

2014年 浦发银行 企业社会责任报告

SPD BANK
Corporate Social
Responsibility Report



REPORT OVERVIEW

Report Period: January 1, 2014 to December 31, 2014 (some contents extend beyond the reporting period)

Last Report: Released in March 2014

Reporting Frequency: Annually

Report Publication: The Shanghai Pudong Development Bank Co., Ltd. (also known as "SPD Bank") was the first bank within the Chinese banking sector to publish an annual corporate social responsibility (CSR) report when it released its first CSR report in 2006. SPD Bank is proud of this tradition and is pleased to present its 10th edition of this publication, as well as its supplement, the SPD Bank CSR Casebook. The SPD Bank CSR Casebook is a special addition to this year's report.

Reporting Guidance & Criteria:

- NBRC, Suggestions on Strengthening the Social Responsibility of Banking Institutions
- China Banking Association, Guidelines on the Social Responsibility of China's Banking Institutions
- Shanghai Stock Exchange, Environment Information Disclosure Guidelines of Listed Companies in Shanghai Stock Exchange
- Sustainability Development Report of Global Reporting Initiative (GRI), G4.0 Version
- International Organization for Standardization, ISO26000: Social Responsibility Guide (2010)
- Chinese Academy of Social Sciences, China Corporate Social Responsibility Reporting Guidelines 3.0

Changes in this year's report: Corporate Social Responsibility Key Data in 2014

This CSR report mainly reports on the Shanghai Pudong Development Bank Co., Ltd. (also known as "SPD Bank"), including the head office and its branches in mainland China and Hong Kong, and the London Representative Office. Part of the content involves the subsidiaries of the SPD Banking Group, such as the SPD Rural Bank and the SPDB Financial Leasing Co., Ltd.

Source of Statistics: Company's reports and relevant statistics

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COMPANY PROFILE

Shanghai Pudong Development Bank (“the Bank”), founded on August 28, 1992 with the approval of People’s Bank of China and in business since January 9, 1993, is a joint-stock commercial bank listed in 1999 on the Shanghai Stock Exchange (Stock Code: 600000). The Bank is based in Shanghai, with a registered capital of RMB 18.653 billion. The Bank is highly regarded within China’s security market thanks to its outstanding performance and business integrity.

By adhering to the core value of “sticking to integrity and striving for excellence”, the Bank continues to expand its capital base and strengthen its business through financial innovation. By the end of 2014, the Bank had total assets of RMB 4.1959 trillion, total loans in local and foreign currencies of RMB 2.0284 trillion, deposits of RMB 2.7240 trillion

and after-tax profit of RMB 47.026 billion. Currently, the Bank employs 42,532 people and operates a national network of 40 direct branches and 1,295 banking outlets across China. In addition, it has taken concrete steps to start operating globally, which is symbolized by the establishment of its first overseas branch in Hong Kong and a representative office in London, and the preparation to build the Singapore Branch. The establishment of SPD rural banks, SPDB Financial Leasing Co., Ltd., SPD Silicon Valley Bank and SPD Bank International Holding Ltd. are the milestones on the Bank’s journey to become a group with a comprehensive business.

The Bank continues to drive its business innovation in response to changes in market conditions and opportunities. It is committed to growing into a modern financial institution with distinctive core competencies and competitive advantages through serving clients with an “new thinking and hearty service”.

MESSAGE FROM THE CHAIRMAN

Incorporate the Culture of Corporate Social Responsibility into the Genes of the Bank Drive Development with the Power of Corporate Social Responsibility

In 2014, the Bank developed steadily even though it was confronted by all sorts of challenges brought by new economic developments. This is attributable to its efforts in strengthening differentiation and risk controls, providing services to the real economy and in honoring its CSR. During the past 22 years, the Bank has grown from a regional listed commercial bank to a large-scale bank with total assets of over RMB 4 trillion. In this process, CSR has been embedded in the Bank's genes, and has driven its long-term sustainable growth.

The Bank was founded to support the development of Pudong. Therefore, it has shouldered the historic mission of pioneering the financial sector of socialist China from the very beginning. It has bettered its CSR philosophies and accumulated CSR experience in all aspects, including financial service innovation, charity and corporate governance. Here are samples of its achievements. As early as 1994, donations were made by the Bank to the Shanghai Charity Fund. In 1997, the Bank became one of the first banks to provide loans for students in higher education institutions. In 1999, it was the first commercial bank to go

public according to the Security Law. This not only deepened the reforms of China's banks, but also set an example for other Chinese banks.

The Bank develops with China's economic and financial reforms. In 2006, the Bank released the first CSR report in China's banking industry. The report gave a systematic and comprehensive depiction of the Bank's CSR management system and mechanism, made up of the CSR philosophies, values, position and code of conduct. This year, the Bank proudly presents its 10th CSR report. The Bank has used its financial resources to build CSR into a competitive edge with the Bank's characteristics. By actively fulfilling its economic, social and environmental responsibilities, the Bank aspires to become a respectable listed company that facilitates sustainable development of itself and its stakeholders. During the last 10 years, the CSR culture has been integrated into the blood of the Bank, and become a driving force of its development. The Bank is humble and diligent in honoring its responsibilities. The power of CSR has been used to drive the sustainable development of the Bank through all sorts of activities,

including supporting the West and the Northeast China, Xinjiang, the "One Belt and One Road" and other strategic priorities of the nation; promoting inclusive finance; improving livelihoods; supporting the real economy, rural areas, agriculture and farmers, small and micro enterprises, and a low-carbon economy; and carrying out disaster relief, poverty alleviation, education campaigns, health campaigns and other voluntary activities. This is the 10th CSR report of the Bank. Facing a new phase of economic and social development in China, the Bank will be more active in shouldering the missions of banks defined by the nation. As a corporate citizen, it will not forget about its social responsibilities. Looking into the future, it will join hands with its shareholders, customers, employees, government, communities and other stakeholders to make more progress, and shape a new landscape.



吉晓辉

Mr. Ji Xiaohui, Chairman of SPD Bank

MESSAGE FROM THE PRESIDENT

Improve Corporate Social Responsibility Competitiveness, Create Value for all Stakeholders

In 2014, the Bank continued to work diligently to become a flagship financial company accommodating the progress of Shanghai becoming an international financial center. Positive results have been achieved. By the end of 2014, the Bank had total assets of RMB 4.1959 trillion, up by 14.02% compared with the previous year, and after-tax profit of RMB 47.026 billion, up by 14.92%. The total asset return rate was 1.20%, and the net asset return rate 21.02%, both at competitive positions in the banking industry. Currently, the Bank employs 42,532 people and operates a national network of 40 direct branches and 1,295 banking outlets across China. In addition, it has taken concrete steps to start operating globally, which is symbolized by the establishment of its first overseas branch in Hong Kong and a representative office in London, and the preparation for building the Singapore Branch. The establishment of SPD rural banks, SPDB Financial Leasing Co., Ltd., SPD Silicon Valley Bank and SPD Bank International Holding Ltd. are the milestones on the Bank's journey to become a group with a comprehensive business. The Bank is ranked No. 383 in Fortune 500, up by 77 spots compared to 2013. It is No. 44 on the 2014 Top 1,000 Global Bank list and No. 8 among the Chinese banks on the list.

While seeking further development, the Bank uses its financial resources to build CSR into its competitive edge and create value for all stakeholders.

Efforts have been made to honor the Bank's economic responsibilities. Gen-

erous support has been given to the country's strategic priorities, such as the development of the Midwest China, Xinjiang, the One Belt and One Road (the silk road and the modern maritime silk road), and the revitalization of the Northeast China. The Bank actively explores innovative financial services for the China (Shanghai) Pilot Free Trade Zone (CSPFTZ). It devotes itself to local economic development, new urbanization, affordable housing projects, infrastructure construction and the development of regional backbone industries. Great efforts have been made to push forward industrial upgrading and innovation of scientific financial services. It goes all out to support innovative services that fuel the development of small and micro enterprises in the internet era.

Efforts have also been made to honor the Bank's social responsibilities. It spends great efforts to promote inclusive finance, such as building the all-function WeChat Bank, initiating innovative mobile finance, and opening community banks. Making use of the rural banks, it vigorously upgrades the financial services for rural areas, agriculture and farmers. The SPD Bank Financial Service Center for Modern Agriculture was among the first in China's banking industry. The Bank works to create a financial service mode for the entire industrial chain of modern agriculture. Other efforts include improving services and protecting consumer rights. The Bank is also dedicated to charity projects with long-term effects. It has held a bank-wide volunteer day eight times,

and is persistent in poverty alleviation, education and medical programs. The purpose is to improve public welfare.

Likewise, efforts have been made to honor the Bank's environmental responsibilities. It remains a leader of green finance, giving generous support to green industries and new energy industries. It constrains the development of the industries with high pollution, high energy consumption and over-capacity, and gives full play to its advantages in carbon finance. Its cooperation with international organizations in energy efficiency financing has been deepened. It is responsive to international environmental regulations. It works hard to direct the funds of the banking industry to environment and social sustainable development, striving to realize economic benefits without sacrificing environment benefits.

In 2015, the Bank, once again, leads the industry by releasing its 10th CSR report. Looking away from the past to the future, the Bank will try its best to adjust to new developments, and honor its economic, social and environmental responsibilities. Internally, the cultivation of CSR culture will continue. Externally, the Bank will continue to shape its CSR brand. All in all, the Bank will continue to draw the blueprint of sustainable development.



Mr. ZHU Yuchen, President of SPD Bank

KEY CORPORATE SOCIAL RESPONSIBILITY DATA IN 2014

| | Key Data | Unit | 2014 | 2013 | 2012 |
|------------------------------------|---|-------------|------------|---------|---------|
| Economic Index | Total Assets | Billion RMB | 4,195.9 | 3,680.1 | 3,145.7 |
| | Total Loans | Billion RMB | 2,028.4 | 1,767.5 | 1,544.6 |
| | Total Deposits | Billion RMB | 2,724 | 2,419.7 | 2,134.4 |
| | Operating Income | Billion RMB | 123.2 | 1,00.0 | 83.0 |
| | Employee Expenses | Billion RMB | 17.188 | 15.802 | 14.389 |
| | Interest Expenses | Billion RMB | 113.8 | 92.6 | 76.9 |
| | Taxation ¹ | Billion RMB | 24.779 | 19.924 | 16.472 |
| | Retained Earnings & Dividends ² | Billion RMB | 90.468 | 73.257 | 54.580 |
| | Net Income | Billion RMB | 47.026 | 40.922 | 34.186 |
| | Net Income Growth | % | 14.92 | 19.70 | 25.29 |
| | Return on Assets (ROA) | % | 1.20 | 1.21 | 1.18 |
| | Return on Equity (ROE) | % | 21.02 | 21.53 | 20.95 |
| | Core Tier One Capital Adequacy Ratio ³ | % | 8.61 | 8.58 | N/A |
| | Tier One Capital Adequacy Ratio ³ | % | 9.13 | 8.58 | N/A |
| | Capital Adequacy Ratio ³ | % | 11.33 | 10.97 | N/A |
| | Bad Loan Ratio | % | 1.06 | 0.74 | 0.58 |
| Provision Coverage | % | 249.09 | 319.65 | 399.85 | |
| Social Index | Donations | Million RMB | 19.39 | 12.55 | 13.61 |
| | Social Contribution Value per Share (Weighted Average) ⁴ | RMB/Share | 10.88 | 9.07 | 7.61 |
| | Employees | People | 42,532 | 38,065 | 35,033 |
| | Employee Satisfaction | % | >80 | >80 | >80 |
| | Staff Turnover Rate | % | 4.7 | 3.6 | 4.6 |
| Customer Satisfaction ⁵ | % (Point) | 85 | 795 points | 89 | |

| | Key Data | Unit | 2014 | 2013 | 2012 |
|---------------------|---|-------------|---------|---------|---------|
| Environmental Index | Environmental Impact Assessment Compliance Rate for Loans | % | 100 | 100 | 100 |
| | Green Loan Balance ⁶ | Billion RMB | 156.374 | 152.104 | 150.359 |
| | Reduction of Loans to High Energy Consumption and High Pollution Industries | Billion RMB | 37.386 | 37.412 | 32.246 |
| | Percentage of Transactions through Electronic Channels | % | 83.91 | 79.56 | 79.74 |
| | Electricity Consumption Per Capita ⁷ | KWH | 13,408 | 13,628 | 13,213 |
| | Water Consumption Per Capita ⁷ | Ton | 45.73 | 48.65 | 50.57 |
| | Business Car Petrol Consumption Per Capita ⁷ | Liter | 48.40 | 43.37 | 47.35 |
| | Number of Video Conferences ⁷ | Times | 693 | 592 | 488 |
| | Credit Card E-Bill Ratio | % | 69.53 | 43.70 | 37.82 |

Notes:

- 1.Taxation includes corporate income tax, business tax & surcharges and other taxes.
- 2.Retained Earnings & Dividends refers to the undistributed profits of the year.
- 3.The indicators are calculated according to the definition of capital adequacy in the Capital Management Methods of Commercial Banks (Trial) (effective from January 1, 2013) publicized by the China Banking Regulatory Commission (CBRC). The definition was not applied in, or before, 2012.
- 4.As per the Shanghai Exchange's guidance for listed companies regarding the disclosure of environmental information (released on May 14, 2008), the social contribution per share = earnings per share + (taxation amount + employees compensation and benefits + interest expenses + total welfare contribution) / total share capital. The taxation amount, interest expense, retained earnings and dividends, and after-tax profit are direct economic contributions to society.
- 5.Customer satisfaction of 2012 is calculated according to the level of satisfaction of corporate clients and individual clients on a weighted average basis. This year, the Bank has invited J.D. Power to evaluate the customer satisfaction of 2013, the result of which is not described in the percentage. The evaluation shows that the Bank scored 795 points, third out of the nine joint-stock commercial banks.
- 6.Green loan balances are calculated according to the Green Credit Guidelines issued by the CBRC.
- 7.Data for electricity, water and business car gasoline per capita consumption only cover the head office.

WORDS OF OUR STAKEHOLDERS

| Stakeholder | Representative | Opinions |
|-------------------|--|---|
| CUSTOMER | Representative of high-tech customers: Ningbo Tong Chuang Magnet Company | The SPD Bank is a friend and partner of TC. It helps TC to develop across the nation and to go global. The last 10 years saw the rapid development of TC. During the last 10 years, when TC experienced rapid growth, the Bank always came to help with a sound proposal whenever TC needed one. Without the Bank, TC could not have come this far. |
| PARTNER | Shanghai Clearing House | Since the establishment of the Shanghai Clearing House, the Bank has been involved in its research and development efforts. The strategic cooperation agreement between the two parties has brought their relations to a new level. Their cooperation in business development, product innovation, personnel training, information exchange, market cultivation and other aspects have been deepened. These play a positive role in further integrating resources to build Shanghai into an international financial center and an international shipping center. |
| DIRECTOR | Independent Director: ZHAO Jiusu | Over the past few years, the Bank has been improving its corporate governance, pushing forward reforms and contributing to the real economy. The Bank has achieved stable and healthy development. On the other hand, the Bank has strengthened communications with stakeholders, meeting the expectations of shareholders and other stakeholders with transparent and sustainable operations. |
| EMPLOYEE | Retired Employee: GAO Hang | I worked in the Bank, the last stop of my career, for 10 years, during which I witnessed its development. Though I've retired from my post, I've never left the Bank. The retiree caring committee of the Bank organizes various study, culture and sports activities for the retirees. It also provides us with a platform where our suggestions are used to help the Bank in its innovation and development. These activities let us know that we have the Bank to take care of us. They also give us opportunities to learn, to entertain and to accomplish. I wish the Bank a better future. |
| GOVERNMENT | Finance Office of the Ningxia Hui Autonomous Region | The establishment of the Yinchuan Sub-Branch of the SPD Bank and several other financial institutions in Ningxia have solved some of the financial problems, such as lacking financial industries, lacking capital elements and imbalance of financing structure. The Yinchuan Offshore Business Innovation Center of the Bank, which opened in November, was the first offshore business organization at the head office level in the Northwestern area. It provides a service platform and financing channel for Ningxia to attract external capital, and to further its opening up. The center creates a platform for the companies to go global, and for overseas companies to invest in Ningxia. It does so by localizing overseas trade and by connecting the domestic and overseas markets. It's a milestone in Ningxia's opening-up progress. |

| Stakeholder | Representative | Opinions |
|-----------------------------|--|---|
| ENVIRONMENT | The Bureau of the Wolong State Natural Reserve | The SPD Bank made donations for the areas hit by the 4.20 Lushan Earthquake. Its donations have been used to construct an education center on giant pandas. This shows that the Bank cares about the people affected by the disaster and is supportive of the protection of giant pandas. Its efforts are conducive to the environmental protection of the affected areas, and show that the Bank has a strong sense of CSR. |
| COMMUNITY | Village Committee of the Danqiu Village, Zhucunjie, Zeng City, Guangdong | The rural financial service station of the SPD Bank has allowed the rural residents access to financial services, and thus the convenience brought by financial services. |
| CHARITY ORGANIZATION | ZHU Zhongrao The Chairman of the Council of the Shanghai Children Health Fund | Thanks to the donations of the SPD Bank, 267 children with strabismus have undergone free eye surgeries. On behalf of the Shanghai Children Health Fund, I would like to take this opportunity to pay tribute to the Bank for its kindness to these children. |
| MEDIA | QIU Bing CEO, Bloomberg News, Director, Dongfang Daily | If one claims to care about environmental protection, he or she can prove it by making a documentary. But how could a company prove that it cares about environmental protection? I found the answer in the CSR report on the website of the SPD Bank. It was about 10 pages. Like the documentary of CHAI Jing, the CSR report contained a great deal of data, including information about "low-carbon bank" and "green finance", two friendly terms that have left me with deep impressions. There is a line in a Hollywood movie: one's responsibilities match one's capabilities. The SPD Bank, of course, shares more than environmental responsibilities. This is evidenced by its 10 CSR reports, the first of which was released in 2006, covering topics material to shareholders, customers, employees, business partners, communities, natural resources and the environment. Is CSR in conflict with a company's economic benefits? I've found the answer to this question in the financial statements of the Bank, which show that the last 10 years have seen a rapid growth in the Bank. |

MAJOR EVENTS OF CORPORATE SOCIAL RESPONSIBILITY DURING THE TEN YEARS FROM 2005 TO 2014

In 2006, the Bank released the first CSR report in China's banking industry. This is the 10th CSR report of the Bank. During the past 10 years, the Bank has been a leader in responding to the demands and expectations of its stakeholders. It has drawn the public's attention to the CSR practices of banks. What's more, it has been a role model that uses its resources to involve its customers, employees and other stakeholders in CSR activities. At the same time, CSR, incorporated into the Bank's strategies and visions, has become a component of the Bank's distinctive competitive edge and its culture.

During the past 10 years, the Bank has kept exploring CSR, and embedded advanced CSR philosophies in its management and operations. It is an industry leader of CSR, which has given form to the multiple connotations of CSR with its financial resources.



【 2005-2014 KEY CORPORATE SOCIAL RESPONSIBILITY DATA 】

| Year | Total Assets (Billion RMB) | Total Loans (Billion RMB) | Taxation (Billion RMB) | Social Contribution Value Per Share (RMB) | Donations (Thousand RMB) |
|------|-------------------------------|------------------------------|---------------------------|--|--|
| 2005 | 573.5 | 377.2 | 3.298 | As per the Shanghai Exchange's guidance for listed companies regarding the disclosure of environmental information (released on May 14, 2008), the disclosure of this index was required since 2009. | The accumulated donations during 1993 and 2005 were over RMB 40 million. |
| 2006 | 689.3 | 460.9 | 4.097 | | 6,260 |
| 2007 | 914.9 | 551.0 | 5.262 | | 9,270 |
| 2008 | 1,309.4 | 697.6 | 6.620 | | 26,710 |
| 2009 | 1,622.7 | 928.9 | 7.485 | 4.02 | 14,590 |
| 2010 | 2,191.4 | 1,146.5 | 8.358 | 4.21 | 22,960 |
| 2011 | 2,684.7 | 1,331.4 | 11.851 | 5.95 | 9,378.9 |
| 2012 | 3,145.7 | 1,544.6 | 16.472 | 7.61 | 13,610 |
| 2013 | 3,680.1 | 1,767.5 | 19.924 | 9.07 | 12,550 |
| 2014 | 4,195.9 | 2,028.4 | 24.779 | 10.88 | 19,370 |

Note: Donations only include the money donated in the name of SPD Bank from corporate funding to public welfare and major disaster relief projects, excluding that from staff donations or government grants.

【 2005-2014 CORPORATE SOCIAL RESPONSIBILITY AWARDS OF SPD BANK 】

| YEAR | CSR AWARD |
|------|---|
| 2006 | Best Corporate Social Responsibility Practice (the only awarded Chinese company) American Chamber of Commerce in Shanghai Top 20 Most Responsible Companies, CCTV, Global Entrepreneur |
| 2007 | Corporate Social Responsibility Award, American Chamber of Commerce in Shanghai Most Responsible Corporation, iNewsweek |
| 2008 | Top 10 Chinese Sustainable Development Banks, RepuTex Livelihood Pioneer, China Foundation for Poverty Alleviation CSR Continual Achievement Award, American Chamber of Commerce in Shanghai |
| 2009 | Best CSR Reports of the Financial and Insurance Industries, A-Share Companies CSR report Summit Chinese Corporate Citizen of the Year, 21st Century Green Finance Contribution Award, China Environment Investment Conference |

| YEAR | CSR AWARD |
|------|---|
| 2010 | Top 10 Responsible Companies, Competitiveness and Credibility Investigation of Chinese Listed Companies Top 10 Listed Companies with Best CSR Board of Directors (BoD) Best Green Banking Innovation Best CSR Practice of a Chinese Company, CBN (China Business News) The Bank-Wide Volunteer Day was honored with the Outstanding Project of a Chinese Corporate Citizen Award Selection for the Hang Seng Sustainable Development Company Index Model CSR report of a Chinese Company, Global Compact |
| 2011 | Standard "A" Sustainable Development Capability, RepuTex The Bank's CSR report was rated AA-, and was expected to improve. Best Corporate Social Responsibility Report of the Year, China Banking Association Board of Directors of the Year, Shanghai Stock Exchange |
| 2012 | No. 3 in the "Top Ten Sustainable Development Mainland Listed Companies" Standard "A" Sustainable Development Capability, RepuTex No. 8 among the A-share listed companies and No. 3 among the banks in the Rankins CSR Ratings for 2012. The Bank's rate was expected to be stable. "Most Socially Responsible Financial Institution in China's Banking Industry", and "Best Practice of CSR", China Banking Association "Gold Bee Company" in the "Gold Bee CSR China Honor Roll", China WTO Tribune |
| 2013 | Annual Influence Award of the "Warm Finance 2013 CBN•Lujiazui Annual Ranking of Social Welfare by Financial Institutions", China Business News No. 29 among the Top 100 Corporate Social Responsibility Reports of Chinese Companies, Research Center for Corporate Social Responsibility, Chinese Academy of Social Sciences Top Return to Shareholders Award, Chinese Security Journal Top 100 Chinese Employers, Zhaopin.com |
| 2014 | Best Green Finance Award, China Banking Association Corporate Citizen with the Best Shareholder Return, 2014 In 2014, the rating for the Bank's CSR report was AA, and the outlook was positive. Selection for: the Hang Seng A-Share Sustainable Development Benchmark Index the Hang Seng A-Share Sustainable Development Company Index the Hang Seng Mainland and Hong Kong Sustainable Development Company Index Top Ten Green Companies in China, United Nations Environment Programme (UNEP) 2014 Best Performance of Energy Conservation and Emission Mitigation, World Bank |

2005-2014 ACHIEVEMENTS IN FULFILLING ECONOMIC RESPONSIBILITIES

Major Events in Fulfilling Economic Responsibilities during the Last 10 Years

Participating in the syndicated loan to the main project of the first phase of the South to North Water Diversion Program

In March 2005, the Bank signed the Syndicated Loan Agreement for the Main Project of the South to North Water Diversion Program. In accordance with the agreement, the Bank would provide a RMB 50 million loan to the program. This was a strategic move of the Bank to support infrastructure construction, fundamental industries and pillar industries.

Setting up specialty service organizations for small, medium and micro-sized enterprises (SMMEs)

In 2005, the Bank set up a department that provided services for small and medium-sized enterprises (SMEs) exclusively. In

2009, it set up a business center, which held an independent license for business with SMEs. After that, it began to provide specialized services for SMEs. In 2014, the financial service center for the small and micro enterprises, individually-owned businesses, and the owners of small and micro enterprises was set up. The Bank has gone all out to support the SMMEs in the real economy.

Providing Targeted Support for the Reconstruction of Dujiangyan

On September 12, 2008, the Bank and the Dujiangyan Municipal Government signed a framework agreement of cooperation. The agreement entailed a RMB 5 billion credit to support the reconstruction of Dujiangyan, an area severely hit by the earthquake in 2008.



Opening the Mianzhu SPD Rural Bank

On December 26, 2008, the Mianzhu SPD Rural Bank was officially opened. It was the first rural branch of the Bank, and was located in the city that was hit the hardest by the massive 5.12 earthquake. The Mianzhu SPD Rural Bank has adhered to the business philosophy of "based in counties; serving agriculture, rural areas and farmers; supporting micro and small enterprises". It has enhanced the Bank's support to agriculture, rural areas and farmers, and to small and micro enterprises, thus contributing to the reconstruction after the earthquake.

Opening the Kashgar Branch

On November 11, 2010, the Bank became the first shareholding commercial bank to set up a banking outlet in Kashgar. It was set up as a part of Shanghai's aid program to Xinjiang, launched after the meetings held by the Central Committee of the Communist Party of China (CPC) and the State Council to discuss Xinjiang's development. It was an important contribution to Xinjiang.

Putting forward the Comprehensive Financial Service Program for the Equipment Manufacturing Industry in the Northeast

In December 2010, the Bank released the Comprehensive Financial Service Program for the Equipment Manufacturing Industry in the Northeast. The program contained over 10 products that aimed to revitalize the manufacturing industry of the Northeast, including products concerning company listing, shipping, cross-border RMB transactions, companies in industrial parks, fiscal and public fund management, account receivable financing, and overseas investment by Chinese companies.

Putting Forward Innovative Products for SMMEs

Putting forward the "three treasures" innovative service mode: The "three treasures", initiated in April 2012, included "Yin Yuan Bao" designed for SMEs in the industrial parks, "Yin Tong Bao" for SMEs in trading, and "Yin Lian Bao" for the upper and lower reaches of the supply chains. They made the Bank more capable of supporting SMEs in these areas.

Launching the loan factory: In December 2012, the loan factory was officially launched. It presents a mature management system of loans for SMEs, shortening and simplifying the issuing of credit. It used to take 27 steps to disburse a loan under a general credit limit. But the loan factory shortens the procedures into eight steps. Thus, the Bank can better meet SMEs' demands.

Initiating Dian Shang Tong 2.0: In December 2013, the Bank launched "Dian Shang Tong 2.0" (loans for e-commerce), which put the entire financing process online. The product meets the financing demands of small and micro e-businesses characterized by short periods, high frequency and urgency. Through this product, a brand-new consumption experience is delivered to the small and micro e-businesses, with "abundant financing resources that are provided fast, with high quality and low cost."

Initiating the "Small and Micro-Finance" brand: In October 2014, the Bank put forward the "Small and Micro-Finance" brand, as well as the Service Manual of Financial Services to the Small and Micro Enterprises.





Supporting Blue Ocean Economy

In April 2012, the Bank won the bid and became the custody bank of the RMB 48 billion Blue Economy Zone Industry Fund. The Fund was the first in China to focus on the oceanic economy. It aimed to build oceanic industry clusters in Shandong that would yield good economic results, strong innovation capability, and high industry concentration.

Establishing the SPDB Financial Leasing Co., Ltd. to support the development of Chinese-made aircraft

SPDB Financial Leasing Co., Ltd., a nation-wide non-bank financial institution, was set up by the Bank, the Commercial Aircraft Corporation of China Co., Ltd., and the Shanghai International Group, and went into business on May 11, 2012. The company mainly aims to support aircraft manufacturing in China. In addition, it provides services for ship manufacturing, rail transport, engineering equipment and industrial manufacturing, infrastructure and SMEs. The establishment of the company is an important manifestation of the cluster effect of financial services in Shanghai, an international financial service center.

Establishing the SPDB Silicon Valley Bank

The SPDB Silicon Valley Bank, set up by the SPD Bank and the Silicon Bank, went into business on August 15, 2012. It was the first Chinese "science and technology bank" with independent legal person status. It supports high-tech companies with tailored and flexible comprehensive financial services, and explores banking modes that would best fit the science and technology industries.

Setting Up a Branch in the CSPFTZ

On September 29, 2013, the Bank set up a branch in the China (Shanghai) Pilot Free Trade Zone (CSPFTZ). It is one of the first banks to have gained the China Banking Regulatory Committee's approval to do so. This is an important contribution to developing Shanghai into an international financial center, and to developing the CSPFTZ.



Releasing the "Xinhua – SPD Bank Climate Index Report of Micro, Small and Medium-Sized Enterprises in the Yangtze River Delta Region"

In November, 2013, the Bank and the Xinhua News Agency released the "Xinhua – SPD Bank Climate Index Report of Micro, Small and Medium-Sized Enterprises (MSMEs) in the Yangtze River Delta Region." Up till now, the Bank has released the index report for three consecutive years. The purpose was to offer science-based, authoritative and timely criteria for MSMEs and governments to evaluate the business climate. The report represents information and dynamic research for financial institutes to develop their services to MSMEs and to make their services more targeted, effective and efficient.

Opening the First Community Bank (Finance Supermarket)

On November 25, 2013, the Rongqiao Jinjiang Community Sub-Branch in Fuzhou went into business. As the Bank's first community bank, it kicked off the trial project of community banks. Establishing community banks is an important customer-centered action that the Bank takes because its customers cluster in communities. By the end of 2014, a total of 305 community banks have been set up.

