



Build First-Class Joint-Stock Commercial Bank with International Competitiveness in All Respects



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2020 SPD BANK Corporate Social Responsibility Report

2020

## SPD BANK Corporate Social Responsibility Report



Yin Wenjun from Kunming Branch of SPD Bank stationed in Yakouzhai Village of Xinxiang Town in Wenshan for poverty alleviation.





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# Notes to the report

Report period	From January 1 to December 31, 2020, with reference to contents and data from previous years as needed
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Report coverage	<p>This report focuses primarily on Shanghai Pudong Development Bank Co., Ltd. (hereinafter referred to as "SPD Bank", "the Bank" or "we"), covering the head office, branches inside Mainland China, Hong Kong Branch, Singapore Branch and London Branch. Some of the contents involve legal persons such as SPD Bank International Holdings Limited, Shanghai International Trust Co., Ltd., SPD Bank Financial Leasing Co., Ltd., AXA SPD Bank Investment Managers Co., Ltd., China International Fund Management Co., Ltd., Tullett Prebon SITICO (China) Ltd., SPD Rural Banks and SPD Silicon Valley Bank Co., Ltd., all of which are affiliated to SPD Bank Group.</p> <p>Statistical criteria for some data may deviate from the above-mentioned scope. Please refer to the notes and explanations in the appendix of this report for details.</p>
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## A Word from the Chairman

The year 2020 is the final year of China's 13th Five-Year Plan and a crucial year for the implementation of the new Three-Year Action Plan of SPD Bank. Facing the severe challenges brought by the Covid-19 epidemic and the complex and changing domestic and international environment, SPD Bank has thoroughly implemented the decisions and policies as well as various regulatory requirements of the Party Central Committee, the State Council, the CPC Shanghai Municipal Committee and Municipal Government, and has fostered new opportunities against challenges and made new advances against changes. We focused on high-quality development in a service-based and market-oriented manner, and drove our development with customer experience and digital technology to enhance our core competitiveness, industry leadership and global influence. With the spirit of "set out again to break new ground", we activated the vitality and motivation of high-quality group development and digital transformation and took new steps to build a first-class joint-stock commercial bank with international competitiveness.

**Remain true to our original aspiration and center around stability on the six fronts and security in the six areas.** SPD Bank continued enhancing support and digital technology empowerment for enterprises affected by the epidemic and the micro and small companies, improving inclusive financial services to stabilize enterprises, ensure employment and promote consumption. SPD Bank was deeply engaged in sci-tech financial services to better serve domestic industrial and supply chains and enhance its stability and competitiveness. In times of adversity, all staffs of SPD Bank stood in solidarity and supported each other to help enterprises' work resumption and stabilize economic and social development, demonstrating the responsibilities of SPD Bank with practical actions.

**Take the initiative to better serve the real economy.** SPD Bank fully supported the major national strategies such as the integrated development of the Yangtze River Delta, the Beijing-Tianjin-Hebei integration initiative, and the construction of Guangdong-Hong Kong-Macao Greater Bay Area, contributed to the high-quality development of manufacturing industry and economic transformation and upgrading with green finance and sci-tech finance, promoted the innovation of free trade financial services, and better served the new round of higher-level opening up. While contributing to the building of "Five Cen-

ters", "Four Functions", and the implementation of "Three Main Tasks" of Shanghai, we helped accelerate the formation of a new development pattern where domestic circulation serves as the mainstay and domestic and international circulations promote each other.

**Empower business innovation with science and technology and opening up and integration.** SPD Bank prioritized high-quality development as the key objective, actively promoted supply-side structural reform in the financial sectors, and increased financial technology investment. While leveraging technical strength to reduce our operating costs, we gave full play to our leading edge in digitization, increased supply efficiency of financial products, improved customer service experience and enhanced the sense of obtaining in the financial services we provided. We launched API Banking 2.0 - Panoramic Bank to redefine the API banking from customer experience, empowerment and credit enhancement, and value co-creation. The Singapore Branch Innovation Center, the first overseas innovation center of SPD Bank, was officially opened. We promoted agile and collaborative development through the integration mechanism of technology and business, and provided open financial services to numerous industries, corporates and families

**Lead SPD Bank's development to a new height by Party-building.** In 2020, SPD Bank successfully held the first group-wide Party congress, promoted the implementation of the new Three-Year Action Plan, and clarified the goals and key tasks for the next five years. In the past year, Party building was seamlessly integrated into business operation, which continuously improved corporate governance efficiency, enhanced compliance awareness, and made risk governance more scientific and effective. Facing the new development period, SPD Bank continued deepening the guidance of Party building, comprehensively strengthening the Party's leadership, enhancing the team's ability, and constantly reinforcing the impetus for group-wide high-quality development. SPD Bank enhanced the risk management capabilities through strengthened bottom-line thinking, coordinated management, crucial breakthroughs, and technology empowerment. With firm confidence, we accelerated digital transformation, promoted the formation of a new business model, and cultivated new edges for development.

Ocean is vast because it accepts thousands of rivers, and it's the right time to set sail as there is a good wind. 2021 is the first year of the 14th Five-Year Plan, with both challenges and opportunities awaiting us ahead. SPD Bank will adhere to the new development principles, take the initiative to integrate into the new development pattern, and firmly grasp the historical opportunity of Pudong's opening up and development to ride on the momentum and move forward with more sonorous and firm steps towards the goal of "building a first-class joint-stock commercial bank with international competitiveness in an all-round way" and greet the 100th anniversary of the founding of the Communist Party of China with more outstanding achievements!





## A Word from the President

2020 is an extraordinary year. In the face of complex and severe external situations, SPD Bank focused on the strategic goal of "building a first-class joint-stock commercial bank with international competitiveness", and adhered to Party leadership, took "combination actions" against the pandemic. We served as a financial "booster" by safeguarding the steady development of the real economy, resolutely preventing financial risks, persistently promoting digital construction and conglomeration-oriented operation to constantly shape and demonstrate outstanding corporate images of "Digital SPD Bank", "Robust SPD Bank", "Enterprising SPD Bank", and "Happy SPD Bank".

In 2020, SPD Bank realized an operating income of 196.371 billion Yuan, a tax payment of 31.4 billion Yuan and a social contribution per share of 9.22 Yuan. SPD Bank has set up 41 tier-one branches and nearly 1,700 business outlets in China and abroad with more than 55,000 employees. The Group completed the targets, such as asset scale and operating income, of the "New Three-Year Action Plan" ahead of schedule. SPD Bank ranked No. 20 among the Top 1000 World Banks in 2020 and No. 15 among the top 500 global banking brands in 2021 as rated by The Banker; obtained the rating of investment grade or above from the three major international rating agencies, and steadily improved the brand equity value and international influence.

**In the economic field:**

SPD Bank advanced the prevention and control of the epidemic as well as the development of its operation. By the end of the year, the loan balance exceeded 4.5 trillion Yuan, with an annual increase of about 500 billion Yuan. We actively served the new development pattern by launching a number of relief measures, such as renewed loans without repayment of principal, and delayed repayment of capital and interest. We approved a credit line of nearly 300 billion Yuan for enterprises affected by the epidemic, reduced charges by about 26 billion Yuan, underwrote and issued various kinds of anti-epidemic debt and epidemic prevention and control debt with a total amount of 20.9 billion Yuan, launched new app functions, such as online mask booking registration, free consultation and home services to fully support the restart of production of enterprises and the recovery of economic and social development.

We strongly supported the integrated development of the Yangtze River Delta, the Beijing-Tianjin-Hebei integration initiative, and the construction of Guangdong-Hong Kong-Macao Greater Bay Area. We implement the "Three Main Tasks" assigned by the CPC Central Committee to Shanghai, took

the lead in establishing the management headquarters of the Yangtze River Delta integration demonstration zone, and continued playing the "Lead Goose" role in regional development; we have established in-depth cooperative relations with more than 70% of the enterprises listed on the Science and Technology Innovation Board and provided integrated domestic and foreign currency free trade financial services for more than 4,000 enterprises.

With sci-tech as the core driving force, SPD Bank promotes digital service innovation, reduces the threshold for the real economy to obtain services, and improves the availability of financial services. We built a data middle ground with financial technology, reshaped all kinds of processes, promoted the construction of an agile organization, striving to break the "Department Wall" and improve business efficiency and customer experience. We launched the "Open Financial Alliance", effectively integrated internal and external service resources, and provided users with aggregated products and differentiated services. We launched the industry's first financial service model for "Smart Things", released blue books of the Panoramic Bank series, and established 12 joint innovation laboratories with leading technology companies, contributing to the future intelligent research and practice of China's financial industry in the core financial services field.

**In the social field:**

SPD Bank increased financial support for micro and small businesses by launching an exclusive app and building a comprehensive service platform for them. We earnestly implemented the basic strategy of targeted poverty alleviation, helping to win the decisive battle against poverty, and promote the building of a moderately prosperous society in an all-round way. From 2016 to 2020, SPD Bank helped 105 poverty alleviation objects (villages, towns and counties), covering 26 provinces, cities and autonomous regions, and have achieved the established goal of poverty alleviation for all of them. We dispatched 69 members and cadres of resident working team, put in more than 100 million Yuan to alleviate poverty. By the end of 2020, the balance of targeted poverty alleviation loans exceeded 13 billion Yuan, contributing to winning the battle against poverty.

We attached great importance to the building of a talent team. Relying on digital learning channels, 19.09 million training opportunities were provided throughout the year. We cared about the physical and mental health of employees, and further promoted the construction of Staff Home. We comprehensively carried out the protection of consumer rights and interests, strictly protected customer

information security and various rights and interests, and constantly improved customer service experience. SPD Bank has been actively engaged in public welfare and carried out volunteer activities for 14 consecutive years throughout the Group. To support the fight against the pandemic, SPD Bank and the Group's investors donated a total of 30.16 million Yuan, the total donations made by employees amounted to 8.64 million Yuan, and 5,604 employees took part in volunteer activities.

**In environmental field:**

SPD Bank actively responded to the climate challenge, continued devoting itself to building a low-carbon bank, and contributed to achieving the goals of "peak carbon dioxide emissions" and "carbon neutral". We vigorously promoted the development of green finance throughout the Group, and actively promoted green and high-quality sustainable development of the real economy under the framework of intra-bank credit investment direction policies. We pushed forward green financial business innovation to solve the difficulties in guarantee and financing for small and medium-sized energy-saving service companies and further improved the quality and efficiency of green financial products and services. With a focus on the ecological civilization demonstration zone and green finance reform and innovation pilot zone, we launched green finance consulting services, industrial energy-saving loans, optimized future earning pledge financing in energy performance contracting, etc. By the end of 2020, the scale of green finance exceeded 500 billion Yuan, and the balance of green credit exceeded 260 billion Yuan. We launched the green initiative of "Reduce Plastic Waste to Reduce Impact on the Earth", and worked together with all sectors of the society to build a low-carbon homeland.

Looking forward into 2021, SPD Bank will firmly adhere to the belief of setting out again and working hard in advancing the reform and opening up, adhere to the general principle of seeking progress while maintaining stable performance, actively serve the real economy, resolutely guard against financial risks, comprehensively promote digital construction with a focus on operation, more accurately serve the reform and development, more effectively align ourselves with regional development strategies, and more actively fulfill our responsibility to serve the real economy. We will embark on a new journey of building a world-class joint-stock commercial bank with international competitiveness to help achieve the 14th Five-Year Plan and Long-Range Objectives through the Year 2035.





# Concept of Responsibility

## Core Concept

SPD Bank’s corporate social responsibility view is to rely on the financial professional advantages to form responsibility competitiveness with the characteristics of SPD Bank, take the initiative to assume economic, social and environmental responsibilities, and promote the sustainable development of our stakeholders and ourselves.

## Corporate Social Responsibility Action Guidelines

- 01 Comply with laws and regulations and operate steadily. Abide by laws and regulations, operate steadily, and ensure the compliance, stability and sustainable development of SPD Bank.
- 02 Be honest and serve the public. Legitimate integrity, increase financing support in the areas of growth, livelihood and structural adjustment, provide the public with modern financial products and services to the maximum extent, lead the public with advanced financial concepts, and innovate financial experience for the public.
- 03 People-oriented, value unity. Create value for stakeholders to the greatest extent and realize the harmonious unity of company value and stakeholder value.
- 04 Devote love and repay the society. Actively support and participate in public welfare charity activities, carry forward the “dedication, mutual aid, friendship and progress” of SPD Bank’s volunteer concept through continuous volunteer activities, safeguard and promote social interests, and realize the coordinated development of the bank and society.
- 05 Conduct policies and allocate resources. Serve the country’s macro-control policies, give full play to the role of finance in guiding and allocating social resources, rationally and effectively allocate credit resources, and support China’s low-carbon economy and green development.
- 06 Advocate environmental protection and green finance. Support green credit, innovate green financial products, support energy-saving and environment-friendly green industries with commercial behaviors and market mechanisms, and build a low-carbon bank in China’s financial industry.





# MANAGEMENT

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# Development Led by Party Building

2020 was the key year for SPD Bank to implement the new three-year plan of action. It was also an important year for the whole bank to fight against COVID-19 and to promote reform and transformation. Guided by Xi Jinping's socialist ideology with Chinese characteristics in the new era, the CPC Committee of the Head Office fully implemented the spirit of the 19th CPC National Congress of the CPC and The Second, Third, Fourth, and Fifth Plenary Session of the 19th CPC Central Committee, and Central Economic Work Conference. Revolving around the general requirements of the Party building in the new era and the strategic goal of building a first-class joint-stock commercial bank with international competitiveness, the CPC Committee of the Head Office actively played its leading role, continuously improved the quality and efficiency of serving the real economy, conscientiously fulfilled the political responsibilities in the management and governance

of the Party organization, steadily promoted all kinds of work, and made new progress in the high-quality development of the whole bank.

Facing the continuous COVID-19 epidemic challenge the CPC Committee of the Head Office promptly deployed prevention and control work, compacted the "Responsibility Net", weaved the "Safety Net", made good use of the "Information Net", and put every detail into practice, which showed the great advantages of the Party's organizational system. Relying on the strong appeal of Party organizations at all levels, we have applied "Anti-epidemic Combination Actions", accelerated SPD Bank's development, and achieved good social response in ensuring the restart of work and production.

We constantly consolidated the achievements of the education program on the theme of

"Remain True to our Original Aspiration and Keep our Mission Firmly in Mind", solidly carried out the learning and education of "Four Histories", comprehensively advanced the rectification of the inspection feedback of Shanghai Municipal Party Committee, and continued giving top priority to the Party's political building. We successfully held the first Party Congress of the head office, elected a new Party committee of the head office, and made clear the objectives and key tasks of the whole bank in the next five years. We revised the Articles of Association and the procedural rule of the Party committee of the head office, promoted the standardization of decision-making behavior, improved the corporate governance system, and integrated the Party's leadership with the improvement of corporate governance.

## Grass-roots organization construction

We standardized the post setting of functional departments of Party committees at all levels, increased the number of full-time Party cadres, promoted the change of Party committees at the first level, carried out the evaluation of Party branches according to the *Guiding Opinions on Classification, Grading and Promotion of Party Branches* and "Standard Compliance Project" in admitting Party members. The construction of grass-roots organizations has been continuously strengthened, with the emergence of five national

civilized units, 24 provincial civilized units, and 2 "Red Flag Organizations" and 6 "Party Branch Building Demonstration Sites" of the Shanghai SASAC system. By the end of 2020, there were 1,458 Party organizations in the whole group, including 1 Party committee of the head office, 49 Party committees of the first-level institutions, 76 Party committees of the second-level institutions, 23 general Party branches, 1,309 Party branches, and 20,856 Party members in the whole group.



## Cadre team construction

We paid attention to strengthening the construction of leading bodies at all levels, put forward four work requirements of "Stressing Politics, Unity, Discipline, and Effectiveness", and created a clean and upright work environment. We carried out the recommendation of reserve cadres for the posts directly under the head office, selected the first batch of "post-80s" cadres with outstanding

capabilities to serve as the probational vice presidents of tier-one branches, orderly advanced the "post-85s" and "post-90s" talent demonstration classes, and closely integrated the strengthening of cadre team construction with the new demands for transformation and development.



## Improved Party conduct and uphold integrity

We held a work conference on comprehensively and strictly administering the party, issued *The List of Four Responsibilities Coordination for Improving Party Conduct and Upholding Integrity*, and organized the signing of the *Letter of Commitment on Honesty and Self-discipline by Leaders*. We carried out the annual assessment of Party building, strictly implemented the accountability interview mechanism, and interviewed with units

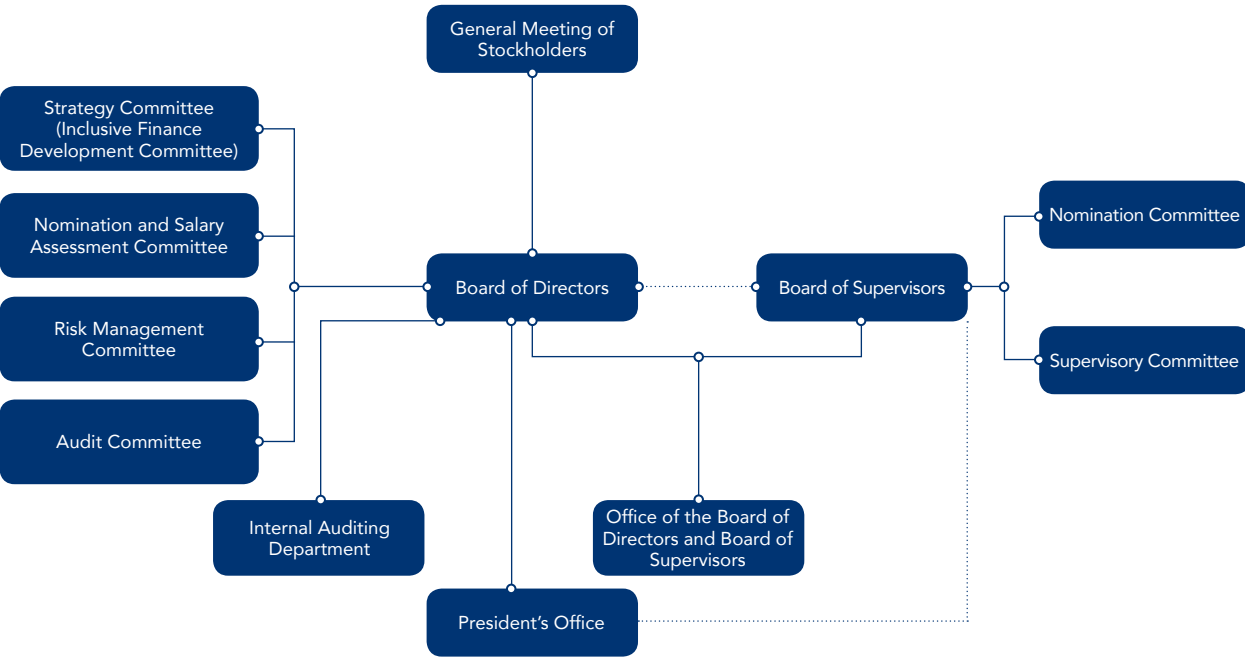
ranked lower in the evaluation of Party building, so as to promote the implementation of closed-loop responsibilities management. We established and improved the Party committee's inspection work system, and carried out the responsibilities of strict self-governance of both the Party and the bank from beginning to end.

