise.

Tiankai Park has 50 universities and colleges such as Nankai University and Tianjin University, takes the innovative development model of “discipline + talent + industry”, continuously improves the level of technological achievement transformation and commercialization, and increasingly gathers innovative

enterprises with independent intellectual property rights and core competitiveness. Faced with the various needs of different types of technological enterprises at different development stages, the Bank gave full play to its advantages as a local legal entity and national financial institution, and led local branches to provide wide-channel, multi-level, full coverage and sustainable financial services to technology enterprises with a whole life-cycle service model.

In order to vigorously support technology enterprise innovation and entrepreneurship, the Bank took Tianjin Branch as the key fulcrum, strengthened investment and loan linkage with a number of funds, increased financial support for technology enterprises in Tiankai Park, and aimed at the investment and incubation of key areas, key industrial chains and key projects in seed stage and initial stage. The Bank provided entrepreneurial guidance services in equity financing, consulting, market positioning, team management and resource integration, and incubated a series of star projects and products, thus realizing enterprise cultivation with “fertile soil”. The Bank has approved more than RMB80 million of credit funds for Tiankai Group and enterprises in the Park, and provided financial services for over 10 technology enterprises.

Taking talents as the starting point, the Bank made full use of the boosting role of financial resources, supported the deep integration of innovation chain, industrial chain, capital chain and talent chain, conducted in-depth cooperation with Tiankai Park, and actively provided personalized and diversified financial support for professional high-end technological talents in the Park by means of centralized time period, white list access and quick and active credit granting. The Bank established a comprehensive financial service system for high-end talents in Tiankai Park, opened up the fund chain with talent chain, and helped technological innovation with talent finance. Under this model, the Bank has actively granted credit of over RMB30 million to high-end talents such as project leaders, professors and academicians of enterprises settling in Tiankai Park, to help them in scientific research, technology development and achievement commercialization.

In order to provide enterprises with more diversified financial service products, accurately serve enterprise development in the park and realize the “two-way empowerment” of horizontal and diversified service between bank outlets and the Park, the Bank actively promoted the site selection and preparation of Tiankai Park financial outlet, and officially opened the Tiankai Park sub-branch on 1 November 2023. The sub-branch actively cooperated with Nankai District Government Affairs Office to hold the “Tiankai Park Enterprise Financial Service Activity” for enterprises in the park, and timely delivered fee reduction, credit financing and other comprehensive service policies to them.

Tiankai Park is changing with each passing day, transforming Tianjin’s rich technology resources “into a “power source” for innovation and development, and continuously promoting the major national strategy of Beijing-Tianjin-Hebei coordinated development. Under the Tianjin SASAC guidance, the Bank led the municipal financial institutions and Haihe River Industrial Fund to successfully hold the first series of activities with the

theme of “Hundred Enterprises Entering Tiankai”, and invited high-growth technology enterprises from all over the country in the fields of information technology, high-end equipment, new materials, new energy, energy conservation and environmental protection, and biomedicine. The Bank understands the determination and strength of Tianjin Municipal Party Committee and Municipal Government to build scientific research platform agglomeration area, business incubation demonstration area, innovation policy source leading area, reform and opening-up experimental area and innovation and entrepreneurship vitality area, knows the development planning and support policies of Tiankai Park, and comprehend the way of banks, funds, securities, trusts and other financial institutions to serve technology enterprises, so as to help Tianjin’s high quality development.



On 2 September 2023, at the launching ceremony of the Tiankai Park theme series activities of “Hundred Enterprises Entering Tiankai”, the Bank issued the “Joint Declaration of Tianjin Municipal Financial Enterprise Supporting Technology Enterprises” on behalf of Tianjin financial enterprises, and signed a letter of intent for cooperation with the enterprises entering the Park.

Changing “Technology Flow” into “Fund Flow” to boost the rapid technology enterprise Development



The Bank has a mission to help build an active financial market, smooth financing channels and create a good financial environment, so as to guide more funds into the technological innovation field, and promote the continuous improvement of the intensity and level of financial support for technological innovation. In recent years, the Bank has adhered to the whole life-cycle service model to support the real economy development, especially in the fields of new generation information technology, high-end equipment manufacturing, new energy, new materials, biomedicine and other high-end products, and has given financial support for the accelerated development of a large number of “specialized, sophisticated, unique and new businesses” at critical stages.

A joint-stock company in Tianjin is a state-level high-tech enterprise mainly engaged in R&D and manufacturing of transmission equipment. Its self-developed reducer equipment has broken the monopoly pattern by foreign brands in the transmission equipment of important industrial fields, and has been recognized as a “killer” product by Tianjin Science and Technology Commission. Combining its technological and product advantages, the Bank actively provided technology loan products, opened up a “green channel for specialized, sophisticated, unique and new businesses”, granted RMB10 million mortgage-free credit lines and exclusive preferential interest rate, and optimized repayment methods to meet its capital flow needs.

Similarly, when serving a state-level high-tech enterprise focusing on “construction 3D printing” and “intelligent construction”, the Bank valued the patents over their hard assets, and issued intellectual property pledge loans in accordance with the “Bohai Technology Enterprise Exclusive Service Scheme”, thus alleviating their financial difficulties. “Thanks for financing us so quickly without mortgage, and we feel much less financial pressure all at once.” Mr. Li, the person in charge of the company, said gratefully.

Constructing infrastructure to fill shortfalls and benefit people’s livelihoods

In 2023, the Bank actively supported infrastructure construction that fills shortfalls and benefits people’s livelihoods and made investments in infrastructure to make full play of their strategic, fundamental and pioneering advantages. The Bank focused on supporting cross-regional transportation and logistics networks, renovating new energy systems, agricultural and water resources, social service, and new infrastructure industry chains. The Bank selected and supported outstanding projects with a certain level of profitability, relatively mature conditions and in line with national and local development plans. In addition, the Bank kept abreast of the trend of government investments and actively participated in syndicated loans to support the construction of key projects. The Bank also fully utilized investment subsidies and subsidized loans to proactively support the digital, intelligent and environmental upgrade and transformation of the traditional infrastructure industry. In addition, the Bank implemented the strategies of the Central Government on the “three major projects”. In terms of public infrastructure construction, the Jinan branch made the first investment in the debt financing instrument for “daily and emergency circumstances” in the national bond market and supported the issuance of medium-term notes by Shandong Yiyang Healthcare Group (山東頤養健康集團).



Promoting regional economy through 10 initiatives

Headquartered in Tianjin, the Bank serves for the functional positioning of Tianjin by leveraging on the advantages of the headquarter of a national joint-stock commercial bank, and is committed to revitalizing its stock and growth and enhancing its quality, which enabled the Bank to integrate into the development of Tianjin with a higher level of financial services. The Bank implement the “10 initiatives” to help Tianjin in building a modern socialist metropolis with “quality development, high level of reform and opening up, quality life and efficient governance” with its efforts.

At the same time, the Bank actively integrated into the national regional development strategy and actively supported the construction of Beijing-Tianjin-Hebei, the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area. Highlighting the functional positioning and comparative advantages of each region in terms of resource endowment, the Bank focused on regional special development and formulated regional credit strategies in accordance with the principles of “conforming to regional development planning, possessing advantages in terms of resource endowment, fitting in with the development strategy of the branch, possessing a foundation for industry research and possessing the appropriate management capabilities”.

Building a new ecosystem of bank-trust cooperation and empowering Tianjin’s high quality development



In order to thoroughly implement the spirit of the Central Financial Work Conference, give full play to its role as a Tianjin local corporate financial institution, actively explore the organic combination of banking services and trust management, build a new ecosystem and achieve synergy, deepen financial service for Tianjin real economy, and empower local high-quality development, Tianjin Branch signed a comprehensive strategic cooperation agreement on with Northern Trust 11 December 2023, and simultaneously launched the “Trust Wealth Exclusive Card” jointly developed by both parties.

The signing is the concrete practice of Tianjin state-owned enterprises to implement the spirit of the 20th Party Congress and the deployment of “Ten Special Actions” for high-quality development. Based on high-quality service to customers and regional development, the Bank has continuously innovated its service model, deepened its cooperative relationship with Northern Trust, broadened the financial service coverage, demonstrated its responsibility as a financial institution in providing high-quality financial services for Tianjin's economic and social development, and created a “Bohai+” financial business card for coordinated development.

Creating a new highland of port financial ecosystem and promoting the Tianjin port-city integrated development



On 28 April 2023, the Bank signed a tripartite strategic cooperation agreement with Tianjin Port (Group) Co., Ltd. (Tianjin Port Group) and Bohai Property Insurance Co., Ltd. (Bohai Property Insurance). In accordance with the principle of “complementary advantages, steady implementation, long-term cooperation and common development”, the three parties established a comprehensive strategic partnership for the future and jointly promoted the deep integration, mutual support and overall development of Tianjin port, industries and the city.

According to the progressive and synergistic relationship of port direct industries, dependent industries, symbiotic industries and related industries, the Bank designs and builds the “port financial ecosystem” comprehensive financial service plan. Through financial service innovation, the Bank assists the port to further gather business elements, promotes development of logistics, warehousing, finance and other industries, and helps build industrial clusters with regional characteristics. The development of industrial clusters will improve urban housing, commerce, medical care, education and other supporting facilities, and form the port economic patterns and port-industry-city overall linkage development.

In the economic and trade business, the Bank launched a number of innovative products represented by “CBHB Global Payment”. “CBHB Global Payment” aims to solve the pain points in international settlement, which can realize the full transparency of cross-border remittance fees and the traceability of remittance status, and provide customers with an online cross-border payment of faster transaction speed, higher transparency and stronger security.

Shanghai Branch achieved results in promoting the high-quality integration and development in the Yangtze River Delta region



In 2023, around the national strategic plan for the integrated Yangtze River Delta development, Shanghai Branch took the initiative and made precise efforts, closely followed the two key words of “integration” and “high-quality”, integrated financial resources into the overall local development and participated in the construction of the Yangtze River Delta financial service area.

As at the end of September, the 23rd China International Industry Fair was held in Shanghai with the theme of “Carbon Circulation New Industry, Data Gathering New Economy”. The branch actively participated in the industry finance cooperation, hosted two docking meetings in the “Yangtze River Delta High-end Industry and Financial Services Exhibition Area”, and recommended financial products such as “SME Technology Loan”, “CBHB Global Payment 4.0”, “New Generation Bill”, “China Reverse Factoring” and “Electronic Guarantee”, focusing on SMEs, cross-border trade, digital transactions and other fields in a targeted manner, so as to truly help corporate customers enjoy full-cycle financial services.

The branch actively opened up channels such as industrial parks, industry associations, chambers of commerce and government guidance funds, built high-quality customer acquisition platforms, enhanced the overall customer acquisition capacity, and established a “One body and two wings” customer acquisition channel. “One body” refers to Shanghai Federation of Industrial Economics, which has more than 400 member units, covering more than 60,000 units including advanced manufacturing, strategic emerging industries and modern service industries. “Two wings” refer to the G60 Technology Innovation Corridor in the Yangtze River Delta, Shanghai Science and Technology Venture Capital (Group) Co., Ltd., and the policy financing guarantee fund for SMEs, which carry out multi-level cooperation through list sharing, bank-enterprise exchange, customer introduction and product promotion. As of the end of 2023, the branch supported a total loan balance of RMB3.988 billion for the “Yangtze River Delta integrated development”. Among them, the loan balance for “Jiangsu, Zhejiang and Anhui provinces” was RMB57 million, which was invested in preschool education and manufacturing. The loan balance for “G60 Technology Innovation Corridor in the Yangtze River Delta” was RMB3.794 billion, which was invested in manufacturing, leasing and business services, while the loan balance for the “Yangtze River Delta Ecological Green Integration Development Demonstration Zone” was RMB137 million.

Xi'an Branch made remarkable achievements and received informed praise for supporting the development of key enterprises and projects in Shaanxi



On 22 August 2023, Shaanxi Finance Work Briefing reported the phased achievements of Xi'an Branch in supporting the direct financing of local real economy with the title of “Xi'an Branch of China Bohai Bank actively uses various debt financing tools to support key enterprises and projects in our province and achieved remarkable results”. “Lending has always been the main battlefield of banking competition. In the face of fierce market competition, Xi'an Branch of China Bohai Bank has comprehensively promoted transformation and innovation, deepened the regional bond market, actively used various debt financing tools, and continuously enriched enterprise financing channels and methods. On the one hand, the branch created a competitive advantage and established a brand image in finance serving the real economy. On the other hand, the branch implemented the policy requirements of increasing the direct financing proportion and ensuring the capital needs of key enterprises and projects in the province, and contributed financial strength to the province's high-quality economic development.”

The branch successively issued the first “special bond for securing energy supply” with RMB900 million for Shaanxi Yushen Energy Development and Construction Group, which strongly supported the construction of energy and heavy chemical industry base in northern Shaanxi. The branch issued RMB800 million of medium-term notes for Xi'an High-tech Holding Co., Ltd., which deeply supported the phase III development and construction of Xi'an High-tech Zone. The branch issued RMB900 million of ultra-short-term commercial paper

for Shaanxi Construction Engineering Holding Group Co., Ltd. and RMB1 billion of ultra-short-term commercial paper (technology bills) for Shaanxi Construction Engineering Co., Ltd., established the technological innovation image for enterprises in the open market financing, and effectively helped enterprises improve financing quality and efficiency. The branch registered and issued RMB3.176 billion of financial direct financing tools for key areas in the high-tech zone and the Xixian New Area, providing a new model for supporting the transformation and upgrading of traditional industries and new track projects of strategic emerging industries in Xi'an City. The above-mentioned key projects have been highly recognized by the Shaanxi provincial government for their remarkable economic and social benefits and strong industry-leading demonstration effect.

Focusing on the manufacturing industry as a cornerstone of the real economy

Manufacturing industry is one of the cornerstones of the real economy and the development of an advanced manufacturing industry is an important national strategy. As the main force supporting the development of the real economy, China Bohai Bank implemented the decisions made by the state and various levels of government to support the manufacturing industry, focusing on the key development of the real economy within the manufacturing industry. The Bank also continuously increased its financial support to enable technological innovation and the solid development of an advanced manufacturing industry.

Against the background of the transformation and upgrading of the manufacturing industry, interruptions and blockages in China's industrial chain is still prominent issues, while the development of key areas is still restricted. "Specialized, sophisticated, unique and new" enterprises are located in the key points of the industrial chain and play an important role in addressing bottle-neck problems, which is important in enhancing the resilience of the industrial chain and the supply chain. In recent years, the Bank continuously optimized its product system, built an enabling system, created an efficient ecosystem for the synergistic development of the financial and industrial chains and continuously improved the precision and professionalism of its financial services, which empowered the development of "specialized, sophisticated, unique and new" enterprises and supported the transformation and upgrading from "made in China" to "made with China's intelligence".

Manufacturing enterprises, especially "specialized, sophisticated, unique and new" enterprises, require large initial investment and long investment period, which resulted in large financing needs and long financing period at the initial project stage for these many enterprises. Focusing on the characteristics of "light assets and heavy intellectual property" of technological innovation enterprises, the Bank successively launched innovative products such as pledge loans for intellectual properties and "Technological Innovation Loan", an inclusive financial product for financing intellectual properties. With the "one enterprise, one policy" customized services, preferential interest rates and the opening of green channels, the Bank established an integrated financial service system throughout the entire life cycle of an enterprise with a range of ancillary services, such as service consulting, clearing and settlement and technological innovation loans.

Introducing “financial resources” to benefit the real economy and continuously “store energy” for high-quality manufacturing industry development



As a national joint-stock commercial bank headquartered in Tianjin, the Bank has always focused on the strategic deployment of Tianjin Municipal Party Committee and Municipal Government to “persist in taking manufacturing as the base and build a strong manufacturing city” and made great efforts to strengthen financial support for manufacturing industry technological innovation, transformation and development. Financial support for manufacturing industry technological innovation, transformation and upgrading and key industrial chain enterprises continued to strengthen.

The Bank closely linked the credit resources allocation with the national development strategy to help transform and upgrade traditional industries and manufacturing industries. On the other hand, the Bank efficiently and reasonably optimized resources allocation, continuously provided financing support for manufacturing industry upgrading and development, provided Tianjin Branch with continuous support in pricing and credit scale, and especially increased the medium and long-term credit resources allocation for manufacturing industries. The Bank made full use of relevant policy tools such as the People’s Bank of China’s equipment renovation and refinancing to reduce the manufacturing enterprise financing costs. Meanwhile, the Bank continued to improve and optimize the service organization mechanism, set up an agile working group to establish an efficient communication mechanism, and ensure excellent financial service for the manufacturing industry.

Focusing on key areas, the Bank comprehensively explored the financial support for the manufacturing industry technological transformation in Tianjin and supported the transformation and upgrading of the manufacturing industries. The Bank focused on the whole life cycle of technological innovative enterprises, strengthened industry analysis and judgment, dug deep into industry characteristics and financial needs, and provided differentiated financial services with industry and enterprise characteristics. In addition, the Bank focused on key areas and weak links, made full use of financial support policies to meet the effective financing needs in the real economy, and systematically improved the financial service efficiency and level.

The Bank continuously optimized its manufacturing products and service models, and launched innovative supply chain products such as Factoring e-finance, Bill e-finance and e-account pass, as well as exclusive products such as Technology Loan and Bohai Business Loan, to serve the R&D capital needs of “specialized, sophisticated, unique and new businesses” in the manufacturing industries. Taking the technology enterprise services as an example, the Bank packaged products and services, including service consultation, bookkeeping, tax payment, salary payment, technology loans, and even a package of supporting services such as employee stock ownership plan financing, and combined with various credit types such as matching intellectual property pledge in different business development stage, and provided “customized” services throughout the life cycle of one policy for one enterprise.

