About This Report

Reporting Scope

Reporting Period | Unless otherwise stated, the report covers the period between January 1 to December 31, 2020.
Organizational Boundary | The report discloses the information of the Head Office and all branches and sub-branches of Hua Xia Bank.
Reporting Cycle | The report is an annual report. The most recent report was issued on April 17, 2020.

Preparation Basis

The report was prepared in accordance with the Opinions on Strengthening the Corporate Social Responsibility of Banking Institutions issued by former Banking Regulatory Commission (CBRC), the Guidelines on the Corporate Social Responsibility of Banking Institutions of China released by the China Banking Association, and the Notice on Strengthening Listed Companies’ Assumption of Social Responsibility and Guideline on Environmental Information Disclosure by Listed Companies released by Shanghai Stock Exchange (SSE), and referred to the Principles for Responsible Banking issued by United Nations Environment Programme, the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) issued by the Research Center for Corporate Social Responsibility of the Chinese Academy of Social Sciences, Guidance on Social Responsibility (ISO 26000:2010) issued by International Organization for Standardization (ISO), GRI Sustainability Reporting Standards (GRI Standards) and GRI Financial Service Sector Supplemental Guidelines issued by Global Sustainability Standard Board (GSSB), and the Environmental, Social and Governance Reporting Guide (HK-ESG) issued by Hong Kong Exchanges and Clearing Limited (HKEx).

Reference

For better readability, “Hua Xia Bank Co., Limited” is referred to as “Hua Xia Bank” or “the Bank” in the report.

Data Sources

The financial data in the report come from the audited Annual Report 2020 of Hua Xia Bank Co., Limited and other data come from internal documents and statistics of Hua Xia Bank. Some contents and data can be traced back to previous years.

Languages

The report is available in simplified Chinese and English versions. In case of any discrepancy, the simplified Chinese version shall prevail.

Formats

The report is available in both print and electronic formats. The electronic version can be downloaded at our official website (http://www.hxb.com.cn).

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## 2020 Social Responsibility Report

**Hua Xia Bank Co., Limited**

**Spotlight:**
- Contributing to the Fight Against the COVID-19 with Concerted Efforts
- Contributing to the Decisive Victory in the Battle Against Poverty Through Multiple Approaches

### Promoting the Coordinated Development of the Beijing-Tianjin-Hebei Region

- Implementing State-level Regional Development Strategies
- Promoting Industrial Transformation and Upgrade
- Serving China’s Opening-up

### Implementing State-level Regional Development Strategies

- Promoting the Coordinated Development of the Beijing-Tianjin-Hebei Region
- Implementing State-level Regional Development Strategies
- Promoting Industrial Transformation and Upgrade
- Serving China’s Opening-up

### Promoting Industrial Transformation and Upgrade

- Serving China’s Opening-up

### Serving China’s Opening-up

- Serving China’s Opening-up
Message from Chairman

In 2020, confronted with the hard shock from the COVID-19 pandemic and accelerating changes, Hua Xia Bank adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and promoted bank-wide reform by enhancing Party leadership. Despite challenges, we seized opportunities, stayed true to our original aspiration and worked hard to fulfil our mission. We made unremitting efforts to promote sustainable corporate, economic, social and environmental development at the same time.

We shouldered our responsibilities in the fight against the pandemic. Facing the extreme test of the pandemic, we earnestly implemented the decisions and deployment of the Central Party Committee, the State Council and China Banking Insurance Regulatory Commission on COVID-19 prevention and control. We spared no effort to support the national efforts of ensuring stability and securities on six fronts. We offered sound, efficient financial services and actively fulfilled our responsibilities to aid the fight against the pandemic and support resumption of work and production, striving to get through tough times with all walks of life.

We developed inclusive finance to help win the battle against poverty. Aiming to be “a financial service provider for small and medium enterprises (SMEs)”, we allocated comprehensive credit loans to micro and small enterprises (MSEs), advanced product innovation and process optimization, and improved financial service capability for MSEs. At the same time, we implemented the decisions and deployment of the Central Party Committee on targeted poverty alleviation. Leveraging our financial advantages, we actively introduced new financial products and models for poverty alleviation, improved service efficiency, and spared no effort to accomplish our targets in the battle against poverty.

We provided financial support for the development of the real economy. Based in Beijing, we endeavored to build the Bank into a national-level joint-stock bank and a major financial service provider for the Beijing-Tianjin-Hebei region. In line with national and regional development strategies for the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and so on, we continued to increase resource investment in pivotal areas of the real economy (e.g., transformation and upgrade of industrial structure, China’s opening to the outside world, development of private enterprises) and add momentum to the high-quality development of real economy.

We embraced digital trends and pursued innovation-driven development. We constantly boosted FinTech innovation, improved coordinated planning and top-level design for digital transformation, and accelerated the development of key FinTech projects and digitalization of core business. Moreover, we built the innovation mechanism of agile organization system, ramped up efforts to improve digital ecosystem, and created the “Smart Finance, Digital Hua Xia” brand, pushing forward the innovative development and digital transformation.

We developed green finance to protect the beautiful homeland. We actively practiced the green development philosophy, channeled more resources to green finance areas such as credit loans, investment and finance lease, and built a full-chain green finance service system ranging from internal architecture building to product innovation. In addition, we took the initiative to expand international cooperation, constantly greened our services, and worked to create the “Green Growth for a Better Hua Xia” brand and contribute to the building of beautiful China with lucid waters and lush mountains.

We prevented and controlled financial risks through compliance and stable operation. Adhering to compliant operation, we stressed “compliance for value creation”, insisting on risk management, and comprehensively promoted the construction of a long-term compliance management system. With these efforts, we advanced the risk management system reform, improved internal compliance, and consolidated the foundation for compliant operation, safeguarding high-quality corporate development and securing financial order and social stability.

In face of challenges or difficulties, heroes stand out. Looking into the future, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core and standing at the beginning of a new development stage, we will practice the new development philosophy, and integrate into the new development pattern. With unremitting efforts, we will work to realize the Chinese Dream of national rejuvenation and make achievements to celebrate the 100th anniversary of the founding of the Communist Party of China.

Party Secretary and Chairman of Hua Xia Bank
Message from President

The year 2020 was an extraordinary year. Confronted with the sudden outbreak of COVID-19 and the impacts of complicated situations at home and abroad, Hua Xia Bank insisted on boosting the real economy. Upholding the customer-centric service philosophy, we fulfilled our responsibilities as a state-owned financial institution and pressed ahead with all our achievements.

Since 2020, we have orderly promoted the transformation and institutional reform of Hua Xia Bank and constantly cemented the foundation for operation and development. As a result, we have achieved continuous growth in business scales, operating efficiency and risk resistance capability. In 2020, we realized a revenue of RMB 95.309 billion, a net profit of RMB 21.568 billion, and a capital adequacy ratio (CAR) of 13.08%.

In 2020, facing the extreme test of the pandemic, the Bank adopted diverse measures and provided financial support to aid COVID-19 prevention & control and resumption of work and production, and to ensure stability and securities on six fronts. As of the end of 2020, the Bank had cumulatively allocated RMB 20.705 billion credit loans to 298 enterprises essential for pandemic prevention and control, postponed the repayment of principals and interests and cut the interest rate for 11,077 enterprises (including small-business owners, individual industrial and commercial households, with a cumulative business principal of RMB 204.155 billion) hit by the pandemic.

In 2020, the Bank actively seized opportunities of regional economic development. We went all out to advance regional development in the Beijing-Tianjin-Hebei region, Yangtze River Delta region and Guangdong-Hong Kong-Macao Greater Bay Area, along Beijing-Guangzhou and Beijing-Shanghai railway lines, and other key areas, to effectively support the development of the real economy. In 2020, the Bank cumulatively provided RMB 65.6 billion of financing services for key projects in the coordinated development of the Beijing-Tianjin-Hebei region. At the same time, the Bank ramped up efforts to promote the transformation and upgrade of industrial structure, support the development of micro, small and medium-sized private enterprises, and facilitate the country’s opening up. As of the end of 2020, the balance of loans for supporting strategic emerging industries had reached RMB 79.689 billion while the balance of loans to MSBs had reached RMB 456.412 billion.

In 2020, the Bank enhanced financial support for targeted poverty alleviation, especially for the fixed-point poverty alleviation in Beijing, the East-West collaboration for poverty alleviation, and educational development for poverty alleviation. We increased input in industrial development, public welfare, stimulating consumption of local products, employment and educational support in poverty-stricken areas. In addition, we set up the fund for preventing return to poverty and for industrial development, contributing to winning the battle against poverty. In 2020, the Bank provided RMB 840.2222 million (including credit loans, donations and consumer spending) for targeted poverty alleviation and offered financial services to a total of 21,582 registered poor people.

In 2020, the Bank responded to the national efforts of ecological progress, improved the long-term mechanism for green credit loans and investment, and enhanced cooperation with international organizations in this regard. By developing marketing platforms and optimizing specialty products, the Bank provided more financial support for key green projects to aid pollution control. As of the end of 2020, the balance of green loans had reached RMB 180.043 billion and the balance of climate finance had reached RMB 157.1 billion. Besides, the Bank endeavored to practice ESG investment and launched CSI ESG120 Strategy Index, CSI Hua Xia Bank ESG Index and CSI Equity-Hua Xia Wealth Management ESG Preferred Bond Index Strategy Index, attracting extensive attention from the market and investors.

In 2020, the Bank put people first, protected employee rights, and provided abundant training and career development opportunities, so that employees can grow together with the Bank. In 2020, the Bank held 4,365 training sessions for 370,748 participants. Moreover, the Bank actively engaged in charity and promoted social harmony. In 2020, the Bank organized 2,091 volunteer service activities, with 30,235 participants delivering 22,851.2 hours of service.

Looking into the year 2021, it is time for us to make new efforts. Standing on the new historic point, Hua Xia Bank will remain true to our original aspiration, brave challenges and difficulties, and take confident, firm strides to help realize the Chinese Dream of national rejuvenation.
Hua Xia Bank was founded in Beijing in October 1992 and became a national joint-stock commercial bank after restructuring in March 1995. On September 12, 2003, the Bank went public on Shanghai Stock Exchange (Stock Code: 600015), with registered capital of RMB 15.387 billion.

Since its inauguration, the Bank has been forging ahead and made great achievements despite all difficulties. By the end of 2020, the Bank had a total asset of RMB 3,399.816 billion, 44 Tier-1 branches, 79 Tier-2 branches, 1,032 outlets in 122 cities at or above the prefectural level nationwide, and nearly 40,000 employees, which had formed an institutional system of building presence in developed cities and reaching out to the whole country. The Bank has set up 1,206 agencies in and out of China, covering 321 cities in 101 countries on all five continents of the world. Its settlement network covers all major trade areas in the world.

In The Banker’s Top 1000 world banks published in July 2020, Hua Xia Bank ranked 51st by Tier-1 capital and 65th by total asset, respectively five places and two places higher than the previous year.

About Us

Hua Xia Bank Co., Limited  
2020 Social Responsibility Report

Corporate Governance

The Bank has established a corporate governance structure mainly comprising of the Shareholders’ General Meeting, the Board of Directors, the Board of Supervisors, and the senior management. The Shareholders’ General Meeting is the governing body, the Board of Directors is the decision-maker, the Board of Supervisors serves supervision functions, and the senior management is in charge of execution.

The Bank has strengthened the statutory position of Party organizations in the corporate governance structure, coordinated well between the Party committee and the above three parts of the corporate governance structure, and incorporated Party leadership in all parts of corporate governance, promoting the synergy of Party leadership and corporate governance.

As of the end of 2020

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Following the Lead of Party Building
The Bank has followed Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and implemented the guiding principles of the 19th CPC National Congress, the second, third, fourth and fifth plenary sessions of the 19th CPC Central Committee, and China’s Central Economic Work Conferences. While adhering to Party leadership and enhancing Party building, the Bank has continuously promoted full and strict discipline over the Party and followed Party leadership in its pursuit of high-quality development.

- Giving full play to the leading role of the Party Committee in steering the direction, overseeing the big picture and ensuring effective implementation, and strictly performing its responsibility of exercising full and rigorous Party discipline.
- Consolidating the outcomes of the education on the original aspiration of the Party and the patrol inspection & rectification campaign
- Enforcing full, rigorous self-discipline of the Party Committee, enhancing anti-corruption education, discipline and warning, and exercising strict governance over the Party Committee
- Practicing the ideology education accountability mechanism, building and implementing the “1+1+M” ideology education and publicity system framework
- Upholding the Party standards for competitive cadres for a new era, and adhering to the Party leadership over cadres and talents.
- Enforcing disciplines and rules, and fully supporting the resident discipline inspection & supervision team to perform its duties
- Continuously strengthening Party building at the primary level and the development of corporate culture, and creating a positive, hard-working, united and cooperative atmosphere.

In 2020
Party leadership at all levels and their members fulfilled 1,200 tasks on their principal responsibility list for exercising strict governance over the Party Committee.

Improving the work systems of the Bank’s Party Committee: formulating, optimizing and implementing the work rules for Party Committee, implementation rules for Party affairs disclosure, regulations on communication with the standing committee of the Party Committees of key banks, list of major issues to be discussed before decision making of the Party Committee and its procedure, etc.

Investor Relations
To strengthen investor relations management, the Bank strictly implemented the Working Measures of Hua Xia Bank Co., Ltd. on Investor Relations, and designated a dedicated investor relations manager under the Office of the Board of Directors to take charge of relevant work.

The Bank has worked to promote interactions and exchanges with investors through multiple channels and in many ways. In 2020, the Bank organized shareholders’ general meetings, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online briefing on cash bonus, online 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Contributing to the SDGs

In September 2015, the United Nations held the Sustainable Development Summit and adopted the 2030 Agenda for Sustainable Development. The agenda covers 17 Sustainable Development Goals (SDGs), which point out the direction for countries and enterprises across the world to contribute to sustainable development. Bearing in mind the vision of building a modern financial group that is “large and strong, stable and excellent”, the Bank has worked to make an assessment in terms of materiality and importance, distinguished core goals and related goals, and allocated resources and advantages to core areas, contributing to the UN’s SDGs.

Materiality Analysis

The Bank has identified 16 material topics in combination with sustainable development trends, advanced CSR practices of peers and concerns of stakeholders. The Bank has prioritized the topics based on “importance to the sustainable development of Hua Xia Bank” and “importance to stakeholders”.