# Corporate Governance

In 2020, all directors of the bank fully played their roles in scientific decision-making and strategic management, strengthened risk and capital management, studied and deliberated on important issues, and made scientific decisions, so as to ensure the compliant

operation and steady development of the company. All supervisors were diligent and responsible and played an active role in the supervision of compliance, risk, internal control system construction, and business results. The top management conscientiously

implemented the state macro-control policies and regulatory requirements, promoted financial innovation, served the real economy, deepened structural adjustment, accelerated innovation and transformation, and achieved remarkable results in its main operations.



The corporate governance structure of SPD Bank

## Important progress of investor relationship management

We communicated with the market continuously and strengthened communication with industry analysts. In 2020, we answered more than 450 calls from investors, received representatives of small and medium investors, and replied more than 80 messages. For the messages left on the Shanghai Stock Exchange E-interaction platform and our official website by small and medium shareholders, we all carefully studied and timely replied.

We organized and held investor exchange meetings. In the face of COVID-19, we organized investors meetings by telephone and video conferencing, and held annual online performance conferences. We introduced

the company's development strategy and management to institutional investors and analysts of domestic and foreign securities companies, investment banks and fund companies objectively, comprehensively, timely and accurately. We held two general meetings of shareholders in 2020, and several shareholders raised questions and suggestions on the operation and management of the bank. We studied and implemented the opinions and suggestions put forward by investors and gave them feedback to enhance the transparency of the company and protect the rights and interests of investors.

We carried out pre-deal investor education.

In May 2020, we actively responded to the *Notice on Carrying out the Special Actions for Investors Protection of "Being Honest and Trustworthy, Being a Respected Listed Company in Shanghai"* issued by Shanghai Securities Regulatory Bureau and Shanghai Association of Listed Companies and carried out the special actions in a deep-going way. Through "signing a promise", "holding a reception", "having an online class" and "doing a self-examination", we further improved the governance structure and capabilities, and promoted the formation of an equity culture that respects investors, reveres investors, and rewards investors.



Important progress in information disclosure

We adhered to good governance as the basis. Relying on perfect internal control, we constantly improved the information disclosure mechanism to ensure that investors have timely, accurate and equal access to relevant information. In 2020, we completed four regular report disclosures and issued the annual social responsibility report to help investors fully understand the financial and non-financial situation of us, fulfilling the obligation of information disclosure of listed companies.

We continued doing a good job in the timely release of interim announcements, covering the issuance of non-fixed term capital bonds, tier 2 capital instruments, financial bonds, the preparation for the establishment of financial management subsidiaries, the purchase of the company's shares by senior managers, the amendment of the Articles of Association and equity distribution, and the changes of directors, supervisors, and senior managers.

On January 22, 2020, for the 15th consecutive year, our bank became a listed company that disclosed the annual performance bulletin at the beginning of the new year at the Shanghai Stock Exchange, so as to help investors timely understand our main operating results. In 2020, our bank's information disclosure continued getting an "A" level (the highest level) from Shanghai Stock Exchange.

**We strengthened the risk management of the financial market business.** In view of the frequent default and other risk events in the bond market, we strengthened the risk investigation in key areas of interbank business, implemented the requirements of deleveraging and channel removal for national finance, studied and optimized the management system of interbank financial institutions, focused on identifying and preventing the

potential credit risks of small and medium-sized institutions, and effectively prevented systemic financial risks. In consideration of the ups and downs of domestic and foreign financial markets, we strengthened the monitoring of market risk and trading behavior of trading business and maintained market fairness.

**We strengthened operation and IT risk man-**

**agement.** We carried out inspections on key areas with operational risk and strengthening rectification for relevant problems, enhanced training and awareness publicity of operational risk management to grassroots institutions and overseas branches, strengthened IT risk management, and continuously promoted the construction of business continuity management system.

Risk Management and Compliance

Closely following the guideline of "Reducing Risks, Promoting Development, Seeking Transformation, Consolidating Foundation", SPD Bank, in 2020, actively responded to the complex and severe internal and external situations, made concerted efforts to overcome difficulties, and continuously improved

the comprehensive risk management system with focuses on risk prevention and control in key areas. We optimized the internal control system. By strengthening the management measures at various stages, i.e. prevention in advance, control in the process, and disposal after the event, we promoted the implemen-

tation of a number of systems and mechanisms as well as risk correction measures, solidly improved the quality and efficiency of internal control management, and spared no effort to guard against and defuse major risks.

**Prevention:** We reformed the compliance system and mechanism, established and improved the supporting mechanism, compacted the internal control responsibility of the first line of defense, and enhanced the ability of the first, second and third lines of defense to prevent risks in coordination. By sorting out systems, we improved the bank's system management system and the applicability and enforceability of rules and regulations. By formulating *Guiding Opinions on Establishing and Improving the Compliance Training System of the SPD Bank*, we established a hierarchical and classified compliance training system covering all levels, institutions, and fields. In addition, we issued *Ten Prohibitions on Operation and Management for Branch Heads* and set up an online "Compliance Warning" column for all staff to strengthen the compliance awareness, bottom-line awareness, and discipline awareness of employees at all levels.

**In-process control:** We continued paying attention to regulatory policy orientation, and actively promoted the systematic solution of relevant problems by utilizing platforms such as the Monthly Report on Internal Control and Compliance and the Internal Control Committee; we guided branches to actively report problems and pushed the head office to continuously improve its mechanisms on products, systems, systems, processes, and other ; we improved the digital construction of internal compliance control, realized the whole-process closed-loop management of key businesses, and further improved system monitoring and management abilities.

**Post-event treatment:** We improved the mechanism of rectification supervision, clarified the rectification standards, strengthened the requirements for the inspection and evaluation of the effectiveness of rectification, and improved the quality and effectiveness of the rectification work; we

formulated the *Implementation Measures for Practicing Error Tolerance and Correction to Encourage Managers to Take Responsibilities (Trial)*, revised system documents such as the *Administrative Measures for the Identification and Investigation of Credit Risk Liabilities*, *Measures for Handling Violations against Regulations of Employees*, *Detailed Implementing Rules for Due Diligence & No Responsibility in Credit Business of Inclusive Finance*, etc. to strengthen the integration of management accountability and external requirements while intensifying accountability management; we optimized the assessment of compliance internal control, set up the proportion of high risk customers in anti-money laundering, and gave full play to the role of the assessment baton to promote the awareness of internal compliance control of the whole bank.

Significant progress in overall risk management

We improved the "Top Level-Basic-Special" systems, revised the basic systems such as quota management, amount management, and post loan management, formulated special systems such as risk management systems of overseas branches and consolidating financial statements, and consolidated the foundation of risk management systems of the whole bank.

portion of control and compress industries continued to decline. We deepened the digital construction. The main functions of the five key optimization projects of the risk monitoring and management system were put into operation, realizing the online of "one industry one policy", processization of key monitoring, refinization of early warning management, intellectualization of text recognition, and mobilization of sky eye functions. In 2020, the number of independent explorations exceeded 12000. We strengthened the main responsibilities of the "Whistler" through online monitoring to find clues, offline analysis to verify preliminarily, on-site inspection to confirm. In 2020, we originated a number of risk monitoring and analysis mechanisms,

covering new business risks, key investment risks, foreign-related risks of the group, conventional collateral monitoring, and risks of peer institutions. We launched the risk-awareness building throughout the whole bank in an all-round way, including carrying out risk culture publicity, guiding all staff to fully understand the connotation and requirements of risk culture, and fostering a lively environment that stressing planning, deployment, hierarchicality and full participation. We held the first bank-wide risk management knowledge competition, organized 42 bank-wide risk lines training sessions, strengthened the exchange between the head office and branches, and improved the professional abilities of the team.

Significant progress of risk prevention and control in key areas

**We continued improving digital risk control capability.** With the goal of "Full Process, Full Coverage, Intelligentization, and Componentization", we promoted the reconstruction of enterprise credit system group, continuously drove the iterative upgrading of risk monitoring and management system, further strengthened unified credit management of the group, enhanced the application of mobile functions, deeply integrated the risk information inside and outside the bank, and

improved the ability of risk identification and prevention. We actively introduced data such as external public opinion, judicial litigation, environmental punishment, etc. to enrich the data dimension of risk monitoring and analysis, and strengthened the application of monitoring results in the pre-lending, lending, and post-lending links; Using big data and artificial intelligence technology, we built digital risk control model, strengthened the analysis and monitoring of group relationship

management, pre-loan terms implementation, and post-loan management report, etc.; We strengthened the whole life cycle management of risk early-warning signals, expanding from credit risk monitoring on a single company to comprehensive risk monitoring on retail, financial market and asset management business, to improve the comprehensiveness, effectiveness, and timeliness of risk early warning.

Significant progress made in anti-money laundering management

In 2020, SPD Bank took the initiative to deal with the external threat of high-frequency money laundering, continuously improved the abilities of money laundering risk management, strived to reduce the number of high-risk money-laundering customers, continuously promoted the rectification of problems, effectively consolidated the foundation of money laundering risk management, and achieved positive results.

We did a good job in anti-money laundering during the epidemic and ensured the anti-money laundering work was not stopped and the basic requirements were not reduced. We intensified publicity on anti-money laundering and carried out more than 350 anti-money-laundering themed activities, such as cracking down on telecom fraud, cross-border gambling, keeping away from illegal fund-raising, cracking down on gangs and evils, and drug control.

We actively improved the internal control system of anti-money laundering, revised seven internal control systems such as the anti-money laundering management measures, added anti-money laundering provisions in more than 1,300 business systems, and implemented the anti-money laundering compliance requirements in the process and system construction.





Feature

Serving the Real Economy Better under the New Development Pattern of "Double Circulation"

By the end of 2020

more than  
**312%**  
the planned completion of small and micro enterprise loans

nearly  
**7,500**  
cooperation scenarios

nearly  
**11 million**  
registered users of "SPDB Life Service" APP

Faithfully implemented the instruction of "Ensure stability on the six fronts and security in the six areas" comprehensively

Continuously improved inclusive financial services to stabilize enterprises, ensure employment and promote consumption

By the end of 2020, the growth rate of small and micro enterprise loans with a total credit line for each borrower not more than 10 million Yuan was higher than the average level of the whole bank, and the planned completion rate is more than 312%.

Supported small and micro enterprises in the restart of work and production

We continued increasing the support for enterprises, including small and micro enterprises affected by the epidemic, launched measures such as renewing loans without repayment of principal, delaying repayment of capital and interest, and promoted "online and contactless" services to enable sustainable development of small and micro enterprises.

Reduced financing costs to help small and micro enterprises' development

In view of the short-term business interruption and tight capital flow of small and micro enterprise customers, we started to reduce the interest rates of inclusive retail loans for nearly 30 online personal businesses' loan projects in February 2020. In 2020, the interest rates of individual businesses and small and micro business owners dropped by 96 BP compared with that in 2019.

Digital technology empowered inclusive finance

We expanded the new model of industrial finance, connected with Haier Industrial Internet platform and other scenarios; upgraded the online supply chain mode, launched the "Pugongying" series of online supply chain financial products, established "order loan" standard business model for downstream dealers, and explored new model of accounts receivable financing for upstream suppliers.

Built an online service platform for inclusive finance

Through the establishment of online inclusive financial service platforms such as Puhui App, personal loan applet, quick mortgage loan H5, small enterprise online financing, etc., we provided full online financial services for small and micro enterprise customers and online signing service for internet loan customers to delay repayment of capital and interest.

With big data technology, we launched the inclusive credit loan product "Puhui Tax-Backed Loan" with "Full Process Online, Full Data Driven", realizing online rapid financing based on the credit evaluation of the tax data of small and micro enterprise owners and improving the efficiency of inclusive loan.

Helped guarantee people's livelihood and the recovery of consumption

Guided by the Panoramic Bank, we explored a new business model for customers. The "SPDB Life Service" APP served C-terminal and enabled B-terminal, with nearly 11 million registered users. To boost consumption and assist the May 5 Shopping Festival, we launched a series of activities called "Using SPDB Life Service APP to Buy from 10000 Stores in Shanghai". We actively served the building of "Five Centers" and "Four Brands" in Shanghai to practice the concept of "Finance for the People". From May to June 2020, the number of cooperative businesses (stores) exceeded 21,400, benefiting 2.27 million people. We continued deepening scenario cooperation to provide customers with convenient financial service experiences. By the end of 2020, nearly 7,500 cooperation scenarios were expanded.

more than  
**70%**  
of listed enterprises in science innovation board are SPD Bank's customers

more than  
**40,000**  
serving scientific and technological enterprises

over  
**240 billion Yuan**  
loan balance for sci-tech enterprises

Continue deepening fintech

Better serve the domestic industrial chain and enhance the stability and competitiveness of the supply chain

Financial services for sci-tech innovation

Since the second half of 2019, we had taken the establishment of the sci-tech innovation board as an opportunity to start the service combination of "Financing + Talent Pool + Technical library + Investment" to provide full-cycle, full-process, cross-market, and intelligent financial service solutions for sci-tech enterprises. By the end of 2020, 153 of the 215 listed enterprises in sci-tech innovation board were cooperative customers of SPD Bank, accounting for more than 70%. More than 40,000 scientific and technological enterprises were served, and the loan balance exceeded 240 billion Yuan.

Specialized financial management system for sci-tech enterprises

We formed a professional financial service network for sci-tech enterprises, which was composed of 13 key branches serving sci-tech enterprises, 9 sci-tech sub-branches, and 38 sub-branches with sci-tech characteristics.

Ecological financial service platform for sci-tech enterprises

Serve the high-quality integrated development of the Yangtze River Delta  
Promote the Yangtze River Delta to become the central node of domestic circulation and the strategic connection of domestic and international double circulation

During the NPC and CPPCC sessions in 2020, general secretary Xi Jinping proposed that "a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other" should be gradually formed". The new development paradigm of "double circulations" is an important strategic response of China to the rebalancing of the world

Mobilized group-wide resources to better serve the national major strategy and the Yangtze River Delta

The Yangtze River Delta is one of the regions with the most active economic development, the largest regional economic aggregate, the highest degree of openness, and the stron-

We built an online financial service platform and an offline financial service expert pool for sci-tech enterprises. We promoted the debt-equity combination financing of SPD Silicon Valley Bank, and used big data to boost the success rate of investment and financing docking.

Helped sci-tech enterprises develop overseas markets

We rolled out the *Comprehensive Cross-border Service Plan for New Economy Enterprises* and provided cross-border business support for more than 200 new economy enterprises, free trade FT account services for over 700 sci-tech enterprises, and cross-border two-way RMB capital pool services for nearly 140 multinational sci-tech groups.

Win-win cooperation with sci-tech enterprises

We established 12 joint innovation labor-atories with leading technology companies and became partners with 30 excellent IT companies. We continued holding fintech innovation competitions, built innovation incubation platforms for small and medium-sized sci-tech enterprises to help them transform their innovation achievements into real productivity.

economic pattern. It will have a far-reaching impact on China's economy from overall to the regional, from the macro to the medium-micro. It not only points out the direction for the banking industry to serve the real economy but also puts forward higher requirements for the banking industry to better serve the real economy.

gest innovation ability in China. It plays a decisive strategic role in the national modernization and the new development paradigm. Rooted in the Yangtze River Delta, SPD Bank has already integrated the gene of "serving Yangtze River Delta" into its strategic development, and has exerted itself to create a brand image of "Yangtze River Delta's



By the end of 2020

more than  
**360,000**  
corporate costumers in the Yangtze River Delta

more than  
**28** million  
personal customers in the Yangtze River Delta

**1.38** trillion Yuan  
loan balance in the Yangtze River Delta

**1.74** trillion Yuan  
deposit balance in the Yangtze River Delta

own bank goes from Yangtze River Delta to the world". It has formed a perfect network layout, business characteristics, and service advantages in the Yangtze River Delta. By the end of 2020, SPD Bank had over 500 branches in the Yangtze River Delta, serving more than 360,000 corporate customers and over 28 million personal customers. In the delta region, the deposit and loan balances were 1.74 trillion Yuan and 1.38 trillion Yuan respectively.

Focusing on the core of "integration", we set up the management headquarters of the integration demonstration zone of the Yangtze River Delta, strengthened the coordination of all branches and subsidiaries in the region, established an efficient and agile service mechanism, improved the efficiency and service experience of cross-regional financial collaboration, and enabled customers in the region to enjoy the same financial services of Shanghai.