Focus on innovation drive to help development acceleration of “specialized, sophisticated, unique and new businesses”



A computer company is an independent brand and a leading server manufacturer in China. It has been rated as one of the top 100 Tianjin manufacturing enterprises, a seed enterprise to be among the specialized, sophisticated, unique and new businesses, and a leading technology enterprise in Tianjin. The computer company actively participated in the national project of “network of data in East China and computing power in West China”, and urgently needed working capital for expansion.

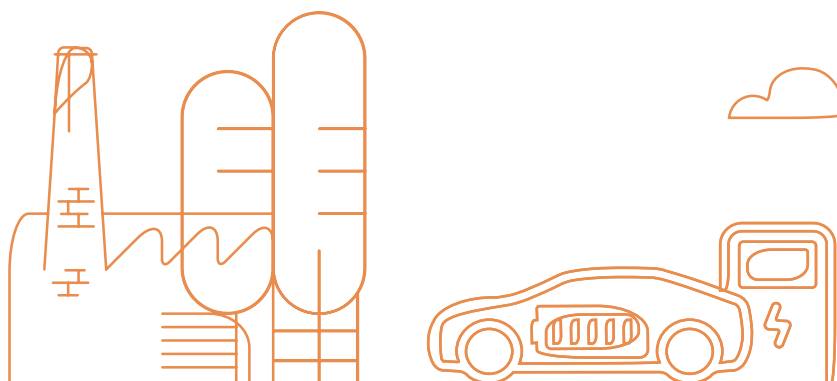
After understanding the situation, the Bank recommended the Technology Innovation Loan comprehensive financial service plan, and finally made a credit loan of RMB10 million. With the strong financial support, the computer company accelerated its development, and has settled in Shanghai for the new intelligent manufacturing base, with an annual production capacity of 80,000 to 100,000 units.

The Bank signed a comprehensive strategic cooperation agreement with G60 Technology Innovation Corridor in the Yangtze River Delta



On 28 March 2023, the launching ceremony of “Shanghai Stock Exchange Capital Market Serving the Yangtze River Delta G60 Technology Innovation Corridor Integrated High-quality Development & Entrepreneurs Entering G60 Series Activities” was successfully held in Songjiang, Shanghai. The Bank signed a comprehensive strategic cooperation agreement with the G60 Technology Innovation Corridor Joint Conference Office.

The activity aims to jointly build a comprehensive capital market service system such as listing, bond issuance, M&A, private placement and refinancing, provide accurate and effective services for technology-based and growth-oriented enterprises in nine cities, strive to improve the financial service level for the G60 Technology Innovation Corridor, innovate and integrate financial product and financial service supply, and fully promote the high-quality development of the nine cities.



Boyin electricity fee certificate helps manufacturing enterprises



Focusing on the customer's business process, the Bank aims at the essential needs of electricity purchase of manufacturing enterprises, targets the pain points such as "high frequency electricity purchase expenditure", "floating electricity pricing", "time-consuming transaction reconciliation" and "inefficient capital occupation" in the traditional electricity payment mode, combined with the power grid policy and industry characteristics, employed the domestic L/C 2.0 service capabilities such as "buyer paying interests, agency payment and online process", and tailored a set of "efficient, collaborative, low-cost, fast cash payment" scenario service scheme for electricity purchase enterprises, electricity sales enterprises, electricity trading service markets, funders and other trading entities, which has promoted a win-win electricity industry ecosystem and easily realized "express charging" of electricity fees.

Boyin electricity fee certificate has been implemented in the green industries. Guangzhou Branch provided "electricity fee certificate" service for a new energy battery high-tech enterprise, helping quick electricity fee payment, worry-free electricity usage, and the Bank's practice of green supply chain service concept.

Qingdao Branch focuses on advanced manufacturing enterprises and supports SMEs



Qingdao Branch actively responded to the city's "new manufacturing" plan to build a strong industry chain, focused on key industrial clusters such as smart home appliances and new energy vehicles, continued to carry out industry analysis and research, and unceasingly increased support for advanced manufacturing enterprises.

In view of the characteristics of manufacturing SMEs, such as small production scale, weak anti-risk ability and low capital, the branch implemented one policy for one enterprise to provide growth loans for growing customers and support the SMEs' development and growth. Enterprise A is a small manufacturing enterprise, and is mainly engaged in the production of auto parts. Since 2021, it has cooperated with the Bank to be an inclusive customer initially with a loan amount of RMB5 million. After nearly three years of follow-up support, the enterprise has continuously expanded its production scale, and gradually increased its fund demand. In 2023, the branch extended a loan of RMB10 million and a bank acceptance bill of RMB20 million, further helping its rapid development.

Financial innovation to improve people's well-being

As a state-owned financial enterprise, we are committed to practicing the people's nature of financial work, and our prosperous development is deeply connected to the people's well-being. In 2023, the Bank further improved its innovative financial service model, made every efforts to ensure sufficient housing supply, livelihood and stability, secure people's well-being. As one of the first commercial banks qualified to engage in personal pension business, the Bank actively promoted the development of the "pension finance" business, optimized our product services with the technology empowerment to facilitate and benefit our customers and provided financial support of RMB1,684 million to address difficulties of our customers by extending mortgage loans and online loans to customers that meet the extension criteria.

Housing support

In line with the market trend of the real estate industry, the Bank reasonably utilized real estate relief policies to ensure sufficient housing supply, livelihood and stability, and provided support in accelerating the construction and delivery of residential projects that are sold, overdue and difficult to deliver. At the same time, the Bank actively implemented the "three major projects", utilized the "three arrows" policy to support the reasonable financing needs of the construction of protective housing projects, built a new real estate model and enabled a benign circle of finance and real estate.

The Bank introduced an innovative service model of "mortgage transfer" for existing individual housing, which effectively lowered transaction costs, shortened transaction time and stimulated transaction activity, and promoted mutual facilitation between the newly built commercial housing and second-hand housing markets to better support rigid and improved housing demand, and facilitated the benign circle and healthy development of the real estate industry. The Bank is committed to transforming its business with digital transformation and establishing a deep cooperation with JD Auction centered around foreclosure loans, embedding loan applications into the online auction page to provide customers with a one-stop financial service model of "online auction - online loan application".

Adhered to the objective of better satisfying the demand for rigid and improved housing, the Bank provided housing support for residents. In 2023, the Bank's mortgage loans amounted to RMB14.831 billion. Strictly adhered to the relevant requirements of the "Notice of Matters concerning Reducing the Interest Rates of Existing Individual Housing Loans for the Purchase of First Housing Units" issued by the regulatory authorities, the Bank rapidly formulated a work plan for the adjustment of existing interest rates, issued announcements through its official platform as soon as possible and opened the online function for customers to simplify the processing procedures while lowering the interest rates of the loans. As of the end of 2023, the existing interest rate adjustment work was basically completed, with 112,800 loans amounting to RMB 87.5 billion made from the adjustments to the existing interest rate.

Pension protection

As the one of the first commercial banks that had obtained the qualification to conduct personal pension business, the Bank is committed to developing the “pension finance” business in 2023 to enhance the service quality for the elderly customer base. Firstly, the Bank built a “five ones” service framework for pension financial services, including “one account, one card, one set of products, one set of services and one team”. Based on the pension debit card “Bohai Loan Card”, the Bank developed the “Bohai Bank E-Finance” pension product service system related to pension savings, pension wealth management, pension fund, pension insurance and pension trust. The Bank also established Botai Club, a service system covering all aspects of life, including “clothing, food, housing, transportation and entertainment”, and is committed to realizing the goal of lifelong companionship with customers.

Secondly, the Bank is committed to developing the personal pension account business. In order to publicize and promote the third pillar of the pension system, in addition to going into the community and enterprises, the Bank also launched the “account opening reward” and “payment and deposit reward” promotions in the personal pension account section of mobile banking, which has opened personal pension accounts for 91,000 customers.

Thirdly, the Bank continued to build a professional team of pension financial planners, relying on our constantly improving professional capabilities to design customized comprehensive pension solutions, which provided full life cycle, full relationship mapping, full pipeline access and full customized considerate accompanying butler services.

Fourthly, the Bank adopted a “financial+non-financial” approach to promote financial and fraud prevention knowledge for the elderly customer base in cooperation with community elderly care, elderly culture and entertainment, elderly service organizations and elderly universities.

Fifthly, in response to the call for personal commercial pension services, the Bank launched a number of pension products. In terms of insurance, the Bank launched five lifelong pension products. In terms of investment, the Bank launched a pension investment trust and a family trust “Bohai Family”, which combined pension services, inheritance and investment to provide customers with one-stop integrated services encompassing pension, inheritance and investment.

The Bank was awarded “Trustworthy Wealth Management Bank of the Year” and “Pension Financial Service Institution of the Year”.



At the “2023 Asset Management Summit and Trustworthy Financial Institutions Ceremony” organized by Economic Observer in September 2023, the Bank was awarded “Wealth Management Bank of the Year” and “Pension Financial Service Institution of the Year” for its outstanding performance in wealth management and pension financial services.

Convenience and benefits

Optimizing credit card functions

In order to enhance the convenience of customers in various payment scenarios, the Bank optimized credit card functions, and has launched the credit card “one-click binding” function on 12 mainstream e-commerce platforms, including Meituan, Pinduoduo, TikTok Shop, Trip.com, Suning, and JD.com.

Monitoring of salary payment of rural workers

In order to safeguard the legitimate rights of rural workers, further improve the long-term salary payment mechanism of rural workers, address the issue of salary non-payment in the engineering and construction industry, effectively protect the legitimate rights of rural workers and facilitate the work life of rural workers, the Bank cooperated with relevant regulatory platforms to enable real-time data exchange of payroll of rural worker, as well as deposit payment, salary payout and fund monitoring functions. At present, the Bank is connected with the Shandong Rural Worker Salary Payment Supervision Platform, Jinan Rural Worker Comprehensive Service Platform and Zhejiang Engineering and Construction Enterprise Salary Payment Supervision Platform, and is in the process of connecting with the relevant platforms in the Tianjin region.

As of the end of 2023, the Bank had cooperated with 17 enterprises to process payroll amounting to RMB325 million to 25,300 persons for the year.

Qingdao Branch builds a community quarter-hour convenient service circle



In 2023, Qingdao Branch made extensive explorations and positive actions, and promoted all sub-branches within its jurisdiction to jointly carry out a series of joint construction activities with the community, actively creating a quarter-hour convenient life circle for community residents and effectively serving the community.

First, the branch carried out financial knowledge popularization activities, and enhanced community residents' awareness of financial risk prevention and improved residents' financial literacy by holding financial knowledge lectures and distributing financial knowledge brochures. Second, the branch organized community convenience service activities to enhance the convenience of residents' lives. Sub-branches and communities jointly organized free lectures, free physical examinations, free consultation and other convenience service activities, so that residents can enjoy faster and more efficient social services. Third, the branch carried out community cultural activities to enrich the residents' cultural life. Branches and communities jointly organized cultural activities such as cultural performances, calligraphy and painting competitions, and photo exhibitions to enrich residents' cultural life and enhance community cohesion.

Ningbo Branch took multiple measures to promote “doing solid work to serve the people”



Ningbo Branch actively implemented the requirements of Ningbo Supervision Bureau of the State Financial Supervision Administration and the Head Office, earnestly promoted the initial concept of “doing solid work to serve the people” and launched the “Education and Publicity Month on the Protection of Financial Consumers’ Rights and Interests”.

Making concerted efforts to build a better financial life

The Branch integrated the concepts of “finance for the people” and “consumer protection for the people” into business management and corporate culture construction, and vigorously promoted the work pattern that integrates the whole process with consumer protection elements, and all employees bear the consumer protection responsibility. The Branch constantly improved the working mechanism of “paying due attention to consumer protection from the source, strengthening consumer protection from the beginning, and major leaders taking the lead in consumer protection”, and clarified the contents and norms of consumer protection work in various departments and sub-branches. The Branch also established a “branch head reception day” system, with the branch head taking the lead in accepting consumer complaints and earnestly “doing solid work for the people”.

Implementing first in the outlets to ensure the financial service environment

The Branch set up green channels at all outlets, provided convenient items such as love seats, emergency medicine boxes, wheelchairs and reading glasses, established a special area for respecting the elderly, and launched services such as “elder edition” mobile banking to optimize the elderly’s financial service experience at physical outlets.

Acting throughout the bank to improve the people’s financial literacy

The Branch actively launched the “Education and Publicity Month for the Protection of Financial Consumers’ Rights and Interests”. The Branch volunteers went into enterprises, schools, rural areas, parks, communities and other places to carry out financial knowledge publicity activities. The Branch carried out a series of financial fraud prevention publicity activities for the elderly, and spread financial knowledge through case explanations and prize-winning Q&As. In addition, the Branch explained personal credit information knowledge for college students, kept them on alert to the harm of “campus loans”, and improved their financial fraud prevention ability.

Beijing Branch Promotes Smart Kindergarten Project



From 18 to 21 May 2023, the 7th World Intelligence Congress was held in Tianjin with the theme of “Intelligence: Extensive Development Space and Sustainable Growth Driver”. The Bank participated the exhibition, and Beijing Branch brought the smart kindergarten system to the exhibition. This system is a service platform for kindergartens under the Bank’s smart campus platform system, which integrates registration and tuition payment, tuition management, access safety, health screening and data presentation. It is a comprehensive service system for kindergartens to improve their scientific management level and realize online, intelligent and mobile service, aiming to reassure the education authorities, the education institutions and the parents.

The system consists of four parts. The first is to build a multi-level account book system for customers through the cash management system, to realize whole process online operations such as kindergarten tuition fee collection, refund and reconciliation, and connect the system with the Bank’s smart campus hardware and software module to output business data for the fund supervision module. The second is to realize information front-end acquisition through hardware equipment. The kindergartens are equipped with hardware equipment for the morning check and temperature screening system to realize face and fingerprint identification and authentication, and intelligent kindergarten management. The third is to collect and manage information and data. Through artificial intelligence + Internet of Things + software system, the system realizes the online and intelligent kindergarten information management, including statistics of daily school attendance, health status, monthly payment details, to provide data support for government supervision authorities. The fourth is to provide financing services. By creating a closed-loop ecosystem scenario of capital flow + information flow, banks, guarantee companies, law firms and evaluation agencies can form a credit evaluation system to provide the kindergarten with inclusive loans and ease their fund liquidity pressure.

Increasing consumption

Developing self-operated consumer loan products to meet diversified consumer needs

The Bank continuously polishes its products, optimizes processes and enhances services to expand consumer consumption and improve people’s well-being. The self-operated consumer loan products can be managed with ease, with a wide range of application scenarios to meet the diversified needs of consumers and provide strong support for promoting consumption and expanding domestic demand. Among these products, the “Golden Collar Loan” is the Bank’s flagship product due to its high credit limit, long maturity period, quick approval and favorable interest rates. The product has been launched for more than two years and market response has gradually increased. As of the end of 2023, the “Golden Collar Loan” had granted credit to 35,600 households, disbursed loan amounted to RMB8.274 billion, loan balance amounted to RMB4.262 billion, representing a year-on-year increase of RMB2.196 billion, or 106.29%.

Launching a new credit card membership club to boost consumption

The Bank upgraded and launched the Himi Club, a new credit card member club. Himi Club offered a variety of benefit packages targeting quality customer bases, such as young urban white-collar workers, to boost customer consumption. In 2023, 48,200 customers met the criteria and the Bank acquired 24,400 members. In order to boost residents' consumption, the Bank joined hands with Suning and JD.com to launch promotions, such as interest-free instalments for credit card purchases and spending rewards, during the Qixi Festival, Mid-Autumn Festival and National Day to alleviate customers' repayment pressure and boost residents' consumption.

Building an intelligent shopping platform to boost consumption and provide benefits

Adhering to the business philosophy of “finance makes life better”, the Bank actively participated in building an intelligent business circle platform to provide benefits to the public. Leverage on the mobile banking life segment, the Bank established a deep cooperation between banks and businesses to provide customers with special and quality services that meet their diversified “finance+life” needs. The Bank continuously improved the comprehensive lifestyle and interest-related services, such as convenient payment, member zone, local business circle, quality mall. In addition to benefits from merchants and banks, the Bank launched various high-quality consumption promotions, such as achievement reward and installment discounts, so as to increase the support to key consumption areas. As of the end of 2023, 30 branches joined hands with merchants such as local supermarket chains to provide special offers to customers, such as “Popular Product Discount”, “Internal Shopping Activities”, “Supermarket Special Offer” and “Hall Discount”. The Bank offered 319,000 coupon, of which 135,000 were used, which significantly boosted the sales volume of the relevant merchants.

Based on “Bohai Bank Membership+Sincere Deposit”, the Bank launched an innovative integrated financial service system for the business circle on the “Bohai Discount” intelligent shopping platform, which efficiently realizes the unified management of individual members and provides comprehensive products and services that meet various scenarios and financial needs, such as targeted top-up, membership system, deposit management and consumption and payment, which acts as a bridge of the financial sector to create new consumption environments, serve new consumers and build new consumption scenarios. In cooperation with quality merchants, the Bank built a “smart business circle” and created a “one-minute convenient life circle” to boost the general public “willingness to spend”.