Initiating the Comprehensive Service Program of Smart Cities

In February 2014, the Bank put forward a product that integrated SIM card, bank card and subway payment. The application of mobile payment in paying subway fees was the first service in China that integrated mobile payment, financial services and subway payment. The innovation was the result of the cross-industry cooperation among the subway, telecommunication and financial industries. This makes it more convenient for citizens to take the subway, and helps build Shanghai into a smart city. In March 2014, the Bank helped Suzhou design the investment and financing program for a smart city. Diversified financing products, including stocks, bonds and loans, would be used to support the high-tech SMEs related to the development of a

smart city, and to support industrial upgrading. In addition, the Bank worked with Suzhou in key areas, such as smart transport, smart municipal services, smart public services, smart logistics, smart health services, smart IT infrastructure, etc.

Supporting Water Conservation in Cities

In September 2014, the RMB 10 billion Beijing Water Environment Fund was set up by the Bank, the Beijing Drainage Group, the State Development & Investment Corporation, the National Social Security Fund, and the Industry and Commerce Bank of China (ICBC). It would mainly be used to fund major water projects, such as sewage processing and water recycling projects. It's an important measure to enforce the Beijing's Three-Year Action Plan of Accelerating Sewage Processing and Water Recycling Facility Construction. It's also an innovative practice that uses national funding to attract diversified social capital.

Releasing the Service Plan for Modern Agriculture

In September 2014, the SPD Bank Financial Service Center for Modern Agriculture was opened in Harbin. It's among the first to release a service plan for modern agriculture. The plan presented a financial service mode for the entire value chain of modern agriculture, which creatively integrated the service mode, product portfolio and operation mechanism.

Leading the Development of Mobile Finance with Innovations

In 2010, the Bank and China Mobile entered into a strategic cooperative partnership based on equity investment, initiating a brand-new cooperation mode between telecommunication

companies and financial companies. The cooperation resulted in several innovative financial services. In September 2011, the first mobile payment co-branded card in China was put forward. In late 2012, the two companies put forward the near field communication-single wire protocol (NFC-SWP) mobile payment. The product was innovative in that it combined a bank card with a SIM card. In May 2013, the Bank put forward the first SIM-based NFC mobile payment card with proprietary intellectual property rights in China. So, instead of swiping a card, the consumers can swipe their cellphone.

In September 2013, the Bank and Tencent started cooperation in internet finance. They built an internet finance zone that improved the consumer experience and values. So far, the Standards of Mobile Finance 3.0 have been released. The document depicts a mobile finance ecosystem of the future, as well as convenient financial services and brand-new service modes of commercial banks. It also gives a description of the development of mobile finance.

In August 2013, the Bank put forward the Wechat bank featuring "WeChat wealth management". It was one of the first Wechat banks in real sense. In 2014, the Bank put forward the "WeChat travel" service, adding to the functions of the Wechat bank. It was the first in the industry to do so. Making use of the mobile internet, the Bank has provided all-weather, convenient financial and daily life services to more customers.

In May 2014, the Bank and Tencent released the Joint Initiative of Mobile Payment Security, which aimed to enhance cooperation on mobile payment security in the industrial chain. It's the first non-profit platform dedicated to constructing a safe environment along the industrial chain of mobile payment.

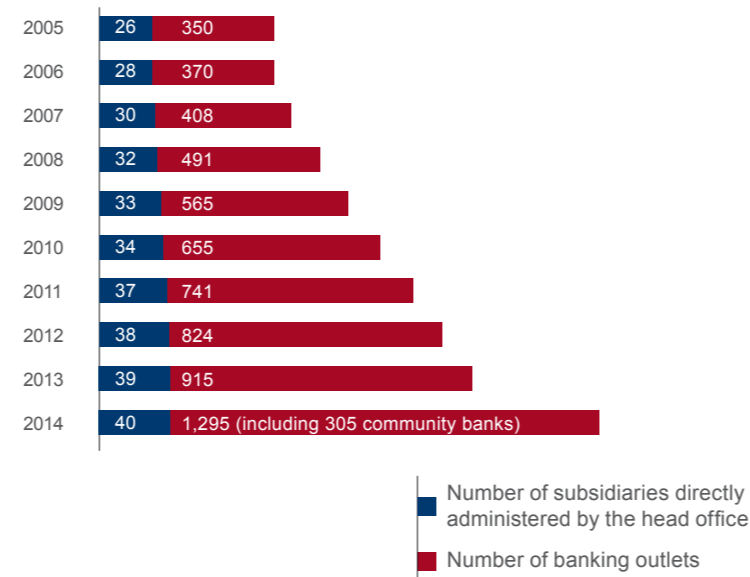


2005-2014 ACHIEVEMENTS IN FULFILLING SOCIAL RESPONSIBILITIES

INCREASE THE COVERAGE OF BANKING OUTLETS

During the past 10 years, the Bank has been weaving a nation-wide service network. The number of its banking outlets has been increased from 350 at the end of 2005, to **1,295** at the end of 2014. Its service network has gradually extended from the Peril River Delta to the other parts of the country, and even of the world. On the other dimensions, its service network has extended from cities to counties, communities and villages. In short, the nation-wide network has been improved.

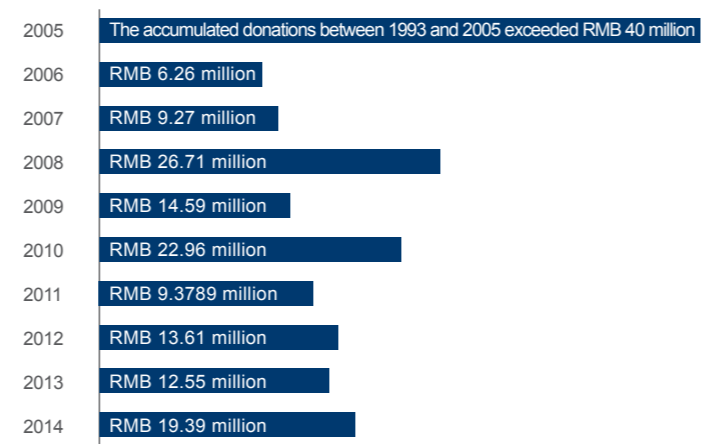
The extension of its service network has enabled the Bank to support, with its excellent state-of-the-art financial services, the Midwest China, Xinjiang, the Northeast China, and the industrial upgrading of the Peril River Delta Region and the Yangtze River Delta Region. The Bank's thoughtful services help its corporate clients grow, and help its private banking customers in every aspect of their lives.



CHARITY AND PUBLIC WELFARE

During 2005 and 2014, the Bank devoted itself to public welfare. Its donations during this period exceeded RMB **170** million. In addition, the donations made by its employees or from government grants were over RMB **60** million.

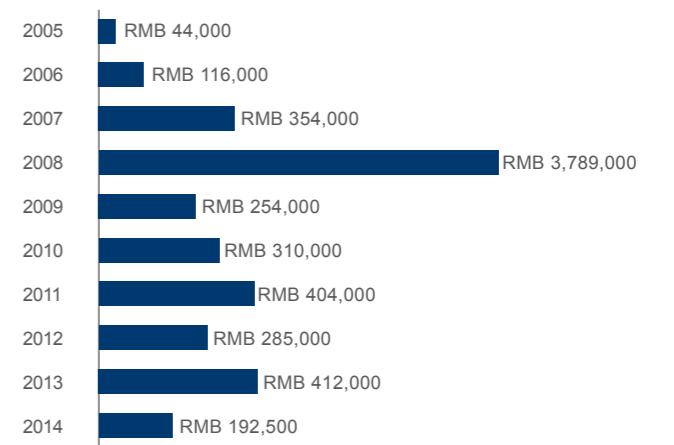
【 SPD BANK'S DONATIONS, 2005-2014 】



Constructing Donation Channels in Its E-Bank for Consumers

Making use of its financial profession, the Bank was the first bank to set up a donation system in its web bank. The clients' donations directly go into the accounts of charity foundations, and are used for all sorts of charity programs. The Bank has set up exclusive donation channels for **10** charity foundations and civil affairs offices, including the Shanghai Charity Foundation and Sichuan Charity Federation. It has provided donation channels for **16** charity programs, such as post-earthquake reconstruction programs and Project Hope. During the past 10 years, the donations made via the Bank's online donation system were over RMB **6** million.

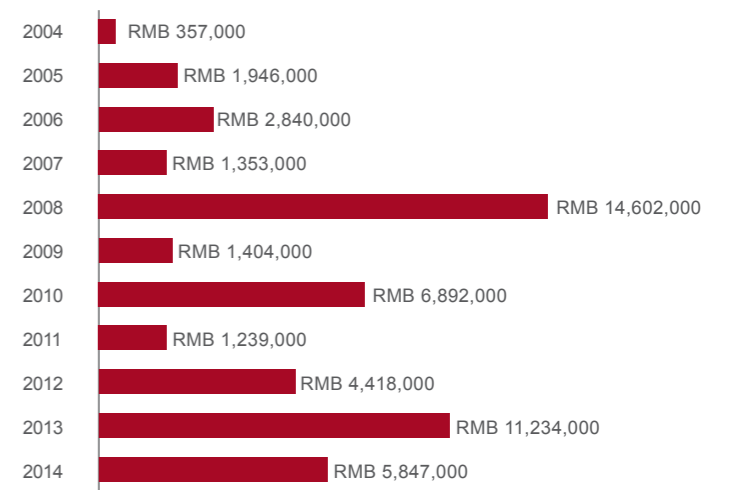
【 SPD BANK'S DONATIONS, 2005-2014 】



Pooling the compassion of the employees, building an internal donation system

In 2004, the Bank started an internal donation system for its employees. The employees can make donations directly from their salary to the employee charity fund. Thus, all the employees can contribute to charity programs of massive disaster relief, student aid, poverty alleviation and environmental protection.

【 EXPENSES OF THE EMPLOYEE CHARITY FUND, 2004-2014 】





Red Ribbon Campaign

In May 2006, the Bank initiated the Red Ribbon Campaign aimed at “acting together to defend against HIV/AIDS”. The employees of the Bank donated RMB 420,000, which were used to pay for the daily expenses, medical and health expenses of 142 AIDS orphans for a whole year. During the campaign, all the employees wore red ribbons for the whole week. Advocacy of HIV/AIDS prevention was conducted in all banking outlets. The senior management of the Bank also wore red ribbons during receptions. The time of the BoD meetings and shareholder meetings collided with that of the campaign. Therefore, the senior management wore red ribbons to the meetings, and appealed to the directors and supervisors to pay attention to AIDS orphans. At the opening ceremony of the Red Ribbon Campaign held in August, the Bank promised to donate RMB **1** million over the course of three years to help the AIDS orphans. It has built an image of a company that honors its CSR.

Joining Hands in the Face of Massive Disasters

With a strong sense of responsibility, the Bank took several actions after the Wenchuan Earthquake. It made a quick decision to issue loans of RMB 1.6 billion for the reconstruction. The Bank mainly helped Dujiang City in the reconstruction. In this regard, it adopted seven measures to ensure all the work had responsible persons, and the actions would yield concrete results. The donations from the Bank amounted to RMB **20.93** million, of which over RMB 8 million was used to reconstruct the Gexianshan Primary and Secondary School,

which was leveled in the earthquake. The Bank streamlined its procedures and improved the approval efficiency for 20 reconstruction projects in Chengdu, Chongqing and Xi’an. The loans approved for these projects in 2008 amounted to RMB 5.142 billion. The Bank also signed long-term agreements that required it to support four children in the Xiaode County of Mianzhu City, made orphans by the earthquake, until they come of age. In 2013, the Lushan Earthquake severely damaged the Ya’an Bifengxia Gorge Base of the Giant Panda Protection and Research Center of China (GPPRCC), located within 20 km of the epicenter. To protect the habitat of giant pandas, and fulfill CSR, the Bank’s employees made donations again. A total of RMB **8.71** million was donated to build an education center on giant pandas at the base. It’s the Bank’s contribution to the reconstruction. In 2013, Typhoon Fitow caused flooding in Zhejiang. In 2014, Typhoon Rommasun struck Hainan, and a massive earthquake hit Zhaotong, Yunnan. In all these massive disasters, the Bank stood beside the locals, worked with them, shared their fates, and contributed to the revitalization.

Initiating the “Sunshine Charity” Fund Custody Service

In September 2012, the Bank initiated, together with the Shanghai Charity Foundation, the “Sunshine Charity” fund custody service, the first in the domestic banking industry. The service was original in that it introduced the trustee system of commercial banks into charity activities. The custodian bank is responsible

for the safety and proper use of the charity funds, and does so through custody of the whole flow of all funds. The charity funds collected through the first phase of the “Sunshine Charity” would be used in the “The Light of Life- Hematopoietic Stem Cell Transplantation Project” and the “Sharing Sunshine-Training for New Generation Immigrant Workers Project”. In 2013, the Bank and the Sichuan Charity Federation entered into the SPD Bank Sunshine Charity - Custody Agreement of Donations for the Ya’an Earthquake. The Sunshine Charity custody services helped with using the donations in a transparent manner.

“See the World”—Surgery Program for Children with Strabismus

In September 2012, the Bank launched the “See the World”—Surgery Program for Children with Strabismus to celebrate its 20th anniversary. The program aims to help children from poor families to get surgeries that cure strabismus. From 2012 to 2014, the program was carried out in Shanghai, Chongqing and Kunming. By the end of 2014, RMB **2.4** million was invested in the program, RMB 1.67 of which was donated by the employees. The program has helped **336** children. The surgeries are not difficult ones. But they mean a lot for the children. The children’s eyesight and appearance have been improved, as well as their confidence. Their families have felt the caring and warmth of the society. As a result, they have more confidence and hope when facing the future.

Bank-Wide Volunteer Day

The Bank not only commits itself to fulfilling CSR, but also involves its employees as much as possible. In 2006, the Bank built a volunteer team across the Bank. For five consecutive years from 2006 to 2010, the Bank, together with JA CHINA, carried out voluntary activities in different forms, including wealth management trainings for college students and lessons for children of migrant workers.

In January 2008, the Bank initiated the “bank-wide volunteer day”, which was the first Saturday of January. On this day, thousands of employees, in uniforms, carry out voluntary activities with one theme. “I give, I am happy”, the slogan of the activity, is heard across the nation. The activity has been carried on for eight years, making it a long-term mechanism of voluntary services. To date, the total participation is over **50,000** person-times (i.e. the number of participants multiplied by the number of participation events).

[MAJOR VOLUNTARY EVENTS]

| Year | Action | Value |
|------|---|---|
| 2008 | The Bank organized its first bank-wide volunteer day activity, and made it a regular event at the beginning of each year. | More than 3,000 employees participated in volunteer activities, focusing on community financial services, environmental protection, elderly care and orphans, to give back to society and bring care and hope to the communities. |
| 2009 | The second bank-wide volunteer day activity. | More than 5,000 volunteers from the Bank took to the streets and visited communities and charity homes for activities that best met local needs or leveraged the available resources, including poverty alleviation, education aid, elderly care and environmental protection. |
| 2010 | The third bank-wide volunteer day activity. | More than 6,000 volunteers from the Bank engaged in various low-carbon promotion activities to champion the cause of “Low Carbon for Better Life”, in order to contribute to a low-carbon life, an energy-efficient society and a low-carbon economy. |
| 2011 | The fourth bank-wide volunteer day activity. | More than 8,000 volunteers from the Bank engaged in various charity and public welfare activities, focusing on “passing on love and care to create a happy China”, and made their contributions to build a harmonious society by giving care to the customers, relatives, communities and underprivileged people who needed help. |
| 2012 | The fifth bank-wide volunteer day activity. | More than 8,000 volunteers from the Bank engaged in various charity and public welfare activities, focusing on “passing on love and care to create a happy China”, and made their contributions to build a harmonious society by giving care to the customers, relatives, communities and underprivileged people who needed help. |
| 2013 | The sixth bank-wide volunteer day activity. | Over 8,000 volunteers participated in charity activities with the theme “Grateful· A Journey Together, Delivering Positive Energy”. The activities were held in celebration of the Bank’s 20th anniversary, and to fulfill its social responsibilities. |
| 2014 | The seventh bank-wide volunteer day activity. | The theme was “Act on Our Commitment to Communities by Carrying out Voluntary Activities First”. Over 8,000 volunteers from the Bank went to communities to advocate safety and provide voluntary services in relation to finance. |
| 2015 | The eighth bank-wide volunteer day activity. | The theme of the eighth bank-wide volunteer day was “Know Each Other, Be with Each Other; Move Forward with One Heart”. Across the country, volunteers of the Bank visited nursing homes, welfare houses, schools for migrant workers’ children, and poverty-stricken families. |

Build Hope Primary Schools to Fulfill Education Obligations

In 1997, the first SPD Bank Hope Primary School was built in the former revolutionary base in the Dabieshan area. By the end of 2014, a total of **26** Hope Primary Schools had been built in Hangzhou, Kunming, Chongqing, Shenzhen, Nanchang, Nanning, Tianjin, Tibet and other areas. The accumulated donation was over RMB **15** million.



[SPD BANK'S DONATIONS, 2005-2014]

| Unit | SPDB Hope Primary School | Donation (Thousand RMB) |
|---------------------------|---|-------------------------|
| Head Office | SPDB Hope Primary School, Hetu Town, Dabieshan Area | 800 |
| Hangzhou Branch | Tiantai Yongxi Middle School | 500 |
| | Taishun Yangxi Center School | 250 |
| Chongqing Branch | SPDB Hope Primary School, Wanzhou, Chongqing | 200 |
| | Jiadian SPDB Hope Primary School | 200 |
| Kunming Branch | Mengli SPDB Hope Primary School | 400 |
| | Ruili SPDB Hope Primary School | 500 |
| Nanjing Branch | SPDB Hope Primary School, Taiping Village, Sihong County | 300 |
| Urumqi Branch | SPDB Hope Primary School, Daban City | 250 |
| Chengdu Branch | Yaojiaxiang Primary School, Jiange County | 50 |
| | Liangshan Puge Puji Center Primary School | 400 |
| Nanning Branch | SPDB Hope Primary School | 200 |
| Nanchang Branch | SPDB Hope Primary School, Jinggangshan | 250 |
| | SPDB Hope Primary School, Gaobei Village, Dayou Town, Shicheng County | 250 |
| Tianjin Branch | SPDB Hope Primary School, Zhaojiacheng Town, Ninghe County | 250 |
| Shanghai Branch | SPDB Hope Primary School, Jiding Town, Sajia Town, Tibet | 579 |
| Shenzhen Branch | SPDB Hope Primary School, Raoping Town, Guangdong | 200 |
| | SPDB Hope Primary School, Yehedong Village, Huangping Town, Miao and Dong Autonomous Prefecture, Guizhou Province | 200 |
| Zhengzhou Branch | SPDB Hope Primary School, Luodian Village, Runan Town, Zhumadian City | 300 |
| Wuhu Branch | Sansheng SPDB Hope Primary School affiliated to the Peace Center School in Hongyang Town | 200 |
| Guangzhou Branch | Renhe SPDB Hope Primary School | 200 |
| | Guilian SPDB Hope Primary School | 200 |
| Employees across the Bank | Primary and Secondary School, Gexianshan Town, Pengzhou City, Sichuan | 8000 |
| Guiyang Branch | Wali SPDB Hope Primary School, Zunyi City | 300 |
| | Dongtang SPDB Hope Primary School, Zunyi City | 300 |
| Changsha Branch | Suoshi SPDB Hope Primary School, Shuangfeng County, Hunan Province | 520 |

2005-2014 ACHIEVEMENTS IN FULFILLING ENVIRONMENTAL RESPONSIBILITIES

Major Events in Fulfilling Environmental Responsibilities during the Last 10 Years

The Bank is a forerunner of green finance. It started to learn about low-carbon economies as a way to practice CSR. As its experience in green finance grew, it came to realize that the market for financial services for energy conservation and emission mitigation is a fertile field for new banking businesses and revenues.

Since 2008, the Bank has closed the first deals of 14 innovative green financial products in China, including financial consult-

ing for international carbon trading, international carbon asset mortgage lending, international carbon trading factoring, energy management contract (EMC) factoring, mortgage of the expected revenue of EMC, financing of building energy efficiency, and comprehensive financial services for smart cities. During the past four years, the green loans of the Bank have exceeded RMB 300 billion.

Through independent innovation and international cooperation since 2008, the Bank has set up a leading system for green credit products and services. The investment bank department has developed a series of innovative loan products according to the features of the clients in five modules, including energy efficiency financing, clean energy financing, environmental protection finance, carbon finance and the financing of the supply chain of green devices. The 10 innovative products include the International Finance Corporation (IFC) energy efficiency loan, Agence Française de Développement (AFD) green intermediary loan, Asian Development Bank building energy conservation financing, mortgage of the expected revenue of energy performance contracting projects, energy performance contracting factoring, financial consultancy to Clean Development Mechanism (CDM) projects, international carbon factoring, emission rights mortgage, green permanent establishment (PE) and green fixed income financing. Its green product portfolio is the most diversified and professional one in the financial industry.

Transferring the Loans of AFD

In August 2006, the National Development and Reform Commission (NDRC) gave approval for the Bank to transfer intermediary loans from the AFD for energy conservation projects. The total amount was EUR 20 million. The duration was 15 years. The AFD is a governmental organization that aims to support developing countries and the world's economy. Its aid fund in China is used in projects of energy efficiency, energy conservation, cleaner energy, resource recycling and environmental protection. These projects contribute to energy conservation and environmental protection in China.

Signing a cooperation agreement with ADB on the investment and financing of green buildings

In May 2011, the Asian Development Bank (ADB) and the Bank signed an agreement on the investment and financing of green buildings. They entered into a loss-sharing agreement, which signified the beginning of a comprehensive cooperation in the investment and financing of energy efficiency among ADB, the Bank and Johnson Controls, a Fortune 500 enterprise. The Bank was the first Chinese bank to fully engage in financial services for energy efficiency.

Being the first to put international carbon factoring on the Chinese market

In October 2011, the Bank put international carbon factoring into the market. It was the first product of the kind in the Chinese market, and a major innovation of carbon finance following CDM financial consulting. The Kunming Branch and the Ji'nan Branch provided the product to the Sinanjiang River Hydro-Power Plant and the Shandong Shifang Landfill Gas Power Plant. The product signified the extension of the Bank's carbon financial service link, which was made up of special financing projects (IFC energy efficiency loans, AFD intermediary green loans), CDM transaction financial consulting, CDM factoring, and CDM settlement.

Exploring the Carbon Trading Mechanism and Carbon Financing System

In 2012, the Bank and the Shanghai Environment and Energy Exchange (SEEE) entered into a strategic cooperation agreement. A team was set up by the two parties to explore the Shanghai carbon emissions trading mechanism and the carbon financing system. As early as November 2011, the NDRC had determined the first provinces and cities for carbon trading pilot projects. It planned to launch compulsory carbon trading in 2013. The purpose was to set up regional carbon trading mechanisms, and look into the possibility of a unified carbon trading market.

Releasing the Comprehensive Green Financial Solutions V2.0

In 2012, the Bank released the Comprehensive Green Financial Solutions V2.0, which contained "five modules, ten innovative products". It presented the most diversified and professional product portfolio. Among the products were the mortgage of the expected revenue of EMC projects and the EMC factoring, which were the first EMC-related financial products in the banking industry.

Signing the Chinese Banking Industry's Common Commitments of Green Credit

In November 2013, the China Banking Association convened the National Seminar of Over-Capacity Reduction and Green Credit Practices by the Banking Industry in Fuzhou. Mr. ZHU Yuchen, the Bank's President, gave a keynote speech at the seminar. The Chinese Banking Industry's Common Commitments of Green Credit was signed by the presidents of major banks in China.

Putting forward the first financing product of building energy efficiency

In 2014, the Nanjing Branch issued the first ADB building energy efficiency loan in China for the Nanjing Baijiahu Real Estate Development Company. The loan was based on a loss-sharing mechanism between the ADB and the Bank. The ADB would share 50% of the risks. In addition, Johnson Controls, a world-leading provider of building solutions, would provide comprehensive technical support and services for the building energy efficiency projects. It's the first such financing product in China.

Issuing the Medium-term Notes of Additional Carbon Revenues

In May 2014, the Bank became the lead underwriter of RMB 1 billion medium-term notes issued by the China General Nuclear (CGN) Wind Power Company on additional carbon revenues. The product was the first green bond in China that was closely related to energy conservation and emission reduction. It filled the gap in the domestic market and was the first direct financing product based on carbon assets.

Initiating an innovative loan with carbon emission rights as the mortgage

In late December 2014, the Bank issued the first credit with carbon emission rights as the mortgage. Huadian New Energy Company, the client, obtained a credit of RMB 10 million. It was innovative, using carbon emission rights as the mortgage. It would help companies in the compulsory emission reduction scheme and renewable energy companies to make the most of their carbon assets. The development is also conducive to standardizing the mortgaging of carbon assets.



CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT



IMPROVE CORPORATE GOVERNANCE

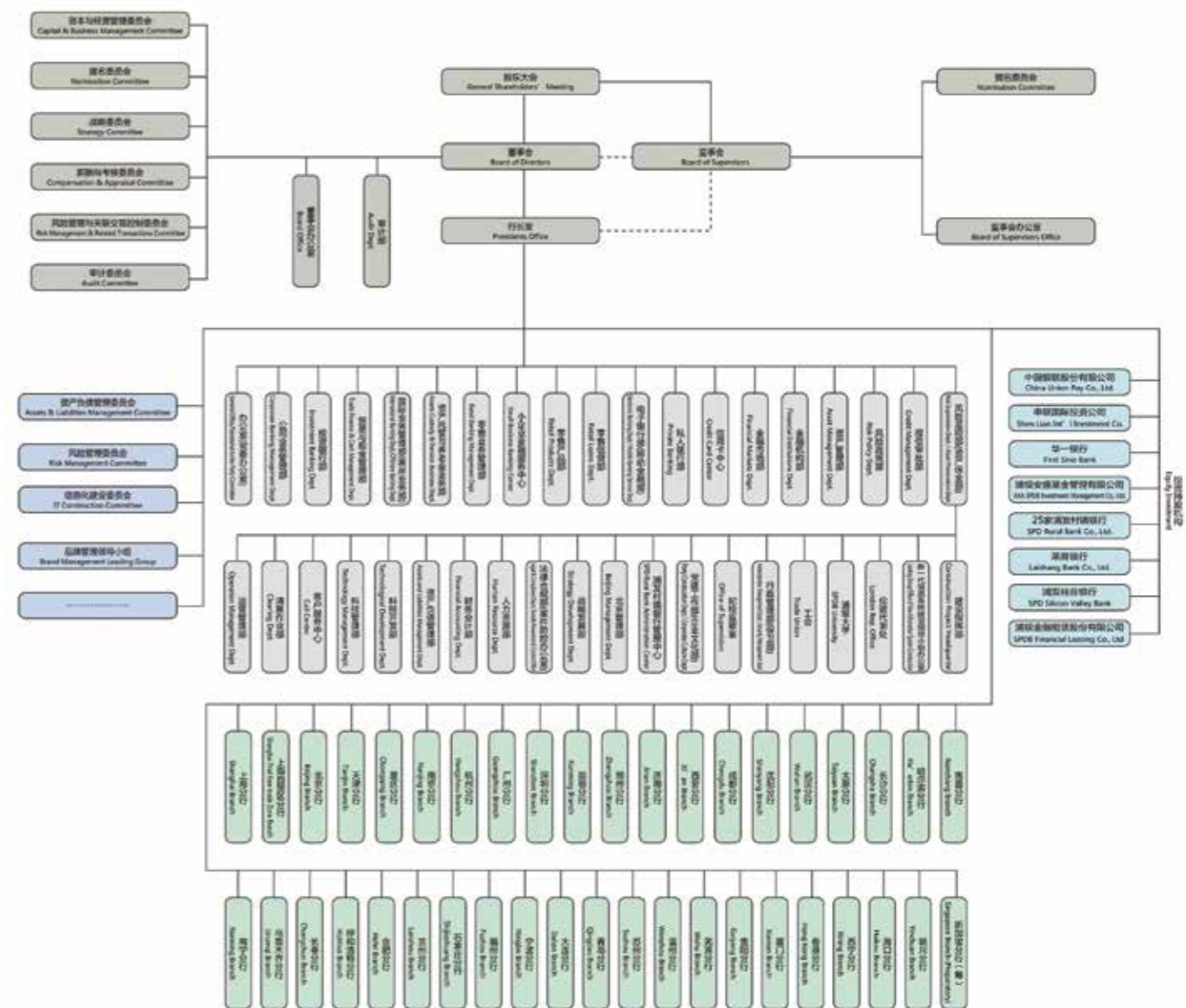
The Bank has set up a robust corporate governance structure ("San Hui Yi Ceng") that consists of the Shareholder Meeting, BoD, Supervisory Committee and senior management with clearly defined roles and responsibilities. They operate independently of each other and work with each other, creating a balanced structure. The fifth BoD consists of 17 directors: seven shareholder representative directors, six independent directors and four executive directors. Over one third of the directors are non-executive independent directors.

There are six sub-committees in the BoD. In 2014, the Bank convened one shareholder conference at which 13 resolutions were approved, and two reports reviewed. A total of 15 board meetings were convened, five of which were face-to-face meetings, while 10 were communication votes. In these board meetings, 65 resolutions were approved, and 13 special reports were reviewed. The executive directors met once and approved two resolutions. The sub-committees met 16 times and approved 44 resolutions. Among the 16 meetings, the Capital and Operation Management Committee had two, the Risk Management and Related Party Transaction Management Committee seven, the

Audit Committee six and the Nomination Committee one. The Audit Committee had discussed the 2014 Annual Audit Plan with the Bank's auditor. In addition, it put forward two opinions to the senior management according to the opinion and suggestions of the directors.

In 2014, the Bank continued to improve its policies, and standardized the operation of the BoD. Firstly, the Bank improved its Articles of Incorporation and related regulations according to the most up-to-date regulations on corporate governance and the issue of preferred stocks. Secondly, the Bank revised the Management Methods of Related Party Transactions to make its related party transactions more standardized. Thirdly, the Bank formulated the Management Methods of the Disclosure of Capital Adequacy Ratio to comply with the revised Administrative Measures for the Capitals of Commercial Banks. Fourthly, it stuck to the liability insurance policy for the directors. It renewed the insurance regularly for its directors, supervisors, and senior management, to protect them against risks in fulfilling their duties.

【CORPORATE STRUCTURE】



IMPROVE THE SYSTEM OF INVESTOR RELATIONSHIP MANAGEMENT

A number of approaches have been taken to enhance investor relationships. As one of the few blue-chip stocks listed on the Hong Kong Stock Exchange, the Bank attracted considerably more attention this year. This was because “Shanghai-Hong Kong Stock Connect” was launched; Qualified Foreign Institutional Investor (QFII) and offshore RMB QFII (RQFII) quotes kept increasing. This has raised new requirements for the Bank in its efforts to improve investor relationships.

