



Develop Ourselves into a First-Class Joint-Stock Commercial Bank with International Competitiveness in All Respects



Service Hotline
95528
www.spdb.com.cn

Shanghai Pudong Development Bank Co., Ltd.
No. 12, Zhongshan Dong Yi Road, Shanghai, China
Post Code: 200002

Corporate Social Responsibility Report 2022



新思维 心服务

2022

SPD BANK
Corporate Social
Responsibility Report



Contents

Notes to the Report	04
Concept of Responsibility	05
A Word from the Secretary of the Party Committee and Chairman of SPD Bank	06
A Word from the President	08

Governance	10
Corporate Governance	12
Risk and Compliance	14

Practice	16
Safeguard the Economy and Build a Solid “Ballast Stone” for High-quality Development	18
Safeguard the Economy and Build a Solid “Ballast Stone” for High-quality Development	26
Upgrade the Level of Inclusive Financial Services	31
Escort the Growth of Sci-tech Innovative Enterprises	34
Extensively Develop Cross-border Financial Services	37
“Pioneer” in Green and Low-carbon Transformation and Embrace the Future through Green Innovation	40
Feature: Deal with Climate Change and Advocate Biodiversity	41
Promote Green Bank Construction	47
Innovate Green Financial System	49
Practice Green and Low-carbon Operations	52
Work Ingeniously to Draw a “New Blueprint” for a Better Life	57
Feature: Brighten the Urban Life of “New Citizens” with Caring and Innovative Services	58
Offer Heartfelt Customer Services	59
Help Employees Develop	60
Devote Ourselves to Social Public Welfare	61

Appendix	64
Key Performance Indicators	64
Independent Authentication Report	71
Compilation Basis of Key Data	75
GRI STANDARD Index	77
ESG Index	81
Feedback from Readers	83



Notes to the Report

Report period	From January 1 to December 31, 2022, with reference to contents and data from previous years as needed	
Latest release	April 2022	
Report cycle	Annual	
Publication history	SPD Bank published the first CSR report in China's banking industry in 2006 and has published CSR reports for 18 consecutive years	
Basis of Preparation	<p>This report meets the relevant requirements of <i>Opinions on Strengthening the Social Responsibility of Banking Financial Institutions</i> issued by the former China Banking Regulatory Commission, <i>Guidelines on the Corporate Social Responsibility of Banking Institutions of China</i> issued by China Banking Association, and <i>Guidelines No. 1 for Self-regulation of Companies Listed in Shanghai Stock Exchange - Standardized Operation</i></p> <p>It is prepared with reference to the <i>Guidelines on Environmental, Social, and Governance Reporting</i> issued by The Stock Exchange of Hong Kong, Taskforce on Climate-Related Financial Disclosures (TCFD) by Financial Stability Board, <i>ISO 26000: Guidelines on Social Responsibility (2010)</i> issued by the International Organization for Standardization, and <i>GRI Sustainable Development Reporting Standards</i> issued by the Global Reporting Initiative (GRI)</p>	
Report scope	<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 Wealth Management, 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>	
Data source	The data are derived from internal documents, reports, and relevant statistical data	
Report assurance	In order to ensure the authenticity and reliability of the report, KPMG Huazhen Certified Public Accountants (Special General Partnership) was employed to perform a limited assurance engagement for selected key data disclosed in the report and to issue an independent assurance report in accordance with <i>International Standard on Assurance Engagements 3000: Assurance Engagement Other Than Audits or Reviews of Historical Financial Information</i>	
Release forms	The report is published in both print and online formats, and the electronic version can be found at SPD Bank's official website and its WeChat account "Meet SPD Bank" Official website: https://www.spdb.com.cn	
Printed on	Prepared by	Contact information
Environmental-friendly paper	General Office of SPD Bank	Address: No.12, Zhongshandongyi Road, Huangpu District, Shanghai, PRC Postcode: 200002 Tel: 86-21-61618888 Fax: 86-21-63232036

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.

Action Guidelines on Corporate Social Responsibility

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. Act according to the law and in good faith, 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, serve the public with advanced financial concepts, and innovate financial experience for the public.	03 People-oriented, with unified sense of value. Create value for stakeholders to the greatest extent and realize the harmonious unity of company value and stakeholder value.
04 Devote love and pay back to the society. Actively support and participate in public welfare and charity activities, carry forward SPD Bank's volunteer concept of "dedication, mutual aid, friendship and progress" through ongoing volunteer activities, safeguard and promote social interests, and realize the coordinated development of the Bank and the society.	05 Implement 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 by leveraging business behaviors and market mechanisms, and build a low-carbon bank in China's financial industry.



A Word from the Secretary of the Party Committee and Chairman of SPD Bank

2022 is an extremely important year in the history of the Communist Party of China (CPC) and the country. The CPC's 20th National Congress formulated a grand blueprint for comprehensively building a modern socialist country, pointed out the direction for the development of the Party and the country, and provided fundamental guidance for the high-quality development of SPD Bank. Over the past year, SPD Bank earnestly studied and implemented the spirit of the 20th National Congress. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we continued upholding the original aspiration of "Serving the Country and the People with Financial Strength". Anchoring the goal of "Comprehensive First-class", we had continuously improved our level of financial services for the real economy, technological innovation, and industrial upgrading, steadily promoted the strategy of "Asset-light Bank, Green Bank, and Panoramic Bank", and abidingly made new improvements and breakthroughs in our high-quality development.

Safeguarded the economy and built a solid "ballast stone" for high-quality development. Always having the bigger picture in mind, SPD Bank effectively strengthened its political stance, aligned its own development to the overall plan of the national development strategies, and fully served the national major strategies and major tasks of Shanghai. Taking serving the real economy as the starting point and ultimate objectives of our work, SPD Bank increased financial support for manufacturing and other key industries, actively provided preferential services with lower fees for small and medium-sized enterprises, and introduced a series of measures to help ensure stable economic development. We continuously increased our support for major national strategies and urban agglomerations construction such as the integrated development of the Yangtze River Delta, the coordinated development of Beijing-Tianjin-Hebei, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the Belt and Road Initiative, the rise of central China, and the revitalization of northeast China, in a bid to better support regional coordinated development and live up to our responsibilities in our services.

Accelerated service upgrading by innovation empowerment. Taking innovation as the primary driving force for development and attaching more importance to it, SPD Bank quickened up the improvement of digital technology and customer experience, continuously improved the level, quality, and efficiency of financial services, and further increased the supply of financial products and services to empower high-quality development. As a pioneer in the domestic field of financial services for sci-tech enterprises, we have always firmly implemented the national strategy of building a sci-tech powerhouse and have been actively engaged in the field of financial services for sci-tech enterprises for a long time. We launched a brand of "SPD Sci-tech Innovation" and built for the high-tech industry a finance ecosystem integrating "stock, debt and loan", which covered the whole life cycle of sci-tech enterprises. We fully served strategic emerging fields, the commercialization of sci-tech achievements, and the development of specialized, sophisticated, special and new enterprises as well as high-tech enterprises supported by the state as a major priority. We constantly strengthened the innovation and supply of our products and services, focusing on key areas such as sci-tech innovation, inclusive finance, and free trade. We made a name for ourselves with unique business offerings at SPD Bank, gaining a first-mover advantage, and further enhancing market influence.

Pioneered in the low-carbon transition through green innovation. We actively embraced the trend towards green and low-carbon transition, explicitly incorporated low-carbon transition and green development into our strategic plans, and promoted green transition of the balance sheet structure, product and service models, and corporate culture. We continued innovating our green finance service model to better support the country's economic transition and development. We continuously increased financial supply and allocated more financial resources to green and low-carbon industries. We built comprehensive carbon financial service capabilities covering basic functional services, product innovation, trading and market making, and capacity building in the carbon market, and comprehensively promoted carbon neutrality in our own operations and asset portfolio, making steady progress on the path to "Green Bank". We consistently explored the field of green finance, directed more funds to invest in green projects such as green buildings, green transportation, clean energy, and solid waste treatment, and fully supported the realization of the national goals of carbon peaking and carbon neutrality.

Painted a new blueprint for a better life with innovation. We devoted ourselves to the mission of "Finance Creates Value for Better Life", and contributed to the high-quality development of the economy and society. Adhering to the customer-centric business philosophy, we persistently strengthened consumer rights protection, optimized service processes, and enhanced customers' sense of gain, happiness, and security during our financial services. Adhering to the talent view of "Pursue a people-centric approach to discover talent people and put them in suitable positions", we guided talent development with a talent brand strategy. We vigorously promoted the spirit of dedication, sense of responsibility, and consideration of the whole interests, and effectively enhanced the cohesion and working competence of our talent team. We established the SPDB Foundation, in an effort to better implement the concept of "Serving and benefiting the people with financial strength" and exerts greater efforts with love for the public welfare. We integrated ESG concepts into our whole business management process, actively fulfilled economic, environmental, and social responsibilities, and worked together with stakeholders to create a better future.

The journey is brilliant, yet there is a long way to go. 2023 is the beginning year for the comprehensive implementation of the spirit of the 20th National Congress of the Communist Party of China, and a key year for the implementation of the 14th Five-Year Plan. It is also the 30th anniversary of SPD Bank and an important year for the realization of the "Dream of the SPD Bank". SPD Bank will always take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, bear in mind the "National Priorities", and commit itself to serving the country through finance, strive in unity for the goal of "Comprehensive First-class", and enable the spirit of the 20th National Congress to blossom and bear fruit in SPD Bank. We will make greater contributions in key sectors of the real economy, such as manufacturing, sci-tech innovation finance, inclusive finance, green finance, rural revitalization, and cross-border finance, as well as in the Chinese-style modernization. We will follow the long march of high-quality development of the SPD Bank in the new era and steadily move forward toward "a first-class joint-stock commercial bank with international competitiveness in all respects".



A Word from the President

In 2022, SPD Bank studied and implemented the spirit of the 20th National Congress of the Communist Party of China, thoroughly implemented the decisions and deployments of the Central Committee of the Communist Party of China, the State Council and the Shanghai Municipal Party Committee and Shanghai Municipal Government, and fulfilled various regulatory requirements. We focused on strategic plans and innovation plans of the "14th Five Year Plan", continued promoting the transitions to light asset, low carbon, and digitalization, and fully served the national major strategies, real economy, and major tasks of Shanghai. We built up our reputation as the "Bank of the Yangtze River Delta" and the "Bank Going Global from the Yangtze River Delta", forged ahead with concerted efforts, and took firm steps toward high-quality development.

In 2022, SPD Bank achieved annual operating revenue of 188.6 billion yuan, paid 28.6 billion yuan in taxes and costs, and contributed 9.17 yuan per share to society, ranking 18th in the "Top 1000 World Banks" and 226th in the "Fortune 500", boasting a comprehensive strength consistently ranking in the forefront among our joint-stock peers.

In the economic field, we always adhered to the original aspiration of serving national and regional strategies as well as the economic and social development of Shanghai. Through comprehensive financial services across industries, markets, and fields, we comprehensively served the overall interests of high-quality development. We accelerated the "urban integration" of various financial services such as payment settlement and joint credit and fully promoted the integrated development of the Yangtze River Delta. We further gave play to the Group's collaborative advantages, persistently increased support for national major regional strategies and urban agglomeration construction, such as the Belt and Road initiative, the coordinated development of Beijing-Tianjin-Hebei, and the building of the Guangdong-Hong Kong-Macao Greater Bay Area in a bid to better support regional coordinated development. We spared no efforts in helping build Shanghai into a global sci-tech innovation center, providing full lifecycle services for sci-tech enterprises, and forming a comprehensive and intelligent solution covering the full process and full market. We were among the first in the industry to establish branches in Shanghai Pilot Free Trade Zone and Lin-gang Special Area to build international financial service platforms for free trade as well as offshore, overseas branches, and overseas investment banks. By the end of 2022, we had served over 50 thousand sci-tech enterprises, with a loan balance of over 390 billion yuan, serving over 70% of the companies listed on the Sci-tech Innovation Board, gradually building up a market reputation of "Go to SPD Bank for listing on the Sci-tech Innovation Board". We had provided free trade zone separate accounting (FT account) services for more than 5,000 enterprises, with a total of 65 billion yuan in FT deposits and 60 billion yuan in FT loans, both of which were among the top in the market.

In the environmental field, we firmly moved on the path to "Green Bank" and promoted the green transition of our asset liability structure, product service models, and corporate culture. We continuously increased financial supply, guided and allocated more financial resources towards green and low-carbon industries. We built comprehensive carbon financial service capabilities covering basic functional services, product innovation, trading and market making, and capacity building in the carbon market, and comprehensively promoted carbon neutrality in our own operations and asset portfolios. SPD Bank officially became a supporting institution of the Taskforce on Climate-Related Financial Disclosures (TCFD), launching new explorations in environmental information disclosure by financial institutions. By the end of 2022, SPD Bank's green finance business scale had exceeded 1 trillion yuan, covering corporate business, retail business, financial market business and all subsidiaries of the Group. The balance of green credit reached 427.1 billion yuan. Since the launch of the support tool for carbon emission reduction, a total of 34 billion yuan of carbon emission reduction loans had been issued, ranking among the top in the joint-stock banks.

In the social field, we adhered to customer centricity, continuously met the needs of financial services for people's livelihood, and committing to working together with all stakeholders to create a better life. We attached the great importance to the protection of consumer rights and interests, steadily promoted the consumer protection management system, and effectively protected the personal information of consumers. We optimized financial services for new citizens, elderly customers, and other groups to help enhance their sense of gain, happiness, and security during financial services. We adhered to a people-first approach, connected with major talent plans such as "Shanghai Leading Talents", "Shanghai Golden Talent Project", and "Shanghai State-owned Assets Talent", constantly deepened the "SPDB Talent Pool" project of SPD Bank, and made rapid progress in talent team building. Bearing in mind the responsibilities of "corporate citizenship", we continuously innovated public welfare models and shouldered the responsibilities of state-owned financial institutions. In 2022, we donated a total of 47.95 million yuan in rural revitalization, children's health promotion, poverty alleviation and disaster relief, and won the first "Shanghai Charity Award" Corporate Donor Award and the "Annual Public Welfare Enterprise" Award at the 7th China Annual Conference on Philanthropy.

In 2023, SPD Bank will take the spirit of the 20th National Congress of the Communist Party of China as the guidance, adhere to the principle of "Serving the Country and the People with Financial Strength", and keep the "National Priorities" in mind. Focusing on key areas and weak links of the real economy, we will continuously improve financial service capabilities, strive to build "Lightweight Bank, Green Bank, and Panoramic Bank", and promote high-quality development to achieve new results with all our strengths. All staff of SPD Bank will continue striving with high spirits, promote development with strategic guidance, and lay a solid foundation with institutional construction. Through brand building, we will strengthen confidence, enhance cohesion, forge ahead on a new journey and make contributions in a new era, in a bid to jointly build the dream of SPD Bank.

Governance

Corporate Governance — 12

Risk and Compliance — 14



Corporate Governance

- SPD Bank persisted in integrating its own development into the big picture of the development of the socialism with Chinese characteristics. We gave full play to the role of Party Committees as the core of leadership and continuously improved the corporate governance system. We effectively integrated the leadership of the Party into all aspects of corporate governance. In particular, we gave full play to the role of Party Committees in "controlling the direction, managing the overall situation, and ensuring implementations", continuously optimized the "pre-procedural" work system, constantly improved the "three major issues and use of large funds" decision-making system, further strengthened the coordination and cooperation between the Party Committee and the board of directors, supervisory board, and senior management, and promoted the gradual improvement of the modern corporate governance system.
- Throughout the year 2022, we held 27 meetings of the Party Committee and 12 meetings of the head office's work leading group of "stabilizing growth and promoting development" to fully support national major strategies, serve the innovative development of the real economy, help build a modern industrial system, increase support for key areas such as sci-tech innovation, inclusive finance and green finance, and strengthen bail-outs for weak links and related industries and groups. In the new era and new journey, we made greater contributions in serving the overall economic and social development of the country.
- The Board of Directors of the Bank attached great importance to strengthening ESG management responsibility, paid attention to the performance of corporate social responsibility, and took corporate social responsibility as an organic component of SPD Bank's culture, brand, and core competitive edge, forming competitiveness with SPD Bank's characteristics.
- In terms of the structure of the Board of Directors, by the end of the reporting period, the Bank had 12 directors (including 1 female director) in office, including 4 executive directors, 3 equity directors, and 5 independent directors. The Bank focused on maintaining a diversified and specialized board structure in terms of gender, age, region, professional experience, knowledge and skills to make more scientific decisions.
- In terms of strategic guidance, the "14th Five Year Strategic Plan" reviewed and approved by the Bank's Board of Directors clearly put forward to strengthen the "Five in One" strategic layout, that is, to promote SPD Bank to make it the preferred bank trusted by customers, a high-quality blue chip in the capital market, a warm home for employees to share fruits of development, a systemically important bank with compliance and robustness as well as regulatory reassurance, and an outstanding corporate citizen which is respected and trusted, with the corporate value aligned to the social value.
- In terms of the performance of the Board of Directors, seven board meetings were held in 2022 to review ESG-related proposals to effectively fulfill the board's responsibilities in green finance, inclusive finance, consumer protection, employee development, public welfare and charity and social responsibilities, and promote the infusion of ESG concepts into corporate governance.
- In terms of the performance of the special committee of the board of directors: during the reporting period, the previous Strategy Committee of the Board of Directors (Inclusive Financial Development Committee) was officially renamed to the "Strategy and Sustainable Development Committee of the Board of Directors (Inclusive Financial Development Committee)" with added responsibilities such as "being responsible for reviewing the company's social responsibilities, green finance, ESG (environmental, social and governance) and other sustainable-development related strategic planning and basic management systems, reviewing the green finance goals and sustainable-development related reports formulated by the senior management, and supervising and evaluating the implementation of sustainable-development related strategies". The previous Risk Management Committee was renamed to the "Risk Management and Related-Party Transaction Control Committee (Consumer Rights Protection Committee)", with further strengthened responsibilities in consumer protection, anti-money laundering, anti-terrorism financing, related-party transaction management, and promotion of the rule of law, so as to fully play its role in assisting the board of directors in scientific decision-making.





浦发银行
SPD BANK

Mission	Finance creates value for better life
Vision	Develop ourselves into a first-class joint-stock commercial bank with international competitiveness in all respects
Core values	Stick to integrity and strive for excellence
Corporate spirit	Strive with one heart
Organizational climate	Optimism, plainness, unity and sharing
Manager image	Righteous, wise, pioneering and responsible
Employee image	Dedicated, professional, innovative and promising
Brand proposition	New thinking, heartfelt service
Code of clean conduct	Act with probity, excel with expertise
Green initiative	Low-carbon lifestyle and green future

View of development: Adhere to long-termism for stable operation in the long run

View of talent: Pursue a people-centric approach to discover talent people and put them in suitable positions

View of risk: Make forward looking, precise judgment, take actions prudentially, and know where to stop

View of management: Conduct lawful and compliant management for intensive and efficient operation

View of business performance: Seek high quality and sustainable business development

Risk and Compliance

Digital Risk Control

In 2022, we advanced the development of digital risk control on mobile terminals and large screen terminals according to our blueprint and strengthened the application of three tools: customer risk warning, off-site monitoring, and risk detection engine. We carried out risk monitoring in the aspects of customers, institutions, products and industries, established a weather forecast monitoring system, and embedded the monitoring results into business processes to realize the control of five key items such as customer list, major public sentiment, group monitoring, product monitoring and risk transmission to promote the control of all risks.

Data Security Governance

We continuously strengthened data security and customer privacy protection, established a full-cycle and multi-level data security system, and effectively protected the entire bank's business and data security. In 2022, SPD Bank was evaluated by the China Academy of Information and Communication Technology and obtained Level 3 (the highest level available currently) certification for data security governance capability as one of the first certified joint-stock commercial banks.

We built a comprehensive security governance framework. We improved the organizational system consisting of bank senior management, dedicated security departments, business departments and all institutions within the Group at the same time and implemented a data security accountability system covering each member on a Group-wide basis. We shouldered our responsibilities by regulating personnel operation procedures and enhancing security awareness.