The Bank had a deep understanding of market demand. It explored the real consumption demand from the perspective of both a merchant and a consumer by establishing a better match between supply and demand with an all-round bundle of offers to boost consumption, especially high quality development in consumption. On the demand side, the Bank constantly improved the “Boyin E-finance” product portfolio which covered the entire market, strategy and pipeline by building an open platform for wealth products and services, and further launched wealth management products for disposable money management including “Tian Jin Bao” and “Chen Xi Ying” which supported a number of consumption scenarios and were more convenient and flexible to use. It also established a professional wealth management team, and put intelligent investment management tools on line to comprehensively enhance the ability to create wealth value, raise income growth

expectations, meet the needs of customers' consumption upgrade, enabling the general public to be "able to spend" peacefully. On the supply side, the Bank capitalized finance as leverage to boost domestic demand and benefit the people's livelihood by launching consumer credit products including "Golden Lending Loan" and "Homeowner Loans" to address the financial needs of residents for housing, home decoration, car purchase, education and consumption. It launched Hi Card, a new generation of digital credit card, created the Hi Card Himi membership system, and increased credit card installment interest rate offers to reduce customer costs, enabling the general public to be steadfastly "dare to spend".

The Bank operated towards integration, digitalization and ecosystem, continuously expanded service boundaries, built win-win platforms and worked with all walks of life to help restore and expand consumption. On 27 October 2023, the Bank held a press conference on the event of "Promoting Consumption to Boost the Economy, China Bohai Bank in Action". The Bank, the Tianjin Commission of Commerce, the Tianjin Administration for Market Regulation, the Tianjin Municipal Bureau of Sports, the Tianjin Municipal Bureau of Finance Affairs, and China UnionPay Tianjin Branch, as well as quality merchants including Yili Group and 58 Group jointly proposed the initiative on the core objective of "promoting consumption to boost the economy".

Serving new citizens

The Bank has implemented the national strategy in depth to continuously strengthen the quality and efficiency of financial services for new citizens. It has customized exclusive repayment methods for new citizens applying for personal housing mortgage loans, and has made efforts to improve the convenience of financial services for new citizens, so as to effectively enhance their sense of gain, happiness and security. In 2023, the Bank made housing mortgage loans with exclusive repayment methods for new citizens of RMB10.316 million to meet the housing needs of new citizens.



Innovating products and optimizing services to help new residents settle in Tianjin



Tianjin is an important hub connecting China and abroad, the north and the south, and the east and the west. In recent years, with the Beijing-Tianjin-Hebei coordinated development, Tianjin experienced rapid economic and social development, and the number of new residents has increased with each passing day. The Bank continued to innovate products and optimize services to help them live and work in Tianjin.

Optimizing financial services such as account opening and salary payment, and strengthening the business outlet account service management. The Bank carried out personal simplified account opening service and formulated corresponding working guidelines, supported remote bank account opening, card replacement, bank account function upgrade & downgrade and account cancellation, and established exclusive services such as door-to-door service mechanism for special groups.

For new residents, housing is always a top priority. In order to make housing affordable, stable and secure, and help them settle, the Bank optimized the housing credit policy for new residents, earnestly implemented the differentiated housing credit policy, and helped new citizens settle in Tianjin. On the basis of existing housing mortgage loan products, the Bank provided exclusive net interest repayment method for new residents, so as to reduce the early repayment pressure on housing loans and better meet settling demands for the new residents that meet the loan access conditions. The Bank opened a green approval channel for new residents, and gave priority to accepting, approving and granting housing loans for them to further enhance the convenience of financial services and customer experience. In addition, the Bank iteratively upgraded products such as “Boyin Housing Loan”, streamlined business processes, enriched repayment methods, and conducted collateral online evaluation, which greatly improved the approval efficiency.

Enhancing Service Quality and Efficiency Through Digital Finance

With technology development and advancement, digital operation deeply affects the different aspects of daily life of people, and brings wave of revolution in various industries. Grasping development opportunities, the Bank takes digital transformation as one of the key drivers for high-quality development. In addition, the Bank continues to develop fintech capabilities with dual drivers of technology and data, and enhance quality and efficiency of comprehensive financial services with digital empowerment.

Comprehensive financial services with digital empowerment

Centering on the concept of “middle platform structure, data driven, intelligent operation, agile and efficient”, the Bank offers customers with all-rounded, three-dimensional and zero-distance comprehensive financial services through different technologies such as cloud computation, artificial intelligence, natural language learning, knowledge graph and big data.

Focusing on fintech enhancement to support business digitalization

The Bank continues to boost technology innovation vitality, and enhance technology innovation empowerment. In addition, the Bank increases its investment in technology for customer, marketing, channel, risk management and other aspects, enhances the building of capability of enterprise-level sharing, strengthens technology empowerment, and improves quality of financial services driven by digitalization.

In 2023, the Bank comprehensively started the construction of key systems for digital transformation. It has completed proposals for the construction of the new generation of distributed core system and counter channel system, the new generation of credit risk management platform and the new generation of comprehensive fund and business management system to fully secure the smooth implementation of construction and help in building digital financial service capacity. Moreover, the Bank commenced special works on branch digital empowerment, and established the “data + application + service” system.

In 2023, the Bank continued to enhance data management capability and strengthened data empowerment. It continued to deepen data governance, effectively unleash the values of data in long run, and support the high-quality development of digitalization. Firstly, the Bank fully promoted digital empowerment, and continuously enhanced digitalization level of businesses. It has established the “all actions can be taken with mobile device” system, which empowered the digital operation of corporate businesses. The Bank conducted the “customer visiting 2.0”, which enhanced the standardization of marketing and customer management and the facilitation of operations. It optimized customer management, strengthened customer labelling system by integrating data within and outside the industry, and introduced big data algorithm to realize lean customer management of the Group. The Bank optimized the mobile cockpit to provide data support for product structure optimization. With the completion of the construction of the new generation of technology framework for retail customer relationship management system and the retail marketing function module of Bohai on the Palm (掌上渤海), the Bank continued to optimized and upgrade digitalized retail marketing. It has established the alert and monitor system integrating credit investigation, finance and credit grant, and continued to improve the basis of risk data. Moreover, the Bank facilitated the development and construction of capital management system, commenced the intermediate business income tracing project construction, and continued to promote finance operation construction. Focusing on areas such as business operational

and production capabilities and business handling capability, the Bank formulated the institution efficiency analysis model and the employee performance analysis model, and conducted multi-dimensional assessment, thereby continuously enhancing capability in operational business efficiency refinement analysis. Secondly, the Bank continued to enhance data management capability. In respect of data governance, the Bank improved the data governance and data security system, thus forming a data security system comprised of “one measure + eight rules”. In respect of data security, the Bank continued to undergo the construction of data security protection system, and enhance its data security management capability. In respect of data quality, the Bank optimized its mechanisms and systems, and implemented a series of measures including EAST data quality “enhancement project”, supervisory inspection and regular training, thus ensuring data quality. Thirdly, the Bank fully promoted the construction of Data Lake and Data Warehouse integration, completed the demonstration of technology proposal for the second-generation data warehouse system, and facilitated the completion of preparations for project establishment. Adhering to the principle of emergency first, the Bank continued to expand and optimize the new data warehouse and data module system. There were over 700 newly added fundamental data modules, over public semantic modules and over 600 market data modules covering five major business sectors, thus providing strong data support for key links of customer service and operation management.

Extensively developing mobile banking and focusing on building the “Boyin E-home” brand

The Bank focuses on building the “Boyin E-home” retail banking service brand, and solidly promotes the progress of integration, digitalization and ecosystem construction. Taking mobile banking as the major channel of customer service, product innovation as the major battlefield and ecosystem construction as the major front, the Bank has successfully issued the 6.2 version of mobile banking, which has been iteratively upgraded around the “finance + life” dual model.

With the development goal of “Better Finance for Better Life”, the Bank’s mobile banking helps every family to make better use of their wealth and optimize their lives, and comprehensively creates a new service experience of inclusive, intelligent, frictionless and warm “family culture” in China Bohai Bank. The Bank focuses on refining high-frequency scenarios such as wealth companionship, financing installment, payment and settlement, life rights services, and content information, enriches our product portfolio of “Boyin E-finance”, “Boyin E-loan” and “Boyin E-payment”, creates special sessions for pension, private banking, agency payment and smart campus, and provides butler-style services integrating exclusive products, market information, industry analysis and special privileges. In particular, the “Bo Lan Hui (渤攬惠)” life rights services platform focuses on services with local characteristics, covering high-quality life scenarios such as

culture and entertainment, rural revitalization, transportation and living payment, and providing convenient and beneficial services for consumers. The Bank optimizes and upgrades mobile banking for elderly, and creates new homepage for elderly deposits. In the intelligent customer service page, the Bank creates quick link for elderly version, which enables elderly to obtain information and services easily, thus further enhancing the experience of elderly customers.

Being customer-oriented, the mobile banking business of the Bank leverages integrated marketing, integrated risk control and integrated data system, and has established an online integrated service platform integrating product, content and customer operation, as well as security control, which is in line with users' thinking process. Equipped with a package of agile and efficient online digital marketing tools, we established a customer portrait model for intelligent and accurate delivery. Through our multi-channel linkage mechanism with Bohai on the Palm (掌上渤海), WeCom account and 5G messaging bank, we achieved accurate and rapid access to multiple customers and multiple customer groups. We customized the asset allocation plan based on customer group features, provided customers with the ultimate service experience with refined and differentiated services, and reshaped the business and service journey with consistency of use, continuity of concept and foresight of innovation.

At the same time, adhering to the "people-oriented payment" service concept, the Bank has continuously introduced various collection and payment functions, such as order payment, online credit, personal and corporate entrusted collection, to meet the fund settlement needs of customers in different scenarios. Centering on the financial needs of different customer groups, the Bank has developed ecosystem service scenarios such as smart business circle, smart campuses and smart canteens. Based on "account payment + financial products", the Bank actively embraces big data, artificial intelligence, cloud computing, blockchain and other technologies, deeply explores and understands the financial needs of customers, embeds digital and intelligent financial services such as intelligent marketing and intelligent risk control, builds a closed-loop ecosystem with the "mobile banking" APP as the core, and constructs an open ecosystem with "open platform" API as the starting point, and strives to provide customers with customized, invisible and ubiquitous financial services.

Empowering traditional business and creating core competitive edges for the new era

The Bank injects digital factors into traditional operations such as corporate business, integrates fintech into product and business innovation, and empowers traditional business development and financial service upgrade with fintech. The Bank conducts digitalization transformation of corporate business such as supply chain finance, cross-border finance, cash management and inclusive finance, strengthens and enhances

competitive edges of corporate business, and gradually improves the capabilities and standards for serving the real economy, thus creating core competitive edges for the new era.

The Bank has been enhancing the digitalization level of operations, and continued to optimize customer base and business structure. Launch of “Boyin e-salary” enterprise digital service brand. Taking human resources management, remuneration management, payroll contracting, individual tax return, cost control and reimbursement, coordinated office, employee rights and other usual scenario of daily operation management as entry points, the Bank successfully launched the “Boyin e-salary” one-stop, all-scenario smart enterprise human resources and financial matters management platform on August 30, 2023. Optimization and iteration of short-term e-loans. Customer can make online application for lending, and the system will automatically verify “credit investigation, industry and commerce, justice and public opinion” data. Entrusted fund can be received swiftly, thus realizing the quick integration between products and customer business scenario, and providing satisfactory services for enterprises in various industries such as dairy industry, farming industry, environment protection industry, pharmaceutical industry, electric manufacturing industry and wind power generation industry. Building of “CBHB Global Fast Payment (渤銀全球速匯)” brand. The Bank has introduced the industry’s first “transparent window + dynamic map navigation” function, bringing brand new cross-border payment and settlement experience for customers. It has upgraded the People’s Bank of China’s electronic L/C and electronic forfaiting system, expanded the application scenarios of the electronic letter of guarantee business, and introduced “Boyin Swift Top-up (渤銀閃電充)” and “Boyin L/C Acceptance (渤銀證兌通)” products, which provided financing convenience for enterprises. The Bank continuously improved the online and automated service capabilities of the new generation of bill products and systems, gave full play to the detachable and transferable nature of the new generation of bills, and enriched the embedding of bills into transaction scenarios, returning to the essence of settlement, and reducing the financing cost of corporate supply chains. Moreover, the new-generation bills business of the Bank has been fully implemented in 34 tier-one branches across China. Electronic channels such as corporate online banking, direct Bank-Corporation Connection APIs and mobile banking continued to iterate their functions. The Bank launched the unique platform for interbank customer business, namely Interbank Online Banking Phase II, which optimized the unique electronic operational channels for interbank customers, and enhanced digital operation capability.

The Bank also applies digital operation in risk management. In the progress of further enhancing its credit risk management system, the Bank further optimizes credit risk management skills and means. The management process is gradually moving towards online and digital. The efficiency of credit approval is further enhanced, while asset quality continues to remain steady.

Special session for smart campus is introduced in mobile banking APP of the Bank



On 25 July 2023, the smart campus special session was successfully put into operation in the mobile banking of the Bank. The Bank completed the product upgrade of smart campus scenario from 1.0 version to 2.0 version. As one of the important measures for digital empowerment, the smart campus special session covered comprehensive services such as campus convenience store, Bo Xue Duo Cai financial class (渤學多財財商課), wealth management product and customer right protection. This project offered diversified payment solutions for administration department of education institutions and schools, and enhances customer experience in smart campus scenario.

Expansion in service channels under customer-orientated principle

The Bank always strives expand services channels under customer-orientated principle. Physical branches and sub-branches are established in accordance with the principle of “quality improvement, efficiency enhancement and cost reduction”, with defined establishment standards and function positioning, as well as outlet distribution under scientific planning. In respect of online service channels, comprehensive service platform is constructed leveraging on the integrated marketing, integrated risk control and integrate data system.

Construction of self-service devices

As of the end of 2023, the Bank was equipped with 611 sets of ATM and CRS devices, including 10 off-bank devices. The Bank successfully completed the construction project of overseas ATM card, upgrade of ATM devices and systems of business outlets in Zhejiang province, and supported Hangzhou Asian Games. The unified payment quota management system for non-counter operation under ATM channels put into operation, providing a solid barrier for anti-telecom and online fraud. The Bank commenced the promotion of new version of permanent residence card within the Bank, and completed the chip reading of new version of permanent residence card and various business activation works in smart PAD channels. In addition, the Bank completed the testing and operation of smart PAD Android hardening pack and adaption of Android and Harmony 3.0 hardware device.

The Bank strengthened technology leadership, and drove the development of device intelligence in depth, thus effectively enhancing external business capabilities of smart device portfolio. During the seventh World Intelligence Congress, the smart device portfolio introduced to the public for the first time, which attracted various media reports, thus enhancing the brand image of smart services. At the 2023 Banker Financial Innovation Forum and Banker Financial Innovation Result Press Conference organized by The Bank and the organizing committee of the Banker Financial Innovation Forum, the “LEFO UCR – smart low cabinet” project won the “2023 Banker Annual Financial Innovation Outstanding Case Award”.

Construction of branches and sub-branches

The Bank has formulated and issued the Notice on Accelerating and Promoting the Construction and High Quality Development of Branches and Sub-Branches, which imposed specific requirements on the acceleration and promotion of opening of institutions. The Bank formulates the supervision plan on key opening on monthly basis, and assigns special personnel in charge of facilitating project progress. The Bank commences training on key progress on the institution construction, and assists branches in formulating preparation plan which defined job assignment, organization and coordination and cross promotion. The Bank visits the branches to show its support and resolve existing problems during the onsite visit. In 2023, a total of 52 outlets (including relocated outlets and outlets relocated for upgrade) were newly opened, completing our opening plan goals for the year.

As of the end of 2023, the Bank has established outlets in 25 provinces, municipalities and autonomous regions, 5 sub-provincial cities and the Hong Kong Special Administrative Region, covering 65 key cities nationwide, and has established 36 tier-one branches (including 3 branches in Suzhou, Qingdao and Ningbo under direct management of the head office and 1 overseas branch), 33 tier-two branches, 283 sub-branches, and 18 small and micro community sub-branches. The total number of officially opened outlets reached 370.

Construction of remote bank

The Bank enhances the online operation of remote bank, thereby expanding the synergy of intensification. With the "Remote Bank Online Manager" WeCom account as the grip, the Bank promotes the lean management of online operation, and strengthens the differentiated operation of centralized customers of remote bank. In addition, the Bank fully implements regulatory requirements, and continuously enhanced systematic construction. During the year, the Bank successively completed the project on work order compliant procedure system covering all fundamental outlets under management and the establishment of 12378 supervision hotline for compliant handling, thereby fully enhancing hotline service operation and management, effectively performing responsibilities, and comprehensively improving service quality and efficiency.

In 2023, the remote bank center accepted a total of 2,826,200 call-in business enquiries from customers through various service channels. In particular, in respect of the 95541 comprehensive business channel, a total of 509,600 customer calls were handled through voice call AI customer service, while 160,700 customer enquiries were handled through online AI customer service. There were a total of 1,262,700 IVR self-service and intelligent customer service conversation. In respect of the 4008895541 credit card business channel, a total of 418,100 customer calls were handled through voice call AI customer service, while 10,300 customer enquiries were handled through online AI customer service. There were a total of 464,800 IVR self-service and intelligent customer service conversations. A total of 1,016,100 smart outbound calls were made to customers.

Guaranteeing Service Quality with Enhanced Management

Striving to put regulatory requirements in place, the Bank has regarded the needs of customers as its top priority as always while closely integrating the requirements of high-quality development and the practices of operations and management. The Bank strengthened system construction, optimized and enhanced service channels, processes and experience, and promoted service innovation, so as to constantly refine its service management and improve service quality and customer satisfaction based upon the construction of service culture.

