



(A joint stock company incorporated in the People's
Republic of China with limited liability)
Stock Code: 6190



2022

Environmental, Social and Governance Report

Bank of Jiujiang Co., Ltd.

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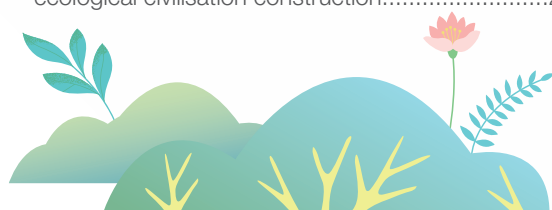
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CHAPTER 1

About this Report

Bank of Jiujiang Co., Ltd. (“Bank of Jiujiang”, “the Bank” and “we”) issued this Environmental, Social and Governance Report (“this Report” or the “ESG Report”) to highlight our considerations in promoting sustainable economic, social and environmental development as we conduct financial business, as well as our practices in this regard and the results. This is the Bank’s fifth ESG Report following the report issued in 2018.

Reporting Period

From 1 January 2022 to 31 December 2022 (“the Reporting Period”)

Reporting Cycle

Annual report

Scope of this Report

This Report has been prepared for the main reporting entity, Bank of Jiujiang Co., Ltd., and covers its head office, branches, sub-branches and county banks, unless otherwise specified.

Basis of this Report

This Report has been prepared in accordance with the disclosure requirements and recommendations specified in Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“the Main Board Listing Rules”) issued by the Stock Exchange of Hong Kong Limited (SEHK), with reference to:

- 1 The Global Reporting Initiative’s (GRI) Sustainability Reporting Standards (GRI Standards);
- 2 The former China Banking Regulatory Commission’s (“former CBRC”) Opinions on Strengthening the Social Responsibility of Banking Financial Institutions;
- 3 The Shanghai Stock Exchange’s Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange; and
- 4 The China Banking Association’s Guidelines on the Corporate Social Responsibility of Banking Financial Institutions of China.

Collection of Reporting Information

The financial information contained herein is partly derived from the Bank’s 2022 financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and independently audited by KPMG. Other information was derived from the statistical data of the Bank’s internal systems, branches and county banks. The relevant cases cited herein were drawn from the Bank’s daily operations. Unless otherwise stated, renminbi is the functional currency throughout this Report.

Assurance for this Report

The Board of Directors of the Bank ("the Board") guarantees that there are no false representations, misleading statements or material omissions in the contents of this Report, and assumes responsibility for the truthfulness, accuracy and completeness of its contents.

KPMG Huazhen LLP was appointed to perform independent and limited assurance and issue an assurance report in accordance with the International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Issuance Form

This Report is published both in print and online. The online version can be found and downloaded on the Bank's official website (address: <http://www.jjccb.com/>) as well as on the SEHK's website (address: www.hkex.com.hk).

This Report is available in both Chinese and English. Where there are any discrepancies between these two versions, the Chinese version shall prevail.

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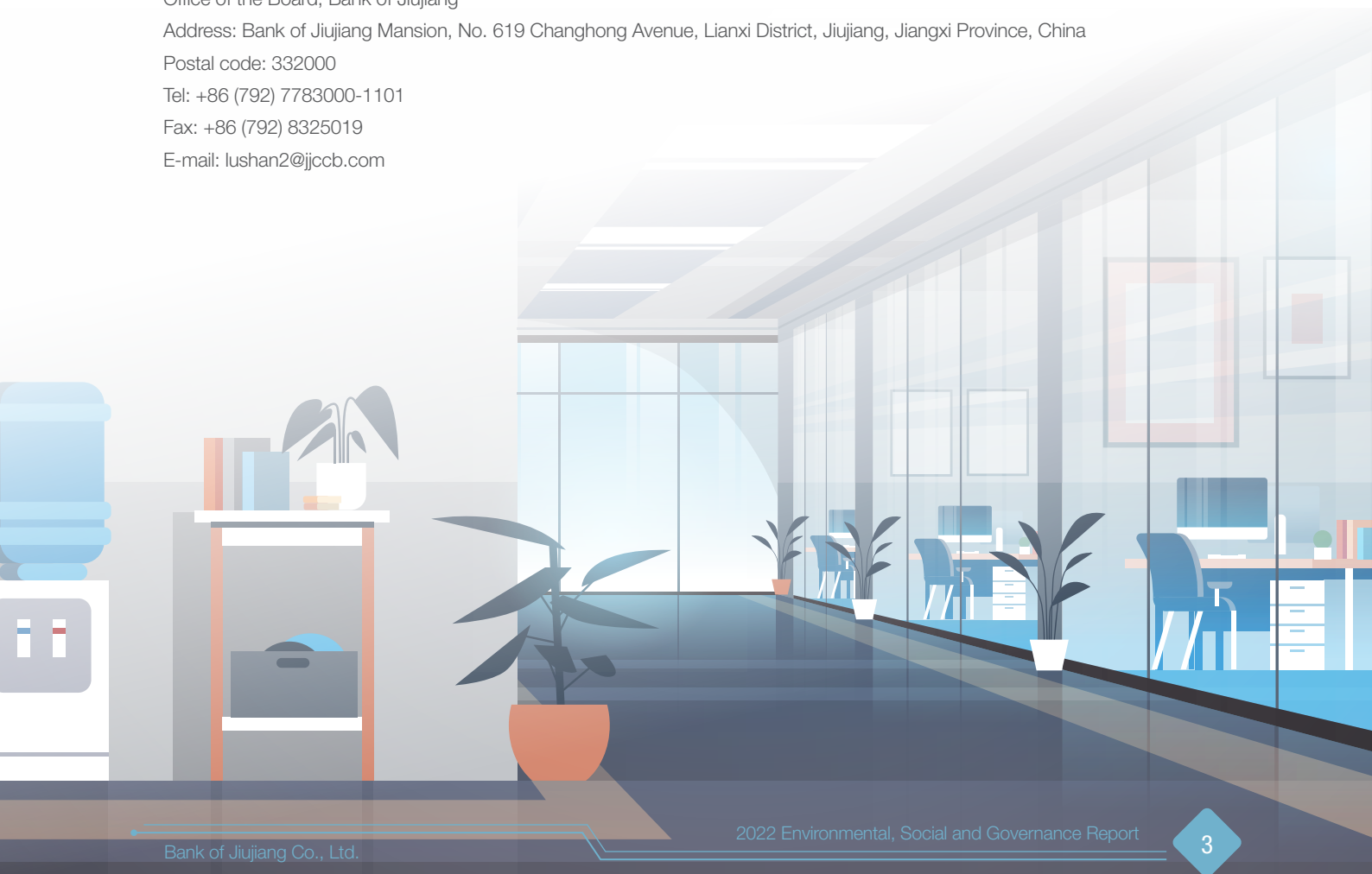
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CHAPTER 2