The Bank ensures that institutional investors have timely information about the Bank through various activities, such as performance exchange meetings, visits to institutional investors, receptions of investors, audio conferences, attendance at symposiums organized by security traders, the release of periodic reports, etc. In 2014, it received over **100** visits from domestic and overseas investment banks, funds, shareholders and credit rating agencies. This was an increase of nearly **20%** compared to 2013. In total, the Bank had face-to-face meetings and conference calls with **500** institutional investors. It received **15** group visits (over five people) and attended **12** strategic meetings organized by domestic and foreign institutions. It talked to **176** institutional investors about the current situation and advantages of the Bank through one-to-many and one-to-one communications. As for small and medium-sized investors, the hotline is the major communication channel. The Bank answered **1,179** consultation calls.

Other communication channels include official websites, postal services and sns.sseinfo.com, a communication platform set up by the Shanghai Stock Exchange.

The Bank participated in many activities organized by the Shanghai Stock Exchange. On September 9, 2014, the Bank invited over **130** institutional investors, analysts and reporters to participate in a performance briefing in the trading hall of the Shanghai Stock Exchange. The managers of the Bank exchanged ideas with the participants on the Bank’s business performance in the first half of 2014, and on the Bank’s work in the latter half. The activity has improved the image of the Bank. It’s a good way to advertise the Bank and communicate with the public. In addition, the Bank swiftly answered investors’ questions posted on sns.sseinfo.com. The efforts helped investors know more about the Bank.

The Bank organized three performance announcement conferences this year, one on the performance of 2013, and the other two on the half-year performance of 2014. Over **77** person-times (domestic and international brokers) attended the meetings. Other participants include the senior management and department heads of the Bank. The attendants had in-depth exchanges on the finance performance, business features, and future development of the Bank. Transparency, investor experience and their satisfaction with information provision were improved.



ENHANCE COMMUNICATION WITH STAKEHOLDERS

| Stakeholders | Key Topics | Our Response |
|--|---|--|
| Customers | <ul style="list-style-type: none"> Innovative financial products Excellent financial services Leading financial concepts New financial experience | <ul style="list-style-type: none"> Speed up business and technology innovation to set up a modern financial service system Provide more variety and a more comprehensive range of products Improve customer satisfaction Create values for, and grow with, clients |
| Shareholders | <ul style="list-style-type: none"> Profitability Standardized operation Stringent risk management | <ul style="list-style-type: none"> Build a comprehensive corporate governance system. Closely track international and domestic economic trends to enhance all-around risk management and thus ensure stable, healthy and sustained business growth and bring sustainable profits to shareholders. Enhance information disclosure and public relations management to improve transparency and reputation risk management. Operate within governing laws and regulations and standardize operations. |
| Staff | <ul style="list-style-type: none"> Rights protection Salaries and benefits Education and training Personal career development | <ul style="list-style-type: none"> Ensure equitable and fair employment rights for employees and promote diversity. Establish and improve the employees' representative meeting mechanism to protect the basic rights of employees. Enhance training, improve evaluation mechanisms and provide good career development opportunities. Continue to conduct an employees' satisfaction survey and follow up on the feedback result. |
| Government | <ul style="list-style-type: none"> Support the state macro-control policy Taxation Expansion of employment | <ul style="list-style-type: none"> Adjust the credit structure to support growth, people's livelihoods and economic restructuring. Pay taxes on time. Provide job opportunities. |
| Environment | <ul style="list-style-type: none"> Support to low-carbon economy Support resource-efficient society | <ul style="list-style-type: none"> Encourage participation by all employees in green initiatives, conserve energy in daily operations, promote green purchases, and organize environmental protection activities. Enhance E-banking channels to support green finance products. Innovate green products to support green credit initiatives. Support the move toward the creation of a low-carbon banking economy. |
| Partners (e.g. suppliers, insurance companies, securities companies, mutual funds and other banks) | <ul style="list-style-type: none"> Integrity in business transactions Contract compliance Cooperative development | <ul style="list-style-type: none"> Cooperate under the principles of openness, fairness and justice. Co-develop under the principles of equality, mutual benefit and trust. |

| Stakeholders | Key Topics | Our Response |
|---|---|---|
| Community | <ul style="list-style-type: none"> Social equality and justice Social harmony and order | <ul style="list-style-type: none"> Organize social welfare activities around student aid, poverty alleviation, education and environmental protection. Carry out volunteer activities and encourage employees' participation. Advocate financial literacy for consumers. |
| Societies (incl. environment protection organizations, charities, etc.) | <ul style="list-style-type: none"> Support to development of social groups | <ul style="list-style-type: none"> Actively support and participate in public welfare activities. Establish close relationships with advanced overseas and domestic non-governmental organizations and reinforce communication and learning. Provide professional and financial support for public welfare activities. |
| Media | <ul style="list-style-type: none"> Accurate, prompt, transparent and interactive information | <ul style="list-style-type: none"> Provide timely and active information disclosure. Establish smooth and transparent communication channels. Strengthen media communication to promote a healthy and good financial atmosphere. |

FULFILL INFORMATION DISCLOSURE OBLIGATION

In 2014, the Bank released four periodic reports and ensured the authenticity, completeness and accuracy of the information. This not only allowed the investors a comprehensive understanding of the Bank's finance and operation, but also improved the transparency of its operation and fulfilled the information disclosure obligation of a listed company.

The Bank ensures the timeliness of extraordinary notices. Comparing with the previous year, 2014 saw a significantly larger number of extraordinary notices. In the previous years, the average number of extraordinary notices was 35. In 2014, to ensure that investors were informed promptly of major events of the Bank, it released **55** extraordinary notices. Seven of these notices were about non-public issue of preferred stocks; three were about the acceptance of the controlling stakes of the Shanghai Interna-

tional Trust Company. These notices presented information on the continuous development of the events. The other notices covered the decisions of the BoD, Shareholder Meeting and Supervisory Committee, as well as the amendment of the Bank's Articles of Incorporation, the issue of dim sum bonds, the establishment of a branch in the China (Shanghai) Pilot Free Trade Zone (CSPFTZ) and the London Representative Office, the acquisition of the South Asia Investment Management Company, and related party transactions. On January 4, the Bank released its preliminary earning estimate, making it the first listed company, for the **8th** year, to do so on the Shanghai Stock Exchange. This ensured that timely information was conveyed to investors and disclosure duties were met. It also prevented the leakage of core information.

IMPROVE THE COMPLIANCE AND INTERNAL CONTROL SYSTEM

The Bank has embedded internal controls in daily operation and management through policies. These policies are evaluated and amended when changes occur in internal or external environment. In 2014, the Bank formulated or amended **549** policies and regulations. 285 of these were policies regulating the three product lines of the Bank (corporate banking, retail banking and financial market products); 58 compliance and risk management; 13 IT securities; and 193 other management matters. These policies have improved the effectiveness of the Bank's internal control system.

The Bank ensures the compliance of its operations by placing controls at the front, middle and back ends of the whole processes. Firstly, at the front end, the Bank has cultivated a corporate culture and management mechanism that is beneficial for compliance. Secondly, controls are placed in the formulation of policies and the design of new products, which improve the compliance with regulatory requirements at the middle end. Thirdly, the Bank has built a system to follow up on the correction of

problems identified in the examinations. They are gathered in a unified manner, and unified resolutions are given. The system ensures that the correction measures are enforced, and thus ensures the continual improvement of the internal control system at the back end.

The Bank formulated and enforced the SPD Bank's Management Method of Compliance and Prevention of Criminal Cases. The method evaluates the Bank's internal control, prevention of criminal cases, compliance risk, legal risk and anti-money laundering from the perspectives of both the head office and the branches. The results of the evaluations were considered in the performance appraisal of the Bank.

The Bank carried out a campaign, lasting a month, for training on criminal case prevention. The theme of the campaign was "deepen compliance awareness, insist on anti-corruption". In the trainings, typical cases were shared. About **5,000** people from about **20** entities were trained.

IMPROVE RISK MANAGEMENT

Credit Risks The Bank has enhanced the key controls of credit risk. The Bank has strengthened industrial research and the management of credit risks. It especially focuses on the key industries that its loans flow to and the industries with over-capacity or high risks. The Bank has enhanced the categorization of the industries, clarified the preferred directions of its loans, and increased the loans to certain industries while reducing those to others. It has consolidated the controls of high-risk areas.

Wealth Management Risks The risk controls of wealth management have been strengthened. The Bank has promoted exclusive credits for financial management business, and improved the approval processes of the credits. It clarifies the controls of product risks. Risk assessments are conducted on the investment plans of the wealth management businesses. In addition, monitoring and on-site inspection of the risks are conducted.

Market Risks The Bank has taken actions to enhance market risk controls. It has improved related policies and the internal model of market risk, which improve the data quality and monitoring of market risks. The pressure test and cap system of market risks have been improved, which make the quantification of market risks more accurate. The Bank has also improved the assessment process of the market risks relating to new products, improving the market risk control of new products.

Liquidity Risks The Bank has taken robust measures to prevent liquidity risks. It keeps a close eye on the markets so that the trends indicating long and medium-term tightened liquidity can be detected as early as possible. On the other hand, it actively consumes long and medium-term capital, and optimizes the sources and outgoing directions of its capital. The gap management of assets and debt has also been improved. These measures ensure that the liquidity risks of the Bank are kept in check.

Reputation Risks The Bank has taken the following actions to control reputation risks. The presentation of the Bank in news media and other channels has been improved. Also improved are the management team dealing with public opinion, reputation risk management system, and the whole process of reputation risk management. In addition, the Bank has made more and better use of new media. In 2014, there was no major reputation issue on the Bank.

IT Risks

The Bank pays much attention to IT risk controls. It has improved the policies regarding IT risks. Comprehensive evaluation of IT risks has been carried out, which sorts out major IT risks. Business continuity management has been improved. Risk management of outsourced IT services has been enhanced.

During the report period, the Bank continued with the project of advanced capital management. Good progress was achieved in the projects, as well as the implementation of the project results. Compliance work and the implementation of new regulations have also yielded positive results. The Bank's advanced measurement of capital has been inspected by the CBRC, and has been recognized by the CBRC and the experts of the inspection team.

[IMPROVE IT RISK MANAGEMENT]

Banks are crucial financial infrastructure of a nation. The operating conditions of the banking systems have a direct bearing on social stability and national security. Ensuring secure, uninterrupted and stable system operation is an important way for the Bank to maintain finance order and honor its CSR. Therefore, it attaches high importance to the maintenance of IT systems. It has also invested in the innovation of maintenance, technology tools, emergency response and proprietary technologies.

In 2014, the Bank achieved five "100%" markers in its information security management. The presidents of 100% of the branches have signed the letters of information security responsibility. 100% of the 32,000 odd office computers have been placed under the security controls of desktop computers. The 2014 audit showed that the Bank met the standards of the ISO27001 system 100%. The Bank has met the requirements of 100% of 102 notices released by the supervisory departments. And it has resolved 100% of the information risks shown in 20 notices given by external organizations.

Much attention has been paid to "safe production", which enables the bank to provide services with stable systems. In 2014, the Bank organized a special workforce to ensure system stability on over 10 occasions. These were important dates, holidays and days with high trading volumes. During these times, there was no malfunction in the Bank's systems. Throughout the year, there was no major IT security accident. The Shanghai Branch of the People's Bank of China (PBOC), the Shanghai Gold Exchange and other entities have recognized the Bank's outstanding work in maintaining its IT systems. The Bank was among the top companies in the rating of system maintenance organized by the CBRC.

The Bank keeps developing technical instruments used to manage information security. In 2014, the Bank developed and improved 18 technical instruments, which contributed to the Bank's maintenance system that monitored, controlled, managed and corrected issues. These and other instruments make up an advanced system maintenance platform. The Bank's project—"Database Operation Measuring and Analysis Platform

based on Heterogeneous Integration and Adaptive Baselines" was honored by the PBOC with the "Science and Technology Development Award" for its state-of-the-art technology.

The Bank insists that in emergencies, the services oriented toward outside parties should be restored first. On the other hand, it emphasizes improving its emergency management. In 2014, the Bank developed, on its own, an emergency response platform and conference call system for emergencies. These developments make "one-button" communication of emergencies possible, and make emergency response time much shorter. In addition, the Bank organized emergency drills and collective drills, and improved its emergency plan. It organized the collective emergency drill, initiated by the PBOC, of the information system of Shanghai's financial industry.

The Bank has introduced IT systems provided by domestic suppliers, which strengthens the independence and controllability of the Bank. In 2014, the Bank replaced its foreign-made dynamic password accreditation system with one provided by a domestic supplier. This action significantly lowered the cost of dynamic password keys, and made the logging safer. It actively tested Chinese-made network equipment, and included more Chinese brands in its bidding. It also looked into Chinese-made PC servers and storage devices to plan for using more Chinese-made IT products.

The Bank continues to improve its disaster recovery system, which is a key instrument of maintaining business continuity. It's also an important criterion of a company's core competitiveness and a way to practice CSR. In 2014, the Bank looked into the possibility of using the disaster recovery center for production purposes. It improved the disaster recovery system of the head office and branches, and conducted emergency drills. It promoted the development of a disaster recovery center in Hefei. As a result of its efforts, the disaster recovery capacity of the Bank has been improved, which allow the customers safer and more reliable financial services. In short, the Bank has contributed to a stabilized financial order and social harmony.

FULFILL THE OBLIGATION OF ANTI-MONEY LAUNDERING

Improving the anti-money laundering policies: In 2014, the Bank released the SPD Bank's Anti-Money Laundering Management Method. The policy set up a comprehensive framework of anti-money laundering risks that centered on legal persons. It also clarified the responsibilities of the three defense lines. The SPD Bank's Management Method of Client Money Laundering Risk Assessment was formulated, as well as relating rules and manuals. Much effort has been made to design a process for money laundering risk rating and the design of a system for this purpose. The CSPFT Branch has explored this topic and conducted trial projects. Through these efforts, the Bank has determined the anti-money laundering requirements of innovative products, and drafted the assessment procedures of the money laundering risks relating to banking products.

Setting up an anti-money laundering system: In 2014, the Bank stepped up system development. As a result, the risk assessment system on client money laundering was launched, as well as the second phase of the financial sanction list monitoring system. The Bank has also upgraded the anti-money laundering detection and warning system. These efforts have greatly improved the efficiency of anti-money laundering work.

Conducting more frequent and in-depth inspection: In the year, eight branches, four more than in the previous year, underwent the anti-money laundering inspection. The busi-

ness departments of the head office were placed within the inspection scope for the first time. The branches and related departments at the head office have taken strong actions to correct the problems identified in the inspections. Therefore, more attention is paid to anti-money laundering. The related organizational structure and internal control policies have been improved.

Enhancing due diligence investigation of the clients: In 2014, the Bank conducted over **30,000** due diligence investigations of its **16,000** clients. The ratio of investigated clients reached **31.7%**, up by **13.4%** compared with 2013. It made **68** reports of key suspicious transactions, up by **30.7%**. Through these stringent investigations, the Bank significantly reduced misstatement and omission of suspicious transactions. In 2014, neither major money laundering nor risk was identified.

【 ANTI-MONEY LAUNDERING WORK, 2014 】

| Indicator | Unit | 2014 | 2013 | 2012 |
|---|----------|------|------|------|
| Number of anti-money laundering training sessions | - | 234 | 200 | 198 |
| Number of large transactions reported | Million | 0.07 | 0.06 | 0.04 |
| Number of suspicious transactions reported | Thousand | 21 | 29 | 34 |

【 CASES 】

| Topic | Action | Value |
|---|---|--|
| The Changchun Branch organized a theme month to advocate anti-money laundering. | The branch made great efforts to advocate anti-money laundering, which won the praises of citizens. It put up information desks in the outlets, handed out anti-money laundering brochures, and placed information boards at the public education zones. Through these methods, it educated the consumers about the characteristics and harms of money laundering. It also educated the public about the laws and regulations on anti-money laundering. The Bank brought the campaign to the Jilin University, where it explained the fundamentals of anti-money laundering and answered the questions of the students. | These activities have enhanced the citizens' sense of responsibility in relation to anti-money laundering. |
| The Xi'an Branch organized a prize-giving quiz on anti-money laundering. | In 2014, the branch organized two campaigns of anti-money laundering. Its staff went to the Community of Xi'an Railway Bureau. They shared knowledge related to money laundering. They handed out over 5,200 brochures and collected over 200 responses to their questionnaires. | The campaigns improved the Bank's social image. |



CREATE A CORRUPTION-FREE ENVIRONMENT

The Bank has enhanced anti-corruption policies, monitoring and management. It has formulated the Opinions on Implementing the Accountability Policy of Anti-Corruption, the Assignment of Responsibilities in Implementing the Accountability Policy of Anti-Corruption, and the Performance Evaluation Methods of the Implementation of the Accountability Policy. Through these policies, the attention of the employees was diverted to the Central Government's new regulations and requirements on anti-corruption work. The Bank continues to strengthen the awareness of its missions, responsibilities, and accountabilities. The entity responsibilities have never left its mind, and have been honored with concrete actions. It has formulated the Notice on Strengthening the Discipline Inspection System across the Bank, and improved the discipline inspection and management systems in the branches.

The Bank rigorously enforced discipline and enhanced its efforts in investigating corruption cases. In 2014, the Discipline Inspection Office at the head office handled 67 reports of corruption, up by 10.45% compared with the previous year. Among them, 18 were transferred from the supervisory bodies of the Bank, while 43 were directly filed to the Bank. The Bank solved 27 of these cases, and transferred 34 of them to others. 18 were reported to the discipline inspection commissions at levels higher than those of the Bank, and to the supervisory bodies of the Bank. The Bank adopts a zero tolerance attitude in anti-corruption work, and insists on identifying corruption cases as early as possible. It seriously handled problems such as violating the regulations when processing transactions of the customers, using the Bank's cars for personal purposes, and accepting gifts. It talked to four employees about anti-corruption matters.

It has handled 96.49% of the corruption reports it received.

The Bank conducted preliminary reviews of these reports, and transferred the reports when appropriate. Approved by the Discipline Inspection Commission and the leader team of accountability at the head office, corruption cases were registered, in which nine cadres directly governed by the head office and two staff members were involved. The Bank insists on strict accountability and spares no one who has violated the corruption regulations.

The Bank has enhanced trainings and improved the awareness of anti-corruption. At the beginning of the year, it convened a meeting and put forward the specific requirements of anti-corruption work. It organized trainings for the secretaries of the discipline inspection commissions across the Bank. The representatives for the Shanghai Discipline Inspection Commission, Shanghai Economic Crime Investigation Team and Shanghai Financial Discipline Commission were invited to share anti-corruption experience, how to conduct discipline inspection in the financial system from the perspectives of the economic criminals, and how to implement the requirements of discipline inspection and improve anti-corruption work in the banks.

In 2014, the Bank continued to be creative in anti-corruption advertisement and training. More training forms, methods and approaches have been adopted. Firstly, anti-corruption topics have been added to different trainings, such as the orientations and trainings of Party secretaries, presidents of sub-branches and cadres directly governed by the head office. Secondly, the training materials are more diversified. The Bank has formulated the Anti-Corruption and Compliance Manual and the Selection of Cases, copies of which were handed out in 2014. The paper

editions and digital editions were sent to the branches. These describe cases of ethical risks and operational risks. Thirdly, the Bank has created a favorable education atmosphere. Intensive education was conducted, the theme of which was "Deepening compliance awareness, insisting on corruption-free practices". The Bank organized over 200 cadres above the divisional head level to watch movies advocating against corruption. Additionally, bank-wide online tests were organized to test how well the employees know the Anti-Corruption and Compliance Manual. A month was dedicated to advocating against corruption, and to organizing meetings aimed to prevent corruption cases. Fourthly, the Bank has taken measures to consolidate education. It participated in the selection of outstanding investigations on

anti-corruption in the financial system, an activity organized by the Shanghai government. Related seminars were also organized. Employees submitted 27 papers on anti-corruption for the paper review activities of the discipline inspection commissions at levels higher than those of the Bank, the Financial Inspection Society, etc.

The Bank has taken actions to ensure compliance with its policies. In 2014, the Bank revised the Shanghai Pudong Development Bank's Disposition Methods of Staff Infringing Regulations, and formulated the Accountability Methods of Middle and Senior Management, along with the Affirmation and Accountability Methods of Credit Risk Responsibilities.

[TRAINING ON PROFESSIONAL ETHICS AND ANTI-CORRUPTION]

| Indicator | Unit | 2012 | 2013 | 2014 |
|---|------|---|---|---|
| Training on anti-money laundering | - | 7 | 9 | 11 |
| Training on anti-corruption | - | 11 | 39 | 49 |
| Petition completion rate | % | 96% | 85% | 96.49% |
| Treatment of corruption cases and infringement by the internal supervisory department during the reporting period | - | 152 infringement cases by the internal supervisory department | 262 infringement cases and corruption cases handled during the year | 294 infringement cases and corruption cases handled during the year |

AWARDS AND RECOGNITION

| Organization | Awards | | |
|---|---|---|---|
| China Banking Association | The Best Green Finance of the Year | China Mergers & Acquisition Association | 2014 Award of Best Financing for Merger (merger project of the China Aviation) |
| 21 st Century Corporate Research Center | Corporate Citizen with the Best Shareholder Return, 2014 | Investor China Newspaper | Best Mobile Bank, 2013 |
| Corporate Social Responsibility Committee of the Chinese Institute of Business Administration, Beijing Rongzhi Corporate Social Responsibility Research Institute | "The Best Social Responsibility Report" in the 2014 Chinese Banking Industry Transparency Evaluation | 21st Century Economy Herald | Best Comprehensive Service Bank of the Year, the 7th 21st Century Asset Management Jinbei Award Nomination Best Mobile Bank of the Year, the 7th 21st Century Asset Management Jinbei Award Nomination |
| Rankins CSR Rating | In 2014, the rating for the Bank's CSR report was AA, and was expected to improve | Asian Banker | The Bank's mobile bank was honored as the Best Mobile Banking Initiative The Bank's Wechat bank was honored as the Best Social Media Initiative Operation Risk Management Award (Asia Pacific Area) |
| Hang Seng Index | Being selected for: the Hang Seng A-Share Sustainable Development Benchmark Index, Hang the Hang Seng A-Share Sustainable Development | CFO World Magazine | Most Trustworthy Bank, 2014 Most Outstanding Finance Brand, 2014 Best Cash Management Brand, 2014 Best Investment Bank Services, 2014 |
| UNEP | Top Ten Green Companies in China | The Economic Observer | Outstanding Mobile Bank of the Year, 2013-2014 |
| World Bank | 2014 Best Performance of Energy Conservation and Emission Mitigation | Shanghai Securities News | The Bank was honored as the Best Banking Partner for SME for its "Wei Xiao Bao" The Bank was honored as on that provide best financing services for trade for its supply chain financing solution. |
| The Economic Observer | 2014 Model Low-Carbon Company in China | Securities Times | Best Mobile Bank, 2013 Most Competitive Bank, 2013 Best Bond Underwriting Bank, 2013 The Bank with Best Consulting Services on Mergers, 2013 Best Syndicated Loan, 2013 (Shanghai Inland Waterway Project--Dalu Line Second Phase) Best Equity Financing, 2013 (Hunan Hi-Tech New Energy Start-up Investment Fund) |
| PBOC | Quality individual credit data, 2013 Third Prize of Banking Industry Science and Technology Development Award, 2013 ("Mobile Payment Card Project", and the project of "Database Operation Measuring and Analysis Platform based on Heterogeneous Integration and Adaptive Baselines" | Sina Finance | Innovative Mobile Bank, 2014 |
| China Banking Association | Special Contribution Award, 2013 nomination for China 100 Demonstration Organizations for People-Oriented Banking Services The Bank's 2013 Report on China's Private Equity Market was awarded with the third prize in the "selection of outstanding research" organized by the China Banking Association. Best Banking Partner for Trade Companies Best Pension Management Award, 2014 The Best Performance of Syndicated Loans, 2014 The Best Transaction of Syndicated Loans, 2014 (ES4 Plot Infrastructure Project, Qiantan, Pudong, Shanghai) The Customer Service Center at the head office was honored with the "Talent Development Award" in the third set of awards for the outstanding customer service center in the Chinese banking industry The Credit Card Customer Service Center was honored as a model in the third set of awards for the outstanding customer service center in the Chinese banking industry | China Business News | Bank of the Year, CBN Financial Value Ranking 2014 |
| China Banking Regulatory Committee International Finance Corporation (IFC) | Water Efficiency Trailblazing Bank | Hexun.com | Most Competitive Wealth Management Entity of the Year Best Credit Card Brand of the Year, 12th Finance and Economy Ranking |
| Shanghai Municipal Government | The NFC Mobile Payment received the second prize for financial innovation in the 2013 Shanghai Financial Innovation award ceremony The Wechat Bank received the second prize of financial innovation in the 2013 Shanghai Financial Innovation award ceremony. The "Wang Dai Tong" (loans for online clients) was nominated for the Shanghai Financial Innovation award Best Science and Technology-Based Financial Services for Small and Micro Enterprises in the Shanghai Banking Industry, 2014 ("Wei Xiao Dai", "Loan Factory") Best Innovative Product of Green Finance in the Shanghai banking industry, 2014 | China Business Journal | Competitive Corporate Banking, 2014 Competitive Financial Innovation, 2014 |
| Shanghai Banking Association | Outstanding Dealer in China's Bond Market, 2013 Outstanding Broker in China's Bond Market, 2013 | China Business Network; Lujiazui Finance and Trade Zone | Best Innovative Green Financial Product, 2014 Lujiazui Financial Innovation Summit & China Financial Innovation Value Ranking Innovative Mobile Bank of the Year, 2014 Lujiazui Financial Innovation Summit & China Financial Innovation Value Ranking |
| China Central Depository & Clearing Co., Ltd. | The Bank was rated as A grade in the 2013 evaluation of implementing foreign exchange regulations | Banker | In 2014, the Bank was ranked 75th on the Top 500 Global Banks list. It was ranked 10th among the Chinese banks on the list. Its brand value was RMB 2.664 billion In 2014, the Bank, based on the core capital, was ranked 44th on the Top 1000 Global Banks list, and 8th among the Chinese banks on the list |
| State Administration of Foreign Exchange | Member with Outstanding Clearing Services, 2013 Member with Outstanding Settlement Services, 2013 Excellent Net Cash Settlement Award, 2013 Member with Outstanding Foreign Exchange Clearing Services, 2013 Outstanding Innovation Award, 2013 | Forbes | In 2014, the Bank was ranked 130th on the Global 2000, 16th among the Chinese enterprises on the list, and 9th among the Chinese banks on the list |
| Shanghai Clearing House | | Fortune | In 2014, the Bank was ranked 383th on the list of the Fortune 500. It was No. 81 among the Chinese companies on the list, and No. 9 among the Chinese banks on the list |

ECONOMIC RESPONSIBILITIES



CORPORATE SOCIAL RESPONSIBILITY STATEMENT AND POLICY

CORPORATE SOCIAL RESPONSIBILITY CODE OF CONDUCT

Operate in compliance with laws and regulations and in a prudent manner: to comply with governing laws and regulations, to promote operational stability and efficiency, and to ensure robust and sustainable development.

Uphold business integrity and serve the public interests: to operate with integrity and honesty, to increase growth while focusing on people's livelihoods, and to conduct economic restructuring to enable us to maximize the value of existing financial products and services to the general public.

RESPONSIBILITIES

National Economy and People's Livelihoods: through the implementation of national macroeconomic policies and its response to national industrial policies, the Bank aims to play a significant role in the livelihoods of the people it serves. The Bank will optimize its credit structure and increase credit loan facilities in an effort to support the development of the West and North-east industrial zone areas in China. The Bank will continue to establish its role as a premier financial institution that focuses on livelihoods.

Inclusive Financial Services: it is the Bank's responsibility to pay special attention to minority groups. It has developed, through policy, institution and product innovation, inclusive finance that provides access to financial services for all. In this way, more people have the opportunity to participate in economic development and gain economically.

Quality Services: by embedding social, economic and environmental principles into the Bank's financial services policies and operations, the Bank is able to create economic value for its customers. It does this by taking ownership for delivering a good customer experience, setting a high standard for service quality, optimizing processes, increasing operational efficiency, encouraging service feedback and maintaining financial integrity.

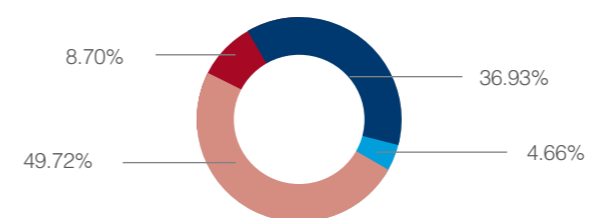
Financial Innovation: looking forward with a global and professional perspective, the Bank will continue to focus on customer-centric service innovation and diverse service channels. Leveraging its operational and financial strengths, the Bank will strive to help customers and individuals achieve growth in personal wealth, as well as increasing the value of services.

NATIONAL ECONOMY AND PEOPLE'S LIVELIHOODS

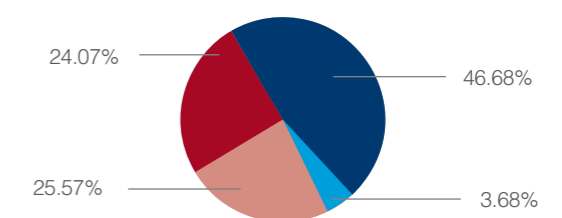
The Bank has aligned its loan policy with the macroeconomic policies that stress stable development, restructuring and reforms. The Bank supports economic development with its credit resources, promotes reforms and innovation, and emphasizes risk control. It also contributes to economic restructuring, including the alleviation of over-capacity, the development of strategic emerging industries and service industries, and the upgrading of traditional industries. As for livelihoods, the Bank supports affordable housing projects, promotes coordinated development between regions and pushes forward urbanization.

[DISTRIBUTION OF BORROWERS AND CORPORATE LOANS IN 2014]

• PROPORTION OF BORROWERS



• PROPORTION OF LOANS



■ Large Enterprises ■ Medium-sized Enterprises ■ Small Enterprises ■ Micro Enterprises

Note: The enterprises are categorized according to the standards jointly released by the State Economic and Trade Commission, State Development Planning Commission, Ministry of Finance and National Bureau of Statistics.