Materiality Matrix

- Serving the real economy
- Contributing to national strategies
- Guarding against financial risks
- Promoting inclusive finance
- Standardizing corporate governance
- Contributing to poverty alleviation
- Paying taxes in full
- Promoting targeted poverty alleviation through financial services
- Paying taxes in full
- Developing green finance
- Supporting community development
- Caring for employees
- Promoting financial knowledge
- Practicing green operation
- Promoting industry development
- Pursuing FinTech innovations
- Protecting customers’ rights and interests
- Improving service quality
- Helping employees grow
- Ensuring sound and stable operation
- Strengthening risk prevention
- Developing green finance
- Promoting green office practices
- Engaging in public welfare-oriented environmental protection campaigns
- Protecting customers’ rights and interests
- Improving customer experience
- Accelerating product innovation
- Strengthening the protection of employees’ rights and interests
- Providing high-quality and efficient services
- Strengthening innovation in financial products
- Advancing digital transformation
- Transparency
- Integrity
- Win-win cooperation
- Strengthening exchanges and cooperation
- Improving procurement management
- Protecting the basic rights and interests of employees
- Unblocking career development channels
- Providing training on job skills
- Carrying out rich cultural and sports activities
- Financial knowledge popularization
- Support for community development
- Supporting public welfare undertakings
- Popularizing financial knowledge
- Participating in public welfare activities

Core goals
- Developing more efforts to green finance
- Supporting community development
- Caring for employees
- Promoting financial knowledge
- Practicing green operation
- Promoting industry development

Related goals
- Supporting national strategies
- Guarding against financial risks
- Standardizing corporate governance
- Contributing to poverty alleviation
- Paying taxes in full
- Promoting targeted poverty alleviation through financial services
- Pursuing FinTech innovations
- Protecting customers’ rights and interests
- Improving service quality
- Helping employees grow
- Developing green finance
- Supporting green development
- Protecting customers’ rights and interests
- Improving customer experience
- Accelerating product innovation
- Transparency
- Integrity
- Win-win cooperation
- Protecting the basic rights and interests of employees
- Unblocking career development channels
- Providing training on job skills
- Carrying out rich cultural and sports activities
- Financial knowledge popularization
- Support for community development
- Supporting public welfare undertakings
- Popularizing financial knowledge
- Participating in public welfare activities

Stakeholder Communiation

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Key expectations</th>
<th>Our responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>Serving the real economy</td>
<td>Coordinating regional development</td>
</tr>
<tr>
<td></td>
<td>Supporting national strategies</td>
<td>Supporting the growth of small and micro enterprises</td>
</tr>
<tr>
<td></td>
<td>Developing inclusive finance</td>
<td>Facilitating China’s opening up</td>
</tr>
<tr>
<td></td>
<td>Helping fight poverty</td>
<td>Promoting targeted poverty alleviation through financial services</td>
</tr>
<tr>
<td></td>
<td>Paying taxes in full according to the law</td>
<td>Paying taxes in full</td>
</tr>
<tr>
<td>Regulatory authorities</td>
<td>Compliance management</td>
<td>Implementing regulatory policies</td>
</tr>
<tr>
<td></td>
<td>Tightening risk management</td>
<td>Accepting supervision and evaluation</td>
</tr>
<tr>
<td></td>
<td>Improving corporate governance</td>
<td>Strengthening risk prevention</td>
</tr>
<tr>
<td></td>
<td>Offering continuous and stable returns</td>
<td>Improving corporate governance</td>
</tr>
<tr>
<td></td>
<td>Protecting shareholders’ rights and interests</td>
<td>Ensuring sound and stable operation</td>
</tr>
<tr>
<td></td>
<td>Transparent operation</td>
<td>Creating value for shareholders</td>
</tr>
<tr>
<td></td>
<td>Paying attention to climate change</td>
<td>Strengthen information disclosure</td>
</tr>
<tr>
<td></td>
<td>Supporting green development</td>
<td>Developing green finance</td>
</tr>
<tr>
<td></td>
<td>Protecting the basic rights and interests of employees</td>
<td>Promoting green office practices</td>
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<tr>
<td></td>
<td>Providing high-quality and efficient services</td>
<td>Engaging in public welfare-oriented environmental protection campaigns</td>
</tr>
<tr>
<td></td>
<td>Strengthening innovation in financial products</td>
<td>Advancing digital transformation</td>
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<td></td>
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<td>Strengthening exchanges and cooperation</td>
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<tr>
<td></td>
<td>Strengthening procurement management</td>
<td>Improving procurement management</td>
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<tr>
<td></td>
<td>Protection of rights and interests</td>
<td>Protecting the basic rights and interests of employees</td>
</tr>
<tr>
<td></td>
<td>Remuneration and benefits</td>
<td>Unblocking career development channels</td>
</tr>
<tr>
<td></td>
<td>Working environment</td>
<td>Providing training on job skills</td>
</tr>
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</tbody>
</table>
CSR Awards and Honors

Top 10 Outstanding Banks for Joint Promotion of Financial Knowledge and Safety of “Pocket” Awareness Raising

People’s Bank of China (PBOC), Financial Consumer Protection Bureau, Financial News

The Best Inclusive Finance Award

2019 Green Bank

China Banking Association

Outstanding Financial Bond Issuer

Top 100 Banks for Settlement - Outstanding Dealer

China Central Depository & Clearing Co., Ltd.

The Best Socially Responsible Listed Company Award

China Securities Golden Bauhinia Award Organizing Committee

Best FinTech Innovation Award of the Year

International Finance Forum (IFF)

Outstanding Bank for ESG Responsible Investment

A Trustworthy Asset Management Bank

The Economic Observer

Outstanding Bank for Trade Finance

The Bank of the Year for Green Finance

Beijing Daily

Outstanding Bank for Brand Building

The Bank of the Year for Green Finance

The 2018 Outstanding Board of Directors

The Bank of the Year for Green Finance

SFC

The 2019 Outstanding Board of Directors

The Bank of the Year for Green Finance

SFC

2019 Banks with Outstanding Competitiveness in Inclusive Finance Practices

Outstanding Bank for ESG Responsible Investment

A Trustworthy Asset Management Bank

China Business Journal

Most Responsible Listed Companies Award of Outstanding Contributions to Inclusive Finance of the Year

The Economic Observer

National Business Daily

Economic Performance

Total asset: RMB billion

2018 2019 2020

2,680.58 3,020.789 3,399.816

Operating revenue: RMB billion

2018 2019 2020

72.227 84.734 95.309

Total profit: RMB billion

2018 2019 2020

26.783 27.563 27.153

Net profit: RMB billion

2018 2019 2020

20.986 22.115 21.568

Total deposits: RMB billion

2018 2019 2020

1,492.492 1,656.489 1,818.33

Operating revenue: RMB billion

2018 2019 2020

26.783 27.563 27.153

Total loans: RMB billion

2018 2019 2020

1,613.516 1,872.602 2,108.993

Balance of loans to MSEs: RMB billion

2018 2019 2020

357.326 396.387 456.412

Shareholder equity: RMB billion

2018 2019 2020

218.715 269.337 282.655

ROE: %

2018 2019 2020

12.67 10.61 8.64

ROA: %

2018 2019 2020

0.81 0.78 0.67

Allowance-to-NPL ratio: %

2018 2019 2020

158.59 141.92 147.22

CAR: %

2018 2019 2020

13.19 13.89 13.08

Number of countries and regions with Hua Xia agencies

2018 2019 2020

103 116 101

Number of cities with Hua Xia agencies

2018 2019 2020

344 380 321

Allowance-to-NPL ratio: %

2018 2019 2020

158.59 141.92 147.22

CAR: %

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13.19 13.89 13.08

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Number of cities with Hua Xia agencies

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**Environmental Performance**

**Balance of green loans** Unit: RMB billion
- 2018: 56.699
- 2019: 79.844
- 2020: 180.043

**Number of ETC cards** Unit: 10,000
- 2018: 170.34
- 2019: 227.07
- 2020: 244.01

**Number of customers** Unit: / 10,000
- 2018: 965.841
- 2019: 1,230.056
- 2020: 1,147.192

**Estimated carbon emissions reduction through e-transactions** Unit: 10,000 ton
- 2018: 193.17
- 2019: 246.01
- 2020: 229.44

Note: The data of green loan balance in 2020 was based on the Special Statistics System of Green Loan revised by the People's Bank of China in December 2019.

**Social Performance**

**Number of outlets** Unit: /
- 2018: 1,022
- 2019: 1,025
- 2020: 1,022

**Customer satisfaction rate for 95577 customer service center** Unit: %
- 2018: 97.11
- 2019: 99.56
- 2020: 99.61

**Total number of employees** Unit: /
- 2018: 40,997
- 2019: 38,639
- 2020: 39,284

**Total charitable donations** Unit: RMB million

**Environmental Performance**

- **Balance of green loans** Unit: RMB billion
  - 2018: 56.699
  - 2019: 79.844
  - 2020: 180.043

- **Number of ETC cards** Unit: 10,000
  - 2018: 170.34
  - 2019: 227.07
  - 2020: 244.01

- **Number of e-transactions** Unit: million
  - 2018: 3,649.77
  - 2019: 4,692.58
  - 2020: 3,018.07

- **Estimated carbon emissions reduction through e-transactions** Unit: 10,000 ton
  - 2018: 193.17
  - 2019: 246.01
  - 2020: 229.44

Note: The data of green loan balance in 2020 was based on the Special Statistics System of Green Loan revised by the People's Bank of China in December 2019.
Contributing to the Fight Against the COVID-19 with Concerted Efforts

At the beginning of 2020, the COVID-19 pandemic raged across China. Faced with the serious situation, the Bank conscientiously implemented the pandemic control decisions of the Party Central Committee and the State Council, and adopted special measures for solving special and urgent incidents, ensuring stability and security on six fronts. We gave full play to the role of financial service in supporting pandemic control work, made every effort to help prevent and control the pandemic and resume work and production, and worked with all stakeholders to overcome the difficulties.

Opening an express service channel in the first place

We surveyed customers’ needs for financial services for medical institutions, medicine production and procurement, etc. and met such needs instantly. An express service channel for cross-border remittance was opened, with dedicated employees on duty for 24 hours, to meet business needs, including importing critical medical supplies and procurement of prevention and control materials. Besides, we implemented reduction and exemption, and all individual transfers and donations initiated by “Loving Donations” of online corporate banking to fight the pandemic were exempted from handling fees. We also offered preferential interest rates to companies that provide and sell anti-pandemic medical supplies and to those ensuring living standards. Our service efficiency was improved to give priority to the acceptance of the business on pandemic prevention, the affected one, and the credit business in Wuhan.

For seriously affected small and micro enterprises, we took the initiative to extend credit, renew loans, issue new loans for repaying the old ones, adjust the repayment plan, and exempt or cut interest rates, to help them resume production. An exclusive product, “Huaxia’s Loving Loans”, was launched for staff participating in the prevention and control of the pandemic. The personal credit repayment period was flexibly adjusted for the affected people. By the end of 2020, the loans of 556 customers had been extended with an amount of RMB 589 million.

In 2020

we issued 8 measures in support of pandemic prevention and control and the provision of financial services

a total of RMB 20.705 billion of credit fund was issued to 288 enterprises involved in pandemic prevention and control

we postponed the repayment of principals and interests and cut the interest rates for 11,077 enterprises (including small-business owners, individual industrial and commercial households, with a cumulative business principal of RMB 204.155 billion) hit by the pandemic

Facilitating the resumption of work and production with all efforts

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Constant innovation of online financial services

We announced the changes of our business hours on our official WeChat accounts and official website, and worked to ensure efficient, convenient, and safe financial services at our business outlets across the country. We enabled customers to complete transactions through our online channels, such as mobile banking, online banking, and telephone banking, as well as Long Business Loan, Long Concessional Loan, and other online platforms, without leaving their home. Our customer service center formulated a contingency plan and worked around-the-clock to ensure non-stop functioning of our 95577 hotline and financial services.

Case

Launching an anti-pandemic wealth management product

The Bank launched an anti-pandemic wealth management product with a one-year close period, and raised RMB 3 billion. The profits that we surrendered through the reduction or exemption of management fees, sales commissions, and custody fees were all used to attract investors to buy anti-coronavirus bonds.

Enhancing financial support for fighting COVID-19

In 2020

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It took only five hours from credit application to loan granting by means of online credit approval and manual bookkeeping in the core banking system for Beijing Branch to provide an emergency loan of RMB 100 million, which was used by Beijing to purchase the first batch of pandemic-prevention items including masks overseas. It provided solid and timely financial support for disaster relief to Hubei Charity Federation, Hubei Red Cross Foundation and other organizations. It closely cooperated with China Construction Third Engineering Bureau Co., Ltd., Peking Union Medical College Hospital and other units and timely provided them customized financial services.

It worked with WeDoctor, a platform that brought together 6,700 academic experts and over 200,000 physicians (associate professor or above) from 1,900 major hospitals across the country to provide a full range of services covering appointment and registration, online diagnosis and treatment, electronic prescription, and online dispensing.

It launched the “Entry and Exit Registration System” mini-app on WeChat that offers free registration service. The mini-app helped facilitate the resumption of work and entry and exit management of employees and community residents, thus reducing the risk of cross infections.

Its village-based poverty alleviation team took the initiative to take body temperature and disinfect vehicles at the village entrance, persuade visitors to go back, supervise gatherings of villagers, visit and register body temperatures of all villagers every day, and popularize the latest pandemic development of and knowledge about pandemic control.

**Spreading the love of Hua Xia Bank through charity donations**

In 2020

<table>
<thead>
<tr>
<th>Branch</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Wuhan Branch</td>
<td>It provided solid and timely financial support for disaster relief to Hubei Charity Federation, Hubei Red Cross Foundation and other organizations. It closely cooperated with China Construction Third Engineering Bureau Co., Ltd. Peking Union Medical College Hospital and other units and timely provided them customized financial services.</td>
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<td>Shenzhen Branch</td>
<td>It worked with WeDoctor, a platform that brought together 6,700 academic experts and over 200,000 physicians (associate professor or above) from 1,900 major hospitals across the country to provide a full range of services covering appointment and registration, online diagnosis and treatment, electronic prescription, and online dispensing.</td>
</tr>
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<td>Changzhou Branch</td>
<td>It launched the “Entry and Exit Registration System” mini-app on WeChat that offers free registration service. The mini-app helped facilitate the resumption of work and entry and exit management of employees and community residents, thus reducing the risk of cross infections.</td>
</tr>
<tr>
<td>Yinchuan Branch</td>
<td>It launched the “Entry and Exit Registration System” mini-app on WeChat that offers free registration service. The mini-app helped facilitate the resumption of work and entry and exit management of employees and community residents, thus reducing the risk of cross infections.</td>
</tr>
</tbody>
</table>

**In 2020**

<table>
<thead>
<tr>
<th>Branch</th>
<th>Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wuhan Branch</td>
<td>donated RMB 400 quilts</td>
</tr>
<tr>
<td></td>
<td>donated RMB 240,000 packages of disposable tableware and other daily necessities</td>
</tr>
<tr>
<td></td>
<td>donated RMB 30 million to Hubei Charity Federation</td>
</tr>
<tr>
<td></td>
<td>donated RMB 10,200 mL of blood</td>
</tr>
<tr>
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<td>donated a total of 100,000 masks for pandemic prevention and control in Xicheng District, Beijing</td>
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</table>
Remaining true to the original aspiration of serving the community

To give full play to the role of the Party’s primary organizations as bastions and the exemplary vanguard role of Party members and officials, we selected outstanding Party members and youth backbones from all units in Beijing to participate in pandemic prevention and control in communities, and to jointly build a people’s defense line with streets, communities and residents, thus improving the capacity for pandemic prevention and control at the community level. We also established a temporary Party branch in communities to provide relevant staff with protective equipment and disinfection materials such as masks, disposable gloves, infrared temperature guns, hand sanitizers, etc.

In 2020

three batches of excellent Party members and
47 young backbones
were selected and dispatched to
4 communities
for 156 days to participate in the front-line prevention and control of the pandemic.
After the COVID-19 outbreak, an emergency leading team for COVID-19 prevention was quickly established to make uniform arrangements of relevant work, intensify control of employees to know their acts, formulate management systems based on the situation of pandemic prevention and control, and implement responsibilities at all levels, thus ensuring the safety and health of employees.

Under the principle of preventing the coronavirus from re-entering the country to cause new spread, we quarantined people returning from home, enhanced the management of important groups and key links, the investigation of suspected cases and close contacts, as well as the health monitoring of employees. The Head Office monitored employees’ temperatures and other abnormal conditions every day and reported and handled them according to the results in a timely way.

We made uniform arrangements of business hours of outlets in accordance with regulatory requirements, and made announcements in a timely manner. In addition, we implemented customer diversion measures to guide customers to use self-service equipment, of which the cleaning and disinfection were strengthened. Customers were also guided to complete health information registration and body temperature testing after entering the outlets, where anti-pandemic supplies such as masks and disinfectants were prepared for them.

We took the initiative to spread the latest information of our fight against the pandemic through news media in real time. Besides, we positively responded to and kept close communication with superior departments, and reported the effectiveness of the pandemic prevention and control work. Moreover, we effectively communicated with staff and lead them to prevent the pandemic scientifically.

The Head Office made plans on Bank-wide pandemic prevention and control. Timely announcements were made to ensure the public’s accurate understanding of the business information of the Bank. We took the initiative to spread the latest information of our fight against the pandemic through news media in real time. Besides, we positively responded to and kept close communication with superior departments, and reported the effectiveness of the pandemic prevention and control work. Moreover, we effectively communicated with staff and lead them to prevent the pandemic scientifically.