Enhancing policies and systems

The Bank has formulated and published the Measures for the Assessment and Evaluation of Service Management of China Bohai Bank in 2023 in order to further strengthen the assessment and evaluation of service management and the implementation of service standards.

The Bank has formulated and published the Notice on Further Strengthening the Service Management of the Business Outlets in order to supervise its business institutions at all levels in all aspects to improve the customer service standards of its outlets on an ongoing basis and fully utilize the important role of customer service in guaranteeing and facilitating business development.

The Bank has formulated and published the “12378” Hotline Service Guidelines of China Bohai Bank (Trial), the “12378” Hotline Etiquette and Service Standards of China Bohai Bank, the Implementation Rules for Diversified Settlement of Financial Disputes of the Remote Banking Center of China Bohai Bank and the Credit Card Business Operating Procedures of the Service Hotline Channel Team of the Directly Operated Center of the Consumer Finance and Credit Cards Department of China Bohai Bank, and also revised and published the Management Measures for the Directly Operated Center (2023 Revision), the Management Rules for Outsourcing of Consumer Finance and Credit Cards Call-in and Telemarketing Services of China Bohai Bank and the Telemarketing Business Operating Procedures of the Consumer Finance and Credit Cards Department of China Bohai Bank (2023 Revision), which further optimized the service management model of the remote banking center.

The Bank has revised and published five management systems, namely the Management Measures for RMB Personal Deposits of China Bohai Bank, the Management Measures for Personal Intelligent Deposit Business of China Bohai Bank (2023 Revision), the Implementation Rules for Education Savings of China Bohai Bank (2023 Revision), the Management Measures for Outbound Guarantee Business of China Bohai Bank (2023 Revision) and the Management Measures for Safe Deposit Box Business of China Bohai Bank (2023 Revision), which further specified the relevant requirements for the protection of consumer rights and interests, and complied with the regulations to protect the interests of depositors. The Bank has also revised and published the Management Measures for Personal Pension

Business of China Bohai Bank (2023 Revision) in order to regulate the operations of the personal pension business.

The Bank has formulated and published the Guidelines for Consumer Rights Protection of the Operation Lines of China Bohai Bank, which established and improved the long-term mechanism for protecting consumer rights and personal information, pursued financial literacy and consumer education, and improved the standards of providing counter services.

The Bank has formulated and published the Notice on the Additional Exclusive Repayment Methods for Personal Housing Mortgage Loans for New Citizens in order to facilitate convenient financing for new citizens, meet the reasonable housing needs of new citizens, and enhance the sense of access to financial services.

Optimizing service structure

The Bank restructured the remote banking center to strengthen the customer service attributes and continue to improve the management capabilities of the remote banking ecology. While proactively adopting an intensive operation model and building standardized business scenarios, the Bank has gradually replaced certain single-scenario manual outbound calls with intelligent outbound calls by fully integrating the intelligent outbound call system, thereby improving operating efficiency. The Bank further strengthened the cross-deployment of manpower. By applying strategies such as flexible shift scheduling and timely support for middle and back-office positions based on operating conditions, the Bank made rational manpower allocation to ensure the overall connection rate and service level.

Strengthening service monitoring management

The Bank has established and improved the “multi-level, multi-dimensional, systematic and regular” service quality supervision and inspection mechanism, and continued to strengthen the supervision and inspection on the services of the business outlets. In 2023, the Bank conducted three third-party “mystery customer” service inspections, one third-party expert service inspection, two service video inspections, one on-site service management inspection, one off-site service management inspection, and one special service investigation and rectification, totaling 1,435 inspections of the business outlets and covering all branches. A long-term service supervision and inspection mechanism has been developed in each branch, which would conduct a service inspection every quarter covering all business outlets thereunder, and each business outlet would conduct a service self-inspection once a week.

The Bank has incorporated service management and consumer protection into the daily inspection items of the business operation lines. Through on-site, off-site and unannounced inspections, the Bank supervised and checked the implementation of customer service, bank account service and account risk prevention and control by the counter staff of the business outlets. At the same time, the Bank announced the problems found in the inspections on a regular basis, and included the assessment results in the annual work appraisal of the branches, urging them to undertake service management and consumer protection with a performance-oriented approach.

In order to meet the increasingly diversified service needs of customers and continue to provide 7×24 uninterrupted,

contactless, thoughtful and high-quality services, the remote banking center of the Bank has taken multiple measures to constantly improve service quality and efficiency and strengthen service management. Firstly, the center implemented stringent on-site management and control. It conducted real-time monitoring on the various service indicators for the operators, strengthened the assessment of key businesses, and reinforced the review of key phone calls. Secondly, from “operation digitization” to “digital operation”, the center analyzed customer profiles and behavioral tags based on service data. It developed service strategies by tier and group and created differentiated customer tags, such as arranging dedicated operators for targeted handling of frequently complaining customers to convert complaining customers into complimenting customers, effectively improving the efficiency of reassurance and resolution. Thirdly, from “passive service” to “active service”, the center established a real-time monitoring, early warning and service breakpoint identification system, set up an emergency response and handling mechanism, and carried out annual emergency drills for contingencies. Fourthly, the center strengthened the service quality monitoring of the customer service center. A total of 45,489 phone calls were inspected for service quality, including 33,806 voice calls, accounting for 8.1% of the total calls received during the same period, and 11,683 text calls, accounting for 12% of the calls received during the same period, which effectively improved the service quality of operators. Fifthly, adopting strategies such as flexible scheduling and timely support for middle and back-office positions according to operating conditions, the center made rational manpower allocation for complementary roles and manpower redeployment to allocate resources from the middle and back offices to frontline services, improve response capabilities, and ensure smooth services at all times.

Optimizing service assessment management

To optimize and improve the service management assessment and evaluation system on a constant basis, the Bank has formulated and published the Measures for the Assessment and Evaluation of Service Management of China Bohai Bank in 2023. It conducted service management assessment and evaluation on a quarterly basis, announced the assessment results to the whole bank, and supervised its business institutions at all levels for continuous improvement in terms of their service environment, hardware facilities, service standards, service skills, service quality, and services for special groups.



Reinforcing service training

- The Bank conducted two special training sessions on service management, with more than 1,100 participants in total, who comprised the service managers at the Head Office and branches as well as the frontline staff at business outlets. At the same time, the Bank set up examinations for the training sessions to assess the effectiveness of these training sessions on an objective basis, so as to ensure that the service awareness and service capabilities among the service managers and frontline staff have been comprehensively enhanced through the training sessions.
- The Bank provided bank-wide video training on the “Introduction to the Basic Knowledge of Smart Device Groups (Smart Devices and Mobile Terminals)” for new recruits to help them gain an in-depth understanding of the overall business management and control process and development progress of the Head Office, familiarize themselves with the common knowledge in business practice on a comprehensive and systematic basis, and improve their basic business competence at a faster pace.
- The Bank conducted a training session on counter services and emergency response skills for the business outlets in the form of livestreaming. A total of 957 employees from the business operation lines of the branches participated in the training session. The training session strengthened the service and compliance awareness among employees, and improved their capabilities in handling complaints and tracing to rectify problems.
- The Bank launched a training campaign with the theme of “Services with Thoughtful Banking Experience in the Intelligent Era” to broaden the horizons of the frontline staff such that they could better and faster adapt to the lobby business handling and service model with smart devices as the core, strengthen the awareness of compliance operations among the frontline staff, enhance the sensitivity to risk identification, and meet refined management requirements and customer experience needs.
- The Bank provided on-site training for the operation managers of the business outlets to introduce the new risk characteristics of counter business and further enhance the capabilities of the employees in management, communication, risk identification and control in operations.
- The Bank organized special training sessions on the typical cases and common problem analysis of smart lobby operation business to improve the service awareness, communication skills and special business handling capabilities of the frontline employees, which also provided the correct understanding of the systems and standardized the operating procedures, and thus strengthened the compliance operations and risk prevention awareness among the employees, and further reinforced the basic business handling capabilities of the business outlets.
- The Bank provided induction training for new recruits of the remote banking center, and also conducted 20 special training sessions on the business skills relating to credit cards and 50 special training sessions on comprehensive customer service for on-the-job employees, which improved the business skills and service standards of the customer service staff.

Enhancing service processes

Wealth business management

The Bank introduced a private banking zone in mobile banking to enhance the exclusive service experience for private banking customers. The Bank established an online one-stop exclusive service zone for financial products and non-financial services for private banking customers, and provided exclusive product recommendations for private banking customers to help them directly access these exclusive products with just one click, thereby improving the experience of customers when buying. The Bank also rolled out the function of making reservations for value-added services to enhance service efficiency and ease of operation. Besides, the professional wealth planning and consulting functions strengthened the capability to provide professional asset allocation services for customers.

The Bank optimized the customer relationship management system, involving the modification of more than 100 functions in more than 30 scenarios. Meanwhile, the Bank also introduced several additional key business scenarios such as marketing management, customer contact and customer group management, so as to make constant improvement in customer service capabilities and service efficiency through digital means.

The Bank optimized the fund access process and switched the offline review and approval of fund due diligence reports to the “Bohai on the Palm (掌上渤海)” platform. Within the system, the members of the product access committee, including review officers, research officers, compliance risk control officers and department heads, would review and approve the reports level by level and leave traces online to ensure that every approval can be traced back.

The Bank achieved consistency in the results of the customer risk assessment systems for businesses including retail wealth management, structured deposits, agency sale of funds, insurance agency, and agency sale of trusts. By further optimizing the online AI dual-recording function for agency sale of trusts, the Bank improved the fluency and pass rate of online AI dual-recording, which significantly improved customer experience and service efficiency.

In terms of the self-service deposit business channel, the Bank optimized the interfaces for personal deposit certificates, call deposits and other products, and added pre-alerts for time deposits at maturity, statistical reports for personal lump-sum time deposits and call deposits, and balance reports for personal deposits by term. Through refined internal management, the Bank further optimized business processes and improved service efficiency.

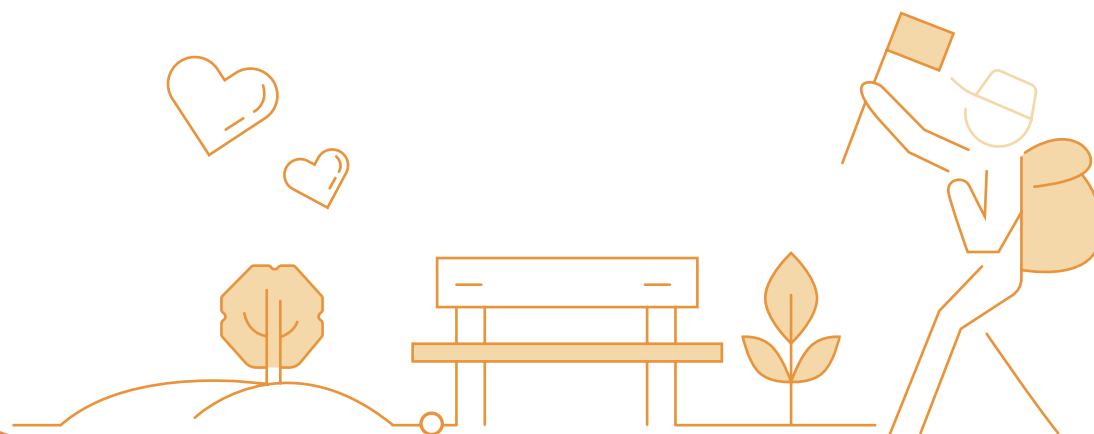
Personal consumption loans

The Bank improved its self-operating and self-building capabilities for personal consumption loans to improve the efficiency of its products and services. For “Boyin E-loan Golden Lending Loan”, the Bank introduced an authorization function for searching provident funds of the People’s Bank of China to further improve the external data application capability and further enhance customer experience while offering practical support for system approval and preventing operational risks, and optimized the facial recognition function of the H5 channel by improving the timeliness of facial recognition authentication, so as to improve the online service efficiency and service standards.

Credit card services

Employing the industry-leading NFC technology for chip reading of documents, the Bank launched a “face-to-face activation” function on the “Bohai on the Palm (掌上渤海)” APP, which effectively controlled the risk of identity document forgery in the off-bank activation of credit card business. On the premise of preventing risks and ensuring compliance, the Bank achieved the goal of “card activation in one minute”, and thus enhanced service efficiency and customer experience.

Leveraging digital development, the Bank strengthened the attributes of credit cards as payment tools. Paying attention to the diversity, functionality and convenience from the application end to the service end, the Bank enhanced the card-linking experience for credit card customers, and added a one-click card-linking function on Douyin, Pinduoduo, Meituan, Ctrip, Suning and other platforms. Customers may link their cards without entering their card number, which fully met their needs towards convenience.



Counter businesses

The Bank streamlined the business handling procedures and provided comprehensive handling functions in the business systems; added a reissuance function linking to loss reporting of certificates from private customers, supporting the linked loss reporting and reissuance of personal passbooks/certificates of deposit/all-in-one passbooks of time deposit in one go, as well as the reissuance of reported lost certificates; optimized the business process of online application for providing personal certificates in mail, and added a linked function of sending SMS notifications of logistics information to customers; optimized the function of inquiring of the deposit account details at the counter and extended the timeframe to 10 years in a single inquiry; optimized the cancellation process for foreign currency all-in-one current accounts or local and foreign currency all-in-one term accounts, and supported linked cancellation of the principal accounts; added a pension contribution refund function, such that customers may apply for pension contribution refunds within five calendar days from the date of pension contribution (exclusive); optimized activation of personal transactions at the counter, allowing customers to activate e-banking simultaneously while activating their debit cards.

In terms of smart devices, aiming at “expanding service models and strengthening service capabilities”, the Bank strives to build the lobby as the core of handling business, continued to expand the coverage of transactions on smart devices, and launched key business functions such as “Call Deposits +”, “Loss Reporting and Replacement of Debit Cards”, “Mobile Number Payment Maintenance”, “Appointment/Cancellation of Call Deposit Notifications” and “Quick Payment Limit Management”. The Bank optimized transaction functions such as “Time Deposit Certificates”, “Transfer and Opening Depositor-bound Term Accounts”, “Personal Electronic Channel Management”, “Unified Change in Mobile Phone Number” and “Personal Current Deposit Statement Printing”; integrated transaction information on smart devices involving debit cards, passbooks, term deposits cancellations, and term deposits withdrawals (including term deposits under the cards) to transfer funds outside the bank.

Remote banking services

The Bank improved the work order circulation process, and added work order circulation milestones in sub-branches. The Head Office and branches would issue work orders, the sub-branches would then respond to the work orders, and the work order posts would directly issue work orders. Accordingly, the Bank implemented the customer complaint handling requirements of the regulatory authorities and improved the work order circulation system.

Promoting service innovation

Service channels

As an important online channel for serving customers in the digital marketing chain, the WeCom account is an extension of traditional physical branch services and has the characteristics of “thoughtfulness”, “compliance” and “high frequency”. Through timely access and rapid response to customer needs, the Bank achieved customer acquisition and batch maintenance of customers through online channels, and opened up a series of processes including marketing, management and risk control from the institutional end to the individual end under the WeCom ecosystem, which became the major link for customer acquisition operations in private domain traffic. The Bank provided precise and intensive services to its customer groups with the WeCom account. Through the new intensive operation model and relying on the “strategic brain empowerment + efficient team execution” approach, the Bank can better improve customer experience and service quality.

Wealth management

The Bank launched an innovative product “Tian Jin Bao (wealth management)” to provide customers with one-click redemption of multiple wealth management products in cash and convenient financial services that support contactless payment. The product is suitable for daily consumption and investment scenarios, is easy to operate, and fully meets the liquidity needs of customers.

Personal consumption loans

Firstly, the Bank launched the “mortgage transfer loans” innovative service model for individual completed housing to reduce transaction costs, shorten transaction duration, stimulate transaction vitality, better support rigid and improved housing demand, and promote a virtuous cycle and healthy development of the real estate industry. As of the end of 2023, the mortgage transfer loans have been implemented in 16 branches. Secondly, the Bank promoted the systematic and online approval process for the “Golden Lending Loan” entity list and customer list with the use of the “Bohai on the Palm (掌上渤海)” APP to improve business handling efficiency, innovate service methods, enrich customer rights and interests, and enhance customer experience.

Credit card business

The Bank improved its digital and intelligent service capabilities in credit card business and launched an innovative credit card membership club - Himi Club, targeting at young and high-quality urban white-collar customers and launching a diversified rights package.

Counter business

In order to facilitate individual customers to handle the debit card cancellation on their own, the Bank optimized the mobile banking functions and added the self-service debit card cancellation function of mobile banking.

Further Strengthening the Efficiency of Consumer Protection

Aiming at accelerating the construction of the “Big Consumer Protection (大消保)” work layout, the Bank continued to strengthen appropriateness management and sales behavior control, opened up complaint channels and implemented hierarchical handling, actively promoted the construction of a coordination mechanism for consumer rights protection and a mechanism for diversified settlement of financial disputes, and thus established an efficient and uninterrupted consumer protection work system with specified responsibilities.