BALANCE REGIONAL DEVELOPMENT

To balance regional development, the Bank adopts a differentiated loan policy for the regions. On one hand, the general directions for the loans remain the same across the Bank. On the other, loans are provided for the featured industries of different regions considering their resources, policies, markets, market factor prices, market potentials and management capabilities. This arrangement has improved the Bank's capacity to serve the real economy and to improve the efficiency of loan resources.

By the end of 2014, the Bank had set up a total of **1,295** banking outlets (including **305** community banks), which make up a better nation-wide service network. During 2014, **159** new banking outlets were set up in the Midwest China, making up 42% of the new outlets built in the year. Another **31**, or 8% of the new outlets, were added to the Northeast China. These outlets render effective support to the development of the Midwest China, and to the revitalization of the Northeast China.

[PROPORTION OF LOAN BALANCE BY REGION]

| No. | Indicator | 2014 | 2013 | 2012 |
|-----|--|--------|--------|--------|
| 1 | Proportion of loan balance in Eastern region | 54.74% | 58.13% | 59.84% |
| 2 | Proportion of corporate borrowers in Eastern region | 61.82% | 63.75% | 65.08% |
| 3 | Proportion of loan balance in central region | 14.54% | 14.64% | 14.60% |
| 4 | Proportion of corporate borrowers in central region | 17.99% | 17.75% | 16.48% |
| 5 | Proportion of loan balance in western region | 15.93% | 16.02% | 15.47% |
| 6 | Proportion of corporate borrowers in western region | 14.19% | 13.50% | 12.01% |
| 7 | Proportion of loan balance in Northeastern region | 7.88% | 8.07% | 8.18% |
| 8 | Proportion of corporate borrowers in Northeastern region | 5.99% | 5.00% | 6.42% |

Notes:

1. The Eastern region covers 10 provinces, cities and autonomous regions: Beijing, Tianjin, Hebei, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan.
2. The Central region covers six provinces: Shanxi, Anhui, Jiangxi, Henan, Hunan and Hubei.
3. The Western region covers 12 provinces, cities and autonomous regions: Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Qinghai, Ningxia, Tibet, Xinjiang and Inner Mongolia.
4. The Northeastern region covers three provinces: Heilongjiang, Jilin and Liaoning.

Support the Development of Xinjiang

In 2014, the Bank continued to build banking outlets in Xinjiang. By the end of 2014, there were 15 banking outlets in Urumqi, including one branch, two second-level branches, one sub-branch in a prefecture-level city, nine sub-branches in Urumqi and two community banks. During 2014, **22** stand-alone self-service outlets were added to the area, as well as **7** stand-alone self-service stations and **49** self-service machines. In addition, the Bank continued to give preferential support to Xinjiang in terms of loan investment and the saving and loan ratio. By the end of 2014, the loan balance of the Urumqi Branch was RMB **22.384** billion, an increase of RMB **4.141** billion, or **22.7%** compared with the beginning of the year. The growth rate was **7.93** percentage points more than the average of the Bank.

The Bank vigorously implemented the instructions to "support Xinjiang by developing industries and financial industries in the autonomous region". To this end, the Bank has been improving its capacity for providing comprehensive services in the region. It has made great efforts to ensure that Shanghai and Guang-

dong's accounts for assisting Xinjiang's development, amounting to RMB 980 million, are supervised, operated according to regulations, and safe. After the 7/28 terrorist attacks, Kashgar was in chaos. The internet connections in Schache and Bachu were cut off. To ensure that the aid funds arrived in time, the Kashgar Branch took the initiative to talk with the departments in charge of the aid campaign, and sent its employees to deliver the notes and perform reconciliation on-site.

To ensure rapid development of transport in Xinjiang during the Twelfth Five-Year Plan period, the Bank has issued a credit of RMB 6 billion to the Transportation Department of the Xinjiang Uygur Autonomous Region. The credit is used to finance the key national projects of Xinjiang during the Twelfth Five-Year Plan period. From 2007 until now, it has been used to finance 10 road construction projects. Between 2012 and 2014, the Bank fully funded the G3015 Expressway project from Karamay to Tacheng. A credit of RMB 3.82 was issued to this key national project. In 2014, RMB 1.26 billion was disbursed.

[CASES]

| Topic | Action | Value |
|--|---|--|
| The Urumqi Branch initiated an insurance product to contribute to the stability of Xinjiang. | The branch worked with the China United Property Insurance Company to put forward an insurance product, the "Life Guard". This was the first accident insurance in China that covered the loss caused by terrorist attacks and violence. The coverage was high while the premium was low. | It was the first insurance product developed independently by the branch. It sets an example for the branches to research, develop and sells insurance products. It's a milestone. |

Support the Revitalization of the Northeastern Region

The Northeastern area is an important industrial base in China, and the largest production base of grain and other products. It also boasts companies with core competitiveness in the industries of aircraft, automobile and ship manufacturing, shipping and petrochemicals. There are industrial clusters of considerable scale. In 2014, the Opinions on Recent Policies and Measures to Revitalize the Northeastern area was released by the State Council, and will further the development of the region.

The Bank tries to concentrate government capital to key, strategic, fundamental and pilot industries. It does so by pooling the resources of the enterprises owned by the central government through approaches like equity diversification. It helps to promote innovation-driven development of advantageous and promising industries in the Northeastern area, such as major

technical equipment, high-end smart devices, new material and biological industries. Its approach is setting up technology innovation associations surrounding innovation resources like key national projects and backbone companies. Generous support is also provided for traditional competitive industries. The Bank supports the major technological equipment industry to expand the market. It also supports the nuclear power, thermal power, rail transportation, petrochemical, metallurgy and high-end machine tool industries to go global. Key industrial projects, which are closely related, are located in a more reasonable way. Large-scale agriculture processing companies are encouraged to locate their product bases in the region. Grain storage and logistic facilities are improved.

[BALANCE OF LOANS TO THE NORTHEASTERN AREA]

| | 2012 | 2013 | 2014 | Top Five Projects in 2014 |
|--|---------|---------|---------|--|
| Loan Balance (Billion RMB) | 124.854 | 139.491 | 156.484 | 1. Project of the Expansion and Reconstruction of Highways Surrounding Shenyang 2. The first project of the construction of a business area near the new airport of Dalian 3. Project of Land Consolidation ion of the Huishan Village, Wangbin Village, Sishui Scientific Town (Dafu Village and Xiawazi Village) |
| Number of Corporate Clients (Thousand) | 2.3 | 2.0 | 2.4 | 4. Infrastructure Construction of the Xiaoyaowan International Business Zone in Dalian 5. Land Reclamation and Storage Project on Yisanlu Road, Luyuan Zone, Changchun |

Note:
1. The Northeastern area covers three provinces: Heilongjiang, Jilin and Liaoning.
2. Loan location is determined by the location of the receiving projects.



[CASES]

| Topic | Action | Value |
|--|--|--|
| The Changchun Branch met the financing demands of automobile dealers. | The branch improved the automobile financial service program. There are seven types of services, including financing for the building of outlets, inventory financing and individual business loans. By the end of 2014, the branch had issued over RMB 5 billion loans for over 1,000 automobile dealers. An accumulated amount of RMB 9.062 billion was disbursed to 135 clients. The credit balance was over RMB 2.6 billion. | The demands of the automobile industry were met, which contributed to the local economy. |
| The Dalian Branch achieved a new breakthrough in developing foreign trade. | The branch set up the SPD Bank Dalian Offshore Banking Innovation Center, which provided several offshore banking services. It has provided direct financial services to over 2,600 foreign trade companies, with the trade volume exceeding USD 18.5 billion. Compared with the previous year, the trade volume was up by more than USD 2.8 billion, or 17.9%. This was a breakthrough of foreign trade in the Northeastern area. | The center is the only offshore banking institution at the head office level. It's a measure that the Bank took to revitalize the Northeastern area. The center contributes to the rapid development of foreign trade. |

Support the Development of Western and Central Regions

The Bank is supportive of the Western area. It supports the government's efforts to develop the One Belt and One Road area (the Silk Road Economic Belt and the 21st Century Maritime Silk Road), upgrade the infrastructure, promote new urbanization, upgrade industrial structure, and boost daily consumption.

[BALANCE OF LOANS TO THE WESTERN AREA]

| | 2012 | 2013 | 2014 | Top Five Projects in 2014 |
|--|---------|---------|---------|--|
| Loan Balance (Billion RMB) | 236.048 | 277.033 | 316.191 | 1. Projects of constructing highways from Xi'an to Tongchuan, Shiyan to Tianshui and Tongchuan to Yan'an 2. G3016 Highway Project from Karamay to Tacheng (the Bakhty Section) 3. The Mining Right Investment Project in Santang Mine, Kumul, Urumqi |
| Number of Corporate Clients (Thousand) | 4.3 | 5.4 | 5.7 | 4. Project of Replenishing the Dianchi Lake with Water of the Niulanjiang Lake 5. Land Reclamation and Storage Project of Seven Land Parcels (including the KCC2012-26 Parcel) in Chenggong New District, Kunming |

Note:

1. The Western area includes six provinces, one municipality and five autonomous regions, namely Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Tibet, Xinjiang and Inner Mongolia.

2. Loan location is determined by the location of the receiving projects.

[CASES]

| Topic | Action | Value |
|---|---|---|
| The Chengdu Branch supported the development of the Western area. | The balance of loans to expressway construction projects was RMB 1 billion, including those of the Sichuan Expressway Company and the Sichuan Expressway Construction Development Company. The balance of loans to the water conservancy infrastructure construction projects was RMB 346 million. | These loans have promoted the infrastructure construction of the Western area, including the transportation and water conservancy infrastructure. |
| The Chongqing Branch helped enterprises to "go global" or "attract foreign investment". | The branch provided support to the companies in their cooperation with companies in Hong Kong, Taiwan and Macao, direct investments and product innovation. It did so by providing special financial products, such as loans in which the domestic entities of a group provided guarantees for the overseas branches of the group. The Liangjiang New District in Chongqing was incorporated into the pilot areas, where the foreign investors enjoyed willingness settlement of foreign capital funds. (Willingness settlement allows foreign companies to convert capital funds when they wish.) The branch took advantage of this development and its international network and product advantages to support its clients. | The branch has followed the government's strategies of developing the "One Belt and One Road" area and the Yangtze River economic belt. It has contributed to the efforts of building Chongqing into an inland open city. |

The Bank has seized the opportunities presented by the country's strategy to develop the Central area, and made use of the favorable location of the area to promote its development. It gives priority to loans that consolidate the area's strategic position as a grain production base, an energy raw material base, a modern equipment manufacturing, high and new-tech industry base, and a comprehensive transportation hub. Other projects that are given priority include those that would accelerate regional economy restructuring, industrialization and urbanization, modern agriculture development, and those that would improve development quality.

[BALANCE OF LOANS TO THE CENTRAL AREA]

| | 2012 | 2013 | 2014 | Top Five Projects in 2014 |
|--|---------|---------|---------|---|
| Loan Balance (Billion RMB) | 222.736 | 253.247 | 288.523 | 1. The Subway Line 1 Construction Project of the Zhengzhou City 2. The Repurchase of Gongdeng Expressway BT Project 3. The Construction of Longyang to Gaoxian Section of the Longyang-Luanchuan Expressway; and the Reconstruction and Expansion of the Zhengzhou to Luoyang Section of the Lianyungang-Khorgos Expressway |
| Number of Corporate Clients (Thousand) | 5.9 | 7.1 | 7.2 | 4. Reconstruction Project of the Zhengzhou Section of the G107 New Line 5. Urea Production and Supplementary Unit Construction Project of Henan Jinkai Chemical Company. The capacity of the units will reach 500,000 tons of synthesized ammonia/year, and 520,000 tons of urea/year. |

Notes:

1. The Central area covers six provinces: Shanxi, Anhui, Jiangxi, Henan, Hunan and Hubei.

2. Loan location is determined by the location of the receiving projects.

[CASES]

| Topic | Action | Value |
|---|--|---|
| The Nanchang Branch supported the eco-economy of Boyanghu Lake with transfer loan. | The branch successfully obtained USD 12 million in loans for the eco-economy of Boyanghu Lake. The loans were transfer loans from the World Bank via the Ministry of Finance. It's a breakthrough in the application of governmental capital. | The loans have promoted new urbanization and are of strategic significance for Jiangxi to improve its economic status by developing a green economy. |
| The Nanning Branch supported the No. 3 and No. 4 Line Navigation Lock's Construction Project. | The branch provided RMB 1 billion capital support to this national strategic project undertaken by the Guangxi Xijiang Development & Investment Group. This satisfied the urgent financing demands of the company and rendered great support to the development of the region. | By providing the financial support, the branch has supported the implementation of the Peril River- Xijiang Economic Belt Development Planning. It has expedited the economic development of the Midwestern areas, and the exchange of commodities and resources between the Midwestern areas and the Eastern area. |

Support Regional Economy

In 2014, the Bank boosted the local economy and society by providing credit resources to major infrastructure construction projects, livelihood projects, and industry development projects.

【CASES】

| Topic | Action | Value |
|---|--|--|
| The Kunming Branch fully supported the local economy. | The accumulated capital support for Yunnan's 2014 Three Hundred Major Projects (100 for each of three types) was RMB 3.3 billion. The projects included construction of roads and other urban facilities. The branch's loans to the manufacturing industry were RMB 6.34 billion, making up 16.25% of its loans to companies during the same period. These loans satisfied the companies' financial demands for daily operations and for major projects. | The branch has contributed to the local economy, and prevented local industries from being affected by the economic slowdown and economic restructuring. |
| The Wuhu Branch supported the local economy through close cooperation with local governments. | In 2014, the branch's loans to financing vehicles were RMB 7.02 billion, among which RMB 4 billion went to the public utilities, RMB 1.8 billion to the Wanjiang Investment Company, and RMB 1.22 billion to other district-level financing vehicles. The balance of loans to agriculture, forestry and fishery was RMB 110 million. In 2014, the tax paid by the branch was RMB 99.21 million. | It was honored with the third prize in the evaluation of financial institutions' support to Wuhu's economy. |
| The Shanghai Branch financed major projects, contributing to the sustainable development of the real economy. | In 2014, the financing volume of the branch was RMB 33.6 billion. This led the issue of the syndicated loan to the Phase II of the first offshore wind power project in China. The volume of the syndicated loan was RMB 1.552 billion. The Shanghai Branch contributed RMB 776 million. It also led the issue of the syndicated loan to the Front-End Engineering and Environment Improvement Project of the Xuhui Bijiang Area, a major project of Shanghai. The branch contributed RMB 1.82 billion of RMB 3.787 billion, the total amount of the syndicated loan. Another syndicated loan made possible by the branch was the loan to the Construction Project of Rebuilding the Surface of the Viaduct at Jiamin. The loan was RMB 2.175 billion, of which RMB 942 million was contributed by the branch. | The Qiantan syndicated loan was honored by the China Banking Industry as the Best Transaction, and honored by the Shanghai Banking Association as the Best Entity for a Syndicated Loan. The syndicated loan for the offshore wind power project was honored by the Shanghai Banking Association as the Best Project Funded by Syndicated Loans. |
| The Hangzhou Branch promoted the financial reforms of the Yiwu City and the strategic cooperation between the banking industry and the governments. | The branch tailored the 2014-2016 Financial Reform Plan—Pilot Projects of International Trade Reform of Yiwu and supporting solutions. It set up an offshore innovation center in Yiwu that was at the head office level. This shortened the approval process of offshore businesses and reduced operation costs of the companies. Good results have been achieved. | Based on national strategies, the branch has promoted the reforms of Yiwu's international trade. The Yiwu Sub-Branch was honored as a model entity in 2014. |

【TOP TEN PROJECTS OF 2014】

| No. | Project Name | Loan Addition in 2014 (Million RMB) | Loan Balance as at Year-end (Million RMB) | As % Percentage of Total Year-end Balance |
|-----|---|-------------------------------------|---|---|
| 1 | Project of the Expansion and Reconstruction of Highways Surrounding Shenyang | 3,338 | 4,892 | 0.25% |
| 2 | Expressway from Xi'an to Tongchuan, Shiyan to Tianshui and Tongchuan to Yan'an | - | 4,145 | 0.21% |
| 3 | Haihe Tunnel – Central Line of the Binhai New District, Tianjin; Second Phase of the Jishugang Road, Central Section; Second Phase of the Haibin Road, South Section; Tangshan Expressway; The Southern Extension of the Haijing Road | - | 3,065 | 0.15% |
| 4 | G3016 Highway Project from Karamay to Tacheng (the Bakhty Section) | 1,460 | 3,040 | 0.15% |
| 5 | The first project of the construction of a business area near the new airport of Dalian | 3,000 | 3,000 | 0.15% |
| 6 | Shanghai Hushen Expressway A15, A16 and S26 Projects | 163 | 2,574 | 0.13% |
| 7 | Shanghai Metro Line 11 Project | 70 | 2,544 | 0.13% |
| 8 | Acquisition Project of the Shanghai International Port Group | - | 2,175 | 0.11% |
| 9 | Shanghai Metro Line 7 Project | - | 2,165 | 0.11% |
| 10 | Shanghai Oasis Yabinli Garden Real Estate Project Phase III | 196 | 2,094 | 0.11% |

Notes:

1. Ranked according to the loan balance of the projects;

2. As percentage of total year-end balance = Project loan balance/total loan balance at year-end



PROMOTE INDUSTRY UPGRADING

【 NEW LOANS IN 2014 】

| Industry | Industry Category | 2014 Loan Balance (RMB'000) | 2014 Loan Addition (RMB'000) |
|--|-------------------|-----------------------------|------------------------------|
| Agriculture, Forestry, Animal Husbandry and Fishery | A | 1,675,917 | 300,524 |
| Among them: Agriculture Loan | A01 | 799,223 | 209,651 |
| Forestry Loan | A02 | 215,944 | 54,135 |
| Mining | B | 6,315,043 | 902,811 |
| Manufacturing | C | 37,734,244 | -440,415 |
| Electricity, gas and water production and supply | D | 4,383,827 | 141,524 |
| Construction | E | 11,260,811 | 1,212,176 |
| Transportation, storage and postal services | F | 9,607,543 | -73,074 |
| Information technology, computer services and software | G | 1,259,280 | 108,591 |
| Wholesale and retail trade | H | 24,159,111 | 2,273,562 |
| Hotel and catering | I | 968,344 | 1,494 |
| Finance | J | 1,320,016 | -25,380 |
| Real estate | K | 19,483,256 | 5,010,206 |
| Leasing and business services | L | 12,644,426 | 2,954,293 |
| Science and technology research, technical services and geological prospecting | M | 721,019 | 33,348 |
| Water, environment and public facility management | N | 8,130,601 | 573,945 |
| Resident services and other services | O | 908,219 | -26,126 |
| Education | P | 1,084,167 | 67,533 |
| Health, social security, social welfare | Q | 920,183 | 175,121 |
| Among them: health industry | Q85 | 904,683 | 165,121 |
| Culture, sports and recreation | R | 559,339 | 52,069 |
| Others | S&T | 466,484 | -231,632 |
| Total | - | 143,601,829 | 13,010,568 |

Notes:

1. The table uses statistics in the Statement on Loans of Major Banking and Financial Institutions by Industry released by the People's Bank of China.
2. The category includes public administration and social organizations (Type S), international organization (Type T), etc.

【 SUPPORT FOR INDUSTRIAL TRANSFORMATION AND UPGRADING 】

| Indicator | Industry | Industry Category | Unit | 2014 | 2013 | 2012 |
|---|---|-------------------|-----------|-----------|-----------|-----------|
| Loan balance for scientific research, technology service and geological prospecting | Research and experimental development | M75 | RMB'0,000 | 113,201 | 142,893 | 136,000 |
| | Professional technology service | M76 | RMB'0,000 | 460,704 | 438,611 | 318,968 |
| | Science and technology exchange and promotion | M77 | RMB'0,000 | 204,431 | 157,100 | 85,226 |
| Loan released in support of strategic and emerging industries during the year | | | RMB'0,000 | | 3,079,310 | 2,518,444 |
| Loan balance in support of strategic and newly emerged industries | | | RMB'0,000 | 3,984,179 | 4,656,416 | 3,581,046 |

Notes:

1. The table uses statistics in the Statement on Loans of Major Banking and Financial Institutions by Industry released by the People's Bank of China.
2. Strategic emerging industries: According to the Decision of the State Council on Accelerating Fostering and Developing Emerging Industries of Strategic Importance (State Council [2010] No.32), strategic emerging industries are knowledge and technology-intensive industries with low resource consumption, promoting development and return. They are based on major technological breakthroughs and development demand, and are the driving force of long-term development of the entire society and economy. Examples are the: energy conservation and environmental protection industry, new generation information technology industry, bio-industry, high-end equipment manufacturing industry, new energy industry, new material industry, and new energy automobile industry.

【 CASES 】

| Topic | Action | Value |
|---|--|---|
| The Shijiazhuang Branch was deeply involved in projects of strategic emerging industries. | The branch enhanced the analysis of and marketing in strategic emerging industries, such as high-end equipment manufacturing, bio-pharmaceutical and new energy industries. Its loan balance for these industries at the end of 2014 was RMB 401 million, RMB 323 million higher than that of the beginning of 2014. At the end of 2014, its loan balance to energy conservation and emission mitigation industries was RMB 1.238 billion. | The branch's efforts expedited industry restructuring and boosted the regional economy. |

Support Real Economy

Since 2014, China's economy has been stable. Amid this background, the Bank has sped up credit issue to key areas to support the real economy and to stimulate the scale effect.

【CASES】

| Topic | Action | Value |
|--|---|--|
| The Hohhot Branch supported the economic and social development of the Inner Mongolia Autonomous Region. | The branch and the local government signed the strategic cooperation agreement, which entailed a total of RMB 50 billion in financial support during the following three years for the economic entities, key projects, infrastructure construction and livelihood projects in Inner Mongolia. The financing volume in 2014 reached RMB 62.872 billion. | The funds have been used in major infrastructure construction projects and major industry development projects. They have satisfied the financing demands of Inner Mongolia in key areas and the weak links. |

Support the Culture Sector

In recent years, the Bank's loans to the culture and creativity industry have experienced steady growth. The ratio of these loans to all the loans of the Bank remains stable. Clients at different maturity stages are provided with tailored financial services. The comprehensive financial service programs for small and micro enterprises in these industries consist of loans with intellectual property rights as mortgages, collective notes, PE financing financial consulting, etc. Considering the characteristics of the local

economy and the policy environment of Beijing and Shanghai, the branches have put forward special solutions and products like "Wen Chuang Ying" (loans for the culture and creativity industries) and "Ying Shi Dai" (loans for the movie industry). These solutions and products are mainly based on the cooperation with the culture and creativity parks and movie creation parks. They represent innovations of financial services for the culture and creativity industries.

【SUPPORT FOR THE CULTURE SECTOR】

| Indicator | Unit | 2014 | 2013 | 2012 |
|---|-------------|--------|--------|--------|
| Loan released during the year in support of the cultural industry | Billion RMB | 10.463 | 10.187 | 8.429 |
| Newly-added loan of the year in support of the cultural industry | Billion RMB | 1.580 | 1.669 | 2.58 |
| Loan balance in support of the cultural industry | Billion | 14.177 | 12.597 | 10.928 |
| Loan in support of the cultural industry as a percentage of total loans | RMB | 0.71% | 0.73% | 0.72% |
| Number of cultural companies supported | - | 431 | 480 | 463 |
| Number of cultural projects supported | - | 431 | 480 | 463 |

Notes:

The cultural industry refers to activities that provide the public with cultural and recreational products and services, as well as relevant activities. According to the Classification of Cultural and Related Industries of the National Bureau of Statistics of China, cultural industries include cultural services, publishing and copyright services, broadcasting, television and motion picture service, art services, network cultural services, cultural leisure and recreational services, etc.

Support High-Tech Industries

Acting on the country's appeal, the Bank has promoted its loans for science and technology projects, as well as improved related products and services. It continues to improve its position in the financial market for science and technology. For example, it energetically cultivates the financial services for "Little Giants of Science and Technology"; constructs high-tech sub-branches; and improves the management method of the "One Thousand Clients Project", a project supporting rapidly growing clients.

By the end of 2014, services had been provided for over 11,000 enterprises in the science and technology industries. Among them, over 1,800 were in the "One Thousand Clients Project"; over 200 were listed companies. More than 120 cooperation platforms have been set up. The credits issued were close to RMB 100 billion. A comprehensive service network with multiple

layers has been put in place. It is made up by the Science and Technology Finance Department in the head office, the high-tech sub-branches, a science and technology financial service center and the branches specialized in financial services for science and technology industries.



【 CASES 】

| Topic | Action | Value |
|---|---|---|
| The Qingdao Branch provided excellent services to science and technology companies. | The branch put forward the "Blue Little Giant", an innovative product designed for the Blue Little Giants recognized by the Qingdao Science and Technology Bureau. Working with the Gaochuang Science and Technology Financing Guarantee Company affiliated to the Science and Technology Bureau, the Bank provided exclusive preferential terms for the clients. | The product plays a positive role in upgrading science and technology industries, and in the sound development of the real economy. |
| The Changsha Branch set up a RMB 5 billion fund for the high and new-tech industries. | Working with the Changsha High-Tech Zone, the branch set up the Changsha High and New-Tech Industry Development Fund to support the development of Lugu. The fund is a part of the Hunan-SPDB Fund, a RMB 20 billion-odd fund dedicated to economic development and industrial upgrading of Hunan. | The new mode of cooperation between the governmental capital and non-governmental capital was used. It gave full play to the leverage effect of governmental capital, attracting a considerable amount of non-governmental capital to support the high and new-tech industries in Changsha. |

【 BUILDING THE "SCIENCE AND TECHNOLOGY FINANCE" BRAND 】

In 2014, the Bank took the lead in launching the "Little Giant of Science and Technology" brand, a special service targeted at growth companies represented by science and technology companies. It aims to provide an exclusive cultivation mechanism and comprehensive financial services throughout the growth of companies, especially science and technology companies, by pooling resources from different circles.

The "Little Giant of Science and Technology" financial solutions provide services throughout the growth of science and technology companies by building the following four federations.

Angel Federation:

For science and technology start-ups, the Bank cooperates with the Silicon Bank, angel funds and funds for start-ups to identify their values, and to provide them with comprehensive services throughout their growth.

Growth Federation:

For science and technology companies experiencing rapid growth, the Bank works with equity funds, governments, core enterprises in the supply chains and data suppliers to provide them with comprehensive services.

Listing Federation:

For listed companies, the Bank works with stock exchanges, security traders and other service suppliers to build a comprehensive service platform for them.

Strategy Federation:

For collectivized and global companies, the Bank makes use of the resources in mature global markets to provide them with tailored services that integrate the elite services of different parties.



Support for Agriculture, Rural Areas and Farmers

The Bank was among the first to release a Service Plan for Modern Agriculture. The plan presented a financial service mode for the whole industry chain of modern agriculture "from field to tip of tongue", which creatively integrated the service mode, product portfolio and operating mechanism.

The SPD Bank Financial Service Center for Modern Agriculture was the first of its kind in Heilongjiang. It serves as a model for the other branches to promote the financial services for modern agriculture. It has taken the lead in promoting innovative prod-

ucts, such as financing on land transfer, joint guarantees and joint loans of the farmers, and financing of agriculture exchanges.



【 SUPPORT FOR AGRICULTURE 】

| Indicator | Unit | 2014 | 2013 | 2012 |
|---|-------------|---------|---------|---------|
| Total agricultural loan balance | Billion RMB | 384.537 | 348.123 | 289.327 |
| Among them: Loans for farmers | Billion RMB | 10.149 | 10.564 | 9.029 |
| Loan balance related to rural enterprises and organizations | Billion RMB | 341.802 | 312.639 | 258.007 |
| Loan balance related to urban enterprises and agriculture organizations | Billion RMB | 31.949 | 24.920 | 16.634 |
| Proportion of agricultural loan balance out of the total loan balance | % | 19.37% | 20.13% | 18.97% |
| Banking outlets in support of agriculture, farmers and rural areas | - | 167 | 141 | 110 |
| Among them: self-owned organizations | - | 123 | 116 | 89 |
| Cooperative organizations | - | 44 | 25 | 21 |

Notes:

1. Indicator No. 5 refers to banking outlets and cooperative organizations in counties and administrative areas by reference to the national classification standards.

2. By the end of 2014, there were 25 rural banking outlets, including 25 rural banks.

【 CASES 】

| Topic | Action | Value |
|---|--|--|
| The Taiyuan Branch went all out in innovating agriculture financial products. | The branch put forward the "Fang Dai Tong", loans with houses legally constructed on collective land. A total of 246 loans, or RMB 27.93 million, were disbursed. The branch also launched the "automobile loans for farmers". 31 loans, amounting to RMB 1.743 million, were disbursed. | These loans have accelerated the construction of new countryside, and met the production and consumption financing demands of farmers. |
| The Chengdu Branch was fully involved in agriculture credit businesses. | In 2014, a total of 18 companies in the agriculture, forestry and food processing industries were granted credits by the branch. The credits, amounting to RMB 1.136 billion, would mainly be used to fund industrial upgrading, planting and agricultural material distribution. In 2014, the loan balance of modern agriculture was RMB 2.273 billion. | The branch has implemented the nation's policy of agriculture credit. It's been supportive of high-quality agricultural companies, especially the leading forest product processing companies that are environmentally friendly. |
| The Kunming Branch used industrial funds to enhance support for agriculture. | The branch organized the establishment of the "Chuxiong Agriculture Fund", which 11 leading agricultural companies in Chuxiong joined. Loans of RMB 148 million were disbursed. Compared with the beginning of year, the balance of loans with forestry rights as mortgages increased by RMB 60 million by the end of 2014. Before this, forestry rights had not been accepted as mortgages by the branch. | The branch made rapid development of modern agriculture possible. It has made financial services for agriculture more diversified. |
| The Nanning Branch was supportive of eco-agriculture. | The branch successfully obtained an intermediary loan of RMB 20 million from AFD for the Project of Photovoltaic Greenhouses in the Long'an Eco-Agriculture Park. With the RMB 300 million complementary fixed-asset loans, a total of RMB 320 million was available. These green loans would promote solar energy and photovoltaic battery sets, and would promote the application of new agricultural technologies, land use and the treatment of desertification. | The branch has made a contribution to circular economy and the implementation of the strategic energy planning of sustainable development. |

SUPPORT THE NATIONAL STRATEGIC FOCUSES AND MAJOR PROJECTS

Promote Internationalization

2014 saw the steady progress of the Bank's internationalization. It has improved cross-border financial service capacity; improved its transaction banking services; ridden the tide of RMB internationalization; and accelerated the trend.