We strengthened the whole-cycle data security management. We implemented classified and graded data management to realize data control in the whole cycle ranging from collection, transmission, storage, usage to deletion and destruction, and adopted graded protection based on their security level. We strengthened personal information protection and privacy management, constantly improved various systems and regulations constantly, intensified management and control of data applications, and regulated personal data processing comprehensively.

We established a hierarchical technical framework of data security. By following the proactive defense philosophy and hierarchical in-depth defense strategy, we set up measures and deployed equipment for security management and control at data, terminal, application, system, network and physical layers. We laid special emphasis on boundary control and brought forth stricter requirements for control, closing and monitoring of more than ten possible data leakage channels, including emails, mobile devices, printing, and the Internet. We also built a full-time security operation team supported by 3 functions at the same time so as to achieve full-coverage 24/7 security monitoring and fast interception. We kept developing various security operation capacities such as automatic penetration, vulnerability mining, threat hunting, information analysis and evidence tracing, upgraded network security protection system, and cracked down upon network attacks and data leakage constantly.

Anti-money Laundering and Sanctions

We followed the regulatory concept of "Risk-Centricity", adopted a problem-oriented approach, took effectiveness as the goal, and ensured the fulfilment of the responsibilities of anti-money laundering and anti-terrorism financing. Keeping pace with China's crackdown on telecommunications fraud, virtual currency and organized crime, we strengthened the closed-loop management of money laundering risks of high-risk customers and products through "pre-admission, in-process control, and post-monitoring", actively adapted to the requirements of information technology regulation, fully leveraged the advantages of "big data" supervision, and conscientiously fulfilled the core obligations of anti-money laundering.

We strictly implemented relevant sanction resolutions of the United Nations Security Council, the provisions of the Chinese Ministry of Public Security on the freezing of terrorist assets, and the anti-sanctions measures of the Anti-Sanctions Law of the People's Republic of China to ensure the fund security of Chinese organizations, enterprises and individuals, and to maintain the security and stability of ourselves and the Chinese financial market.

Business Ethics Training

We carried out training on case prevention, accountability, and compliance across the entire bank, and issued "Notification of Typical Cases of Violation" and "Notification of Typical Cases of Duty Crimes". Through in-depth analysis of typical cases violating the regulations, disciplines, and laws, we enhanced the compliance awareness of all staff, ensuring that they know the law, understand the law and abide by the law.

Internal Control Compliance and Staff Behavior Management

We adhered to a problem-oriented approach and orderly carried forward three key compliance tasks. First, we sorted out the system tree and product tree, based on which we then sorted out the system throughout the entire process and embedded typical cases, forming a methodology with practical guidance to explore new ways to further consolidate the foundation of internal control management. Second, we kept monitoring staff's abnormal behavior by leveraging access to eight categories of internal and external databases such as transaction flow, judgment documents and business information, regularly searched for suspicious information, and handled it immediately to provide support for further regulation of staff behavior. Third, we explored abnormal business monitoring, established monitoring models, carried out real-time monitoring, and provided support for the timely detection of hidden dangers of violations as well as for rapid solution and disposal.

In the aspect of employee behavior management: Firstly, we continuously strengthened the building of system effectiveness and revised system documents such as the "Measures for the Management of Staff Behavior of SPD Bank" and the "Interim Measures of SPD Bank for the Supervision and Administration of Staff Violations". Secondly, we constantly improved the supervision and restraint mechanism and strengthened the monitoring and early warning of staff abnormal behavior through the staff behavior monitoring system to identify, warn, detect, and handle violations as early as possible.

Thirdly, we strengthened and improved case-prevention warning education. We organized all staff to sign the Letter of Responsibility for Case Prevention and Control Objectives, clarified posts' case-prevention responsibilities, and urged all staff to fulfill their primary responsibilities of case prevention. By building a case base of employee misconducts, we urged all employees to establish honest and trustworthy professional ethics and legal awareness of compliance with regulations and disciplines to create a clean and positive compliance culture.

Intellectual Property Protection

In 2022, we persistently improved the digital management level of intellectual property rights throughout the Bank and built an intellectual property management system. We stepped up monitoring of external infringement, established automated monitoring mechanisms, and promptly carried out rights protection actions against infringement. We continuously carried out trademark applications both domestically and internationally, gradually improved our product trademark system, and safeguarded the rights and interests of our trademark assets.

We continuously sped up patent applications in fields such as artificial intelligence, big data and blockchain, and did a good job in protecting independent intellectual property rights. By the end of 2022, the head office had applied for a total of 876 patents, of which 61 patents (including 48 invention patents) were authorized, and 124 patents acquired software copyrights.

By the end of 2022

876



patents application

61



Patents authorized

Practice

Safeguard the Economy and
Build a Solid “Ballast Stone” for
High-quality Development — 18

“Pioneer” in Green and Low-carbon
Development and Embrace the
Future through Green Innovation — 37

Work Ingeniously to Draw a “New
Blueprint” for a Better Life — 49



Safeguard the Economy and Build a Solid “Ballast Stone” for High-quality Development

Serve Major National Strategies

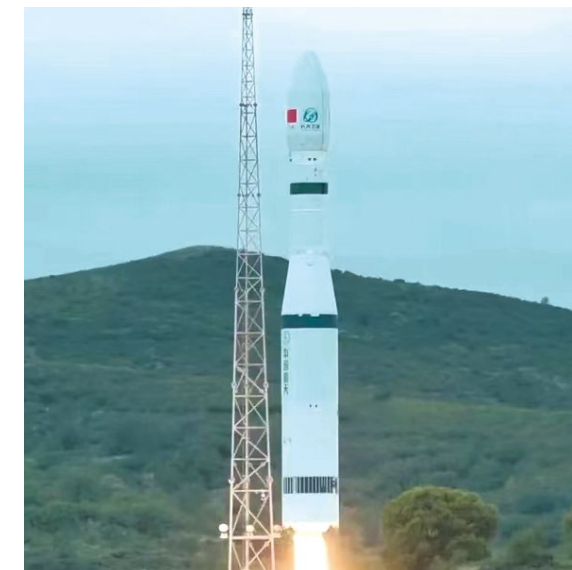
- SPD Bank has always adhered to the original aspiration of serving national and regional strategies, as well as Shanghai's economic and social development. It actively took on responsibilities, boldly innovated and abidingly strengthened collaboration. Through comprehensive financial services across different industries, markets, and fields, it comprehensively served the overall interests of high-quality development and effectively fulfilled the responsibilities of state-owned financial enterprises.
- Adhering to the positioning of "the Bank of the Yangtze River Delta and the Bank Going Global from the Yangtze River Delta", SPD Bank optimized its institutional layout, strengthened regional service collaboration, sped up the "urban integration" of various financial services such as payment and settlement as well as joint credit, and fully promoted the integrated development of the Yangtze River Delta. By the end of 2022, SPD Bank had set up 510 institutions in the Yangtze River Delta region, serving 428 thousand corporate customers and 54.73 million individual customers, with assets totaling 2.45 trillion yuan in the Yangtze River Delta region. Meanwhile, we gave further play to the advantages of the group, strengthened the coordination between the Hong Kong Branch and SPDB International, and continuously increased support for national major regional strategies and urban agglomeration construction, such as the Belt and Road initiative, the coordinated development of Beijing-Tianjin-Hebei, and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, so as to better support regional coordinated development.
- SPD Bank fully served the development of Shanghai into an international financial hub. We continued deeply developing customers in the Shanghai financial factor market, established business cooperation with all 15 financial factor market institutions in Shanghai, deeply participated in the basic system design and product service innovation in the financial factor market, and enhanced the function of global financial resource allocation of Shanghai as an international financial center. We actively participated in business innovations such as "Shanghai Gold" and "Shanghai Silver", helping to enhance the international influence of "Shanghai Price". We consistently ranked first in proprietary trading volume on the Shanghai Gold Exchange for 8 consecutive years. It actively participated in the construction of the RMB Cross-border Interbank Payment System (CIPS) and provided agency access and clearing services for domestic and international peer institutions both at home and abroad. By the end of 2022, we had served 253 CIPS peer customers both at home and abroad, ranking first in the joint-stock industry and third in the entire market.
- We fully served Pudong to build a leading area for socialist modernization. Focusing on major projects construction in the development and opening up of Pudong, we actively supported the construction of a large number of major projects such as Chinese-made aircraft, Pudong International Airport, Yangshan Deepwater Port, Disney Park, Tesla Giga Factory, and Shanghai Rail Transit through syndicates, bond issuance, and other means. We signed a strategic cooperation agreement with the Shanghai Data Exchange, participated in the preparation of circulation standards for data element, helped build a data trading platform, and contributed intelligence and solutions to promote the circulation and trading of data elements in Shanghai and China.

Group-wide Collaboration Helps the Construction of Major Projects

Case

Dream-chasing space finance leasing

In June 2022, SPDB Financial Leasing, a subsidiary of SPD Bank Group, funded 50 million yuan in collaboration with Changchun Branch to the leaseback of an in-orbit remote sensing satellite of Changguang Satellite Technology Co., Ltd, which was SPDB Financial Leasing's first innovative practice in the aerospace field. SPD Bank made use of the Group's collaborative advantages, conducted on-site visits, and designed various business models to meet the needs of the enterprise based on its future satellite networking plan and asset needs to make the project possible.



On August 10, 2022, the SPD Bank 1 Remote Sensing Satellite was successfully launched into the planned orbit aboard a Long March 6 rocket from the Kelan Satellite Launch Center in Shanxi Province



By the end of 2022

setting up



serving



serving



assets



510

institutions in Yangtze River Delta Region

428 thousand

corporate clients

54.73 million

individual clients

2.45 trillion yuan

Case

Cross-border ship leasing helps build a shipping powerhouse

In May 2022, the 99,000 cubic meters very large ethane carrier (VLEC) "PACIFIC INEOSGRENADIER" ordered by SPDB Financial Leasing was delivered at Jiangnan Shipyard and leased under operating lease by Pacific Gas (Hong Kong) Holdings Limited, a subsidiary of Shandong Ocean Group. "PACIFIC INEOSGRENADIER" is one of the first ultra-large ships with B-type cabins, boasting the world's largest cabin capacity. Due to its high overall difficulty in building, it is known as the "uncrowned king" of liquefied gas ships. The ship is empowered by "Brilliance E" technology which enjoys fully independent intellectual property rights, and can carry various liquefied gas, including ethane, ethylene, and liquefied petroleum gas. The minimum temperature of liquefied gas can be maintained at -104°C. The ship has applied for more than 30 patents in the aspects of overall layout, structural design, breakthroughs in material technology, and welding processes.

In August 2022, "PACIFIC INEOSGRENADIER" sailed into Taixing Port, Jiangsu Province, amidst many expectations, and docked for unloading, successfully completing its maiden voyage. It was an important practice of SPD Bank in taking advantage of group-wide collaboration and making use of the China Free Trade Zone SPV to carry out cross-border ship leasing business. It was also a positive result of helping implement the strategy of making China a shipping powerhouse and promoting win-win cooperation between the financial and shipping industries.



Case

Help Chinese-made large aircraft soar into the sky

On June 28, 2022, the 9th ARJ21 "Jinsha", a Chinese-made large aircraft with a "Sunbird" logo jointly built by SPDB Financial Leasing, Chengdu Airlines, and Commercial Aircraft Corporation of China (COMAC), was successfully delivered to Chengdu Airlines. On November 8, 2022, SPDB Financial Leasing and COMAC signed a letter of intent to confirm the order of 30 Chinese-made large aircraft C919 at the 14th China International Aviation & Aerospace Exhibition. Relying on the collaborative advantages of the Group, SPDB Financial Leasing has tailored a financial leasing service system featuring a "full product line, full industry chain, full lifecycle, and comprehensive innovation" for COMAC for many years, helping Chinese-made large aircraft soar into the sky.



Work Together to Serve Regional Strategies

Case

Beijing Branch provides in-depth services for the high-quality development of the capital

Beijing Branch deeply integrated itself into the regional economy and supported the high-quality development of the capital. Focusing on serving the national strategies and supporting the development of "Beijing-Tianjin-Hebei Integration", Beijing Branch funded the PPP project of National Highway 109 new line expressway and the Zhangbei Wind Power Project of Huayuan Power. The Branch raised the "Jingxi Hao" characteristic financial services and participated in urban transformation and renovation projects in Beijing, such as the evacuation and renovation of the Zoo Wholesale Market and the renovation and reconstruction of

the Workers' Stadium Focusing on the "Linkage of Five Key Projects", the Branch actively promoted the implementation of Beijing's "Three 100" key engineering projects, provided financial support for the construction of Li Auto's green smart factory, and supported the development of smart manufacturing enterprises. Centering on the construction of the "Two Districts" and relying on the "iPuhui" cross-border financial services, the Branch provided full-process online cross-border settlement, exchange and other services, which were efficient and convenient, for enterprises in the "Two Districts" of Beijing.



Case

Comprehensive financial services support the construction of Xiong'an New Area

Since its establishment, Hebei Xiong'an Branch has provided comprehensive and three-dimensional financial services for the development and construction of Xiong'an New Area, especially for the construction of an "innovative city, green city, and digital city". Through the joint innovation of the "Blockchain + Supply Chain" model by head office and branches, we broke the information barriers between the industrial and financial ends, and opened up new financing channels for small and medium-sized private construction enterprises, realizing the precise drip irrigation of "financial water" to the industrial chain and supply chain. As one of the first cooperative banks of the "Enterprise Registration Service Station", the branch enabled enterprises to make

registration "anytime and anywhere", helping to create a better business environment.

In addition, the Branch continuously won the bid for Xiong'an local government bonds, introduced venture capital to participate in the debt financing plan for key infrastructure construction projects in the new area, discussed the Reits trading market model with the Singapore Stock Exchange, explored new paths for investment business for sci-tech enterprise with SPD Silicon Valley Bank, and explored with foreign funds to push forward the implementation of QFLP (foreign equity investment fund), actively guiding multi-channel funds to participate in the construction of key projects in the new area.

Case

Help the issuance of the first green medium-term note by a wind power equipment manufacturing enterprise in the Yangtze River Delta

On April 29, 2022, Shanghai Electric Wind Power Group Co., Ltd. issued the first phase of a 750 million yuan green medium-term note, which was mainly underwritten by SPD Bank. This was the first green medium-term note issued by a wind power equipment manufacturing enterprise in the Yangtze River Delta region and also was the first time this company issued notes in the bond market. The green medium-term note funded projects in green fields such

as new energy generation and the manufacturing of wind turbines, which shall help significantly reduce greenhouse gas emissions. To ensure the smooth completion of the project, SPD Bank gave full play to the collaboration advantages of its headquarter and branches and set up a special team to collaboratively push forward the project online and offline, fully guarantee financial services, complete the bond issuance, and invest in self-run funds.

Case

Merger and acquisition help the transformation and optimization of the industrial structures in the Yangtze River Delta

Taking full advantage of the convenience of "YRD Purchase", Shanghai Branch, in collaboration with Nanjing Branch, issued a 1.2 billion yuan merger and acquisition loan to Nanjing Iron & Steel United Co., LTD., to help it participate

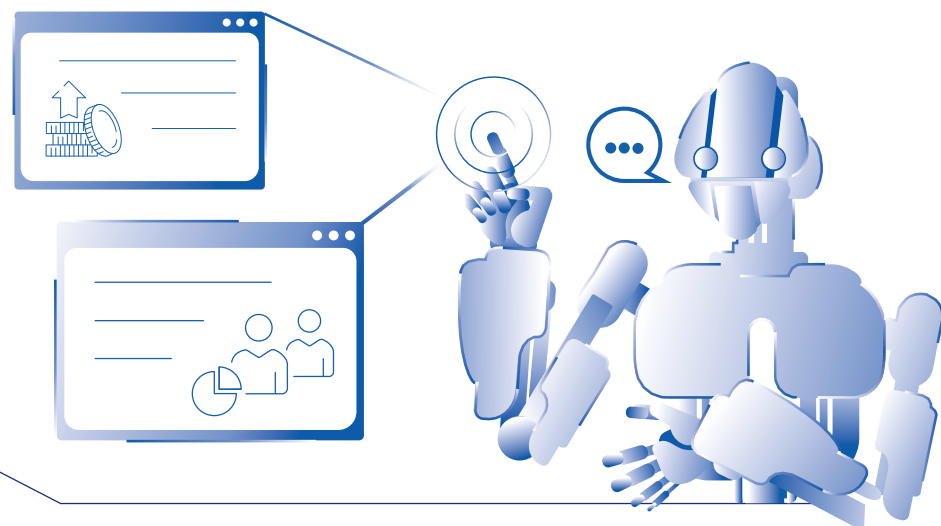
in stock acquisitions, boost its industrial integration, and achieve innovative development. This move also helped promote the transformation and optimization of industrial structure in the Yangtze River Delta region.

Case

Support the development of the industry chain of the new energy vehicle

Taking advantage of the "Four in One" cross-border service and full account system, Shenzhen Branch flexibly coordinated resources from various parties such as offshore, FT, and overseas branches, and collaborated with multiple roles to implement an overseas open merger & acquisition syndicate project, which lasted for

five-year and amounted to \$1 billion, for an enterprise, including an offshore loan amounting to \$500 million. The implementation of this project provided strong support for the enterprise to promote the strategic layout of multi-field products and enter the new energy vehicle industry chain from the electronic consumption field.



Take on the Important Task of Serving Shanghai

Case

Unite as one to help "stabilize the economy and ensure people's livelihoods"

In 2022, SPD Bank successively introduced the "16 Measures" and "20 Measures", setting up a total of 390 billion yuan of special quotas to further support Shanghai's economic revitalization and development from six aspects: enterprise relief, resumption of work and production, support for major projects, foreign trade stabilization, consumption boost, and service guarantee.

We set up special quotas of cut-rate loans to bailout small and micro enterprises and sci-tech enterprises, established quotas of low-interest loans to support industries suffering from significant difficulties, set up seamless renewal loan quotas to help small and medium-sized enterprises and individual businesses, and supported various market entities in restarting production. We opened up green channels to efficiently finance upstream and downstream enterprises in the industrial chain and supply chain, provided special loans with exclusive preferential interest rates for core enterprises of various industries, and implemented preferential measures to reduce enterprise operating costs to secure and stabilize the industrial chain and supply chain and speed up the resumption of work and production. We set up specific bond investment quotas to support enterprises in direct financing and help implement major projects in Shanghai. We set up foreign currency special loans to support foreign trade enterprises in financing and preferentially supported foreign trade enterprises with real economic characteristics such as industrial and trade integration. We rolled out preferential interest rates to boost personal consumption.

We fully supported the issuance of bonds at home and abroad by local enterprises in Shanghai, local special bond financing, and investment in themed financial bonds such as Shanghai's restart of work and production. In 2022, we increased a total of 26.8 billion yuan in bond investment relating to the restart of work and production, playing the role of market makers and helping the smooth operation of the financial market.



Case

"Pool wisdom and capital" to Serve the Fifth China International Import Expo

We upgraded the "SPD Bank's Comprehensive Financial Services Plan for China International Import Expo (CIIE)" to version 5.0. Focusing on the three major customer groups of "exhibitors, purchasers, and individuals", we improved the level of our characteristic services in the six aspects of "account opening, cross-border, supply chain, green finance, sci-tech innovation finance, and Fin-tech". With a new service model of "facilitation and digitization", we enhanced the level of cross-border settlement and online trade services and rolled out the letter of guarantee for customs duty, carried out new offshore economic and trade businesses in virtue of FT accounts, making contributions for an effective and better CIIE.

Moreover, to help sell the exhibits of the CIIE, SPD Bank helped build Shanghai Hongqiao International Import Commodities Exhibition Center "Hongqiao Pinhui" into a one-stop platform for the exhibition and spot sale of CIIE goods. In 2022, we provided a special line of credit of 3.5 billion yuan for projects such as Hongqiao Pinhui and Hongqiao International Coffee Port.