Steadily improving the efficiency of consumer protection management

Corporate governance

Insisting on integrating the Party’s leadership into the corporate governance structure, the Bank planned from a high position for in-depth construction, and reinforced the protection of consumer rights and interests as the major responsible party. The Board of Directors, senior management and Board of Supervisors listened to the regular reports on consumer protection, and incorporated consumer protection into the leadership teams at all levels under the comprehensive and strict management and assessment of the Party, which was linked to the evaluation of the leadership team. The secretary and deputy secretary to the Party Committee and the leaders of the branches emphasized the importance of consumer protection through Party lectures or bank-wide meetings nine times, requiring the improvement of the complaint management mechanism, strengthening information security management, and taking multiple measures to protect the legitimate rights and interests of consumers. In 2023, the general meeting, Board of Directors, Board of Supervisors and management reviewed and listened to 32 proposals on consumer protection and put forward 32 substantive opinions. The four Supervisors of the Board of Supervisors promoted consumer protection in person during investigations at branches, and urged the branches to rectify problems found in regulatory evaluations.

As a professional committee under the senior management, the Consumer Rights Protection Committee held 21 special meetings to promote and guide the implementation of key consumer protection tasks, promoted the bank-wide consensus on “Big Consumer Protection (大消保)”, and thus achieved deep integration of consumer protection with development strategy and operation management and achieved proper understanding, responsibility, investment and management.

Construction of systems and mechanisms

Striving to construct the “Big Consumer Protection (大消保)” work mechanism featuring with “Two Improvements and Three Keys (兩全三頭)”. With intensified efforts in integrating consumer protection elements into the entire process, a work structure in which all employees assume consumer protection responsibilities has been formed. The Bank continuously improved the working mechanism of paying attention to consumer protection at the source, strengthening consumer protection from the beginning, and pursuing consumer protection as guided by major leaders, and continued to improve the consumer protection work system of preventive protection, process protection and remedial protection to ensure the effective operation of the entire chain management and control mechanism before, during and after the incident. In 2023, the presidents from 23 branches took the lead in giving lectures on consumer protection, introducing financial knowledge to the public through videos, spreading the concept of consumer rights protection, and warning of financial risks.

Striving to improve the comprehensive management system for integrated vertical and horizontal operations. The Bank has further improved the consumer protection management structure consisting of three horizontal lines of defense covering front, middle and back-end, and three vertical tiers covering the Head Office, branches and sub-branches, which provided organizational guarantee and manpower support for the comprehensive development of consumer protection. As of the end of 2023, 4 branches established first-level consumer protection departments, and 28 branches established second-level consumer protection departments, accounting for 94.12% of the total number of first-level branches.

Enhancing policies and systems

The Bank extended the scope of the systems, and accomplished in establishing, revising and abolishing the systems, in order to tighten the “iron fence” of the systems. In 2023, under the former “1+1+10+N” (1 consumer protection work plan + 1 consumer protection management measure + 10 consumer protection internal control policies + N consumer protection-related policies) consumer protection policy and system, the Bank revised 17 internal control policies for consumer protection, and formulated and revised 109 consumer protection-related policies. The Bank has a total of more than 370 policies related to consumer protection, covering various aspects such as assessment and evaluation, complaint management, publicity and education, consumer protection review, information disclosure, personal information protection, appropriateness management and traceability management, thereby establishing profound consumer protection management supported with “four beams and eight pillars”.

The Bank optimized the assessment system to give full play to the incentive and rectification functions of consumer protection assessment, and utilized the guidance role of assessment. The Bank further reinforced the consumer protection assessment of branches, established a more scientific and comprehensive consumer protection assessment indicator system, intensified assessment efforts focusing on system and mechanism

construction, codes of conduct, consumer complaints and other key points, and formed an effectiveness profile of consumer protection management based on the quarterly consumer protection assessment results to supervise the branches in improving the quality and efficiency of consumer protection. The Bank increased the weight of consumer rights protection indicators to 8.92% in the comprehensive performance appraisal system of branches, and included deductions relating to consumer protection in major addition and subtraction items. The branches added consumer protection elements to the assessment coefficient for the comprehensive and strict management and assessment of the Party, and strengthened the role of consumer protection assessment as the leverage. The implementation of the code of conduct of consumer protection has also been included in the KPI compliance indicators of the retail lines of branches.

Improving access to the consumer complaint handling mechanism

In 2023, the Bank received and handled a total of 21,907 consumer complaints, including 21,359 complaints from individual customers and 548 complaints from corporate customers, with a complaint resolution rate of 100%. Business institutions at all levels settled 338 complaints through financial dispute settlement organizations, with a settlement rate of 94.67%. 202 cases were successfully settled, with a settlement success rate of 63.13%, and a settlement implementation rate of 100%.

The Bank has revised and published the Consumer Complaint Handling Management Measures of China Bohai Bank (2022 Revision), the Emergency Response Plan for Major Consumer Complaints of China Bohai Bank and other systems, and published the Notice on Further Promoting the Diversified Settlement of Financial Disputes, which refined the complaint statistical analysis mechanism, internal communication, information sharing, collaborative handling mechanism, traceability and rectification mechanism, major consumer complaint incident reporting, emergency response, emergency handling and other requirements and handling procedures, and further specified the requirements for the prevention, reporting, and emergency drills of major consumer complaints to improve the operability of emergency plans.

The Bank strengthened regular supervision and risk warning. The Bank established a complaint working mechanism of “daily monitoring, weekly summary, monthly analysis, and quarterly reporting” to continuously improve complaint supervision and data analysis. The Bank adopted a combination of daily supervision, special inspections, intelligent monitoring and data analysis to promptly gain insight into the risks and hazards hidden in complaints, improve the speed of early warning and response, and actively promote traceability and rectification of complaint issues.

The Bank actively promoted diversified settlement of financial disputes. Focusing on the training and guidance of dispute settlement capabilities, the Bank invited experts from financial dispute settlement organizations to conduct special training sessions, incorporated the construction and application of the mechanism of diversified settlement of financial disputes into the assessment system of branches, and specified key assessment indicators such as response rate and settlement execution rate.

Launching financial literacy and consumer education campaigns

In 2023, the Bank launched extensive and in-depth financial literacy and consumer education campaigns as usual. The Bank launched a total of 4 centralized education campaigns, and carried out a total of 12,431 online and offline educational publicity activities, reaching 97 million of financial consumers. The Bank initiated more than 890 promotional events through mainstream media at the central, provincial and ministerial levels, reaching more than 23.3 million of financial consumers. Special activities such as the red song-themed publicity activities of Hohhot branch, the immersive publicity activities of Changchun branch, and the rural publicity activities of Changsha branch were included in and announced and recognized as the typical cases of educational publicity activities by regulatory authorities.

Firstly, the Bank and the Anti-fraud Center of the Tianjin Municipal Public Security Bureau jointly organized the “Bohai Bank Cup” Tianjin Anti-fraud Sub-contest under the “Hello, Tianjin” online short video contest. The leaders of the Bank attended the opening ceremony and the fraud-related fund return activities of the city, and gave a speech on consumer rights protection.

Secondly, the Bank vigorously promoted the construction of a comprehensive matrix of “online + offline” and “centralized + satellited” educational publicity activities, and deepened the regular launch of financial literacy educational publicity by fanning out from point to area.

Thirdly, the Bank focused on providing precise education to specific population. According to the diverse financial needs of specific population such as “elderly + teenager + new citizens”, the Bank offered customized financial service packages. For the elderly, the Bank focused on introducing the concept of rational investment and the typical cases of preventing telecommunications fraud, so as to enhance the risk prevention awareness in the elderly population; for young consumers such as teenagers and students, the Bank introduced financial knowledge such as reasonable lending to guide the students to establish a concept of rational consumption; for new citizens, the Bank focused on introducing the basic knowledge to identify common illegal financial activities, and improving the financial literacy of new citizens. In 2023, the educational publicity activities of the Bank reached a total of more than 25 million of elderly population, more than 9.52 million students, and more than 8.32 million new citizens.



Actively carrying out the “Five Entries” activities for the financial consumer education and publicity month



On 26 September 2023, which is the centralized education and publicity day for the protection of financial consumers' rights and interests, the Bank launched the “Five Entries” campaign in an all-round way. All branches went to rural areas, communities, campuses, enterprises and business districts to carry out financial knowledge popularization, education and publicity, continuously improving the coverage of financial knowledge popularization activities, continuously enhancing their financial safety awareness and risk prevention ability, and creating a safe, harmonious and reassuring financial consumption environment.

Entering rural areas, remote areas, islands, rural fields and grazing areas, and sending financial knowledge and benefiting policies to the rural fields. The Cixi Sub-branch of Ningbo Branch sent its personnel to Xihuatou Village, Baisha Road Street Office, and analyzed typical cases to the villagers by setting up theme electronic screens and distributing publicity brochures, explaining illegal fund-raising, super-profit loans, usury loans and trap loans, reminding consumers to prevent illegal fund-raising and telecom fraud. The Hohhot Branch entered Wulu Village and Dongbazha Village in Saihan District to explain the insurance knowledge and policies closely related to people's livelihood security, such as rural vitalization and telecom fraud prevention, to help the villagers raise their anti-fraud awareness and popularize financial knowledge in the rural fields.

Entering communities and street offices, and spreading financial knowledge and financial risks to residents through activities such as tea parties, knowledge contests and cultural performances. Yingshui Road Sub-branch of Tianjin Branch and Wangdingdi Street Social Work Station held an anti-fraud convenience market, in which the financial knowledge publicity volunteers and community police used actual cases to explain in detail the new online fraud methods and preventive measures



for residents and safeguard their money. Changsha Branch, together with Chengnan Road Police Station and Chengnan Road Street Office, jointly organized the theme publicity of “United against fraud” to raise residents’ anti-fraud awareness with quiz and other interesting interactive activities.

According to the interests and life needs of teenagers of different ages, the Bank carried out participatory and interesting “intellectual education” activities such as financial knowledge lectures, speeches and online interactions. Hefei Branch, together with the Anti-Fraud Center of Hefei Police Station, held a consumer rights protection activity of “Stay away from illegal campus loans” for freshmen in Hefei Normal University, prompting them to establish a correct consumption concept. Beijing Branch went to Liufang Campus of Chaoyang Experimental Primary School to give the first financial knowledge lesson in the new semester. In the way of video and physical explanation, the branch explained the pattern characteristics and counterfeiting characteristics of the fifth set of RMB banknotes, and reminded students not to indulge in consumption in games, and to be alert to the game equipment fraud trap.

Deeply understanding the financial knowledge needs of enterprises and employees, and carrying out targeted special activities such as financial policy and knowledge popularization to help them better understand finance, facilitate their lives and safeguard their rights and interests. Wuhan Branch held anti-fraud education and publicity activities in the sanitation operation site, and popularized financial knowledge through novel and easy-to-understand forms such as dialect anti-fraud comedy sketch performance, banks and police joint publicity, anti-fraud songs adaptation, financial storytelling and appointment ceremony of anti-fraud publicists. Hedong Sub-branch of Tianjin branch organized the “financial knowledge publicity volunteers” to focus on explaining the illegal fund-raising characteristics and preventive measures for employees, helping them understand the nature and harm of illegal fund-raising and stay away from and prevent illegal financial activities.

Entering bustling areas such as shopping malls and shopping centers, and popularizing financial knowledge to consumers through special areas, electronic screens, and on-site Q&A. Kunming Branch entered the Aegean Shopping Plaza in Guangfu Road, Xishan District, and cooperated with Xishan Branch of Kunming Municipal Police Station to carry out the anti-fraud publicity theme activity of “United against Fraud” in the autumn public security crackdown and rectification action in 2023, set up anti-fraud games such as “Guarding the Pioneer”, “Defending the Wallet” and “Quick Eye”, and spread anti-fraud knowledge and teach anti-fraud skills in the form of cross talk, comedy sketch and clapper talk. Haikou Jinmao Sub-branch sent publicity team to distribute publicity materials in the International Trade Nn Park business circle, and conducted on-site exchanges and explanations to popularize the knowledge of safe card use, safe payment, prevention of telecom fraud and investment and wealth management to business operators. Meanwhile, the branch targeted the merchants’ pain points and difficulties in financial activities, explained the fee reduction and inclusive finance policies, and provided targeted financial consulting services.

Building a strong information barrier to protect customer information

Continuously enhancing the construction of personal information protection system

The Bank formulated and published the Management Rules on Data Protection for Children Customers of China Bohai Bank to further refine and improve the requirements for personal information protection management. The Bank revised and published the Consumer Rights Protection Management Measures (2023 Revision) of China Bohai Bank Co., Ltd. to create a chapter on standardized management to effectively protect consumer information security.

Continuously upgrading personal information protection management and protection measures

In 2023, the Bank's various business lines thoroughly implemented the principles of personal information protection "compliance-based, prevention-oriented, responsible and classified protection". The Bank revised and published the China Bohai Bank's Operating Procedures for Assisting Authorized Institutions in Inquiring, Freezing and Deducting Bank Deposits (2023 Revision), the China Bohai Bank New Media Platform Public Account Operation Management Measures (2023 Revision), and the China Bohai Bank Anti-Money Laundering Confidentiality Management Measures (2023 Revision) to incorporate the requirements for personal information protection management.

The text of business agreements was optimized and updated so that the terms relating to the handling and authorization of sensitive personal information were bolded to prompt customers to pay special attention to them. The provisions on the collection, storage, use, protection and sharing of personal information were continuously improved to ensure that the handling of personal information was law-abiding and compliant.

Continuously upgrading information security management and control capabilities

The Bank took multiple management measures and technical means to incorporate personal information protection into the Bank's data and information security management; and adjusted and optimized the data security management system to incorporate data security risks into the comprehensive risk management system, specify the division of responsibilities among the three lines of defense against data security risks, strengthen the data security protection capability of the application system at source, and optimize the data

extraction process to achieve a hierarchical approval and review of the data, thus achieving synergistic enhancement of the information security management and control capability.

The Bank actively improved its technical means, continuously optimized its multi-level and three-dimensional security technology protection system, and deployed a number of security equipment to monitor and protect against attacks and intrusions from the internet in real time, so as to strictly protect the customer information security.

Continuously improving the capability to protect personal information in various business systems

The front-end transaction system at the Bank's counter specified the requirements for customer information collection for the personal account business and the system's operation specifications, strictly limited the scope of customer information collection, and prohibited the collection of personal information beyond the scope necessary for business processing.

In order to implement the relevant requirements for the protection of customer personal information, the Bank comprehensively sorted out various nodes relating to customer personal information desensitization and continuously optimized and improved them in accordance with actual business needs. The Bank continuously strengthened the control over the authorization in the system in accordance with the principle of hierarchical authorization management and followed the requirement that authorization should correspond to the job position, so as to effectively safeguard the security of customer personal information.

Ongoing training and awareness-raising on the protection of customer personal information

In 2023, the Bank organized special training on the protection of customer personal information and special training on the analysis of personal information protection issues of financial institutions to improve employees' knowledge and understanding of the key points of customer personal information protection, with more than 20,000 participants.

The Bank continuously enriched the forms of publicity on customer personal information protection, prepared monthly compliance key points and risk warning for the retail business in accordance with regulatory requirements, helped organizations at various levels to enhance the awareness and working level of customer personal information protection, and created learning tools for personal information protection compliance, so as to strengthen the knowledge reserve of personal information protection for employees.

Ongoing review and supervisory inspection of customer personal information protection

Firstly, the Bank carried out the 2023 semi-annual and annual investigation and risk assessment of customer personal information security hazard. Secondly, it established and improved the mechanism of prior consumer protection review of personal information protection to ensure that information handling was regulated and compliant. Thirdly, the Bank organized and carried out on-site inspection of the management of customer personal information protection at branches. Fourthly, the Bank carried out the investigation of third-party partners' compliance with the information security management, and investigated the matters closely related to personal information security such as whether or not personal information protection of the partners was in place to strictly prevent the risk of data abuse and leakage of customer personal information.

Optimizing the services for key customers

The Bank focused on the service experience of elderly customers. It optimized and upgraded the mobile banking version for the seniors, added an exclusive deposit homepage for the version for the seniors, and added a new shortcut link for the version for the seniors on the smart customer service page, which facilitated elderly customers' access to information and services; and optimized the hotline service for elderly customers to achieve one-step transfer to manual service for calls made by elderly customers, and improved the accuracy of voice navigation menu recognition, with the accuracy of single-knowledge point recognition of more than 98%.

Eliminating the digital divide of the elderly with more agile and warm service



In October 2023, at the "Inclusive New Finance - 2023 China Inclusive Finance Innovation and Development Seminar & Typical Case Conference" organized by 21st Century Finance Research Institute in conjunction with China Banking Association and other units, the Bank was selected into the list of inclusive finance consumer rights protection cases with the service of "building consumer protection brand IP to make a warmer elderly life".

The Bank helped the elderly cross the digital divide, and improved their financial knowledge, anti-fraud awareness and anti-fraud ability to protect their pension money. The Bank specially created consumer protection brand IP - "Dr. Bohai" to be the best example of taking roots in the actual needs of financial consumers, systemizing popular financial knowledge, and making publicity and education more vivid. Since March 2022, the Bank has produced 15 "Dr. Bohai" series cartoon, one issue of animation, and one H5 online interactive Q&A product. With real case analysis such as "pension investment", "rights protection trap" and

“anti-money laundering”, and innovative presentation forms such as “traveling through time to the ancient times” and “financial case investigation”, the Bank carried out case analysis focusing on the elderly and other groups, deeply analyzed fraud traps, and made risk warnings.