The Hong Kong Branch saw its business steadily grow. By the end of 2014, its total assets reached HKD **63.79** billion, **49%** growth from the beginning of the year. Its pre-provision operating profit exceeded HKD **300** million, up by **84%** compared to the beginning of the year.

The London Representative Office functions as a communication channel in Europe. Its main responsibilities are collecting information and conducting research for setting up a London branch in the future.

The Bank has stepped up the establishment of a Singapore branch. It has obtained the official approval from the CBRC and is preparing the application materials for the Monetary Authority of Singapore (MAS).

Significant Development of Offshore Business

In 2014, the Bank gave full play to its advantage as a holder of an offshore banking license. It has set up a product portfolio, featuring trade financing, investment banking and financial marketing. It provides many innovative products to facilitate its clients' cross-border operations, including offshore financial consultation, asset management, financial leasing factoring, offshore payment through correspondent banks, overseas acquisition, etc. The total assets of its offshore business amounted to USD

20.1 billion, up by **213%**. Both of its offshore savings and loans were ranked No. 1 in the banking industry. The volume of its onshore international settlement services amounted to USD **290** billion, up by **32%**. In 2014, the cross-border RMB savings surpassed RMB **100** billion.

Support the Coordinated Development of Beijing, Tianjin and Hebei

The Bank has provided more support for the integration of Beijing, Tianjin and Hebei. When doing so, it focused on the coordinated development of the three areas while differentiating its services to them. It focused quality resources on key issues. By the end of 2014, the Bank's accumulated financial support to Beijing, Tianjin and Hebei reached RMB **188.388** billion. The loan balance was **167.433** billion, an increase of **17.65%** over 2013. In addition, in the fourth quarter, the Bank promised an exclusive amount of RMB **4** billion as financial support for Beijing, Tianjin and Hebei.

[CASES]

| Topic | Action | Value |
|---|--|--|
| The Shijiazhuang Branch enhanced its support for the coordinated development of Beijing, Tianjin and Hebei. | By the end of 2014, the loan balance of infrastructure construction project was RMB 5.96 billion, RMB 650 million more than at the beginning of the year. The loan balance to key projects stood at RMB 4.969 billion. | More support has been provided for infrastructure construction and key projects. |

Identify the Financial Services for the China (Shanghai) Pilot Free Trade Zone

Firstly, expedite the development of information system to improve the service capacity. The Bank's system for the free trading accounting unit (FTU system) has been reviewed and approved by the People's Bank of China. It has been officially launched, making the Bank the first in Shanghai whose FTU system covers all branches in Shanghai. At present, the system supports the following services: corporate remittance, exchange purchase and settlement, deposit, loan, direct investment and trade settlement, etc.

Secondly, strengthen product innovation to create exclusive financial products for the CSPFTZ. On one hand, the Bank combines cross-border RMB business and offshore accounts with free trade accounts. This allows the companies within the CSPFTZ unified management of domestic and overseas accounts. Therefore, it meets the fund management demands of the conglomerates, especially their demands regarding cross-border fund management. On the other hand, the Bank gives full play to the cross-border interaction mechanism. To-



gether with the cross-border financial leasing factoring, overseas direct loans and other innovative products, the Bank attracted low-cost foreign funds to support the domestic real economy. In addition, other innovative services have been provided, such as willingness settlement of the capital funds of enterprises in the CSPFTZ and free trade accounts.

Thirdly, enhance the interaction of markets to improve services for the markets. The Bank explores its role as a bridge for foreign and domestic factor markets, and facilitates the development of international factor markets. To this end, it promotes financial services, such as clearance, settlement, trade agency and mortgage financing.

Fourthly, meet the financial service demand of the CSPFTZ from multiple channels through the platform of multiple accounts. The CSPFTZ Branch became the first branch to be qualified to independently run offshore banking services. It has set up an overseas business department for the services. The Bank seeks to make full use of its advantages in offshore banking services, in addition to the benefits brought by the policies concerning the CSPFTZ. It provides one-stop financial services for the clients in the CSPFTZ in their domestic and overseas operations. It does so through the "Free Trade Overseas Services" product series, which were developed across different accounting systems, countries and markets.

[CASES]

| Topic | Action | Value |
|--|--|--|
| Shanghai Branch put forward the Financial Service Program for the China (Shanghai) Pilot Free Trade Zone V4.0. | The Shanghai Branch put forward the concept of "Four in One" financial services for the CSPFTZ. The services aim to help the companies to put up a trade, investment and financing platform in the CSPFTZ through services, such as cross-border transaction finance, investment, financing and cash management, etc. These services are made available based on the onshore accounts, offshore accounts, accounts in the Hong Kong Branch, and the free trade accounts, as well as the effective domestic and overseas interaction, interaction in and outside the CSPFTZ, and interaction between RMB and foreign currencies. In addition, the Bank innovated the platform services for the bulk stock spot goods trade, cross-border financial leasing factoring, private equity, merger and acquisition loans, and free trade overseas services. | It's the only bank to put forward a CSPFTZ financial service program targeted at certain industries. Keeping the risks within acceptable levels, the program tries to make investment, financing and exchange more convenient. The purposes are to expand the cross-border use of RMB, to deepen foreign exchange management reforms and to promote interest rate liberalization. |
| The Shanghai Branch promoted cross-border use of RMB. | The branch was among the first to carry out pilot projects of the cross-border RMB two-way capital pool. It has provided this service to 30 companies, with the settlement volume standing at RMB 5 billion. It also put forward cross-border RMB-based centralized receipt and payment for internet companies to settle their current accounts. In this service, the Bank uses combining and netting to help the internet companies to better arrange their cash resources. This service was an innovation in cross-border RMB settlement in service trade. | The service has promoted the internationalization of RMB. This makes it more convenient for domestic companies to make use of their capital strength in developing overseas investment and operations, enlarging the scale effects of the companies' capital. It improves the companies' ability to make use of their financial resources and improve the efficiency of capital use. |

Expedite the Development of the Marine Economy

In 2014, the Bank provided generous support for fishery, sea-food processing, marine equipment manufacturing and the construction of supplementary facilities of ocean engineering projects. This decision was made according to the country's marine economy policy and the Banks' preferential regions and sectors. It was also based on the characteristics of coastal provinces and local supporting policies. The Bank hoped to encourage industry clustering within these regions, and to encourage the branches to develop distinctive services based on the achievements they had already made.



【 CASES 】

| Topic | Action | Value |
|---|---|---|
| The Hangzhou Branch promoted deep-sea fishery with innovative products. | Making use of its advantages in products, mechanisms and systems, the branch supported the oceanic industries in Zhoushan according to the Zhejiang Zhoushan Archipelago New District Development Planning. In 2014, it provided nearly RMB 1,000 million in loans for the harbor industries and RMB 300 million in loans for aquatic products processing and deep-sea fishery. It put forward the "Yuan Yang Bao" (loans for deep-sea industries), innovative products. Nine loans, totaling RMB 36 million, were disbursed. | The branch has played an important role in implementing the nation's regional development plan and the oceanic development strategies. It has helped transform the development pattern of Zhejiang and build the oceanic economic demonstration zone. |

SUPPORT PEOPLE'S LIVELIHOODS

Support Infrastructure Construction and Convenient Service Facility Construction

【 CASES 】

| Topic | Action | Value |
|---|---|---|
| The Hangzhou Branch launched the "Smart Medical Care" project. | The branch worked with the Hangzhou Citizen Card Company to launch the "Smart Medical Care" project dedicated to tailor-making "Multi-Function Smart Medical Care Self-Help Machines". These machines have been put into use in eight municipal hospitals, several provincial hospitals and community hospitals in Hangzhou. | This project was organized by the Hangzhou Government to solve the problem of citizens having to go through painstaking procedures to access medical help. |
| The Kunming Branch was dedicated to livelihood projects. | The branch entered into a syndicated loan contract for the Project of Replenishing the Dianchi Lake with the Water of the Niulanjiang Lake. In 2013, it disbursed RMB 2 billion. In 2014, to satisfy the client's capital demands, it disbursed another RMB 500 million. | It contributed to the smooth progress of a livelihood project with financing supports. |
| The Nanchang Branch supported the sewage interception projects of Xianghu Lake and Wuhu Lake. | Working with the Changjiang Pension Insurance Company, the branch tailored an insurance capital bond initiative for the Nanchang Water Investment Company. The seven-year RMB 1 billion bonds were used to fund the sewage interception projects of Xianghu Lake and Wuhu Lake. | The projects are of great importance in safeguarding and improving livelihoods. They set an example of product innovation for the livelihood and environmental protection areas. |
| The Changsha Branch supported the railway transportation in Hunan. | The branch worked with the SPDB Financial Leasing Company to achieve success with the 10-year RMB 1 billion financial leasing project of Changsha Rail Transportation Group. | The scale of the project is the largest for Changsha since 1949. |
| The Chongqing Branch supported the water conservancy industry. | The branch was the sole underwriter of the RMB 1.5 billion perpetual medium-term notes (cum rights) of Chongqing Water Investment Group. This is the first perpetual equity bond in China's water conservancy industry and in Chongqing. It's an important achievement for Chongqing in state capital and in reduction of treasury bonds. | The branch has supported the water conservancy industry of Chongqing, and contributed to the design and construction of water conservancy infrastructure and improvement of hydro-power capacity. |

Support the Affordable Housing Projects and Urbanization

In August 2014, the State Council released the Notice of Strengthening the Reconstruction of Shabby Towns. The program was one of the government's five policy priorities. The Bank responded positively to the appeals of the PBOC and the CBRC. It promised more financial support for the reconstruction of shabby towns, including financing and credit extension. For example, in 2014, an addition of RMB **7.6** billion credits was extended to the reconstruction of the No. 158 and 161 blocks on the Jiaying Road, Hongkou District, and the Xiataibang area in the Xuhui District, the second phase of the Helifang Project in the Putuo District. In addition, the Shanghai earnestly implemented the differentiated housing loan policy. In 2014, it disbursed **535**

affordable housing loans, amounting to RMB **99.065** million, which benefited over **500** households. It disbursed about **3,000** loans, or about RMB **4.4** billion, for first houses of the households. The loans for first houses made up about **93%** of all its housing loans. It can be noted that the branch prioritizes the demands of households purchasing their first houses, or houses to improve their living conditions. It is supportive of Shanghai's housing guarantee system and meets the housing demands of low and medium-income households. It helps to meet the owner-occupied housing demand and constrain excessive speculation in the real estate market.

[SUPPORT FOR AFFORDABLE HOUSING PROJECTS]

| Indicator | Unit | 2014 | 2013 | 2012 |
|---|-------------|--------|--------|--------|
| Affordable housing loan disbursed during the year | Billion RMB | 7.378 | 6.741 | 5.468 |
| Affordable housing load added during the year | Billion RMB | 2.631 | 3.496 | -2.606 |
| Affordable housing loan balance | Billion RMB | 14.418 | 11.787 | 8.291 |
| Among them: Loan balance of affordable housing projects | Billion RMB | 3.419 | 3.316 | 3.247 |
| Loan balance of capped-price housing projects | Billion RMB | 2.486 | 2.601 | 1.364 |
| Loan balance of low-rental housing projects | Billion RMB | 0.630 | 0.870 | 1.070 |
| Loan balance of public rental housing projects | Billion RMB | 1.509 | 0.765 | 0.603 |

Data Criteria: Statistics submitted to the People's Bank of China prevail.

[CASES]

| Topic | Action | Value |
|--|---|--|
| The Qingdao Branch generously supported new urbanization. | In 2014, the loan balance to support the urbanization of Qingdao stood at RMB 1.481 billion. These loans went to projects such as environment improvement, reconstruction of roads and the old town, and infrastructure construction. | The branch's work aligned with the key projects of Qingdao, and was supportive of projects that improve people's lives, such as infrastructure construction and environment improvement. |
| The Beijing Branch joined the China Development Bank New Urbanization Fund. | The branch, as the sole trustee, contributed the RMB 7 billion wealth management fund, and participated in the fund in the capacity of priority Limited Partner (LP). The fund was set up and managed by the AXA SPD Investment Managers. The fund would be used to promote new urbanization projects of the China Development Bank Capital. In 2014, the balance of the loans, invested in nine projects, was RMB 25.83 billion. | The cooperation with policy financial institutions has been improved. This has built a new cooperation bank of banks and governments that aims to support regional economic and social development, as well as promote urbanization. |
| The Zhengzhou Branch made great efforts to meet Henan's demands for new urbanization. | The branch worked with the Henan Government and set up the Henan New Urbanization Fund. The RMB 2.8 billion loans for the shabby town reconstruction in the airport district of Zhengzhou have been disbursed. | The fund kick-started the initiative to set up a RMB 100 billion fund for the new urbanization of Henan. |
| The Dalian Branch injected capital into the livelihood projects through innovative financing vehicles. | The branch launched the pilot projects of private placement bonds for affordable housing projects in Anshan and Yingkou. The bonds for the Anshan Urban Investment amounted to RMB 3 billion, taking up 81.3% of the company's registration capital. The company intended to solve the housing problem of 18,727 households. The bonds for the Yingkou Urban Investment amounted to RMB 1.5 billion, taking up over 50% of the company's registration fund. The company intended to solve the housing problem of 21,036 households. | It's the first private placement note in the Northeastern area. |
| The Kunming Branch supported the construction of public rental houses. | The Bank provided RMB 1.5 billion capital support for the Kunming Public Rental House Development and Management Company. The fund was invested in the building of over 23,000 public rental houses. | The housing problem of 23,000 low and middle-income households was solved. |
| The Hefei Branch provided generous support for the affordable housing projects. | In 2014, the loan balance to infrastructure construction projects was RMB 3.715 billion. It approved the loans, totaling RMB 1.4 billion, for four affordable housing projects, including the building of affordable houses, the reconstruction of shabby towns, and the construction of public rental houses. A total of RMB 785 million was disbursed. By year-end, the loan balance was RMB 645 million. | Comprehensive financial support has been provided for affordable housing projects and infrastructure construction, which improved livelihoods. |

INCLUSIVE FINANCIAL SERVICES

In 2014, the Bank set up **381** new banking outlets (including 300 community banks). By the end of 2014, the Bank had set up **1,295** banking outlets (including 305 community banks). A total of **40** first-level branches have been set up in 30 provinces, municipalities, autonomous regions (excluding Tibet) and the Hong Kong Special Administrative Region. The nation-wide network has been improved.

[SERVICE CHANNELS OF THE BANKS]

| | 2014 | 2013 | 2012 |
|--|-------|-------|-------|
| Outlets | 1,295 | 915 | 824 |
| Outlets reconstructed during the year | 48 | 31 | 50 |
| Self-service banks | 4,088 | 3,821 | 3,527 |
| ATM and other self-service devices | 7,594 | 6,674 | 6,042 |
| Outlets serving the former revolutionary bases; areas inhabited by minority ethnicities remote and border areas and poverty-stricken areas | 3 | 2 | 2 |
| Outlets in the rural areas (the same as outlets serving the farmers, rural areas and agriculture) | 123 | 116 | 89 |
| Community banks | 305 | 5 | 0 |

BUILD COMMUNITY BANKS

To provide inclusive financial services and to deepen reform and transformation, the Bank established a considerable number of community banks (community sub-branches, small and micro sub-branches). These outlets provide professional, convenient and thoughtful financial services for community residents and small and micro companies.

The Bank promotes service innovations to meet the demands of the community residents. Its products are tailored to meet their demands for investment, financial management, loans and financing. It provides last mile financial services. The characteristics of financial consumption of elderly people include "small volume, frequent and fast". In light of these, the Bank keeps improving the quality and efficiency of its counter services.

The community banks make financial services more accessible and beneficial for the community residents. "Added value service areas" are set up in the community banks, in which the customers enjoy special offers provided by cooperative merchants, pay the public utility fee, consult on tourism and overseas education, book tickets, etc. The community banks also organized activities such as education on investment, family activities

and sports activities. The purpose is to build community banks into comprehensive service platforms featuring convenience, benefits, and social, cultural and scientific activities.

The community banks enhance interaction with the consumers in the spirit of inclusive finance. To protect the consumers' rights, the Bank organized a hundred community banks to designate a month for advocating their financial services. The theme of the campaign was "Happy Community, Easy Financial Management". It lasted from September to December 2014. In the campaign, brochures of health tips were handed out, and consumers were invited to consult on investment matters face-to-face. These activities promoted financial knowledge and helped protect community residents from financial loss. The campaign produced great results. By the end of December, **809** activities had been held, in which over **90,000** customers participated.

The development of community banks and the transformation of banking outlets have made some progress. A total of **300** community banks were set up. The "Six Unified" standards were clarified.



BENEFIT THE CUSTOMERS WITH MOBILE FINANCIAL SERVICES

The Bank's mobile bank is in a leading position, providing both financial and daily life services. In 2014, the Bank released the Mobile Finance Standard 3.0 and the Confidence Index of New Generation Users on Mobile Finance. Services of the mobile bank include "Pu Fa Bao" (a currency fund), quick payment, withdrawal with advanced request, transfer between bank accounts and future accounts, e-salary slip, loan management, ticket and hotel reservation, etc. These services were based on the state-of-the-art mobile internet technologies, and covered financial services centered on wealth management and increment, as well as services covering every aspect of daily life. These one-stop services enabled the users to handle financial management and everyday errands in any place at any time. Meanwhile, the Bank has upgraded its mobile bank to improve user experience. In 2014, the user experience of its mobile bank was among the best, signaling that the Bank had gone from a technology leader to a market leader. By the end of 2014, the user number of its mobile bank hit **6.64** million, up by **111.8%** from the beginning of the year.

The Bank has built an "all-function" Wechat bank and succeeded in promoting quality financial services through an open platform. In 2014, the Bank continued with services innovation of the Wechat bank. It was the first in the industry to put forward services like "WeChat Remittance", "WeChat Notification", "WeChat Exchange Settlement and Purchase", "Online Smart Client Services", etc. These services were rapidly promoted through WeChat, an open platform. They make for an "all-function" Wechat bank that allows opening of bank accounts, financial management, financing, payment, interaction and daily life services. So far, nearly 2 million clients have obtained financial services through the Wechat bank.

Direct sales were put forward to provide ubiquitous services for internet users. In 2014, the Bank put forward e-accounts and established a direct sale banking system. This was the Bank's response to the rapid development of internet finance. It reduced the restraints in the service radius of traditional finance

services. Internet users can now access quality banking services by opening an e-account through the internet.

The Bank adopted the Pad mobile marketing platform as an innovative service mode. In 2014, the Bank made use of mobile internet technologies to equip its wealth manager with the Pad mobile marketing platform. Through the platform, the wealth manager can provide services like card issuing, contract signing, financial planning, financing, etc. It significantly expanded the service radius of the banking outlets. As a result, professional financial planning services are no longer restricted to banking outlets. They can be tailored according to the customers' demands and delivered to their houses.

The Bank improved its capacity to provide services through the internet by building an online finance supermarket. The supermarket strives to become a comprehensive service platform based on deposits, loan issuing and wealth management, but cover both financial and non-financial services. The Bank has quickly loaded many services onto the supermarket, such as online account registration, deposits, wealth management, business travel insurance, precious metal investment, etc. In addition, the supermarket adopted the e-commerce service mode. This means that any internet user can browse the website, register and purchase products, which significantly expands the coverage of financial services.



PAY ATTENTION TO SMALL AND MICRO CLIENTS, SUPPORT LIVELIHOODS

The core philosophy of services to small and micro clients has changed. While financing services are still the focus, more are provided, such as payment and settlement services, fund management and other added value services. The clients now enjoy services tailored to their characteristics. This is evidenced by the following text.

The "One Thousand Clients Project" has been put forward for small and micro clients that heavily rely on science and technology, grow rapidly and are highly valuable to the Bank. These clients are managed separately, and are provided with exclusive financing products, added value services and preferential policies. The Bank has put forward the "San Bao Liang Tong" loan products for small and micro clients that cluster within certain areas and demonstrate common industrial characteristics. The San Bao refers to "Yin Yuan Bao" (product for industrial parks), "Yin Lian Bao" (product for the upper and lower reaches of the supply chains), and "Yin Shang Bao" (product for commercial districts) are offline services, offered in batches, based on the common characteristics of the target clients. They have managed to simplify business processes and improve service efficiency while keeping the risks in check. The other two loan products are "Dian Shang Tong" (loans for e-commerce) and "Wang Dai Tong" (loans for online clients). The loans for e-commerce are provided online, in batches. The credit rating process is standardized, and the approval process simplified. Making use of the "loan factory", a separate online approval platform, the loans for e-commerce have created an online green pass for small and micro e-commerce. The loans for online clients are targeted at individual clients seeking loans for business purposes. They are processed online, including the application, verification, approval and issuing. The clients have no need to go to physical banking outlets. The process can be completed, in the quickest case, within five minutes. They show the Bank's efforts to ride the wave of internet finance, and present an excellent choice for individual clients. For small and micro clients other

than the above mentioned ones, the Bank has set up a "4+1" product series. It contains one type of value-added services and four types of financing products, namely "asset-based financing", "cash-based financing", "credit-based financing" and "partnership financing". Through these efforts, the Bank ensures that all small and micro clients can find financing solutions that are suitable to them.

By the end of November 2014, the Bank had set up small enterprise financial service centers in 36 branches, which formed a nation-wide system that provided financial services for small and micro clients. From 2006 to 2014, the Bank was honored, for nine years in a row, as one of the "10 Commercial Banks that Best Support the Development of SMEs". The Bank received the "Award of Best Services for SMEs" for two consecutive years.

In 2014, the business with small and micro clients was incorporated into the retail banking segment. Positive results were generated. Firstly, "He Li Dai", an innovative service for the enterprises in the supply chain of China Mobile, was put forward. It was the first financial service for the supply chain of the telecommunication industry. Secondly, "Wang Dai Tong" (loans for online clients) was put forward. It entered the shortlist of innovative financial services in Shanghai in 2014. Thirdly, the Bank promoted its brand of financial services for small and micro enterprises, and released a brochure on this topic. In 2014, the Bank provided services for even smaller clients. The loans for small and micro clients were, on average, lower than RMB **2** million. The Bank realized mass marketing and added over **751** mass sales channels, which resulted in a loan balance of RMB **35.27** billion. It also realized cross selling. The average number of products sold to small and micro clients was higher than **6.61**. The coverage of its payment agency service and point of sale (POS) business was significantly enlarged from that at the beginning of the year.

[SERVICES FOR SMALL AND MICRO ENTERPRISES]

| Indicator | Unit | 2014 | 2013 | 2012 |
|---|-------------|---------|---------|---------|
| Small and micro enterprises loan balance | Billion RMB | 528.856 | 463.050 | 363.714 |
| Among them: loan balance for small and micro enterprises in Eastern China | Billion RMB | 336.606 | 297.726 | 240.586 |
| Loan balance for small and micro enterprises in Central China | Billion RMB | 80.313 | 68.562 | 52.742 |
| Loan balance for small and micro enterprises in Western China | Billion RMB | 79.433 | 67.856 | 46.757 |
| Loan balance for small and micro enterprises in Northeastern China | Billion RMB | 32.504 | 28.906 | 23.630 |
| No. of small and micro enterprises | Thousand | 110.6 | 95.6 | 77.8 |
| Among them: small and micro enterprises in Eastern China | Thousand | 61.9 | 56.1 | 54.2 |
| Small and micro enterprises in Central China | Thousand | 24.8 | 20.1 | 15.2 |
| Small and micro enterprises in Western China | Thousand | 12.4 | 10.2 | 7.5 |
| Small and micro enterprises in Northeastern China | Thousand | 11.5 | 9.2 | 0.9 |
| Growth rate of loans to small and micro enterprises | % | 14.21% | 27.31% | 20.14% |
| Proportion of loans to small and micro enterprises in total loans | % | 26.64% | 26.77% | 23.84% |
| New products for small and micro enterprises | - | 4 | 13 | 8 |
| Specialized service departments for small enterprises | - | 36 | 35 | 35 |

Notes:

- The classification of enterprises is based on the Standard for the Classification of Small and Medium-size Enterprises (Ministry of Industry and Information Technology [2011] No. 300). In accordance with the standard, loans for small-micro enterprises include individual business loans.
- Loan location is determined by the location of the project that received the loan.
- The Eastern, Central, Western and Northeastern Regions cover:
 - Eastern Region: seven provinces and three municipalities, namely Beijing, Tianjin, Hebei, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan;
 - Central Region: six provinces, namely Shanxi, Anhui, Jiangxi, Henan, Hunan and Hubei;
 - Western Region: six provinces, one municipality and five autonomous regions, namely Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang and Inner Mongolia;
 - Northeastern Region: three provinces, namely Heilongjiang, Jilin and Liaoning.

[CASES]

| Topic | Action | Value |
|--|--|--|
| The Hohhot Branch supported local small and micro enterprises. | The branch worked closely with the governments. In 2014, it disbursed over RMB 200 million loans for 40-odd small and micro enterprises, with government funds from the Tongliao City and Yakeshi City as the risk provisions. | It became the first banking partner for the Small and Medium-Sized Enterprise Bureau of the Inner Mongolia Autonomous Region that issues credit in bulk for local SMEs. |
| The Nanning Branch promoted business with small and micro enterprises. | The Bank and the Industry and Telecommunication Committee of Nanning agreed on the RMB 500 million business plan that provided loans in bulk to SMEs. RMB 63 million was loaned to over 10 promising small enterprises in Nanning's pool of key SMEs. In addition, the branch was the only one qualified to carry out pilot projects of "small amount loan guarantee and insurance", a pilot project organized by the Financial Office of the Autonomous Region. The branch has reached a preliminary cooperation framework with the government. It's expected that another high-quality financing channel would be provided for local SMEs. | The branch focuses on industries with long return cycles, but closely related to livelihoods. It follows the government's instructions. It has become a leader in business with small and micro enterprises, and fully supported local SMEs by building channels, making and implementing plans and managing credit issue. |
| The Changsha Branch supported local featured industries with diversified products. | The branch set up a team dedicated to serve small and micro enterprises. Hunan was at the preliminary stage of new industrialization. The branch has put forward products designed to accommodate this feature, including Ke Dai Yi (loans for scientific enterprises in industrial zones), Shang Chao Yi (loans for the suppliers of supermarkets), Che Shang Yi (loans for automobile dealers), Jia Zhuang Yi (loans for interior decoration suppliers), Wu Liu Yi (loans for logistics companies), Shang Dai Yi (loans for store owners), Jian Cai Yi (loans for building material dealers), etc. | The branch has taken on core competitiveness with a diversified product portfolio and differentiated business modes. |

BALANCE RURAL AND URBAN DEVELOPMENT

In 2008, the Bank answered the appeal of the government and made the support of agriculture and small businesses its responsibility. It was among the first to set up a rural bank, and made "based in counties, serving agriculture, rural areas and farmers" the principle of the rural bank. It explores new modes for the development of rural banks amid the background of new county economy. The purpose is to fully support the development of the new socialist countryside.

Over the past six years, the development of SPD rural banks has yielded considerable results. There are now 25 rural banks in business with independent legal person status. There are 44 banking outlets. All of these are located in counties, and two thirds of them are located in MidWest China. By the end of 2014, the total assets of the rural banks stood at RMB 29.6 billion, savings RMB 23.7 billion, loans RMB18.8 billion, operating income RMB 1.16 billion, and net income RMB 410 million. Considering the thousand rural banks across the nation, the SPD rural banks are in a leading position in terms of scale, benefit and quality. The Bank has made even more remarkable achievements in supporting agriculture and small business. The proportion of loans to agriculture and small business remained as high as 85%. The average loan per client has dropped to RMB 1.2 million. Banking cards are now usable in all rural banking outlets. About 70,000 new bank cards were issued. The POS channels have been expanded, resulting in more service modes. The SPD rural banks strive to increase the coverage of banking outlets, provide services to smaller clients, and enrich the service portfolio. These efforts aim to provide financial services and, thus, financial support for developing the new countryside.

Support for Agriculture and Small Business

Agriculture loans amounted to RMB **15.9** billion, making up **85%** of the total loans.

Loans to small and micro enterprises stood at RMB **12.7** billion, making up **67%** of the total.

Loans per client were RMB **1.2** million, lower by RMB **290,000** compared to the beginning of the year.

A total of **6** outlets were set up in less developed areas, bringing the number of banking outlets to **44**.

Firstly, adjust its products according to the local conditions.

The Bank keeps promoting the innovation of loan products to meet the financial demand of county economies. One type of innovation is necessitated by policy changes, such as the loan mortgage with contractual land and forestry rights. The other type is entailed by the financing demands of small agricultural enterprises and farmers. These innovations include: the client appraisal standards for which the key criteria are "the characters of the owners, products, collateral, electricity and water consumption, customs declaration"; "Yin Dian Tong", "Yin Xiao Tong" and other products that have been improved according to the target clients; and service platforms that are based on neighborhood committees + residents, industrial associations + farmers, the village autonomous committees and the CPC committees + farmers, and cooperatives + enterprises + farmers. These innovations tailor loan products to realize standardized management in market and client segments.

Secondly, optimize the processes. Currently, there are a limited number of financial institutions in the counties. Financial services are lacking in the counties. The SPD rural banks make use of their advantages to provide fast and convenient financial services and meet the financial demands of clients in the counties. They are able to do so because they are grounded, with shorter decision chains, and flexible mechanisms. They have taken three actions. The first action is improving processes. Based on standardized products, the rural banks improve efficiency of loan services, optimize the approval processes, and shorten the time of loan application processing. The second action is delivering services to people's doors. In reaction to the policy that encourages services to all villages, the Bank has adopted several measures to enlarge the coverage of financial services in the countryside. These measures including setting up banking outlets in less developed areas and delivering financial services to the doors of the clients. The third action is differentiating services. The rural banks have come up with different service modes that are designed according to the conditions of the banking outlets, such as the community mode, the village mode, the rural and urban combined mode, etc.

Thirdly, banking cards are now usable in all rural banking outlets, which expand the coverage of financial services. All of the 25 SPD rural banks can issue banking cards, increasing the number of active customers. POS channels are expanded, pro-

viding more business modes. All these efforts have expanded the coverage of financial services.