On November 5, 2022, the sub-forum "Fulfill Corporate Social Responsibilities, Jointly Promote Sustainable Development of the Industrial Chain" and the sub-forum "Implement Global Development Initiative, Build World Class Enterprises" of the 5th Hongqiao International Economic Forum were held at the National Convention and Exhibition Center (Shanghai). Zheng Yang, Secretary of the Party Committee and Chairman of SPD Bank, was invited to attend the two sub-forums and delivered speeches.

At the sub-forum "Fulfill Corporate Social Responsibilities, Jointly Promote Sustainable Development of the Industrial Chain", Zheng Yang delivered a keynote speech on "Boost Sustainable Development of the Industrial Chain by Finance".

In which Zheng Yang said that the industrial chain was the blood vessel of the global economic cycle and the key link to promote the global economic integration and development. The sustainable development of the industrial chain required joint efforts from all parties to better promote the integration, smooth operation, and stabilization of industrial chains, help the world economy return to the normal track of development, and boost the confidence and momentum of global solidarity and development.



During the release of the results of the sub-forum "Implement Global Development Initiative, Build World Class Enterprises", Zheng Yang attended the action ceremony and participated in a special discussion, where he said that the Global Development Initiative and the new development concept were in one continuous line, and SPD Bank actively practiced the new development concept, responded to the call of the initiative, stuck to promoting development through reform and seeking breakthroughs through innovation, and had made positive contributions to inclusive finance, green finance, sci-tech innovation finance, cross-border finance and other fields. In the future, SPD Bank would work with all sectors of society to continue practicing the new development concept, continuously improve the quality and efficiency of financial services, and better help the implementation of the Global Development Initiative.

Case

Help sell the bond of the Shanghai Municipal Government over the counter

Shanghai Branch helped sell the bond of Shanghai Municipal Government over the counter to improve the liquidity of the bond, offer new investment opportunities for individuals and corporate investors, and provide strong support for the economic development of Shanghai. The bond was a 3-year fixed-rate interest-bearing bond with a credit rating of AAA and a face value of 100 yuan, boasting the characteristics of "low risk, tax free, low investment threshold, convenient purchase, and strong cashability".

Case

Ensure the smooth flow of key industrial chains and supply chains

SPD Bank carried out both direct financing and indirect financing, especially gave full play to the advantages of innovative debt financing tools, solved problems and reduced costs for customers, made every effort to ensure the stability and smoothness of the industrial chain and supply chain, and spared no effort to ensure the smooth advancement of livelihood projects.

Through remote cooperation and multi-person relay, Shanghai Branch quickly implemented the business processes of L/C issuance, document presentation and acceptance, and successfully made a loan under the forfaiting basis of 70 million yuan on the approval day, which eased the capital turnover pressure for a cotton and textile bulk commodity trader in Shanghai and more effectively supported the production and operation of the enterprise.

Ya'ao is a small and micro enterprise that provides comprehensive supply chain solutions. After learning of a cash flow gap in the enterprise, Shanghai Branch quickly provided a pure credit loan of 10 million yuan as soon as possible, providing timely financial support for the enterprise, and fully ensuring the stability and smoothness of the industrial and supply chains.

Case

Practice the concept of "people's city" and support the reconstruction of old areas

In 2022, Shanghai Branch provided loans with a balance of over 60 billion yuan for urban renewal in Shanghai, which effectively supported multiple old district renovation projects in Shanghai, ensured and improved people's livelihoods, and helped promote high-quality urban development in Shanghai. SPD Bank continuously made efforts in the urban renewal field and quickened up the construction of a new urban development pattern through practical actions. SPD Bank had participated in the reconstruction of more than 50 old areas and urban villages in Shanghai, led or participated in reconstruction projects of major urban villages and old areas with consortium loans totaling over 500 billion yuan, and signed consortium loans totaling over 100 billion yuan, infusing "financial strength" into Shanghai's accelerated construction of a socialist modern international metropolis with global influence. In addition, SPD Bank also innovatively

launched the "Easy Loan for Elevator Installation" inclusive financial product to address the difficulties of installing elevators in old residential areas, which were pressing concerns of citizens, and strive to improve the living quality of citizens.



Upgrade the Level of Inclusive Financial Services

Serve Small, Medium and Micro Enterprises

SPD Bank adhered to the concept of "accumulating small merits to achieve great success" in serving small and micro financial, sped up the improvement of the long-term mechanism of "daring to borrow, willing to borrow, able to borrow, and know how to borrow" money from the bank for the small and micro businesses, and continued deeply cultivating the scenes and ecosystems, to continuously improve the coverage, availability, and convenience of inclusive financial services. As early as 2014, we built a comprehensive hierarchical classification system of products and services for small and micro businesses customers.

All along, we actively implemented regulatory requirements, adjusted and optimized the organizational structure, and added an inclusive finance department. We continuously promoted

innovation in inclusive financial service models, deepened the application of financial technology and digital empowerment, and upgraded the Puhui e-Finance to a 2.0 model. We developed online products such as fully online quick mortgage loans, scenario e-loans, and "1+N+N" Puhui Tax-backed Loans for excellent enterprises, launched a new business model of offline personal business loan "Advanced Loan Insurance", optimized the supply of financial services for small and micro enterprises, and improved the efficiency of inclusive financial services.

By the end of 2022, the balance of small and micro enterprise loans for dual-increase inclusive financing had amounted to 376.6 billion yuan, and we comprehensively implemented and fulfilled regulatory requirements.

Case

"Foreign Exchange E Alliance" helps enterprises hedge online exchange rate

Relying on the "Foreign Exchange E Alliance" online exchange rate hedging tool platform, Dalian Branch helped enterprises cope with normal exchange rate fluctuations. When learning that a small and micro enterprise mainly engaged in export business to South Korea had a large risk exposure

due to the impact of exchange rate fluctuations, the branch took the initiative to contact the enterprise and recommended the enterprise to do part of the forward foreign exchange settlement business while signing contracts and combine it with the option business to achieve the purpose of hedging.

Case

Issue electricity-and-carbon-data related loans in collaboration with multiple partners

Shanghai Branch, together with Yangtze River Delta Financial Center of State Grid Yingda Group, Pudong Power Supply Company of State Grid Shanghai Electric Power Company, and Shanghai Policy Financing Guarantee Fund Management Center for Small, Medium and Micro Enterprises, issued the first "carbon neutral sci-tech loan" guaranteed by Shanghai Financing Guarantee Center for a specialized, sophisticated, special and new, and small and micro enterprise.

SPD Bank formulated incentive and disincentive measures for enterprises by relating loan interest rate to enterprises' energy consumption level. While solving the financing difficulties and high financing costs of high-quality small and medium-sized enterprises, we actively guided enterprises to achieve sustainable development through more energy-efficient and environmentally friendly business practices.

Case

Innovate debt financing tools to ensure the stability and smoothness of supply chain

SPD Bank took the lead in underwriting "Shenzhen Deyuan Commercial Factoring Co., Ltd. 2022 China Construction First Division Group Phase 1 Supply Chain Green Directional Asset-Backed Commercial Paper (ABCP)", with an issuance scale of 213 million yuan. This note was the first rolling renewal of the supply chain (payable) green-asset-backed commercial note series in China, to support multiple

livelihood and industry-safeguard green projects. Most of the suppliers are small and medium-sized enterprises with a single account receivable of less than 5 million. This paper effectively solved the financing difficulties of the large number of small and medium-sized enterprises in the upstream of the supply chain and industry chain.

Case

Ensure the unimpeded supply of agricultural and sideline products

Chongming District is the largest agricultural production base in Shanghai. To ensure the unimpeded supply of agricultural and sideline products, Shanghai Branch conducted thorough research about agricultural enterprises in the district. Upon learning that an agricultural enterprise mainly engaged in the cultivation, husbandry, and sales of agricultural and sideline products in the area whose

agricultural products had been supplied to multiple large vegetable wholesale markets such as Jiangyang North Road and Caojiadu in Shanghai for a long time, the branch quickly took action and completed the issuance of a working capital loan of 6 million yuan in just three working days, meeting the urgent need of the enterprise and helping ensure people's livelihood.

Case

Respond to the initiative of Shanghai Financial Industry to actively participate in the Inclusive Financial Advisory System

On September 21, 2022, the launch ceremony of the Shanghai Inclusive Financial Advisory System was held in Shanghai. Zheng Yang, Secretary of the Party Committee and Chairman of SPD Bank, was invited to represent the executive vice chairman unit of the Shanghai Financial Association to announce the "Proposal for the Shanghai Financial Industry to Actively Participate in the Inclusive Financial Advisor System".



The establishment of the Inclusive Financial Advisory System was a beneficial attempt by Shanghai to implement the requirements of the CPC Central Committee and the State Council to "make financial services more inclusive", practice the concept of a people's city, give full play to the advantages of Shanghai as an international financial center, promote the high-quality development of inclusive financial services, and accurately support the real economy. It was a strong measure to improve the business environment and boost economic recovery by keeping service channels open, facilitating direct access to financial policies and services and providing support for enterprises to make their own choices.

Serve Rural Revitalization

SPD Bank accelerated the digital construction of rural banks. Focusing on the construction goals of covering full process, full channel, and full scenarios, we promoted the functional iteration of basic platforms, diversified integration of service channels, and scenario application of intelligent devices and explored the integration of digitalization and business scenarios to create financial products and services that benefit farmers and the people, comprehensively improving the availability of rural financial services, and providing solid support for rural revitalization.

We continuously innovated financial products that support and benefit farmers and constantly improved county-level financial services. We optimized and upgraded the online banking function to achieve functions such as facial recognition, super online banking

system access, bank-enterprise reconciliation, batch issuing, on-line notice deposit and other functions in the village bank app; we launch services such as "entrepreneurship guaranteed loans" and "loan relief and deferred repayment" in rural banks to support the resumption of work and local economic development; we promoted application of financial service for sci-tech enterprises in rural life scenarios and supported the construction of digital villages.

The total assets of 28 SPD Rural Banks amounted to 39.447 billion yuan, and the balance of agriculture-related loans as well as loans to small and micro businesses exceeded 20.5 billion yuan, accounting for over 88% of the total loan amount, covering 47,200 small and micro enterprises, self-employed businessman, and farmers, and effectively implementing inclusive financial policies.

Case

"Agricultural Insurance + Bank Hedging" explores new practices of services for "agriculture, rural areas and farmers"

SPD Bank and China Pacific Property Insurance Co. LTD. jointly launched the "Agricultural Insurance + Bank Hedging" service, exploring innovative financial support models for agriculture and serving the transformation and upgrading of the agriculture industry through the integration of agricultural insurance and bank hedging. By combining insurance products and hedging tools, we expanded insurance risk management channels and promoted market-oriented services for the agriculture industry.

According to the corn plant-harvest cycle and price fluctuation characteristics, farmers purchased futures price insurance products from China Pacific Property Insurance

Co. LTD. to reduce the impact of market price fluctuations of raw materials and finished products on profits during the production cycle. China Pacific Property Insurance Co. LTD. purchased over-the-counter options from SPD Bank to fix product costs and mitigate systemic risks. Through the hedge bulk commodity agency business of SPD Bank, it effectively reduced the impact of market price fluctuation risk of agricultural products on farmers' income, ensured production and income growth of farmers' planting, created a new ecology of cross-industry collaboration between banks and insurance companies, explored new practices of financial services, and contributed to serving agriculture, rural areas and farmers and ensuring national food security.

Case

Financial support helps the revitalization of Hohhot dairy industry

To solve the financing problem of the upstream ranch of Yili Group, a leading dairy enterprise, Hohhot Branch launched the exclusive loan product "SPDB Loan for Yili", also known as "Silage Loan", which was mainly aimed to provide financial support for Yili's partner ranches to purchase silage. "SPDB

Loan for Yili" was the first online financing product for raw milk suppliers launched by SPD Bank, which can be applied for by Yili's partner ranches across the country. At present, we have cooperated with ranches in Baoding, Hebei Province, Qujing, Yunnan Province, and Horing County, Inner Mongolia.



Case

Sci-tech empowerment makes scientific husbandry easier

Our branches in Chengdu, Nanchang, Ningbo, Guangzhou and other regions collaborated with major domestic pig, cattle, and chicken husbandry enterprises to launch the "SPD Bank Quick Loan - Husbandry Loan" product, providing online credit loans to farmers across the country for purchasing piglets, calves, animal protection products, etc. According to the highly efficient and environmentally friendly

close-type "core enterprise + farmer/family farm" industrial division of labor and cooperation scenario, we promoted the formation of a scale operation industry chain. In the process of agricultural modernization, through targeted allocation of credit resources, we supported the industrial ecology of scale pig and cattle farming and helped scientific husbandry.

Case

"Beidahuang Agricultural Quick Loan" assists farmers in large-scale planting

Harbin Branch collaborated with large agricultural groups such as Beidahuang and launched the "Beidahuang Agricultural Quick Loan". Based on big data analysis, we issued loans to eligible farmers to pay for land contract fees, seeds, fertilizers, agricultural tools, etc., which solved the problem of difficult financing for farmers before spring plowing each year and supported farmers in the batch purchase, large-scale planting, efficient and technological land plowing, harvesting, threshing, etc., thus facilitating intensive grain cultivation and production.



Case

Green Photovoltaic allows farmers to enjoy "sunshine income"

Xi'an Branch rolled out the "SPD Bank Quick Loan - Yellow River Photovoltaic Loan" to provide loans to eligible farmers for the purchase and installation of a complete set of distributed photovoltaic power generation device. The technology empowered the seamless integration of online financial services into farmers' photovoltaic installation scenarios, enabling them to handle credit business without leaving their homes, helping farmers build "solar power stations" on their roofs to earn "sunshine income".



Case

"Premium Advanced Loan" boosts the development of new economy of rural e-commerce

Based on the rural e-commerce market, SPD Bank launched the "Premium Advanced Loan", which integrated information flow, business flow and capital flow into the scenario. Through the "all online, high frequency, pre-credit, fully entrusted" inclusive credit service, the loan solved the pain points of township household appliances sales, logistics distribution and installation, and after-sales service, and provided convenience for boosting rural consumption upgrading. As of now, it has served over 4,200 rural merchants and lent nearly 6 billion yuan in total.

Case

Timely financial aids enable the fields to bear "Wisdom Fruit"

Jin'an District, Lu'an, Anhui Province, is an old revolutionary base area. In recent years, taking industrial revitalization as the starting point, fully combining local characteristics, Jin'an District concentrated on planting crisp peaches and other high-quality fruits and built the "Jianghuai Fruit Mountain" demonstration base.

After learning that Jin'an District planned to integrate the idle wasteland and agricultural land in the hands of townships and farmers to intensively manage the entire region's crispy peach resources, and create a distinctive brand of "Jin'an Crispy Peach", Hefei Branch quickly took action, conducted field investigations, on-site evaluations, and developed project plans. The Branch made a 12-year loan of 110 million yuan for the construction project of 15,000-Mu smart orchards in Jin'an District, Lu'an, supporting the intensive and intelligent planting of "Jin'an Crispy Peach",

helping the local government build an industry empowered by "technology, sales channels, and guaranteed funds", so as to make the lives of farmers in the old revolutionary areas more prosperous.



Case

Nurtured by financial "rain and dew", "cloud flowers" blossom in the Spring City

In China's largest flower market, Kunming Dounan Flower Market, the flower trade was very busy. As most of the transactions between the supply and demand sides in the market were based on "paper IOUs", which resulted in "slow collection of payment" and thus hindered the development of the florist business.

To solve the problems faced by flower merchants and farmers, Kunming Branch dispatched a research team to conduct in-depth market surveys and interviews, accurately analyze transaction data, and sort out the bottlenecks and difficulties in each transaction node. Together with Xinhui Commercial Factoring Co., Ltd., the Branch developed a deferred payment solution for the "Flower Merchant Insurance Electronic IOUs" of Yunnan Dounan Flower Industrial Group to provide fully online "credit sales", accounting, settlement as well as factoring service for flower purchase receivables, which enabled rapid monetization of "credit sales", improved capital turnover speed, reassured suppliers and freed buyers from worries in flowers transaction, and increased transaction volume.



Escort the Growth of Sci-tech Innovative Enterprises

SPD Bank actively implemented the national sci-tech innovation development strategy and fully served Shanghai to build a global sci-tech innovation center. Taking the establishment of the sci-tech innovation board as an opportunity, we leveraged the group's collaborative advantages, continuously improved the sci-tech financial service capabilities, and constantly upgraded the "Investment Banking Service Plan for Enterprise to be Listed on Sci-Tech Innovation Board" and "Sci-Tech Innovation Financial Service Program". We built a sci-tech financial service system of "commercial banks + investment banks", "domestic + overseas", "financing + intelligence + FinTech + investment" and "loans, bonds, stocks, and capital" to provide full life cycle services for the start-up, listing, industrial development, and mergers and acquisitions of sci-tech enterprises, forming an intelligent and comprehensive solution covering the whole process and the whole market.

By the end of 2022, we had served more than 50,000 sci-tech enterprises, an increase of 25 percent from the beginning of the year, with a loan balance exceeding 390 billion yuan, an increase of 28% from the start of the year, serving more than 70% of the enterprises listed on the sci-tech innovation board, gradually built up the market reputation SPD Bank as "a preferred partner for sci-tech innovation board listing".

By the end of 2022
more than

50,000

sci-tech enterprises served

loan balance
more than

390 billion yuan

Case

Build a model for serving high-end manufacturing enterprises

On November 9, 2022, SPD Bank led the underwriting of China's first securitization product of the "sci-tech innovation note to ensure supply and steady chain" -- Zoomlion asset-backed note.

This innovative product not only timely provided "fuel" for the important business activities of the fundraiser Zoomlion, such as scientific research and production, but also helped enhance the resilience and flexibility of the "Made in China" supply chain.

The bill raised 1.179 billion yuan, which helped enterprises revitalize their existing assets and speed up the flow of innovation value. Meanwhile, it was also widely recognized by market investors, becoming a typical example of direct financing services for high-end manufacturing enterprises.

The service didn't stop there. Since 2004, Changsha Branch has been cooperating with Zoomlion to combine the innovation of financial products and services with the actual needs of various stages of enterprise development to accompany the enterprise to grow all the way. Over the past three years, SPD Bank had provided Zoomlion with loans of more than 7 billion yuan, supply chain financing of more than 10 billion yuan, and financing of more than 5.5

billion yuan for the upstream and downstream customers of Zoomlion's industrial chain.



Case

Effectively boost the listing of a biotechnology enterprise

On March 30, 2022, Rendu Biotechnology was listed on the sci-tech innovation board of the Shanghai Stock Exchange, entering a new stage of development. Founded in 2007, Rendu was one of the earliest domestic leading R&D enterprises of in-vitro diagnostic medical devices focusing on RNA thermostatic amplification technology.

To safeguard the successful listing of the company, the relevant business departments of SPD Bank cooperated closely and efficiently and completed a series of procedures such as the opening of the fundraising account and capital verification of raised funds at the fastest speed to ensure the smooth implementation of all the IPO fundraising and super fundraising accounts of Rendu Biotechnology, successfully fulfilling the responsibilities of the exclusive cooperative bank for corporate IPO fundraising. For a long time, SPD Bank

has been practicing the sci-tech financial service concept of "guardian and companion" with its own uninterrupted high-quality service and supporting the healthy development of sci-tech innovative enterprises.



Case

Support the acceleration of domestic innovative drug production

On September 25, 2022, Hangzhou Branch issued a loan of more than 26 million yuan for Beta Dream Works (Zhejiang) Pharmaceutical Holding Co., LTD., for the production of two domestically developed innovative drugs, "Ensartinib Hydrochloride" and "Vorolanib", which was the first medium and long-term loan for the manufacturing industry in China under the list of National Development and Reform Commission.

"Ensartinib Hydrochloride" is the first class 1 new drug independently developed by local enterprises in China for second-line treatment of patients with advanced NSCLC with ALK mutation. "Vorolanib" is a new generation of multi-target small-molecule targeting drugs for cancer, a medicine with a global patent owned by Beta Pharmaceutical. To realize efficient production of these two drugs of independent and original research, Hangzhou Branch set up a special team to align with the front, middle and back stages

of progress. It only took 2 days to complete the project loan delivery, another example of the "accelerated speed" of SPD Bank that helped the development of "Chinese medicine".