The Bank fully strengthened the online and offline coordinated promotion for the elderly, and helped the elderly to adapt to digital technology while effectively popularizing financial knowledge. Taking Changchun Branch as a pilot, the Branch organized a “financial knowledge cloud classroom”, actively connected with the elderly community, launched the “financial knowledge class for the elderly”, created an elderly-serving atmosphere, and helped them learn to use smart devices. The Branch made the books of “Service Manual for the Elderly” and “Grow with Finance” and put them in communities, subway stations, squares, libraries and shopping malls for free reading, so as to make financial knowledge into “drift bottles”. The Branch carried out immersive consumer protection activities that integrates song and dance performances, anti-fraud short plays, financial publicity and rights protection experience, and established a “bank-community-business circle” financial knowledge popularization and publicity grid, awarding licenses to Tongde Community in Hongqi Street Office, Wanda Plaza in Hongqi Street Office, and inviting them to become publicity and education alliance units for the protection of financial consumers’ rights and interests. The Branch opened up financial knowledge publicity and education column on the WeChat official account, and continued to push the “Dr. Bohai Financial Collection” publicity works. The Branch successively planned and implemented a series of “Dr. Bohai” publicity activities, such as “financial knowledge magnifying glass”, “financial knowledge drift bottle”, “financial knowledge cloud classroom” and “financial knowledge cloud transmission”, to provide senior consumers with high-quality, public welfare, easy-to-understand and easy-to-spread financial knowledge, and make “cloud” popular among the people.

Accelerating smart consumer protection construction

In 2023, the Bank’s self-developed Consumer Protection Intelligence Management System (Phase I) was officially launched, which has achieved a number of milestones in terms of independent R&D. Through a systematic and standardize examination flow mode, all aspects of the consumer protection examination, such as submission, approval, examination, reply and filing, are completed through the system and recorded throughout process. The system fully records the examination with a log book, while adding functions such as the information bulletin board and system database. The system solved a number of problems of consumer protection examination, such as the reliance on manual offline registration, retrieval of examination data, collection of examination elements and statistical data analysis, which enhanced the digitalization standard of consumer protection management.

In order to further enhance the standard of complaint handling management, the Complaint Management System (2.0) was successfully launched on 21 March 2023. The upgrading of the Complaint Management System enhanced six major functions.

Firstly, the system strengthened the hierarchical management and license control of system users in the headquarters and branches, enhanced the division of roles and differentiated management of resources, information and operations, and improved the regularity of the complaint handling process and the accuracy of complaint data through the system's closed-loop management and control.

Secondly, the system strengthened online coordination and contingency replenishment between our headquarters and branches and enhanced our ability to respond to emergencies and operate continuously under special circumstances, so as to ensure strict compliance with regulatory requirements and timely and accurate filing of complaint information.

Thirdly, the system enhanced our ability to monitor and alert in a timely manner when handling complaints. The system established a three-tier alert model, which effectively covered personnel alerted in different time intervals, optimized the contents and methods of alerts, reduced the workload of statistical analysis of the institution being complained and effectively increased the 15-day resolve rate of complaints.

Fourthly, the system improved the quality of data acquisition for the complaint management system, increased the key information of the complaints referred by supervisory authorities, such as the source, number, business category, enabled automated matching of the data of the supervisory system and reduced the workload of manual statistical analysis while consolidating the analysis and utilization of complaint information.

Fifthly, the system established intelligent monitoring and alert for high amount of complaints, which enabled automatic statistics and intelligent alerts for surge of complaints in a short period of time, as well as quickly and timely response.

Sixthly, the system improved the functions of the complaint management report and increased a number of data statistics, such as the return rate, satisfaction and handling time of complaints, so as to fully explore the value of complaint information and enhance the standard of complaint management.

Attaching value on employees and building a harmonious workplace

China Bohai Bank's transformation and development cannot be realized without the hard work of its employees, who are the core stakeholders, the core resources and the most valuable wealth of an enterprise. The deep integration between the employees and the development of the bank has always been the core value of China Bohai Bank. We cherish the value of our employees, encourage their development, protect their rights and look forward to the continuous improvement of their quality of life.

Equal employment and diversified recruitment

The Bank strictly complies with laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Law of the People's Republic of China on the Protection

of Rights and Interests of Women, recruits its employees legally and fully protects their legitimate rights.

The Bank attaches great importance to the diversity of employees and equal development opportunities, strictly adheres to the principle of equal employment and resolutely opposes discrimination or employment restrictions in terms of race, ethnicity, geography, religion, gender.

Optimizing the remuneration incentive mechanism

The Bank continued to build a scientific assessment and incentive mechanism and salary distribution system, which is closely centered on the overall strategic goal of transformation and development. The Bank insists on positive incentives and value creation, follows the distribution principle of “position-based and performance-based remuneration”, emphasizes the connection between performance and remuneration and establishes a sound market-oriented distribution mechanism to determine remuneration based on performance and contribution, so as to continuously motivate employees to enhance their personal capabilities and value contribution. The Bank strictly complies with the social insurance and housing provident fund system stipulated by China, and provides enterprise annual bonus, supplementary medical insurances and accident and injury insurances.

Supporting the growth and development of employees

The Bank regards its employees as its most valuable asset, respects their dignity and value, and tries its best to create good working conditions, competitive incentives and selection mechanisms for them, so as to satisfy their demand for “stable and reasonable incomes, adequate protection of rights and opportunities for career development and growth”.

Broadening the development path of employees

The Bank formulated the Trial Measures for the Administration of Employee Positions and Grades of China Bohai Bank to provide employees with a wide range of career development opportunities and to broaden their career development paths.

Continuous improvement of staff training

Adhered to the training direction of financial politics and people's interests and followed the “Ten Specialized Tasks”, the Bank continued to establish and improve the training curriculum, teacher qualification system, methodology and evaluation system, improve the training mechanism, enhance training quality and efficiency, which fostered transformation and high quality development.

The Bank strengthened the training service function, identified key training services, focused on a business demand-oriented strategy, and actively launched personalized, differentiated and customized training

projects to rapidly improve the ability and standard to serve the real economy. In terms of highlighting the political nature and implementing key national strategies, the Bank provided a series of business training required to adapt to the changing economy, implementation of macro policies, regulatory requirements, market trends, changes in regulations and systems, business development and management. In terms of human-oriented services, the Bank provided various specialized training in relation to consumer rights protection, anti-fraud and gambling prevention, insurance agency, complaint handling, etc.

Shanghai Branch won the “2023 Extraordinary Employer” award by Liepin



On 1 December 1 2023, the list of “Extraordinary Employers” of 2023 was unveiled. After the evaluation of Employer Brand Building Index, Employment Contribution Index and Employer Index, and the selection of experts, career professionals and senior headhunters, Shanghai Branch stood out among more than 1,000 enterprises and won the “2023 Extraordinary Employer” award by Liepin.

In 2023, the branch insisted on promoting the synergistic development of the bank, employees and the society. It actively recruited talents through diversified talent recruitment pipelines, achieved the goals of education and promotion of morality, as well as individual development.



Personalized, differentiated and customized training programs

Protecting the legitimate rights of employees

The Bank fully adopts a labor contract system, all contractual employees must sign a labor contract with the Bank in accordance with the law. We fully respect and protect the legitimate rights of employees. The Bank's head office and branches cooperate with renowned medical institutions to provide annual medical checkups and health consultations for all employees. We organize different types of employee sports and cultural associations, increase employees' participation in these associations to promote a positive and healthy lifestyle, help them to build an optimistic and positive mindset and maintain a healthy condition. We continuously strengthen the management of our staff canteens to ensure food safety and conduct regular staff satisfaction surveys to improve the quality of canteen services. The Bank protects the legitimate rights of female employees and provides special protection during pregnancy, childbirth and breastfeeding in strict accordance with the relevant national regulations. The Bank organized the "Women Ahead, Leading Success" (巾幗搶頭彩、奮力開門紅) themed activity to celebrate the International Women's Day and demonstrate our care and concern for female employees.



The Bank further improved its democratic management system and strengthened the construction of staff representative meetings, openness of administrative matters and staff supervisory system. In 2023, the Bank held 13 committee meetings of the Head Office Labor Union, at which 77 proposals were reviewed; 8 audit committee meetings of the Head Office Labor Union, at which 11 proposals were reviewed; and 8 meetings of the Head Office Employee Representative Committee, at which 8 proposals were reviewed and approved, including the "Regulations on the Management of China Bohai Bank's Employee Comprehensive Performance Appraisal (Revised in 2023)", and the "Report on the Performance of the Employees and Supervisors of China Bohai Bank in 2022", which effectively protected the employees' rights to information, participation, expression and supervision. The Bank invited the law firm engaged by the labor union to address their demands, aiming to solve issues at their fundamental root causes and take preventive actions to create a harmonious labor relationship.

Hangzhou Xiaoshan sub-branch was awarded the title of “Worker Pioneer” in Zhejiang



In March 2023, the Xiaoshan sub-branch of the Hangzhou branch was awarded the title of “Worker Pioneer” in 2022 by Zhejiang Finance and Trade Union.

The labor union of the branch organizes activities related to financial services to enterprises, towns, villages and communities for the staff, focuses on the establishment of pioneering models, emphasizes the construction of outstanding channels, gives full play to the role of grassroots financial points in helping the real economy, strives to improve the standard of economic and financial services, and accelerates the progress of financial institutions in promoting common prosperity in all aspects.

People-oriented care to enhance employees’ well-being

The Bank is committed to deepening employee services and realizing a high quality of life. Firstly, the Bank implemented measures to provide employees with warmth during the two festivals, assistance for major illnesses and care for serious illnesses, and continued to provide exclusive assistance and protection for card members. In 2023, the Bank’s Tianjin labor union donated RMB25,500 to provide hospitalized care for 37 employees with serious illnesses. The Bank’s head office labor unions provided insurance to 1,985 members under the exclusive assistance and protection plan, and provided additional health care insurance to 1,264 female employees. The Bank also launched the New Year’s Day and Chinese New Year warmth delivery activity to provide comfort to 39 employees in difficulties and distributed condolence fund of RMB112,000. In 2023, the number of people in the Tianjin grassroots labor union applying for wedding, childcare, hospitalization, retirement and funeral condolence was 540 people, in which condolence fund of RMB884,800 was distributed. Secondly, the Bank enhanced the specificity of the service. In view of the high pressure and three-shift rotation characteristics of the head office remote customer service center, the Bank has set up a mental healing station equipped with sports equipment to satisfy the needs of employees for fitness and exercise and to relieve stress. In addition, the Head Office Labor Union allocated special fund of RMB422,000 to 49 business point to purchase small fitness equipment for employees. Thirdly, the Bank organized cultural and sports activities. The Head Office Labor Union allocated RMB9 million for the organizing cultural and sports activities by the union groups at the grassroots level, which completed the last piece of service provided to the employees. Fourthly, the Bank conducted surveys to identify the needs of the grassroots. The Bank organized the 2023 survey program for its union system. The president and vice-president of the Head Office Labor Union, led by the director of the labor union review committee, visited 8 branches, including Shijiazhuang, to conduct surveys and identify the needs of the grassroots and solve problems.

Deepening procurement practice with intelligent system

The Bank has built an intelligent procurement management system to improve its capability to digitally manage the procurement process. The Bank has basically built an intelligent procurement technology platform system with “Bocai Yiguan” as the core and “Bocai Yicai” and “Bohai Procurement Easy Management” as the complementary dual platforms to provide supply chain cooperation solutions covering management and service for suppliers. In 2023, the Bank received a total of over 6,000 orders on the “Bohai Procurement Easy Management Platform” with a total order value of over RMB111 million, making full use of the Internet platforms to increase the Bank’s support to e-commerce and small and micro enterprises. In addition, the Bank put green and environmentally-friendly requirements when purchasing products and services, and categorizes suppliers into “strategic suppliers”, “key suppliers”, “preferred suppliers” and “general suppliers”.

In order to win orders from the Bank, the four types of suppliers continuously improve their management level and technological innovation capability and investment in environmental protection facilities, and reduce resources and energy consumption and pollutant emissions through optimization of processes, adoption of energy-saving and environmentally friendly equipment, improvement of product quality, and adoption of energy-saving and consumption reduction measures.

The Bank improved the credibility of procurement by strengthening the supervision of power operation in centralized procurement activities, integrated internal control management of procurement into the whole process and all aspects of supervision of procurement execution and adhered to the “open and transparent” procurement method. The transaction amount of public Grade-A procurement projects accounted for 90.35% and the number of public projects made up 78.95%. The Bank insisted on the procurement organization form featuring “entrusted procurement”. The Bank fully leveraged the professionalism of procurement agencies to regulate the procurement process. The transaction amount of Grade-A entrusted procurement projects accounted for 89.17%. Meanwhile, the entrusted procurement of Grade-A procurement projects have a review committee consisting of external review experts accounting for no less than two-thirds. The Bank always adopts the principles of openness, impartiality and fairness in the procurement process, and the Bank improved quality and efficiency while pursuing “legal compliance and efficiency”. A total of 57 single-batch Grade-A procurement projects had a total procurement budget of RMB434 million, and a final transaction amount of RMB399 million, which resulting in a saving rate of 8.13% and saving amount (contribution to net profit) of RMB35.268 million.

The Bank has established a complete set of risk prevention mechanism of “prevention in advance, control in process and supervision afterwards”. Through the construction of systems and processes, the main responsibility of procurement is clarified. From prevention at the beginning to punishment at a later stage, prevention and punishment are combined. The bank has increased the frequency of inspections and spot checks on branches, and carries out key supervision over key links in key areas so as to solidify the foundation of procurement risk management. The bank has strengthened the supervision over and the management of the whole process, thus establishing a set of all-round and multi-angle supervision and control system covering centralized procurement system and internal control and compliance management as well as audit, discipline inspection and perambulation during the process from procurement budgeting, procurement demand determination, procurement plan making, evaluation expert management, response document review until procurement-contract-signing, goods and services acceptance and other links. In 2023, the Bank kept on optimizing and improving the procurement system management structure, and issued the Management Measures for Entrusted Procurement Management of China Bohai Bank (Revised in 2023) (渤海銀行委託採購管理辦法 (2023 年修訂)) and the 2023 Procurement Authorization Catalogue of China Bohai Bank (渤海銀行 2023 年度採購授權目錄), which further enhanced the legal compliance management of procurement projects.

Integration into Public Welfare and continuing the Spirit of Dedication

Embarking on a new journey to achieve the goals of the second hundred years, and adhering to the principle of “all for the people”, China Bohai Bank has continued its dedication to the spirit of public welfare and philanthropy, actively contributing to the well-being of the community, and has continued to provide targeted assistance for ten years to help villages revitalize in a comprehensive manner; continuously strengthen the employee volunteer team building work, widely carry out public welfare and charitable activities, and is committed to creating and sharing the fruits of development with the whole society.

Targeted assistance

As of the end of 2023, it has been ten years since the Bank’s targeted assistance to Sangzi Town, Jizhou District, Tianjin City. We resolved to implement the requirements of the CPC Central Committee and Tianjin Municipal Committee on the full implementation of rural revitalization deployment and attached great importance to supporting economically weak villages. The industrial assistance projects, infrastructure construction projects and village appearance improvement projects, which have been proved by experts and scientifically planned, continue to be promoted in an orderly manner. The construction of infrastructure projects in four economically weak villages, namely Guiningtun Village, Yuanxinzhuang

Village, Madao Village and Zhaojiatuo Village, has been basically completed, and the endogenous impetus for economic development and change of appearance is being generated continuously.

At the beginning of 2023, the Bank allocated RMB 3.2 million in support funds to four economically weak villages, and since May 2023, the Bank has collaborated with the Jizhou Supply and Marketing Cooperative and the Jizhou Green Food Group to set up special sales counters for the special “Jilin Farmer’s Butler” brand in the Bank’s Employee Service Center in order to increase the collective income of the villages. By the end of the year, the Bank had sold more than RMB 200,000 of specialty agricultural and sideline products.



Discussion between representatives of the Bank and the government of Mulberry Township and the targeted villages



The Bank received a Letter of Appreciation from the CPC Jizhou District Committee

Philanthropy

At the corporate level, the Bank’s charitable donations have totaled nearly RMB50 million since its establishment. At the employee level, there are those who donate money for the prevention and control of epidemics and disaster relief; there are those who work hard and raise young children, but still dedicate themselves to volunteering in special education organizations; there are those who live frugally but have been supporting children in need for a long time. The gene of “care” has been nurtured and inherited since the founding of China Bohai Bank, and the concepts of “goodness” and “devotion” have been integrated into our corporate spirit and staff’s sentiment. The “caring” gene has been cultivated and inherited since the founding of China Bohai Bank.

In 2023, in order to support the consolidation of the results of poverty eradication and the promotion of rural revitalization, the Bank made a donation of RMB999,800 to the Chayou Hou Banner in Inner Mongolia Autonomous Region. By the end of 2023, the total donation for poverty alleviation and rural revitalization had reached RMB18 million. Various forms of public welfare and charitable activities were also carried out at our branches. 2023 saw Taiyuan Branch launching the “Lighting up Micro Wish” public welfare and education assistance activity, Hohhot Branch hosting the “Hohhot Ethnic and Folk Fitness Project Exhibition Competition”, Beijing Branch organizing a series of activities in the community, Changsha

Branch organizing the “Provincial Women’s Square Dance Competition” in collaboration with the Provincial Women’s Federation, and Nanning Branch organizing the “Second Middle-aged and Elderly Talent Competition”. Beijing Branch organized a series of activities in the community, Changsha Branch and the Provincial Women’s Federation jointly organized the “Provincial Women’s Square Dance Competition”, and Nanning Branch held the “Second Middle-aged and Elderly Talent Competition”.