We gave full play to the comprehensive advantages of SPD Bank in the Yangtze River Delta, actively set up a cross-regional co-operation platform for financial institutions, and promoted cross-regional cooperation between corporate financial institutions in the Yangtze River Delta in the fields such as joint credit extension and merger and acquisition loans to jointly improve the efficiency of financial services for the transformation and upgrading of the real economy. And we coordinated efforts to guard against all kinds of financial risks through enhancing customer information sharing and using all kinds of data to strengthen risk early warning, prediction, and prevention.

We strengthened the cultivation of "hard sci-tech" enterprises, enhanced the supporting services for the listing on the sci-tech innovation board, strengthened the financial services in Shanghai, Hangzhou, Nanjing, Suzhou, Hefei, and other areas where sci-tech innovation enterprises are concentrated, and created an ecosystem covering industries, government, scientific research, investment, and other fields.

We researched and developed the sci-tech innovation themed strategy index of the Yangtze River Delta, attracted global funds to invest in high-quality listed companies in the region, created a value benchmark for global capital allocation in Yangtze River Delta, and made greater efforts to serve the real economy.

With the help of artificial intelligence, blockchain, and other financial technologies, we further improved the digital financial service level in the Yangtze River Delta and let customers experience the convenience and timeliness of financial services.

Promoted the innovation of free trade services to better serve the new round of opening up and the domestic and international circulations reinforcing each other.

Insisting on taking Shanghai Pilot Free Trade Zone and Lin-Gang Special Area as test fields, SPD Bank continued building an international financial service platform integrating free trade platform, offshore platform, overseas branches, and overseas investment banks. We accelerated the promotion of various innovative businesses such as cross-border capital pools with integrated local and foreign currencies to improve the comprehensive cross-border financial service ability, meet various cross-border financial needs of domestic and foreign enterprises, and promote liberalization and facilitation of international trade and investment. We built cross-border two-way RMB capital pools for more than 260 multinational groups, accounting for more than 20% of the market and ranking first in the banking industry. The enterprises entering the pool cover key industries in the free trade zone, such as aviation and shipping, integrated circuit, biomedicine, artificial intelligence, etc. We helped enterprises establish convenient channels to enter into two markets and use two kinds of resources, effectively realizing the flexible use of cross-border funds and financial cost control. In the next step, we will leverage our leading advantage in free trade finance, continue to strengthen innovation, and better serve China's integration into the world economy.

Feature

Won the battle against poverty, and completed the building of a moderately prosperous society in all respects



By the end of 2020

**69** staff  
dispatched as members and cadres of working teams stationed in villages

more than  
**100** million Yuan  
donated for poverty alleviation

more than  
**13** billion Yuan  
balance of the targeted poverty alleviation loan

From 2016 to 2020, SPD Bank helped 105 poverty-stricken places (villages, towns, and counties), covering 26 provinces, cities and autonomous regions. We dispatched 69 members and cadres of the working team to station in the village, contributed more than 100 million Yuan in total to alleviate poverty. By the end of 2020, the balance of the targeted poverty alleviation loan of SPD Bank was more than 13 billion Yuan.

2020 was a critical year to achieve the goal of building a moderately prosperous society in an all-round way, and also the year of winning the fight against poverty. For a long time, SPD Bank effectively implemented the basic strategy of targeted poverty alleviation, followed the principle of "Finding the correct position, adapting to village conditions, implementing step by step and striving for effectiveness", and continuously improved the working mechanism of financial poverty



alleviation. We innovated the financial poverty alleviation mode, took various measures in accordance with local conditions to alleviate poverty, and helped people increase confidence in their own ability to lift themselves out of poverty, and saw that they can access the education they need to do so. We helped the poor in selling goods and driving industries. We marshaled the full resources of the bank to win the battle against poverty and help build a well-off society in an all-round way, stimulate internal driving force, and effectively connect poverty alleviation with rural revitalization.

Ten years of joint efforts with enterprises in industrial poverty alleviation

SPD Bank thoroughly implemented the strategic decision of the Party Central Committee on winning the battle of poverty alleviation, actively explored the work path of diversified financial poverty alleviation in the new period, and contributed the "SPD Bank Plan" to the realization of building a moderately prosperous society in an all-round way on schedule.







Potatoes became a ready source of money

"Be a serious person, do things seriously, and focus on doing one thing well all your life. SPD Bank never looks down on you out of the reason that your business is small. We will accompany you on your journey of development from a small company to a big one and never leave or forsake you."

By the end of 2020, SPD Bank had provided more than 400 million Yuan of financial support for all participants of the "Blue Sky Model" supply chain, led 100,000 farmers and 26,318 poor households to develop the potato industry, and channeled financial resources for the sustainable development of the rural economy.

SPD Bank Lanzhou Branch helped Lantian Company tide over the difficulties in 2010 and helped it seize the policy opportunity of

national industrial development and targeted poverty alleviation to gradually develop from a small starch factory into a leading enterprise with the largest production capacity and the best quality in the potato starch industry in China.

Along with the development and growth of the Lantian Company, SPD Bank increased its support for and deepened its cooperation with the company. Lanzhou Branch established a service team and innovated the five-in-one supply chain financial service model of "SPD Bank + Lantian Company + Union of Cooperatives + Cooperative + Farmer", also known as the "Blue Sky Model", after many field investigations.

Lantian Company helped villages and towns set up a union of farmers' professional cooperatives, which organizes each farmers' professional cooperatives to sign order contracts, unify planting varieties and purchase prices, and ensure farmers' income.

Continued exploring models for targeted poverty alleviation to help connect rural revitalization effectively

As a bank that continuously promoted digital transformation and development, SPD Bank continuously extended the reach of its financial service by strengthening product innovation and technology empowerment, and increased the deep integration of digitization and poverty alleviation, and continuously explored the mode for endogenous and sustainable precise poverty alleviation. We actively grasped the modern agricultural financial needs, provided efficient financial services around the agricultural industry chain, and injected new momentum into the decisive fight against poverty and comprehensive help of the Rural Revitalization.

The development of modern agriculture is an important way to effectively help the poor and revitalize the countryside. More and more farmers have become the main demand body for personal business loans, and the use of funds has gradually become diversified. Financial resources are undoubtedly their urgent need, but the difficulty, expensiveness, and complexity of financing have not been completely solved.

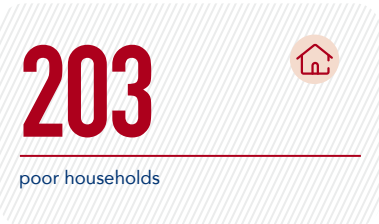
Provided online services with "SPDB Plan"

SPD Bank and Mybank jointly carried out "E-commerce Loan" for personal businesses. In addition to providing loan services for the majority of small and micro operators, "E-commerce Loan" also provided agricultural business loans for farmers to meet their

needs of production, operation, and capital turnover, fully serve the development of modern agriculture, improve the operation efficiency of the agricultural industry chain, expand rural consumption, and help rural revitalization. Cooperated with New Hope Financial Services, Shanghai Branch launched the online supply-chain financial service of "SPD Bank Quick Loan - Easy Raise Quick Loan", which provided online loan support for pig farmers in Shanghai and even in the whole China, and solved the financial pressure in the current piglet purchasing link.

By the end of 2020, SPD Bank, together with Mybank, had granted loans of more than 8.287 billion Yuan to more than 260,000 farmers nationwide, which strongly supported the development of rural agriculture, helped rural poverty alleviation and rural revitalization.

"Golden Cattle Master" loan product of SPD Rural Bank Chaling Branch



Precise poverty alleviation by characteristic industry

Chaling county is located at the west foot of Luoxiao mountains in the Hunan-Jiangxi border area. It is the birthplace of China's first red regime created by Comrade Mao Zedong, and a poverty-stricken county to which the state gives priority in poverty relief among the contiguous poor areas in the Luoxiao mountains. In 2015, relying on Chaling cattle industry, SPD Rural Bank Chaling Branch Rural Bank innovatively developed a "Golden Cattle Master" loan product for cattle farmers. By the end of 2020, a total of 11.08 million Yuan of "Golden Cattle Master" poverty alleviation loans had been issued, helping 203 poor households, increasing their income by more than 4 million Yuan. SPD Rural Bank Chaling Branch Rural Bank had always adhered to the market position of supporting agriculture and supporting small businesses. It had issued 68.43 million Yuan of micro poverty alleviation loans to 1350 poverty-stricken households.

Yangjiahe village, located in Duanlongshan Town of Guzhang County, has an average altitude of 880 meters. It is surrounded by

cliffs and is almost inaccessible to the outside world. Yi Sanhua, the leader of the village work team of Changsha Branch, came to Yangjiahe village in April 2018 to start the poverty alleviation work. Through many door-to-door visits to the villagers and detailed research, Yi Sanhua formulated the Three Year Poverty Alleviation Plan for Yangjiahe Village and determined to grow 1000 mu tea and 1000 mu tobacco as the pillar industry of the village collective economy. Within two years, the collective economy generated an income of 640,000 Yuan.



• "1000 Mu Tea" demonstration plantation in Yangjiahe Village, Supported by Changsha Branch

Hand in hand to get rich and live a well-off life with the support of the financial platform

Poverty alleviation through consumption is the key to the last mile of poverty alleviation through developing industries. Through the interconnection of production and marketing of agricultural products in poverty-stricken areas, we can build competitive and reputational brands, so that more high-quality agricultural and sideline products in poverty-stricken areas can go to the market and enter huge numbers of households. This is not only an effective way to promote quicker income increase of the poor, but also a fundamental measure to

consolidate the long-term poverty alleviation achievements.

Through the e-commerce platform of "SPDB Life Service APP", SPD Bank expanded the sales channels for agricultural products to let fintech benefit large numbers of farmers. Online, SPD Bank relied on "SPDB Life Service APP" to sell agricultural products; offline, it relied on cooperative communities and outlets to promote agricultural products. Through online and offline interaction, SPD Bank had greatly increased sales.

SPDB Life Service APP helped farmers and alleviated poverty

October 17, 2020 was the seventh national poverty alleviation day. During the opening of the 2020 Shanghai Paternal Assistance Region Featured Commodities Fair, "SPDB Life Service APP" launched a special marketing activity at the same time on October 17. On that day, more than 1500 agricultural commodities were sold, with sales of more than 70,000 Yuan.

SPD Bank continuously deepened the digital agricultural assistance model to normalize helping farmers and poverty alleviation. "SPDB Life Service APP" launched the agricultural products channel, actively connecting with high-quality manufacturers and sales service providers, revitalizing the whole supply chain "from village to home", promoting characteristic agricultural products into communities, enterprises, units, and markets, and exploring a set of long-term mechanisms for targeted poverty alleviation. Since the channel was launched on October 1, 2020, as of December 31, 2020, it had achieved 32,000

sale orders in total with a sales amount of 1.3363 million Yuan.

In Yongning town, Wafangdian county-level city, Dalian city, in order to help regional agricultural enterprises and producers solve the difficulties in selling agricultural products, "SPDB Life Service APP" took the initiative to do a good job in the connection of production and marketing. Apples, sweet potatoes, and other agricultural products in Yongning Town successively entered the platform, and are directly delivered to the dining table from the fields and orchards. The connection of production and marketing through the "SPDB Life Service APP" platform helped local communities to increase income through agricultural development. During the product launch, we gave priority to the agricultural products from poverty-stricken families and families living on subsistence allowances to let them have a source of income and to irreversibly reduce poverty. On the way to a well-off life, no one will be left behind. By the end of 2020, "SPDB Life Service APP" had sold more than 35,000 kg of "Yongningjian" brand agricultural products.



Feature

Breaking the deadlock in the post-epidemic era, improving the availability of financial services with fintech



How should banks embrace the era of Internet of Everything Intelligent?

Connect intelligence to release digital productivity. We built super "intelligent centers" to construct core competitiveness and laid a solid foundation for the high-quality development of the banking industry and economy and society.

Connect scenarios to create new service models. To be customer-centered, we must deconstruct the financial services and integrate them into the production and life scenarios of the customers.

Connect the ecology and promote industrial cooperation. All parties can share industry and ecology, customer and scenario, sci-tech and finance, so as to achieve win-win results for enterprises in the whole industrial chain.

We released a series of blue books on Panoramic Bank

SPD Bank released *A Series of Blue Books on Panoramic Bank* to promote open banks to enter a new stage of development. The vision of "Panoramic Bank" is "for all users, throughout the whole time domain, providing full services, and realizing the connection of all intelligence". It is driven by user experience, based on restoring trust, and it aims at value co-creation. It redefines the open bank from dimensions such as customer experience, enabling and increasing trust and value co-creation. It innovated business model, expanded service boundary, and reshaped service capability power.



Innovated financial services for Smart Things

Facing the new species - "Smart Things" in the era of "Internet of Everything Intelligent", SPD Bank proposed the concept of "Bank of Things" to build a new financial service infrastructure in the future digital economy, and extend the direct service object of the bank from "people" to "Smart Things".

In September 2020, SPD Bank and Huawei released *The White Paper on "the Bank of Things"*, the joint innovation achievement of the two parties, launching the industry's first financial service model for "Smart Things".

Building a new open financial ecosystem

Built an ecological business model

Established the "Open Financial Alliance". SPD Bank, Pacific Insurance (Group) and Guotai Junan Securities jointly proposed to establish an "open financial alliance" consisting of 12 financial institutions across the bank, securities and insurance industries, including China Securities, Bank of Jiangsu, Bank of Ningbo, Huishang bank, Shanghai Rural Commercial Bank, Bank of Suzhou, GuoYuan Securities, Suning Bank and Huan Securities. Through in-depth cooperation among members, such as business sharing, sci-tech empowerment, and ecological co-construction, we achieved mutual

complementarity, win-win cooperation, and collaborative development, and aggregated the advantageous resources of industry and ecology, customers and scenario, sci-tech and finance to jointly create an abundant, active, and sustainable shared ecology.

Promoted digital integration and innovation

Empowered by science and technology, we carried out integrated innovation with ecological partners to inject sustainable vitality into the prosperity and development of the ecology.

We continued improving the digital capability of the full stack and work with ecological

partners to promote the digitization of basic technology, application technology, business link, and scenario ecology.

We used technologies such as artificial intelligence, blockchain, internet of things to build an innovative business model with characteristics and advantages, enabling ecological participants.

On July 24, 2020, we established a joint innovation center for distributed financial technology with Zhejiang University in Yuquan Campus of Zhejiang University. On August 7, we established the Tsinghua University-SPD Bank Digital Financial Technology Joint Research Center in Beijing with Tsinghua University.



Digitization empowered the building of the customer management system

From the perspectives of customer life cycle and ecosystem, we perfected the customer management system by sci-tech means to improve the customer service level.

Deepened specialized and refined decentralized management

We promoted customer cultivation and experience and the building of a value creation system. We deeply integrated into the upstream and downstream, industrial chain and ecosystem of industrial leading enterprises. Our mobile banking app opened a service zone for small and micro enterprises to realize online and intelligent financing.

Deepened API connectivity to empower millions of households

We strengthened the technical construction of the Panoramic Bank, launched the "Connecting Millions of Households Project", promoted the implementation of technical specifications, and comprehensively carried out the construction of APIX platform. By the end of 2020, 1,053 API components had been launched throughout the bank and 14,538 customers had been connected. We focused on a package of online services for enterprise scenarios and sped up the

promotion and implementation to help restart work and production. We created a rapid enterprise account opening experience through appointment API package, solving the financing difficulties of small and medium-sized enterprises through the enterprise online financing API, providing convenient payment and settlement services through centralized collection and payment API, serving trade enterprises through single-window API. We used big data tags API to firmly guard against risks and also strictly control risks while providing convenient services.



Cases

SPD Bank Singapore Branch Innovation Center Inaugurated on the Cloud

On January 25, 2021, the Singapore Branch Innovation Center, the first overseas innovation center of SPD Bank, was officially opened. This is the first overseas innovation center set up by a Chinese joint-stock bank, which attracted the attention of the Singapore government and the industry. The innovation center of SPD Bank Singapore Branch will rely

on Singapore's fintech ecosystem and scientific research resources to deeply cultivate artificial intelligence, blockchain and API, carry out financial innovation scenario research, and business products incubation. It will actively connect with overseas first-class technology enterprises and constantly explore potential technology companies as partners. It will link up

advanced research forces of world-class universities, promote forward-looking technological research and the training of international fintech talents to contribute to China-Singapore exchanges and innovative development

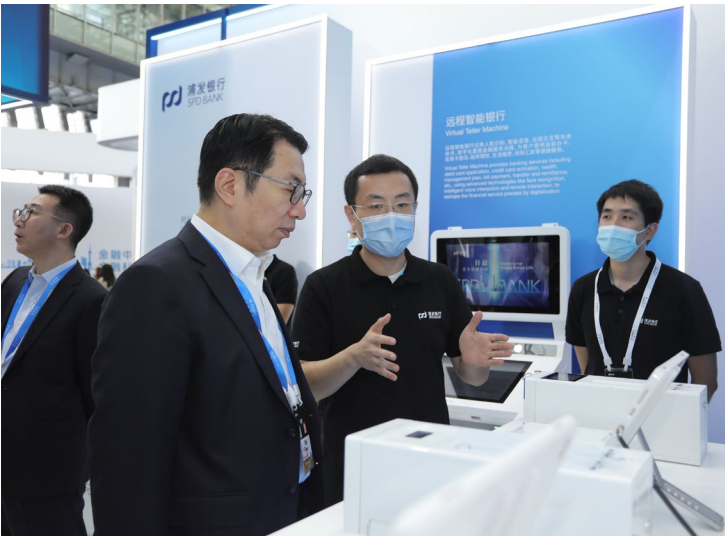
Cases

SPD Bank Fintech Exhibition Hall

At the 2020 INCLUSION fintech Conference, the grand exhibition of the latest fintech achievements, the exhibition area of SPD Bank presented visitors with a brand new bank for the future.