Case

Witness the "little giant" enterprise ready to take off

On October 10, 2022, Shenyang Fortune Precision Equipment Co., Ltd. issued shares for the first time and was listed on the sci-tech innovation board of Shanghai Stock Exchange's, raising 3.658 billion yuan in funding.

From 2014 to 2022, Shenyang Branch witnessed various stages of Fortune Precision from start-up, and growth, to listing. After 8 years of supporting its growth, the comprehensive credit granted by Shenyang Branch for Fortune Precision increased from 10 million yuan to 120 million yuan, safeguarding the "specialized, sophisticated, special and new" small and medium-sized enterprises' development from scratch to become a player in the

capital market. At present, both parties have cooperated comprehensively in more than 10 businesses.



Case

One of the first institutions entering Zhongguancun Financial Service Center for Sci-tech Innovation

In November 2022, "Zhongguancun Financial Service Center for Sci-tech Innovation" was officially established by Beijing Banking and Insurance Regulatory Bureau and Haidian District Government, and SPD Bank Beijing Branch became one of the first pilot banks to enter it. Beijing Branch formed a linkage mode of mutual sharing of resources and professional complementation with insurance institutions, guarantee companies, Beijing Equity Trading Center and other institutions in the center, together providing financial services covering the whole life cycle and the whole chain for sci-tech innovation enterprises.

Beijing Branch supported the construction of the "Beijing Sci-Tech Innovation Center" and further improved the financial service system of sci-tech innovation. It launched the "Beiming" series products and a special financing service program for "specialized, sophisticated, special and new" enterprises, promoted the pilot merger and acquisition loans to be tested first, and enhanced the development vitality of sci-tech innovation enterprises in Beijing with differentiated special financial services.

Case

Establish the first key & core technology branch in China

On June 8, 2022, the first specialized bank in China to provide precise services to key & core technology enterprises, the Key & Core Technology Branch of Xi'an High and New Technology Industrial Development Zone, was officially unveiled and opened. The branch carried out comprehensive innovation in exclusive products, service models, approval mechanisms, and other aspects to meet the resource needs of key & core technology enterprises. In the aspects of plan management, resource allocation, credit approval, assessment and evaluation, incentive and constraint, and tolerance for non-performing loans, the branch adopted differentiated and preferential policies and established mechanisms such as business processes, risk control, and human resources allocation that are in line with the characteristics of sci-tech loan business.



Case

SPD Silicon Valley Bank Suzhou Branch starts business

On July 25, 2022, the Suzhou branch of SPD Silicon Valley Bank held its opening ceremony in Suzhou Industrial Park. The branch would give full play to its resource advantages, inject more financial vitality into the development of local sci-tech innovation enterprises, and help Suzhou build a first-class sci-tech innovation ecosystem.

During the ceremony, the "Suzhou Leading Investment Alliance" was established and awarded board to member units. The representatives of the first credit customers of Suzhou Branch, including Tot Biopharm, Casun Intelligence, EAvision Robotics, MDHC Group, Suzhou GYZ Electronic, and Next Generation Gene Therapeutics Inc signed the contracts. Suzhou Innovation Investment Group, Suzhou Oriza Holdings Corporation and SPD Silicon Valley Bank signed a strategic cooperation agreement for fund business. The Municipal Science and Technology Bureau signed a strategic cooperation agreement with SPD Silicon Valley Bank. The Management Committee of Suzhou Industrial Park and SPD Silicon Valley Bank signed a memorandum of cooperation.



Extensively Develop Cross-border Financial Services

SPD Bank insisted on taking the Shanghai Free Trade Zone as a pilot field to infuse financial vitality into the building of free trade zones across the country. We were among the first in the industry to establish branches in Shanghai Pilot Free Trade Zone and Lingang Special Area to build a "Four in One" international financial service platform for free trade, offshore, overseas branches, and overseas investment banks. We strengthened innovation in free trade business, launched exclusive services for frontier industrial cluster, new types of international trade, global shipping hubs, and cross-border finance, and launched dozens of "the first of the industry" services such as cross-border facilitated RMB settlement and cross-border transfer of domestic trade financing assets.

By the end of 2022, SPD Bank had set up more than 400 cross-border capital pools in the free trade zone and provided free trade zone separate accounting (FT account) services for more than 5,000 enterprises, with a total of 65 billion yuan in FT deposits and 60 billion yuan in FT loans, both of which were among the top in the market.

By the end of 2022
setting up more than

400

cross-border capital pools in the free trade zone

providing free trade zone separate accounting
(FT account) services for more than

5,000 enterprises



Case

Launch the V10 of Shanghai Free Trade Zone Financial Service Program

On September 29, 2022, SPD Bank upgraded and launched the V10 of Shanghai Free Trade Zone Financial Service Program, which brought together 12 service scenarios such as offshore economy and trade, cross-border e-commerce, global treasurer, and overseas capital security. More than 20 items were added in the program, covering the products and services of 13 industries, which were related to new trade, high-end shipping, cutting-edge technology, financial elements and banking, as well as exclusive programs for "green finance" and "headquarters economy", in which all

services were available in seven areas, such as Waigaoqiao Free Trade Zone, Lujiazui, World Expo, Zhangjiang, Jinqiao, Lingang New Area and Yangshan Special Comprehensive Free Trade Zone.

In addition, we also built service platforms such as the full-scenario "Free Trade E-Link" to feature a convenient product system of cross-border free trade and sci-tech support and "Seagull Debt Studio", which explored the model of free trade bond issuance and market development.

Case

Implement high-level open external management reform pilot business for cross-border trade and investment in Lingang New Area

After the pilot reform policy of high-level opening up of foreign exchange administration for cross-border trade and investment was launched in Lin-gang Special Area, SPD Bank immediately responded and, while promoting the policy, actively converted the policy into financial innovation to provide services for customers of key industries in the new area.

Zing Semiconductor Corporation, a high-tech Shanghai enterprise mainly engaged in the research and development, production, and sales of semiconductor silicon wafers, was one of the first enterprises receiving our innovative services. This company's cross-border receipts and disbursements was relatively frequent and required shorter payment period. SPD Bank provided services for current account

facilitation, where the company could directly handle cross-border payment and receipt through payment and receipt instructions, thus significantly improving the efficiency of fund use.

Chendi Pharmaceutical Science and Technology (Shanghai) Co., LTD., whose main business was R&D and sales of dermatological biopharmaceutical, required convenient use of capital fund. Based on the management requirements of "cancellation of capital account - settlement of foreign exchange pending payment account", SPD Bank instructed the company to settle foreign exchange through capital intention and directly transfer it to the basic account for use without providing payment order letter, which greatly improved the efficiency of the enterprise's capital use.

Case

Release "iPuhui" Cross-border Comprehensive Financial Service Program

On November 18, 2022, SPD Bank issued the "iPuhui" Cross-border Comprehensive Financial Service Program to provide digital, intelligent and scenario-based cross-border financial services for foreign trade enterprises and foreign-owned enterprises. We built a "3+3" scenario-based financial solution, which focused on three basic cross-border services of "global exchange", "free exchange" and "flash financing" for payment and settlement, exchange hedging, and financing guarantee respectively. Under the trend of promoting internationalizing RMB, stabilizing foreign trade, and facilitating capital account settlement, we launched three distinctive service programs, i.e., "new forms of trade", "cross-border investment and financing", and "cross-border RMB". We released *Financial Solutions for International Freight Industry*, which provided domestic and foreign currency and integrated financial solutions including API foreign-related settlement, virtual account agent import and export, exclusive scenario non-financial letter of guarantee and other products to meet different needs of 7 types of enterprises in the industrial chain such as shippers, freight forwarders, booking platforms, shipping/train carriers, and ship trade in the international freight process.



Case

Publish "SPD Bank Hedge" Market Outlook Blue Book for four consecutive years

Transforming from "product output" to "strategy output", SPD Bank gave full play to its advantages of being close to the market, integration of investment and research, and professional operation. For four consecutive years, the Bank had released "SPD Bank Hedge" Market Outlook Blue Book, continuously improving its trading ability and product creation ability in various market segments such as bond, foreign exchange, precious metals, bulk commodities and derivative transactions. Through technology empowerment and integration of platforms, we sped up the transition from product output to strategy output, consolidated the advantages of product quotation and system research and development, and provided customers with open, integrated, attentive and intelligent services.



Case

Facilitate cross-border financing for "professional, sophisticated, specialized and new" enterprises

After Shaanxi Province became one of the second batch of pilot areas for cross-border financing facilitation, Xi'an Branch immediately started to learn about the needs of enterprises and carried out policy publicity. By the end of 2022, the Branch had handled cross-border financing facilitation pilot business for 13 high-tech enterprises and "professional, sophisticated, specialized and new" enterprises in the province, with a financing scale of more than 24 million US dollars (accounting for more than 90% of the provincial market share) in a bid to abidingly support enterprises to fully tap both domestic and overseas markets and resources.

Case

Offer cross-border free trade financing to enterprises

On August 17, 2022, Haikou Branch issued a RMB FTN loan of 318 million to a cross-border group's overseas platform through the Free Trade Accounting Unit (FTU), using financing guarantee letters from another bank as a mitigation measure. This reflected the service advantages of Hainan Free Trade Port's cross-border fund free-flow policy combined with the FT account system. In the future, the branch will rely on the advantages of free trade FT + offshore dual-engine drive, further provide high-quality financial services for the building of Hainan Free Trade Port.

Case

Join hands with the China-ASEAN Expo to embrace new opportunities

From September 16 to 19, 2022, the 19th China-Asean Expo and China-Asean Business and Investment Summit were held in Nanning. As a strategic partner of the East China Fair, SPD Bank brought its rich experience in cross-border financial services in Shanghai Free Trade Zone to the China-Asean Expo, provided convenient, efficient and distinctive international financial services for domestic and foreign exhibitors and merchants, and contributed its strength to building a closer China-Asean community of shared future.

In the same month, Nanning Branch set up a "cross-border financial center". According to Guangxi's geographical advantages and regional characteristics and centering on strategic customers, small and medium-sized enterprises and enterprises in the free trade zone, the branch built channels, innovated services, carried out in-depth operations, and relied on various facilitation measures to help Guangxi open to the outside world at a high level.

Case

Help a leading enterprise in the lithium battery industry chain to take off

In recent years, new energy vehicles, consumer electronics and other industries have developed rapidly, driving China's lithium ion battery industry and pumping up demand for key materials to surge. SPD Bank Changsha Branch fully seized the opportunity of the growing new energy battery industry, intensively offered services around the whole life cycle industry chain of lithium battery, and grew together with these enterprises.

In July 2022, Zhongwei Shares, a leading enterprise in the lithium battery ternary precursor industry, formed strategic cooperation with Tsingshan Holding Group and established Zhongqing New Energy Co., LTD in Sulawesi Island, Indonesia. After being put into operation, the project was expected to produce 60,000 tons of high-grade matte nickel-containing metal to supply materials for the production of lithium battery precursor. Changsha Branch issued an overseas bank syndicated loan of RMB 50 million and US \$8 million for

Zhongqing New Energy Co., LTD. This was SPD Bank's first overseas dual-currency bank syndicated loan outside a free trade zone, and also the first overseas bank syndicated loan of Zhongwei Shares, which met the financing needs of the enterprise in the nickel and cobalt smelting project in Indonesia, and helped it expand its industrial chain.

Our services did not stop there. In every milestone of the enterprise's development, Changsha Branch tailored "investment bank + commercial bank" and "pooling capital & wisdom" services according to the needs of the enterprise, escorting Zhongwei Stock along its development path from a small sapling to a towering tree. In the future, Changsha Branch will continue offering professional financial services to expand the new energy and lithium battery industry chain, create values for customers and support high-end, intelligent, green and integrated development of regional advanced manufacturing industry.

"Pioneer" in Green and Low-carbon Development and Embrace the Future through Green Innovation

Feature: Deal with Climate Change and Advocate Biodiversity

In 2022, SPD Bank established an Environmental Risk Control Center, incorporating environmental risks into comprehensive risk management. Meanwhile, the Bank carried out in-depth research in the field of environmental and climate risk, developed a number of research reports and work plans, and promoted the incorporation of management requirements of environmental and climate risk into the bank's credit policies. In September 2022, SPD Bank officially became a supporting institution of the Taskforce on Climate-Related Financial Disclosures (TCFD), which represented another active exploration by the financial institution in environmental information disclosure.

Progress: Environment and Climate Governance

Environment and climate-related development planning and strategic objectives

In the new development era, SPD Bank, focusing on the national ecological civilization construction and the strategic deployment of "Carbon Peaking and Carbon Neutrality", formulated the "Shanghai Pudong Development Bank (Group) 2021-2025 Development Strategic Plan" and the "Shanghai Pudong Development Bank (Group) 2021-2025 Innovation Plan", which made overall arrangements for the development planning and strategic goals relating to environment and climate during the 14th Five-Year Plan period.

In our strategic 14th Five-Year Plan, we made clear that the "dual carbon" transition would be one of the three key transitions of the whole Bank in the future. In the next five years, we will promote the "dual carbon" transition, build a "green bank" model, serve the industry transformation and upgrading, improve financial functions, and achieve new breakthroughs in green finance.

The plan set forth our key tasks such as building and innovating green financial product system and incorporating relevant innovation projects into the Bank's "14th Five-Year" major innovation projects, including but not limited to cooperating with foreign peers in product innovation and implementation of innovative green financial products.

Environment and climate-related governance framework

During the reporting period, SPD Bank further improved the top structure of the environment and climate-related governance. We established the Strategy and Sustainable Development Committee at the board level and Green Finance Business Promotion Committee at the senior management level to coordinate the development of green finance business across the bank. In 2022, the Green Finance Business Promotion Committee held several meetings to review and approve the Group's green finance development strategy, green investment and financing operation strategy, carbon neutral operation, and other matters, and formulated the Bank's green finance development strategy to point out the direction for the development of green finance business.

Under the management of the Green Finance Promotion Committee of the head office, the head office set up the Green Finance Department to implement and advance the decisions made at the meetings of the committee. Each domestic branch set up its green finance promotion committee to coordinate the development of green finance business in its serving region according to local conditions. Each domestic branch has set up dedicated green finance departments to implement green finance business within its serving region.

Environment and climate-related risk management

In 2022, we completed the stress test of climate risk sensitivity for eight high-carbon industries, including the industry of power, steel, building materials, and petrochemicals, to investigate the impact of rising carbon emission costs of enterprises in high-carbon industries on the quality and capital adequacy ratio of bank-wide credit assets, and to examine the Bank's ability to cope with transition risks in the context of the goal of "carbon peaking and carbon neutrality". The stress test results showed that under the mild, moderate, and severe stress scenarios from 2022 to 2030, the amount of non-performing loans would rise by varying degrees, the asset quality would decline to a certain extent, and the capital adequacy ratio would be under pressure, but all indicators would meet the regulatory requirements.

We promoted the construction planning of ESG rating management. By identifying ESG indicators of key industries, we built a corresponding indicator system, explored the establishment of an ESG rating indicator system, and integrated ESG into the rating system of corporate clients as an independent risk module. In 2022, we continued reducing the number of customers with high environmental risks. The proportion of class A and class B customers with high environmental risk in assessments constantly decreased while the proportion of class C customers increased. In the end of 2022, the proportion of the loan amounts of class A and class B customers to total loan amounts dropped 0.42 percentage points compared to the beginning of the year, and the non-performing rate was 0.19 percentage points less than that at the beginning of the year.

Environment and climate-related capacity building

External exchanges shape the brand of "SPDB Green Innovation"

On July 16, 2022, the 2022 China International Carbon Trading Conference and National Carbon Market Online Trading Anniversary Event was held in Shanghai by the Shanghai Environment and Energy Exchange in conjunction with Shanghai United Assets and Equity Exchange. The theme of the conference was "Green Empowerment for a Low-carbon Future". Zheng Yang, Secretary of the Party Committee and Chairman of SPD Bank, attended the meeting via video conferencing and said: In the face of the "14th Five Year Plan", SPD Bank actively followed the trend of the green and low-carbon transition, incorporated the "dual carbon" transition and green development into its strategic plan, and continued improving the level and quality of green finance services, so as to better serve the country's economic transition and development. Firstly, we deeply comprehended the deployment of the CPC Central Committee and the State Council on "Carbon Peaking, Carbon Neutrality", and promoted the green transition of asset liability structure, product service model, corporate culture, etc. Secondly, we continuously increased financial supply and guided and allocated more financial resources to green and low-carbon industries. Third, we comprehensively built a "Four in One" carbon finance service capability that covered basic functional services, product innovation, trading and market making, and capacity building in the carbon market, and coordinated and promoted carbon neutrality in our own operation and asset portfolio, firmly moving towards the goal of building ourselves into a "Green Bank".



In August 2022, at the invitation of the China Banking Association, SPD Bank participated in the "Revision of the Evaluation Standards of China's Green Banks". According to the Green Finance Guidelines for the Banking and Insurance Industry issued by China Banking and Insurance Regulatory Commission, SPD Bank updated the existing key evaluation indicator system of the green bank and studied the inclusion of dual-carbon-related evaluation indicators into the green bank evaluation system.

Improve the education and training system with internal empowerment

SPD Bank established and shared learning resources. Focusing on green finance, green industry, and green life, the Bank had carried out more than 10 training sessions in various forms with rich contents to improve the staff's green finance-related business abilities and knowledge reserve from multiple aspects.

For the full-time staff of the Green Finance Department, we ensured all of them had proper qualification, set up the qualification examination for green finance product managers, and purposefully improved the professional knowledge of green finance practitioners in green industry identification, environmental and climate risk identification, carbon finance and other fields, so as to optimize the talent reserve for green finance development of the Bank.

Case

Protect green mountains and green rivers for the harmony between man and nature

Support ecological vegetation restoration to rebuild the ecological protective screen for the Nine Dragons Beach

Chongqing is located at the confluence of the Yangtze River and the Jialing River. For a long time, due to the difference in the sand content of the two rivers, the natural landscape of the "mandarin duck pot" was produced, with one side of the water being clear while the other side of the water turbid.

China 19th Metallurgical Group Corporation Limited Chongqing Branch was the social capitalist and general contractor of the Nine Dragons Beach project, a part of Chongqing's "Two Rivers and Four Banks" governance and improvement project. But it was challenged with a large fund gap when carrying forward the project, so it immediately thought of its long-term partner SPD Bank Chongqing Branch.

Relying on its professional advantages in PPP project financing and syndicated loans, Chongqing Branch led the formation of a bank consortium and invited policy banks to participate. Through an innovative cooperative financing mode, it financed 700 million yuan for the project and opened up a green channel to quickly start the whole project.

Today, after comprehensive treatment, the formerly muddy Yangtze River has gradually become clear, and the transformed Nine Dragons Beach is no longer a dirty or messy desolate beach, but a popular place for people to exercise, view, and entertain. People who come to relax and the beautiful river banks jointly form a picture of harmony and happiness.



Become the protector of Haizishan wetland by infusing durable and robust green power

Haizishan Wetland Reserve is located on the Qinghai-Tibet plateau, with the largest number of "Haizi" eroded by ancient glaciers on the plateau in China. The plateau's ecological environment is relatively fragile and prone to disasters.

In May 2000, Yangtze River Forestation Group won the bid for the ecological restoration project of Ganzi Prefecture Government, among which the restoration project of Haizishan Wetland Reserve had the most urgent financial need. Chengdu Branch took the initiative to contact Yangtze River Forestation Group and provided it with 50 million yuan of working capital credit to help it flexibly mobilize funds to meet the needs of the project. Moreover, the loan interest

rate was directly based on a basic interest rate which gave a great discount on the capital cost, injecting a durable and robust green power for the long-term advancement of Haizishan project.

Since 2020, the Yangtze River Forestation Group has gradually restored wetlands such as marshes, meanders, and lakes in the Haizishan Wetland Reserve, and planted trees and grasses in water conservation areas around the wetlands, with a total restored area of 704.65 hectares. Day after day, the Haizishan Wetland Reserve is gradually covered with patches of green vegetation and is slowly restoring its former appearance.