Fourthly, pass on love through charity activities, serve the society and build up the Bank's image. In 2014, the Bank organized many education campaigns in schools, agriculture markets and payment stations for farmers. The themes include "March 15, protecting the rights of financial consumers", "bringing financial knowledge to households", "preventing illegal fund

raising" and "financial services for small and micro enterprises". These activities have disseminated knowledge on financial matters, such as anti-counterfeit RMB, anti-money laundering and individual wealth management. They are practices of inclusive finance. As a result, the SPD rural bank, as a sub-brand of the Bank, has earned a favorable reputation, in rural areas, of using finance to give back to the society.



QUALITY SERVICES

IMPROVE SERVICE QUALITY MANAGEMENT SYSTEM

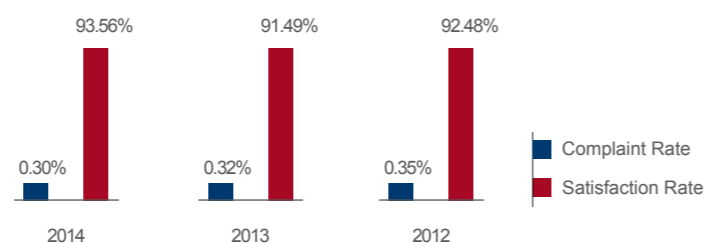
The Bank has standardized the complaint handling process. For one thing, the Bank launched an online platform in January 2014, to handle the complaints of individual users of online banking services. For another, the Bank has formulated standard procedures for handling complaints posed on its official Weibo page.

The Bank has improved the complaint handling mechanism. Firstly, an innovative statistical method has been used to collect complaint data. Chain indices are used, with the most important one being the "dynamic index of bank-wide complaints". These indices have shortened the response time and made the Responses better fit the complaints. They allow dynamic monitoring of the complaints and provide important data that help improve the Bank's services and operation. Secondly, the customer service center of the credit card center has set up a system to improve customer experiences and to handle complaints. The Bank has been able to reduce and handle customer complaints in a timely manner.

The Bank has improved the response to clients' complaints. The Bank requires periodic reporting for complaints about the outlets or self-service channels. The complaints are also considered in the annual evaluation of the business lines. These have significantly improved the service quality. At the same time, the Bank has strengthened the branches' capacity of complaint early warning and remedy, and ensured that they observe the regulations on consumer right protection. 95528, the Bank's hotline, promised to respond to the clients within three days after they file their complaints. If the clients are not happy with the response of the branches, their complaints would be submitted to the director of customer services at the head office.

In 2014, the customer service center handled or supervised the handling of **147,000** cases. All were successfully resolved. None was elevated by inappropriate handling, nor reported to the media or supervisory organizations of the Bank. During the same period, the center responded to **671** emails in the web bank, and **786** emails sent to the service mail box. All emails were replied to quickly. The customer service center helped the credit card center to investigate fraud related to the SPD-China Mobile co-branded cards. **300** person-times were investigated. The center helped to handle **11** collective complaints (from over 20 complainers) and special complaints. For problems that were repeatedly reported by the customers, such as problems caused by the upgrading of the web bank or by marketing, the center would contact the product department and science and technology department to solve the problems. By doing so, the center helped erase the negative influence and protected the clients from economic loss.

【 CUSTOMER COMPLAINT RATE AND SATISFACTION RATE WITH THE CREDIT CARD CENTER 】



【 CUSTOMER FEEDBACK ON THE SERVICE HOTLINE 】

| Indicator | Unit | 2014 | 2013 | 2012 |
|--|------|-----------|-----------|-----------|
| Total customer complaints | Case | 521 | 627 | 793 |
| Percentage of complaints resolved | % | 100 | 100 | 100 |
| Percentage of complaints resolved on time | % | 99.92 | 99.93 | 99.89 |
| Response time to complaints | Hour | Immediate | Immediate | Immediate |
| Customer satisfaction | % | 85 | 795 point | 89 |
| Satisfaction rate in customer complaint handling results | % | 96.15 | 98.22 | 97.79 |

Notes: The Bank invited J.D. Power, a third party research company, to evaluate the customer satisfaction in 2013. The result was not described in percentage terms. According to the evaluation, the Bank scored 795 points, ranking it the third among the nine joint-stock commercial banks.

【 CASES 】

| Topic | Action | Value |
|--|--|---|
| The Beijing Branch standardized customer services. | The Beijing Branch formulated several standards based on the regulations and policies of the Bank's supervisory bodies. These included the Basic Standards of Customer Services for the Beijing Branch of the SPD Bank, Services Guidance for the Lobby Manager of the Beijing Branch of the SPD Bank, and the Service Guidance for Tellers of the Beijing Branch of the SPD Bank. The branch also improved services by awarding good services, enhancing supervising and evaluation, etc. | The survey of 396 individual customers showed that customer satisfaction with the Beijing Branch was 86%. |

IMPROVE SERVICE PROCEDURES

In 2014, the Bank upgraded its customer service database, which had been in service for over 10 years. This effort has made the database more user-friendly and a better tool for customer services. As well, the Bank made a plan to integrate operational procedures with the knowledge database.

The Bank has improved the service procedures for small and micro enterprises. In August 2014, the Bank launched “Wang Dai Tong” (loans for online clients). It’s an open-ended platform built on the internet for loan issuing. Using big data analysis, the services are provided online, while the marketing is conducted offline. The loan applications then undergo automatic online approval. Between the loan application and the funds arriving in the clients’ accounts, only three to five minutes are needed. The clients can literally click their mice and get the loans.

The Bank has improved the payment services. In 2014, the Bank enabled the clients that use its payment services, such as salary payment, to open accounts in bulk. This improves the

efficiency of its clients.

The Bank has improved the offshore banking services. Several measures have been adopted that improve service efficiency, such as improving offshore remittance, enlarging the caps, automating offshore online remittance, etc. The account management has also been improved. For example, the Dalian, Tianjin and Jinan Branches have started to input client information in advance.

The Bank has improved the asset custody and pension services. In 2014, the processes of multiple asset custody and pension products were improved. For example, over-the-counter transfer instructions are now handled collectively by designated personnel. On the technology front, the Bank provides point-to-point services for the testing of its customers. This has shortened their go-live processes, and thus rendered forceful support for their business development.

IMPROVE SERVICE QUALITY

In 2014, a package of measures were adopted to improve the services provided for special customer groups, and to promote inclusive finance.

The Bank strives to construct people-oriented and distinct outlets. The efforts are guided by the principle that “special cases are dealt with using special procedures, and priority is given to urgent cases”. Outlets provide people-oriented services to special populations, especially physically challenged people, according to the Standards of Banking Outlet Construction V2.1. In the outlets, there are signs for guide dogs, an exclusive waiting area for people in wheelchairs and accessible facilities. Other measures include a writing board that makes it more convenient for people in wheelchairs to write, bank cards with Braille marks, instructions in Braille or audio instructions, Braille keyboards

and other devices that help people with visual impairment. The Bank has also adopted measures in consideration of parents. For example, play areas are set up in the outlets. The outlets are equipped with baby carriages, snacks, toys and blankets. Greetings are printed on the cup trays. The sockets are covered with shields to protect children. Cartoon signs, smiley faces and product introductions are put up in the lobbies to make clients feel comfortable and welcomed. Boards containing service instructions, the areas of experience of the web bank, and product introductions are placed in the lobbies. The outlets are warm and animated. The Bank tries to shape the characters of the outlets according to their locations, their business structures and the characteristics of their clients.

The Bank strives to make its outlets smaller and more professional and smart. In terms of becoming smart, the banking outlets have begun to digitize documents, place hand-held personal digital assistants in the lobbies, supply its tellers with help and allow long-distance approval. Over 260 applications have been put into use, including several teller applications, comprehensive reconciliation, single log-on, etc. These measures have played an increasingly important role in sales, improving the experience of the customers and the tellers.

These measures have improved the Bank’s services, which have been recognized by the society. The services and customer satisfaction rate across the Bank have significantly improved. The result of the mystery customer evaluation went up by **1.36** percentage points to arrive at **90.23%**. The satisfaction rate of individual customers was increased by 4 percentage points to **85%**. Moreover, the Bank was ranked No. 2 in J.D. Power’s ranking of retail banking customer satisfaction rates. This ranking was the best in China’s banking industry.

In comparison, the ranking in 2013 was No. 3. In 2014, a total of **45** banking outlets were honored with the “One Thousand Outstanding Banking Outlets” award; **57** banking outlets were named “Five-Star Banking Outlets”. The China Association of Quality conducted an assessment on the customer satisfaction of 15 banks. It showed that the customer satisfaction rate of the Bank was the best.



【CASES】

| Topic | Action | Value |
|--|---|---|
| The Tianjin Branch prolonged business hours. | The Purui Sub-Branch in Hexi prolonged its business hours from January 1, 2014. For working days, the business hours for cash businesses were prolonged to 19:00; and non-cash businesses 20:00. | This arrangement better met the different demands of the citizens. |
| The Hohhot Branch provided quality services for special consumer groups. | Preferential treatments are given to special groups, such as the elderly citizens, the weak, the sick, the physically challenged and pregnant women. Accessibility facilities and baby carts are placed in the outlets. The tellers are trained in basic sign language. The staff members in the lobbies are trained to help visually impaired customers to enter the outlets with their guide dogs. Considering the ethnicities of the customers, services can be provided in Mongolian and foreign languages. | These measures are people-oriented. They fully consider the demands of special groups, and ensure that the services are considerate and fair. |

EXPAND SERVICE CHANNELS

In 2014, the Bank continued to improve service efficiency, enrich its variety of financial services and meet people's demands. The principles behind these efforts were promoting inclusive finance, improving people's lives and supporting the real economy. By the end of 2014, the Bank had set up **7,182** ATM and **127** foreign currency exchange machines, along with **412** innovative virtual teller machines (VTMs). It outperformed the other banks in this aspect. With regard to electronic channels, the Bank continued to enrich their functions and improve the business processes. The percentage of electronic channel transactions was close to **90%**.

The Bank has improved the electronic banking channels. The private web bank is able to provide more customized and professional services in a safer environment. While the functions of the web bank continue to increase, new technologies are used to make it safer. For example, security controls have been upgraded. The web bank butler has been launched. As for small and micro enterprises, they are provided with more professional services in the web bank. These services make capital management, payment, settlement and financing more convenient. They provide faster, better and stronger support for small and micro enterprises.

The Bank has provided more self-service banking channels. Innovative banking machines are put into use at a faster speed, which improve the Bank's service capacity in the "last kilometer". On one hand, more functions have been added to self-help outlets, such as withdrawal without a bank card, the retrieval of bank cards retained by the machines, and search for nearby self-help devices. On the other hand, the VTMs are put into used, which can provide over **40** private banking services, such as issuing cards, making investments, purchasing wealth management products, making payments, and applying for loans. Customers can access over **90%** of the common private banking services through VTMs. They can issue over **100,000** bank cards in a year. The VTMs of the Bank outperform those of other banks. They present a new channel for the public to enjoy convenient and comprehensive financial services.

The Bank has promoted community banks. It has been exploring community banks and small and micro-branches. The principle behind these efforts is to build banking outlets that are "based in the communities and provide services to small and micro customers" in a "planned, step-by-step, balanced and sustainable manner".

The remote services of the Bank have been provided on the internet and in the communities. Besides manual services, remote services are also provided by intelligent robots. As



a result, the customer experience has been improved. About **100** functions and **40** transactions have been added to the online customer service center. Customers can not only consult in the online customer service center, but also conduct transactions. The service hours of the center have been prolonged to 9 a.m. to 9 p.m. Card issue through video approval has made a great contribution to the development of the community banks. The WeChat Customer Service has been given a trial run. It's part of a unified service platform conducted through written text. It shares customer information with the Credit Card Service Center. Customers in one center can easily access the other center.

【 CASES 】

| Topic | Action | Value |
|--|---|---|
| The Xi'an Branch made financial services accessible in the subway. | The Bank's services covered the entire subway network of Xi'an. There were two subway lines and 34 stops in Xi'an. All were equipped with self-help devices. Customers can withdraw money, make inquiries and pay for their mobile phone expenses via these 76 devices. | Convenient and efficient financial services are provided. |

FINANCIAL INNOVATION



In February 2014, the Bank, working with the Shanghai Metro Company and China Mobile, put forward a product that integrated a SIM card, bank card and subway payment. The application of mobile payment in paying subway fees was the first service in China that integrated mobile payment, financial services and subway payment. The innovation was the result of the cross-industry cooperation among the subway, telecommunication and financial industries. It gives citizens more payment choices.

In April 2014, the pilot project of self-help refueling was launched by the Nanjing Branch. The related function is added to the bank card to pay for the fuel. This function has improved the efficiency

of gas stations.

In April 2014, "He Li Dai", an innovative service for SMMEs and individual dealers in the lower part of the supply chain of China Mobile, was put forward. Small amount, credit-based and standardized financing is provided according to the real, stable and sustained transaction records with China Mobile. The loans would be used to pay for inventory and daily operation. In addition, revolving loans are provided for small and micro enterprises that meet certain standards. Special bank cards are issued for individual dealers. These efforts allow the clients flexible loans, and allow them to borrow money and pay back at any time. As a result, the customer experience has been improved.

In July 2014, the Bank launched the "SPDB-All in Pay POS Loan". It's the first loan product that is completely operated online. The Bank works with a third party acquirer, and sets up an interface between the systems of the two parties. It uses a rating model to review the online applications filed by the clients. It then signed contracts with the clients whose applications have been approved, and disburses the loan through an online channel. The clients can file the applications and pay back the loans at any time.

In August 2014, the Bank initiated "She Bei Tong" (loans for equipment purchases) for small and micro enterprises. Loans will be issued provided that the clients are purchasing from major suppliers or manufacturers, who provide guarantees, repurchase guarantees or other risk reduction measures. The equipment includes all sorts of general equipment, engineering machines and automobiles (including commercial vehicles).

In December 2014, the Bank launched Wang Dai Tong, a loan

product designed for the merchants working with the POS acquirers in cooperation with the Bank. The credit issuing is based on the POS transaction records. The Bank works with third party acquirers, such as the All in Pay and the China UMS, key supply chain companies and e-businesses. The small and micro enterprises on these third party platforms are the target customers of this product. The entire process of the loans is conducted online, with automatic approval and completely digital management.

【CASES】

| Topic | Action | Value |
|--|---|--|
| The Shanghai Branch was nominated for financial innovation in the CSPFTZ three times in a row. | In 2014, the trade financing volume of the branch exceeded RMB 40 billion; international settlement exceeded USD 100 billion. It had nearly 40,000 online clients and had helped about 300 enterprises to set up a group capital pool. It strove to build its brand as a supplier of trade financing and cash management. In this regard, it provided services like cross-border financing, supply chain financing, group capital management and unified fund collection. | The Shanghai Branch was nominated for financial innovation in the CSPFTZ three times in a row. It's the first commercial bank to receive such recognition. It was honored with the Innovative Company Award by the management committee of the CSPFTZ. In 2013, the Shanghai Banking Association organized the annual award of the Shanghai banking industry. "Tong Guan Ying" (a financing product with a tariff guarantee as the mortgage) won the "Innovative Product of the Year" award. |
| The Shanghai Branch stepped up innovation of retail banking. | Several innovative retail banking products, such as "He Li Dai", "Yi Jia Dai" and "Zhuan Shu Dai", were put forward by the branch. In July, it launched the application of NFC mobile payment in paying subway fees, as well as special products for community banks. It now works with over 90 entities that enrich the functions of its IC cards. For example, there are IC cards for clients in the medical park, for health care and for the Shanghai Research Center of the China Science Academy. | Different individual credit demands are met. The branch supports daily life consumption in different areas, such as housing, medical care and education. The branch has made use of community banks to provide more convenient banking services. The society has responded well to its efforts, which improves the brand value of the Bank. |

SOCIAL RESPONSIBILITIES



CORPORATE SOCIAL RESPONSIBILITY STATEMENT AND POLICY

CORPORATE SOCIAL RESPONSIBILITY CODE OF CONDUCT

Be people-oriented and apply consistent values: we strive to maximize stakeholders' value and align the values of the Bank and its stakeholders.

Show love and commitment to repay society: we actively support and provide community services. Upholding the Bank's philanthropic philosophy of "Dedication, Giving, Harmony, and Progress", through continuous effort of community services, we preserve and promote the interest of the community, and promote harmonious development of the Bank and the community in which we do business.

RESPONSIBILITIES

Staff Career Development: as a people-oriented bank, we are committed to discharging our responsibilities to our people, including protecting their rights and interests, inspiring their sense of belonging, increasing their well-being, improving their technical and professional skills, and helping their continuous career development.

Financial Education: in view of the fact that our consumers in general have only limited understanding of financial products and risk awareness, the Bank has designed long-term schemes to promote public education to people in the community, enterprises and campuses to heighten their risk awareness as part of the Bank's efforts to protect their rights and interests.

Charity and Public Welfare: the Bank is committed to the cause of promoting social harmony by repaying society, including not only money and goods, but time, attention and knowledge, showing love and improving the well-being and benefits of the people.

STAFF CAREER DEVELOPMENT

Taking into account the employees' career preferences and needs of the Bank, great importance is attached to talent development. The Bank actively promotes an environment that is conducive to talent development through careful planning and implementation.

In 2014, the Bank organized advanced trainings, Party trainings and trainings in the National University of Singapore for a total of 498 cadres. These were directly administered by the head office, reserve cadres and the presidents of second-level branches.

The first rotation of reserve cadres from the branches to the head office was completed. The second rotation has begun, in which 25 cadres from the branches have been designated to 14 departments in the head office. This arrangement aims to improve the work capabilities of the cadres at all levels.

The Bank organized the third internal recruitment of divisional heads through competition. The purpose was to build a new internal recruitment mode that was "fair, efficient, and people-oriented", creating a favorable environment for outstanding employees to stand out.

The Bank organized a unified campus recruitment to hire the 2015 graduates. Internal and external resources were placed under unified controls. The hiring mode and efficiency were im-

proved. These efforts produced good results. The Bank's unremitting efforts in hiring have earned the recognition and respect of the society. For example, the Bank was named one of the Top 100 Chinese Employers in 2014.

The Bank has launched a program to develop professional orders and prioritize the posts. It's looking into the establishment of a trial project of professional orders for risk management posts. The mechanism would help build a professional workforce and provide more career opportunities.

The Bank has furthered the mechanism of training candidates for the head office staff in the branches. The first candidates for the head office, on board in 2013, have determined their career directions. They will receive targeted trainings to prepare them for their work at their chosen departments in the head office.

The Bank helps its employees to gain permanent residency or residential permits of different types, including ones for employees from other parts of China than their work locations, ones for employees returning from overseas, and ones for graduates. It obtained the green pass for public personnel management procedures through the 2013-2014 selection organized by the Human Resources Center of the Huangpu District.



【 STAFF STATISTICS 】

| Indicator | 2012 | 2013 | 2014 |
|--|-------------------|-------------------|-------------------|
| Number of employees | 35,033 | 38,065 | 42,532 |
| Percentage of employees with labor contracts | 100% | 100% | 100% |
| Coverage of social insurance | 100% | 100% | 100% |
| New employees | 3,841 | 3,565 | 4,050 |
| Female employees | 18,320 | 20,006 | 22,265 |
| Ratio of male employees to female employees | 0.91:1 | 0.9:1 | 0.91:1 |
| Percentage of female managers | 22.3% | 22.5% | 22.9% |
| Ethnic minorities | 987 | 984 | 1,130 |
| Bachelor degree and above (No. of people) | 27,716 | 30,295 | 34,052 |
| Polytechnic education (No. of people) | 7,317 | 7,770 | 8,480 |
| Foreign employees | 3 | 6 | 10 |
| Coverage of health checks | 100% | 100% | 100% |
| Employee turnover rate | 4.6% | 3.6% | 4.7% |
| Employee satisfaction rate | >80% | >80% | >80% |
| Average paid leave per employee | national standard | national standard | national standard |

PROTECT THE RIGHTS AND INTERESTS OF OUR EMPLOYEES

The Bank protects employees' interests. It strives to provide a fair and reasonable compensation system for its employees, taking into consideration the employees' interests, local living standards, and the industry's average payments. The Bank is committed to providing a workplace that fosters religious freedom, treats men and women equally, eradicates child labor and abides by labor laws. The Bank endeavors to involve its employees in its management and put in place robust measures to protect the employees' right to know, right to participate in decision-making and right to oversee management. Through meetings with employee representatives, the Bank seeks feedback to improve transparency in its operation and management, performance measurement and employee compensation. Through these efforts, the employees have been increasingly more involved. The bank provides a comprehensive health insurance scheme for its employees, including injury insurance, supplementary medical insurance and supplementary pension (annuity). In addition, the Bank continues to offer its employees health



and prevention initiatives, including a periodic health check program, annual leave, and exercise programs. It also takes care of the retirees of the Bank, an effort that is supported by organizational, policy and financial resources.

TALENT DEVELOPMENT

The training projects have been comprehensively developed with expanded training coverage. In 2014, 1,069 face-to-face training classes covering 74,800 person-times have been organized by the Bank (training data for the Hong Kong Branch, the credit card center, the call center and the functional center are currently not included). The head office held nearly 200 face-to-face trainings, attended by over 10,000 person-times, with an increased rate of 43.36% and 39.23% respectively, compared with the previous year. More than 870 classes have been conducted by all the branches, with nearly 64,000 person-times participating in those trainings. The Bank organized 25 head office-level video training projects, with 6,500 person-times being trained; 23 head office-level and regional-level (business sectors) online training projects, with over 215,000 person-times attending; and 54 professional qualification exams for 29 professional posts, which 55,000 person-times attended.

The Bank strengthens the training of key employees. With continuous enhancement of the key employees' training, the pertinence and sustainability of the training are improved constantly. Trainings for high and middle-level cadres have been continued. In 2014, the Bank conducted two high-level seminars for managerial personnel for cadres directly administered by the head office; four managerial personnel seminars for chairmen of second-level branches; two trainings for leading roles of divi-

sions or equivalents in the head office and middle-level cadres from branches; two trainings for reserve cadres from the head office; and four trainings for presidents of the sub-branches. A total of 700 high and middle-level managerial personnel participated in these trainings, the highest number in the Bank's history.

The Bank covers more topics in its professional trainings. In 2014, the Bank organized more than 150 professional trainings, with the attendants standing at 8900 person-times, up by 48% and 41% respectively from the previous year. The topics covered included: community banks, financial planning, individual wealth management, investment banks, financial trade service, asset custody and pensions business, financial markets and financial institutions business, operational management, auditing, capital financial management, law and compliance, etc.

The training contents correspond with development demands to a greater extent. The training contents effectively combine business restructuring and breakthroughs of key sectors, which are also in line with the Bank's strategy to become an internationalized group. To meet the development demands of the internationalization strategy, two trainings of overseas reserve talent were held for 50 people. To support business development, two trainings were organized for 90 financial market professionals. The Bank also provided trainings for key clients.

【 USE OF STAFF EDUCATION AND TRAINING FUNDS 】

| Year | Training spending (RMB'0,000) | No. of people trained | Classroom training | | Online training | |
|------|-------------------------------|-----------------------|--------------------|-----------------------------|-----------------------------|-------------|
| | | | Classes | Participants (person-times) | Participants (person-times) | Class hours |
| 2012 | 8,790.53 | 17,688 | 1,109 | 64,668 | 194,970 | 363,109 |
| 2013 | 7,937.29 | 18,364 | 951 | 54,596 | 381,177 | 371,769 |
| 2014 | 10,514.07 | 19,486 | 1,069 | 74,858 | 215,504 | 216,715 |

[SUMMARY OF EMPLOYEE TRAINING]

| Year | No. of training programs | Participants (person-time) | Total spending RMB(0,000) | Training expense per person (RMB) | Average no. of training days per person (day) |
|------|--------------------------|----------------------------|---------------------------|-----------------------------------|---|
| 2012 | 1,128 | 259,638 | 3,228.73 | 971.63 | 3.40 |
| 2013 | 978 | 435,773 | 2,903.60 | 769.21 | 3.24 |
| 2014 | 1,117 | 296,882 | 4,686.85 | 1,111.81 | 2.80 |

Note: The above statistics cover the internal trainings. The participants include full-time employees, external employees, and contract workers.

[CASES]

| Topic | Action | Value |
|--|---|---|
| The Tianjin Branch won the second prize in the cash business skill group competition in the third "Jinchuang Cup". | The branch won the second prize in the group competition of cash business skills in the third "Jinchuang Cup". The competition was organized by the Tianjin Federation of Trade Unions and the PBOC. | The competition improved the employees' professional skills, and was beneficial for their career development. |
| The Beijing Branch organized outward-bound trainings and orientations for its new employees. | This was the first time that the Bank organized a totally enclosed, semi-regimental style orientation. It strengthened the newly recruits' team spirit and sense of honor. It also made them more positive, courageous and competent. | The training helped the new employees learn about the corporate culture of the Bank, and helped them fit into a team that's people-oriented, fair and just, and cooperative. |
| The Xi'an Branch provided career opportunities. | The branch provided internships for college students. It organized the 2014 campus recruitment at the beginning of 2014, and the 2015 campus recruitment at the end of 2014. A total of 35 graduates were hired. They have begun their careers in the Bank. | The Office of the Ministry of Human Resources and Social Security named the branch a national model employer in providing internships for college graduates. It was one of the five entities in Shaanxi that received such recognition, and the only one in the financial industry. |
| The Nanning Branch built a diversified workforce. | Over half of the employees of the branch were females, while 25% were from minority ethnic groups. A total of 6,608 person-times participated in 148 trainings. Over 90% of the branch's employees held certificates corresponding to their posts. As for professional posts, over 95% of the employees held corresponding certificates. Every spring, the branch conducts a performance evaluation, as a result of which over 60% of the employees are promoted. | The branch has created a "fair, just and transparent" work place, where the employees' career development is determined by their competency. |

CARE FOR THE EMPLOYEES

The Bank highly values its employees' happiness and sense of belonging at the Bank. For instance, cake vouchers and birthday emails are sent to the employees on their birthdays. The People Survey showed a high degree of employee satisfaction.

The Bank's worker unions of all levels encourage their members to contribute to the Bank's development and make achievements in their own posts. In 2013, the Bank awarded 296 employees for their outstanding performance and 80 excellent female employees for the very first time. The 8th professional skills competition was organized. The 6th and 7th sessions of the 1st workers' congress were held, in which the working reports of the head office's president and employee supervisors were reviewed, as well as rules and regulations related to employees' benefits.

Worker unions of all levels have set up various clubs according to local circumstances where the employees can do physical exercises and enjoy entertainment, such as football, badminton,

basketball, ping pong, yoga, mountain climbing, singing, acting, reading, financial planning lectures, etc. These activities provide employees, especially young employees, with opportunities to exercise, communicate, study, share, and show their talents. In short, the Bank ensures that the employees have a good time after challenging work.

The Bank cares for its employees and their families. The Bank sends its greetings to staff when they get married or have a baby. It expresses condolences to staff when they or their families suffer illness, death, or other troubles. On traditional festivals, especially the Spring Festival, the Bank gives help to employees who have grave difficulties.

Employees submitted **2,916** suggestions, in which **398** were accepted. In 2014, the Bank was nominated by Employees' Home for the first time, which recognized 49 labor unions of the Bank as Employees' Homes in 2013.



[EFFORTS TO PROTECT EMPLOYEE'S RIGHTS]

| No. | Indicator | Unit | 2014 | 2013 | 2012 | Note |
|-----|---|----------|------|------|------|---|
| 1 | Percentage of organizations with worker union(%) | % | 99 | 100 | 100 | Percentage of organizations with worker union refers to the percentage of the head office and second-level branches that have set up worker unions. |
| 2 | Percentage of organizations with employee representative meeting(%) | % | 60 | 57 | 50 | The head office has set up the employee representative meeting policy. Percentage of organizations with employee representative meeting refers to the ratio of the branches that have set up the employee representative meeting mechanism. |
| 3 | Donations for disaster relief | RMB0'000 | 3 | 3.5 | - | |
| 4 | Donations for medical expense | RMB0'000 | 373 | 320 | - | |
| 5 | Donations for poverty alleviation | RMB0'000 | 606 | 369 | - | |

[CASES]

| Topic | Action | Value |
|--|---|--|
| The Tianjin Branch improved the employee care program. | The branch improved the management of the "President Care Fund". It continued to help employees suffering economic difficulties or severe illness. It issued an internal e-journal named 0 Distance, which reflected the morale of the employees and helped them shape possible work styles. | Because of its outstanding performance in building corporate culture, the Youth League Committee of the branch was named by the Tianjin City as a "May Fourth Red Banner Committee". |
| The Hangzhou Branch held the fourth employee sports event. | Over 1,200 employees participated. The event was fun and competitive, and called for teamwork. The number of entities and employees participating in the event was the largest in the branch's history. | The events fully presented the employees' positive spirits. |
| The Xi'an Branch's employees made it proud in sports events. | 31 banks participated in the second badminton competition organized by the Shaanxi Banking Association. The branch won the third prize in the team game, the championship and the fifth prize in the mixed doubles, and the third prize in the female individual games. In the sporting event organized by the Shanghai Commerce Chamber, the branch won the second prize in the ping pong team event, the championship in the badminton team event, and the championship in the basketball game. | These wins showed the vitality of the Bank's employees, and presented a positive, cooperative company to the banking industry. |

FINANCIAL EDUCATION

DISSEMINATE FINANCIAL KNOWLEDGE IN THE SOCIETY

In 2014, responding to the appeals of the supervisory departments, the Bank conducted financial education programs in multiple dimensions based on its own features. The CBRC had appealed to the banks to "Bringing Financial Knowledge to Households"; the PBOC to dedicating a month to disseminating financial knowledge; and the China Banking Association to "Bringing Financial Knowledge Everywhere". The head office formulated the Bank's program plan and circulated it across the bank, specifying the program theme, organizational guarantee and implementation procedures. The three activities above were promoted across the Bank, in which **98%** of the banking outlets participated. The branches conducted education activities based in the outlets. During the "Bringing Financial Knowledge Everywhere" activity from June to August, the Bank circulated more than **1.35** million brochures and held over **3,500** on-site publicity activities with an audience of **2.1** million. More than **180** reports were released by newsletters, the internet and other media channels. During the activities of the "Bringing Financial Knowledge to Households" service month and the "Month for Financial Knowledge Popu-

larity" in September, **600** thousand sets of brochures were delivered across the bank. **853** on-site publicity activities were held with an audience of nearly **900** thousand. **70** reports were covered by newspapers, the internet and other media channels.