In the "AI Space" in the middle of the exhibition area, digital employee Xiaopu provided services with real-time dialogue and gesture interaction, bringing visitors a brand-new interactive experience.

Intelligent equipment and applications such as AI-box, MR mixed reality application, AMA automation marketing, remote intelligent bank, portable i-counter and virtual business hall showed the intelligent perception and real-time linkage between banks and users in different service scenarios.



- Zheng Yang, chairman of the board of directors, visited the SPD Bank Fintech Exhibition Hall at the 2020 INCLUSION Fintech Conference.

Cases

SPD Bank Established a Joint Laboratory of Digital Transaction Credit with Haier Group

Focusing on the digital financial needs of enterprises in the industrial chain and through the innovation of online and digital financial services and products, we formulated risk control models for the whole process, jointly expanded the ecology, promoted the deepening of industrial and financial cooperation to jointly serve the new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other.

Cases

"Technology Cooperation Community" Expanded Its Membership for the Third Time

"Technology Cooperation Community" is an ecological platform of "Open Sharing and Win-Win Cooperation" initiated by SPD Bank in 2018. It consists of banks, sci-tech companies, scientific research institutions and investment institutions. It selects high-quality sci-tech enterprises

with commercial growth value, carries out all-round exchanges and cooperation, research empowerment, and investment and incubation. On December 10, SPD Bank signed contracts with 9 enterprises, increasing the number of members to 30.



Cases

Issued Digital Bank Card As One of the First Issuing Institutions

On August 31, SPD Bank, as one of the first issuing institutions, jointly issued Unionpay unlimited card products with China UnionPay, and launched two types of cards, i.e. debit card and credit card. The products will rely on

the platforms such as SPD Bank App, SPDB Credit Card APP, and QuickPass App to provide comprehensive and convenient digital financial services for cardholders, meet diversified payment needs of users, and provide users with

rich exclusive card rights and interests covering the world.

Cases

Held the 4th SPD Bank Global Innovation Jam



Supported by a number of partners, the competition collected 162 innovative solutions from 107 companies, covering financial digitization, intellectualization, inclusive finance, and other themes. Since the first competition was held in 2018, SPD Bank has continuously gathered scientific and technological strength and worked with cooperative enterprises to accelerate the imple-

mentation and application of excellent innovative solutions. At present, it has made achievements in intelligent marketing, anti-fraud detection, basic technology platform, and other fields.

Cases

Built Retail Finance Digital System

The retail business of SPB Bank improved the service level of four core business scenarios: customer acquisition, sales, risk control and management, formed six digital business management value systems covering product management, customer journey, smart marketing, channel, risk control and operation management, actively committed to providing customers with the ultimate experience, fully meeting customers' all-round needs, and creating better value for customers by relying on digital ability.

Cases

Digital Human

In August 2020, we launched the industry's first AI fund trainer, which simulated real customer scenarios and coached financial managers 24x7 through Visual + Voice scenarios verbal practice and conducting real-time scoring by AI algorithms. At present, more than 20,000 training opportunities were provided. We launched the digital human service screen "Ask Xiaopu", which had been put into trial operation in many outlets, serving thousands of people. In December 2020, it met the public in Xiaopu New Store (Zhengzhou Branch), the first concept outlet, to help the digital and intelligent upgrading of outlet service and marketing. We launched digital human conversational shopping guide service on the mobile bank app and doubled the products recommendation conversion rate compared with traditional static pages. By the end of 2020, 61,000 service sessions were rendered, with a total

duration of 1,589.4 hours of services. We launched digital interviewers to interview more than 2000 candidates of financial manager by video interaction. We launched H5 digital human identity authentication service to assist consumer loan business in conducting new customer authentication in the field of customers acquisition by gesture recognition and liveness detection technology. We launched online AI news broadcasting service to broadcast important news of SPD Bank on the official website, official Wechat account, and other channels.





# PRACTICE

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Economy  
Serving the  
Development of  
Real Economy

Established the First Bank  
Management Headquarters  
in the Yangtze River Delta  
Integration Demonstration Area

We worked together with the management platforms of various branches in the Yangtze River Delta region and formulated the *Plan on the Integrated Development of Yangtze River Delta*, so as to ensure the smooth integrated services in this region.

We promoted SPDB's group investment enterprises to serve the comprehensive platform of the Yangtze River Delta and improved the efficiency of professional services provided for the government, people's livelihood, industries, projects, customer groups and products in the Yangtze River Delta region.

We coordinated SPDB's all resources and made overall arrangement in terms of human, material and financial resources, so as to serve the Yangtze River Delta positively. We served the innovative platforms of free trade, sci-tech innovation and green ecology intensively, tried to support the construction of free trade zone and sci-tech innovation board, accelerated green financing and product innovation and supported the construction of Shanghai International Finance Center with painstaking efforts.

Carried out Overall  
Arrangement for the Head  
Office-level Technology  
Operation Center in Hefei

SPD Bank won the bidding for Binhu's No. BK202004 plot on August 28 in Hefei Public Resources Transaction Center and would establish a new generation of technology operation center there. Upon its completion, the center will become SPDB's system support base, big data centralized management center, digital ecological cooperative innovation platform and R&D and innovation base and realize the "four-in-one"

Serve the National Strategies Vigorously

In 2020, SPD Bank spared no efforts to support the national strategies such as integrated development of Yangtze River Delta, coordinated development of Beijing-Tianjin-Hebei Region, construction of Guangdong-Hong Kong-Macao Greater Bay Area and construction of Hainan Free Trade Port, and promoted and improved "dual-cycle" spatial layout.

Boost the Integrated Development of the Yangtze  
River Delta Continuously

functional layout.

The center will also focus on SPDB financial ecology cloud and provide flexible and efficient cloud calculation and big data analysis services for customers, partners, financial institutions and new enterprises. In addition, it will incubate a batch of innovative enterprises with strong international competitiveness and industrial influence, so as to promote regional industrial upgrading and boost the construction of Hefei Binhu Science City.

This is the second park that SPD Bank established in Binhu New District, Hefei. In May 2015, SPDB Hefei Comprehensive Center was put into operation formally, making it the first financial institution settled in the International Financial Background Service Base of Binhu, Hefei. The park has become a comprehensive park consisting of seven centers such as the Head Office-level Data Center, Operation Center, Customer Service Center and Credit Card Center and the number of workers reached 3,300.

Issued China's First Short-term  
Collective Bond for Sci-tech  
Innovation Enterprises in  
Yangtze River Delta

"1st Short-term Collective Financing Bond for Sci-tech Innovation Enterprises in Yangtze River Delta 2020" underwritten exclusively by SPD Bank was successfully issued, with a total scale of RMB 5 million and a term of one year. The four joint issuers were the representative private sci-tech innovation enterprises in one city (Shanghai) and three provinces of Yangtze River Delta (Jiangsu, Zhejiang and Anhui Province), registered at Yangtze River Delta G60 Sci-tech Innovation Corridor that covers nearly 80,000 sq.km. All the enterprises took the lead in the industry segments of strategic emerging industries.

The "YRD Bond" was another milestone action that SPD Bank made to serve the integrated development of Yangtze River Delta after its successful implementation of "YRD Loan" and

"YRD Chain". To boost the direct financing of high-quality sci-tech innovation enterprises through financial resources and credit sharing, we integrated the transactional credit enhancement and credit risk mitigation agreement for the first time. By innovating market-based financial instruments, we enhanced the policy effect of supporting tools for private enterprise's bond financing and lowered enterprise financing costs.

Issuing "YRD Bond" was an innovative measure that SPD Bank implemented typically to meet the requirements of "building Shanghai into a domestic large circulation center node and domestic and international dual-cycle strategic link", which explored and expanded the financing channel of regional private sci-tech innovation enterprises efficiently and boosted the construction of Shanghai Global Science and Technology Innovation Center.

Launched "Happy YRD" Debit  
Card

SPD Bank launched the debit card themed with "Happy YRD" to support the economic recovery of Yangtze River Delta region. In terms of the card's rights and interests, the card was designed to offer series discounts and rights and interests for users by taking advantage of the abundant resources of consumer industries (e.g. tourism, culture and life) in Yangtze River Delta region and the cultural and travel consumption hotspots of residents in Yangtze River Delta region. Characteristic landscape and architectural elements of "Jiangsu, Zhejiang, Anhui and Shanghai" were designed on card surface elaborately and the four cards could constitute a map of Yangtze River Delta through combination, which implied the idea of integrated regional economic development of Yangtze River Delta, complied with the emotional appeal and financial convenience of people dwelling and working in Yangtze River Delta fully and endowed traditional financial service with new connotations.



• "Happy YRD" Debit Card



• YRD Credit Card with Shopping Theme

Cases

Accelerating "Urban Integration" of Financial Services in Yangtze River Delta

Shanghai Branch launched the "YRD Loan" for groups and offsite subsidiaries registered in Yangtze River Delta, to solve credit restrictions (e.g. offsite credit), and made multiple innovations. We opened Shanghai FTZ New Area Branch" and "Management Headquarters of Yangtze River Delta Integration Demonstration Zone" successively; worked together with the management platforms of

branches in Yangtze River Delta region to coordinate internal resources and ensured the service support for Yangtze River Delta region. In June 2020, Shanghai Branch, in partnership with Hangzhou Branch, implemented the whole bank's first special authorization and credit business of Yangtze River Delta integration successfully, so as to support enterprises'

trans-provincial and municipal business development, and investment and financing in Yangtze River Delta region. It means positive exploration and beneficial attempt for the trans-regional joint credit in Yangtze River Delta region.

Cases

Serving the Construction of "Golden Southern Wing" in Yangtze River Delta

Served enterprises in Yangtze River Delta better through regional linkage. Shanghai and Hangzhou Branches cooperated with each other to contribute to the M&A project of Will Semiconductor and OmniVision Technologies and boost the development of Shanghai's integrated circuit industry.

Strengthened bank-government cooperation: We established linkage mechanism with local government, provided special financial services and established cooperation relations with more than 1,000 provincial key projects. Supported medical industry: We supported the overall relocation and construction of Traditional Chinese Medicine Medical Group of Lin'an District, Hangzhou City and the construction of healthcare center, so as

to improve the quality of local medical and health services and optimize the layout of medical resources. Supported foreign trade enterprises: Hangzhou Branch recommended the global collection services of cross-border e-commerce actively so as to enable enterprises to collect payment quickly.

Cases

Serving Major International Events



The 46<sup>th</sup> World Skills Competition

On the occasion of the one-year countdown to the 46<sup>th</sup> World Skills Competition, we, as a "national strategic partner" of the competition, launched the comprehensive financial service plan, so as to provide considerate financial services for this world-renowned competition. We issued bank card themed with World Skills Competition, so as to provide diversified personalized tailored services for the participants.

The 3<sup>rd</sup> China International Import Expo (CIIE)

The 3<sup>rd</sup> China International Import Expo (CIIE) was grandly opened on November 4, 2020. SPD Bank served the expo actively with a "financial gift package" by providing digital innovative products and services. We launched "Travel Express" card to facilitate the consumption and payment business of the foreigners coming to China for a short time; upgraded and launched *Comprehensive Financial Service Scheme 3.0 of China International Import Expo*. We were also the first "six days + 365 days" one-stop transaction service platform connected with CIIE through API, so as to provide comprehensive and efficient online & offline financial services for domestic purchasers, foreign exhibitors and individual exhibitors".





Case

The Exclusive Cooperative Bank of 2020 Shanghai Marathon



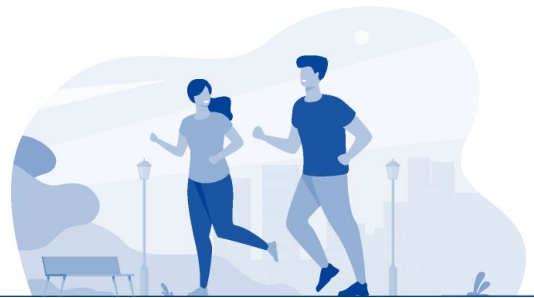
At about 7: 00 a.m., November 29, 2020, 2020 Shanghai Marathon kicked off at the Bund in Shanghai. As China's first IAAF platinum label event, the event was greatly supported by SPD Bank as the exclusive cooperative bank. Every runner expressed their love to Shanghai with steady steps and reignited the vitality of the whole city with courage and perseverance.



• A Member of SPDB Runner Team Was Running in 2020 Shanghai Marathon



• Volunteers at Encouraging Station Was Cheering Runners On



Boost the Coordinated Development of Beijing-Tianjin-Hebei Region

Significant Progress

We supported the construction of the infrastructures such as Beijing Daxing International Airport, Beijing-Binhai Intercity Railway, Beijing Future Science City, T109 New Line Expressway and Tianjin Rail Transit.

We innovated financing mode and introduced overseas low-cost fund for large central enterprises through offshore direct loan. We also helped leading auto enterprises realize industrial upgrading through offshore M&A loan and supported the development of aviation industry in Beijing-Tianjin-Hebei with offshore fund.

Case

Tianjin Branch Serving the Whole Tianjin in Depth

In terms of credit resources allocation, Tianjin Branch supported "Beijing-Tianjin-Hebei integration" project intensively, issued relevant project loans in priority and provided financial support for major projects by the means such as bank consortium and bond underwriting. By the end of 2020, it had provided more than RMB 33.1 billion credit support for the key projects in Beijing, Tianjin and Hebei.

The branch cooperated with multiple bond issuing entities (e.g. Urban Construction Investment Group, RHRD, Tianjin Binhai New Area Construction & Investment Group Co., Ltd. and Tianjin Metro Group Co., Ltd.) actively and took the initiative to underwrite the bonds of state-owned enterprises in Tianjin. By the end of 2020, it had had

a total number of more than RMB 20 billion underwritten bonds.

In 2020, Tianjin Branch provided credit support of nearly RMB 1.7 billion for Tianjin-Qinhuangdao High-speed Railway Project. Connected with Qinhuangdao-Shenyang High-speed Railway and Harbin-Dalian High-speed Railway, the passenger transport line constitutes the Beijing-Harbin High-speed Railway and has also formed the high-speed railway passenger transportation network together with Beijing-Shanghai High-speed Railway, to improve the transportation capacity and quality of regional road network trunk line, bring great significance to comprehensive activation of the road network of Beijing, Tianjin and Qinhuangdao and give full play to regional transportation benefits.

In light of the serious influence of COVID-19 overseas on the foreign trade enterprises, Tianjin Branch cooperated with Beijing Municipal Commerce Bureau to hold "Publicity and Exchange Meeting for Cross-border E-commerce Export Policies" and facilitated cooperation with more than 150 foreign enterprises. SPDB's "cross-border e-commerce global collection" service brought new hopes for the foreign trade enterprises.

Boost the Financial Innovation of Guangdong-Hong Kong-Macao Greater Bay Area

Significant Progress

We issued China's first debt financing instrument for epidemic prevention and control and first directional financing instrument for epidemic prevention and control of Guangdong-Hong Kong-Macao Greater Bay Area, so as to respond to the impact of COVID-19 on real economy.

We released *Comprehensive Financial Service Scheme of Guangdong-Hong Kong-Macao Greater Bay Area* to offer special support of the construction of major projects such as Zhuhai Da Heng Qin and Shenzhen Dachan Bay Terminal.

We provided comprehensive financial services (e.g. bond underwriting, supply chain business and cross-border capital pool) for the Greater Bay area-based enterprises.

We took the lead in launching sub-account accounting system of Shenzhen Free Trade Zone and handled the first cross-border guarantee and international bank consortium businesses in Guangdong-Hong Kong-Macao Greater Bay Area. We provided all kinds of overseas financial services for enterprises in the greater bay area in virtue of our Hong Kong Branch and SPDB International and

formed service advantages in overseas consortium loan and bond underwriting.

We launched the loan business of city-industry integration, provided special capital support for building a brand-new industrial ecological system and boosted the construction of city-industry integration of Guangdong-Hong Kong-Macao Greater Bay Area.



Case

Growing Together with Shenzhen SEZ for 20 Years

From 1980 to 2020, Shenzhen successfully developed into an international innovative city full of charm, impetus, vitality and creativity by taking a series of bold attempts such as “Early and Pilot Implementation” and “Pilot Demonstration”. Since our first step of exploration in Shenzhen in 2000, we have highlighted local construction, expanded financial supply continuously and served real economy actively, so as to boost industrial upgrading and transformation and open up a new prospect for the development of Shenzhen SEZ.

We have issued more than RMB 16 billion M&A loans for Shenzhen’s strategic emerging industry, advanced manufacturing, infrastructure construction, logistics, etc. accumulatively and supported the local real economy with more than RMB 100 billion in the form of bonds. In particular, China’s first inter-bank Greater Bay Area “Entrepreneurship & Innovation Bond” in which we served as lead manager supported the development of entrepreneurship & innovation enterprises in Hengqin New District and key project construction of Macao.

As one of the first batch of institutions providing online cross-border trade financial services for customers on China

(Shenzhen) International Trade Single Window and the first bank in Shenzhen that can handle free trade account business externally, SPD Bank built the one-stop and full-chain cross-border financial and overseas business lineage system based on the international business platform and product system of domestic and foreign currencies and through the financial services of “cross-border policy consulting + cross-border settlement + cross-border financing+ cross-border assets management”.

Upon the outbreak of COVID-19, SPD Bank worked together with all sectors of the society to overcome difficulties and resolutely win the fight against the epidemic in Shenzhen and supported enterprises to restart production vigorously. To boost Shenzhen’s restart of production, we launched the service scheme of “Hundred Banks Entering Ten Thousand Enterprises and SPDB Portfolio Loan”, and served more than 370 epidemic control-related enterprises and customers seriously affected by epidemic situation with efforts. Meanwhile, we acted as the exclusive lead manager of the first epidemic prevention and control bond in Shenzhen and the lead manager of

the first epidemic prevention and control PPN for central enterprises, so as to intensify the “epidemic control” financial support continuously. Based on “SPDB Life Service APP” platform, we energized industry merchants (e.g. F & B and education) that were severely affected by the epidemic and helped enterprises transfer business mode and restore production efficiency. To respond to the requirement of “Six Stabilities and Six Guarantees” (stabilities of employment, foreign trade, foreign capital, investment and expectation; guarantees of resident employment, basic livelihood of the people, market subject, food and energy safety, industry and supply chains and operation at the grass-roots level), we formulated the special working scheme for “enterprise stability and employment guarantee” and invested over RMB 32 billion new loans for supporting the development of real economy in this region.