Promote Green Bank Construction

SPD Bank comprehensively implemented the new development concept, included the promotion of green bank development into the strategic planning of the whole bank, promoted the "dual carbon" transition, and served the transformation and upgrading of the industry, creating a "Green Bank" model, and promoting the development of green finance in the whole Group at a strategic level. The board of directors of SPD Bank established the Strategy and Sustainable Development Committee to review green finance goals and sustainable development-related reports formulated by senior management and to supervise and evaluate the implementation of sustainable development-related strategies.

In 2022, SPD Bank further upgraded the "1+N" system of green finance organization and management. In addition to the establishment of the Green Finance Business Promotion Committee of the head office at the senior management level, we set up the Green Finance Department at the working level of the head office to lead the development efforts of green finance businesses of the whole Bank and implement the resolutions of the Green Finance Business Promotion Committee of the head office. By the end of 2022, all branches in China had set up cross-department organs for the discussion and coordination of green finance matters to guide the development of the green finance businesses of their branches, and encourage them to develop differentiated green finance development strategies and advancing models based on local regional characteristics and resource endowments, so as to further develop financial green services in their serving regions.

During the reporting period, SPD Bank took multiple measures to enhance its capacity to build a green bank from multiple perspectives. In 2022, SPD Bank clearly stated in its credit orientation policy that it adopted the business strategy of "supporting the development of green industries and helping the transformation of traditional industries to support China's "dual carbon" transition by financial strengths. We optimized green finance policies and implemented differentiated assessment and incentive policies for green finance, so as to prioritize green and low-carbon sectors in resource allocation. We continued accelerating the digital construction of green finance, further explored the production and operation scenarios of green industries, and promoted the efficient development of green finance with technology empowerment.

Case

Launch the joint action plan of "Track Carbon Footprint for a Green Future"

On September 2, 2022, SPD Bank held the sub-forum "Open up Finance to Empower Digital City" of the Fifth World Artificial Intelligence Conference, in which the participants talked about opening up finance construction and the new trend of the digital economy. Through joint innovation of business and technology, SPD Bank promoted the implementation of digital projects such as intelligent marketing, smart notes, green finance, and the Tianyan Risk Control Platform, and improved the quality and efficiency of financial services.

At the sub-forum, SPD Bank and China Pacific Insurance launched the joint action plan of "Track Carbon Footprint for a Green Future" to start a new trend of green and low-carbon life. Under the guidance of the national "dual-carbon" strategic goal, Shanghai led the all-around green and low-carbon transition of its economy and society. While financial institutions were using financial instruments to serve energy and production enterprises' low-carbon transition, their own energy conservation and emission reduction was also an important aspect of practicing "carbon neutrality". To this end, SPD Bank and China Pacific Insurance jointly built an employee carbon footprint platform. By quantifying low-carbon behaviors and carbon reduction effects of employees in the field of green office and green life, which were calculated in "carbon credits", each employee's low-carbon actions were "visualized".



Case

Forestry financing turns forests into gold

On August 5, 2022, the launch event of the "SPDB Forestry Financing" service program and the "Visit Guangxi for China's Forestry" Green Finance Forum was held in Nanning. The Forestry Bureau of the Guangxi Autonomous Region, Nanning Branch, and SPDB Financial Leasing jointly signed the Tripartite Cooperation Agreement on Supporting High-quality Development of Forestry of the 14th Five-Year Plan.

During the 14th Five-Year Plan period, Nanning Branch and SPDB Financial Leasing will provide a total amount of no less than 20 billion yuan of intentional financing for the whole industry chain of Guangxi forestry. According to the agreement, the three parties will strengthen bank-government cooperation in a number of forestry sectors, including the construction of modern high-quality forest resource bases, the development of characteristic forestry and under-forest economy, and the upgrading of wood processing and forest, pulp, and paper industries.

At the meeting, the Green Finance Center of Nanning Branch was inaugurated, and the financial service program of "SPDB Forestry Financing" was launched, providing a financial service package for Guangxi forestry industry chain.



Innovate Green Financial System

SPD Bank launched the brand "SPDB Green Innovation" and iteratively upgraded the "Green Finance Comprehensive Service Program 3.0", which covered six fields such as green intelligent manufacturing, green urbanization, green energy, environmental protection, new energy vehicles, and carbon finance, and built a three-dimensional, full-process, and full-coverage "6+N Service System". By continuously promoting product and service innovation and fully serving the upstream and downstream enterprises in the low-carbon industrial chain, we effectively met the real economy's demand for green financial services.

Since the signing of the strategic cooperation agreements with Shanghai Environment and Energy Exchange and Carbon Emission Rights Registration and Settlement (Wuhan) Co., Ltd., SPD Bank continuously deepened its strategic partnership with the National Carbon Market Trading Center and Registration Center, actively approached relevant entities in the carbon market, and quickly responded to corporate needs to provide one-stop comprehensive financial services such as carbon loans, carbon bonds, carbon settlements, and carbon advisors.

By the end of 2022, the green finance business scale of SPD Bank

and its six subsidiaries had exceeded 1 trillion yuan, covering three business segments of corporate business, retail business, and financial market business. SPD Bank's green credit balance reached 427.1 billion yuan, ranking first among joint-stock peers. Since the set-up of the support tool for carbon emission reduction, it had issued a total of 34 billion yuan of carbon emission reduction loans, ranking top among shareholding banks.¹

We sped up our cooperation with climate investment and financing projects in approved pilot regions across the country. In 2022, SPD Bank provided financial services for the national demonstration zone of ecological civilization construction in Qingdao West Coast New Area, one of the first batch of pilot climate investment and financing projects in China, to respond to the national "dual carbon" call.

After signing the Joint Declaration of Banking Financial Institutions in Supporting Biodiversity Conservation, we had actively responded to the call of the banking association by focusing on marine life protection, water environment protection of key river basins, ecological restoration, soil governance and restoration, and contributing our financial strengths to supporting ecological civilization construction and biodiversity protection.

¹ Information disclosure regarding carbon emission reduction loans of SPD Bank - SPD Bank official website (spdb.com.cn).

Case

Underwrite the market's first carbon asset bond the as the sole underwriter

On August 4, 2022, the market's first carbon asset bond exclusively underwritten by SPD Bank, "22-Year Anhui Energy SCP004 (Carbon Asset)", was issued in the interbank bond market by Anhui Energy Group with a fixed interest rate plus a floating interest rate which was linked to the yield rate of carbon emission allowances (CEA).

The issuance of the carbon asset bond created four domestic firsts: the first "carbon asset"-labeled bond in China; the first bond product linked to the design concept of carbon quota income in China; the first environmental equity floating-rate bond to interact with national carbon market trading and bond market in China; and the first bond to realize market incentives for investors through linking to carbon quota trade in China.



Case

Underwrite the market's first green transition bond

On June 22 and 23, 2022, SPD Bank consecutively completed the underwriting of Aluminum Corporation of China's 2022 Medium-term Notes (transition) Issue 2 and Datang International 2022 Medium-term Notes (transition) Issue 5, and the funds raised were dedicated to projects with carbon reduction effects such as enterprises' technological upgrading and transformation.

Among the funds raised by Aluminum Corporation of China, 500 million yuan will be used to upgrade the energy-saving technology of the 500kA electrolytic aluminum production line in Liancheng Branch Company, which is expected to reduce carbon dioxide emissions by 190,700 tons per year after completion. Of Datang's raised funds, 290 million yuan will be used to repay loans for the Beijing Gaojing gas-fired thermoelectricity project, which replaces coal-fired units and regional coal-fired boilers with natural-gas thermoelectric units and can reduce carbon dioxide emissions by 1.8385 million tons per year.

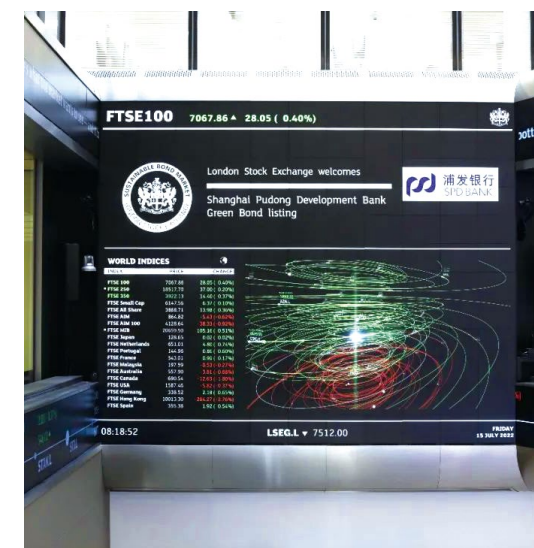


Case

List green bond on London Stock Exchange

On July 15, 2022, the London Branch held the listing ceremony of the \$400 million "Three-year International Green Bond" at London Stock Exchange (LSE) and was awarded a welcome plaque by LSE. Funds raised would be used to support clean rail transit and green building projects. The bond was priced at T (the interest rate of USA national debt at the same time)+32, which was the lowest credit spread of a three-year US dollar bonds issued by any Chinese joint-stock banks at that time.

The underwriting syndicate consists of 30 institutions of various types, including state-owned banks, joint-stock banks, foreign banks, and securities brokers. Six were joint global coordinators, with SPD Bank Hong Kong Branch as one of the leading joint global coordinators. The bid-to-cover ratio of the bond was 6.2, the highest ever for a dollar bond achieved by a Chinese bank at the time, and the subscription amount was nearly \$2.5 billion.



Case

Green asset securitization supports the development of energy-saving buildings

In April 2022, Shanghai Branch and Beijing Branch jointly invested 2 billion yuan in the preferred share of "Citic Securities-Jinmao Kaichen 2022 Green Asset Support Special Program (Carbon Neutral)", which was the largest carbon-neutral CMBS (commercial real estate mortgage backed securities) in China. The program's issuance scale was 8.7 billion yuan and the basic assets of the project were high-end property projects with the country's first American LEED-EB platinum certification. According to the certification by an environmental assessment company, the underlying assets of the carbon-neutral green bond related projects could reduce carbon dioxide emissions by more than 1,400 tons per year, saving nearly 500 tons of standard coal equivalent energy. Shanghai Branch efficiently completed the whole process from credit approval to bookkeeping and payment, participated in the investment of 2 billion yuan in the project's preferred A1 share, and supported the development of energy-saving buildings through green asset securitization.

Case

Green-linked loan enables net zero emissions in an enterprise's office operations

In May 2022, Hangzhou Branch signed a sustainable-development-linked loan agreement with Ant Group to help it promote carbon neutrality and sustainable development, which was SPD Bank's first sustainable-development-linked loan in the building energy conservation field. Sustainable-development-linked loan refers to loans and credit instruments that incentivize borrowers to achieve sustainable development performance goals through loan terms and conditions.

According to the agreement, this loan took the reduced office energy consumption of Ant Group as the main preset target to set the graded interest rates. On the premise of achieving the performance goal of sustainable development, a preferential loan interest rate would be available, otherwise, the loan interest rate would be increased. In 2021, Ant Group announced its goal of carbon neutrality, promising to achieve net zero carbon emissions by 2030. In 2022, the first commitment, to be carbon neutral from operational emissions, was met on schedule.

Case

Bank-insurance linkage boosts the growth of regional photovoltaic power generation enterprises

Private photovoltaic power stations plan to seize the development opportunity to distribute high-quality new energy resources, but the objective uncertainty in power generation income does exist. In October 2022, Suzhou Branch cooperated with China Pacific Property Insurance Suzhou Branch to launch "Project Financing - Power Generation Income Compensation Index Insurance" for photovoltaic power stations. This innovative insurance designed customized income compensation insurance for power generation revenue of solar power stations. While playing the role of enhancing credit, the insurance could effectively cover the electricity fee income gap caused by insufficient power generation, so as to

ensure that enterprises have sufficient sources of repayment for new projects. With the financial support provided by the bank and insurance company, enterprises would have more confidence in business expansion. In the same month, the first private photovoltaic power station "project financing - index insurance" in Suzhou was launched, helping the construction of several photovoltaic power stations. This insurance not only strengthened the foundation of SPD Bank's green innovative businesses but also created a new mode of bank-insurance cooperation in the new era, making new contributions to the growth of regional photovoltaic power generation enterprises and the development of green and low-carbon finance.

Case

Support the green development of the wind power industry

On April 29, 2022, SPD Bank took the lead in underwriting Shanghai Electric Wind Power Group's 2022 Green Medium-term Note (issue 1) of 750 million yuan, which was the first green medium-term note of a wind power equipment manufacturing enterprise in the Yangtze River Delta, and the first time for the enterprise to issue a note in the bond market. The project involved new energy power generation, wind turbine manufacturing, and other green fields. It was expected to directly reduce sulfur dioxide emissions by 30.72 tons, nitrogen oxides by 34.36 tons, and smoke by 6.14 tons annually (equivalent to 58,500 tons of standard coal), and indirectly reduce sulfur dioxide emissions by 800 tons, nitrogen oxides by 895 tons, and smoke by 160 tons, equivalent to 1,524,500 tons of standard coal.



Case

Mergers and acquisitions finance makes the city greener

SPD Bank provided comprehensive M&A finance services for Anhui Haichuang Green Energy and its subordinate's waste incineration for power generation project, comprising of 450 million yuan of green merger and acquisition loans and 890 million yuan of operating loan limit for subsequent projects of the company. The six plants of waste incineration for power generation of the project disposed of 4,200 tons of garbage per day, generating 393kWh/t per ton of garbage and 1.65 million kWh per day. All of them used household waste power generation technology with grate furnaces to realize the reduction, recycling, and treatment of waste, which could not only realize the standard discharge of wastewater and exhaust gas but also reduce carbon emissions to promote green development of the city.



Case

Green fund custody serves the green new material industry

In March 2022, Guangzhou Branch gave full play to its advantages in asset custody services and launched the first green fund custody business of the bank, which was entrusted by an investment partnership (limited partnership) in a green new material industry. The green fund's subscription scale

was 5 billion yuan, which was invested in new materials, energy conservation and environmental protection, and high-end equipment manufacturing to promote the green development of the enterprise.

Case

SPD Bank's green power lights up the "carbon neutral" football pitch

The 800MW Al Kharsaah photovoltaic power station in Qatar, built by Power Construction Corporation of China (PowerChina) and supported by SPD Bank Guiyang Branch through credit guarantee, was connected to the grid at full capacity, bringing green electricity to the stadiums of the 2022 World Cup and strongly supporting Qatar's commitment to hosting a "carbon neutral" World Cup.

Qatar's 800 MW PV project, the third largest single photovoltaic power station in the world, is expected to provide Qatar with approximately 1.8 billion kWh of clean electricity per year, meeting the annual electrical needs of approximately 300,000 households, and reducing

approximately 900,000 tons of carbon dioxide emissions per year.

At the beginning of 2020, PowerChina Guizhou won the bid for the 800MW photovoltaic power plant project in Al Kharsaah, Qatar. To cope with the difficulties of foreign-related projects and performance guarantee business, Guiyang Branch actively carried out transnational communication. After studying the original terms of the business contract, participating in the owners' negotiations, and contacting the reissuing bank, Guiyang Branch put forward a practical L/G scheme with risk under control, which was highly recognized by the enterprises and the owners.



Case

"Blue Carbon" finance protects the blue sea and sky

Qingdao West Coast New Area was a state-level demonstration zone for ecological civilization construction and the only area in Shandong Province that was selected as one of the first batch of climate investment and financing pilot projects. Qingdao Branch took the initiative to contact enterprises in the climate investment and financing project database of the West Coast New Area to understand their financial needs.

Upon learning that an agricultural company planned to build a 40MW photovoltaic power station, which could save 7,374 tons of standard coal and reduce about 59,800 tons of carbon dioxide emissions annually, Qingdao Branch immediately dispatched an agile team to facilitate climate investment and financing, which got through all the approval procedures for the financing amount of 150 million yuan for the customer. The financial support helped the enterprise reduce environmental pollution from coal-fired power plants, speed up the transition to clean energy, and better meet its rapidly growing power needs.



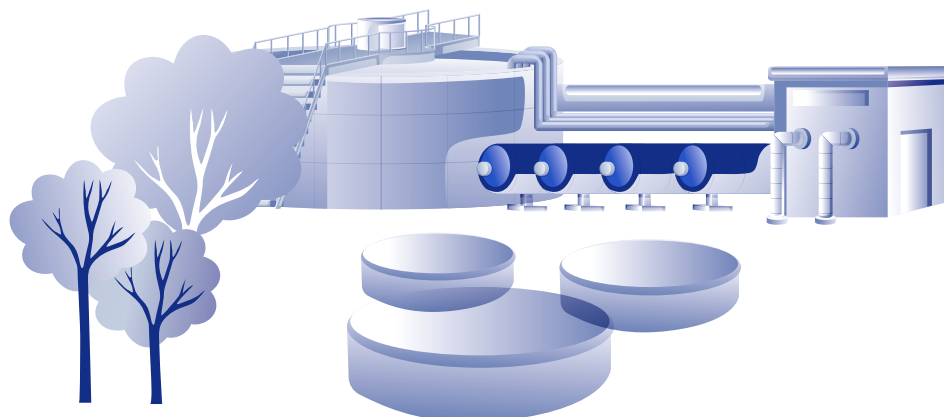
Case

Support water pollution treatment

Shanghai Branch, cooperating with Nanning Branch, issued a loan of RMB 488 million Yuan to Shanghai Huayi Holding Group Co., Ltd (Huayi Group) for its new centralized water pollution treatment project in Qinzhou City, Guangxi Province.

Huayi Group is one of China's largest chemical manufacturers. When Shanghai Branch learned that the enterprise had

financing needs for the supporting construction of a large-scale centralized sewage treatment system for its chemical and new material integration base that was under construction in Qinzhou, Guangxi, Shanghai Branch, working closely with Nanning Branch, provided the enterprise with a financial service program based on the green finance system in the first time, and completed the credit approval quickly, facilitating the implementation of the project.



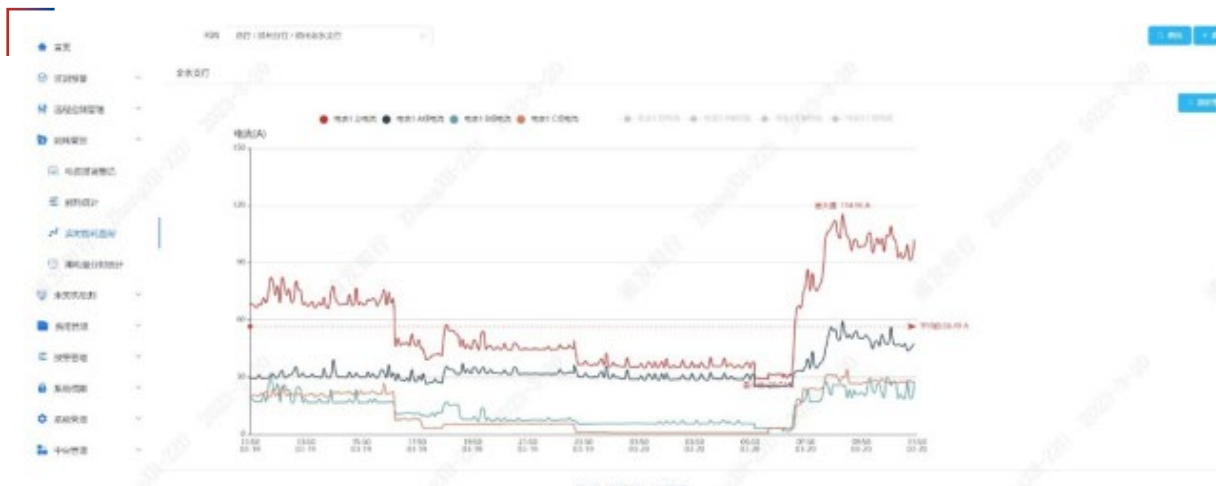
Practice Green and Low-carbon Operations

SPD Bank promoted real-time monitoring of basic office environment and visualization of energy conservation and emission reduction and realized integrated one-interface monitoring of business continuity, operation of important equipment and facilities, customer flow, environmental temperature and humidity in the building, and power usage in each zone. At the same time, carbon emission index was automatically calculated to better ensure business continuity and promote dual carbon management, which was piloted in the Bund 12 as well as branches and sub-branches in 2022.