The Bank started the "Happy Community • Easy Financial Planning" community financial service roadshows in September 2014. The theme of the activity was "Easy Wealth Management; Easy Paying; Easy Life". The activity, based on community banks, supported the community residents in financial matters. In the activity, the Bank gave out health books for free, and conducted face-to-face consultation on investment issues. By the end of December, **832** roadshows on easy wealth management had been held across the country. Financial knowledge or services were given to over **100,000** community residents. The Bank designated September as the month to advocate online payment security. It used all sorts of media, such as physical outlets, its portal, WeChat, Weibo, e-bills, SMS, etc., to send messages to bankcard holders to help them prevent online payment risks.



【 INVESTMENT IN EDUCATING THE PUBLIC ABOUT FINANCE 】

| No. | Indicator | Unit | 2014 | 2013 | 2012 |
|-----|--|--------------|---|---|------|
| 1 | Investment in educating the public | - | >7 million | >5.4 million | - |
| 2 | Number of activities in educating the public | - | 7 (only the activities organized by the head office are included; those organized by the branches are not included) | 6 (only the activities organized by the head office are included; those organized by the branches are not included) | - |
| 3 | Accumulated number of activities in educating the public during the year | - | >5,000 | >3,000 | - |
| 4 | Number of recipients of the activities | Person-times | 3.10 million | 2.20 million | - |
| 5 | Number of materials handed out | - | 2 million | 2.55 million | - |

【 CASES 】

| Topic | Action | Value |
|---|--|--|
| The Taiyuan Branch promoted financial education. | It organized several activities in the "Bringing Financial Knowledge to the Households" campaign. For example, it went to the factories of the Shangxi Installation Company to give tips to the workers on bankcard usage. It visited the Jiancaoping business district to disseminate financial knowledge. It went to the Beiyong Village to advocate against illegal fundraising. It visited the Xinghualing No. 7 Middle School to give lectures on financial management to the students. And it went to the Hengda Lvzhou Community to provide financial services. | These voluntary activities helped improve the public's financial awareness and competency. |
| The Qingdao Branch educated youth about financial knowledge. | The branch organized a campaign on "Bringing Financial Knowledge to the Elementary Schools". It visited the Baotou Primary School in Qingdao and shared knowledge on eight topics: banks, currency, bankcards, e-banks, visiting banks, preventing telecommunication fraud, financial management tips for pupils, and insurance awareness. | The activities improved the youths' financial skills, wealth management sense and ability to protect their rights. |
| The Wuhu Branch improved the culture of the branch while promoting financial education. | The branch participated in "building corporate culture, providing hotline services, helping the public to know more about the financial and insurance industries", which improved the Bank's image. | In a ranking of corporate culture held in Wuhan, the branch was ranked No. 1. It was honored as a customer-satisfying enterprise for three years in a row. |
| The Hefei Branch helped improve the financial skills of the youth. | The branch set up stands to disseminate financial knowledge in the universities, middle schools and primary schools. The staff of the branch gave lectures on financial knowledge, individual credit, and counterfeit currency. | The youth's financial knowledge was improved. |

PROTECT THE RIGHTS AND INTERESTS OF CONSUMERS

The Bank highly values and takes action to protect consumers' rights. It earnestly implemented the Guidance to Protect the Rights and Interests of the Consumers in the Banking Industry and the Notice of the China Banking Regulatory Commission on Issuing the Appraisal Method of Protecting Consumers' Interests at Banking Financial Institutions (for Trial Implementation). According to these regulations, the Bank has built a system for protecting consumers' interests and formulated related policies.

Enhancing organizational support. The Bank has set up the structure of consumer protection, which is made up of three levels: the head office, the branches and the sub-branches. The service management team at the head office is in charge of the protection of consumer rights across the Bank. The public relations department at the head office is responsible for promoting the work. The responsibilities of the other departments at the head office have also been clarified. By the end of 2014, all the branches have clarified the leading departments of consumer protection and the responsibilities of other departments. In September, the Consumer Rights Protection Office was set up in the public relations department at the head office. Designated personnel have been appointed to manage and promote the protection of consumer rights.

Constructing a policy system. In 2014, a preliminary policy system of consumer protection was built. The SPD Bank's Provisional Methods of Protecting Consumer Rights was released. It is the basic policy that clarifies the principles, organizational structure, code of conduct and operating mechanism of consumer protection. The Bank has also identified the emergency scenarios relating to consumer rights, including (but not limited to) the following: system malfunction, information leakage, product deficiency, harms to consumers' interest caused by inappropriate sale or services, and the complaints and negative public opinions caused by the abovementioned scenarios.

Improving the operating mechanisms of consumer protection. Firstly, the senior management reports to the BoD on

consumer protection. Secondly, consumer protection is audited. From October to December 2014, the Bank conducted the first audit of consumer protection, which resulted in an independent audit opinion on the creation and implementation of policies on consumer protection. Thirdly, consumer protection departments engage in the approval of innovative private banking products and services. They express their opinions from the angle of protecting consumer rights. Fourthly, a mechanism has been put in place to evaluate the protection of consumer rights. Severe infringement of legitimate consumer rights would impact the performance evaluation results of the responsible departments or branches. Related personnel would be held responsible.

Controlling risks of wealth management products during the entire sales process. The key measures are as follows. Before offering private wealth management products, the Bank should comply with the reporting requirements of the supervisory bodies. All employees selling wealth management products should be qualified to do so. They are required to explain, in detail, the products to the consumers. Especially when explaining the return allocations, they should make sure that the customers have a good idea about the fees relating to the products before they buy the products. The sales persons should also explain the risks and ensure that the risks are within the risk appetite of the consumers. The purpose is to protect the consumers' right to information in a clear, concise and direct manner. They are also responsible for customer maintenance and handling customer complaints.

In 2014, the credit card center investigated the fees of 13 services/products. The Bank lowered or canceled the fees of five services/products whose fees were found to be higher than the industry averages. Starting from January 1, 2015, the Bank exempts the annuity of 54 types of credit cards. This action benefits the customers and is well received by the society.

【 CASES 】

| Topic | Action | Value |
|--|---|--|
| The Changchun Branch organized education activities for consumer rights protection. | During May and December, the branch carried out education activities of preventing and crashing down on illegal fundraising. The topics were denying the temptation of high interest rates, investing with rationality, crashing down on illegal fundraising and protecting the public's interest. The forms included advocating in the banking outlets and road-shows. | The activities made the public more vigilant in protecting their rights. |
| The employees of the Tianjin Branch stopped several cases of telecommunication fraud, protecting the consumers from economic losses. | Ms. Han Li of the Pudeng Sub-Branch was honored as a model of preventing telecommunication fraud in the banking industry of Tianjin. This was due to her success in stopping two cases of telecommunication fraud that involved RMB 200,000. | By stopping the fraud, the sub-branch protected the customers from economic losses. The customers were thankful to the sub-branch. |

CONTRIBUTE TO A HARMONIOUS AND STABLE SOCIETY

【 CASES 】

| Topic | Action | Value |
|--|--|--|
| The Xi'an Branch advocated against terrorism and violence. | Over 2,200 materials were handed out, which helped the public to learn about anti-terrorism and improved their awareness of social risks. | The branch was rooted in the public, served the public and contributed to the security of Xi'an. |
| The Suzhou Branch was active in preventing and controlling financial criminal cases. | The police department of Suzhou appealed to volunteers to participate in social governance. Responding to the appeal, the branch set up a team of voluntary policemen. They participated in maintaining social order and provided services for the citizens. They disseminated financial knowledge and taught the citizens on preventing telecommunication frauds. | The branch helped community residents maintain financial security, contributing to the harmony and stability of the society. |
| The Hefei Branch attached high importance to advocating integrity. | The branch organized a visit to the Shushan Jail in Hefei to teach its employees about anti-corruption. It designated a month to advocating integrity. | The activities strengthened the employees' awareness of laws and compliance with laws. The integrity of the society was also improved. |



CHARITY AND PUBLIC WELFARE

MAKE DONATIONS FOR PUBLIC WELFARE

In 2014, the Bank donated RMB **19.39** million. The money mainly went to massive natural disaster relief, charity programs on education, environmental protection and poverty alleviation.

Major donations in 2014 include: RMB **5** million to help the areas struck by the Ludian Earthquake in Zhaotong, Yunnan; RMB **5** million for the poverty alleviation of the Jinshan industrial

area in Shanghai; and RMB **1** million for the disaster relief after Typhoon Rammasun hit Hainan.

Besides corporate funding, the Bank donated RMB **10.20** million from the government grants in 2014. Its employees donated RMB **5.847** million.

[CLIENT'S DONATIONS THROUGH THE BANK'S DONATION PLATFORM]

| Year | No. of Donations | Amount (RMB'0'000) |
|------|------------------|--------------------|
| 2012 | 3,917 | 28.49 |
| 2013 | 2,221 | 41.2 |
| 2014 | 5,980 | 19.25 |

Note: Both corporate and individual clients are included.

PROMOTE BRANDED PUBLIC WELFARE PROJECTS

Throughout the year, the Bank continued with the branded public welfare projects that had been going on for several years and were well received by the public. For example, the Bank organized the seventh bank-wide volunteer day at the beginning of 2014. The eighth bank-wide volunteer day was held at the end of 2014. The theme was "Know Each Other, Be with Each Other; Move Forward with One Heart". The bank-wide volunteer day activity has become one of the Bank's long-term practice of CSR. Another long-term program is the See the World program, which helped children with strabismus get free eye surgeries. From 2012 to 2014, the program, with a total investment of RMB **2.4** million, helped **336** children in Shanghai, Chongqing and Kunming. It's highly regarded by the society. The branches

were also consistent in poverty alleviation efforts. The Nanjing Branch has been donating to the Sihong County for **20** years since 2006, during which over RMB **3** million was used to help the poor. The Hangzhou Branch is implementing its second five-year plan to help the poor in the Liandu District of Lishui City. Since 2013, the head office has participated in a program to help the Jinshan industrial zone in Shanghai. The program will continue until 2017, during which RMB **5** million will be donated by the Bank every year. Every year, the Bank was the first entity to fulfill its donation promise. These long-term projects root the Bank in local economies. They demonstrate the Bank's attitude toward CSR, and constitute an important component for a responsible brand.





【“SEE THE WORLD”—SURGERY FOR CHILDREN WITH STRABISMUS】

The Bank launched the “See the World”—Surgery Program for Children with Strabismus in 2012, the 20th anniversary of the Bank’s establishment. The program aims to provide free surgeries for children with strabismus. During the last three years, the program has been carried out in Shanghai, Chongqing and Kunming. By the end of 2014, the program helped 336 children from poverty-stricken households. The surgeries were not difficult ones. But they meant a lot for the children. The children’s eyesight and appearance have been improved, as well as their confidence. Their families have felt the caring and warmth of the society. As a result, they have more confidence and hope when facing the future. On April 20, 2014, the Bank invited some children helped by the program to come back for a meeting, at which the operation and effects of the program were reviewed. The children also received sports items and stationery as gifts, full of love from the Bank. These children were once discriminated against for their eye conditions. They had to hide behind others for lack of confidence. But they have left the shadows, begun to see work with confidence, and learned to embrace happiness and the future. During the past three years, the fund for the program was mainly donated by the Bank’s employees. For example, of the RMB 2,400,000.00 that went into the first phase of the program, RMB 1,674,062.56 was donated by the employees. The rest came from the welfare fund of the Bank. This showed that the Bank paid much attention to cultivating CSR culture among its employees. It also showed that the Bank’s employees were keen on repaying the society.



【CASES】

| Topic | Action | Value |
|---|--|---|
| The Changchun Branch paid much attention to the public welfare. | Instead of holding an opening ceremony, the Huxilu Road Sub-Branch at Changchun used the money to donate 1,000 bags to the Jilin Orphanage. The Ziyoudalu Road Sub-Branch also donated money for the opening ceremony. The money was used to buy 10 TVs, 3,000 kg of rice, and fruits and desserts for the welfare house for physically challenged elder people and children in Fangzheng Village, Changchun. | These were the Bank’s action to honor its CSR. |
| The Tianjin Branch continued to support students with the SPDB Scholarship. | The SPDB Scholarship was used to encourage outstanding students in the Nankai University, Tianjin University and Nankai Middle School. These students were talented and upright and had great academic performance. In addition, the branch has set up an internship base that provides a large number of internship opportunities for college students. | These efforts render generous support for education and many jobs for college students. |
| The Hangzhou Branch participated in the large-scale charity activity—“Giving Flowers to Leifeng”. | The branch set up a voluntary driver team and participated in the “Giving Flowers to Leifeng” activity of the “Most Beautiful” campaign organized by the culture office of Zhejiang and Zhejiang’s committee of departments, directly administered by the central government. The purpose of the activity was to find and give credit to compassionate people. | The activity encouraged people to pass on the spirit of Leifeng. By attending the activity, the branch presented itself as a corporate citizen devoted to public welfare. |
| The Dalian Branch set up the “Love and Bright” Charity Fund for Guide Dogs. | The branch entered into a third party agreement with the Dalian Training Base of Guide Dogs and the Dalian Charity Federation. The agreement entailed the founding of the “Love and Bright” Charity Fund for Guide Dogs. A donation of RMB 222,000 was made to the Dalian Charity Federation, fueling the cultivation of guide dogs. | Through this activity, the branch cared for visually impaired groups, promoting the charity cause. |
| The Kunming Branch carried forward the traditional value of helping those in need. | On August 3, an earthquake of 6.5 magnitude struck Ludian County, Zhaotong City, Yunnan Province. The earthquake impacted 1,088,400 people and caused the deaths of 589 people. The branch devoted itself to the rescue and relief efforts. The Bank answered the appeal of the Party Committee and Government of Yunnan by donating an accumulated amount of RMB 1.7 million to build water cisterns. This was aimed to improve the semi-mountainous areas’ capability to fend against drought. | The activities improved the corporate image of the Bank. |
| The Xi’an Branch devoted itself to public welfare. | When the sub-branch in the high-tech park learned that the onions in the Sanyuan County were not selling well, it immediately contacted the farmers and bought 10,000 kg of onions. These were given out for free. | The activity helped the farmers and delivered love and caring to the society. It was well received by local people. |
| The Shijiazhuang Branch organized a large-scale blood donation, of which the theme was “Donate Blood to Celebrate the Bank’s Anniversary, Show Love to Make Life Better”. | A total of 53 employees volunteered, among which 32 people donated blood amounting to 18,000 ML. Encouraged by the employees’ passion, many citizens at the site also made donations. | Celebrating the Bank’s sixth anniversary by donating blood, the branch showed the voluntary spirit of the employees. |

ENVIRONMENTAL RESPONSIBILITIES



CORPORATE SOCIAL RESPONSIBILITY STATEMENT AND POLICY

CORPORATE SOCIAL RESPONSIBILITY CODE OF CONDUCT

Communicate policies clearly and allocate resources efficiently: we endeavor to facilitate the implementation of the state's macro regulatory policies and leverage the potential of the finance industry to influence and prioritize resources to support the development of low-carbon and environmentally friendly economies in China.

Advocate environmental protection and promote green finance: we endeavor to leverage innovative products to support energy-saving and environmentally friendly initiatives and apply commercial and market mechanisms and methods to promote energy-saving and environmentally friendly industries, and become the premier low-carbon bank in the Chinese financial sector.

RESPONSIBILITIES

Resource Conservation and Environmental Protection: we endeavor to make every one of us responsible for leading an environmentally friendly life and start with every little detail in conducting bank operations through low-carbon methods and procedures, and make our contributions to an energy-saving society.

Green Finance: we endeavor to implement the state's macro regulatory policies and leverage the potential of the finance industry to influence and prioritize resources to support the development of low-carbon and environmentally friendly economies in China. We endeavor to leverage innovative products to support energy-saving and environmentally friendly initiatives and employ commercial and market mechanisms and methods to promote energy-saving and environmentally friendly industries, and become the premier low-carbon bank in the Chinese financial sector.

Environmental Friendliness: we endeavor to deliver sustainable development, walk the talk in reducing environmentally unfriendly and inefficient consumption behaviors and production, and lead by example to heighten environmental awareness, so as to help pool the resources from every walk of life to create synergistic efforts and make a low-carbon lifestyle a new measure of social values.

RESOURCE CONSERVATION AND ENVIRONMENTAL PROTECTION

DEVELOP E-BANKING

In 2014, the Bank continued to promote e-banking and to use its financial resources to construct green trading channels. Compared with 2013, the percentage of transactions via electronic channels in 2014 increased by 4.35 percentage points to 83.91%.

[E-BANKING STATISTICS]

| Items | No. of customers (0'000) | | | No. of transactions (0'000) | | | Transaction amount (RMB 0'000) | | |
|----------------------|-----------------------------|-------|----------|--------------------------------|----------|-----------|-----------------------------------|-----------------|------------------|
| | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 |
| Web banking | 685.8 | 977.3 | 1,270.34 | 27,504.9 | 46,283.3 | 46,462.71 | 938,092,472.5 | 2,485,489,308.4 | 2,063,253,497.21 |
| Self-service banking | / | / | / | 10,898.0 | 1,1546.1 | 11,998.48 | 17,943,524.0 | 20,824,484.9 | 23,944,609.31 |
| Mobile phone banking | 124.7 | 316.2 | 666.68 | 602.7 | 2,807.3 | 11,176.48 | 996,731.22 | 15,070,282.7 | 81,153,964.57 |
| Total | / | / | / | 42,451.6 | 60,636.7 | 69,637.67 | 957,662,127.7 | 2,521,384,076.0 | 2,168,352,071.09 |

Note:

- The data cover both corporate and individual clients.
- Percentage of electronic channel transactions = transactions of the electronic channels/(transactions of the electronic channels + transactions of the counters)

ENERGY CONSERVATION

Energy conservation is the prerequisite of building a resource-efficient society, and of sustainable development of the society and enterprises. Therefore, it has been made a long-term priority of the Bank, which results in continually lowering energy consumption in the office buildings (excluding the energy consumption caused by the expansion of the information center). In 2014, energy consumption of the Bank's office building (at No. 12 Zhongshan Dong Yi Road) was **3,415** thousand kw.h, 784 thousand kw.h less than the 4,199 thousand kw.h of 2013, or **18.68%**. In 2014, the water consumption of the office building stood at **27,913** m³, 3031 m³ less than the 30,944 m³ of 2013, a decrease of **9.80%**.

Firstly, a system has been set up to monitor the energy consumption of the Bank. As support for Shanghai Government and the Government of Huangpu District's appeal to building an energy consumption monitoring system, the Bank has put up devices for sub-entry measures of energy consumption, and for collecting and transmitting energy consumption data.

Secondly, the Bank is active in the society's experiments of environmental protection. For example, the Bank has joined in the carbon trading pilot project organized by the Shanghai Environment and Energy Exchange. It is a regular member (one without the qualification to act as an agency in the project) and one of the first third party depository banks of the project. In 2014, the Bank neutralized the carbon emissions generated by its office building in 2013.

Thirdly, the Bank continues with its energy management contracting (EMC) program. The head office signed an agreement with a provider of EMC services. Related energy conservation projects include: setting up devices of sub-entry measures of energy consumption, upgrading of the central air conditioning building automation (BA) system, upgrading of the illumination

system, replacement of the main engine of the air conditioning system and on-site management of energy consumption. As a result, about 10,000 energy-intensive lamps have been replaced with LED lamps or cathode lamps. Energy-saving devices, such as time-delay switches and sensor switches, are being installed in the illumination systems of the stairs, corridors and toilets. They are put in to prevent the lamps being on in unnecessary occasions. The Bank evaluated the energy efficiency of the equipment in its office building, which resulted in the upgrading of the central air conditioning system. The upgrading significantly reduced the energy consumption of the building.

Fourthly, the Bank has given more play to policies in energy conservation. It has formulated the Methods of Setting the Temperature of the Air Conditioners in the Office (Business) Area. It states that the temperature should be set at over 26 degrees Celsius in summer and lower than 20 degrees Celsius in winter. Under normal circumstances, the windows and doors should be kept shut when the air conditioners are on. The purpose is to lower energy consumption of the air conditioners.

Fifthly, the Bank has stepped up the advocacy of energy conservation. For energy conservation to succeed, everyone should participate in the campaign. Therefore, the Bank has used different methods to advocate energy conservation, such as putting up slogans and boards and sending the messages through the boards. It has also organized activities with different themes, such as "saving a drop of water, a kWh of electricity, a liter of petroleum", "take the stairs, be healthy and happy", Earth Hour, "don't waste food, keep a healthy diet", etc. As a result of its efforts, its staff is mindful of energy conservation. It's now a common practice to use both sides of papers and to recycle the envelopes for internal use.

GREEN FINANCE

Green finance is a key way for the Bank to use its advantages in finance to meet social responsibilities. The Bank has taken several actions in this regard. **Firstly, it has clarified its loan policy.** More support is provided to energy conservation and environmental protection projects. These include the production of clean energy and renewable energy, technology upgrading projects that reduce energy consumption, pollution control, non-hazardous treatment of pollutants, recycling of waste, and production and application of environmental protection devices and products. **Secondly, it has optimized the allocation of loan resources.** It provides more support for the industries that are energy-conserving and environmentally friendly. The loan resources are directed toward industries and companies with low energy and resource consumption, low pollution and low

emissions. **Thirdly, the Bank has promoted product and service innovation.** Financial products are developed based on the studies of the characteristics of green loans, such as loans that support ecological protection, cleaner energy, energy conservation, emission mitigation, comprehensive utilization of energy, and the value chains of energy conservation and environmental protection industries. The Bank supports energy conservation and environmental protection through diversified financing tools, such as short-term financing bonds, medium-term notes, corporate bond, SME collective notes, financial leasing, trust loans, etc. In June 2014, the Bank was honored by the China Banking Association with the award for "Best Green Finance of the Year".

ENHANCE GREEN LOAN MANAGEMENT

The designated departments vigorously observe the Bank's green loan policies in credit approval. Environmental performance is treated as a rejection factor, which means that clients that fail to meet the environmental standards would not be accepted.

Firstly, whether a written recognition of the environment impact appraisal has been obtained from authorities is a qualitative criterion in credit rating. The credit rating would be adjusted if there is vulnerability of safe production or non-compliance with environmental regulations. Secondly, the Bank would raise the

thresholds for clients or projects with higher environmental or social risks. It observes the policies of the banking industry and the principle of "environment first". In the credit approval of fixed-asset loans, the Bank requires the clients to submit the environment impact appraisal approvals from environmental protection departments. Credits or loans must not be issued for clients that fail to submit the approvals. As for existing clients, the Bank will gradually, but decisively, end business with clients that fail to adhere to environmental standards.

【 GREEN LOANS OF THE BANK (100 MILLION RMB) 】

| No. | Indicator | 2014 | 2013 | 2012 |
|-----|--|--------|--------|--------|
| 1 | 1.Green agricultural projects | 50.99 | 33.27 | 38.04 |
| 2 | 2.Green forestry projects | 35.96 | 19.88 | 13.71 |
| 3 | 3.Industrial energy and water conservation and environmental protection projects | 331.93 | 358.97 | 400.87 |
| 4 | 4.Nature protection, ecological restoration and disaster prevention projects | 66.27 | 41.11 | 44.78 |
| 5 | 5.Resource recycling projects | 40.25 | 41.62 | 43.00 |
| 6 | 6.Waste disposal and pollution prevention and treatment projects | 99.85 | 87.87 | 98.07 |
| 7 | 7.Renewable and clean energy sources projects | 127.27 | 113.19 | 102.29 |
| 8 | 7.1Solar power projects | 8.48 | 5.04 | 3.26 |
| 9 | 7.2Wind power projects | 29.84 | 25.36 | 26.81 |
| 10 | 7.3Biomass power generation projects | 1.70 | 1.68 | 5.86 |
| 11 | 7.4Hydroelectric projects | 53.46 | 42.84 | 50.70 |
| 12 | 7.5Other renewable and clean energy sources projects | 31.88 | 35.86 | 14.94 |
| 13 | 7.6Smart electrical grid projects | 1.91 | 2.41 | 0.72 |
| 14 | 8.Rural and urban water projects | 100.85 | 85.05 | 92.18 |
| 15 | 8.1Rural drinking water safety engineering projects | 3.43 | 0.63 | 0.74 |
| 16 | 8.2Small-scale irrigation and water conservation facility construction projects | 12.39 | 8.45 | 6.50 |
| 17 | 8.3Urban water conservation projects | 85.04 | 75.97 | 84.94 |
| 18 | 9.Energy saving or green building construction projects | 150.00 | 129.26 | 122.94 |
| 19 | 9.1Green transformation of existing building projects | 2.25 | 5.96 | 7.80 |
| 20 | 9.2Green building construction, development, operation and maintenance projects | 147.75 | 123.30 | 115.15 |

| No. | Indicator | 2014 | 2013 | 2012 |
|-----|--|----------|----------|----------|
| 21 | 10.Green transportation projects | 455.66 | 495.78 | 473.30 |
| 22 | 10.1Railway transportation projects | 63.48 | 88.51 | 87.57 |
| 23 | 10.2Waterway management and vessel purchasing projects | 106.84 | 91.36 | 141.07 |
| 24 | 10.3Urban public transportation projects | 202.97 | 221.28 | 191.58 |
| 25 | 10.3.1Urban public passenger transportation projects | 27.41 | 29.37 | 21.77 |
| 26 | 10.3.2Urban rail transport projects | 175.56 | 191.91 | 169.81 |
| 27 | 10.4Transportation environmental protection projects | 82.38 | 94.63 | 53.07 |
| 28 | 11.Energy saving and environmental protection services | 104.71 | 115.03 | 74.42 |
| 29 | 11.1Energy saving services | 54.21 | 79.41 | 28.28 |
| 30 | 11.2Environmental protection services | 27.40 | 21.22 | 9.87 |
| 31 | 11.3Water conservation services | 8.84 | 2.46 | 4.09 |
| 32 | 11.4Circular economy (cyclical resource utilization) services | 14.26 | 11.94 | 32.18 |
| 33 | 12.Overseas projects where international conventions and standards are adopted | - | - | - |
| 34 | 13.Total | 1,563.74 | 1,521.04 | 1,503.59 |
| 35 | 14.Environmental impact assessment compliance rate for loans | 100% | 100% | 100% |

Note: Green loan balances are calculated according to the Green Credit Guidelines issued by the CBRC.

REDUCE SUPPORT FOR INDUSTRIES WITH HIGH POLLUTION, HIGH ENERGY CONSUMPTION AND OVER-CAPACITY, ELIMINATE BACKWARD CAPACITY

【 REDUCTION OF LOANS FOR INDUSTRIES WITH HIGH POLLUTION AND HIGH ENERGY CONSUMPTION (RMB BILLION) 】

| Industries with high pollution and high energy consumption | Year-end balance in 2012 | Year-end balance in 2013 | Year-end balance in 2014 | Reduction of loans in 2014 |
|--|--------------------------|--------------------------|--------------------------|----------------------------|
| Non-metallic mineral product manufacturing (e.g. cement) | 14.197 | 13.771 | 11.515 | 6.026 |
| Ferrous metal smelting and rolling industry (e.g. iron and steel) | 24.986 | 22.302 | 21.623 | 9.644 |
| Raw chemical materials and chemical product manufacturing industry | 36.760 | 39.700 | 39.385 | 13.637 |
| Non-ferrous metal smelting and rolling industry (e.g. aluminum) | 16.490 | 17.607 | 15.819 | 8.080 |
| Total | 92.433 | 93.380 | 88.342 | 37.386 |

【 LOANS FOR INDUSTRIES WITH OVER-CAPACITY 】

| Industry | Indicator | 2014 | 2013 | 2012 |
|--------------------------------|---|-----------|-----------|-----------|
| Steel | Loan Balance (RMB'0,000) | 2,162,321 | 2,230,194 | 2,498,575 |
| | As percentage of total loan balance (%) | 1.09% | 1.29% | 1.64% |
| Cement | Loan Balance (RMB'0,000) | 1,151,463 | 1,377,123 | 1,419,740 |
| | As percentage of total loan balance (%) | 0.58% | 0.80% | 0.93% |
| Plate glass | Loan balance (RMB'0,000) | 23,169 | 69,545 | 87,775 |
| | As percentage of total loan balance (%) | 0.01% | 0.04% | 0.06% |
| Coal chemical, calcium carbide | Loan balance (RMB'0,000) | 528,838 | 600,710 | 590,406 |
| | As percentage of total loan balance (%) | 0.27% | 0.35% | 0.39% |
| Ship building | Loan balance (RMB'0,000) | 737,463 | 700,762 | 893,467.5 |
| | As percentage of total loan balance (%) | 0.37% | 0.41% | 0.59% |
| Total | Loan balance (RMB'0,000) | 4,603,254 | 4,978,334 | 5,489,963 |
| | As percentage of total loan balance (%) | 2.32% | 2.88% | 3.60% |

Over the past two years, the capacity and production of the steel industry kept increasing, while the end demand was declining at an increased rate. Therefore, the over-capacity of the industry was severe, leading to a dramatic decrease of steel prices and worsening business performance of the steel companies. As a result, policies have been enforced to ease the over-capacity, and to enhance energy conservation and emission mitigation. Steel companies are facing stronger and faster de-leveraging. Some private steel companies and several large-scale state-owned steel companies have showed severe negative signals. There is even news of defaults. The industrial risk has risen significantly. In 2014, the head office enhanced the management of and guidance to the branches in loans to the steel industry. Firstly, the Bank has released its opinion on loan restructuring to help

its branches reduce on-balance sheet business with the steel industry. The target is to lower the loans to the steel industry by 5%. Secondly, the Bank has made its yearly loan policy more detailed. The steel industry is in the category that the Bank wants to do less business with. This clearly demands a reduction in on-balance sheet credits to the steel industry. Thirdly, the Bank has made a plan of loan restructuring. It has made the concentration ratio of the steel industry a control subject. It demands a greater reduction of business with the steel industry and monitors the progress. Fourthly, timely evaluation is conducted on the restructuring, in which the situations of the steel industry and the insurance pay-outs of the private steel companies are analyzed. Based on these analyses, management requirements and policy advice are made.