Case

Upgrading the Service for the Construction of Hainan Free Trade Port

By taking advantages of the freedom and convenience concerning trade, investment and cross-border capital flow specified in Overall Plan for Hainan Free Trade Port and relevant supporting policies for industrial development fully, SPD Bank further upgraded and launched the *Financial Service Scheme for Hainan Free Trade Port 2.0* under the premise of following customers’

demands so as to meet customers’ full-dimension financial service requirements for settlement, business operation and development in Hainan Free Trade Port comprehensively.

In addition, to address the demand for enterprises all over the country investing in Hainan, SPD Bank also launched *Investment Service Manual for Shanghai Free Trade Port* synchronously,

the contents of which cover the introductions to regional investment environment, investment attraction policies of key investment park and FT characteristic financial services; it built a bridge for the seamless exchange of enterprise and key park.

Financial Service Scheme for Hainan Free Trade Port 2.0

Four-in-One Efficient Linkage of International Platforms

Free trade platform, offshore platform, overseas branches and overseas investment banks

Supported Hainan’s Three Leading Industries Intensively

Modern service industry, tourism industry and hi-tech industry



Enriched Service Scenarios by Combining Segmented Fields

Bulk commodity, medical education, aviation and shipping, cross-border trade, park construction, port logistics, etc.

Innovated and Upgraded Iterative Financial Services

Cross-border finance, shipping finance, financial services for sci-tech enterprises, bulk trade, city-industry integration, etc.

Deepening Inclusive Finance

After the outbreak of COVID-19, SPD Bank implemented central government’s strategic deployment with determination and kept increasing financial supports for market subjects such as enterprises affected by the epidemic and inclusive small and micro business; launched multiple measures such

as refinance without repayment of capital, delayed repayment of capital and interest and repayment adjustment green channel and surrendered part of the profits to real economy actively. We lowered the loan interest rate constantly after outbreak of COVID-19 and even reached the level of

3.05%; supported the issuing of special treasury bonds for epidemic control actively; intensified technology empowerment, launched various “contactless” services and supported enterprise production restart and people’s livelihood with our greatest efforts.

Cases

Created a Typical Example of Inclusive Finance

On August 14, SPD Bank and the People’s Government of Ningbo City signed a strategic cooperation agreement in the advancement meeting of Pilot Reform Zone for Inclusive Finance of Ningbo City, Zhejiang Province. According to the agreement, we would provide financing support for the excellent enterprises and individuals in Ningbo, with a total accumulative amount not lower than RMB 200 billion, including the financing services of RMB 50 billion for small and micro businesses.

Served the healthy development of small and micro businesses actively, satisfied the demand of “entrepreneurship and innovation” and supported the development of rural economy. By the end of 2020, we had provided the financial support of refinance without repayment of capital of RMB 1 billion for small and micro businesses in Ningbo on an accumulative basis.

Launched online credit products for small and micro businesses (e.g. Invoice Loan and SPDB e-Discount). By the end of 2020, we had provided “Nuonuo Invoice Loans” totally more than RMB 500 million for nearly 2,000 enterprises in Ningbo.

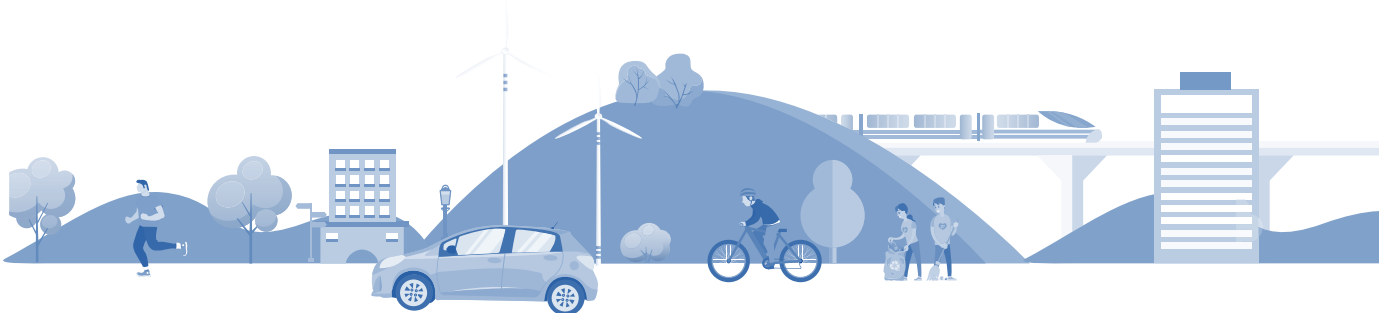
Safeguarded the development of technology-based small and micro businesses. We launched exclusive credit products and met technology-based enterprise’s demands in different development stages. By the end of 2020, we had provided fund of nearly RMB 45.5 million for technology enterprises in Ningbo accumulatively.

Served downstream enterprises of supply chain. We launched “She Bei Tong” supply chain financing business and provided credit support for downstream equipment payment of core enterprise. By the end of 2020, we had provided loans of more than RMB 1.5 billion for over 600 small

and micro businesses in Ningbo on an accumulative basis.

Empowered medical health with digital technology. We built payment system for Ningbo Cilin Hospital. With this system, patients could handle businesses such as registration and payment conveniently through self-service registration machine.

Ensured legitimate income of rural migrant workers. We interfaced with enterprise salary payment supervision platform of Zhenjiang Province through “E depository system” and provided payroll services to rural migrant workers. By the end of 2020, we had provided services for employees of nearly 389 organizations.





Cases

Tackle the Difficulties of Small and Micro Businesses by Multiple Measures

Nanjing Branch

Nanjing Branch implemented the financing matchmaking program of "Financing Services from 100 Banks for 10,000 Enterprises" steadily, established a comprehensive service network and realized full coverage of financial services. Financing matchmaking services were provided to dozens of enterprises within one month of the program.

After learning the demands of a small and micro cultural and sci-tech enterprise that was set up a few years ago, which mainly consisted of young employees and needed not only fast financial services but also financial service supports for young employees, Nanjing Branch offered services such as basic account opening and payroll service within one week, which facilitated young entrepreneurs' working and life in Nanjing.

Hangzhou Branch

Hangzhou Branch launched "Ten Policies to Benefit Enterprises" and formulated tailored policies for different enterprises, helping private enterprises and small and micro businesses solve difficulties by means of delayed repayment of capital and interest and refinance. It

reduced fees and surrendered profits of RMB 170 million for customers affected by the epidemic in 2002 so as to relieve the pressure of distressed enterprises duly.

The branch supported the development of technology enterprises and generalized "Technology Quick Loan" actively. By the end of 2020, its balance of "Technology Quick Loan" had exceeded RMB 100 million.

Hangzhou Branch served upstream and downstream enterprises of supply chain and helped upstream and downstream small and micro businesses of core enterprises obtain financing support through "Pu Gong Ying" series online products. By the end of 2020, Hangzhou Branch had invested RMB 660 million in "1+N Supply Chain" online financing business on an accumulative basis.

The branch supported production restart of small and micro businesses with diverse policies and measures such as delayed repayment of capital and interest, and refinance without repayment of capital and preferential interest rate. By the end of 2020, Hangzhou Branch had supported 213 refinance businesses without repayment of capital for business loan customers, with refinanced

amount reaching RMB 953 million.

We intensified online product service support and launched pure online credit products (e.g. "Banking Tax-Backed Loan", "Sheng Yi Bao" and "Accumulation Fund Finger Point Loan"). We also provided differentiated products and services for small and micro businesses and consumer demand customers. By the end of 2020, a total number of 6,790 online business loans had been issued accumulatively, with an amount of RMB 1.56 billion; a total of 7,575 online consumer loans had been issued, with an amount of RMB 637 million.

To strengthen financial support for frontline workers of epidemic control and their family members, we launched "Angel in White Loan" exclusive product for medical personnel and launched green approval channel: no credit guarantee and loan and repayment at all times. We granted preferential assistance policy of loan interest rate to frontline epidemic control personnel and members of medical teams supporting Hubei.

Cases

Digital Innovation for Inclusive Financial Services

With fast development of logistics industry, Mr. Wang, an expressway logistics transportation driver, decided to expand his business by purchasing a large truck by loan, but he had no apartment available for mortgage and had no time to deal with the corresponding formalities at bank outlet. After learning about a full-process online loan product that SPD Bank launched particularly for individual logistics drivers just as him, Mr. Wang submitted individual information and vehicle

purchase background via his mobile phone and then obtained loan in just a few minutes. Finally his urgent demand was solved quickly.

This exactly embodied the inclusive financial services provided by SPD Bank by means of digital technologies (e.g. big data). To support development of real economies (e.g. capital construction and logistics), SPD Bank, in partnership with the leading platforms in the same industry (e.g. Lionbridge, Cainiao and

Keking), provided inclusive financial services for small and micro individual customers meeting credit criteria (e.g. small and micro distributor, truck driver and operator of engineering machinery) based on big data ability and technologies such as mobile Internet, score card, strategy management tool and anti-fraud rules.

Develop Financial Services for Sci-tech Enterprises Extensively

We developed financial services for sci-tech enterprises vigorously and explored the new mode of financial services for sci-tech enterprises in depth, helped enterprises carry out project interface management in a targeted manner and formulated comprehensive financial service plan highlighting customer's diversified demands. We also helped cultivate excellent sci-tech innovation enterprise with strong market competitiveness and promoted the high-end development of domestic industry.

Cases

Boost the Collaborative Construction of Shanghai Global Science and Technology Innovation Center and Shanghai International Finance Center

With a strong focus on national innovation-driven development strategy and the construction of Shanghai Global Science and Technology Innovation Center, we built an ecosystem mode of financial service for sci-tech enterprises with distinct characteristics by intensifying the construction of franchisee of financial services for sci-tech enterprises and cooperation with such channels as government, park and PE/VC.

We established the innovative product system and service chain conforming to the whole lifecycle of sci-tech innovation enterprise and took the lead in releasing *Comprehensive Service Scheme of Sci-tech Innovation Board and Service Scheme for Investment Bank in Listed in Enterprise Sci-tech Innovation Board*.

We took the advantages of SPD Silicon Valley Bank - the first Sino-US joint venture bank actively and implemented

characteristic business of investment loan linkage.

Since 2019, we launched the first "Refinance Service Center for Small and Micro Businesses" in Shanghai and provided services of "refinance without repayment of capital" actively, which solved capital turnover difficulties of small and micro businesses and in particular, sci-tech innovation enterprises.

Cases

Boost Sci-tech Innovation Enterprise's Sustainable Development

Montage Technology, the world-leading integrated circuit design company and one of the first batch of enterprises listed on Sci-tech Innovation Board, represents an innovative practice case which fully manifests SPD Bank's efforts to promote enterprises to be listed in sci-tech innovation board through M&A financial services. SPD Bank helped

Montage Technology finish internal equity restructuring smoothly through pure credit bridging M&A loan, which laid a foundation for its listing in domestic sci-tech innovation board. A Shanghai-based hi-tech enterprise, which has multiple IPRs, posed higher financial demand along with its rapid sales expansion. Since it had

no collateral, the traditional bank financial product was hard to meet the enterprise's demand. Such an urgent difficulty was resolved by SPD Bank through IPR pledge loan after in-depth investigation.

Cases

Boost and Stabilize the Development of Sci-tech Innovation Enterprises

We served a Tianjin-based sci-tech innovation enterprise. By focusing on its business prospects and team strength, we helped it get through its development bottleneck by equity financing and also formulated exclusive financial service schemes for it, including project loan, working capital loan and

IPO fund raising and trusteeship, so as to boost its listing in sci-tech innovation board and becoming China's first "A + H" share listed vaccine company.



Cases

Empower the Growth of Sci-Tech Enterprise from Creativity to Productivity

From "the first company of 3D printing listed on Sci-tech Innovation Board" to "the first company in Sci-tech Innovation Board, Xi'an BLT is a technology-based enterprise specialized in technological innovation with business covering the whole industry chain of metal additive manufacturing. Its products are extensively applied in such fields as industrial machinery, medical research and auto manufacturing. When the company was just set up, SPD Bank formulated service plan according to its actualities in virtue of our financial wisdom and promoted its growth. SPD Bank made fast response and offered timely help or support to Xi'an BLT which was stuck in development. Besides

the project loan, we also provided working capital loan to solve its urgent need of production and operation.

The timely financing solution ushered in a new era for Xi'an BLT, transforming it from a small plant with a floor area just of thousands of square meters to a modern, intelligent and fast-growing industrial base.

SPD Bank will keep improving its ability in financial services for sci-tech enterprises with the corresponding ecology and product systems that are enriched constantly, build the "comprehensive, professional and integrated" ecosystem of financial services for sci-tech enterprises

in depth and contribute to Shanghai's development into a globally influential sci-tech innovation center.





Boost the Construction of Shanghai International Financial Center

As a nationwide joint-stock commercial bank headquartered in Shanghai, SPD Bank implemented all requirements of *Opinion on Further Accelerating the Construction of Shanghai International Finance Center and Supporting Integrated Development of Yangtze River Delta Financially* in good faith, took advantages of "home court" and

contributed our wisdom and strength to the construction of Shanghai International Financial Center and the integrated development of Yangtze River Delta.

Boost the Improvement of Global Influence of Shanghai International Finance Center Based on Service Factor Market

SPD Bank continued cooperating with more customers of Shanghai financial factor market continuously and established a customer service and management system with market competitiveness and distinct characteristics, participated in product and service innovation of financial factor market in depth and boosted the improvement of global radiation force of Shanghai International Finance Center.

We took an active part in the construction of Central Bank's cross-border RMB clearing system. As one of the first batch of direct participants of RMB cross-border payment system (CIPS), we provided agency access and clearing services for peer institutions both at home and abroad. By the end of 2020, we had had a total of 241 CIPS peer customers, ranking the second in the industry, and 115 overseas and for-

eign-funded peer customers, making us win the first place among joint-stock banks.

We cooperated with 15 financial factor markets in Shanghai with the proportion of strategic cooperation higher than 80%. We were also the first joint-stock commercial bank having established strategic cooperation with Shanghai Gold Exchange, China Government Securities Depository Trust & Clearing Co. Ltd., Shanghai Insurance Exchange and CIPS Co., Ltd., and obtained 39 business qualifications with respect to financial factor market in Shanghai.

During the outbreak of COVID-19, we coordinated with Exchanges actively to stabilize market price fluctuation, kept up with the pace of market innovation closely and participated in product transaction innovation. We gave credit

support for RMB 20 billion or so for capital clearing field of factor market in Shanghai, providing liquidity support for the market and participating actively in the construction of market risk control system. We held multiple online customer salon activities with China Foreign Exchange Trade System & National Interbank Funding Center and Shanghai Clearing House through e-peer live streaming platform, boosted innovative business promotion and enriched the types of market participants. We cooperated with Shanghai Stock Exchange to hold three market cultivation activities oriented to sci-tech innovation enterprises in Shanghai, Nanjing and Guangzhou and tried to serve as an external service platform of sci-tech innovation board.

Boost the Further Innovation of Shanghai International Finance Center Focusing on the Key Points of Free Trade Finance

Being at the forefront of Shanghai financial reform and opening up, SPD Bank has been practicing financial reform of free trade zone (FTZ) firmly. It has explored a mature, reproducible and generalizable free trade financial service mode through long-term practice and is optimizing and generalizing it by combining "Shanghai experience" with characteristics of FTZs in other provinces.

In terms of cross-border capital flow, as convenient service had become a key development field of free trade finance in it, regulatory departments and various peer institutions issued a series of policies and business guidelines successively, such as scheme for FTZ cross-border RMB settlement convenience, scheme for cross-border RMB settlement convenience of excellent enterprises in Lingang New Area, debt line convenience of hi-tech enterprises, parent company and subsidiary sharing for financing lease debt and one-time debt

registration, so as to facilitate enterprise's cross-border cash flow at the highest standard. Under such background, SPD Bank made fast response, optimized business process and product services, duplicated and generalized product empowerment and convenience and served lots of FTZ enterprises.

SPD Bank launched the first FT account-based cross-border API project intensively in 2020. Through the FTF account, we handled equity incentive fund settlement business for overseas employees of a domestic listed company and three heavy-weight innovative businesses initially launched in the whole market for domestic and foreign currency-integrated fully functional cross-border two-way RMB capital pool that was the first one in the new area.

In the new area, we were positioned by complying with the highest international criteria and took active part in implement-

ing the first batch of businesses such as cross-border RMB convenience and trade financing (TF) cross-border assets transfer. With respect to the foreign exchange management and reform, we implemented the first FTZ lease debt line sharing business of parent company and subsidiaries in the market and took the lead in carrying out one-time debt line registration and debt convenience business of hi-tech enterprises.

Strengthen Reform Innovation and Support Lingang New Area's Pioneering Financial Attempts



SPD Bank became the first institution to launch financial service plan for FTZ new area and upgraded it to 2.0 version, highlighted digital technology drive convenience further, boosted city-industry development by diversified financing approaches and built service characteristics of offshore and onshore hubs in a "three-in-one" manner. We strengthened funding support for the new area and served more than 5,000 enterprises there, increased RMB 10 billion funding support compared with the time of the establishment of the new area and supported the new area's construction and development for their key industries effectively.