The intelligent monitoring platform of environmental information of Bund 12 building of the head office was launched

SPD Bank independently developed "SPDB Cloud Carbon Control" intelligent management platform, a visualized management platform of electricity utilization and carbon control featuring "accurate metering, intelligent warning and remote control". Specifically, the platform collected energy consumption data in real time and provided scientific and quantitative data support for energy saving and carbon control through the analysis of power consumption data of the outlets, and strengthened power consumption management. Moreover, it monitored electricity consumption of the network in real-time, gave intelligent early warning, and trained electricity consumption habits; thirdly, it automatically turned off or on key equipment according to preset timing rules to avoid energy waste. The platform was piloted in Zhengzhou Branch, which reduced invalid power consumption through monitoring, supervision and management of central air conditioning and other energy-consuming equipment, saving more than 15% of energy on average, reducing carbon emissions, and achieving cost reduction and efficiency improvement.



"SPDB Cloud Carbon Control" intelligent management platform

Case

New breakthroughs in the construction of "carbon neutral" outlets

We actively promoted the construction of "carbon neutral" outlets. Shanghai Branch made a new breakthrough in the construction of "carbon neutral" outlets. Its sub-branches Chongming Sub-branch, Zhangjiang Technology Sub-branch and Minhang Sub-branch were awarded with "carbon neutral" certification by Shanghai Environment and Energy Exchange, being the first bank outlets in Shanghai to obtain "carbon neutral" certification. The "carbon neutral" outlets further improved the energy saving level of the whole outlets through energy-saving transformation of physical equipment.



Zhangjiang Technology Sub-branch

In addition, employees of the three "carbon neutral" outlets signed "Energy Conservation and Emission Reduction Proposal", promising to practice a monthly "Car-free Day" and a monthly "No Elevators Day" activity, expand scenarios of recycled paper, count the double-side use of copy paper, actively carry out green travel publicity activities, and popularize the concept of "carbon neutrality" and environmental protection knowledge for partners and customers.

They installed distributed photovoltaic panels on the roof of the building to meet part of the daily electricity demand of the branch and installed atomizing spray system VRV outdoor units to improve efficiency of generator units in hot seasons. The optimized drip irrigation system provided water to green plants in the most energy efficient way according to the water content in the soil. The outdoor platforms were added with green landscape, with wind and photovoltaic landscape lights installed, contributing to the overall "carbon neutrality" of the outlets.



Case

Strive to be the pathfinder of green finance in Guangdong-Hong Kong-Macao Greater Bay Area

Guangzhou Branch proposed the operation philosophy of "green bank" and built a "carbon neutral" sub-branch -- Huadu Sub-branch and a characteristic green finance branch -- Guangzhou Futures Exchange Sub-branch. It signed the "SPDB Green Finance Innovation" Laboratory and Characteristic Futures Service Project with Guangzhou Municipal Government, infusing "green gene" into the development of the Greater Bay Area.

Shenzhen Branch set up a greenhouse gas inventory implementation team in its Yitian Sub-branch, which implemented scientific carbon asset management through greenhouse gas management training and other ways. The 122t CO₂e greenhouse gas generated by Yitian Sub-branch's operations from July 1, 2021 to June 30, 2022 was offset by the Chinese Certified Emission Reduction (CCER) of Luding Hydropower Station Project of Dadu River in Sichuan Province (project No: 0065). Yitian Branch also became Shenzhen's first annual carbon neutral outlet witnessed by China Emissions Exchange.



Work Ingeniously to Draw a "New Blueprint" for a Better Life

Feature: Brighten the Urban Life of "New Citizens" with Caring and Innovative Services

With the deepening of urbanization in China, "new citizens" who have made important contributions to urban construction and development have become a force that can't be ignored in the new economy and new consumption. In order to thoroughly implement the Work Requirements on Strengthening Financial Services for New Citizens issued by China Banking and Insurance Regulatory Commission, SPD Bank launched a financial service plan for new citizens, aiming at improving the availability and convenience of financial services for new citizens in the fields of entrepreneurship, employment, housing, consumption, education and training, and turning on a better life for new citizens.

Launch a Financial Service Plan for New Citizens

Bank-Enterprise cooperation safeguards the entrepreneurship and employment of new citizens

- Launched a "new package" of all-round financial support for entrepreneurship and employment, and provided targeted financing support for key entrepreneurial groups among new citizens such as individual industrial and commercial households and small and micro business owners according to their business forms, income characteristics and capital needs.
- Strengthened cooperation with the new citizens' entrepreneurship and employment integration platform, and provided online financing services for small businesses in the platform to meet their "short-term, frequent and fast" financing needs.
- Introduced guarantees to eligible loans to solve the problem of weak mortgage guarantee ability of new citizens and further reduce financing costs.
- Engaged cooperative institutions to support new citizens' consumption, entrepreneurship and employment. In the whole year, 800 million yuan of consumer loans and 2.7 billion yuan of operating loans were issued, serving more than 250 thousand customers.
- By the end of 2022, more than 12,000 inclusive loans for small and micro enterprises had been provided to more than 3,800 small and micro enterprises in manufacturing, construction and other industries that employed more new citizens through digital services, with a total amount of more than 9.4 billion yuan.

Support measures for both housing rent and purchase to solve the housing problem of new citizens

- Provided diversified housing credit support, and introduced mortgage loan schemes for new citizens' talent housing according to local talent housing policies, so as to fully meet the rigid and improved housing needs of new citizens.

Exclusive products help new citizens live a better life

- By launching consumption installment products covering various consumption scenarios, we met the micro-credit installment needs of new citizens in various consumption scenarios such as housing consumption, vocational education and 3C digital products.
- New citizens' start-up business loan: Allocated exclusive strategies, provided new citizens with start-up business loan support, and helped new citizens' business innovation.
- Mortgage of new citizens' talent housing: Addressed the needs of new citizens to purchase housing and have their own homes in the local area, and to enhance the sense of belonging and happiness of new citizens in the local area.
- Finger point loan for new citizens: Allocated exclusive strategies, offered preferential interest rates, supported diversified repayment methods for up to 5 years, and addressed customers' daily consumption financing needs.
- Quick loan for new citizens: Allocated exclusive strategies, supported new citizens to apply for operating loans online conveniently, and enhanced the support for new citizens in inclusive finance.
- Carried out automobile installment payment activities in credit card business, and provided new citizens with financial support such as "discount coupon" and "preferential prices for car purchase" to help new citizens realize their "automobile dreams".

Focus on education and improve the vocational skills of new citizens

- Supported vocational education with "finance + technology" and "finance + platform", and helped build skilled campuses, skilled talents and skilled industries. By the end of 2022, we had served more than 5,000 vocational education customers and provided loan financial support of more than 6 billion yuan.
- For new college graduates who are about to become new citizens, the "Campus Youth Credit Card" application is available, and customers can build their credit history in advance. After becoming a new citizen, customers can quickly obtain standard credit card products, credit lines and "Special card upgrade award for graduates".



Campus Youth Credit Card issued by SPD Bank

Upgrade services to meet the financial demands of new citizens

- Introduced a simple account opening service enabling customers who can't provide supporting documents for the time being to open accounts with lower transfer limit for daily basic settlement.
- Introduced a new citizen's exclusive debit card with local characteristics, and reduced fees such as production fee, annual fee, account management fee and SMS service fee.
- Actively built a multi-identity authentication system and introduced e-certificate service to further assist new citizens in handling banking business.
- Launched the "Migrant Workers' Payroll Service Supervision System" to deeply integrate the supervision process across the country, facilitate individual access by organizations in all regions, and safeguard the legitimate rights and interests of migrant workers. By the end of 2022, 705 cooperation projects had been implemented, which offered a migrant workers' payroll service supervision account balance of more than 600 million yuan, and served more than 1 million customers.



Case

Launch "Ten Measures of SPD Bank to Help New Citizens in Guangdong"

Guangzhou Branch launched the *Ten Measures of SPD Bank to Help New Citizens in Guangdong* program, covering employment and entrepreneurship, housing, education and training, pension security, basic services and other aspects of new citizens, providing intimate financial services for new citizens to take root and live in Greater Bay Area.

The branch provided "industrial cluster + digital technology + financial services" solutions to 20 strategic industrial cluster enterprises in Guangdong; established various fund supervision systems for construction enterprises, small and micro enterprises, flexible employment platforms and other fields that absorb more new citizens; provided the flexible employment platform with the sub-account of workers' wages and the electronic account salary payment service; formulated a simplified loan review policy to reduce the payment cost for new citizens to buy houses; and launched SPD Bank Guangdong Talent Card to provide comprehensive services for high-level talents in terms of wealth appreciation and enterprise financing.

In addition, the Branch also cooperated with SPD Bank Wealth Management and other institutions to introduce high-quality pension insurance products to provide diversified pension wealth management products for the elderly new citizens who moved to Guangdong with their children.

Case

Multi-pronged approach to provide warm-hearted services for urban construction workers

With the deepening of urbanization in our country, new citizens who make great contributions to the development of urban construction have become a force that cannot be ignored in the new economy.

Focusing on the regulatory requirements of wage payment in the field of engineering construction in Beijing, Beijing Branch actively implemented relevant work by scientific and technological means, and realized online dynamic monitoring, real-time early warning and business approval of the whole process of workers' payroll account funds through information system tools. Through SPD Bank's "Migrant Workers' Payroll Service Supervision System", the timely payment of workers' wages is ensured in a "contactless" manner. The Branch also actively optimized the account service, and made full use of the existing personal bank accounts to pay wages in view of the difficulty in opening accounts for migrant workers, and supported inter-bank payment of wages. On the premise of controllable risks, personal simple account opening service was provided, enabling users who were temporarily unable to provide auxiliary certification materials to open accounts with lower transfer limits for daily basic settlement. This helped avoid inconvenience in the life and employment of new citizens due to their inability to open salary card accounts.

In addition, Beijing Branch also actively carried out the activity of "Popularizing financial knowledge in construction sites", and paid visits to construction site to popularize relevant financial knowledge such as preventing illegal fund-raising, preventing telecom fraud and protecting personal information, so as to help construction workers improve their ability to identify financial fraud risks and defend their rights according to law.



Offer Heartfelt Customer Services

SPD Bank adhered to the customer-centered business philosophy and attached great importance to the protection of consumers' rights and interests. In 2022, SPD Bank conscientiously implemented various management requirements of regulatory agencies and optimized the top-level design. The Head Office adjusted and set up a Consumer Rights Protection and Service Management Committee, which was headed by both the Chairman and President; The Head Office set up a Consumer Rights Protection Department, a first-level department, to strengthen the empowerment and resource protection of the consumer protection department.

We steadily promoted the construction of consumer protection management system, formulated or revised a number of work systems related to consumer protection, and further improved the management system of consumer protection. We highlighted the key points of management, and constantly improved various consumer protection working mechanisms such as consumer protection review, internal training, supervision and inspection, assessment and evaluation, cooperative organization management, and special audit. Special management improvement work was carried out for personal information protection. In accordance with laws, regulations and industry supervision requirements, we continuously improved relevant management systems, comprehensively optimized format contract terms and information systems, and established a long-term mechanism. We also carried out all-round education and training to effectively protect the personal information security of consumers. We strengthened inspection, monitoring and rectification work for important consumer protection management aspects such as product and service information disclosure, cooperative organization management, consumer appropriateness management and sales traceability. We constantly strengthened the care and love for the special groups of elderly customers, actively optimized and improved the accessible service measures of business outlets, increased the aging-adapted transformation of various electronic channels, and comprehensively enhanced the sense of gain, happiness and security of financial services for elderly customers.

SPD Bank ensured unobstructed complaint channels, earnestly fulfilled the main responsibility of complaint handling, continuously strengthened the normative management of complaints, and improved the quality and efficiency of complaint handling and management. In 2022, a total of 369,837 consumer complaints were dealt with, mainly focusing on credit cards (accounting for 74.71%), debit cards (accounting for 12.25%), personal loans (accounting for 7.74%), wealth management (accounting for 2.51%) and other businesses, mainly from customers in the Yangtze River Delta (accounting for 5.8%), Bohai Rim (accounting for 4.69%), Pearl River Delta and Haixi (accounting for 3.9%). We actively promoted diversified solutions to disputes, optimized the incentive policy for diversified dispute resolution, introduced a special system for dispute mediation, and determined the principle of "Mediation as preferred solution" to meet the demands of customers for efficient and convenient dispute resolution. In 2022, the number of mediated dispute increased by 189% over the previous year.

SPD Bank attached great importance to the popularization of financial knowledge and consumer education, and carried out omni-channel, diversified, high-quality, wide-coverage and online and offline financial knowledge publicity and popularization activities for financial consumers.

The "3.15" Consumer Rights Protection Education and Publicity Week, "Popularize Financial Knowledge and Ensure Financial Security" activity, and the "Financial Knowledge Popularization Month" centralized publicity and education activities, etc. were carried out on a bank-wide basis, so as to continuously enrich the publicity content, innovate the publicity forms and enhance the publicity effect. In the "3.15" Education and Publicity Week, we were awarded the "Excellent Organizer" by the Financial Rights Protection Bureau of China Banking and Insurance Regulatory Commission. During the centralized publicity month, more than 1,600 business outlets and more than 46,000 employees participated in the activities from both online and offline channels. We carried out more than 10,690 publicity and education activities, and distributed more than 32.65 million publicity materials in total, and the audience and influence of the activities continued expanding.

For key groups such as teenagers, new citizens and elderly customers, we actively did a good job in routine education and publicity. We continued building a brand of "SPDB Consumer Protection" and popularized financial knowledge through WeChat official account, official website, official micro-blog and other channels. We gave full play to the role of the position in popularizing financial knowledge at business outlets, set up public education areas at business outlets, held financial knowledge salons on the spot, and incorporated publicity and education into the whole process work system of business related to consumers. We visited villages, communities, business districts, schools and enterprises to carry out colorful publicity activities; actively participated in the establishment of financial education model bases. Beijing Branch, Kunming Branch and Taiyuan Branch were awarded provincial "Financial Education Demonstration Bases" by the People's Bank of China.

During the centralized publicity activities

more than

10,690

publicity and education activities carried out

more than

1,600

business outlets participated

more than

46,000

employees participated

Case

Shanghai Branch launches a series of financial knowledge education and publicity activities

In September 2022, focusing on the financial needs of "the old and the young" and new citizens, Shanghai Branch launched a series of financial knowledge education and publicity activities, such as "Enhance the public's financial literacy, promote the healthy co-construction of national finance, clear up the network space and cultivate a good financial ecology", through the combination of online and offline activities, popularizing financial knowledge and skills of preventing financial risks, improving consumers' financial literacy and risk prevention ability, and enhancing consumers' sense of acquisition, happiness and security in financial activities.



Case

Beijing Branch launches a series of consumer rights protection publicity activities on "Branch Head Service Day"

Focusing on the theme of "Promoting Consumption Fairness and Sharing Digital Finance", Beijing Branch launched a series of publicity activities on consumer rights protection on March 15. The Branch Head was on duty at outlets as lobby manager to popularize financial knowledge, and through close contact with customers, the Branch Head listened to customers and found out their needs, so as to optimize service processes and better promote consumer rights protection.



Important Progress: Ensuring the Personal Information Security of Financial Consumers

System and mechanism

SPD Bank established a leading group for personal information protection at the head office and branch level to promote the full implementation of personal information protection on a bank-wide basis. In addition, we focused on the requirements of the personal information protection law and relevant regulatory laws and regulations to establish a systematic institutional mechanism to ensure effectiveness, timeliness and completeness aiming at the whole process, omni-channel and all scenarios.

System control

SPD Bank aims to establish a closed-loop management and control system that can be monitored, measured, evaluated and regulated, and realize automatic control by establishing a system to automatically monitor user behavior changes. From the perspective of the whole life cycle of data, on the one hand, a comprehensive inspection was carried out in the whole bank, and the problems identified were rectified one by one; On the other hand, personal information protection was embedded in the information system construction process to ensure that the system effectively implements personal information protection requirements in both aspects of stock and increment.

Standardized services

SPD Bank carried out a comprehensive inspection and rectification of the bank-wide customer contracts, third-party cooperation contracts, and privacy agreements in accordance with personal information protection requirements. We embedded personal information protection requirements into the contract agreement review process prior to the commencement of new business to ensure the implementation of a long-term mechanism.

Experience improvement

SPD Bank identified shortcomings by actively monitoring customer complaints, and made available "Do not disturb" marketing subscription options across all customer channels, enabling customers to activate and deactivate omni-channel marketing information push of SPD Bank, thus improving customer experience.

Knowledge popularization

SPD Bank did a good job in employee education internally, continuously improved employee compliance awareness, and integrated personal information protection into daily work to form habits; we carried out publicity for customers, and enhanced the awareness of personal information protection of all kinds of people in a targeted manner to effectively enhance customers' recognition and experience.

Protection of rights and interests

SPD Bank clearly stipulated that the information disclosure obligations should be fully fulfilled in the *Measures for the Protection of Consumer Rights and Interests* and the *Measures for Compliant Sales of Personal Wealth Management Products*. Meanwhile, we expanded the coverage from outlet posters and SMS notifications to official website, mobile banking App announcements, WeChat notice of account change, H5 page displays, peer-to-peer notifications of financial managers, lectures in enterprises, etc., so as to better adapt to consumers' habits of obtaining information.

Dispute resolution

SPD Bank Head Office took the lead in establishing a head-to-head exchange mechanism with the Financial Consumption Mediation Center, and all branches actively assisted local branches of the People's Bank of China in the mediation work. As the first batch of pilot organizations, Beijing Branch participated in the diversified solution mechanism of financial disputes jointly sponsored by Beijing Higher People's Court, Operations Office of the People's Bank of China and Beijing Banking and Insurance Regulatory Bureau. From July 2020 to the end of December 2022, Beijing Branch reached pre-litigation negotiation with more than 10,000 consumers, and the performance rate of the scheme has reached 90%.

Comprehensive Cases: Adaptive services for the elderly to add luster to the lives of senior citizens

In 2022, SPD Bank fulfilled the initial mission of serving the People with Financial Strength, actively participated in the construction of personal pension (the third pillar) system and platform, and obtained the qualifications to operate personal pension business as one of the first operators. We actively invested in high-quality resources, gave full play to the advantages of online and offline omni-channels, deeply comprehended customers' personalized pension needs, helped users maintain and increase their wealth, and truly realized a sense of security and happiness for the elderly.

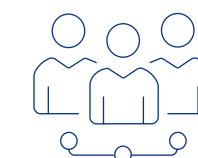
We launched a comprehensive pension financial service platform as a support, relying on the leading advantage of digitalization to integrate financial services into the pension service scenario and build a new ecosystem of pension services. For example, the "Special Zone for the Elderly" launched in SPDB App provided individual customers with one-stop services such as enterprise annuity, personal pension, medical insurance and pension planning, as well as supporting services such as pension calculation, elderly community, elderly classroom and health information, so as to popularize pension financial knowledge and help investors establish a scientific and rational concept of pension investment.

Beijing Branch deepened the implementation of the *Service Plan for Elderly Customers in Business Outlets*, compiled the *Financial Services Guide for the Elderly* in an easy-to-understand language according to the characteristics of the elderly, and opened up a "green channel" and a "courtesy counter" for the elderly customers, making the outlet services more heart-warming. In addition, the Branch also visited communities and nursing homes to hold "small classes" to explain the knowledge of anti-counterfeit currency, prevention of illegal fund-raising and telecommunication network fraud to the elderly.



Beijing Branch visited communities and nursing homes to explain the knowledge of anti-counterfeiting and prevention of illegal fund-raising and telecommunication network fraud to the elderly

Bao'an Sub-branch of Shenzhen Branch set up a caring team to provide visiting services for the elderly. They also come to chat with the elderly in their spare time, helping with housework, cleaning up, circuit check, and teaching the elderly how to buy food on their mobile phones... just like the "grandchildren" of them.