Taking responsibility to defend safety

Employee management

Under the principle of preventing the coronavirus from re-entering the country to cause new spread, we quarantined people returning from home, enhanced the management of important groups and key links, the investigation of suspected cases and close contacts, as well as the health monitoring of employees. The Head Office monitored employees’ temperatures and other abnormal conditions every day and reported and handled them according to the results in a timely way.

Workplace management

Thirty-four measures, including the Guidelines for the Administrative Operation of Head Office During the Period of Pandemic Prevention and Control, were introduced to guide the Bank’s scientific and effective prevention and control to ensure smooth administrative operations. Besides, we improved the prevention and control system for office space, and implemented the responsibilities at all levels. The Head Office’s building was closed for better management, including strict control of the entry and exit of staff, enhancement of the disinfection of the office area, rigorous management of the property, implementation of unified supply of meals but separate dining at work stations, and enhancement of inspections.

Outlet management

We made uniform arrangements of business hours of outlets in accordance with regulatory requirements, and made announcements in a timely manner. In addition, we implemented customer diversion measures to guide customers to use self-service equipment, of which the cleaning and disinfection were strengthened. Customers were also guided to complete health information registration and body temperature testing after entering the outlets, where anti-pandemic supplies such as masks and disinfectants were prepared for them.

Social distancing was maintained in the workplace

Meals were under strict management by the Head Office

The Head Office arranged separate dining for employees

The Head Office made plans on Bank-wide pandemic prevention and control

Taken jointly by the Head Office and media, an emergency drill for pandemic control was conducted in the Head Office’s building.

An emergency drill for pandemic control was conducted in the Head Office’s building

Strict access management was implemented in the Head Office’s building

Lifts of the Head Office’s building were disinfected once a working hour during the pandemic

The Head Office strengthened pandemic prevention and control at outlets

Interviews with eight media outlets, including Beijing Daily, during the pandemic

Beijing Branch strengthened pandemic prevention and control at outlets

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Contributing to the Decisive Victory in the Battle Against Poverty Through Multiple Approaches

We resolutely followed the anti-poverty decisions and arrangements made by the Party Central Committee, the State Council, regulatory authorities, as well as Party committees and governments at all levels, and fully leveraged our rich resources and strengths as a financial institution to fight poverty. We introduced anti-poverty credit policies, and innovated in our comprehensive financial products and services, striving to provide financial support for China to win the fight against poverty and build a moderately prosperous society in all respects.

The Bank established a poverty alleviation leading group headed by Li Minji, Party Secretary and Chairman, and strengthened the Party committee’s top-level design for and promotion of poverty alleviation work. The implementation plans were formulated, and objectives of poverty alleviation were clarified. Four mechanisms are in place to facilitate coordination, cooperation, support and guarantee for poverty alleviation.

The Bank coordinated bank-wide anti-poverty efforts to support East-West collaboration for poverty alleviation and our paired anti-poverty partners. Targeting key poverty-stricken counties and districts in Xinjiang, Inner Mongolia, Qinghai, Hebei, etc., we issued the Notice on Promoting the Implementation of Key Poverty Alleviation Projects in 2020, identified 11 key poverty alleviation projects, and concentrated our resources on eradicating poverty in all dimensions.

We worked to ensure precise identification, assistance, and management, effective implementation of responsibilities, policies, and work, and education, basic healthcare, and housing guarantees, and saw to it that the responsibility, policies, assistance, and regulation should be retained after poverty elimination. We constantly improved and innovated in our financial service model for poverty alleviation, stimulated the development momentum of poverty-stricken areas, and enhanced the poor’s ability to help themselves out of poverty. We guided local villagers to consolidate the results of poverty alleviation with their own efforts and actively promoted the integration of poverty alleviation with rural revitalization.

Improving poverty alleviation mechanisms

Improving organizational building for targeted poverty alleviation

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Focusing on key areas

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Integrating poverty alleviation with rural revitalization

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Increasing credit supply

Giving full play to the guiding role of credit policies, the Bank enhanced credit support for local agriculture, agricultural and sideline product processing industries, and other characteristic and advantageous industries in poverty-stricken areas, and adopted a variety of financial products and services to guarantee financial support for poverty alleviation.

Establishing a sound mechanism to prevent the return to poverty

To effectively prevent those already lifted out of poverty from returning to poverty and those prone to be stricken by poverty getting into poverty, and consolidate our poverty alleviation achievements. In September 2020, we donated RMB 10 million to set up the first industry fund aimed to prevent the return to poverty, in addition to RMB 5 million donated by the People’s Government of Fuping County.

In 2020

- the Bank provided financial services for RMB 21,582 million for supporting 28 projects of industry development for poverty alleviation.
- the Bank provided RMB 840,222 million for targeted poverty alleviation (including credits, donations, and consumption-driven poverty alleviation funds).
- including RMB 488,283 million for supporting 28 projects of industry development for poverty alleviation.
- and RMB 298,7974 million of personal loans to the registered poor population.
Innovative poverty alleviation approaches

Industry development for poverty alleviation
A “golden key” to poverty alleviation and a door leading to prosperity and happiness

We have developed various innovative poverty alleviation credit products based on local conditions, such as Fisher Loan for coastal areas in eastern China, Farmer Loan for central China, Photovoltaic Loan for western China, and Flower Loan for Yunnan Province. These loans targeting rural areas, rural enterprises, and farmers help facilitate the development of industries through credit granting, create employment opportunities, and thus increase local incomes, effectively boosting the development of local industries that contribute to poverty alleviation. In 2020, the Bank set up a special fund to provide credit support for western areas that partnered with Beijing for poverty alleviation, offered special loans to local enterprises that could drive poverty alleviation and boost farmers’ incomes.

Education for poverty alleviation
Ending intergenerational poverty through education and securing a fair chance for poverty-stricken children

We have invested in education in poverty-stricken areas for years; the cumulative investment during the recent three years exceeded RMB 11 million. We invested RMB 8.5 million in total to build “Hua Xia Bank Kindergartens”, rebuilt or expanded “Arele Primary School” and “Gujiang Bage High School”, creating a new path to support basic education through poverty alleviation. In June 2020, we invested RMB 2.5 million in Yuhu Vocational and Technical School, Qinghai to develop a field training base, drinking water projects and to sponsor outstanding teachers to pursue the master’s degree or advanced studies, benefiting more than 7,000 teachers and students.

Employment for poverty alleviation
Stabilizing employment and encouraging hard work for a better life

We have leveraged the stimulating role of finance in the development of industries and creation of jobs, and have granted corporate and personal loans to western areas that have partnered with Beijing for poverty alleviation to support regional industry development. In 2020, we set up public welfare-oriented positions in designated areas with local governments, and gave preference to graduates from poor families in recruitment. To further contribute to poverty alleviation through employment, we also issued loans to individuals and self-employed businesses. In June 2020, we invested RMB 10 million in setting up public welfare-oriented positions in Moyu and Luopu counties, through which we would create 2,000 jobs for registered poor families in the local area.

Consumer spending on products from poor areas
Replacing donations and assistance with consumer spending so that everyone can contribute

We actively supported the Smart Vending Machine for Products from Poor Areas, a key project initiated by the State Council Leading Group Office of Poverty Alleviation and Development. We issued an RMB 5 million credit loan to the project undertaker in 2020. Besides, we increased targeted procurement of agricultural and sideline products in poor areas. In 2020, we purchased RMB 11.5572 million of goods from poor areas.

Anti-poverty charity
Gathering every drop of love for a loving world

We increased donations to western areas, especially Moyu and Luopu in Hotan City. In 2020, we donated RMB 41.5844 million to poverty-stricken areas, an increase of RMB 28.6908 million over 2019. Among all the donations, RMB 15.8 million went to Moyu and Luopu. The Party committee also mobilized employees to make donations through the official WeChat account of the Social Participation in Poverty Alleviation and Development of China, and the donations amounted to RMB 1.67 million.
Enriching poverty alleviation practices

**Case**

**Beijing Branch**

Since the launch of the partnership assistance program between Beijing Branch and Xinsongzhuang Village, the branch has effectively boosted farmers' income and wealth through such livelihood-benefitting projects as joint Party building, industrial upgrading, charity donations, purchases of self-produced agricultural products, and recruitment of college students from poor families. The tomato greenhouse and underground fungus planting area constructed under the aid of the branch increased the collective income of the village by at least RMB 60,000 per year. The newly built hiking trails and the 1958 art district attract a large number of tourists to come for sightseeing and accommodation. Beijing Branch also helped the village design the “Xinsongzhuang” brand LOGO for agricultural products, increasing the added value of agricultural products.

**Shijiazhuang Branch**

Many years in a row, the village-based poverty alleviation team has been helping Erkezhuang Village, Xiahuang Township, Puning County, Baoding City. Song Xiyuan, the first secretary of the village-based work team, has become a member of the harmonious family. With the help of the work team, the entire village has established industries with local characteristics, such as edible fungi, forest and fruit, photovoltaics, etc., assisting farmers to increase their income, and helps adjust the agricultural industry structure and strengthen the collective economy. In the first year of its operation, the collective economy of the village achieved a profit of more than RMB 20,000.

**Urumqi Branch**

Since 2017, Urumqi Branch has successively invested more than RMB 37.5 million in donations and operating expenses in Hotan, Xinjiang, and assigned 15 comrades to participate in the village-based poverty alleviation work in the three-extremely impoverished villages of Hotan City. The Branch also launched the “Hua Xia Bank Humen Supermarket”, “Hua Xia Bank Poverty Alleviation Coal Yard”, “Hua Xia Bank Poverty Alleviation Night Market”, and other livelihood-benefiting programs, which helped 1,142 poverty-stricken people from the three villages to get rid of poverty.

**Kunming Branch**

In order to help Huanghual Village make new breakthroughs in developing the collective economy, Kunming Branch invested RMB 110,000, which, along with the RMB 50,000 of subsidy that the village committee applied for from the organization department of the county Party committee, was invested in the ecological farm of the village. Through a “Party branch + cooperative + breeding base + farmer households” model, the investment assists farmers to increase their income, and helps adjust the agricultural industry structure and strengthen the collective economy. In the first year of its operation, the collective economy of the village achieved a profit of more than RMB 20,000.

**Honors and Awards**

The Bank was rated “Good” in the annual assessment of poverty alleviation performance by the Beijing State-owned Assets Supervision and Administration Commission (Beijing SASAC).

**Urumqi Branch**

- The village-based work team of Urumqi Branch had been rated “Excellent” in the performance appraisal of Xinjiang Uygur Autonomous Region for three consecutive years.
- Urumqi Branch’s poverty alleviation work in deep-poverty villages had been rated “First Class” in the assessment of Xinjiang for two consecutive years.
- Urumqi Branch was rated “Excellent” for all the four major indicators in the 2019 performance appraisal of village-based teams, and won the honorary titles of Unit of Excellent Organization, Advanced Work Team, Advanced Work Team Leader, and Advanced Work Team Members.
- Urumqi Branch was awarded the honorary titles of Advanced Enterprise for Promoting Industry Development and Advanced Grassroots Unit for Contributing to Poverty Alleviation by Hotan City.

Song Xiyuan from Shijiazhuang Branch was honored the Advanced Individual of Poverty Alleviation Collaboration in Beijing.

Ma Shuxin from Urumqi Branch was honored the Outstanding Member of Village-based Poverty Alleviation Units.

Gao Wenheng from Shijiazhuang Branch was honored by the Organization Department of Hebei Provincial Party Committee and Hebei Provincial Poverty Alleviation and Development Office as the Excellent Member of Village-based Teams for his contributions to poverty alleviation in Hebei Province in 2019.

Li Yingchun from Kunming Branch was honored the Most Beautiful Poverty Alleviation Cadre.
A Dedicated Hua Xia with Craftsmanship

Following national policies and aligning to national strategies, Hua Xia Bank continues to give priority to serving the real economy. We facilitate industrial transformation and upgrade to contribute to the high-quality development of the real economy and meeting diverse financial needs of the people.

As of the end of 2020

- Balance of loans for the Beijing-Tianjin-Hebei region had exceeded RMB 537.6 billion
- Balance of loans for the Yangtze River Delta Region had exceeded RMB 580.1 billion
- Balance of loans for the Greater Bay Area had exceeded RMB 194.2 billion
- Balance of loans to support strategic emerging industries had reached RMB 79,689 billion
- The Bank had established 637 correspondent banks in BRI partner countries

SDG Practices

Enhancing financing services for the city development of Beijing and promoting the coordinated development of the Beijing-Tianjin-Hebei region, the Yangtze River Delta and Guangdong-Hong Kong-Macao region.

Allocating more resources to boost the transformation of the economic restructuring and promote further opening.
Promoting the Coordinated Development of the Beijing-Tianjin-Hebei Region

Positioned to be a major financial service provider for the Beijing-Tianjin-Hebei region, we actively served Beijing’s drive to develop into a national political center and cultural center, an international exchange center and technology innovation center and relocate its non-capital functions. We also increased financial support for the development of the Beijing Municipal Administrative Center and the Xiongan New Area, and for the coordinated development of the Beijing-Tianjin-Hebei region.

Serving the development of “One Core”

As a “bank for Beijing”, we followed the city’s master plan for development, and increased the financial support for the construction of the city. We helped Beijing sharpen its edge in technological innovation and cultural development, and promoted the economic transformation and development of the capital.

Promoting economic development

The Bank continued to ramp up financial support for SOEs under Beijing SASAC, such as the Shougang Group, Beijing Construction Engineering Group and BBMG Corporation Ltd. Specifically, targeted products were innovated in different areas, ranging from collectively-owned construction land, urban renewal, and financing during project operation period. The move has provided financial support for the construction of the capital.

To provide quality financial services for small and micro enterprises, we have settled in the Beijing First Loan and Renewal Service Center and set up 16 financial service centers targeting small and micro enterprises to provide them with a green channel to consult on and handle credit-related businesses. Since 2017, Hua Xia Bank has provided RMB 81.2 billion in credit support to 16,500 small and micro enterprises in the capital.

In 2020

- the Bank signed strategic cooperation agreements with 5 government department, 5 enterprises under Beijing SASAC, and 1 private enterprise
- underwrote 58 corporate bonds issued by local enterprises with an amount of RMB 61.4 billion, a year-on-year increase of 52%.

Financing science, technology and innovation (STI)

In 2020

the Bank provided RMB 260.7 billion of financing for projects in Beijing

As of the end of 2020

the Bank had provided RMB 31 billion of financing for small and micro enterprises in Beijing

Boosting cultural prosperity

To build Beijing into a national cultural center, the Bank has actively responded to the financial needs of cultural and creative enterprises, contributing to the cultural boom in the city.

Ramping up financial services for cultural and creative enterprises

Continuing to implement the Time-Honored Brand Action Plan

The Bank has launched seven featured financial products and offered comprehensive financial services, boosting the development of these brands. The Bank signed a strategic cooperation agreement with Beijing Wuyutai Tea Co., Ltd.

Deepening the integrated development of culture and finance

The Bank has launched the Hua Xia Loan series for cultural parks in Beijing and become one of the first batch of financial institutions with the intent to invest in risk compensation to reward these enterprises in Beijing. Amid the pandemic, the Bank has issued ten measures to help cultural MSEs reduce operating costs.

Boosting the innovation-driven development of IP financing

The Bank has successfully invested in the Action Plan for Supporting FIRST CAPITAL-Capital Securities-Phase I Cultural Leases, making its contributions to the integrated development of Beijing’s culture and technology and building Beijing into the cultural center of China.

Supporting the development of technology enterprises

In cooperation with an intellectual property operations management company, we launched the IPR Loan (Zhongyuanbao), or IPR’s pledge and loans, and explored ways toward assetization of the collective IPR assets of Zhongguancun.

In 2020

- the Bank provided RMB 48.7 billion of financing for 490 technology enterprises in Beijing

Scan the QR code for more information about Hua Xia Bank’s policy on financial services for cultural and creative enterprises.
Supporting the development of the Beijing Municipal Administrative Center and Xiongan New Area

With the focus of helping Beijing relocate its non-capital functions, the Bank has considerably promoted the development of the Beijing Municipal Administrative Center and Xiongan New Area, contributing to the high-quality coordinated development of the Beijing-Tianjin-Hebei region.