We exerted our linkage advantages (e.g. new area branch, free trade finance, offshore finance and overseas branches) and advanced cross-border transfer of financing assets of domestic trade actively. We promoted the application of FT account integrated functional pilots of domestic and foreign currencies in insurance business. We intensified comprehensive service ability of cross-border finance and satisfied diverse cross-border financial demands of

enterprises of both domestic and foreign. We propelled offshore economy and trade vigorously by taking advantages of the preferential policies released by Yangshan Special Comprehensive Bonded Zone and further facilitated cross-border collection and payment through technological ways.

By the end of 2020, we had provided efficient domestic and foreign currency-integrated FT account services for nearly 4,000 customers and implemented two-way RMB cash pool cooperation with 260 groups, with accumulative total cross-border trading volume of more than RMB 300 billion. We made active explorations in such fields as integration of domestic and foreign currencies, cross-border RMB and foreign management field and launched a total number of 15 first cases in new area market (e.g. cross-border RMB payment convenience business, cross-border transfer business of domestic trade financing assets and one-time registration business of debt line) accumulatively.

Accelerate International Cooperation and Boost Higher-Level Opening Up of Shanghai's Financial Industry

We strengthened cooperation with new foreign-funded securities traders and fund customers and provided comprehensive solution for their development in China from such aspects as depository, settlement, credit and WMP with fixed income.

We highlighted cooperation with overseas advanced management companies and complemented each other's advantages. We improved wealth management level

intensively and served wealth management demand of domestic residents better.

We improved international trusteeship service ability at a faster speed and provided diversified services for overseas investors exploring our domestic capital market as well as the powerful support for Shanghai International Finance Center's efforts in building investor service system.

We took advantage of our strengths in the long-term in-depth cooperation with various financial factor markets, supported product innovation (e.g. bond, foreign exchange and futures) actively, facilitated domestic investors' participation in Chinese financial market and improved Shanghai's influence as a global RMB assets allocation and risk management center.

Case

Customized Equity Incentive Service Plan for FTZ Sci-tech Innovation Enterprises

On September 25, 2020, SPD Bank handled equity incentive fund settlement business for the overseas employees of a domestic listed company through FTF account, which was the first case in the market implemented through free trade account after our release of *Management Measures for the Participation of Foreign Employees of Domestic Listed Company in Equity Incentive Fund*.

SPD Bank tailored an exclusive service plan for a connection between FTF account and equity incentive, so as to meet foreign employees' needs for batch account opening, capital receipt and payment and exchange convenience. To realize the purpose, a foreign employee of this enterprise needed to transfer the fund in his or

her overseas account involving equity incentive into the FTF account first and finished settlement of exchange through FTF account. Then the employee could handle incentive stock exercise transaction directly through the security account. It just takes two working days from foreign employee's account opening to the final implementation of business, fully manifesting the convenience that free trade account brings.

Equity incentive management for foreign employees working in overseas R&D center will be demanded urgently and substantially along with the constant development of technology listed companies on the world stage. This action that we took the lead in serving equity incentive for overseas employees

of domestic listed company through free trade policy not only expanded the service function of free trade account and improved cross-border financial service ability of commercial bank but also applied the financial business with free trade characteristics to the services for technology enterprises more flexibly, opening a new chapter of financial services for sci-tech innovation talents and giving birth to a new opportunity in integration of free trade finance and construction of sci-tech innovation center.



Environment

Coping with  
Climate Challenges



Promoting Green Finance through Innovation

In 2020, SPD Bank promoted green finance construction vigorously in the whole bank, and under the policy framework of its internal credit investment orientation, advanced the green, sustainable and high-quality development of real economy actively. As analyzed and sorted by referring to the *Green Industry Guidance Catalogue (2019 Edition)* (F.G.H.Z. [2019] No. 293), we gave official reply on relevant credit businesses of green industries of over RMB 120 billion, covering more than ten green industries such as NEV manufacturing, solid waste governance, sewage treatment, photovoltaic power generation, new energy battery and synthetic material manufacturing.

We formulated relevant documents actively such as *SPDB Management Measures for Green Finance* and *SPDB Management Measures for Pledge Financing Business of Accounts Receivable (Rights of Future Earning) under Contract Energy Management*. This is to facilitate the innovative development of green finance actively, solve the difficulties of financing or guarantee of medium and small-sized energy

saving service companies, and improve both the quality and efficiency of green finance products and services further. In the meantime, we launched financial consultant of green finance and industry energy saving loan for ecological civilization demonstration zone and green finance reform and innovation pilot zone, so as to optimize the pledge financing for rights of future earnings of contract energy management. By the end of 2020, the scale of green finance of the bank had exceeded RMB 500 billion, with more than RMB 260 billion for green credit balance, RMB 33.855 billion for green bond underwriting and RMB 34.531 billion for green bond investment (including proprietary business and wealth management business). As shown by the ranking released by NAFMII, we were in the fourth place among domestic commercial and policy banks in terms of the green bond investment in 2020.



Construction Support of Qingshui River Hydropower Station (it can be displayed in the form of summary page)

Building the Most Comprehensive Green Product System

Launched the First Financial Service Plan and Built a Green Product System

We launched the first comprehensive service plan for green credit in the industry in 2008, so as to offer special scale and incentive supports to green credit. With the plan involving five green finance fields, including energy efficiency financing, renewable energy financing, environmental finance, carbon finance and financing of energy efficiency equipment supply chain, we have established a system covering upstream and downstream products in green industry the fullest.

Complied with Green Development and Innovated Financial Service Plan

To comply with the future social development trend, we, following the green credit comprehensive service plan, made another pioneering innovation in the industry by launching “smart city” comprehensive financial service plan and “underground comprehensive pipe gallery” financial service plan.

We integrated and improved traditional financial products and our characteristic products and services further focusing on the ten key fields involved in “smart city” construction: information infrastructure, smart energy, smart building, smart public services, smart municipal engineering, smart traffic, smart logistics, smart medical

treatment, smart environmental protection and smart industry as well as the “unified planning, construction and management” of municipal public pipelines (e.g. power, gas, water and heat) included in “underground comprehensive pipe gallery”.

Established Project Technical Assessment Assistance Channel together with International Institutions

Through channel construction, we improved our professional technical assessment ability for green finance significantly and harvested multiple “firsts” in China: The first CDM financial advisory business, the first CDM pledge business of accounts receivable, the first AFD green intermediate credit, the first mortgage financing of carbon emission right, the first additional carbon income bond and the first bank-oriented *Guidebook for Financing of Energy Efficiency and Renewable Energy Projects*.

Cases

Shanghai Branch

Shanghai Yan Longji is China’s largest waste glass recycling enterprise and also the only “Urban Mine” demonstration base engaged in waste glass recycling in China. SPD Bank supported the enterprise’s construction of “Urban Mine” Demonstration Base in Chonggu Town, Qingpu District, national sustainable development strategy, and integrated development strategy of Yangtze River Delta and strategy of Yangtze River Economic Belt by financing means, which not only helped tackle the waste

glass treatment problem of Yangtze River Delta region but also was of great value and significance to facilitate Shanghai’s development and drive environmental protection, energy saving and emission reduction of Yangtze River Delta.



Cases

Nanjing Branch

Supported the business development of energy saving and environmental protection enterprises. To address the difficulties of Changzhou Wunan - a company specialized in sewage treatment and supporting pipe network construction, Nanjing Branch took the lead in establishing syndicated loan, which filled in the company’s financing gap on improving industry sewage treatment rate and upgrading and transforming reclaimed water treatment facility and ensured the smooth implementation of green and environmental protection project.

Cases

Tianjin Bank

To support the urban garbage treatment and improve the resource utilization in this region, Tianjin Bank took an active part in a new energy environmentally friendly power generation PPP project of Jinghai District. Tianjin Branch provided green credit support of nearly RMB 500 million for building harmless treatment facility of domestic garbage integrated with incineration generation of domestic garbage, supporting landfill field, cooperative disposal of kitchen wastes and leachate treatment. All those boosted the recovery and recycling of garbage as renewable resources.



Cases		
Hangzhou Branch		
By the end of December 2020, Hangzhou Branch had totally provided nearly RMB 1.1 billion loans to support the construction of distributed photovoltaic power station. It implemented the green construction material industry park project for technical improvement of cement production lines in South China and core energy photovoltaic distributed power generation project in Zhejiang Province, so as to contribute to the construction of a green and beautiful Zhejiang.		
Cases		
Suzhou Branch		
By the end of December 2020, Suzhou Branch had totally provided project loans for RMB 1.4 billion to Suzhou rail transit (metro) project on an accumulative basis. It gave financing support to the new energy bus purchase project for a total amount	of RMB 1.3 billion by linking with the subsidiary SPDB Financial Leasing. It made an equity investment of RMB 4 billion for Suzhou Hi-and-New Tech Park State-Owned Assets Management Company for its implementation of rail transit project through special	assets management plan for wealth management fund; registered bonds totaling to RMB 5.5 billion for Jiangsu rail transit and traffic investment through capital market.
Cases		
Urumqi Branch		
By the end of 2020, Urumqi Branch had had the balance of off-balance-sheet financing of RMB 2.251 billion for a wind power equipment R&D and manufacturing enterprise, with the perpetual bonds of RMB 150 billion, which laid a solid foundation for the enterprise's better construction of the "source-network-end" architecture of wind power generation and energy Internet.		
Cases		
Wuhan Branch		
We attached great importance to ecological protection and green development, innovated green financial products energetically and boosted green financial development by the means such as intensifying on-balance-	sheet input and off-balance-sheet collaboration. By the end of 2020, it issued RMB 1.07 billion working capital loans for lake governance and pollution control projects, RMB 716 million working capital loans for various clean	energy investment projects and RMB 225 million working capital loans for garbage treatment and pollution control projects.
Cases		
Chongqing Branch		
The "Two Rivers and Four Banks" (riverbanks of Yangtze River and Jialing River) in the main urban area of Chongqing are the principal axis of urban development, a core area of the "City of Mountains and Waters" of Chongqing and also the critical portal and carrier for Chongqing's efforts	in promoting inland opening up. To improve the urban quality of Chongqing comprehensively and build a beautiful place with green mountains and water, Chongqing Branch made active response, implemented Chongqing municipal government's policies in good faith and realized the syndicated credit	of RMB 700 million for the Governance and Improvement Project of "Two Rivers and Four Banks" - PPP Project in Kowloon Bund Business Plaza Area, with an amount of RMB 500 million where the branch served as the leader.
Cases		
SPDB Leasing		
SPDB Leasing boosted the development of "green finance" actively and strengthened the support for projects in such fields as environmental protection and energy conservation, clean energy and green traffic further. It established professional service team	and successively launched multiple new energy green bus projects in Tianjin, Guangzhou, Changshu, Kunming and Weifang and photovoltaic and wind power green energy projects in Ningxia, Shandong and Jiangsu. By the end of 2020, it had realized a total	installed capacity of new energy power generation of 803 MW, with annual on-grid energy of 1.38 billion kWh or so, and managed more than 10,000 new energy buses and new energy passenger vehicles.

Propelling Green Operation Continuously

4.55

million kWh

electric energy saved through contract energy management mode

In 2020, we carried out all kinds of energy conservation and emission reduction work by highlighting our foundations, formulating concrete systems, prioritizing technologies and organizing learning and exchange. We updated and improved computer room and measuring instruments of important energy-using equipment successively and finished energy measurement review for key energy consumptions organizations; formulated and released two normative documents *Guideline on Advancing the Construction and Transformation for LED Energy Saving Light Source Facilities in Office Building Lighting of SPD Bank* and *SPD Bank Guideline on Energy Measurement Management*; prepared the *Digital Requirements Specification for Smart Energy Management System* and stepped into the comprehensive development stage; carried out learning and exchange among advanced organizations of the head office and branches for energy conservation application technology and explored data sharing planning and new scheme pilot. In addition, we saved electric energy of 4.55 million kWh through contract energy management mode and transformed LED energy saving light source equipment in the meeting and guest room area of the head office's Information Center.

Case	
Accelerated the Development of Paperless Financial Services	
In response to national environmental protection initiative and the call for green and sustainable development, Jiangsu Branch took an active part in digital construction, accelerated paperless development of financial services and built the green operation	mode. It established electronic charging data interactive platform in an innovative manner, changed the charging channel from paper exchange channel into small regular debit channel and centralized receipt and payment agency and realized online processing
process. By the end of 2020, the daily average account balance of public institutions had been RMB 110 million, realizing monthly average charges of more than 2,300.	
Case	
Purchases of Green Office Equipment	
When purchasing office equipment (e.g. computer and printer), Tianjin Branch selected products with green environmental protection label and clear energy consumption data sign carefully and completely and eradicated the purchase of high-energy consumption equipment. Besides, they coordinated with manufacturers actively to channelize and normalize the recycling of equipment.	





Case

Carried out the 14<sup>th</sup> SPDB Volunteers' Day Activity All over China

156,333

online supports

for "plastic waste reduction"  
initiative

7,000

eco-friendly canvas bags given to the  
public

180,000

bio-degradable plastic bags given to  
the public

To respond to the *Opinion on Further Strengthening Plastic Pollution Governance* of National Development and Reform Commission and Ministry of Ecology and Environment, SPDB, by following the theme that "Reduce Plastic Waste to Reduce Impact on the Earth", practiced the idea of "plastic waste reduction", popularized knowledge about "plastic waste reduction", enhanced people's awareness of the action of "plastic waste reduction" and guided more people to establish the "plastic waste reduction"-oriented lifestyle. On January 9, 2021, our volunteers across the whole country went to supermarkets, bookstores and communities to hand out 180,000 degradable plastic packaging bags and 7,000 eco-friendly canvas bags to the public on an accumulative basis. With a total of 156,333 online supports for our "plastic waste reduction" initiative

received on an accumulative basis, we built consensus extensively and created a favorable atmosphere involving the whole society.

In the meantime, SPD Bank launched the "Plastic Waste Reduction Initiative" to all employees, who were highly suggested to reduce the use of plastic products in life, and actively initiated the "Plastic Waste Reduction Action" in staff canteens of branches and subsidiaries all over China. "All canteens will not use disposable foamed plastic tableware and disposable plastic bags and try to minimize the use disposal plastic products from January 1 of this year; all canteens within jurisdiction of the Group would stop the use of above disposal plastic products and generalize the use of substitute products that can be recycled or are made from environmentally friendly materials."



• Leaders of Shanghai Municipal Development & Reform Commission, Shanghai Municipal State-owned Assets Supervision and Administration Commission, Shanghai Municipal Bureau of Ecology and Environment and Shanghai Century Publishing (Group) Co., Ltd. attended the launching ceremony of volunteer activity held in Duoyun Bookstore on 52/F of Shanghai Tower



• SPDB volunteers from 38 branches advocated the green and environmentally friendly lifestyle in bookstores, supermarkets and communities



• Garbage Sorting Bins in the Lobby of Kunming Branch



• "No Food Waste" Special Action of Ningbo Branch



Society

Creating Multiple Values Jointly

Safeguard Customers' Rights and Interests

We implemented the management requirements of regulatory agency entirely and in good faith and kept improving the construction of consumer protection and service management systems. We specified business behaviors, strengthened the safeguarding for consumers' rights and interests and tried to improve our overall service quality. We stuck to the main working goal of developing the Bank into a "preferred bank trusted by customers" and harvested a lot in consumer protection and service work.

Improved our work institutional system of consumer protection constantly. To improve our shortcomings, SPD Bank drafted and revised relevant regulations and rules about consumer protection by referring to standard typical cases. We revised *Management Measures for Consumer Complaint* and issued important institutional documents such as *Interim Measures for Review and Management of Protection of Consumers' Rights and Interests* and *Interim Measures for Publicity and Management of Financial Marketing* successively. With a focus on safeguarding consumers' information, we issued the regulations and rules such as *Management Measures for the Protection of Individual Financial Information*, *Management Measures for the Assessment and Rating*, *Management Measures for Emergency Plan and Regulations on Accountability and Treatment of Violation Behaviors*, which penetrate the requirements of regulatory agency from institutional level to various management links and covered the protection requirements for financial consumers' information.

Explored and optimized service quality monitoring system. In 2020, the head office improved and adjusted the check mode for services and consumer protection and implemented more accurate, professional and targeted check and assessment for bank-wide services and consumer protection through industry expert teams' announced

and unannounced-combined visits and remote off-site surveillance. We discovered risks and hazards of frontline outlets in consumer protection and services through improving the check mode. We were still outstanding among the whole industry in terms of excellence creation work of business outlet services in 2020.

Implemented financial knowledge publicity and training, complying with epidemic control. In 2020, we practiced "multiple online channels, contactless offline mode and thoughtful daily service" and successfully explored a "contactless" publicity and education mode dominated by on online mode. We set up "SPDB consumer protection" special column on our official WeChat account and released 35 issues of works through the special column all year around. In particular, 10 issues of works were selected and published by the People's Bank of China, CBIRC and China Banking Association. We initially won "Excellent Organization Award" in the 3.15 Publicity and Education Activity held by CBIRC. Five of our works were selected in the collection and selection activity of excellent publicity videos themed with "Popularizing Financial Knowledge and Managing Wealth Reasonably" held by the People's Bank of China and *Financial Times*, and our head office won excellent award and Qingdao Branch won the most creative award finally in this activity. We also offered consumer protection training by category and level to new employees, all our staffs and middle and senior management personnel on retail lines in 2020. A total number of 54,294 persons participated in the online training and examination of consumer protection and more than 240,000 opportunities were provided through "Retail 8:00" accumulatively.

Valued customer complaint and listened to their voices carefully. SPD Bank listened to customers carefully and responded

to customer complaints timely over the years. We have established a multi-channel customer complaint acceptance system (e.g. phone, network, letter and spot), which covers institutions at all levels. With a strong focus on the "customer-oriented" concept, we improved customer experience, service quality and efficiency constantly, unblocked complaint treatment procedure and obtained good achievements in 2020. Customer complaints in 2020 were mainly about bank card and loan and from the places such as Shanghai, Guangdong, Henan, Jiangsu and Beijing. We dealt with more than 216,000 customer complaints accumulatively all year around, which was dramatically lower than that of last year. Besides the changes in total number of complaints, we also concerned the changes in complaint data structure at all times, which reflected the change trend of customer's transaction mode and habit, and coped with and guided these changes, so as to improve customer experience.