Shenyang Branch set up Shengli Sub-branch within its jurisdiction as a "Special outlets for the elderly", and opened a special service area for the elderly with "Smart Experience", "Smart Pension", "Smart Medical Care" and "Smart Finance". In cooperation with the University for the Aged, it regularly offered public welfare lectures or salon activities including vocal music, reading, pension policy interpretation and pension financing for the elderly in communities nearby. In addition, the Branch also exposed the illegal means of fraudsters and introduced the anti-fraud skills of the elderly in the form of "hipster storytelling".



Nanhu Sub-branch of Wuhan Branch installed an elevator to help the elderly go upstairs for business, and arranged special personnel to manage to ensure the safety when the elderly are taking it. A call bell was also installed on the first floor and once pressed, some staff would go downstairs to start the elevator. Sitting on the chair of the elevator, the elderly can reach the banking hall directly from the roadside. The improvement of facilities for the elderly made financial services more heart-warming.



Chengdu Branch provided convenience equipment such as courtesy seats, reading glasses, magnifying glasses, wheelchairs and medicine boxes for elderly customers at outlets, and also opened green channels for the elderly or those with limited mobility to offer priority access to services, thus delivering a convenient and personal experience.

In addition, the Branch also provided visiting services for elderly customers who have limited mobility or are bedridden or hospitalized for serious illness, making financial services more heart-warming.



Help Employees Develop

SPD Bank adhered to the view of talent of "Pursue a people-centric approach to discover talent people and put them in suitable positions" and led the development of talents with talent brand strategy. We continued deepening the our "SPDB Talent Pool" project by interacting with major talent programs such as "Shanghai Leading Talents", "Shanghai Golden Talent Project", and "Shanghai State-owned Assets Talent". By the end of 2022, a total of 211 people had been included into the list of "Three Kinds of Gold Elites" of SPD Bank, namely, leadership, innovation and skills, and 22 people were selected as Shanghai Leading Gold Talent and Shanghai Youth Gold Talent. We formulated the "Five-Year Plan", "Three-Year Plan" and "Annual Implementation Plan" for the construction of young cadres of the Bank, optimized and improved the management system of cadre selection and appointment, and continuously strengthened the selection, cultivation, management and use of cadres at all levels through open competition, probation and training, two-way appointment, public recommendation, evaluation and selection, etc., continued strengthening the selection, cultivation, management and use of cadres at all levels, and established the employment orientation that emphasizes hard work and performance.

By the end of 2022, a total of 2,136 trainings were organized and implemented. The Head Office designed, developed and organized the implementation of 170 bank-wide training programs. The average score of participants' satisfaction degree was 4.96 out of 5. The total number of employees that have installed online education platform exceeded 60,000, and more than 8,465 bank-wide shared course resources were launched, with 1,842 new courses, and nearly 29.36 million learning opportunities offered throughout the whole year. The learning channel of Let's Embrace the Future Together was launched, with a total learning time of 2.526 million minutes and 147,000 viewers; we set up a branch live broadcast room with a watch time of 11.4315 million minutes; 1,582 online examinations were organized and implemented, with a total of 2,112,900 examinees.

We adhered to the principle of fairness and justice in employment, without treating job seekers or employees differently due to

differences in age, gender, marital status, race, nationality, etc. We were committed to building a harmonious and stable labor relationship and effectively protect the labor rights and interests of employees. The trade union gave full play to the functions and roles of the staff and workers' congress in participating in the democratic management of the enterprise, safeguarding the legitimate rights and interests of the staff and workers and building a harmonious labor relationship. The third meeting of the third staff and workers' congress was held from November 10 to 15, 2022. At the meeting, the Head Office's Management Work Report (President's Office) of SPD Bank, the Report on the Use of Employee Welfare Funds in 2021, the Report on the Use of Education and Training Funds in 2021 and the Budget Arrangement in 2022, and the Report on the Accountability of the Whole Bank in 2021 were heard and reviewed, and the Collective Contract of SPD Bank, the Measures for the Post and Rank of SPD Bank and the Resolution on Measures for Staff Attendance and Vacation of SPD Bank were reviewed and approved.

We carried out the selection and commendation of Excellent Workers (Excellent Employees), Female (Red-Banner) Pace-setter and Excellent Home of Employees in 2022. We reported and commended 294 "Excellent Workers (Excellent Employees)", 99 "Female (Red-Banner) Pace-setter" and 51 "Excellent Home of Employees" to promote the spirit of labor and craftsmanship. We organized 14 individual labor competitions, involving corporate, retail, financial market, risk, operation, sci-tech, compliance, innovation and other fields, created a learning organizational atmosphere, and continuously helped employees improve their job skills and accumulate occupational quality.

We continued promoting the construction of home of employees, and strived to make the "Home of employees" in SPD Bank Building and No.12 Bund a warm home for employees. Our branches upgraded their homes of employees, created a good atmosphere of healthy living and happy work, inspired our employees to have more enthusiasm and enterprising spirit, and enhanced the staff's sense of gain and happiness.



Home of employees



Devote Ourselves to Social Public Welfare

Exert with love efforts for the public and interpret social responsibility with actions

Bearing in mind the duty of "corporate citizen", SPD Bank constantly innovated the public welfare model, shouldered the responsibility of state-owned financial institutions in the public welfare fields such as rural revitalization, poverty alleviation, disaster relief and caring for children, and strived to become an outstanding corporate citizen who is respected and trusted.

In 2022, SPD Bank donated a total amount of 47.9548 million yuan in rural revitalization, children's health and education, and disaster relief.

In 2022
SPD Bank donated



47.95
million yuan

in rural revitalization,
children's health and
education, and disaster relief

Establish the SPDB Foundation

On July 21, 2022, SPDB Foundation was registered and established in Shanghai Civil Affairs Bureau, which became a practical platform, a window of publicity and an important carrier for SPD Bank to fulfill its corporate social responsibility culture.

After the establishment of the Foundation, we actively participated in poverty alleviation, practiced "Serving and Benefiting the People with Financial Strength", exerting greater efforts with love for the public welfare.



Case

Donate to Wenshan, Yunnan Province for building rooftop distributed photovoltaic power stations

SPD Bank helped Nanlin Village of Dongshan Township, Wusechong Village of Bozhu Town, Yalachong Village of Dehou Town, and Yakouzhai Village of Xinjie Township, in the city of Wenshan, Yunnan Province, by assisting the local governments in using the roofs of about 3,800 square meters of village committees and village activity rooms to build rooftop distributed photovoltaic power station through the grid-connected mode of "connecting all photovoltaic power generated to the power grid", with a total installed capacity of about 740 kW and an average annual power generation of about 1,072,300 kWh after completion, which was able to bring sustainable and stable green benefits to the village and promote the realization of green circular development of the village and the revitalization of the village. In addition, SPD Bank also purchased "precise poverty prevention insurance" for nearly 1,000 villagers to prevent them from returning to poverty because of illness, accidents or natural disasters, establishing a long-term mechanism to consolidate poverty alleviation achievements.



Case

Donate to multiple places of Yunnan to improve village appearance and develop rural industries

SPD Bank participated in donations to Yunnan Province, including the road lighting project of Caizidi Village, Longxin Township, Longling County, the city of Baoshan, the road lighting project of Zhenxiong Village, Longtan Town, the city of Xuanwei, the construction of public toilets and street lamps in Zhima Village, Wumao Township, Yuanmou County, the development of edible fungi industry in Xiaoba Village, Fucun Town, Fuyuan County, the city of Qujing, the construction of agricultural products trading market in Bajiao Village, Lishan Township, Tonghai County, etc., contributing to changing the village appearance, improving the living environment of residents and promoting the development of rural industries according to local conditions.

Promote Children's Health and Well-being

Case

Continue with the "Dream-chasing Fireflies" public welfare plan

SPD Bank launched the "Dream-chasing Fireflies" further education public welfare plan in 2016 and by the end of 2022 had financed 1,000 pediatric practitioners to complete their trainings at Grade-III Class-A hospitals in Shanghai, Beijing, Chengdu, Hangzhou, Chongqing, Tianjin, etc., infusing new vitality into improving the health and medical level of for the children of rural areas.



Case

**Donate to the public welfare activity Rural School
"Love-lit Reading Corners"**

SPD Bank established 60 "Love-lit Reading Corners" at 8 rural schools in Yunnan, Gansu and Guizhou Provinces in 2022, enabling children in rural areas to experience the colorful world and navigate in the sea of knowledge. The books helped broaden their horizons and empower them with the strength to pursue their dreams.



Relief and Assistance

Case

**Donate for the resettlement of the affected people
in Yalachong Village, Dehou Town, Wenshan**

On the night of September 11, 2022, Xiawulichong Village, a natural village affiliated to Yalachong Village, Dehou Town, the city of Wenshan, suffered a landslide due to heavy rainfall, leaving roads blocked, endangering many houses of the village and damaging some houses. SPD Bank quickly rushed to help 200 affected villagers purchase daily necessities and assisted the local government in the resettlement of the affected people.

Case

Save children who fell into the water

On the afternoon of February 28, 2022, some Wuxi citizen visited Wuxi Branch of SPD Bank with his family to thank Ma Xueying, General Manager of Retail Banking Department of Wuxi Branch of SPD Bank, who did good deeds without leaving her name. Just two days ago, a 9-year-old boy went to play at Huangshanhu Park with his neighbor's family, but accidentally fell into the lake. At such a dangerous moment, Ma Xueying jumped into the lake, rescued the child ashore in time, and quietly left after confirming the child's safety. Then, after many inquiries, the boy's family confirmed that the kind-hearted person was Ma Xueying, and made a special trip to Wuxi Branch to express their gratitude.



Rural Revitalization

Case

**Help the construction of ecological agriculture base in
Yuhuangding Village, Shigu Town, Danjiangkou**

Wuhan Branch helped Yuhuangding Village in Shigu Town, Danjiangkou, sent the major secretary and working team to help, and donated to support the early construction of the 200-mu ecological agriculture base in Yinjiazhuang, Yuhuangding Village, for projects including land circulation, land consolidation, water, electricity and gas supply, etc.



Wuhan Branch inspected the citrus planting base



Wuhan Branch helped citrus sales

Case

**Help Mianhua Village, Nuxi Town, Tongren, Guizhou Province
to implement rural revitalization**

Guiyang Branch selected outstanding young cadres to serve as the major secretary in Mianhua Village, Nuxi Town, the city of Tongren, Guizhou Province, to help Mianhua Village implement rural revitalization. Mianhua Village has weak infrastructure. In order to solve the export problem of agricultural and sideline products such as *Siraitia grosvenorii*, Guiyang Branch donated to build cement concrete roads, improve the construction of supporting roads for industrial projects, and enable the local agricultural products to be sold to other places.



Green and Low Carbon

On January 9, 2023, SPD Bank launched the 16th Bank-wide Volunteer Day themed on "Protecting Mother River". All employees recorded the "carbon reduction" in their daily work through the "My Carbon Footprint" platform, and practiced the green initiative of "Low-carbon lifestyle and green Future" with "Energy Saving and Carbon Reduction Action", and participated in the public welfare activity of "Protecting Mother River" to support to improve the ecological environment in the Yellow River Basin and the Yangtze River Basin.



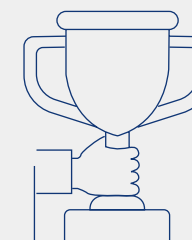
Overseas institutions of SPD Bank practiced green and low carbon with practical actions. On November 12, 2022, London Branch participated in the 2022 Lord Mayor's Show themed on "Bring Nature Back to Our Lives", which demonstrated SPD Bank's vision of green development and ecological environment protection.



SPD Bank won the Corporate Donor Award in the First "Shanghai Charity Award"

On February 17, 2023, in order to carry forward Shanghai's urban spirit, highlight Shanghai's urban characters and drive more social forces to support and participate in charity, the first "Shanghai Charity Award" commendation activity was held in Shanghai World Expo Center, commending enterprises, individuals, charitable projects and charitable trusts that made outstanding contributions to various charitable activities. SPD Bank won the first "Shanghai Charity Award" Corporate Donor Award.

The "Shanghai Charity Award" is the highest award in the field of charity in Shanghai. It was established in 2021 with the approval of the State Council, organized by the Shanghai Municipal People's government, and held every two years. The first awarding ceremony was launched in 2022, and 32 award winners were determined through the procedures of declaration and recommendation, initial primary selection, online voting, jury review, opinion solicitation, examination and approval by the Municipal Government of Shanghai, public announcement, etc.



Volunteer Services

Case

Go to the front line to ensure people's livelihood

Disaster is the command, and SPD Bank cares for the livelihood of the people. Facing the disaster, the staff of SPD Bank volunteered to go to the front line of affected communities to join in volunteer services and help with the related work of "Ensuring people's well-being". During the reporting period, 3,585 volunteers participated in basic community services, and a total number of 21,747 people participated in the community volunteer services.



SPD Bank won the "Annual Public Welfare Enterprise" Award at the 7th China Annual Conference on Philanthropy

On February 23, 2023, the 7th China Annual Conference on Philanthropy was held in Beijing, paying tribute to and commending the institutions and individuals who made special contributions to the development of public welfare in 2022, and SPD Bank won the "2022 Public Welfare Enterprise" Award. The China Annual Conference on Philanthropy was held by China's first national public welfare newspaper, *China Philanthropy Times*, which is headed by the Ministry of Civil Affairs. It has been held for seven times since 2016. The theme of the 7th China Annual Conference on Philanthropy was "New Era, New Journey and New Development", focusing on public welfare fields such as "Medical Assistance", "Educational Public Welfare", "Rural Revitalization", "Internet Public Welfare" and "Corporate Social Responsibility". At the meeting, public welfare practitioners and observers from different institutions such as the government, enterprises, foundations and industry organizations jointly reviewed the extraordinary course of public welfare in China of 2022 and discussed the development of philanthropy in the new era.



Appendix

Key Performance Indicators

Table 1. Contribution to Social and Economic Values

Indicators	Unit	2022	2021	2020
Total assets	billion yuan	8,704.7	8,136.8	7,950.2
Total loans	billion yuan	4,900.7	4,786	4,534
Operating income	billion yuan	188.6	191.0	196.4
Staff costs	billion yuan	28.9	28.4	27.5
Interest expense	billion yuan	165.9	164.7	156.4
Tax and costs	billion yuan	28.6	24.7	31.4
Total donations	million yuan	47.9548	29.0842	52.92
Value of social contribution per share (by weighted average number of shares)	yuan	9.17	9.04	9.22
Level 1 capital adequacy ratio	%	10.98	11.29	11.54
Provision coverage rate	%	159.04	143.96	152.77
Non-performing loan ratio	%	1.52	1.61	1.73

Note: ① The statistical coverage in Table 1 is based on group-wide data.
② The statistical coverage in Table 2 - Table 22 is based on data of the parent company (including overseas branches).
③ 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.
④ 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. Statistics on Professional Ethics, Anti-corruption and Learning Education

Indicators	Unit	2022	2021	2020
Number of anti-money laundering trainings	sessions	539	539	520
Large-sum transaction report submitted	million	10	11	11
Suspicious transaction reports submitted	thousand	172.3	136.4	177.7

Table 3. Statistics of International Business Development

Indicators	2022	2021	2020
Overseas institutions	3	3	3
Total assets of overseas institutions (billion USD)	30.13	30.98	31.14
Balance of cross-border RMB settlement business (billion Yuan)	2,615.5	2,140.5	831.0
Cross-border RMB settlement business volume (transactions)	201,294	170,127	112,401

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

Table 4. Statistics on Services for Small and Micro Enterprises

Indicators	Unit	2022	2021	2020
Inclusive loan balance for small and micro businesses	billion yuan	376.634	319.688	270.958
Number of customers of inclusive loan for small and micro businesses	thousand	293.5	231.8	187.5

Note: Inclusive loan balance for small and micro businesses does not include balance of overseas branches and off-shore business.

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

Indicators	Unit	2022	2021	2020
Total balance of agricultural loans	billion yuan	349.75	345.02	354.898
Proportion of agricultural loans to total loans	%	7.57	7.48	7.99

Table 6. Statistics on Green Credit (in billion Yuan)

Indicators	Green credit balance		
	2022	2021	2020
Green financing related to production, construction and operation			
1. Energy conservation and environmental protection industry	59.391	41.268	32.069
2. Clean production industry	13.238	13.407	10.956
3. Clean energy industry	112.290	73.490	39.940
4. Eco-environmental industry	24.712	24.484	21.167
5. Green upgrading of infrastructure	215.190	167.523	131.754
6. Green service	3.731	1.982	2.519
(I) Green financing related to trade			
7. Green trade financing	0.418	0.408	0.200
Green financing related to consumption			
8.Green consumer financing	2.730	0.006	0.002
(II) Total			
9. Subtotal of green production financing	54.570	29.718	19.132
10. Subtotal of financing for energy conservation and environmental protection projects and services	378.048	296.167	222.123
11.Financing within China to support the low-carbon economy	310.196	213.213	146.481
12.Financing within China to support the circular economy	22.696	19.841	13.992
13.Total green financing	431.700	322.568	238.606

Note: The statistical coverage in this table is based on the rules of the *Notice by the General Office of the China Banking and Insurance Regulatory Commission Regarding the Work Related to the Statistical System of Green Financing*. The amount of green credit of 427.1 billion yuan quoted in the body of the Report is based on the statistical coverage of the People's Bank of China.

Table 7. Statistics of 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)
2022	95.2	46,066.7	42.7	7,698
2021	141.0	49,568.5	53.0	9,807
2020	130.8	43,586.0	52.8	10,429

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. Statistics of Digital Meetings

Types of meetings	2022	2021	2020
Videophone conferences (on premises)	4,367	5,235	3,144
Important executive meetings	52	67	42
Regular local meetings	963	1,053	879
Online video invigilation	47	57	45
System exercise and launch	11	26	3
Total	5,440	6,438	4,113

Note: Digital conferences (number of sessions) refer to the number of audio and video conferences initiated by SPD Bank Head Office and held in multimedia conference rooms using the bank-wide videophone conference system in 2022.

Table 9. Proportion of Credit Card Electronic Bills

Year	Total annual bills (copies)	Electronic bills (copies)	Proportion of electronic bills (%)
2022	300,450,978	299,771,698	99.77%
2021	281,669,962	280,663,836	99.64%
2020	282,260,562	280,914,531	99.52%

Table 10. Credit Card Complaint Rate and Satisfaction Rate

Year	Complaint rate %	Satisfaction rate %
2022	0.40%	92.53%
2021	0.26%	96.20%
2020	0.10%	98.72%

Table 11. Service Channel Construction

Indicators	Unit	2022	2021	2020
ATM, foreign currency exchange machine, VTM and other self-service facilities	(number)	8,686	8,977	9,250
Rural outlets	(number)	155	161	163
Community financial service outlets (Community sub-branches, small and micro sub-branches)	(number)	417	440	459

Note: Rural outlets refer to outlets established by SPD Bank in county regions (exclduing rural banks).

Table 12. Information on Electronic Banking

Service channels	Transaction scale (Million Transactions)	Environmental benefits (approximately equal to)		
		Planted trees (Thousand)	CO ₂ Emission Reduction (Tons)	Quantity of paper reduced (Tons)
Online banking	191	30	543.6	1,810
Mobile banking	503			

Indicators	Unit	2022	2021	2020
Replacement rate of transaction volume in electronic channels	%	99.4	99.4	99.4

Note: 1) The number of transactions by online banking or mobile banking includes the number of transactions by individual customers and corporate customers; 2) 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 app, and excluding the number of transactions completed by other banks on behalf of SPD Bank.