Supporting the development of the Beijing Municipal Administrative Center

Responding to national and municipal development strategies, the Bank has provided higher-level financial services for the government and enterprises in the Beijing Municipal Administrative Center for win-win development. In 2020, we opened a branch in the administrative center. The branch would provide premium financial services for infrastructure construction, green finance, industry transfer, STI, culture & creativity and personal finance.

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Supporting the development of Xiongan New Area

We have formulated the Implementation Plan for Providing Financial Services for the Innovation-driven Development of Xiongan New Area. Our financial services for Xiongan New Area are diverse, covering such areas as infrastructure construction, environmental governance, industry transfer and undertaking. In 2020, our Xiongan Branch was officially opened and signed strategic cooperation agreements with six local key enterprises to guarantee better financial services for Xiongan New Area.

The Bank increased financing for key projects, such as comprehensive transportation hubs and rail transit system, to speed up the development of integrated transportation.

The Bank continued to advance its financing projects for air pollution control in the Beijing-Tianjin-Hebei Region, and introduced green finance bonds to finance green projects in the administrative center.

The Bank increased financing for the reconstruction of bungalow neighborhoods and run-down areas in Tongzhou, to improve living conditions.

The Bank actively financed the construction of Yunhe Business District, National Cybersecurity Industrial Park, Universal Beijing Resort, as well as other key infrastructure projects.

Opening ceremony of Xiongan Branch

Supporting the development of the Beijing Municipal Administrative Center

Supporting ecological conservation

Im proving living standards

Promoting infrastructure construction

Supporting the development of Xiongan New Area

Eight main measures to support the development of Xiongan New Area

The Bank set up more outlets and ATMs to form a more rational layout in Xiongan New Area.

The Bank offered preferential pricing for key projects engaged in infrastructure construction, environmental governance, industry transfer and undertaking.

The Bank increased direct financing, and enhanced support for debt-based financial instruments issued by local large enterprises such as China Xiongan Group.

The Bank supported Xiongan New Area to build a “green, low-carbon, intelligent, efficient, eco-friendly and livable” city. We offered international sub-loans, green credit and other products and services, and lent more to projects like the Beijing-Tianjin-Hebei Air Pollution Prevention and Financing Innovation.

The Bank accelerated the development of online financial services for supply chain based on blockchain technology, to form an industry ecosystem featuring positive interlay, sustainable development, and mutual benefits, boosting the construction of Xiongan’s “smart city brain project”.

The Bank helped build a service-oriented government. Following the development trend of “Internet-based governance”, the Bank continued to improve IT services for government finance, social security, housing and urban-rural development, etc.

The Bank actively supported the development of micro, small and medium-sized enterprises. Apart from introducing more innovative products and models, the Bank sped up the development of online business, learned credit to them, and continuously improved service efficiency for them with the help of FinTech.

The Bank developed a scene-based omni-channel service ecosystem combining our apps, and provided local residents with high-quality personal banking services including wealth management, credit cards and the coordinated development of the Beijing-Tianjin-Hebei region as the theme, ETC service, etc.
Contribution to the coordinated development of the Beijing-Tianjin-Hebei region

The Bank established a leading group on the development of the Beijing-Tianjin-Hebei region. Based on vertical and horizontal collaboration and coordination between the Head Office and branches, we increased resource input and policy support for key projects in the region, to substantially improve our contribution to the coordinated development of the Beijing-Tianjin-Hebei region.

Promoting the development of key functional areas of the Beijing-Tianjin-Hebei region

Beijing Daxing International Airport Economic Zone
Shijiazhuang Branch signed a strategic cooperation agreement with Langfang Airport Economic Zone on providing financial services for Langfang Airport Economic Zone, mainly the Airport Service Center and Beijing Daxing International Airport Bonded Area (Hebei) Phase I project. By now, RMB 200 million of loans have been issued.

Tianjin Binhai New Area
The Bank offered credit loans of RMB 1.62 billion to a company in Tianjin Binhai New Area and issued ultra-short bonds of RMB 500 million for the company. Additionally, the Bank independently underwritten and wholly invested in China’s first debt financing program of RMB 1 billion under the theme of “Coordinated Development of the Beijing-Tianjin-Hebei Region”, which was issued by a company in Tianjin Economic-Technological Development Zone.

Beijing-Hebei Caofeidian Co-development Demonstration Zone
The Bank actively communicated with the Zone Management Committee, extended credit to Caofeidian State Control Investment Group Co., Ltd., and enhanced financial service for the Zone and its resident enterprises.

Zhangjiakou-Chengde Ecological Function Zone
The Bank granted a credit loan of RMB 1.38 billion to a wind energy company in Zhangbei County and a new energy company in Hebei, supporting the Zhangjiakou Wind Power (Clean Energy) project.

In 2020

<table>
<thead>
<tr>
<th>As of the end of 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>the Bank had opened 160 banking outlets in the Beijing-Tianjin-Hebei region</td>
</tr>
<tr>
<td>the Bank financed RMB 65.6 billion for key projects related to the coordinated development of the Beijing-Tianjin-Hebei region</td>
</tr>
</tbody>
</table>

Supporting the integration of public services in the Beijing-Tianjin-Hebei region

The Bank actively built an integrated financial service circle for the Beijing-Tianjin-Hebei region, with integrated personal financial services concerning payment, rate discounts and lending and financing. Moreover, the Bank continued to upgrade the debit card themed on the coordinated development of the Beijing-Tianjin-Hebei region, enabling its holders to use it to take public transportation commuting between the three places. As of the end of 2020, the Bank had issued 2,377,300 debit cards themed on the coordinated development of the Beijing-Tianjin-Hebei region.

Supporting the ecological governance and restoration of the Beijing-Tianjin-Hebei Region

Leveraging our unique strengths in green finance, the Bank further strengthened cooperation with international financial organizations such as the World Bank, and introduced low-cost funds such as sub-loans of the World Bank and foreign government loans to support energy conservation, emission reduction, and clean-energy development in the Beijing-Tianjin-Hebei region.

In 2020

<table>
<thead>
<tr>
<th>As of the end of 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>the Bank had financed 28 projects in the Innovative Financing Project for Air Pollution Control in the Beijing-Tianjin-Hebei region</td>
</tr>
<tr>
<td>the green loan balance of our branches in the Beijing-Tianjin-Hebei region reached RMB 37.901 billion</td>
</tr>
<tr>
<td>an increase of RMB 14.436 billion of the green loans</td>
</tr>
<tr>
<td>an increase of 61.6% from the previous year</td>
</tr>
</tbody>
</table>
Implementing State-level Regional Development Strategies

The Bank has developed the regional development strategy based on “Three Zones, Two Lines, Multiple Outlets”. Leveraging our expertise, the Bank formulated credit, investment and financing policies, and motivated branches to serve the mainstream economy based on local situation, promoting the coordinated and high-quality regional economic development.

Advancing the integration of the Yangtze River Delta

The Bank deepened the mechanism and capacity building for integrated and coordinated development. We strengthened research on regional policies, seized market opportunities and allocated more credit loans to advance the integrated development of the Yangtze River Delta.

Promoting the development of the Yangtze River Economic Belt

The Bank closely followed the development trend of the Yangtze River Economic Belt, and provided premium financial services for infrastructure construction in areas essential to public wellbeing and industrial upgrade, to inject impetus into regional high-quality development.

Case

Supporting the construction of key projects in the Yangtze River Delta region

- **Shanghai Branch**
  - Provided comprehensive financial services for major projects involving an airport group and a new energy vehicle company, advancing the integrated development of financial services for key companies in the Yangtze River Delta.

- **Hangzhou Branch**
  - Signed a strategic cooperation agreement with the Hangzhou Municipal Government according to which Hangzhou Branch will provide RMB 120 billion of financing for outstanding enterprises and key projects in Hangzhou in the next three years.

- **Nanjing Branch**
  - Financed more than RMB 100 billion for key projects, such as the Ecological Restoration Project of Dazong Lake.

Case

Aiding flood control and promoting the infrastructure construction of the Yangtze River Economic Belt

The Bank lent RMB 100 million to a company in Yu’an District, Lu’an City, Anhui Province, for river dredging, pipeline network inspection and restoration, post-flood reconstruction projects, etc., to help local residents return to normal life as soon as possible.

Supporting the development of the Guangdong-Hong Kong-Macao Greater Bay Area

The Bank optimized local branches’ cross-border financial service system, and vigorously developed a portfolio of specialty products, providing comprehensive financial services for the Greater Bay Area.

- **Guangzhou Branch**
  - Giving full play to the advantages of Guangzhou as a national central city and comprehensive transport hub, and supporting the development of infrastructure, strategic emerging industry, advanced manufacturing and modern service industry.

- **Shenzhen Branch**
  - Leveraging its advantages brought by the abundant leading FinTech companies and financial resources, and flexible policies, accelerating the development of technology and finance, and building an innovation base.

- **Hong Kong Branch**
  - Taking advantage of Hong Kong’s position as an international financial and trade center and global offshore RMB business hub, strengthening trade finance and innovation-driven development, and establishing the platforms for overseas customer service, investment, financing and trade.

Case

Providing high-quality financial services for enterprises in the Greater Bay Area through cross-border cooperation

Our Hong Kong Branch issued USD 50 million of bilateral loans to a company and signed a strategic cooperation agreement with the company on corporate account, financing, product diversification, and internet platform. The two sides aimed to jointly create high-quality financial services.

As of the end of 2020

Balance of loans for the Greater Bay Area had reached RMB 194.2 billion, a year-on-year increase of 28.2%.
Promoting Industrial Transformation and Upgrade

In line with national policies on industrial upgrade, the Bank actively engaged in the reform of state-owned enterprises (SOEs). This move contributed to the upgrade of traditional industries, the development of strategic emerging industries, and the high-quality growth of the real economy.

**Supporting the transformation of traditional industries**

Guided by relevant industrial policies and the distribution of various industries, the Bank promoted the mutually beneficial and integrated development of the financial industry and traditional industries, thus facilitating the transformation and upgrade of traditional industries.

**Case**

**Boosting the transformation and upgrade of a traditional coal enterprise**

The Bank used on-lending funds to support the construction of a photovoltaic power generation project in Shanxi to facilitate local energy transformation. After completion, the project can generate 23,471,400 kWh annually, saving 7,763.3 tons of standard coal.

**Supporting strategic emerging industries**

The Bank actively increased financial support for key industries and areas, contributing to the rapid development of high-end equipment manufacturing, new-energy vehicles and other strategic emerging industries. As of the end of 2020, the balance of loans to support strategic emerging industries was RMB 79.689 billion.

**Case**

**Issuing China’s first Asset-Backed Medium-Term Note (ABN) in general aviation**

The Bank worked to advance the ABN project of an aviation company to promote the securitization of accounts receivable, make good use of idle assets and speed up the company’s development.

Serving China’s Opening-up

Under the new development pattern of “dual circulation”, the Bank made active contributions to stabilizing foreign investment, trade and achieving a higher level of opening-up by providing cross-border financial support for the Belt and Road Initiative projects, the going global campaign of Chinese enterprises and the development of free trade areas.

**Main measures for stabilizing foreign investment and trade**

**Setting up a taskforce**

The Bank developed the Cross-border Financial Service Guide, mobilized the headquarters, branches, and sub-branches to collaborate with each other, and opened green channels to ensure the arrival of imported anti-pandemic materials and overseas donations.

**Implementing facilitation policies**

The Bank implemented the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support Foreign-related Business Growth and other policies to improve foreign exchange service efficiency and guard against cross-border capital flow risks.

**Innovative services**

The Bank provided integrated financial services for enterprises, including the whole-process foreign exchange policy consultation, cross-border guarantee/standby letter of credit (SBLC), etc.

**Promoting online services**

The Bank launched online services such as supply chain cloud account, supply chain online contract signing and blockchain forfaiting to reduce customers’ travel costs.

**Case**

**Launching the green channel for cross-border business**

Shortly after the COVID-19 outbreak, the Bank launched the green channel for cross-border business and simplified the process for import purchase of foreign exchange, facilitating customers to import anti-coronavirus materials and accept overseas donations.

<table>
<thead>
<tr>
<th>Guangzhou Branch</th>
<th>Nanchang Branch</th>
<th>Suzhou Branch</th>
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</thead>
<tbody>
<tr>
<td>In response to a customer’s needs for importing anti-coronavirus materials, the branch opened a USD 13 million letter of credit and reduced handling fees for customers.</td>
<td>In spite of traffic control and other difficulties, the branch settled USD 80 million of foreign debt for a customer.</td>
<td>The branch was able to complete the processes of foreign exchange purchase, payment and settlement within 20 minutes, and helped an enterprise source infrared ear thermometers and other protective equipment from American manufacturers.</td>
</tr>
</tbody>
</table>
Supporting the Belt and Road Initiative
The Bank actively supported the Belt and Road Initiative (BRI) and expanded its correspondent bank network in partner markets. With innovation in trade finance products, debt financing instruments and inter-bank investment, the Bank helped promote infrastructure construction and market development in BRI countries.

As of the end of 2020
the Bank had established 637 correspondent banks in BRI markets, accounting for 53% of all correspondent banks of the Bank.

Case
Supporting Chongqing’s drive to develop into a pioneer of inland opening-up in China
Chongqing Branch has strongly supported the Sino-Singapore (Chongqing) Demonstration. It helped customers to list on the Singapore Exchange, promoted cross-border green bond and RMB capital pool projects, and provided new alternatives of financing channels.

Supporting the development of Free Trade Zones
The Bank ramped up efforts to support the development of Free Trade Zones (FTZs). We set up institutions, launched products and leveraged the advantages of free trade accounts in cross-border direct investment and cross-border financing, to meet the financing needs of multinational corporations, overseas institutions and Chinese-invested enterprises and help promote the reform of FTZs.

As of the end of 2020
the Bank had established 30 service outlets in 21 FTZs across the country.

Developing cross-border financial services
The Bank innovated trade finance products, strengthened international cooperation, and supported the internationalization of Renminbi, providing reliable financial support for the going global campaign of Chinese enterprises.

Expanding channels for global service delivery
The Bank expanded its correspondent bank network at home and abroad, enhanced communication and cooperation with international peer banks, and provided customers with local and foreign currency integrated trade financial services. As of the end of 2020, the Bank had set up 1,206 correspondent banks at home and abroad in 321 cities of 101 countries and regions on all five continents of the world.

Innovating trade finance products
The Bank actively promoted credit insurance financing, international factoring, FTZ pledge financing loans, increased support for exporters, and reduced financing costs of Chinese-invested enterprises. Moreover, the Bank realized online scenario-based application of supply chain financial services, strongly supporting the development of MSMEs.

Supporting Renminbi internationalization
The Bank continued to advance RMB internationalization with four product lines, i.e., cross-border account services, cross-border settlement products, cross-border financing products, and capital projects. We aimed to facilitate cross-border settlement and financing businesses using RMB and allow customers to benefit from RMB settlement facilitation policies. As of the end of 2020, the Bank had handled the cross-border RMB business of RMB 46.3 billion.

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A Philanthropic Hua Xia with Inclusive Finance

According to the “Financial Services Provider for SMEs”, Hua Xia Bank endeavours to tackle the financing difficulties of SMEs and supports the healthy development of the private sector. At the same time, the Bank provides financial services for the general public and focuses on solving the financing problems of agriculture, farms, and rural areas, and other aspects of people’s livelihood, promoting the development of inclusive finance.

As of the end of 2020

<table>
<thead>
<tr>
<th>Disciplines</th>
<th>Balance of Loans to</th>
<th>Balance of Loans to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>424.251 bilion</td>
<td>143.98 bilion</td>
</tr>
<tr>
<td>Small and Medium Enterprises</td>
<td>456.412 bilion</td>
<td>60.024 bilion</td>
</tr>
</tbody>
</table>
Promoting the Growth of MSEs

The Bank has met all supervision indicators for small and micro enterprises for 11 consecutive years. The Bank took the initiative to meet the financial needs of SMEs and improved its measures for ensuring stability in the six key areas: employment, financial operations, foreign trade, foreign investment, domestic investment, and expectations. We developed comprehensive financial service solutions for SMEs, lent more to more SMEs with improved services and at less cost.