Boost Employees' Growth



SPD Bank insisted on the employment principles of fairness and justice and always treated job seekers and employees equally, regardless of age, gender, marital status, race and nationality, so as to build harmonious and steady labor relations and safeguard employees' labor rights and interests truly.

With the firm outlook on talents of "people oriented and discovering able people and putting them at suitable posts" and a strong focus on our overall development strategic goal, we tried to build a management mechanism and institutional environment of appointing people on their merits. Insisting on opening up and integration, we created a favorable atmosphere of recruiting capable personnel extensively, promoted internal flow of talents and built a growth space for talent development; to realize management innovation, we established the digital platform for talent development and facilitated employees' promotion and exchange based on the accurate portrait, accurate allocation and multidimensional and interactive career development mechanism. By prioritizing "people-oriented" idea, we gave full scope to talents by active employee empowerment and realized the coordinated development of employees' self-value, post value and social value.

By the end of 2020, we had offered more than 1,905 sessions of physical trainings. SPD Bank University led relevant departments to design and develop 72 bank-wide training programs and organized their implementation through digital learning channel. The average score for student training stratification was 4.9 (out of a full score of 5). Ten branch mobile learning sub-stations were established. The number of bank-wide shared curriculum resources launched was more than 5,703, with 2,313 new ones. A total of 19.09 million learning opportunities were provided all year around, with a YOY growth of 121%.

We established branch live streaming room, besides the live steaming of Party school and various businesses. Employees watched live streaming for more than 14.34 million min and 22 live streaming sessions were organized. We organized 166 various online examinations and guided branches to organize 511 online examinations, with a 42% YOY growth, and a total of 1.5482 million examinees attended the examinations. The number of persons who installed and used APP of SPD Bank University exceeded 58,000, covering all organizations of the head office, domestic branches, companies in Shanghai and Hong Kong Branch, and the employee coverage rate reached 99.88%.



2020 Operational Skill Competition of Nanning Branch



Retail Team Training of Guiyang Branch

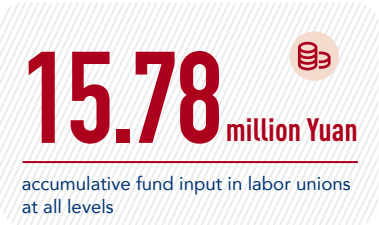


Singapore Branch Offered Macro Field Training to Mid-Level and Executive Staff by Cooperating with A Famous University



Customer Service Case Design Competition Held by Ningbo Branch





Employee epidemic prevention and control during the outbreak of COVID-19: On the one hand, we mobilized resources to raise epidemic prevention and control materials and duly implemented the work of epidemic prevention and control for employees, particularly for frontline employees to prepare for restart of production. On the other hand, we actively guided employees to fulfill their responsibilities and participate in epidemic prevention and control; eliminated employees' negative emotion and ensured their physical and psychological health. Our accumulative fund input in labor unions at all levels was RMB 15.78 million, including RMB 15.12 million for purchase of 1.65 million

epidemic prevention and control materials, and visited family members (frontline medical workers) of 184 employees to express our care for them.

Advanced the construction of "staff home" in depth: Various grass-root labor unions organized and explored the approaches for construction of "staff home" with local characteristics and cultural attribute and created a favorable atmosphere of "home" in which labor union self-construction was enhanced, employees' role was respected, and employees were well cared for and encouraged to devote themselves to their job wholeheartedly.

Case

SPDB 11<sup>th</sup> Business Skill Competition

The competition pooled our wisdom and innovation and conveyed the "spirits of craftsmanship" and the concept and culture of "intelligent SPDB". Around 630 contestants from 37 branches and various departments and companies of the head office took part in the preliminary, quarter-final and final.

Skill competition for data visualization analysis: We explored forward-looking technology and made innovation boldly; carried forward team spirit and set off a craze that "everyone is a data analyst".

Comprehensive skill competition of retail business: We grasped customer's needs by digital means, satisfied their needs with wealth planning, seized future wealth management opportunity and promoted fast implementation of new mode of retail business.

Corporate banking business competition: We organized business knowledge competition, improved customer's business capacity and created values for customers.

Comprehensive skill competition of financial market business: We focused

on risk compliance, strengthened digital application and added new kinetic energy to the development of our all financial market business.

Legal and compliance knowledge competition: Focused on the theme of "popularizing legal and compliance knowledge and building the idea of compliance management", we grasped the criterion of compliance management and made the awareness of compliance with laws and regulations deeply enrooted in the hearts of all our staff.

Risk management skill competition: We selected competent players for competition, improved employees' professional quality and firmly advanced the implementation of concept of risk of "forward-looking, accurate and cautious actions".

Operational skill competition: Our employees remained calm and performed well in the business operation practice competition - money counting competition, and demonstrated solid basic skills of operation frontline staff.



• "Stand in Solidarity to Achieve Great Success" Basketball Game Organized by Fuzhou Branch

Active Engagement in Social Charity

In 2020, SPDB's all staff experienced an extraordinary year for epidemic prevention and control together with people from all walks of life. We donated materials to the prevention and control against COVID-19 that broke out in Wuhan first and all our staffs stood in solidarity, took active actions and spread warmth and energy and demonstrated our responsibilities in the face of the epidemic.

By the end of 2020, we had made donations of RMB 30.16 million for epidemic prevention, fixed-point poverty alleviation donation of RMB 14.53 million and charitable donation of RMB 8.23 million. In terms of public welfare practice, we kept advancing the public welfare projects such as "Dream Chasing Fireflies Initiative" Pediatric Staff Training Program, "Public Welfare Activity for Guzhang County" and "Hope Project 1+1",

in a bid to serve the sustainable economic and social development and establish a respected and trusted enterprise image.

Case

Showing Respect to Angels in White

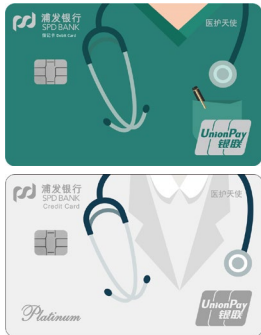
After AXA-SPDB Investment Managers joined Special Fund for "Angles in White" of Shanghai Asset Management Association under the severe epidemic conditions at the beginning of 2020, we, in partnership with our subsidiary Shanghai AXA SPDB Assets Management Co., Ltd., donated RMB 3 million to Shanghai Health and Medical Development Foundation to support epidemic prevention and control.

Shanghai Trust's employees established its "Benevolence" series epidemic control trust through voluntary donation, and 428 employees finished donation subscription and raised a total fund of RMB 836,000, which was used for the targeted support for frontline medical personnel and COVID-19 patients in Wuhan. Besides, Shanghai Trust initiated Shanghai's first charitable trust project for epidemic

control registered in Shanghai Civil Affairs Bureau - "Benevolence" Series Epidemic Control Charitable Trust Supporting Wuhan, so as to provide subsidies for medical personnel against the epidemic in Wuhan and support COVID-19 treatment of hospitals in Wuhan. By the end of 2020, with a scale of RMB 5.174 million, the trust had granted basic subsidies totally 2.8008 million to Shanghai's medical personnel supporting Hubei, which covered 41 hospitals and medical institutions.

SPD Bank launched customer exclusive rights and interests of medical and health industry, and nearly 580,000 customers fulfilled the access criteria. We launched debit and credit cards for medical personnel and has issued 390,000 cards totally. We provided payroll services to 1,775 additional medial health enterprises in 2020, with

a 114% YOY growth, so as to reciprocate the contribution of medical personnel further through outstanding financial services.



Case

"Heartwarming Food Program" for Students' Nutrition and Health

"Heartwarming Food Program" is a Nutritional lunch aid activity for poverty-stricken children that Dalian Branch initiated together with Dalian Youth Development Foundation, which aimed to boost targeted poverty alleviation with social love and strength and resolved nutritional lunch problem of students in rural area. In 2019, the total fund raised reached RMB 240,000, which was used for solving the nutritional lunch problem

of nearly 200 children for one year. The branch further implemented the "Heartwarming Food Program" further in 2020. It carried out the charity sale themed with "Advocate Public Welfare Extensively to Spread Love Forever", innovated multiple online charity sale modes such as "Live-streaming E-commerce of Pollution-free Fruits and Vegetables" and "SPDB Life Service APP", kept expanding the social influence of the "Heartwarming Food

Plan" Charity Public Welfare Program and raised money for nutritional lunch of rural poverty-stricken children. More than 7,000 citizens appeared in the live streaming room in the live streaming process that lasted for 2.5 hr. By the end of 2020, a total of RMB 368,000 was raised through online and offline channels of the "Heartwarming Food program" public welfare program, which ensured the nutritional lunch of one year for 300 children.

Case

Participated in the "Lord Mayor's Appeal"

"Lord Mayor's Appeal" is a traditional activity that London - a financial hub, holds once a year. In September 2020, dozens of our Chinese and foreign employees actively took part in the "Online City Walk" of "Lord Mayor's Appeal", having made contributions to local public welfare program through actual actions.



Case

Advanced Public Welfare for Children’s Health

SPD Bank has implemented the “Eyes on the World” Public Welfare Operation for Children’s Eye Health in conjunction with Shanghai Children’s Health Foundation and Shanghai Eye Disease Prevention and Treatment Centre since 2012, and launched the “Benevolence” series “Eyes on the World” charitable trust in 2016 jointly with our subsidiary Shanghai Trust. By the end of 2020, with the “Eyes on the World” charitable trust, we had helped 800 children from poor families who had suffered eye diseases (e.g. strabismus, congenital cataract and congenital glaucoma) in Shanghai, Chongqing, Kunming, Zunyi, etc. to receive surgical treatment successfully, so that these children could regain health and confidence. From 2016, SPD Bank cooperated with Shanghai Children’s Health Foundation and Aiyu Charitable Foundation in succession and kept implementing the “Dream Chasing Fireflies Initiative” Pediatric Staff Training Program”. By

2023, we will provide financial support for at least 900 frontline pediatric medical personnel from central and western regions for training in domestic famous Grade A tertiary hospitals; subsidize nearly 100 pediatric medical personnel from cooperative hospitals for learning in international hospitals with advanced pediatric medical level. By the end of 2020, with the “Dream Chasing Fireflies Initiative” program, we had subsidized 532 pediatric medical personnel accumulatively for training in Shanghai, Beijing, Chengdu, Hangzhou, Chongqing, Tianjin, etc. and the learners were from more than 110 hospitals in central and western 25 provinces, municipalities and autonomous regions, including over 20 key cities and counties for accurate poverty alleviation. In children’s health field, we made constant upgrading, deepened public welfare practice and contributed to the development of Chinese pediatric business continuously.

SPDB, together with China Children and Teenagers’ Fund and Shanghai Insurance Exchange, carried out “Carefree Plan” for Children’s Health Care Insurance from 2017, in which, PICC P&C acted as insurer. By the end of 2020, 650,000 insurance guarantee opportunities had been provided for poverty-stricken children accumulatively. The scope involved two prefectures and five counties (cities) of Yunnan Province: Wenshan Prefecture, Baoshan City, Jianchuan County, Dali, Chuxiong Prefecture, Fuyuan County, Zhenxiang County and Qiaojia County, and a total of 1,158 insurance compensations were provided for poverty-stricken children, with the amount of more than RMB 2.44 million. We enlarged guarantee function through insurance, so as to relieve economic burden of needy families, reduce risk of getting poor due to illness and protect children’s healthy growth.

Case

“SPDB Dream Drawing” Charitable Public Welfare Platform

Our Credit Card Center further implemented the characteristic public welfare theme publicity, gathered love and kindness through public welfare card product and integral donation activity and organized voluntary services (e.g. visiting special children)

constantly. With 167 million integrals gathered in 2020, “SPDB Dream Drawing” charitable public welfare platform received donations amounting to RMB 359,100 (including SPDB’s donation), with 1,300 drawing tool packages donated; more than 5,000

art healing courses and over 9,000 art healing course service opportunities were provided. All these efforts warmed the hearts of those children and their families and view count of their stories amounted to nearly 1 million.



• Voluntary Blood Donation Activity Implemented by Ningbo Branch



• “Donate Love Books to Students” Volunteer Activity Organized by Fuzhou Branch

Appendix

Key performance indicators

Table 1 Contribution to Social and Economic Value

Indicators	Unit	2020	2019	2018
Total assets	billion Yuan	7,950.2	7,005.9	6,289.6
Total loans	billion Yuan	4,534.0	4,025.9	3,598.5
Operating income	billion Yuan	196.4	190.7	170.9
Staff costs	billion Yuan	27.5	27.0	24.6
Interest payments	billion Yuan	156.4	153.2	155.6
Tax amount	billion Yuan	31.4	33.0	30.1
Total donations	million Yuan	52.92	33.86	10.19
Value of social contribution per share (by weighted average number of shares)	Yuan	9.22	9.22	9.02
Tier 1 capital adequacy ratio	%	11.54	11.53	10.79
Provision coverage rate	%	152.77	134.94	156.08
Non-performing loan ratio	%	1.73	2.03	1.90

Note: 1. The statistical coverage in Table 1 is based on group-wide data. Of which, the total loan in 2019 and 2018 is the date restated.  
2. The statistical coverage in Table 2 - Table 6 and Table 9 - Table 17 is based on data of the parent company (including overseas branches).  
3. The statistical coverage in Table 7 and 8 is based on data of head office.  
4. Total donations: The source of funds only refers to the administrative allocation of the whole bank, excluding other sources of funds such as employee donations.  
5. Value of social contribution per share: In the calculation formula of this indicator, except that the total public welfare investment is the amount of donations made by the Bank level of SPD Bank to external organizations, the other indicators are all financial indicator data at the consolidated level of the SPD Bank Group.

Table 2 Professional Ethics, Anti-corruption and Learning Education

Indicators	Unit	2020	2019	2018
Number of anti-money laundering trainings	sessions	520	350	590
Large-sum transaction report submitted	million	10	11	12
Suspicious transaction reports submitted	thousand	178	162	140



Table 3 International Business Development

Indicators	2020	2019	2018
Overseas institutions (number)	3	3	3
Total assets of overseas institutions (billion USD)	30.965	27.871	24.614
Balance of cross-border RMB settlement business (billion Yuan)	831.0	376.0	158.499
Cross-border RMB settlement business volume (transactions)	112,401	87,347	38,946

Note: "Overseas institution" refers to overseas branch, excluding overseas affiliated companies.

Table 4 Services for Small and Micro Enterprises

Indicators	Unit	2020	2019	2018
Inclusive loan balance for small and micro businesses	billion Yuan	270.958	204.089	165.637
Number of customers of inclusive loan for small and micro businesses	thousand	18.75	15	11.96

Note: Statistical coverage of loan balance of small and micro enterprises is changed to "inclusive loan balance for small and micro businesses", and data from previous years have been adjusted accordingly.

Table 5 Statistics on Services for "Agriculture, Countryside and Farmers"

Indicators	Unit	2020	2019	2018
Total balance of agricultural loans	billion Yuan	354.898	344.903	352.642
Proportion of agricultural loans to total loans	%	7.99	8.9	10.15

Table 6 Green Credit (billion Yuan)

Indicators	2020	2019	2018
1. Green agriculture development project	9.146	9.536	10.539
2. Green forestry development project	9.448	6.391	4.904
3. Industrial energy saving, water saving and environmental protection projects	26.763	20.873	20.793
4. Natural protection, ecological restoration and disaster prevention and control projects	18.274	17.358	14.438
5. Resource recycling project	14.218	12.653	11.038
6. Garbage treatment and pollution prevention project	25.749	21.329	14.644
7. Renewable energy and clean energy project	36.224	23.570	22.576
7.1 Solar energy project	7.527	6.311	5.676

Table 6 Green Credit (billion Yuan)

Indicators	2020	2019	2018
7.2 Wind power project	9.023	4.247	2.933
7.3 Biomass energy project	1.588	0.677	0.463
7.4 Hydroelectric power project	5.359	3.789	4.703
7.5 Other renewable energy and clean energy projects	12.491	8.359	8.370
7.6 Smart grid project	0.235	0.187	0.432
8. Rural and urban water projects	13.671	13.396	15.662
8.1 Rural drinking water safety project	1.220	0.996	1.276
8.2 Small-scale farmland water conservancy facilities construction project	0.737	0.870	1.696
8.3 Urban water saving project	11.714	11,530	12.690
9. Building energy conservation and green building	42.412	36,804	40.301
9.1 Green reconstruction project of existing buildings	5.172	5.264	7.802
9.2 Green building development, construction, operation and maintenance project	37.240	31.539	32.499
10. Green transportation project	54.692	56.118	54.259
10.1 Railway transportation project	20.774	18.713	13.218
10.2 Waterway regulation and ship purchase project	2.251	4.466	3.743
10.3 Urban public transport project	26.498	23.998	25.572
10.3.1 Urban public bus and tram passenger transport project	6.530	5.288	4.250
10.3.2 Urban rail transit project	19.968	18.710	21.323
10.4 Environmental protection projects for transportation	5.168	8.940	11.726
11. Energy conservation and environmental protection services	12.320	8.024	8.361
11.1 Energy saving services	5.414	2.650	2.109
11.2 Environmental protection services	4.386	3.961	3.645
11.3 Water saving services	1.793	1.410	2.284
11.4 Circular economy (resource recycling) services	0.727	0.003	0.323
12. Total	262.915	226.053	217.515



Table 6 Green Credit (billion Yuan)

Indicators	2020	2019	2018
13. EIA rate of loan projects	100%	100%	100%

Note: 1. The balance of green credit is disclosed according to the "Green Credit Guidelines" of the former CBRC.  
2. Green credit balance: Excluding green credit balance related to credit card centers, overseas branches and offshore businesses.  
3. EIA rate of loan projects: Excluding green loan EIA projects related to credit card centers, overseas branches and offshore businesses.