Table 13. Statistics of Customer Feedback from Customer Service Hotline

Indicators	2022	2021	2020
Cumulative numbers of customer service center staff (persons)	736	750	737
Timely handling rate of customer complaints (%)	99.91%	99.91%	99.81%

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

Table 14. Basic Information of Employees

Indicators	2022	2021	2020
Total number of employees	61,599	60,406	59,051
Labor contract signing rate	100%	100%	100%
Social insurance coverage rate	100%	100%	100%
Number of new employees	4,005	4,345	6,252
Number of female employees	32,397	31,370	30,793
Ratio of male to female employees	0.9:1	0.9:1	0.9:1
Number of employees of ethnic minorities	2,683	2,158	2,034
Bachelor's degree or above	52,728	51,425	49,715
Junior college degree	8,871	8,981	9,336
Overseas employees	441	393	373
Employee medical examination coverage rate	100%	100%	100%
Staff turnover rate	5.7%	5.8%	4.8%
Employee satisfaction	96.8	96.6	93.9
Number of paid vacation days per employee	8.48	7.87	7.57

Table 15. 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)
2022	2,136	29,357,063	86.0068	1,396.24	71
2021	1,926	35,648,689	117.7947	1,950.05	66
2020	1,905	26,173,932	72.5070	1,227.87	64

Note: ① Staff training expenditure: Staff education expenditure of head office and domestic branches.
 ② Duration of training in days: 8 class hours/day.

Table 16. Statistics on Staff Right and Interest Protection

Indicators	Unit	2022	2021	2020
Trade union coverage	%	100	100	100
Coverage of workers' congress	%	100	100	98
Amount of disaster relief	million yuan	23.2023	7.9778	15.78
Amount of medical assistance	million yuan	8.2528	9.4076	5.3845
Amount of living assistance	million yuan	21.4256	8.3883	9.867

Table 17. Resources and Energy Consumption

Indicators	Unit	2022	2021	2020
Total natural gas consumption	m ³	549,148	987,403	873,639
Total office paper consumption	t	15.84	22.58	25.41
Data center energy utilization rate	%	59.08	59.88	59.17

Note: ① The total natural gas consumption (m3) refers to the total amount of natural gas consumed in the office area at the head-office level of SPD Bank in 2022. The office area at the head office-level includes the Bund 12 Headquarters Building, the Dongyin Building, the SPD Bank Building, and the SPD Bank Information Center.
 ② The total office paper consumption (tons) refers to the paper used in the office area at the head-office level of SPD Bank in 2022. Here, the office area at the head-office level includes the Bund 12 Headquarters Building, Dongyin Building, SPD Bank Building, SPD Bank Information Center, Yashi Building, and Zhangjiang Operations Center.

Table 18. Carbon Dioxide Emission

Indicators	Unit	2022	2021	2020
Total emission of greenhouse gas	thousand tons	20.6	41.3	32.7
Emission of direct greenhouse gas (Scope 1)	thousand tons	1.3	2.3	2.0
Emission of indirect greenhouse gas (Scope 2)	thousand tons	19.3	39.0	30.7

Note: The data calculation is based on the coefficient of last year's *Report on Energy Utilization of Key Energy-consuming Financial Organizations in Shanghai* published on the official website of National Development and Reform Commission.

Table 19. Wastes

Indicators	Unit	2022	2021	2020
Kitchen garbage	L	256,560	498,380	494,680

Table 20. Construction of Service Channels

Construction of service channel	2022	2021	2020
Number of e-banking users (million)	40.9965	39.7646	37.7347
Number of mobile banking service users (million)	72.2012	62.0068	50.5397
Number of WeChat banking service users (million)	26.4173	22.6946	18.1000
Number of phone banking service users (million)	145.23	139.72	119.65
Number of smart bank(s)	7	1	2

Note: The number of users of online banking, mobile banking, and WeChat banking includes the sum of both corporate customers and individual customers.

Table 21. Number of Employees (by Gender)

All employees	2022	2021	2020
Male	29,202	29,036	28,258
Female	32,397	31,370	30,793
Management personnel			
Male	260	261	260
Female	54	60	61
New employees			
Male	1,552	1,849	3,289
Female	2,453	2,496	2,963
Employee structure (by age bracket)			
Aged 30 or below	22,441	23,386	25,218
Aged at 31-40	26,842	25,607	23,064
Aged at 41-50	8,886	8,405	8,236
Aged above 51	3,430	3,008	2,533

Table 22. Employee Turnover Rate

By gender	2022	2021	2020
Male	5.9%	6.0%	4.9%
Female	5.4%	5.7%	4.7%
By age bracket	2022	2021	2020
Aged 30 or below	8.3%	7.8%	5.5%
Aged at 31-40	4.8%	5.4%	4.7%
Aged at 41-50	1.8%	2.4%	2.4%
Aged above 51	8.3%	7.4%	8.8%

Independent Assurance Report

To the Board of Directors of Shanghai Pudong Development Bank Co., Ltd.

We have been engaged by the board of directors of Shanghai Pudong Development Bank Co., Ltd. (the "Bank"), to perform a limited assurance engagement on the selected 2022 key data as defined below in the Bank's 2022 Corporate Social Responsibility Report ("CSR Report").

I. Selected key data

The selected key data in the Bank's 2022 CSR Report that is covered by this report is as follows:

- Loan balance of small and micro enterprises (in RMB 100 million)
- Rate of customer complaints handled in a timely manner (%)
- Total expenditure on employee training (in RMB 10,000)
- External donations (in RMB 10,000)
- Green credit balance (in RMB 100 million)
- Rate of digital trading volume over total trading volume (%)
- Use of digital conferencing
- Social contribution value per share (in RMB)
- Office water consumption (in 10,000 t)
- Office power consumption (in 10,000 kWh)
- Quantity of photocopier paper purchased (in bag)
- Use of natural gas (in m³)
- Use of paper (in ton)

Our assurance was limited to the selected key data for the year ended 31 December 2022 only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2022 CSR Report.

II. Criteria

The criteria used by the Bank to prepare the selected key data in the 2022 CSR Report are set out in the definitions of the key data (the "basis of reporting") in Appendix I of this assurance report.

III. The Board of Directors' Responsibilities

The Board of Directors is responsible for preparing the selected key data in the 2022 CSR Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2022 CSR Report that is free from material misstatement, whether due to fraud or error.

IV. Our Independence and Quality Control

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

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

V. Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2022 CSR report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

VI. Summary of implementation

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The assurance procedures selected depend on the practitioner's judgment, including an assessment of the risks of material inconsistency between the selected key data and the basis of preparation. Furthermore, our work does not purport to express an opinion on the effectiveness of the Bank's internal control.

We have performed procedures on at the level of head office of the Bank solely, these procedures include:

- (1) Interview relevant departments of the Bank involved in providing information for the selected key data within the CSR Report;
- (2) Perform analytical procedures;
- (3) Examine, on a test basis, documentary evidence relating to the selected key data on which we report; and
- (4) Recalculate certain amount or indicator.

VII. Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

VIII. Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2022 selected key data in the 2022 CSR Report is not prepared, in all material respects, in accordance with the basis of reporting.

Compilation Basis of key Data

IX. Restriction on Use

Our report has been prepared for and only for the board of directors of the Bank in the preparation of CSR Report. Our report is not suitable and cannot be used for any other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

KPMG Huazhen LLP

Beijing, China

17 April 2023

Inclusive small and micro loan balance (in RMB 100 million): refers to the on-balance sheet loan balance of small and micro loans of Shanghai Pudong Development Bank Co., Ltd. as of 31 December 2022 classified under the statistical caliber of regulatory authority. They mainly refer to small and micro enterprise loans and inclusive loans for other organizations and personal business (non-agricultural households) with the total credit line of less than 10 million (inclusive) for a single account. It does not include balances relating to overseas branches and offshore business. The classification standards for inclusive small and micro loans refer to the types of loans defined in the *Notice of the General Office of the China Banking and Insurance Regulatory Commission on Promoting the "Incremental Expansion, Quality Improvement and Cost Reduction" of Financial Services for Small and Micro Enterprises in 2020* (Yin Bao Jian Ban Fa [2020] No.29).

Rate of complaints handled in a timely manner (%): refers to the total proportion of the completion and filing of complaints initiated in 2022 within a prescribed timeframe as well as the application for extended handling of complaints by Shanghai Pudong Development Bank in accordance with the Order from the China Banking and Insurance Regulatory Commission on the "Administrative Measures for the Handling of Consumer Complaints in the Insurance Industry" ([2020] No.3) and the Bank's related management measures. The above-mentioned complaints refer only to the online complaints received by SPDB's domestic branches and complaints received by designated customer service hotlines, but do not include complaints lodged through the Credit Card Center, overseas branches and offshore business.

Total expenditure on employee training (in RMB 10,000): refers to total expenses for internal training and web training organised in SPDB's domestic branches and approved by the Human Resources Department in 2022, excluding employee training expenditure related to overseas branches and offshore business.

External donations (in RMB 10,000): refers to the amount of donation to public welfare and social development undertakings in the name of SPDB. Such donations only refer to the Bank's administrative appropriations earmarked for donations, but do not include donations from employees.

Green credit balance (in RMB 100 million): refers to SPDB's on-balance sheet balance of green credit as at the end of 2022. Green credit balance is defined in the *Notice of CBRC General Office on Work Related to Green Finance Statistical System* (Yin Bao Jian Ban Letter [2020] No.739), but excludes the balance related to overseas branches and offshore business.

Rate of digital trading volume over total trading volume (%): refers to the percentage of the successful trading volume through digital channels other than counter trading (including personal phone, personal online banking, corporate mobile banking, corporate online banking, self-service banking, telephone banking and POS machine) in the total volume of counter trading and digital trading channel in 2022. It does not include the Bank's successful transactions conducted by overseas branches, offshore business, Credit Card Center's "Pudaxiben" software and the transactions completed by other banks on behalf of the Bank.

Use of digital conferencing (times): refers to the number of audio and video conferences initiated by the head office of SPDB and held in multimedia conference rooms using the bank-wide video conferencing system in 2022.

Social contribution value per share (in RMB): refers to incremental amount per share created for the society as a whole, which is the basic earnings per share created by the Bank for shareholders, plus tax revenues created by the Bank, wages paid to employees, loan interests paid to creditors and donations made by the Bank and other values created for other stakeholders in 2022. The calculation formula is: social contribution value per share = earnings per share + (taxes paid + employee expenses + interest expenditure + total amount of public welfare input)/weighted average equity. In this formula, except that the total amount of public welfare input is the external donations made by the Bank, the remaining indicators are the financial indicators at consolidated level of the SPDB Group.

Office water consumption (in 10,000 t): refers to annual tap water consumption at office areas of SPDB head office in 2022, including headquarters building in the Bund, Dongyin Building, SPDB Building, SPDB Information Center and Zhangjiang Working Center.

Office Power Consumption (in 10,000 kW·h): refers to annual power consumption at office areas of SPDB head office in 2022, including headquarters building in the Bund, Dongyin Building, SPDB Building, SPDB Information Center and Zhangjiang Working Center.

Quantity of photocopier paper purchased (in bag): refers to the quantity of photocopier paper purchased for office areas of SPDB head office in 2022, including headquarters building in the Bund, Dongyin Building, SPDB Building, SPDB Information Center, Yashi Building and Zhangjiang Working Center.

Use of natural gas (in m³): refers to the annual natural gas used in office areas of SPDB head office in 2022, including headquarters building in the Bund, Dongyin Building, SPDB Building and SPDB Information Center.

Use of paper (in ton): refers to the annual paper used in office areas of SPDB head office in 2022, including headquarters building in the Bund, Dongyin Building, SPDB Building, SPDB Information Center, Yashi Building and Zhangjiang Working Center.

GRI STANDARD Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Refer to Annual Report
	2-2 Entities included in the organization's sustainability reporting	Notes to the Report
	2-3 Reporting period, frequency and contact point	Notes to the Report
	2-4 Restatements of information	Notes to the Report
	2-5 External assurance	Independent Assurance Report
	2-6 Activities, value chain and other business relationships	A Word from the President / Secretary of Party Committee and Chairman, refer to Annual Report
	2-7 Employees	Help Employees Grow, refer to Annual Report
	2-8 Workers who are not employees	Practice
	2-9 Governance structure and composition	Refer to Annual Report
	2-10 Nomination and selection of the highest governance body	Refer to Annual Report
	2-11 Chair of the highest governance body	Refer to Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Refer to Annual Report
	2-13 Delegation of responsibility for managing impacts	Refer to Annual Report
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance
	2-15 Conflicts of interest	Refer to Annual Report
	2-16 Communication of critical concerns	Refer to Annual Report
	2-17 Collective knowledge of the highest governance body	Refer to Annual Report
	2-18 Evaluation of the performance of the highest governance body	Refer to Annual Report
	2-19 Remuneration policies	Refer to Annual Report
	2-20 Process to determine remuneration	Refer to Annual Report
	2-21 Annual total compensation ratio	Refer to Annual Report
	2-22 Statement on sustainable development strategy	A Word from the President/ Secretary of Party Committee and Chairman, refer to Annual Report
	2-23 Policy commitments	
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	
	2-27 Compliance with laws and regulations	Official website
	2-28 Membership associations	
	2-29 Approach to stakeholder engagement	
	2-30 Collective bargaining agreements	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Corporate Governance
	3-2 List of material topics	Contents
	3-3 Management of material topics	Corporate Governance

GRI Standard	Disclosure	Location
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Practice
	201-2 Financial implications and other risks and opportunities due to climate change	"Pioneer" in Green and Low-carbon Development to Embrace the Future through Green Innovation
	201-3 Defined benefit plan obligations and other retirement plans	Refer to Annual Report
	201-4 Financial assistance received from government	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Serve Major National Strategies
	203-2 Significant indirect economic impacts	Upgrad the Level of Inclusive Financial Services
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
GRI 207: Tax 2019	207-1 Approach to tax	
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	
	207-4 Country-by-country reporting	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	
	301-2 Recycled input materials used	
	301-3 Reclaimed products and their packaging materials	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Key Performance Indicators
	302-2 Energy consumption outside of the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	

GRI Standard	Disclosure	Location
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Key Performance Indicators
	305-2 Energy indirect (Scope 2) GHG emissions	Key Performance Indicators
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
	305-6 Emissions of ozone-depleting substances (ODS)	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	Key Performance Indicators
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Practice Green and Low-carbon Operations
	308-2 Negative environmental impacts in the supply chain and actions taken	Practice Green and Low-carbon Operations
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key Performance Indicators
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Help Employees Grow
	401-3 Parental leave	Help Employees Grow
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	Help Employees Grow
	403-4 Worker participation, consultation, and communication on occupational health and safety	Help Employees Grow
	403-5 Worker training on occupational health and safety	Help Employees Grow
	403-6 Promotion of worker health	Help Employees Grow
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Help Employees Grow
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	

ESG Index

GRI Standard	Disclosure	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key Performance Indicators
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance
	405-2 Ratio of basic salary and remuneration of women to men	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	
	414-2 Negative social impacts in the supply chain and actions taken	
GRI 415: Public Policy 2016	415-1 Political contributions	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Heartfelt Services for Customers
	417-2 Incidents of non-compliance concerning product and service information and labeling	
	417-3 Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	

Social	Indicator No.	Indicator Contents	Page
Level A1: Emission	General disclosure	Contents about waste gas and greenhouse gas emission, pollution discharge to water and land and generation of harmful and harmless wastes: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Practice Green and Low-carbon Operations
	A1.1	Emission type and relevant emission data	
	A1.2	Total emission (in tons) and density (if applicable) of greenhouse (e.g. calculated in output unit per facility)	Key Performance Indicators
	A1.3	Total quantity (in tons) and density (if applicable) of generated harmful wastes (e.g. calculated in output unit per facility)	
	A1.4	Total quantity (in tons) and density (if applicable) of generated harmless wastes (e.g. calculated in output unit per facility)	Key Performance Indicators
	A1.5	Description on measures and results obtained of emission reduction	"Pioneer" in Green and Low-carbon Development to Embrace the Future through Green Innovation
Level A2: Resources utilization	A1.6	Description on method to dispose harmful and harmless wastes and measures and results obtained of generation reduction.	
	General disclosure	Policy on utilizing resources effectively (including energy, water and other raw material)	Practice Green and Low-carbon Operations
	A2.1	Total consumption (in 1,000 kWh) and density (if applicable) of direct and/or indirect energies (e.g. power, gas or oil) divided by type (e.g. calculated in output unit per facility)	Key Performance Indicators
	A2.2	Total water consumption and density (e.g. calculated in output unit per facility)	Key Performance Indicators
	A2.3	Description on energy use benefit plan and results obtained	
Level A3: Environment and natural resources	A2.4	Description on any possible problem in taking appropriate water and water use benefit improvement plan and results obtained	
	A2.5	Total quantity (in tons) of packaging material of finished products and proportion per unit of production (if applicable)	
	General disclosure	Policy on reducing issuer's serious influence on environment and natural resources	Promote the Green Bank Construction
Level B1: Employment	A3.1	Description on serious influence of business activities on environment and natural resources and actions adopted to management relevant influence	"Pioneer" in Green and Low-carbon Development to Embrace the Future through Green Innovation
	General disclosure	Contents about remuneration and dismissal, recruitment and promotion, working hours, vacation, equal opportunity, diversification, anti-discrimination and other treatments and benefits: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Help Employees Grow
	B1.1	Number of employees divided by gender, employment type, age bracket and region	Key Performance Indicators
	B1.2	Employee turnover rate divided by gender, age bracket and region	Key Performance Indicators

Social	Indicator No.	Indicator Contents	Page
Level B2: Health and safety	General disclosure	Contents about providing safe working environment and keeping employees away from occupational hazard: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Help Employees Grow
	B2.1	Number and ratio of employees who are dead owing to work reason	
	B2.2	Working days lost owing to industrial injury	
	B2.3	Description of occupational health and safety measures adopted and implementation and surveillance method concerned.	
Level B3: Development and training	General disclosure	Policy on improving employees' knowledge and skills for performing work duties and training activity description	Help Employees Grow
	B3.1	Percentage of employees divided by gender and employee category (e.g. senior management and middle management)	
	B3.2	Average training hours completed by each employee (by gender and employee category)	Key Performance Indicators
Level B4: Labor standards	General disclosure	Contents about anti-child labor or compulsory labor: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Help Employees Grow
	B4.1	Review measure description of recruitment conventions, to avoid child labor and compulsory labor	
	B4.2	Steps taken to eliminate child labor and compulsory in case of discovering a violation	
	General disclosure	Policy on managing supply chain's environmental and social risks	Practice Green and Low-carbon Operations
Level B5: Supply chain management	B5.1	Number of suppliers divided by region	
	B5.2	Description of practices in supplier recruitment, number of suppliers subject to the practices and implementation and surveillance methods of relevant practices	
	General disclosure	Contents about bribery, extortion, fraud and money laundering: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Heartfelt Services for Customers
Level B6: Product responsibility	B6.1	Number of concluded corruption cases put forward by issuer or its employees during reporting period and litigation result	
	B6.2	Description on preventive measures and reporting procedure and implementation and surveillance method concerned	Heartfelt Services for Customers
	B6.3	Policy on community at business place solving its own requirements and making sure community's benefits are considered in business activities	Risk and Compliance
	B6.4	Dedicated contribution category (e.g. education, environment, labor requirement, health, culture and sports)	
	B6.5	Resources used within dedicated category (e.g. money or time)	Heartfelt Services for Customers
	General disclosure	Contents about bribery, extortion, fraud and money laundering: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	
Level B7: Anti-corruption	B7.1	Number of concluded corruption cases put forward by issuer or its employees during reporting period and litigation result	
	B7.2	Description on preventive measures and reporting procedure and implementation and surveillance method concerned	
	General disclosure	Policy on community at business place solving its own requirements and making sure community's benefits are considered in business activities	Engagement in Social Welfare Undertakings
Level B8: Community investment	B8.1	Dedicated contribution category (e.g. education, environment, labor requirement, health, culture and sports)	Engagement in Social Welfare Undertakings
	B8.2	Resources used within dedicated category (e.g. money or time)	Engagement in Social Welfare Undertakings

Feedback from Readers

Thanks for reading the *2022 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 18th consecutive report issued by SPD Bank.

In order to provide valuable information to you and other interested parties in a better way, 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 reading-friendly?

☐ Yes ☐ Average ☐ No

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