Letter of Appreciation from the Committee of the CPC Inner Mongolia Autonomous Region Chayu Houqi Banner

Shijiazhuang Branch Conducts Fundraising Activities for Rebuilding after Floods and Floods Case

In the summer of 2023, under the influence of Typhoon Dusu Rui, many places in China, especially Zhuozhou in Hebei Province, experienced extreme rainfall and serious flooding and geological disasters, resulting in serious casualties and property losses. In order to support the resumption of production and the reconstruction of a better home in the area. The labor union of Shijiazhuang Branch actively organized employees to participate in the fundraising activities for reconstruction after the flood. During the activity, the leaders of the branch took the lead to participate, and all the cadres and workers responded positively with a total donation of RMB33,940.





The Head Office of the Bank Launched the Book Donation Activity of “Passing on the Love and Sharing the Fragrance of Books”.

The General Party Branch of the Information Technology Section launched the Spring Festival Warmth Donation Activity



Volunteering Work

The Bank puts into practice the volunteer spirit of “dedication, fraternity, mutual assistance, and progress”, continuously strengthens the mechanism of employee volunteer service, encourages and facilitates employees to join the volunteer service, and adheres to the concept that wherever the people are, the volunteer service will be there, and takes the initiative to participate in community governance, charity and public welfare and other volunteer service activities, thus carrying forward the new style of the times and conveying the warmth of the Bohai Sea. As of the end of 2023, there were 1,327 volunteer service members of the head office of the bank, with 500 activities, 15,751 service hours, and more than 40,000 people served.

In the practice of volunteer service, the “Six Links’ Community Building and Building Better Homes” special volunteer service project has been formed, and it has continued to carry out the sympathy for difficulties, translation service, consumer protection publicity, magpie bridge fellowship, book drifting, Jin clothes warm heart, cultural labor, and tournament service, Cultural performances. We have created personalized service brands such as foreign language classes at the doorstep and financial services for the people in the community, opened English classes for community residents, and implemented the “à la carte” service volunteer program to build a learning platform for community students

and residents; we have repeatedly organized professionals to go deep into the community and schools to disseminate financial knowledge and anti-fraud knowledge, and to raise the awareness of the people to consciously resist illegal financial activities. Organize professionals to go into communities and schools to spread financial knowledge and anti-fraud knowledge, so as to enhance people's awareness of resisting illegal financial activities. Since the theme activity of "civilized and courteous Tianjin people" was launched in 2023, the volunteer service team of the head office of the Bank has acted swiftly to participate in a number of key activities such as "revolution of the building, beautifying the alleys, saying no to illegal parking, yielding to crosswalks and red lights, the most beautiful bending down, warming the heart with civilized service, and thrifty and civilized dining table".

The deeds of the volunteer service team of the head office of the Bank have been reported in more than 30 media outlets nationwide, such as Learning Country, People's Daily, Beijing Youth Daily, Tianjin Daily, Tianjin Television, Tianjin Civilization Network, Jinyun, Beifang.com, and Today's Headlines, and won recognition from all walks of life in the society. The volunteer service team of the head office has been awarded "Tianjin Excellent Volunteer Service Team", "Demonstration Point of Learning Lei Feng Activity in the National Financial System", "Tianjin Excellent Volunteer Service Team", "Volunteer Service Award" and "Volunteer Service Award". "Volunteer Service Award" and other titles. A number of volunteers were honored as "Tianjin Outstanding Volunteers", "Tianjin Outstanding Volunteer Workers", "National Model of Learning Lei Feng in Financial System" and "Tianjin Moral Model Nomination Award" and other titles.



Governance: Casting a Solid and Stable Color and Building a Firm Foundation for Development

Good corporate governance is the core guarantee for China Bohai Bank's sustainable development. Preventing and controlling financial risks and maintaining financial stability are related to the overall security of the country and are our core tasks. China Bohai Bank continues to improve the modern corporate system, continue to optimize and enhance corporate governance capabilities; continue to enhance the overall risk management capabilities, increase internal control and compliance management, and effectively prevent and mitigate various types of financial risks; and promote the fight against corruption in a deeper and deeper manner, as a whole, to promote the institutional mechanisms of "dare not corrupt", "cannot be corrupted", and "no reason to corrupt", to cast a strong foundation for the high-quality transformation and development.





Optimizing and improving the corporate governance ability

Further improving corporate governance structure

In accordance with laws and regulations such as the Company Law as well as with reference to the actual situation of the Bank, the Bank has established a corporate governance structure which comprises the Shareholders' general meeting, the Board of Directors and its special committees, the Board of Supervisors and its special committees and the senior management and its special committees, conforms to the modern enterprise system and integrated the Party's leadership into all links of corporate governance. The Party organization plays a leading role, and ensures the direction, overall situation and implementation. The Shareholders' general meeting is the highest organ of authority of our Bank, and exercises its functions and powers according to laws. As the decision-making organ of the Bank, the Board of Directors assumes the ultimate responsibility for the Bank's operation and management and is accountable to the Shareholders' general meeting. The Board of Supervisors is the Bank's supervisory organization and is accountable to the Shareholders' general meeting. The senior management, as the executive organ of the Board of Directors of the Bank, is responsible for the Bank's operation and management and is accountable to the Board of Directors. In 2023, the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and its special committees fully played their roles in decision-making and supervision and held 54 meetings in total, at which they deliberated 178 proposals, heard and reviewed 77 work reports and formed opinions thereon, and made timely decisions on major issues concerning the Bank's development and facilitated the implementation thereof.

Further improving corporate governance system

Since its establishment, the Bank has established a relatively complete corporate governance system and continuously revised and improved it, laying a solid foundation for the legal, compliant and efficient operations of all corporate governance entities.

In 2023, the Board of Directors formulated the Bank's ESG Risk Management Policy, Interim Measures for Anti-nepotism Policies among Employees, the Administrative Measures for the Implementation of the Expected Credit Loss Method, the Interim Measures for Internet Loan Risk Management, the Management Measures for Model Risk (Trial) and the Management Measures for Model Verification (Trial), and revised the Bank's Equity Management Measures, the Consumer Rights Protection Management Measures, the Data Management Policy and the Risk Management Policies on Money Laundering and Terrorist Financing were amended.

Further improving information disclosure mechanism

On the basis of sound corporate governance, the Bank continued to regulate the information disclosure mechanism and treated shareholders and stakeholders fairly. In 2022, more than 60 information disclosure documents including various

types of statutory and voluntary temporary announcements were published on the website of the Stock Exchange and the official website of the Bank. The Board of Directors successfully completed the preparation and disclosure of the 2021 Annual Report, and completed the preparation and disclosure of the 2022 Interim Report in accordance with the requirements of regulatory requirements of the industry and the Listing Rules. The Audit and Consumer Rights Protection Committee under the Board of Directors of the Bank and independent Directors strictly implemented the working procedures for reviewing annual financial reports by the Audit and Consumer Rights Protection Committee of the Board of Directors. The guiding and supervisory role in the preparation, review and disclosure of annual reports was fully brought into play.

Information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management

Timely and unimpeded information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management is essential for corporate governance entities to fully perform their duties and improve their performance efficiency and level. To ensure timely and unimpeded information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management, and improve the efficiency and level of duty performance, a total of 39 issues of minutes of the President's executive meetings, 29 issues of information reports, 4 issues of internal control and compliance risk alerts, 9 consumer rights protection risk alerts, 73 issues of general related party transaction reports, and 12 issues of information bulletins for Directors and Supervisors of the Bank were sent in 2023, providing information support for scientific decision-making of the Board of Directors, the Board of Supervisors and their special committees.

Enhancing comprehensive risk management functions

Strictly maintaining the bottom line of risk management, upholding the risk management philosophy featuring "comprehensive, proactive, agile and effective (全面、主动、敏捷、到位)", and adhering to the "prudent" risk appetite, the Bank continuously improves its ability to prevent and mitigate financial risks, strengthens the characteristics of technology-driven, customer-driven, innovation-driven and data-driven, and further improves the level of refinement, standardization, digitalization and process of risk management, thereby promoting business transformation and upgrading with smart and agile risk control capabilities, and effectively guaranteeing the stable, balanced and sustainable development of the Bank's businesses.

The Board of Directors of the Bank assumes the ultimate responsibility for comprehensive risk management. The Risk Management and Green Finance Committee is set up under the Board of Directors, which is responsible to the

Board of Directors. The Board of Supervisors of the Bank is responsible for the supervision of comprehensive risk management and is responsible for supervising the performance of the Board of Directors and the senior management in risk management and the rectification. The senior management shall assume the responsibilities for implementing comprehensive risk management and executing the resolutions of the Board of Directors.

The Bank has senior management personnel (the chief risk officer) in charge of risk management line, who shall be responsible for leading the relevant departments of the risk management line to carry out work under the risk management framework of the Bank. The chief risk officer maintains independence and can directly report the overall risk management to the Board of Directors.

The Bank has established a risk prevention system consisting of three lines of defense against each main risk to which it is exposed. The first line of defense of risk management is formed by various business departments, divisions, branches and sub-branches, which are directly responsible for carrying out their risk management functions. The second line of defense is departments of risk management line, Assets and Liabilities Management Department, Internal Control and Compliance Department, the General Office (Public Relations Department) and Office of the Board of Directors, which assume responsibilities for formulating policies and procedures, supervising and managing risk. The third line of defense of risk management is the Audit Department, which assumes audit responsibilities for the performance of the first and second lines of defense.

In 2023, the Bank will continue to improve its basic management capability; strengthen the risk culture and guidance, build a strong risk management team, and comprehensively enhance its risk management capability. The Bank has formulated the Guiding Opinions on Further Strengthening the Risk Management Responsibilities of Party Committees at All Levels to promote the in-depth integration of party building and risk prevention and mitigation, and to solidify the risk management responsibilities of branch party committees; and has formulated the “Notice on Establishment of Branch Risk Control Committee” and established the management mechanism of the Branch Risk Control Committee.

Promote the “Risk Management 30+” key projects; promote the construction of a model management system and improve the whole life cycle management of models. Improve regional differentiation policies, focusing on supporting regional economic development, advanced manufacturing and modern service industries, and the development of local industries with advantages and characteristics, so as to better serve the real economy. It has formulated the Implementation Plan for the Study of Industrial Finance Risk Strategies to guide the business line to focus on key industries such as semiconductor, photovoltaic, hydrogen energy, new economy, specialized medical care, port economy and industrial funds, and to provide focused support to support scientific and technological innovations in order to serve the nation and its people.

In 2023, the quality of the Bank’s assets will be healthy and stable, and all types of risks will be stable and controllable.

Ensuring Stable Development in Compliance with Laws and Regulations

Strictly maintaining the bottom line of risk management, upholding the risk management philosophy featuring “comprehensive, proactive, agile and effective (全面、主動、敏捷、到位)”, and adhering to the “prudent” risk appetite, the Bank continuously improves its ability to prevent and mitigate financial risks, strengthens the characteristics of technology-driven, customer-driven, innovation-driven and data-driven, and further improves the level of refinement, standardization, digitalization and process of risk management, thereby promoting business transformation and upgrading with smart and agile risk control capabilities, and effectively guaranteeing the stable, balanced and sustainable development of the Bank’s businesses.

The Board of Directors of the Bank assumes the ultimate responsibility for comprehensive risk management. The Risk Management and Green Finance Committee is set up under the Board of Directors, which is responsible to the

Internal control and compliance

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

The Bank continued to improve the long-term mechanism of internal control and compliance management, optimized the internal control and compliance management structure, and strengthened segment management; strengthened assessment and incentives to improve the accuracy and effectiveness of internal control and compliance management assessment; strengthened case prevention management, established a grid-based employee management structure, and improved employee management efficiency; continuously compiled and issued the Internal Control Compliance Risk Alerts (《內控合規風險提示》), and carried out various forms of internal control compliance training to continuously improve employees’ compliance awareness and cultivate a compliance culture; improved inspection mechanisms, strengthened inspection management, and coordinated on-site inspections across the bank to realize the organic linkage of on-site inspection planning, execution and supervision; strengthened accountability management, reinforced accountability, and targeted on violations; established an enterprise-level on-site inspection system, continued to optimize the internal control compliance model, and continuously improved the intelligent level of internal control compliance management.

Anti-corruption

Coordinating the promotion of the building of clean party culture and anti-corruption. The Bank convened the 2023 Clean Party Culture Building and Anti-Corruption Conference, which specified 38 items in 8 aspects to be specifically addressed and implemented item by item against the list. All of the 23 centralized corrective measures which had been formulated achieved tentative results. The implementation of the construction of a clean culture in party committees at all levels was supervised. Integrity risk points and preventive and control measures were sorted out and improved to promote the construction of a clean culture in the new era. Five issues of the reminder letter of Taking the Lead in Integrity Education were prepared and issued to strengthen integrity reminders for the critical minorities. Warning education was conducted using a hierarchical and categorized approach to strengthen the deterrent effect of warning education.

Paying close attention to the national general policy, and strengthening and realizing political supervision. The Bank has adopted group conversation, one-on-one counseling, sending supervisory letters and notification to ensure thorough rectification of inspection feedback issues. It formulated the Program on Research and Supervision of Branches to Implement Inspection and Rectification and Other Key Works, and accordingly carried out on-site supervision and inspection of 14 first-tier branches and one second-tier branch. It formulated the Several Measures on Further Strengthening the General Supervision to improve the mechanism and enhance the effectiveness of the general supervision.

Focusing on key tasks and promoting special supervision. The Bank has carried out special supervision of the risks arising from the management and control of asset allocation, getting to the bottom of and investigation of network construction, and special supervision of real estate project development loans for private sales investigation.

Implementing the spirit of the Eight-point Regulation from the Central and rectifying the “four forms of decadence”. Focusing on the enforcement of discipline at the key points, the bank carried out 1,221 supervision inspections and 1,587 visits. The bank carried out self-correction of key issues such as privileged thinking, privileged phenomena and excessive use of vehicles for official purposes. Through on-site inspections, individual interviews and unannounced visits, the Bank carried out special inspections covering all first-tier branches to correct the “four forms of decadence”.

During the reporting period, the Bank had no corruption litigation cases.

Anti-money laundering

Adhering to the “risk-oriented” concept, the Bank continuously strengthened the money laundering risk prevention and control responsibility, further consolidated the sense of responsibility, intensified risk control measures and improved management efficiency. The Bank comprehensively improved the anti-money laundering system, reorganized and evaluated the effectiveness of the current anti-money laundering system and process to improve the responsibility requirements and refine the operation process, and thoroughly optimized and improved the anti-money laundering management system. Being problem-oriented, the Bank continued to optimize the anti-money laundering system functions and models and kept improving the intelligent and refined management level of anti-money laundering work. The Bank organized multi-channel and multi-level anti-money laundering training, deepened awareness of anti-money laundering initiative, and gradually improved professional quality and risk control ability. The Bank extensively carried out publicity work on anti-money laundering, anti-terrorist financing and prevention of illegal fund-raising, increased its publicity and popularization to the public, earnestly fulfilled anti-money laundering obligations, and strived to safeguard social security and financial stability.





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INDEPENDENT LIMITED ASSURANCE REPORT

DTT(24)BAR00005

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

We have been engaged to perform a limited assurance engagement on selected 2023 Key CSR Indicators (the "Selected Indicators") in the 2023 Corporate Social Responsibility Report (the "CSR Report") prepared by China Bohai Bank Co., Ltd. (the "Bank").

Subject Matters for Limited Assurance

The subject matters of this assurance engagement include the following Selected Indicators in the 2023 CSR Report:

- Total office power consumption of the Head Office
- Total office water consumption of the Head Office
- Balance of green loans
- Balance of inclusive loans to micro and small enterprises
- Balance of agricultural loans
- Total number of employees
- Employee turnover rate
- Number of female employees
- Number of ethnic minority employees
- Number of employee training sessions
- Complaint resolution rate
- Number of domestic and overseas branches

Our limited assurance engagement does not extend to information in respect of any earlier period or to any other information included in the 2023 CSR Report of the Bank for the year ended 31 December 2023.

Applicable Criteria

The applicable criteria used by the Bank in the preparation of the Selected Indicators are set out in the Appendix to this report.

Responsibility of Management and Those Charged with Governance

The management of the Bank is responsible for the preparation of the Selected Indicators in accordance with the applicable criteria. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation of the Selected Indicators that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the reporting process.

Inherent Limitations of Applicable Criteria

We draw attention of the users of this report to the fact that there is no generally accepted evaluation and measurement basis for the preparation of non-financial information, which may affect the comparability of sustainability information between entities and over time.

Our Independence and Quality Management

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

Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to perform limited assurance in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information*. We express assurance conclusions with limited assurance on whether the Selected Indicators in the 2023 CSR Report have been prepared in all material respects in accordance with the applicable criteria.

Assurance Approach

The procedures performed in a limited assurance engagement substantially vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Therefore, the level of assurance obtained by limited assurance was less than reasonable assurance. We do not provide reasonable assurance that the Selected Indicators in the 2023 CSR Report were disclosed in all material respects in accordance with the applicable criteria. Our assurance included identifying areas where Selected Indicators for 2023 may be materially misstated in the CSR Report, designing, and implementing assurance procedures to address these identified areas, and obtaining evidence accordingly. The assurance procedures we carried out depend on our professional judgment and risk assessments of assurance.

We carried out the following assurance procedures:

- Interviewed the Bank's management and staff responsible for information collection, consolidation and disclosure to understand the process of reporting in relation to these Selected Indicators;
- Tested relevant supporting documents on a sample basis;
- Performed analytical procedures on Selected Indicators;

- Recalculated Selected Indicators on a sample basis.

Limited Assurance Conclusions

Based on the above work performed and the evidence we have obtained, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the Selected Indicators in the Bank's 2023 CSR Report prepared in accordance with the applicable criteria.