As of the end of 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of loans to SMEs</td>
<td>RMB 456.412 billion</td>
</tr>
<tr>
<td>Loans to SMEs increased by</td>
<td>RMB 60.024 billion</td>
</tr>
</tbody>
</table>

The Bank increased policy support for reviewing loan applications, especially single applications for no more than RMB 10 million by private SMEs. The Bank also optimized the fault tolerance and correcting mechanism for business innovation.

The Bank set up special divisions for inclusive finance service in key branches. We enlarged the empowering role of FinTech, coordinated resource allocation and ramped up efforts to build a unified online lending management platform.

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The Bank formulated the 2020 Guiding Opinions on Credit Access and Risk Management of Inclusive Finance. The Bank maintained strict management of “customers, guarantees, regions, products, platforms, and quotas”; and fostered a normalized risk check mechanism capable of online monitoring, special examinations, cross-checks, and special assessment. In addition, the Bank propelled the application of the internal review system for retailing in the whole process of risk control, and employed both the human and automated risk control models.

The Bank promoted cooperation with taxation, businesses, insurance and guarantee organizations.

Enhancing online financial services

With FinTech empowerment, the Bank optimized the online service system to meet SMEs’ financing and development needs in a more flexible and convenient way.

Enhancing the efficiency of tax payment

The Bank optimized the new-generation Yinguantong tax and fee e-payment system, which allows the payment of customs taxes in real time, saves the manual operational cost of operating centers and improves the efficiency of tax collection.

Optimizing the payment financing system

The Bank developed the payment financing APP for SMEs to provide more convenient financial services for customers. The APP has such new functions as customer credit inquiry and online authorization for external data query, further improving the user experience.

Providing convenient services

The Bank opened an official WeChat account focusing on inclusive finance services, which allows such self-service functions such as credit application, loan application, automatic account registration, loan repayment, online property valuation and other services.

Innovating in financial products and services

Enhancing business efficiency

The Bank formulated the administrative measures and implementation rules for the credit decision engine platform. We also promoted the application of the electronic credit contract management system for small businesses, improving service efficiency with the help of technologies.

Strengthening risk control

The Bank formulated the 2020 Guiding Opinions on Credit Access and Risk Management of Inclusive Finance. The Bank maintained strict management of “customers, guarantees, regions, products, platforms, and quotas”; and fostered a normalized risk check mechanism capable of online monitoring, special examinations, cross-checks, and special assessment. In addition, the Bank propelled the application of the internal review system for retailing in the whole process of risk control, and employed both the human and automated risk control models.

The Bank strengthened innovation of products, technology models and other aspects. Moreover, the Bank interacted with relevant management and information systems of core enterprises and government departments, and provided more efficient financing services for upstream and downstream MSEs.
The Bank spared no effort to ensuring stability and security on six fronts. The lending to MSEs maintained a relatively high growth rate, supporting enterprises’ resumption of work and production.

Loan Products Based on the Annual Review
The Bank reduced the costs for renewing loans for customers, the costs of refinancing and the time of business lending, and automatically re-lended to enterprises without signing a new loan contract and exempted them from paying back the principal within five years, thus effectively eliminating customers’ sore spots caused by the turnover of funds.

Loan Renewal without Repayment of Principal
The Bank effectively helped MSEs get rid of liquidity risks and exempted them from “repaying the existing loan before applying for a new loan”.

House Loan Express 5.0
The Bank offered medium- and long-term loans for MSEs with the financing period of up to 30 years.

E Loan for Livelihood & E Loan for Foreign Trade
The Bank cooperated with a guarantee company in Beijing to develop and launch financial products such as E Loan for Livelihood and E Loan for Foreign Trade to provide considerate services for Beijing’s retailing MSEs (e.g., catering companies, convenience stores, delivery companies) and the foreign trade enterprises engaged in the Belt and Road Initiative.

Logistics Loan
For logistics MSEs, such as consignees, shippers, logistics companies and self-employed drivers, the Bank offered small credit loans to help them pay for logistics, transportation, etc. upon application and allow them to pay back whenever they can, and provided flexible financial services for the logistics sector.

Addressing financing difficulties for MSEs
The Bank spared no effort to ensuring stability and security on six fronts. The lending to MSEs maintained a relatively high growth rate, supporting enterprises’ resumption of work and production.

As of the end of 2020
balance of loans to MSEs with no more than RMB 10 million each increased by RMB 26.688 billion from the beginning of the year, an increase of 26.65%, 14.61 percentage points higher than the growth rate of the Bank’s loans

Case
Reliable Loans bring timely help to MSEs
In response to the COVID-19 pandemic, Xiamen Branch launched “Reliable Loans Salary Keeper”, a special loan for eligible MSEs and self-employed individuals affected by the COVID-19, to pay salaries and help them fight against the pandemic.
Case
Smoothening the “last mile” for financial services
Wenzhou Branch actively participated in the campaign of “100 Banks Entering 100,000 Enterprises”. The branch increased field visits to find out the enterprise demands, and formulated targeted financial service solutions. As of the end of 2020, via the above campaign and in delivering services for “development, decision-making and policy implementation”, the branch organized 1,068 field visits and helped 739 private enterprises and MSEs with financing of RMB 3.948 billion.

Case
Helping MSEs out of difficulties through Work Resumption Loans
Shenzhen Branch issued RMB 10 million Work Resumption Loan for purchase of raw materials, intelligent upgrading of the production line, and recruitment of R&D personnel, effectively alleviating a high-tech enterprise’s financial pressure and tackling difficulties.

Case
Helping enterprises that have applied for the loan for the first time
Due to the sudden outbreak of the COVID-19, a technology company in Shenzhen found itself short of working capital. Shenzhen Branch simplified the procedures and innovatively launched “Easy First Loan”, which provides customized financial services for enterprises that have applied for the loan for the first time. The credit amount was determined and verified in no time, and the customer was offered a preferential interest rate.

Supporting Private Enterprise
The Bank earnestly implemented the major decisions and deployments of the CPC Central Committee, the State Council, and regulators on supporting private enterprises and the private sector. We ramped up efforts to improve services for private enterprises and further cut some fees to lighten the burden on private enterprises and support their development.

In 2020
the Bank cumulatively reduced or exempted service fees for private enterprises by RMB 175,295.4 million, an increase of RMB 122.99 million from the previous year.

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Boosting People’s Wellbeing

We diversified diverse financial products and service models to provide safe professional, and considerate financial services for customers to meet the people’s aspiration for a better life.

Financial services for Agriculture, Farmers and Rural Areas

The Bank continued to develop targeted products to improve the coverage of basic financial services and accessibility of loans to rural areas. The Bank enhanced financial services in an orderly manner to promote rural revitalization and help build a beautiful countryside.

**As of the end of 2020**

<table>
<thead>
<tr>
<th>Establishing a sound mechanism</th>
<th>Optimizing product</th>
<th>Improving services</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank built a statistical and monitoring system for loans to “agriculture, farmers and rural areas” and continued to optimize business processes and loan approval mechanism.</td>
<td>The Bank deepened the banking-insurance cooperation mechanism, actively promoted agricultural-supply chain finance, and developed specialty products, exploring a credit enhancement financing system centered on quality.</td>
<td>The Bank promoted basic financial services in rural areas, developed special withdrawal services for farmers, set up mobile terminals to provide mobile services and improved online services.</td>
</tr>
</tbody>
</table>

| balance of inclusive finance loans to “agriculture, farmers and rural areas” had reached RMB 14.398 billion, which increased by RMB 1.808 billion, or 14.36% from the beginning of the year, 2.32 percentage points higher than that of the Bank’s loans |

Cases

**Supporting the development of industries to help build a beautiful countryside**

In 2020, Hangzhou Branch issued nine loans to MSEs in Lindai Town, Pinghu City, totaling RMB 29 million. It helped improve the quality and efficiency of modern agriculture and boost rural employment.

**Promoting infrastructure construction and improving rural landscapes**

Kunming Branch supported Jiangnan Village construct infrastructure, green and beautify the environment, and harden roads. It improved various public service facilities, including health centers, libraries, and fitness sites, effectively improving the living environment of the village.

**Doubanjiang Loans help local enterprises thrive**

As of the end of 2020, Chengdu Branch had granted 54 credits loans, totaling RMB 160 million, to the doubanjiang industry in Pi County. The loan has effectively solved the financing difficulties of local doubanjiang producers while increasing the yield and income of broad-bean growers.

Hangingzhou Branch helped build a beautiful countryside in Lindai Town, Pinghu

Kunming Branch helped Jiangnan Village improve its environment

Kunming Branch supported Jiangnan Village construct infrastructure, green and beautify the environment, and harden roads. It improved various public service facilities, including health centers, libraries, and fitness sites, effectively improving the living environment of the village.

Chengdu Branch employees visited doubanjiang enterprises
Supporting livelihood improvement

Responding to the country’s call to support the development of Central and Western China and the Old Industrial Bases in Northeast China, the Bank continued to improve basic financial services and the layout of county-level outlets. We provided quality financial services to less-developed areas, especially in such areas as public services, medical service, education and senior care.

As of the end of 2020

- The Bank had opened 107 outlets in rural areas.
- Provided services for 81 outlets in old revolutionary base areas, areas inhabited by ethnic minority groups, remote and border areas and poverty-stricken areas.

In 2020

- The Bank opened 1 more county-level sub-branch.
- Opened 7 new outlets in Central and West China.

Supporting consumption

The Bank actively promoted consumption in areas essential to people’s wellbeing, and served residents’ core consumption needs for a better life, thus boosting domestic consumption and confidence and momentum for economic recovery.

Supporting consumption upgrade

The Bank developed intelligent, digital, and agile personal loans, and continued to boost personal loans.

- Upgrading personal loan brands
  - We built the Hua Xia E Loan brand, under which are five sub-brands: Elite E Loan, Hua Xia E Loan, Housing E Loan, Vehicle E Loan and Education E Loan. We employed big data and cloud-based risk control platforms to provide professional, intelligent and integrated personal credit services to retailing customers.

- Enhancing consumption-side supply
  - Focusing on such real-life scenarios as travel and leisure, education and training, medical care and elderly care, maternal and child health, ventilation and environmental protection, smart home, and car rental and purchase, we actively developed integrated loan businesses.

Case

Initial launch of Hua Xia QuickPass credit card

In response to the call of People’s Bank of China (PBOC) to promote mobile payment, we cooperated exclusively with China UnionPay to launch the QuickPass credit card. It offers “cashback for every purchase”, discounts, and installment discount, and aims to fuel the economic re-opening after the pandemic.

Developing inclusive finance

Responding to the country’s call for improved living standards and social security, the Bank continued to optimize resource allocation for projects vital to people’s wellbeing and make professional financial services accessible to every resident.

Case

Helping fight droughts and water shortage in northwestern Guizhou

Guiyang Branch successfully reached the RMB 3 billion banking-insurance cooperation with a water conservancy company to support the resumption of work and production of key water conservancy projects of the company, effectively guaranteeing livelihood-benefiting projects.

Case

Empowering public services

Changchun Branch brought heat suppliers, users and payment channels together on WeChat to form a platform for trustworthy public utility payment and convenient lifestyle services.

As of the end of 2020

| Balance of personal loans (except credit card) | RMB 424.251 billion |

A Dedicated Hua Xia with Craftsmanship
A Philanthropic Hua Xia with Inclusive Finance
A Sincere Hua Xia with Innovative Services
An Eco-friendly Hua Xia Through Green Development
A Prudent Hua Xia with Compliance
A People-centered Hua Xia Pursuing Happiness for All
A Sincere Hua Xia with Innovative Services

Adhering to innovation-driven reform and development, Hua Xia Bank deepens the FinTech development strategy, accelerates digital transformation, and strengthens online and offline financial service capabilities. We improves the customer experience from various dimensions, and actively protects customer rights, committed to providing efficient and quality financial services to customers.

As of the end of 2020
The Bank had set up
resized counters at
864 outlets.
The Bank had put in place
accessible facilities at
913 outlets.
In 2020
Transactions conducted through
the mobile banking platform
62,440,400 times.
The Bank organised
18,416 financial knowledge publicity activities.

SDG Practices
Assisting the digital transformation of SMEs and promoting the development of digital economy
Building an online-offline integrated service model to expand public access to financial services
Strengthening product innovation and expanding service channels to meet the diverse needs of customers
Protecting financial consumers’ rights, and popularizing financial knowledge
Accelerating FinTech Development

To pursue digital transformation and development, the Bank empowered products and business development with FinTech, promoted external cooperation on FinTech, and endeavored to guard against FinTech risks and promote digital finance across industries.

Embracing FinTech

We continued to improve IT management and accelerated the building of basic application platforms for big data, smart services and digital credit loans, which are driven by the five goals of “led by innovation, driven by data, smart transformation, safe operation and efficiency enhancement”.

Building an agile organization system

The Bank actively promoted digital transformation. We set up a leading group for digital transformation, and opened the office for promoting digital transformation to offer institutional guarantee for rapid, effective promotion. We have laid down the blueprint and implementation route, and improved coordinated planning and top-level design for digital transformation.

Improving the level of management

• The Bank established a closed-loop process system covering the entire life cycle of information technology.
• The Bank carried out pilots of agile projects and promoted their application.

Embracing FinTech

The Bank ramped up efforts to promote external cooperation on FinTech, developed business scenarios and solutions, and explored a new development model that is open, collaborative, and sharing.

Conducting communication and cooperation

The Bank cooperated with internet companies, FinTech companies and internet-based banks to promote cross-border cooperation, and constantly improve the Bank’s intelligent and digital operations.

Case

Official launch of the Cloud Native application development platform

Through collaboration with professional technology companies, the Bank built the Cloud Native application development platform that integrates advanced microservice application development frameworks, complete cloud-native service governance infrastructure, and advanced mobile development platforms. The platform significantly improves the development efficiency and ensures unified application management, and has been successfully piloted in several projects, such as WeChat Bank.
Supporting the development of industry digitization ecosystem
The Bank promoted the building of a digital ecosystem based on the industry internet platform, to connect SMEs, help improve financial service accessibility to SMEs and reduce their financing costs.

At the Bank end
• The Bank built the industry digital finance platform.
• The Bank empowers industry digitalization.

At the customer end
The Bank connects with industry internet platforms owned by government departments, central enterprises, and industry leaders and associations, and embeds its financial services into platform scenarios.

Supporting the digital transformation of micro-, small and medium-sized enterprises

Planning and consultation services
The Bank provides consultation services for IT or financial SMEs, covering overall planning, architecture design, system construction and follow-up operations, etc.

Personnel training
The Bank provides training for IT or financial SMEs on software development, system operation and maintenance, and database, etc.

Industry-specific consultation service
Our e-banking app provides SME users with enterprise information inquiry, competitor risk monitoring, business analysis report and other services.

Mobile administration services
Our e-banking app provides SME users with mobile administration services such as attendance check, administrative approval and reimbursement.

Integrated financial services
The Bank offers integrated financial services online to SMEs, including making appointments for account opening, account management and proxy charging and payment, etc.

Guarding against FinTech risks
The Bank optimized FinTech risk management to ensure the safe and efficient operation of FinTech platforms.

Delicacy management
• The Bank improved the operation and maintenance management system and delicacy management.
• The Bank enhanced business continuity management and further improved timely response.

Enhancing data process capabilities
• The Bank promoted the development of same-city dual-active information systems supporting primary and secondary services.
• The Bank built a cross-center dual-active data processing platform.

Intelligent systems
• The Bank built a mobile operation and maintenance platform.
• The Bank completed the online trial operation (phase II) of the system map.
• The Bank launched the software-defined wide-area network (SD-WAN) project.

Strengthening platform building
• The Bank built a private cloud platform to support stable operation of tens of thousands of cloud hosts.
• The Hua Xia-Huawei Joint Innovation Laboratory was opened.
• The Bank built a backup cloud self-service platform.

Strengthening the customer information management
The Bank amended and issued policies and rules for financial information management, improved whole-life lifecycle financial information management, and implemented requirements of personal information protection to prevent financial information leakages.