Table 7 Energy Consumption

Year	Office water consumption (thousand tons)	Office electricity consumption (thousand kWh)	Consumption of petrol for official vehicles (thousand liters)	Copy paper purchased (Packs)
2020	130.8	43,586	52.8	10,429
2019	146.5	37,541.7	54.3	9,530
2018	147.7	42,942.5	50.7	9,281

Note: 1. Office water consumption: Including the office water consumption of the Bund Headquarters Building, Dongyin Building, SPD Bank Information Center and Zhangjiang Operation Center.  
2. Office power consumption: Including the office power consumption of the Bund Headquarters Building, Dongyin Building, SPD Bank Information Center and Zhangjiang Operation Center.  
3. Copy paper purchased: Including copy paper purchased by Bund Headquarters Building, Dongyin Building, SPD Bank Information Center, Yashi Building and Zhangjiang Operation Center.

Table 8 Digital Meetings

Meeting Type	2020	2019
Videophone conference	3,144	4,898
Important executive meetings	42	41
Regular local meetings	879	1,004
Online video invigilation	45	42
System exercise and launch	3	7
Total	4,113	5,992

Note: 1. Statistical coverage of 2020 excludes the newly WeChat meeting channel.

Table 9 Proportion of Credit Card Electronic Bills

Year	Total annual bills (copies)	Electronic bills (copies)	Proportion of electronic bills (%)
2020	282,260,562	280,914,531	99.52%
2019	281,134,859	277,563,480	98.73%
2018	234,020,994	221,608,888	94.70%

Table 10 Credit Card Complaint Rate and Satisfaction Rate

Year	Complaint rate%	Satisfaction rate %
2020	0.10%	98.72%
2019	0.03%	98.50%
2018	0.07%	99.15%

Table 11 Service Channel Construction

Indicators	Unit	2020	2019	2018
ATM, foreign currency exchange machine, VTM and other self-service facilities	(number)	9,250	9,580	9,971
Rural outlets (including the number of community banks)	(number)	163 (45)	172 (52)	170 (59)
Community financial service points (Community sub-branches, small and micro sub-branches)	(number)	459	490	579

Table 12 Information on Electronic Banking

Service classification	Transaction scale (million transactions)	Environmental benefits (approximately equal to)		
		Planted trees (thousand)	CO <sub>2</sub> Emission Reduction (Tons)	Quantity of paper reduced (Tons)
Online banking	103	378.1	5,295.54	21,314.44
Mobile banking	1,486			

Note: Statistics include individual customers and enterprise customers.

Indicators	Unit	2020	2019	2018
Replacement rate of transaction volume in electronic channels	%	99.40	98.29	97.81

Note: 1. Replacement Rate of Transaction Volume in Electronic Channels: Excluding the number of transactions completed in overseas branches, offshore businesses and the credit card center SPDB Credit card software, and excluding the number of transactions completed by other banks on behalf of the Bank.

Table 13 Customer Feedback from Customer Service Hotline

Indicators	2020	2019	2018
Cumulative numbers of Customer service center staff (persons)	745	743	692
Timely handling rate of customer complaints (%)	99.86%	99.90%	99.94%

Note: 1. On-time handling rate of customer complaints: Excluding complaints through credit card centers, overseas branches and offshore businesses.



Table 14 Donations by SPD Bank Customers through Online Donation Platform

Year	Number of donations	Amount (thousand Yuan)
2020	65,145	807.9
2019	76,375	851.0
2018	53,437	427.2

Note: Statistics include individual customers and enterprise customers.

Table 15 Basic information of employees

Indicators	2020	2019	2018
Total number of employees	59,051	55,509	53,019
Labor contract signing rate	100%	100%	100%
Social insurance coverage rate	100%	100%	100%
Number of new employees	6,252	4,628	2,912
Number of female employees	30,793	28,991	27,924
Ratio of male to female employees	0.9:1	0.9:1	0.9:1
Proportion of female managers (direct management)	21%	20%	22%
Number of employees of ethnic minorities	2,034	1,805	1,682
Bachelor degree or above	49,715	44,019	41,916
College degree	9,336	11,490	11,103
Overseas employees	373	349	300
Employee medical examination coverage rate	100%	100%	100%
Staff turnover rate	4.8%	5.8%	7.9%
Employee satisfaction	>80%	>80%	>80%
Number of paid vacation days per employee	According to national regulations	According to national regulations	According to national regulations

Table 16 Staff Training

Year	Number of training programs (sessions)	Number of training opportunities provided	Expenditure (million Yuan)	Per capita expenditure (Yuan)	Duration of training per capita (days)
2020	1,905	26,173,932	72.507	1,227.87	64 (6 hours/day, same below)
2019	2,471	8,856,344	114.43	2,121.28	62
2018	1,583	7,950,000	102.23	1,929.00	39

Note: Staff training expenditure: Excluding staff training expenditure related to credit card centers, overseas branches and offshore businesses.

Table 17 Protection of Staff Rights and Interests

Indicators	Unit	2020	2019	2018
Trade union coverage	%	100	100	100
The establishment rate of the workers' congress	%	98	98	98
Amount of disaster relief	Thousand Yuan	15,780	162.1	22.1
Amount of medical assistance	Thousand Yuan	5,384.5	2,950	6,260
Amount of living assistance	Thousand Yuan	9,867	8,540	10,970



# INDEPENDENT ASSURANCE REPORT

Shanghai Pudong Development Bank Co., Ltd.

Independent Limited Assurance Report of Key Data  
in Corporate Social Responsibility Report 2020

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Independent limited assurance report

Board of Directors of Shanghai Pudong Development Bank Co., Ltd.:

Entrusted by the Board of Directors of Shanghai Pudong Development Bank Co., Ltd., we carried out a limited assurance engagement on the selected key data of 2020 (hereinafter referred to as “key data”) disclosed in the Corporate Social Responsibility Report 2020 of Shanghai Pudong Development Bank Co., Ltd. (“your company”).

I. Key data

In this report, a limited assurance procedure was implemented for the following selected key data of Corporate Social Responsibility Report 2020 of your company:

- Inclusive loan balance for small and micro businesses (billion Yuan)
- Timely handling rate of complaints (%)
- Staff training expenditure (million Yuan)
- Total donations (million Yuan)
- Balance of green credit (billion Yuan)
- Replacement rate of transaction volume in electronic channels (%)
- EIA rate of loan projects (%)
- Number of new outlets (number)
- Video conference (sessions)
- Value of social contribution per share (Yuan)
- Office water consumption (thousand tons)
- Office electricity consumption (thousand kWh)
- Copy paper purchased (packs)

Our assurance engagement is limited to the selected key data of 2020 disclosed in the Corporate Social Responsibility Report. Other information disclosed in the Corporate Social Responsibility Report and information of 2019 and previous years are not included in our scope of engagement.

KPMG Huazhen LLP, a People's Republic of China partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited ("KPMG International"), a private English company limited by guarantee.

毕马威华振会计师事务所(特殊普通合伙)——中国合伙制会计师事务所,是与英国私营担保有限公司—毕马威国际有限公司(“毕马威国际”)相关联的独立成员所全球性组织的成员。

Independent limited assurance report

II. Standard

The standards adopted by your company in compiling the key data of the Corporate Social Responsibility Report 2020 are listed in the compilation basis of key data in Appendix 1 (hereinafter referred to as “compilation basis”) of this report.

III. Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors of your company to compile the key data of the Corporate Social Responsibility Report 2020 according to the compilation basis. This responsibility includes the design, implementation and maintenance of internal control related to the compilation of key data of Corporate Social Responsibility Report, so that there is no material misstatement caused by fraud or error in these data.

IV. Our independence and quality control

We comply with the independence and other professional ethics requirements in the Code of Ethics for Certified Public Accountants issued by the International Council for Professional Ethics of Accountants. The basic principles of the code of professional ethics are honesty, objectivity, professional competence, due care, confidentiality and good professional behavior.

We follow the International Quality Control Standard No.1, and maintain a comprehensive and systematic quality control system, including policy and procedure documents related to compliance with professional ethics requirements, professional standards and applicable laws and regulations.

V. Responsibilities of Certified Public Accountants

Our responsibility is to publish our conclusions on the key data of the Corporate Social Responsibility Report 2020 on the basis of assurance engagement.

We performed the assurance engagement according to the International Standard on Assurance Engagements 3000: Assurance Engagement Other Than Audits or Reviews of Historical Financial Information, which requires us to plan and implement the engagement to form the assurance conclusion.



Independent limited assurance report

VI. Summary of the Engagement Performed

The nature and duration of the procedures implemented by limited assurance engagement differ from those of reasonable assurance engagement, and the scope is smaller. Therefore, the assurance extent of limited assurance engagement is significantly lower than that of reasonable assurance engagement. Therefore, we will not offer reasonable assurance opinions on whether the selected key data of 2020 disclosed in the Corporate Social Responsibility Report 2020 were compiled according to the compilation basis in all major aspects. Our assurance engagement includes assessing whether the key data of the Corporate Social Responsibility Report 2020 have material misstatement risks caused by fraud or errors, and responding to the assessed risks if necessary. The assurance procedure chosen depends on the judgment of certified public accountants and our assessment of project risks. Our engagement includes:

- 1)Interview the staff of relevant departments involved in providing the selected key data disclosed in the Corporate Social Responsibility Report, and inquire about the process of collection and consolidation of the key data, as well as the relevant system-based or manual data retrieval logic and methods;
- 2)Implement analysis procedures for key data;
- 3)Check some key financial data in social responsibility report against accounting data to inspect the consistency of relevant data;
- 4)Carry out sampling inspection on the key data in the selected Corporate Social Responsibility Report, and check the sample information against the relevant internal documents or relevant external regulatory public information of your company;
- 5)Recalculate the detailed total amount or related indicator results of some key data.

VII. Inherent limitations

We draw users’ attention to the fact that there is no recognized evaluation and measurement standard system available for non-financial data, so a non-uniform measurement method was adopted, which would affect the comparability of inter-company data.

VIII. Conclusion

Based on the implemented procedures and obtained evidence, we did not notice anything that would lead us to believe that the selected key data of 2020 disclosed in the Corporate Social Responsibility Report 2020 were not compiled according to the compilation basis in all major aspects.

Independent limited assurance report

IX. Limitations on use

This report is only issued to the Board of Directors of your company solely for the stated purpose. We will not assume any responsibility for the contents of this report towards any other person.

KPMG Huazhcn LLP

Beijing, China

Date: March 25, 2021



# COMPILATION BASIS OF KEY DATA

<p>Inclusive loan balance for small and micro businesses (billion Yuan): Inclusive loan balance for small and micro businesses is the balance of on-balance-sheet loans classified as small and micro loans by Shanghai Pudong Development Bank Co., Ltd. as of December 31, 2020 according to the statistics of the regulatory authorities, mainly referring to small and micro businesses loans with a total credit of less than 10 million Yuan (inclusive), other inclusive loans for organizations and individual (non-farmer) business and balance of inclusive business loans for farmers with a credit of less than 5 million Yuan per household (inclusive) The classification standard of inclusive small and micro loans follows the loan types defined in the <i>Notice of the General Office of China Banking and Insurance Regulatory Commission, China on Promoting the Financial Services of Small and Micro businesses in 2020: "Increase quantity and expand coverage, improve quality and reduce costs"</i> issued by the General Office of China Banking and Insurance Regulatory Commission [2020] No.29.</p>	
<p>Timely handling rate of customer complaints (%): refers to the total proportion of complaints initiated in 2020 which were filed by Shanghai Pudong Development Bank and for which the application for extension of complaint handling was approved within the specified time according to the <i>China Banking and Insurance Regulatory Commission Order [2020] No.3 on Administrative Measures of Consumer Complaints Handling in Insurance Industry</i> and relevant management measures of the Bank. The above complaints only refer to the online complaints and designated customer service hotline complaints of Shanghai Pudong Development Bank, and do not include complaints lodged via credit card centers, overseas branches and offshore businesses.</p>	
<p>Staff training expenditure (million Yuan): refers to the total expenditure of internal training programs and on-line training programs organized by the whole bank in Shanghai Pudong Development Bank in 2020, which has been approved by the Human Resources Department, excluding staff training expenditure related to credit card centers, overseas branches and offshore businesses.</p>	
<p>Total donations (million Yuan): refers to the cash amount donated to public welfare projects related to public welfare and social development in the name of Shanghai Pudong Development Bank in 2020. The source of funds for this external donation only refers to the administrative allocation of the whole bank, excluding other sources of funds such as staff donations.</p>	
<p>Balance of green credit (billion Yuan): refers to the balance in the green credit table of Shanghai Pudong Development Bank at the end of 2020. The balance of green credit refers to the <i>Notice of the General Office of the China Banking Regulatory Commission on Submitting Statistical Tables of Green Credit</i> (CBIRC [2013] No.185), but the statistics do not include the balance of green loans related to credit card centers, overseas branches and offshore businesses.</p>	
<p>Replacement rate of transaction volume in electronic channels (%): refers to the proportion of successful transactions of Shanghai Pudong Development Bank's electronic channels (including personal mobile phones, personal online banking, corporate mobile phones, corporate online banking, self-service banking, telephone banking and POS) except counter trading channels in 2020 to the total number of successful transactions of counter trading channels and electronic channels in the whole year. This statistic does not include the number of transactions in overseas branches, offshore businesses and SPDB Credit Card APP of the credit card centers, and does not include the number of transactions completed by other banks on behalf of the Bank.</p>	
<p>EIA rate of loan projects (%): refers to the ratio of the number of administrative licenses related to EIA obtained in the green credit project loans of Shanghai Pudong Development Bank by the end of 2020. This statistic does not include green loan EIA projects related to credit card centers, overseas branches and offshore businesses.</p>	

<p>Number of new outlets (number): This indicator reflects the net change of the number of domestic outlets of Shanghai Pudong Development Bank in 2020. A negative figure would indicate a decrease in the number of outlets. Outlets refer to the number of branches approved by the regulatory authorities, including tier-one branches, tier-two branches, tier-one sub-branches, tier-two sub-branches, community sub-branches, and small and micro sub-branches. Branches that have obtained approval for operations but have not yet started business are also included in this statistics.</p>	
<p>Video conference (sessions): refers to the number of meetings initiated by the Head Office of Shanghai Pudong Development Bank and held between users in two or more places via TV and telephone in 2020.</p>	
<p>Value of social contribution per share (Yuan): refers to the total value created for other stakeholders by increasing the tax created in 2020, the salary paid to staffs, the interest expenses paid to creditors and the total donations on the basis of the basic earnings per share created by Shanghai Pudong Development Bank for shareholders, so as to calculate and form the social value-added amount per share. The calculation formula is: Value of social contribution per share = earnings per share+(various taxes paid+staff expenses+interest expenses+total public welfare investment)/weighted average share capital. In this formula, except that the total amount of public welfare investment is the total donations of Shanghai Pudong Development Bank at the bank level, the other indicators are the combined financial indicator data of Shanghai Pudong Development Bank at a group-wide level.</p>	
<p>Office water consumption (thousand tons): refers to the tap water consumption of the office area at the head office level of Shanghai Pudong Development Bank in 2020. The office areas at the head office level here include the Bund Headquarters Building, Eastern Tower, Shanghai Pudong Development Bank Information Center and Zhangjiang Operation Center.</p>	
<p>Office electricity consumption (thousand kWh): refers to the power consumption of the office area at the head office level of Shanghai Pudong Development Bank in 2020. The office areas at the head office level here include the Bund Headquarters Building, Eastern Tower, Shanghai Pudong Development Bank Information Center and Zhangjiang Operation Center.</p>	
<p>Copy paper purchased (packs): refers to the purchase quantity of copy paper in 2020 in the office area at the head office level of Shanghai Pudong Development Bank. The office areas at the head office level here include the Bund Headquarters Building, Eastern Tower, Shanghai Pudong Development Bank Information Center, Longmont Yes Tower and Zhangjiang Operation Center.</p>	



# FEEDBACK FROM READERS

Thanks for reading the *2020 SPD Bank Corporate Social Responsibility Report*. As the first commercial bank in China's banking industry to issue corporate social responsibility report, this is the 16<sup>th</sup> consecutive report issued by SPD Bank.

In order to provide valuable information to you and other interested parties in a better way and, promote the supervision on our social responsibility work and increase the ability and level of performing social responsibility, SPD Bank sincerely invites you to offer valuable comments and suggestions with regard to the report.

1. Your overall evaluation on corporate social responsibility report of SPD Bank:

☐Good   ☐Relatively good   ☐Average   ☐Relatively bad   ☐Bad

2. Your overall evaluation on SPD Bank's performance of its economic, social and environmental responsibilities:

Economic:      ☐ Good    ☐ Relatively good    ☐ Average    ☐ Relatively bad    ☐ Bad

Social:           ☐ Good    ☐ Relatively good    ☐ Average    ☐ Relatively bad    ☐ Bad

Environmental:   ☐ Good    ☐ Relatively good    ☐ Average    ☐ Relatively bad    ☐ Bad

3. Do you think this report can reflect the influence of SPD Bank's practice of social responsibility on the economy, society and environment?

☐Absolutely   ☐Very well    ☐Average    ☐Not very well    ☐No

4. What do you think about the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?

Clarity:            ☐ Good    ☐ Relatively good    ☐ Average    ☐ Relatively bad    ☐ Bad

Accuracy:         ☐ Good    ☐ Relatively good    ☐ Average    ☐ Relatively bad    ☐ Bad

Completeness:   ☐ Good    ☐ Relatively good    ☐ Average    ☐ Relatively bad    ☐ Bad

5. Do you think the content arrangement and format design of this report is convenient for reading?

☐Yes    ☐Average    ☐No

6. Other comments or suggestions to SPD Bank's social responsibility work and this report.