Use of Independent Limited Assurance Report

This independent limited assurance report is solely for the purpose of preparing the Bank's 2023 CSR Report, and is not suitable and cannot be used for other purposes. We do not assume responsibility or accept liability to any other person or third party other than the Bank's Board of Directors for this report.

This is the English translation of the Independent Limited Assurance Report in Chinese version. If there is any conflict between the translated and Chinese version, the Chinese version shall prevail.

Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, China

12 April 2024



Appendix:

1. **Total office power consumption of the Head Office:** From 1 January 2023 to 31 December 2023, total office power consumption of the Head Office represents the total electric power consumption of the Head Office building of China Bohai Bank Co., Ltd..
2. **Total office water consumption of the Head Office:** From 1 January 2023 to 31 December 2023, total office water consumption of the Head Office represents the total water consumption of the Head Office building of China Bohai Bank Co., Ltd..
3. **Balance of green loans:** As of 31 December 2023, the outstanding balance of green loans held by China Bohai Bank Co., Ltd., including the Head Office and its branches, was based on the "Special Statistical System for Green Loans" issued by the People's Bank of China.
4. **Balance of inclusive loans to micro and small enterprises:** As of 31 December 2023, the outstanding balance of loans to micro and small enterprises (MSEs) held by China Bohai Bank Co., Ltd. refers to the total balance of loans issued to MSEs with individual credit lines of 10 million RMB (inclusive or less). The statistical scope includes the Head Office and its branches.
5. **Balance of agricultural loans:** As of 31 December 2023, the balance of agricultural loans held by China Bohai Bank Co., Ltd., including the Head Office and its branches, was based on the "Special Statistical System for Agricultural Loans" issued by the People's Bank of China.
6. **Total number of employees:** As of 31 December 2023, the total headcount of employees directly signing a full-time labor contract with China Bohai Bank Co., Ltd., including all in-service employees, in-service probationary employees, employees on long-term sick leave, workers injured at work and others, excluding labor dispatch employment.
7. **Employee turnover rate:** From 1 January 2023 to 31 December 2023, the total number of employees who left China Bohai Bank Co., Ltd. during the period, as a percentage of the total number of employees on duty during that period, namely Employee Turnover Rate = Total number of employees lost during the year / [(total number of employees lost during the year + number of employees on the job at the end of the year) * 100%].
8. **Number of female employees:** As of 31 December 2023, the total number of female employees with which China Bohai Bank Co., Ltd. has signed labor contracts, excluding the number of female employees in labor dispatch employment.
9. **Number of ethnic minority employees:** As of 31 December 2023, the total number of ethnic minority employees with which China Bohai Bank Co., Ltd. has signed labor contracts, excluding the number of ethnic minority employees in labor dispatch employment.

10. **Number of employee training sessions:** From 1 January 2023 to 31 December 2023, the total number of employee training sessions organized by China Bohai Bank Co., Ltd., which includes both offline and online training programs organized by the Head Office and all branches for China Bohai Bank Co., Ltd.'s employees employed under contract.
11. **Complaint resolution rate:** From 1 January 2023 to 31 December 2023, the complaint resolution rate completed by China Bohai Bank Co., Ltd. is defined according to the "Administrative Measures for Handling Consumer Complaints in the Banking and Insurance Industry" issued by the former China Banking and Insurance Regulatory Commission. Namely, Complaint resolution rate = $(1 - \text{number of unresolved customer complaints} / \text{total number of customer complaints}) \times 100\%$.
12. **Number of domestic and overseas branches:** As of 31 December 2023, the statistical scope includes the total number of tier-one branches, tier-two branches, tier-one sub-branches, tier-two sub-branches, community sub-branches, and micro and small sub-branches of China Bohai Bank Co., Ltd. at home and abroad.

List of Important Systems for ESG-related Issues

Issues	Name of Systems
<ul style="list-style-type: none"> ■ Risk Management 	<p>Regulations on Environmental and Social Risk Management of the Credit Business of China Bohai Bank</p>
<ul style="list-style-type: none"> ■ Employee Behavior Management 	<p>Code of Professional Conduct for Practitioners of China Bohai Bank</p> <p>Employee Handbook of China Bohai Bank (2012 Edition)</p>
<ul style="list-style-type: none"> ■ Anti-money Laundering 	<p>Risk Management Policies on Money Laundering and Terrorist Financing of China Bohai Bank Co., Ltd.</p> <p>Customer Identification Management Measures of China Bohai Bank</p> <p>Large Transaction and Suspicious Transaction Reporting Management Measures of China Bohai Bank</p>
<ul style="list-style-type: none"> ■ Anti-corruption 	<p>The Implementation Plan of China Bohai Bank's Party Committee on Integrally Promoting the Dare Not to be Corrupt, Cannot be Corrupt and Do Not Want to be Corrupt</p>
<ul style="list-style-type: none"> ■ Internal Audit 	<p>Internal Audit Charter of China Bohai Bank Co., Ltd. (2022 Revision)</p> <p>Internal Audit Policies and Procedures of China Bohai Bank Co., Ltd. (2022 Revision)</p>
<ul style="list-style-type: none"> ■ Information Security 	<p>Information System Security Setup Standard of China Bohai Bank</p> <p>Information Security Management Measures of China Bohai Bank</p> <p>Special Virtual Network Management Measures of China Bohai Bank</p>

Internet Assets Security Management Measures of China Bohai Bank

Network Security Vulnerability Management Measures of China Bohai Bank

Information Technology Security Operation Management Measures of China Bohai Bank

Terminal Security Management Measures of China Bohai Bank

Information System Security Development Life Cycle Management Measures of China Bohai Bank

Information System Cryptographic and Keys Management Measures of China Bohai Bank

Data Life Cycle Security Management Measures of China Bohai Bank

■ Consumer Rights Protection

Work Plan for the Protection of Financial Consumer Rights of China Bohai Bank Co., Ltd. (2021-2025)

Consumer Rights Protection Management Measures (2022 Revision) of China Bohai Bank Co., Ltd.

Administrative Measures for Assessment and Evaluation on Consumer Rights Protection of China Bohai Bank (2022 Revision)

Customer Personal Financial Information Protection Management Measures of China Bohai Bank (2022 Revision)

Management Measures for Information Disclosure of Financial Products and Services of China Bohai Bank (Trial)

Management Measures for Information Inquiry on Financial Products and Services of China Bohai Bank (Trial)

Management Measures for Financial Literacy and Consumer Education of China Bohai Bank (2022 Revision)

Administrative Measures for Internal Oversight and Accountability on Consumer Rights Protection of China Bohai Bank (Trial)

Consumer Rights Protection Response Plan for Major Emergencies of China Bohai Bank (2022 Revision)

Administrative Measures for Review on Financial Consumer Rights Protection of China Bohai Bank (2022 Revision)

Consumer Complaint Handling Management Measures of China Bohai Bank (2022 Revision)

Emergency Response Plan for Major Complaints of China Bohai Bank

Evaluation Measures for Handling Consumer Complaints of China Bohai Bank (Trial)

Guidelines for Diversified Settlement of Financial Disputes of China Bohai Bank

Guidance on Actively Applying the Mediation Mechanism in Resolving Financial Disputes of China Bohai Bank

■ Recruitment and Employment

Operational Procedures for Personnel Administration of China Bohai Bank (2018 Revision)

Selection and Employment Measures for Middle-level and Senior Management Personnel of China Bohai Bank (2020 Revision)

Selection and Employment Measures for Grass-roots Management Personnel of China Bohai Bank (2018 Revision)

Administrative Measures for Employees' Exit of China Bohai Bank (Trial)

■ Green Finance

2022 Annual Credit Policies of China Bohai Bank

Guidance on Further Promoting the Development of Green Finance Business of China Bohai Bank

Index of the Environmental, Social and Governance Reporting Guide of the Stock Exchange

Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
■ A. Environmental			
Aspect A1: Emissions			
General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Comply or explain	P19-P21 P35-P48
A1.1	The types of emissions and respective emissions data.	Comply or explain	P19-P20 As a financial institution rather than an industrial enterprise, the Bank does not produce emissions that have a significant impact on the atmosphere and the environment during its operations, so it has not established an emissions density statistical system.
A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Comply or explain	As a financial institution rather than an industrial enterprise, the Bank does not produce missions that have a significant impact on the atmosphere and the environment during its operations, so it has not established an emissions density statistical system and plans to gradually establish it in the future.

Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Comply or explain	P20-P21
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Comply or explain	P20-P21
A1.5	Description of measures to mitigate emissions and results achieved	Comply or explain	P19-P21 P35-P48
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Comply or explain	P19-P21 P35-P48

Aspect A2: Use of Resources

General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Comply or explain	P19-P21 P35-P48
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	Comply or explain	P20
A2.2	Water consumption in total and intensity	Comply or explain	P21
A2.3	Description of energy use efficiency initiatives and results achieved	Comply or explain	P19-P21 P35-P48

Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Comply or explain	P21 P46
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Comply or explain	Not applicable

A3: The Environment and Natural Resources

General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Comply or explain	P19-P21 P35-P48
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Comply or explain	P19-P21 P35-P48

B. Social

Employment and Labor Practices

Aspect B1: Employment

General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Comply or explain	P21 P23-P24 P102-P106
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Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
B1.1	Total workforce by gender, employment type, age group and geographical region	Suggest to disclose	P23
B1.2	Employee turnover rate by gender, age group and geographical region	Suggest to disclose	P23

Aspect B2: Health and Safety

General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Comply or explain	P105-P106
B2.1	Number and rate of work-related fatalities	Suggest to disclose	The Bank plans to disclose this indicator gradually in the future.
B2.2	Lost days due to work injury	Suggest to disclose	The Bank plans to disclose this indicator gradually in the future.
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Suggest to disclose	P105-P106

Aspect B3: Development and Training

General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Comply or explain	P24 P103-P104
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Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Suggest to disclose	P24
B3.2	The average training hours completed per employee by gender and employee category	Suggest to disclose	P24 The Bank disclosed the average training hours of its employees. The Bank has not yet established the average training hours completed per employee by gender, and will continue to improve the statistical indicators in the next step.

Aspect B4: Labor Standards

General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	Comply or explain	P102-P103
B4.1	Description of measures to review employment practices to avoid child and forced labor	Suggest to disclose	P102-P103
B4.2	Description of steps taken to eliminate such malpractices when discovered	Suggest to disclose	The Bank has no child labor and forced labor issues.

Operating Practices

Aspect B5: Supply Chain Management

Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
General disclosure	Policies on managing environmental and social risks of the supply chain	Comply or explain	P48 P107-P108
B5.1	Number of suppliers by geographical region	Suggest to disclose	P22
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Suggest to disclose	P48 P107-P108

Aspect B6: Product Responsibility

General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Comply or explain	P22-P23 P84-P102
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Suggest to disclose	Not applicable
B6.2	Number of products and service related complaints received and how they are dealt with	Suggest to disclose	P94
B6.3	Description of practices relating to observing and protecting intellectual property rights	Suggest to disclose	The Bank strictly maintained and protected intellectual property rights in accordance with laws.

Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
B6.4	Description of quality assurance process and recall procedures	Suggest to disclose	Not applicable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Suggest to disclose	P98-P100

Aspect B7: Anti-corruption

General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Comply or explain	P119
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	Suggest to disclose	P119
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Suggest to disclose	P118-P119

Aspect	Major performance indicators	Guidance requirements	Relevant section or paragraph
Community			
Aspect B8: Community Investment			
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Comply or explain	P19-P24 P49-P102
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Suggest to disclose	P108-P122
B8.2	Resources contributed (e.g. money or time) to the focus area	Suggest to disclose	P108-P122

GRI Content Index

Statement of use	[Name of organization] has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	P9-P16, P22, P23
	2-2 Entities included in the organization's sustainability reporting	P1-P2
	2-3 Reporting period, frequency and contact point	P1, P145
	2-4 Restatements of information	P1, There are no significant changes to the reporting scope compared to previous years.
	2-5 External assurance	P121-P125
	2-6 Activities, value chain and other business relationships	P19-P24
	2-7 Employees	P21, P23-P24, P102-P106
	2-8 Workers who are not employees	See the Bank's annual report.
	2-9 Governance structure and composition	P11-P12
	2-10 Nomination and selection of the highest governance body	See the Bank's annual report.
	2-11 Chair of the highest governance body	See the Bank's annual report.
	2-12 Role of the highest governance body in overseeing the management of impacts	P29-P30, P115-P116
	2-13 Delegation of responsibility for managing impacts	P28-P34, P115-P116

GRI STANDARD	DISCLOSURE	LOCATION
	2-14 Role of the highest governance body in sustainability reporting	P29-P30, P115-P116
	2-15 Conflicts of interest	See the Bank's annual report.
	2-16 Communication of critical concerns	P30-P34
	2-17 Collective knowledge of the highest governance body	P115-P116
	2-18 Evaluation of the performance of the highest governance body	See the Bank's annual report.
	2-19 Remuneration policies	P21
	2-20 Process to determine remuneration	See the Bank's annual report.
	2-21 Annual total compensation ratio	See the Bank's annual report.
	2-22 Statement on sustainable development strategy	P5-P8, P27-P28
	2-23 Policy commitments	P5-P8
	2-24 Embedding policy commitments	P21-P24, P102-P112
	2-25 Processes to remediate negative impacts	P116-P117
	2-26 Mechanisms for seeking advice and raising concerns	P30-P31
	2-27 Compliance with laws and regulations	P116-P120
	2-28 Membership associations	P13-P16
	2-29 Approach to stakeholder engagement	P32-P34

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P30-P31
	3-2 List of material topics	P31
	3-3 Management of material topics	P30-P31

GRI STANDARD	DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P19
	201-2 Financial implications and other risks and opportunities due to climate change	P35-P45
	201-3 Defined benefit plan obligations and other retirement plans	P105-P106

GRI STANDARD	DISCLOSURE	LOCATION
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The Bank plans to gradually disclose this in the future.
	202-2 Proportion of senior management hired from the local community	The Bank plans to gradually disclose this in the future.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	P62-P69
	203-2 Significant indirect economic impacts	P22, P39-P45, P108-P112

GRI STANDARD	DISCLOSURE	LOCATION
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	P22

GRI STANDARD	DISCLOSURE	LOCATION
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P119
	205-2 Communication and training about anti-corruption policies and procedures	P119
	205-3 Confirmed incidents of corruption and actions taken	P119

GRI STANDARD	DISCLOSURE	LOCATION
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P120

GRI STANDARD	DISCLOSURE	LOCATION
GRI 207: Tax 2019	207-1 Approach to tax	See the Bank's annual report.
	207-2 Tax governance, control, and risk management	See the Bank's annual report.
	207-3 Stakeholder engagement and management of concerns related to tax	See the Bank's annual report.
	207-4 Country-by-country reporting	See the Bank's annual report.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	P20

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P20-P21
	302-2 Energy consumption outside of the organization	P48
	302-3 Energy intensity	P20-P21
	302-4 Reduction of energy consumption	P20, P42-P48
	302-5 Reductions in energy requirements of products and services	P20, P46-P48

GRI STANDARD	DISCLOSURE	LOCATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P21, P46-P48
	303-5 Water consumption	P21

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	P21
	306-2 Management of significant waste-related impacts	P21
	306-3 Waste generated	P21
	306-4 Waste diverted from disposal	P21
	306-5 Waste directed to disposal	P21

GRI STANDARD	DISCLOSURE	LOCATION
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	P48

GRI STANDARD	DISCLOSURE	LOCATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P23
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P102-P103, P106
	401-3 Parental leave	P105

GRI STANDARD	DISCLOSURE	LOCATION
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	P21, P105

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P105
	403-3 Occupational health services	P105
	403-6 Promotion of worker health	P105-P106
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P105
	403-8 Workers covered by an occupational health and safety management system	P105

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P24
	404-2 Programs for upgrading employee skills and transition assistance programs	P103-P104
	404-3 Percentage of employees receiving regular performance and career development reviews	P24

GRI STANDARD	DISCLOSURE	LOCATION
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P23
	405-2 Ratio of basic salary and remuneration of women to men	P21

GRI STANDARD	DISCLOSURE	LOCATION
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P21, P105

GRI STANDARD	DISCLOSURE	LOCATION
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P82-P83

GRI STANDARD	DISCLOSURE	LOCATION
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P22

GRI STANDARD	DISCLOSURE	LOCATION
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P22-P23, P84-P87, P92-P102

GRI STANDARD	DISCLOSURE	LOCATION
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	P22-P23, P98-P100

Index of TCFD Recommended Disclosures

TCFD Recommended Disclosures	Relevant section or paragraph
Governance: Disclose the organization's governance around climate-related risks and opportunities	
1. Describe the board's oversight of climate-related risks and opportunities	P29-P30 P39-P41
2. Describe the management's role in assessing and managing climate-related risks and opportunities	P29-P30 P37 P39-P41
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
1. Describe the climate-related risks and opportunities the organization has identified	P39-P41
2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	P39-P41
3. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	P39-P41
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks	
1. Describe the organization's processes for identifying and assessing climate-related risks	P39-P41
2. Describe the organization's processes for managing climate-related risks	P39-P41
3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	P38-P39
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	P39-P41
2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	P19-P21 P39-P41
3. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	P19-P21 P39-P41

Reader's Feedback

Dear Readers:

Hello!

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

You may provide feedback through the following means.

Fax: 022-58314881

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

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

Please give us your comments:

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

Yes Partly No

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

Yes Partly No

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

Yes Partly No

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

Yes Partly No

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

Yes Partly No

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



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