Institution construction
The Bank issued data and information management policies such as the Hua Xia Bank Data Governance Administrative Measures and the Hua Xia Bank Implementation Rules for Information System Data Management.

Technological support
The Bank enhanced remote terminal authentication and technological control over terminal security.

Self-checks
In line with the Personal Financial Information Protection Technical Specification and regulatory requirements, the Bank tested bank-wide mobile app transaction software to identify and eliminate hazards of authentication information management, software security, etc.

Publicity and training
The Bank carried out the annual training for information security officers and participated in the 2020 National Network Security Publicity Week campaign.
The Bank deepened the integration of finance and technology, and promoted the transformation and development of corporate financial service models. We provided industry- and sector-specific products and services, to create an interconnected business ecosystem for corporate clients.

### Building service platforms

<table>
<thead>
<tr>
<th>Mobile corporate banking</th>
<th>Online corporate banking</th>
<th>Qiyue finance and asset management platform for cash management</th>
<th>Platform Express Pal</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank launched 40 key functions including e-receipt, online reservation for account opening and Bluetooth shield, and optimized 273 items in process remodeling, experience interaction, etc. We used big data to help corporate clients inquire about competitors’ information, choose potential partners, identify business risks and expand business circles.</td>
<td>The Bank launched the e-receipt, online contract signing with suppliers, corporate agreement deposit purchase, letter of confirmation requests, etc., meeting the need for contractless services.</td>
<td>The platform serves over 300 micro-, small and medium-sized enterprises in a dozen of industries including wholesale, retail and foreign trade, and facilitates the implementation of local e-government services and public wellbeing projects.</td>
<td>The Bank completed modular and professional innovation upgrade, strengthened the platform’s user experience and security, and provided platform merchants with more professional, humanized and customized services. As of the end of 2020, Platform Express Pal had provided financial services to 151 companies including Guangxi Exchange Depository and Clearing Center and State Grid E-commerce.</td>
</tr>
</tbody>
</table>

### Diverse services

- The Bank launched whole-lifecycle financial products and services to support the incubation and growth of technology companies, including the easy loan for start-ups, easy loan for high-tech companies, corporate growth loan, and incubation loan, etc.
- The Bank boosted innovation of financial products for MSEE, and launched House Loan Express 5.0 and logistics loans, etc. to meet diverse needs of financing.
- To better serve foreign trade companies in China, the Bank launched supply chain cloud accounts and online contract signing functions for supply chain businesses.

### Strategic cooperation

The Bank continued to enhance service support for large central SOEs, local SOEs, listed companies, industry leaders, and fast-growing enterprises, and constantly deepened the “3-3-1-1” customer marketing and service strategy. The Bank selected 79 strategic customers at headquarters’ level.

#### Case

**Signing a strategic cooperation agreement with Shenzhen Stock Exchange to support the growth of innovative enterprises**

The Bank signed a strategic cooperation agreement with Shenzhen Stock Exchange, with focus on IPO mentoring, technology and finance, etc., to support the growth of innovative startups, the development of strategic emerging industries, and the country’s “dual-circulation” development.

As of the end of 2020, the balance of customer credit and investment financing businesses in the “3-3-1-1” white list had reached RMB 685.033 billion, an increase of RMB 57.823 billion (9.2%) from the beginning of the year.

In 2020, our headquarters signed 22 more headquarters clients (excluding financial institutions), including 18 corporate customers and 4 institutions (government departments, associations, exchanges, etc.)
Upgrading the Customer Experience

Adhering to customer-centric financial services, the Bank actively built a smart retail banking system to provide convenient, efficient financial services.

Intelligent services
The Bank officially launched the robo-advisory system in March 2020 to provide customers with intelligent, professional and targeted financial services.

Online services
The Bank developed a list of 32 personal financial products to go online. Targeting online financial services for individual borrowers, the Bank launched the Hua Xia E Loan.

Retail service upgrade
The Bank improved customer experience by smart machines.

Refined services
The Bank improved the management system for internet loans. In addition, the Bank enriched risk control dimensions and sources, significantly enhancing the risk identification, control capabilities and business efficiency.

Expansion of service channels
The Bank continued to expand its service coverage, optimized the layout and deepened the transformation of banking outlets, and improved online product and service models.

As of the end of 2020
The Bank opened 1,022 branches in total, covering all provincial capitals (except Tibet) and 122 cities above prefecture-level across the country.

In 2020
The Bank opened 1,149 self-service banking facilities.

Beijing Branch provided warm services for customers.

The Bank’s first operating transformation lab was set up at Kunming Branch.

In 2020
the Bank opened 17 new banking outlets.

Beijing Branch provided warm services for customers.
Building offline channels
Scenario-based and intelligent services at outlets

The Bank created a comprehensive ecosystem that integrates financial services, public services, public education, salons, etc.

As some service requests are diverted to the self-service machine, the waiting time at the outlet hall was shortened by over 30%.

Building online channels
Enhancing service capabilities of online platforms

Mobile banking 5.0
- With the goal of developing "fast, easy to use, good-looking, economical, and interesting" APPs, the Bank would make iteration every one to two weeks.
- The Bank improved the e-community service APP that supports localized applications and vigorously promoted scenario-based marketing activities.

Personal banking
- The Bank enriched product functions, such as transfer of large-value deposits.
- The Bank optimized the personal banking transaction process of the counter image front-end system.

Telephone banking
- With voice recognition and other AI technologies, the Bank upgraded the intelligent customer service robot system.
- During COVID-19 prevention and control, work-from-home customer service staff were assigned to ensure around-the-clock operation of the 95577 customer service hotline.

Improvement in service quality and efficiency

The Bank improved the service management system and enhanced service quality and efficiency, realizing higher customer satisfaction rate.

Improving service standards
The Bank continued to improve the service management system, strengthened personnel training, and carried out supervision and inspection, striving to provide consumers with better services.

The Bank issued service management evaluation standards to specify service management methods.

The Bank enhanced the management of the internal training team and provided targeted training for employees.

The Bank participated in the selection of Demonstration Units of Responsible and Standardized Service in China’s Banking Sector.

The Bank provided customers with diverse and high-quality services.

As of the end of 2020
- the Bank installed 2,932 intelligent counters in total
- with 2.87 intelligent counters per outlet
- the rate of off-the-counter services to all businesses of the Bank reached 75%
- the monthly active users of our personal banking APP increased by 64.1% from the previous year

In 2020

Case
Contactless services
To meet customers’ needs for contactless financial services out of concerns for COVID-19, the Bank developed the Customer Manager “Cloud Studio”, a new portal for online-offline integrated digital services.

Parent-child activities for VIP customers of Xiamen Branch
24/7 uninterrupted financial services of offline outlets
Valuing customer complaints

Adhering to the people-centered service philosophy, we attached much importance to complaint response in 2020. We offered unimpeded complaint channels, optimized the complaint response mechanism and analyzed complaints to improve the effect of complaint response. Throughout the year, we received 29,771 complaints; the settlement rate of complaints reached 100% and the customer satisfaction rate for complaint response reached 93.48%. Due to the COVID-19 pandemic, we received a lot of complaints against credit card repayment, especially in Beijing, Jiangsu, Tianjin and Hubei, etc. In response, we improved service standards and processes and flexibly resolved complaints and disputes. In addition, the Bank worked to reduce complaints and improve customer satisfaction, safeguarding the legitimate rights and interests of financial consumers.

Enhancing institutional building

The Bank amended and issued the Administrative Measures for Customer Complaint Response, clarifying customer complaint response process and verification processes.

Unblocking complaint channels

The Bank disclosed complaint response channels and processes through media and set up a special zone in outlets to handle customer complaints.

Regulating complaint response

The Bank earnestly fulfilled the responsibility of complaint handling, resolved financial disputes in a diversified manner, and continued to improve the quality and efficiency of complaint response.

Supervising and guiding corrections of key problems

The Bank held the Bank-wide complaint analysis meeting, where typical complaints were analyzed and problems of the Bank were rectified.

Improving complaint management

Serving groups of special needs

The Bank provided considerate services for groups with special needs, including the elderly, military personnel and veterans, and migrant workers.

As of the end of 2020

- The Bank had 4,7438 million elderly customers
- Set up reserved counters at 864 outlets
- Put in place accessible facilities at 913 outlets

Hangzhou Branch held the Caring for the Elderly Activity on Chongyang Festival

Protecting Customer Rights and Interests

The Bank attached great importance to the protection of consumer rights and interests, complied with regulatory requirements, and comprehensively improved work quality and efficiency.

Intensifying basic management

We have incorporated the protection of consumer rights into corporate governance system and strategy, and stepped up to advance and integrate consumer rights protection and consumer services, to create a harmonious financial environment.

Changsha Branch launched an education and publicity activity on the protection of customers’ rights and interests

Institutional building

- The Bank strengthened the top-level design for the protection of consumer rights and interests, established the organizational structure, institutions and systems, review mechanisms, information disclosure mechanisms, supervision and inspection mechanisms, education and publicity mechanisms, training and complaint management mechanisms, and assessment and evaluation mechanisms.

Strengthening whole-process control

- The Bank specified ex ante review specifications and regulated institutional review and other procedures.
- The Bank tightened in-process control with a focus on tightening the review of business and product-related items.
- The Bank enhanced post-event supervision, strengthened professional inspections, complaint analysis, and assessment and evaluation.

Training management

- The Bank formulated an annual training plan on consumer rights protection.
- The Bank carried out training and examinations on the protection of consumer rights and interests among middle-level and senior managers as well as grass-roots sales staff. The total number of trainees reached 37,186.
The Bank actively participated in the investor and consumer education activities organized by the People’s Bank of China (PBOC), China Banking and Insurance Regulatory Commission (CBIRC) and China Banking Association (CBA). The Bank continued to organize financial knowledge popularization and consumer education activities to improve customers’ understanding of financial products and services, raise their awareness of risks, and help create a good financial ecosystem.

In 2020, the Bank organized 18,416 public financial knowledge education and publicity activities benefited over 26,105,997 people with its public financial knowledge education and publicity activities handed out approximately 3,2775 million copies of publicity materials to the public engaged over 118,409 employees in these activities.

Hua Xia Bank set up special columns on its official websites and other channels, and spanned public education areas at outlets. It also carried out a variety of online and offline education and publicity activities.

### Case

#### Internet-based financial knowledge popularization

The Bank adopted the “Internet + Financial Knowledge” education and publicity mode to enhance consumers’ awareness of self-preservation and capability to prevent and handle financial risks.

- **Shenzhen Branch**: Organized online live-streaming of its financial services. Its staff acted as live streamers to introduce to viewers its anti-coronavirus measures and special service arrangements in response to the pandemic.
- **Wuhan Branch**: Disseminated basic financial knowledge to consumers staying at home through online seminars, online service salons, and other activities on the cloud. It also exposed typical fraud cases to help consumers avoid frauds.
- **Nanjing Branch**: Organized an online situational quiz and other activities to teach consumers to analyze and stay vigilant against financial risks.

To mark the International Children’s Day, Urumqi Branch taught RMB basics to kids.

Hua Xia Bank set up special columns on its official websites and other channels, and spanned public education areas at outlets. It also carried out a variety of online and offline education and publicity activities.

### Ensuring financial security

We have given high priority to financial security and employed technological means to prevent information leakage. We strengthened financial security, guided customers to avoid risks, and did what we can to recover their losses.

The Bank connected its anti-fraud platform with the anti-fraud platform of the Ministry of Public Security to form synergy against telecom frauds.

**Cracking down on frauds and building the anti-fraud system**

**Protection of consumers’ property**

**Monitoring suspicious transactions**

We employed big data and machine learning technology to effectively identify fraud risks and intervene in time.

In line with the regulatory requirements, the Bank conducted comprehensive security checks of all software on our mobile apps. We reshaped the privacy protection policy framework, updated privacy policies on mobile banking, direct banking, and mobile corporate banking, and conducted safety tests on these apps.

**Enhancing information protection**

**Protecting consumer privacy**

**Improving risk management capability**

The Bank formulated the emergency plan for online financial services, and improved the emergency plan for customer service hotlines.
An Eco-friendly Hua Xia Through Green Development

Hua Xia Bank advocates green development and promotes green finance. Through international cooperation, we offer diverse products and efficient, convenient, integrated system solutions for such sectors as energy conservation, environmental protection, clean production and clean energy. Guided by the ESG concept, we continue to contribute to building a beautiful China.

As of the end of 2020

Balance of green loans: RMB
180.043 billion

Balance of climate-related finance: RMB
157.1 billion

Fundraised with ESG-themed financial products: RMB
18.29 billion

ETC cards issued:
3,256,200

SDG Practices

Developing green finance and channeling more financial resources into areas of green, clean, and circular sectors

Strengthening international cooperation, and establishing the green finance brand of “Green Growth for a Better Hua Xia”

Carrying out responsible sourcing, green operation, and environmental protection activities
As of the end of 2020, the Bank’s balance of green loans had reached RMB 180.043 billion, an increase of RMB 60.89 billion, increased 51.1% over the beginning of the year.

Note: the value of increase and rate of increase are calculated based on the data adjusted in accordance with the Statistical Methodology for Green Loans revised by the People’s Bank of China in December 2019.

We earnestly followed national policies for the industries and environmental protection and financial regulatory requirements, and strictly tightened up credit granting in industries that cause high pollution, high consumption, and overcapacity. On the other hand, we channelled more financial resources into sectors that contribute to green, low-carbon, and sustainable development, especially green credit to such areas as energy conservation, environmental protection, clean energy, and green transportation, providing financial support for the development of green industries and enterprises.

Devoting More Efforts to Green Finance

Aligning with national banking policies, we have introduced capital and advanced concepts from overseas and dedicated resources and a team to stimulate innovation in products and theories, while exploring a development path with special characteristics for green finance.

建立绿色金融管理委员会，负责绿色金融相关业务的协调工作；设立绿色金融中心，推广绿色金融业务

1. Establishing the Green Finance Management Committee to coordinate green finance-related businesses across the Bank, establishing the Green Finance Center to promote the business of green finance.

2. Setting up leading groups and specialized teams headed by branch leaders to coordinate and promote the green finance business.

3. Pushing forward the green finance pilot program and setting up dedicated green finance branches and marketing departments with designated personnel responsible for green finance-related work.

Supporting water environment improvement projects

The comprehensive water environment improvement project of an environmental governance company in Wuxi is responsible for desilting and building revetments along 11 river courses in Wuxi City. Wuxi Branch granted the project a special loan of RMB 400 million in its early stage, followed by another RMB 100 million working capital, effectively alleviating the financial pressure of the company and enhancing local flood control and drainage capabilities to the regional water and residential environment.

Supporting industrial waste treatment

Shenyang Branch granted an environmental service company a two-year RMB 390 million fixed-asset loan to build the Huludao Industrial Waste Treatment Center. After completion, the Center will be able to process 92,500 tons of industrial waste per year, effectively reducing pollution caused by industrial waste and improving local production and living environment.

Developing green credit

We earnestly followed national policies for the industries and environmental protection and financial regulatory requirements, and strictly tightened up credit granting in industries that cause high pollution, high consumption, and overcapacity. On the other hand, we channelled more financial resources into sectors that contribute to green, low-carbon, and sustainable development, especially green credit to such areas as energy conservation, environmental protection, clean energy, and green transportation, providing financial support for the development of green industries and enterprises.
In April 2020, the 20 Hua Xia Bank Green Finance 01, the first issue of Hua Xia Bank’s green bonds in 2020, was listed in the National Interbank Bond Market to raise RMB 10 billion for green industrial projects, with a three-year fixed rate. As of the end of 2020, the bond had invested in 63 projects from areas of energy conservation, clean transportation, clean energy, environmental protection and climate change adaptation, pollution control, as well as resource-saving and recycling.