[CASES]

| Topic | Action | Value |
|---|--|--|
| The Qingdao Branch supports the development of a green transportation system. | The branch issued a loan of RMB 12.012 million to the Qingdao Transportation Group. The loan was used to upgrade 22 electric buses in the Qingdao World Gardening Expo. | The branch's work accelerated the new energy automobile industry and promoted low-carbon transport. It helped build a people-centered green transportation system. |
| The Urumqi Branch developed green credit. | There were a total of 11 green loan projects with the balance standing at RMB 1,529.67 million, including comprehensive usage of coke-oven gas in the Baosteel Company and the Shougang Group, residual heat power generation at the gas gate stations of the West-East Gas Transmission Program, etc. The branch was also active in wind power projects and photovoltaic power generation projects. It also provided financing services for EMC projects of the companies that provided energy conservation services. | The branch played an active role in the economy and green energy development of Xinjiang. |

SUPPORT NEW ENERGY INDUSTRIES

The Bank aligns its loan policies to the nation's policies of improving the energy structure, energy conservation and environmental protection. They are also in line with the Bank's businesses. They give generous support to hydro-power projects, nuclear power projects, wind power projects and other cleaner energy projects. Differentiated support is given for collective photovoltaic power plants and distributed photovoltaic power plants. The Bank has promoted green credit and provides financing plans

for green supply chains in the power generation companies. It explores products and services that are conducive to a circular economy, low-carbon economy and green credit. The Bank has enforced the State Council and the CBRC's requirements to support the development and promotion of new energy automobiles. This industry has been made a new priority of the Bank in business development, while it continues to support the automobile manufacturing industry.

[CASES]

| Topic | Action | Value |
|--|--|---|
| The Tianjin Branch constrained loans to industries with backward capacity. | In 2014, the branch's loan balance to the poly-silicon, coal chemical and plate glass industries was zero. Meanwhile, its green credit products provided support to energy conservation and emission mitigation companies in industries, such as chemistry, metallurgy, building energy conservation, etc. | The branch strictly controlled loans to companies with high energy consumption, high pollution and backward capacity. On the other hand, it promoted green credit and supported energy conservation, emission reduction and a low-carbon economy. |

GIVE FULL PLAY TO THE BANK'S ADVANTAGE IN CARBON FINANCE

In 2014, China promoted the pilot projects of carbon trading and the building of one carbon market in China. The Bank was active in these projects. It made full use of its product advantages, such as the financing of industry and building energy efficiency, clean energy, environmental protection and a green equipment supply chain, as well as carbon financing. The center of these efforts was differentiated and creative services that pool the funds and intellect for the companies in the pilot projects. Here is a sampling of the cheerful results: the issue of the first carbon bond in China; the disbursement of the first carbon asset mortgage loan; the stable development of the carbon trading settlement and clearing business; the emergence of the securitization of carbon funds and carbon assets; cross-marketing of low-carbon investment and financing businesses; and steady development of innovations and research on carbon finance. These products and services have enriched the carbon finance businesses of the Bank. In short, comprehensive finance services that cover the whole value chain, from the emergence of the carbon assets to their trading, have taken shape.

Firstly, the Bank has activated the carbon assets of companies, and closed the first deals of direct and indirect financing based on carbon assets. In the first half of 2014, the Bank, making use of its professional advantages, became the lead underwriter of RMB 1 billion in medium-term notes issued by the CGN Wind Power Company on additional carbon revenues. As a result, the client would be able to reap the long-term Chinese Certified Emission Reduction (CCER) trading revenues, and reduce its financing cost. The product made up the gap in the domestic market and was the first direct financing product based on carbon assets. It was honored by the Shanghai Banking Association as the "Innovative Product of the Year" and by the China Financial Innovation List as the "Best Innovative Product of Green Finance". In the latter half of 2014, the Bank communicated with the development and reform commission of Guangdong, the province with many power plants. Their communications resulted in the commission entrusting the carbon

exchange to mortgage and froze the carbon emission rights. It's a breakthrough of financing that uses carbon emission rights as collateral. By the end of December, the Bank had issued to Huadian New Energy Company the first loan in China with carbon emission rights as the mortgage.

The carbon trading settlement and clearing business developed steadily. The Bank has gained competitive advantages in non-resident account (NRA) services. On December 25, 2014, the Bank's third party custody services were launched on four carbon exchanges. Its services satisfied the demands of the carbon trading market for settlement and clearing. The corporate clients that received the services were all central enterprises, state-owned enterprises, listed companies or large private-owned enterprises in the pilot provinces and cities.

In 2014, the Bank created preliminary plans for innovative services, such as carbon trading financial consulting, carbon asset management, a carbon fund, and carbon proprietary trading. It made full use of its advantages in carbon finance to create these innovative services and to close the first deals of these services. The purposes are to meet the clients' demand in the whole industrial chain of carbon finance, and to become a "service provider of low-carbon trading" that provides services in low-carbon investment and financing, trade agency, consultancy, and asset management. At present, there are either preliminary plans for these services or intended partners of the first deals.

The Bank has increased overall returns for its clients by conducting various low-carbon investments and financing based on the platforms constituted by the exchanges and the development and reform commission. Taking advantage of the exchanges' platform and the strategic opportunities of low-carbon development, the Guangzhou, Shanghai, Tianjin and Shenzhen Branches have succeeded in cross-marketing of businesses such as EMC, clearing deposits, equity funds, etc. Comprehensive revenues have been realized.

[CASES]

| Topic | Action | Value |
|--|--|---|
| The Hangzhou Branch promoted green credits. | The branch provided loans for seven energy conservation service providers registered with the NDRC. In addition, it strictly restrained loans to companies with high pollution, energy consumption and emissions. | The branch's work complied with the government's energy conservation and emission mitigation policies. It has promoted green credit and thus honored its environment obligations. |
| The Hohhot Branch contributed to the development of a low-carbon bank. | The Qingshan Sub-Branch issued the first AFD green loan of the year for the Inner Mongolia Baotou Steel Union Co., Ltd. The EUR 1.02 million loan would be used in the projects to upgrade the converter dust removal systems and the feeding systems of blast furnaces. | The loan has used international financial resources to support technology upgrading of key coal production companies and reduce backward capacity. It has contributed to energy conservation, emission mitigation and low-carbon economy. |

DEEPEN GREEN FINANCE TRAINING

The technology aid project cooperated on by the Bank and the ADB has been officially launched. The project aims to deepen the Bank's cooperation with ADB in the financing of building energy conservation. In November 2014, the Green and Smart Building Energy Efficiency Financing Seminar was successfully

convened. Domestic and international experts from the CBRC, ADB, Johnson Controls and building energy efficiency area were invited. They gave lectures to over 100 product managers, account managers and risk managers. This was the first time that a commercial bank held a seminar on building energy efficiency.

ENGAGE WITH INTERNATIONAL ENVIRONMENTAL ORGANIZATIONS

In June 2014, the Bank gave a keynote speech in the 2014 Summit Forum of Banking Industry Environment Initiative (BEI) organized by the Barclays Bank. The members of BEI, which started in 2010, are all leaders in the banking industry. They include 10 global banks from Asia, Europe and America, namely Barclays Bank, the Bank of New York Mellon, China Construction

Bank, Deutsche Bank, Lloyds Banking Group, Nomura Bank, North America Trust Bank, Santander Central Hispano S.A., Sumitomo Mitsui Banking Corporation and Westpac Bank. The organization aims to guide the banking industry to direct its funds to environmental protection and sustainable economic development.

ENVIRONMENTAL FRIENDLINESS

【 ENERGY CONSUMPTION 】

| Indicator | 2012 | 2013 | 2014 |
|--|----------|----------|----------|
| Water consumption in business (Ton*10000) | 13.35 | 13.36 | 12.85 |
| Electricity consumption in business (Kwh*10000) | 3,488.24 | 3,742.38 | 3,767.74 |
| Business car petrol consumption(Liter*10000) | 12.50 | 11.91 | 13.6 |
| Photocopy paper(Pack) | 8,300 | 7,220 | 9,227 |
| Video conference (times) | 488 | 592 | 693 |
| Proportion of video conferences to all conferences | 6.93 | 7.84 | 8.9 |
| Coverage rate of video conference equipment | 100% | 100% | 100% |

Note: The data only cover the head office.

【 PERCENTAGE OF CREDIT CARD E-STATEMENTS 】

| Year | Number of Statements | Number of E-Statements | Percentage of E-Statements (%) |
|------|----------------------|------------------------|--------------------------------|
| 2012 | 22,602,512 | 8,548,624 | 37.82% |
| 2013 | 28,598,221 | 12,497,756 | 43.7% |
| 2014 | 39,982,557 | 27,800,880 | 69.53% |

【 CASE 】 PROTECT GIANT PANDAS

On October 19, 2014, during the seventh "China Ya'an Animal and Nature International Film Week", the Bank organized a donation at the Bifengxia Gorge to build an Education Center at the Ya'an Bifengxia Gorge Base of the GPPRCC.

In 2013, the Bank's employees donated RMB 8.71 million for the reconstruction of areas hit by the 4.20 Lushan earthquake in Sichuan. This money was given to the GPPRCC after consultation with the Municipal Party Committee and the Government of Ya'an. It would be used to build the education center.

The education center would be a three-story building with a floor area of 1,000 m². There will be an exhibition hall and a 5D movie hall to present the newest developments of pandas, research, and knowledge of the protection of pandas. It will help lead the public opinions to the right direction. The center will be a multi-function facility where people can learn, communicate and have new experiences. As a result, more will participate in the protection of pandas and their habitats.

【 CASE 】 PROMOTE E-BILL THROUGH CHARITY PROGRAMS

The Bank began to promote e-bills in July 2013. E-bills can save operation costs, improve consumer experience and contribute to low-carbon development, environmental protection, energy conservation and emission mitigation. Statistics show that using e-bills, instead of paper bills, reduces carbon emissions by at least 63%. It also cuts the operation cost by about 9.91 million.

In September 2013, the charity project "SPDB E-Bill, Let Love Fly" was launched by the Bank and the project team of "Let Love Fly Training Program for Teachers in Rural Schools" of the Beijing Yongyuan Foundation, a charity organization. The project lasted nine months from September 2013 to May 2014. The theme of the project was to realize the dreams of poverty-stricken children while promoting e-billing. The purpose was to advocate environmental protection, pool together the enthusiasm of cardholders, and contribute to society. The project worked in this way: when a SPD Bank credit card owner replaced their paper

bills with e-statements, they obtained a dream ticket and could use the ticket to help an impoverished child to realize a dream. For each dream ticket, the credit card center donated one RMB to the Beijing Yongyuan Foundation. Through this project, the resources saved by using e-bills were given back to the society. The credit card center helped realize the dreams of 100 children. On the other hand, the project was meaningful for resource conservation, ecological protection and emission mitigation. By the end of December 2014, a total of 3.39 million clients switched to e-bills. The coverage of e-bill reached 86.74%.

When the project was completed, the credit card center received a thank-you letter from the Chairman of the Beijing Yongyuan Foundation. He expressed his gratitude for the Bank's contribution to public welfare.

2015 SPD BANK CORPORATE SOCIAL RESPONSIBILITY GUIDELINES

[CASES]

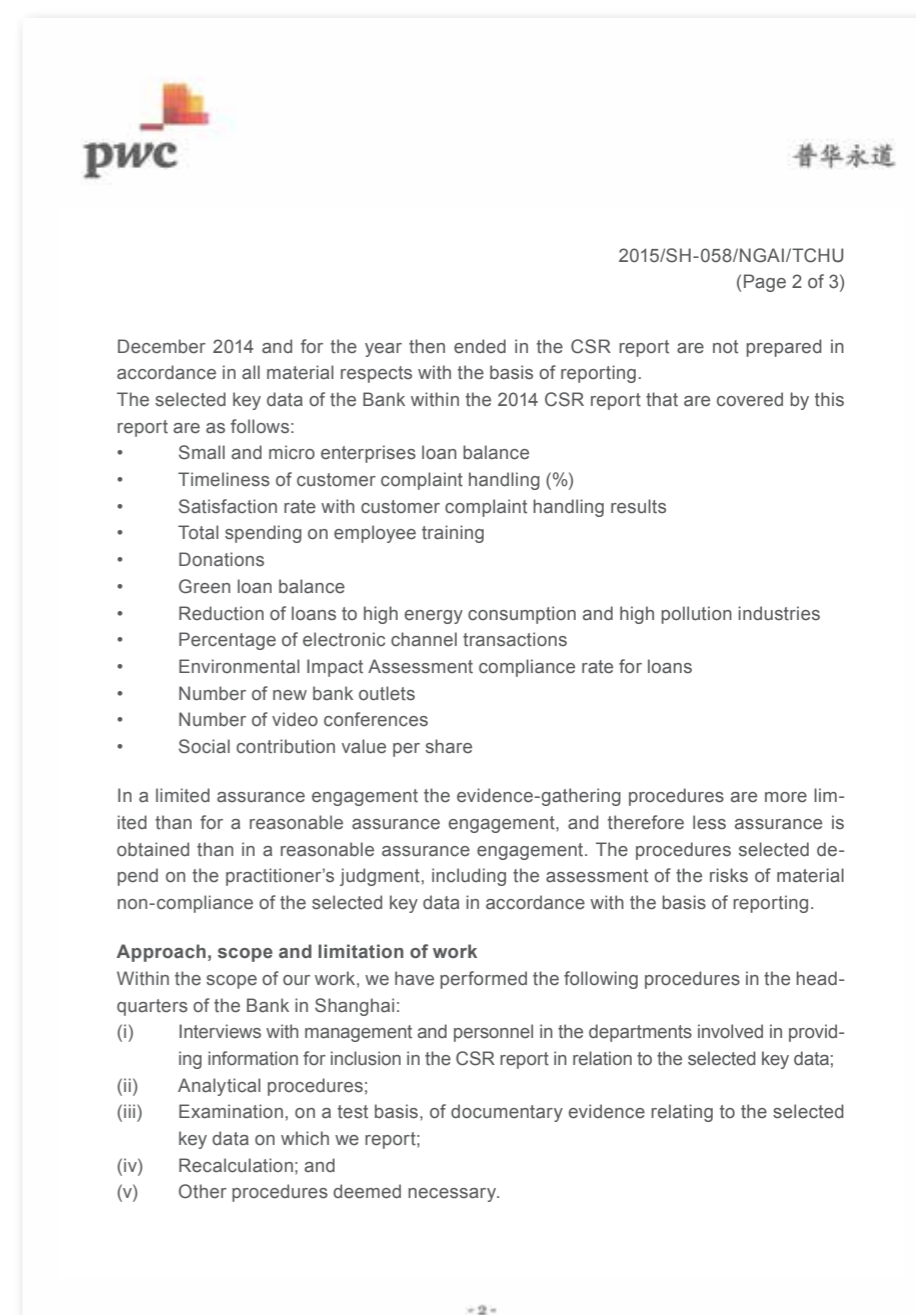
| Topic | Action | Value |
|--|--|---|
| The Suzhou Branch held a walk around the Jinji Lake. | On July 20, about 150 employees, dressed in uniforms, participated in the walk, the theme of which was "Let's Date on 7/20 at the Most Beautiful Jinji Lake". | The activity sent out a positive and healthy image. It advocated environmental protection and green transportation. |
| The Changsha Branch held an activity to clean the Xiangjiang River on the anniversary of the Bank. | Instead of the traditional celebrations of anniversaries, the branch held an activity to help clean the Xiangjiang River. Over 200 volunteers from the branch participated in the activities. Over 200 bags of garbage were cleaned out. | The activity gave attention to the ecological environment of the Xiangjiang River, a water source. It was a branch action to fulfill its environment obligations. |
| The Zhengzhou Branch developed mobile finance and advocated saving paper. | The branch set up e-bank experience zones in 41 banking outlets. 90 e-bank machines were put up. In 2014, there were 253,222 new mobile bank users and 83,817 web bank users. | The branch's work saved resources. For example, paper consumption was reduced by 53 tons. |

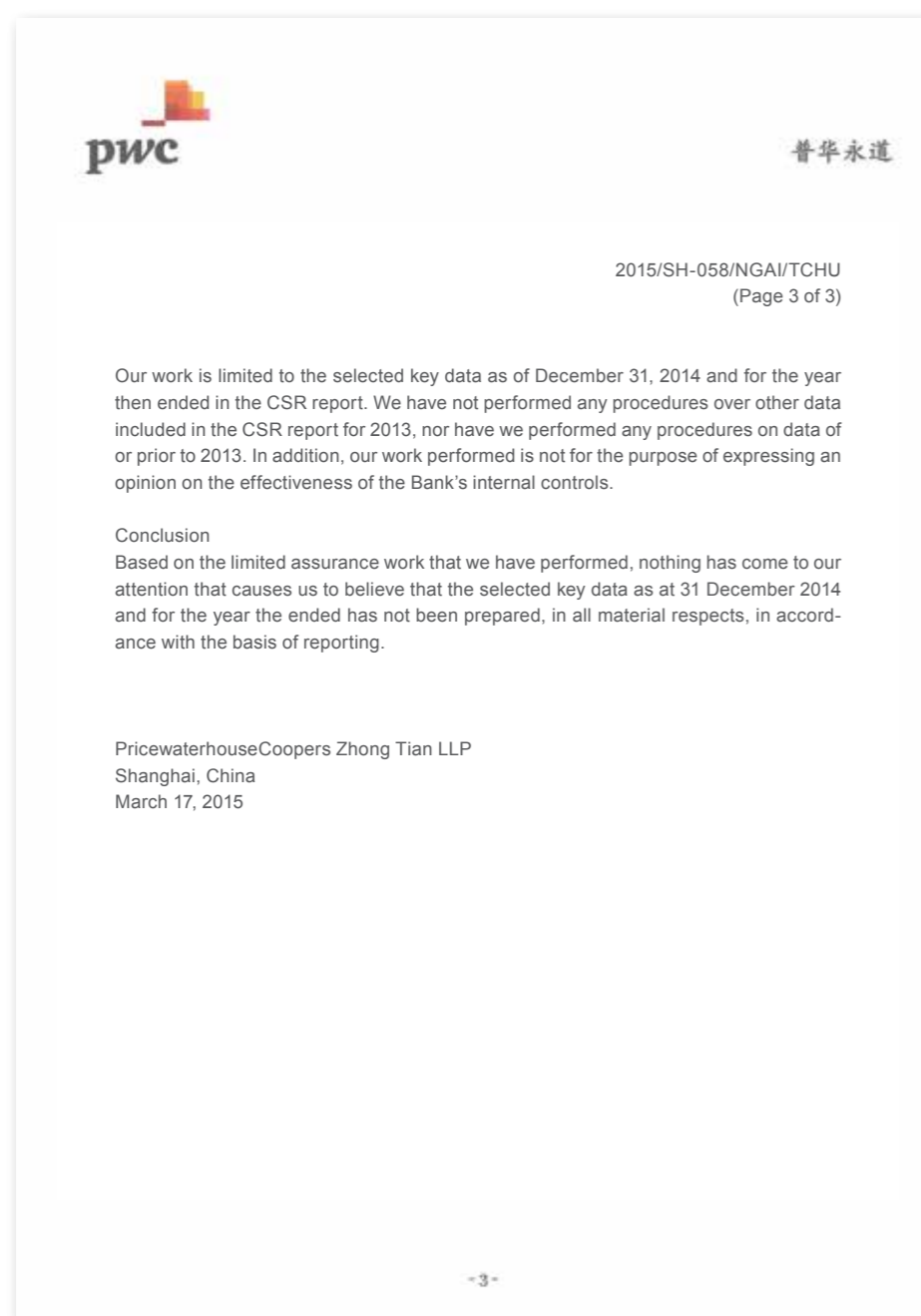


| | | |
|--------------------------------|--|--|
| Economic Responsibilities | National Economy and People's Livelihoods | Implement the state's macro regulation policies, drive the industrial and economic structural upgrading, support the real economy, pay attention to issues relating to people's livelihoods, and support strategic emerging industries. Give more support to the Midwestern area and the Northeastern area, and support the leapfrog development of Xinjiang's economy. |
| | Inclusive Financial Services | Promote financial benefits to all through increased support to SMEs, agriculture, rural areas & farmers, culture & media, education, health care, poverty alleviation projects, etc. |
| | Quality Services | Streamline the service system, improve service processes, enhance communication with clients, and increase customer satisfaction. |
| Social Responsibilities | Financial Innovation | Focus on product and service innovation to enhance customer satisfaction and be a leader in the industry. |
| | Staff Career Development | Improve channels for building staff participation in the Bank's management decision-making process, expand staff development channels, improve career development options, enhance working conditions, improve the compensation and benefits system, and protect people's basic rights and interests. |
| | Financial Education | Discharge responsibilities in warning customers of risks associated with financial products and services, and place a special focus on educating customers on financial services. |
| Environmental Responsibilities | Charity and Public Welfare | Promote charity innovation, combine charity work with business development, and combine "Sunshine Charity" public welfare fund custody services with the Bank's donation management system. Continue to promote charity work in connection with financial education, environment protection, poverty alleviation and aid to handicapped people, and promote volunteer activities. |
| | Energy Saving and Environmental Protection | Pay attention to environmental protection, climate change and biodiversity public welfare projects, implement green office activities and environmentally friendly procurement, and strive for the gradual reduction of energy consumption per capita. |
| | Green Finance | Increase support to green economies, including energy-saving, emission-reducing, recycling-promoting economies and environmentally friendly industries, and develop core competitiveness based on green credit. Also, continue to invest in green credit innovation, promote business transformation to a low-carbon bank and endeavor to become a leader in domestic carbon trading services. |
| Environmental Friendliness | Improve the availability and promote the use of electronic banking and improve sustainable development activities. | |

INDEPENDENT ASSURANCE REPORT

English Translation for Reference Only





DEFINITION OF KEY DATA

| Key Data | Definition |
|---|---|
| Small and micro-enterprise loan balance | The loan balance is calculated based on the standards of the supervisory bodies of the Bank. It includes the balance of loans to small enterprises, micro enterprises and individual business loans. The enterprises are categorized according to the Standard for the Classification of Small and Medium-size Enterprises (Ministry of Industry and Information Technology [2011] No. 300). The standard was released by four departments: the Ministry of Industry and Information Technology, the National Statistics Bureau, the National Development and Reform Commission, and the Ministry of Finance. |
| Timeliness of customer complaint handling (%) | This refers to the percentage of complaints addressed within the time limit. |
| Satisfaction rate with customer complaint handling results | This refers to the ratio of complaint responses with which the clients are satisfied to the responses to all effective complaints (all customer complaints – complaints for which the initiators cannot be reached or the customers do not require responses). |
| Total spending on employee training | This refers to the expense on bank-wide internal and online training programs. |
| Donations | According to the "Law of the People's Republic of China on Donation for Public Welfare Undertakings" and other relevant requirements, SPD Bank has donated money for charity organizations and events that are dedicated to activities such as education assistance, financial difficulties assistance, poverty alleviation environmental protection and disaster reliefs. Only donations made by the head office from its own administrative appropriations are included. The donations made by employees or awarded by local government are not included. |
| Green loan balance | The green loan balance includes the balance of loans to the 27 categories of projects stated in the Notice of the General Office of the China Banking Regulatory Commission on Submitting the Green Credit Form (CBRC No. 185 [2013]), including green agricultural projects, green forestry projects, industrial energy and water conservation and environmental protection projects, resource recycling projects, energy saving and green building construction projects, green transportation projects, overseas projects where international conventions and standards are adopted, etc. |
| Reduction of loans to high energy consumption and high pollution industries | This refers to the loan balance difference between 2014 and 2013 from four industries, namely the non-metallic mineral, ferrous metal smelting and rolling processing, chemical materials and chemical products manufacturing, and non-ferrous metal smelting and rolling processing industries. |
| Percentage of electronic channel transactions | This refers to the proportion of successful transactions made through e-channels (including online banking, mobile banking and phone banking) in the total successful transactions of the year. |
| Environmental Impact Assessment compliance rate for loans | Percentage of loans extended for construction projects that are complete and abide by the relevant environmental laws and regulations, such as "Environmental Impact Assessment Law", "Circular on Examination and Approval of Environmental Impact Assessment of Construction Projects" (Decree No. 5 by the Ministry of Environmental Protection), and "Circular on Categorization Directory Management of Environmental Impact Assessment of Construction Projects" (Decree No. 2 by the Ministry of Environmental Protection). |
| Number of new bank outlets | This refers to the number of new bank outlets set up within the year, including first-level branches, second-level branches, inter-city and intra-city sub-branches, community sub-branches, and small and micro-branches. |
| Number of video conferences | This refers to conferences held among the users in two or more locations through TV or phones, which transmit the voice and image in real time. |
| Social contribution value per share | The indicator refers to the value the Bank created for the shareholders in the form of the basis earning per share, for the country in the form of tax, for its employees in the form of salary, for the creditors, such as the other banks, in the form of interest, and for the society in the form of donations. The formula is as follows: Social contribution value per share=basis earning per share+ (tax+employee expense+welfare investment)/capital stock |

GRI INDEX

| GRI | G4 | Index |
|-------------------------------|--|----------|
| Strategy and Analysis | | |
| 1 | Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability | P4-P5 |
| 2 | Description of key impacts, risks, and opportunities | P34 |
| Organizational Profile | | |
| 3 | Name of the organization | P1 |
| 4 | Primary brands, products, and services | P1 |
| 5 | Location of the organization's headquarters | P1 |
| 6 | Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report | P1 |
| 7 | Nature of ownership and legal form | P1 |
| 8 | Market served | P1 |
| 9 | Scale of the organization | P1,P6-P7 |
| 10 | The total number of employees by employment contract and gender | P10 |
| 11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | P34-P35 |
| 15 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses | P28-P39 |
| Stakeholder Engagement | | |
| 24 | List of stakeholder groups engaged by the organization | P32 |
| 25 | Basis for identification and selection of stakeholders with whom to engage | P32 |
| 26 | The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process | P8-P9 |
| 27 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. List the stakeholder groups that raised each of the key topics and concerns. | P8-P9 |

| GRI | G4 | Index |
|-----------------------|--|------------|
| Report Profile | | |
| 28 | Reporting period of information provided | Back Cover |
| 29 | Date of most recent previous report | Back Cover |
| 30 | Reporting cycle | Back Cover |
| 31 | Contact point for questions regarding the report or its contents | Back Cover |
| 32 | a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines. | Back Cover |
| 33 | Information related to the external assurance of the report | P123 |
| Governance | | |
| 34 | Governance structure of the organization, including committees of the highest governance body | P28-P29 |
| 35 | Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees. | P28-P29 |
| 36 | Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body. | P28-P29 |
| 37 | Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics | P28-P29 |
| 38 | Composition of the highest governance body and its committees | P28-P29 |
| 42 | Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts | P28-P33 |
| 49 | Process for communicating critical concerns to the highest governance body | P28-P33 |
| 50 | Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them | P28-P33 |

| GRI | G4 | Index |
|-----------------------------|--|-------------|
| Ethics and Integrity | | |
| 56 | Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics | P36-P39 |
| 57 | Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines | P36-P39 |
| 58 | Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines | P36-P39 |
| Economic | | |
| EC1 | Direct economic value generated and distributed | P6-P7 |
| EC5 | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation | P90 |
| EC7 | Development and impact of infrastructure investment and services supported | P18,P44-P85 |
| EC8 | Significant indirect economic impacts, including the extent of impacts | P44-P85 |
| Environmental | | |
| EN2 | Percentage of materials used that are recycled input materials | P108 |
| EN3 | Energy consumption within the organization | P108 |
| EN4 | Energy consumption outside of the organization | P108 |
| EN5 | Energy intensity | P108 |
| EN6 | Reduction of energy consumption | P108,P118 |
| EN7 | Reductions in energy requirements of products and services | P107 |
| EN8 | Total water withdrawal by source | P108,P118 |
| EN10 | Percentage and total volume of water recycled and reused | P108,P118 |
| EN23 | Total weight of waste by type and disposal method | P108,P118 |
| EN27 | Extent of impact mitigation of environmental impacts of products and services | P107 |
| EN28 | Percentage of products sold and their packaging materials that are reclaimed by category | P108 |
| EN30 | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce | P108 |
| EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken | P108 |

| GRI | G4 | Index |
|---------------|---|---------|
| Social | | |
| LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region | P89-P90 |
| LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | P89-P90 |
| LA4 | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements | P93 |
| LA8 | Health and safety topics covered in formal agreements with trade unions | P90-P93 |
| LA9 | Average hours of training per year per employee by gender, and by employee category | P91-P92 |
| LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | P91-P92 |
| LA12 | Composition of governance bodies and breakdowns of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | P93 |
| LA16 | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms | P91-P92 |
| HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | P39 |
| SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | P38-P39 |
| SO4 | Communication and training on anti-corruption policies and procedures | P38-P39 |
| SO5 | Confirmed incidents of corruption and actions taken | P38-P39 |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | P38-P39 |
| SO11 | Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms | P78-P79 |
| PR3 | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements | P80-P83 |
| PR4 | Total numbers of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome | P71-P79 |
| PR5 | Result of surveys measuring customer satisfaction | P6,P79 |

READER'S FEEDBACK FORM

Thank you for reading the SPD Bank Corporate Social Responsibility Report 2014, the 10th report of the Bank. SPD Bank was the first commercial bank to issue a corporate social responsibility report in China. To help us better meet your needs, provide you and stakeholders with relevant information, and encourage you to monitor our corporate social responsibility work, we sincerely hope that you can provide us with your feedback so that we can enhance our social responsibility capability and standard.

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1. Overall, the SPD Bank Corporate Social Responsibility Report 2012 is satisfactory.

Strongly Agree Agree Neutral

2. The Bank's work in fulfilling economic responsibilities is satisfactory.

Strongly Agree Agree Neutral

3. The Bank's work in fulfilling social responsibilities is satisfactory.

Strongly Agree Agree Neutral

4. The Bank's work in fulfilling environmental responsibilities is satisfactory.

Strongly Agree Agree Neutral

5. The report gives a satisfactory representation of the Bank's influence on the economy, society and environment through its CSR practices.

Strongly Agree Agree Neutral

6. The report gives a clear, accurate and complete representation of the information, data and indicators.

Strongly Agree Agree Neutral

7. The report is readable in terms of content and format.

Strongly Agree Agree Neutral

8. Your opinions and recommendations for improvement in relation to the SPD Bank's CSR work and report:

Thank you for the candid feedback and your precious time!



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