In 2020

the Bank launched
27
issues of ESG-themed wealth management products
raised RMB
8.727
billion

As of the end of 2020

the ESG-themed wealth management products under management amounted to RMB
18.29
billion in total

Case

Issuing RMB 10 billion of green bonds

In April 2020, the 20 Hua Xia Bank Green Finance 01, the first issue of Hua Xia Bank’s green bonds in 2020, was listed in the National Interbank Bond Market to raise RMB 10 billion for green industrial projects, with a three-year fixed rate. As of the end of 2020, the bond had invested in 63 projects from areas of energy conservation, clean transportation, clean energy, environmental protection and climate change adaptation, pollution control, as well as resource-saving and recycling.

Case

Official launch of the ESG indexes

On April 8, 2020, China Securities Index Co., Ltd. announced the release of the CSI Hua Xia Bank ESG Index and the CSI ESG120 Strategy Index developed by the Bank. The two indexes, officially launched on April 30, are two of the first indexes developed based on the “ESG Evaluation System”, a proprietary system of China Securities Index.

These two indexes are fruits of our active contribution to the development of the capital market. Centering on the CSI Hua Xia Bank ESG Index and the CSI ESG120 Strategy Index, we will develop more net-worth wealth management products to promote ESG investing in China.

Case

Practicing ESG concept

With ESG as the clear focus of our investment strategy, we have developed ESG strategies and databases, issued ESG-themed wealth management products, and so on to practice the ESG concept.

We formulated the Measures of Hua Xia Wealth Management Co., Ltd. for ESG Management (Trial), compiled the Hua Xia Bank ESG Evaluation System, held the Second Summit on ESG Investing in China Asset Management Industry, and released the 2020 Status Report - ESG Investing in China Asset Management Industry.

We developed a series of products for contract energy management financing and emissions trade financing, and explored to provide the government and key energy-consuming enterprises with integrated services of energy diagnosis, energy planning, energy transformation, and green finance. A product system of green credit, green lease, green investment, and green debt-financing underwriting tools has been built, covering energy efficiency financing, clean-energy financing, environmental-protection financing, and green equipment supply chain financing. In 2020, we launched collective financing for green projects to accelerate the approval and improve customer service capabilities.

As of the end of 2020

including

RMB 7.233 billion in green bonds
RMB 920 million in green bills
USD 57 million in foreign currencies
RMB 1.6 billion of investment in industrial funds
RMB 450 million in interbank asset equity rights
RMB 97 million in asset-backed securities

Innovative green products

We formulated the Measures of Hua Xia Wealth Management Co., Ltd. for ESG Management (Trial), compiled the Hua Xia Bank ESG Evaluation System, held the Second Summit on ESG Investing in China Asset Management Industry, and released the 2020 Status Report - ESG Investing in China Asset Management Industry.

Case

Held the Second Summit on ESG Investing in China Asset Management Industry

2020 Status Report - ESG Investing in China Asset Management Industry
A Dedicated Hua Xia with Craftsmanship
An Eco-friendly Hua Xia Through Green Development
A Philanthropic Hua Xia with Inclusive Finance
A Prudent Hua Xia with Compliance
A People-centered Hua Xia Pursuing Happiness for All
An Innovative Hua Xia with Innovative Services

As of the end of 2020
the Bank had introduced USD
1 billion of foreign capital through on-lending programs
cumulatively issued RMB
10.7 billion of credit loans in home and foreign currencies
provided financing services for
95 projects in 17 provincial regions across the country
saving
3.63 million tons of standard coal annually
cutting CO₂ emissions annually by
8.87 million tons
cutting SO₂ emissions annually by
28,300 tons
cutting NOₓ emissions annually by
28,000 tons

Deepening international cooperation
We maintained close cooperation with international organizations such as the Agence Française de Développement (AFD), the Asian Development Bank, and the International Green Economy Association. In 2020, we actively pushed forward the World Bank’s China Renewable Energy and Battery Storage Promotion Project and steadily advanced its Innovative Financing Project for Air Pollution Control in the Beijing-Tianjin-Hebei Region and other on-leading projects. Through these projects, we tried to meet international standards in terms of policy-making expertise, and project management and execution.

Case
China Renewable Energy and Battery Storage Promotion Project kicks off its first sub-project

The China Renewable Energy and Battery Storage Promotion Project we co-launched with the World Bank is the largest of its kind under the World Bank and the first in China dedicated to financing energy storage. The investment totals USD 710 million, of which USD 300 million comes from the World Bank and USD 450 million from Hua Xia Bank in the form of equivalent RMB loans. The money is used to support energy storage (excluding pumped-hydro storage) projects and projects for the innovative utilization of renewable energy. It helps enhance the integration and utilization rate of renewable energy nationwide.

In August 2020, the loan for the first sub-project—the energy storage project of a beer company in Guangdong, was granted to build a container-based peak-shaving and valley-filling electrochemical energy storage power station.

Case
Steadily advancing the Innovative Financing Project for Air Pollution Control in the Beijing-Tianjin-Hebei Region

As of the end of 2020, the Innovative Financing Project for Air Pollution Control in the Beijing-Tianjin-Hebei Region, the most expensive anti-pollution project between China and the World Bank, had deployed 38 sub-projects and invested RMB 4.633 billion in pollution control, equivalent to saving 1.16 million tons of standard coal and reducing 2.56 million tons of CO₂ emissions per year.

Supporting the Coastal Afforestation Project Phase II in Xiangshui County

We have invested RMB 344.26 million in the 4,493-hectare Project through the World Bank’s on-lending solutions to support the Coastal Afforestation Project in Xiangshui County. The Project is expected to improve the local coastal environment and disaster resilience, protect the people’s lives and properties, and promote sustainable coastal socioeconomic development.

The Project adds more than RMB 2 million per year to the fixed income of the 412 local households, significantly improving their living standard. Besides, poverty-stricken residents were hired as forest rangers with a stable source of income. The Project was praised by the local government, regulatory authorities, enterprises, and residents alike.

Improving management standards
Actively benchmarking against international practices, the Bank has become China’s first financial institution to apply the World Bank’s Environmental and Social Framework (ESF) and has established the On-lending Environmental and Social Management System (ESMS).

Fostering green culture
Through capability building, publicity and education, and exchanges, we advocated and fostered the corporate culture of green finance, injecting cultural vitality into the development of the Bank’s green finance.

Awards
The Bank won another award of the Best Bank for Green Energy Development issued by Global Finance.

The Bank won the 2020 IFF Global Green Finance Innovation Award, becoming the only financial institution in the banking sector to win the award.

Case
Steadily advancing the Innovative Financing Project for Air Pollution Control in the Beijing-Tianjin-Hebei Region

As of the end of 2020, the Innovative Financing Project for Air Pollution Control in the Beijing-Tianjin-Hebei Region, the most expensive anti-pollution project between China and the World Bank, had deployed 38 sub-projects and invested RMB 4.633 billion in pollution control, equivalent to saving 1.16 million tons of standard coal and reducing 2.56 million tons of CO₂ emissions per year.
Services for Green Lifestyles

Supporting green travel

We actively promoted ETC business and continuously improved the ETC quality. We have rolled out discounts for ETC users, striving to encourage users to use ETC and facilitate green transportation.

Offering more professional services

The Bank strengthened training and assessment of the marketing staff and developed service solutions targeting customers' greatest concerns and sore spots, so as ensure customers' right to know.

Upgrading information services

The Bank launched an SMS push function for ETC business, upgraded the fee deduction messaging system for the ETC business according to the requirements of the Highway Monitoring & Response Center of the Ministry of Transport, and allowed ETC customers to search for the details of charges.

ETC services

compared with manual toll collection, for an ordinary light vehicle, the use of ETC reduces

\[
\begin{align*}
\text{NO}_x & \quad 16.4\% \\
\text{CFCs} & \quad 71.2\% \\
\text{CO} & \quad 71.3\% \\
\text{CO}_2 & \quad 48.9\%
\end{align*}
\]

Promoting paperless services

As of the end of 2020, all our over-the-counter services were paperless. To promote the use of electronic certificates, we restructured the over-the-counter service process, and offered certificates, customer signatures, and bank seals in electronic forms, reducing paper consumption while improving the efficiency of over-the-counter services.

In 2020

the Bank handled
1,147,192,600
requests for e-services

equivalent to cutting CO\(_2\) emissions by
2,294,400
tons

of the services were handled via the main e-channels

98.21\%

Practicing Green Operation

Green office

Attaching great importance to our environmental impacts, we promoted green office throughout the Bank, striving to reduce resource consumption, improve energy efficiency, and cut pollutant discharges. We implemented low-carbon operations across the board and promoted green development.

Lower energy consumption

Strictly following air-conditioning temperature control requirements, using intelligent lighting systems, and switching off unnecessary lights to reduce energy consumption.

Water conservation

Encouraging employees to turn off the tap after using and report any cases of water leakage.

Garbage sorting

Promoting and encouraging garbage sorting and centralized garbage collection, and assigning garbage sorting officers at busy floors and time periods.

Water consumption of the Head Office (ton)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41,410.6</td>
<td>40,809.6</td>
<td>33,193.13</td>
</tr>
</tbody>
</table>

Electricity consumption of the Head Office (KWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41,695,542.3</td>
<td>47,169,814.84</td>
<td>51,340,078.62</td>
</tr>
</tbody>
</table>

Fuel consumption of company vehicles of the Head Office (liter)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39,812.63</td>
<td>30,149.86</td>
<td>24,607.26</td>
</tr>
</tbody>
</table>

Paper consumption of the Head Office (ton)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28</td>
<td>20.52</td>
<td>20.83</td>
</tr>
</tbody>
</table>
Environmental protection activities

We actively raised employees’ awareness of environmental protection and resources conservation, and encouraged employees to play their due role in the building of a green and beautiful China.

Case

Responding to the “Garbage Sorting at SOEs” campaign launched by the State-owned Assets Supervision and Administration Commission of Beijing Municipality

The Head Office and Beijing Branch signed the Commitment Letter on Household Waste Sorting with employees, and strengthened employees’ self-discipline and the mutual supervision between the Bank and the community. We mobilized employees to register on the “BVF” (“志愿北京”) mini-app on WeChat or at the neighborhood committee as garbage sorting volunteers. As of October 12, 2020, 3,885 employees, or 100% of the total, had signed the Commitment Letter on Household Waste Sorting, and 1,583 employees, more than 40.75% of the staff, had registered as volunteers.
A Prudent Hua Xia with Compliance

Hua Xia Bank takes the initiative to step up corporate governance according to compliance requirements, and builds a long-term compliance management mechanism across the board. We continue to reform the comprehensive risk management system and continue to tighten asset quality control, to maintain stable operation and financial security and stability.

In 2020
Compliance education sessions:
3,304
Anti-money laundering (AML) training sessions:
1,210

As of the end of 2020
Non-performing loan (NPL) ratio:
1.80%
Allowance-to-NPL ratio:
147.22%

SDG Practices
Adhering to law-based and compliant operations, improving the internal control and compliance management system, and promoting law-based governance across the board. Diligently following laws, deepening the reform of the comprehensive risk management system, and improving overall risk management.
Full Compliance in Operations

The Bank promoted fully law-based and compliant operations. We worked to improve the internal control and compliance management mechanism and the business management processes and systems, ensuring that all our operations are carried out according to related regulatory requirements.

Improving the internal control system

We have strengthened the awareness of “compliance for value creation,” improved the internal control system and consolidated the basis for compliant operations, which strongly supported the Bank’s high-quality development.

Improving the performance appraisal mechanism

The Bank formulated the Measures for the Evaluation of Legal Compliance Management of Branches to strengthen the evaluation of legal compliance of branches and the application of assessment methods.

Improving the inspection system

The Bank formulated the Administrative Measures for On-site Inspection of Legal Compliance and revised the Administrative Measures for Specialized Inspection Coordination to clarify the content of on-site inspections and the requirements for special inspections by specialized departments.

Enhancing the quality and efficiency of rectification

The Bank formulated the Standards for Checking Rectifications of Problems identified in Inspections from Inside and Outside to clarify the standards for credit and quasi-credit businesses as well as accounting, thus ensuring accurate and effective rectification.

Enhancing due diligence

The Bank revised the Administrative Measures for Due Diligence on Credit Granting and the Standards for Due Diligence on Credit Granting to show zero tolerance for incompliance and serious violations of rules.

Tightening punishments for violations

The Bank revised the Administrative Measures for Punishing Violations, the Working Rules for Punishing Violations, and detailed rules for punishing violations in specialized businesses, to further tighten the punishments for violations, especially repeated violations.

In 2020

3,304 compliance education sessions:

152,334 participants in the compliance education:

255 training sessions or lectures on anti-financial crimes:

35,048 participants in the training sessions or lectures on anti-financial crimes:

1,210 training sessions on anti-money laundering:

98,710 participants in the training sessions on anti-money laundering:

Improving due diligence

The Bank revised the Administrative Measures for Punishing Violations, the Working Rules for Punishing Violations, and detailed rules for punishing violations in specialized businesses, to further tighten the punishments for violations, especially repeated violations.

Promoting the rule of law

The Bank actively enhanced employee awareness of the rule of law, management of legal affairs, and control of legal risks, striving to promote compliant operations across the Bank.

Building corporate culture that promotes the rule of law

- We organized lectures on relevant laws and regulations to enhance employees’ legal literacy and ability of applying legal knowledge to solving business problems.
- To mark the 12•4 National Constitution Day and the Constitution Week publicity campaign, we organized the review of the oath of allegiance to the Constitution and quizzes about the Constitution.
- Throughout the year, we organized 150 training sessions on the rule of law.

Management of legal affairs

- We upgraded the legal affairs management system based on technological means to regulate management and improve efficiency.

Case

Restoring the order of the market through re-examinations

In line with the Notice on Carrying out Re-examinations of the Rectification of Market Chaos in the Banking and Insurance Industries issued by China Banking and Insurance Regulatory Commission, the Bank organized self-examination and self-rectification across the board.

Control of legal risks

- A list of responsibilities was made to promote law-based governance and management of legal risks. Based on regular reports on legal risks, we continued to track, guide, and evaluate legal risk management.
- The Bank strengthened guidance for legal risk control, summarized the impacts of the Civil Code on our businesses, and compiled a collection of cases of financial crimes committed by banking practitioners.
- The Bank integrated legal services and strengthened the legal risk management system.
Strengthening AML management

The Bank continued to improve the internal control system and operating mechanisms, stepped up to guard against risks in high-risk businesses, and organized training and publicity activities to improve the effect of AML work.

Improving working mechanisms

- The Bank made policies to manage risks of money laundering and terrorist financing and built a laundering risk management framework.
- The Bank revised policies on the risk assessment and customer classification for money laundering and terrorist financing and on monitoring of accounts suspected, and strengthened AML management.

Enhancing technical support

- The Bank optimized the AML working platform, restructured the customer money laundering risk assessment model, and strengthened risk management in areas vulnerable to laundering risks.
- The Bank applied AI technology to optimize monitoring rules for suspicious transactions that have violated rules frequently, so as to improve the ability of intelligent monitoring.

Tightening risk management and control

- The Bank closely tracked high-frequency money laundering behaviors, pointed out risk features in time, and tightened transaction monitoring and management of high-risk accounts, effectively blocking the flow of criminal funds.

Strengthening case risk prevention and control

The Bank maintained a tough stance against financial criminal cases. We carried out in-depth case-based warning and education, and intensified checks for case risks and employee conduct management to resolutely forestall risks related to financial criminal cases.

Improving working mechanisms

- The Bank identified goals and measures for case risk prevention and control work, saw to it that responsibilities were effectively implemented at each level, and strengthened the management of key points and weaknesses.
- The Bank defined four dimensions of case risk prevention and control, screened case risks on a quarterly basis, and increased checks on organizations with severe regional risks, multiple problems, and weak internal control management.

Enhancing technical support

- The Bank issued the risk warning of Protect Customer Information and Effectively Prevent Risks.
- The Bank conducted special investigations into employees’ illegal inquiries and other illegal behaviors, analyzed early warnings given by the employee account monitoring system, and strengthened the management of investigation, rectification and accountability process.

Tightening risk management and control

- The Bank formulated the Code of Conduct for Employees and organized training and education on compliance and prevention of financial criminal cases.
- The Bank popularized financial knowledge to the public and raised customers’ alert against financial risks.

Strengthening case risk prevention and control

- The Bank conducted self-examination and developed and implemented preventive measures.
- The Bank maintained a tough stance against financial criminal cases. We carried out in-depth case-based warning and education, and intensified checks for case risks and employee conduct management to resolutely forestall risks related to financial criminal cases.

Enhancing the protection of intellectual property rights

The Bank strictly abide by laws and regulations on intellectual property rights (IPRs) protection. We have put in place administrative measures and a structure for IPR management. While protecting our own IPRs, such as trademarks and patents, we systematically regulated the use of IPRs owned by others, to avoid the risk of IPR infringement.
Strengthening Risk Management

The Bank emphasized comprehensive risk management. While implementing the Comprehensive Risk Management System Reform Plan, we enhanced institutional development for risk management, and systematically enhanced our ability to forestall and defuse risks across the board, in a bid to provide reliable support for the sound, balanced, sustained and rapid development of all businesses of the Bank.

Deepening comprehensive risk management

We worked constantly to identify, measure, monitor, and control risks in operation and management, eliminated risks in key businesses, improved comprehensive risk management, and ensured effective risk management.

- The Bank implemented economic and financial macro policies and regulatory requirements, made credit, investment, and financing policies more forward-looking and adaptable.
- The Bank stressed the fulfillment of responsibilities and strengthened risk management for key businesses, areas, and products.
- The Bank adopted multiple methods to dispose of troubled assets faster to ensure the quality of assets.
- The Bank launched online valuation of collateral in the form of residential property, improving valuation efficiency at loss costs.
- The Bank adjusted credit and financing policies to guarantee differentiated support for the development of manufacturers and MSEs in key regions.
- The Bank optimized the credit system and the collateral management system, and worked faster to develop and mapping of the large-sum risk exposure system, etc.
- The Bank optimized the market risk quota system and the management process to improve the effectiveness of quota control.
- The Bank strengthened the analysis of key businesses and early warnings, and assessed the impacts of market fluctuations and other major events in a timely manner.
- The Bank improved the system for managing credit risks of counterparties and strengthened risk management for derivatives.
- The Bank implemented regulations on market risk management in Basel II, calculated the capital requirement for market risk based on the revised Standardized Approach, and pushed forward the market risk consulting project under Basel II.
- The Bank revised the Risk Reporting Management Measures to optimize and integrate the content and process of risk monitoring.
- The Bank evaluated and adjusted risk preferences, formulated a risk management strategy accordingly, and clarified risk control objectives for the year.
- The Bank revised the Risk Reporting Management Measures to optimize and integrate the content and process of risk monitoring.
- The Bank enabled the Risk Management and Internal Control Committee, Credit, Investment and Financing Policy Committee, and Asset Risk Disposal Committee to fully play their roles to improve the quality and effectiveness of their deliberation and decisions.
- The Bank made public the results of risk monitoring and evaluation, and improved the notification and transmission of risk management information.
- Focusing on comprehensive risk evaluation at branches, performance appraisal of regional chief risk officers, and assessment of the effect of credit, investment and financing policies, the Bank continued to improve risk management.

As of the end of 2020

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>1.80%</td>
</tr>
<tr>
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<td>147.22%</td>
</tr>
</tbody>
</table>
A People-centered Hua Xia Pursuing Happiness for All

Always being people-centered, Hua Xia Bank earnestly protects employee rights, cultivates outstanding talents, and cares about employees. We actively devote to public welfare undertakings and volunteer activities and share our development achievements with the public to boost social harmony and stability.

In 2020
The Bank organized
4,365
employee training sessions.

Needy employees that received assistance:

648

The Bank made charitable contributions worth RMB
80.233 million.

SDG Practices
Providing skill training for employees.
Ensuring equal employment opportunities and equal pay for equal work for male and female employees.
Dedicated to public welfare.
Protecting Employee Rights

In strict accordance with relevant laws and regulations, including the Labor Law and the Labor Contract Law, the Bank earnestly protected employee rights and worked to establish harmonious and stable labor relations.

Promoting equal employment

Complying with the Law on Promotion of Employment and other relevant laws and regulations, we provided employees with equal employment opportunities. We resolutely opposed any type of employment discrimination and treated employees fairly and equally regardless of their nationalities, races, ages, genders, religious beliefs, and cultural backgrounds.

In 2020

- Labor contract signing rate: 100%
- Social insurance coverage rate: 100%

As of the end of 2020

The Bank had a total of 39,284 employees. Among them, 6,931 were new, 51.14% were female, and 1,785 were from ethnic minority groups.

Promoting democratic management

The Bank improved democratic management in the basic forms of the Employees’ Congress. We disclosed corporate information, and offered unimpeded channels for employee communication, interest coordination and rights protection. Through our intranet, official WeChat account, bulletin boards, and electronic screens, we promptly announced major decisions concerning the vital interests of employees and the direction of corporate reform and development, and had equal dialogues and shared development achievements with employees.

In 2020, the Employees’ Congress elected the new Board of Supervisors, voted and approved the Bank’s Collective Contract, and revised the Interim Measures for the Disclosure of Corporate Affairs of the Head Office. We effectively protected employees’ rights to know, participate, deliberate, and supervise, and won the title of the National Model Unit of Corporate Information Disclosure and Democratic Management in 2020.

In 2020

- The Bank received 1,327 rational suggestions, of which 153 employees’ congresses were participated by 7,319 employee representatives, and 100% of them were adopted and implemented.
- The Bank organized 347 staff meetings, solicited 264 proposals, and 1.58% of them were participated by first-line employees.

- The Bank disclosed 13.74% of strategic projects, 64.32% of graduate degree, 21.94% of college degree or below, and 1.58% of out-going.
- The breakdown of employees by age: 57.79% aged 20-35, 29.15% aged 36-45, and 11.48% aged 46 and above.

- 56.32% of employees had a junior college or lower education background.
Supporting the Development of Employees

We cared about the development of employees and offered them unimpeded development channels. We developed a tiered talent reserve, worked hard to improve employees’ job skills and competencies, and offered platforms for the rapid growth of employees at different levels and positions to support their career development and realizing personal value.

Caring for Employees

Enriching cultural and sports activities

We cared about the cultural life of employees, and organized diversified cultural and sports activities to provide platforms for employees to show their talents, prove themselves, and cultivate their sentiments. We encouraged employees to live a healthy and positive life and continuously enhanced their cohesion and team spirit.

In 2020

the Bank organized
4,365
training sessions
for
370,748
participants

including
979
CSR training sessions
for
81,885
participants

We have improved the training system and built training base to improve the quality and efficiency of training.
We have delivered live-streamed lectures through mobile learning platforms and APPs, and built a three-dimensional training network.
We have offered different levels of training for employees of different levels and positions.

We have delivered CSR training sessions for employees from different levels and positions.

Training resources

Training channels

Training methods

The 2020 Brand Communication and Management Training of the Head Office

The 2020 Comprehensive Ability Improvement Workshop of Hangzhou Branch

Li Minji, Party Secretary and Chairman of Hua Xia Bank delivering a speech on the 10th Youth Development Forum

Retail business training for branch managers

The 2020 Brand Communication and Management Training of the Head Office

The 2020 Comprehensive Ability Improvement Workshop of Hangzhou Branch

In 2020

The Head Office organized employees to carry out activities in Yuzun, the birthplace of the “two mountains” concept

Group activity of the Employee Yoga Association of Hua Xia Bank

Guiyang Branch’s 2020 New Year Gala

Harbin Branch co-workers’ visit to the Memorial Hall of the War to Resist US Aggression and Aid Korea

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Training resources

Training channels

Training methods

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We have offered different levels of training for employees of different levels and positions.

We have delivered CSR training sessions for employees from different levels and positions.

Training resources

Training channels

Training methods

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**Building the home of employees**

The Bank continued to upgrade the Home of Employees where employees could learn, seek entrepreneurship opportunities, exercise their democratic rights, and feel happy and cared for. The Home of Employees has fitness equipment, TV sets, reading space, lounges, etc. It is a place where employees can relax themselves and communicate with each other.

**In 2020**

- The Bank opened **892** Homes of Employees
- Including **87** Model Homes of Employees

**Helping employees in need**

- The Bank set up an employee relief fund and sent representatives to visit employees in difficulties and bring them care. We offered unimpeded channels to deliver aid to employees in need, and expressed sympathy in various forms, to enhance their wellbeing and sense of belonging.

- Caring about the health and development of female employees, the Bank offered them special health examinations regularly, organized various theme activities and symposiums for them, solicited their opinions and suggestions, and made sure their concerns were addressed effectively.

- The Bank continued to upgrade the Home of Employees where employees could learn, seek entrepreneurship opportunities, exercise their democratic rights, and feel happy and cared for. The Home of Employees has fitness equipment, TV sets, reading space, lounges, etc. It is a place where employees can relax themselves and communicate with each other.

**In 2020**

- The Bank helped **648** employees in need
- Distributed RMB **1.2681** million of living allowances
- RMB **989,400** of medical subsidies
- RMB **1.0648** million of disaster relief subsidies
Building a Harmonious and Beautiful Society Through Joint Efforts

Enthusiastic about public welfare, the Bank actively promoted the volunteer spirit and continued to carry out volunteer activities on a regular basis and contribute to social civility and harmony.

Case

The Imperfect Music Hall public welfare activity

In November 2020, "The Imperfect Music Hall" H5 project created by Hangzhou Branch in partnership with Tencent was officially launched. The project selected 25 children with psychological and physical impairments to form the "Imperfect Band" and express their inner world through music. The project was marketed both online and offline. As of the end of 2020, the activity had won the attention and support of over 20,000 people.

Case

Hua Xia Bank Scholarships and Grants Program helps needy student complete higher studies

In May 2020, the Bank and China Foundation for Development of Financial Education jointly initiated the Hua Xia Bank Scholarships and Grants Program, aiming to support beneficiaries to complete their studies in college. The beneficiaries are college students from poor families studying at Lanzhou University, Lanzhou University of Finance and Economics, and so on, contributing to poverty alleviation through educational support.

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Beijing Branch organized employees to learn flower art

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Jinan Branch organized employee development activity

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Hohhot Branch organized poverty alleviation charity activity

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Outlook

The year 2021 marks the centenary of the founding of the CPC, the launching of a new journey towards building a modern socialist China in all respects, and the first year of the Bank’s renewed five-year development plan. We will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and assume our economic, social and environmental responsibilities more firmly and proactively. We will keep forging ahead, and strive to develop into a modern financial group that is “large and strong, stable and excellent”.

In response to major national development strategies, such as the coordinated development of Beijing-Tianjin-Hebei region, the integration of the Yangtze River Delta Region, and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, we will support the transformation and upgrading of industrial structure, China’s opening up process, the development of private enterprises, and other important areas of the real economy. Besides, we will vigorously promote rural revitalization, the innovation of financial products and service models, continue to increase the coverage of and customers’ satisfaction for our financial services targeting small and micro enterprises, and usher in a new era of high-quality development of the real economy.

We will speed up digitalization, empower businesses with technological innovation, and provide customers with high-quality and efficient financial services. We will protect the legitimate rights and interests of employees, emphasize employee care, and grow together with employees. We will carry out financial knowledge education and publicity, devote to public welfare undertakings, and join hands with the people to create a better life.

We will continue to improve our green financial service system, strengthen international cooperation in green finance, practice ESG investment, support green and low-carbon development and the creation of a circular economy, and facilitate the realization of the targets of peaking carbon emissions by 2030 and realizing carbon neutrality by 2060. We will pay attention to our impacts on the environment, fully practice green office, promote green procurement, devote to environmental protection-oriented public welfare activities, and push forward ecological progress.
# Appendix

## Reporting Index

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## GRI 204 Procurement practices

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## 2020 Social Responsibility Report

Hua Xia Bank Co., Limited
**Principle 1: Alignment**

1. Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society’s goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

**Principle 2: Impact and Target Setting**

2.1 Impact Analysis

- Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis.

- Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDGs (climate change/society’s goals) and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

2.2 Target Setting

- Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

- Show that your bank has defined actions and milestones to meet the set targets.

- Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.

2.3 Plans for Target Implementation and Monitoring

- Show that your bank has defined actions and milestones to meet the set targets.

- Show that your bank has in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

2.4 Progress on Implementing Targets

- Report on the bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, banks should include quantitative disclosures).
Reporting and Self-Assessment Requirements

Principle 3: Clients and Customers

3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed and, where possible, the impacts achieved.

Reference
P19, P21, P26-57, P64-82

Principle 4: Stakeholders

4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

Reference
P13

Principle 5: Governance & Culture

5.1 Describe the relevant governance structures, policies and processes your bank has in place to manage significant positive and negative (potentially) impacts and support effective implementation of the Principles.

5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.

5.3 Governance Structure for Implementation of the Principles
Show that your bank has a governance structure in place for the implementation of the PRB, including:
(a) target setting and actions to achieve targets set
(b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

Reference
P9, P11-13, P81-85, P98

Principle 6: Transparency & Accountability

6.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to setting and implementation of targets in minimum two areas (see 2.1-2.4).

Showed in this report and Annual Report 2020 of Hua Xia Bank Co., Limited

Independent Assurance Report

Deloitte

独立鉴证报告

华夏银行股份有限公司董事会（以下称“董事会”）

华夏银行股份有限公司（以下简称“华夏银行”）的董事会，委托华夏银行聘请的自2020年1月1日起至2020年12月31日止的《华夏银行股份有限公司2020年社会责任报告》（简称“社会责任报告”）中的关键社会责任指标实施独立鉴证程序。

董事会的责任

华夏银行聘请秦皇岛中银保险代理有限责任公司（《国际标准促进金融机构社会责任报告的》）、中国银行保险业协会、《中国银行业金融机构社会责任报告》以及上海证信司法所发布的有关商业银行管理系统和社会责任管理报告，对华夏银行实施（包括规定范围、报告风险管理和报告程序的法律、政策、企业形象）审查。

华夏银行应确保社会责任报告和报告的目标，包括识别利益相关方及确定利益相关方之间关系保护重大问题，负责任和保护自我的社会风险报告管理系统和用于生成社会责任报告中披露的绩效和信息的内审管理系统，以及利益相关方足够的检查的责任。

我们的责任

我们担任华夏银行的独立鉴证人，对华夏银行实施的社会责任报告的“独立性”（“Code of Ethics for Professional Accountants”），对华夏银行和其他利益相关方的要求，我们按照质量控制（“International Standard on Quality Control”）。

签发工作的基础

我们按照《独立鉴证业务规则第3000号，历史财务报表审计报告以外的鉴证业务（“International Standard on Assurance Engagements 3000”）》执行独立鉴证程序。我们与华夏银行沟通以确定鉴证工作范围，确保了解华夏银行的经营和财务状况，以获取适当的信息和证据。

工作程序、范围及局限性

华夏银行提供所有有关鉴证工作的信息包括与主要利益相关方沟通信息和工作范围的人员进行沟通，非正式和正式审核华夏银行。华夏银行的独立鉴证人

1. 与华夏银行负责财务、理解和华夏银行的管理与员工沟通，以了解华夏银行的结构、关键管理和相关方的关注事项的报告程序、风险管理和关键社会责任指标的

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Feedback Form

Thank you for reading the Hua Xia Bank Co., Limited 2020 Social Responsibility Report. In order to provide you and other stakeholders with more valuable information and improve our ability and level of CSR fulfillment, we would love for you to share your comments on this report and send your feedback as follows:

- Tel: 010-85237056
- Fax: 010-85239000
- Email: zhshzr@hxb.com.cn
- Postal code: 100005
- Address: 22 Jianguomennei Street, Dongcheng District, Beijing

What kind of stakeholders do you belong to?

- The Government
- Regulatory authority
- Shareholder and investor
- Customer
- Employee
- Partner
- The Environment
- Community
- Media
- Other ( )

Do you think the Report completely covers your expectation of Hua Xia Bank?

- Yes
- No, what else would you like to know ( )

What do you think of the readability in terms of the content arrangement and layout design of the Report?

- Good
- Average
- Bad

What other comments and suggestions do you have on our social responsibility work and our report?

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

Thank you for your participation in our feedback.

Hua Xia Bank Co., Limited
2020 Social Responsibility Report