Message from the Chairman

“

2022 was a crucial year in the history and development of the Party and the country. The 20th National Congress was successfully convened as the Party and the Chinese people embark upon a new leg of their journey to build a modern socialist country, and continue their march towards the second centennial goals. 2022 was also a critical year in the transformation and development of Bank of Jiujiang. We have stuck steadfastly to our chosen position within the market, that of “serving small and micro enterprises, urban and rural residents, and the local economy”. Meanwhile, our business philosophy of “serving the general public, micro and small businesses, private enterprises, people’s livelihoods and social development” likewise remains unchanged. With these in mind, the Bank has focused on several key areas, which include inclusive finance, green finance, and manufacturing business loans. These provide the much-needed capital that contributes to the high-quality development of the local real economy.

”



Reinforcing the leadership of the Party and highlighting our political responsibilities. Over the past year, the Bank has continued to study and promote the spirit of the 20th National Congress. We have earnestly implemented the two “consistency” requirements, while strengthening the leadership of the Party throughout our reform and development and within our business management. We have integrated Party building into all aspects of our corporate governance, giving full play to the leading role the Party Committee plays in “setting the direction, managing the overall situation, and ensuring implementation”.

Implementing green strategies and strengthening green brands. Over the past year, Bank of Jiujiang has continued to put into effect green finance ideas and to deepen our work related to the green transition. We have contributed to the global net-zero transition and became the first urban commercial bank in China to join the Partnership for Carbon Accounting Financials (PCAF). We have innovative green finance products, including a special transition finance product—“Carbon Efficiency Loan”— with its first batch of pilot businesses. We have further developed our transition finance business and have taken the lead in working with the International Finance Corporation (IFC) to accomplish the “dual carbon” goals, in doing so becoming the first commercial bank in the world to partner the IFC in this area. Our outstanding performance has won us the “Green Finance Contribution Award” and the “Outstanding Group in Green Finance Reform Work in Jiangxi Province”.

Providing inclusive financial services for micro and small businesses to serve the people. Over the past twelve months, staying true to our original mission of “Finance for the People”, we have focused on our primary responsibilities and businesses, supporting the real economy by making real progress in “ensuring supply and quality, and stabilising prices”, while redoubling our efforts to alleviate the financial difficulties of micro, small, and medium-sized enterprises. Our exploration of the strengths of regional industries has allowed us to apply the right policies to different industries and industrial chains. This allows us to undertake the “one county, one product” project through our industry segmentation in Jiangxi province. We have exploited the potential of the rural financial services market, meaning we can reach out to the countryside, promote our services and products to rural customer groups, and introduce financial products and services with unique rural characteristics. We have vigorously promoted digital creation, continued to optimise our product structure, simplified our processing procedures, and accelerated the construction of the mobile business system. These efforts make our inclusive financial services ever more convenient for micro and small enterprises.

Strengthening technological empowerment and enhancing user experience. In 2022, as part of our pursuit of a “Digital, Intelligent Bank of Jiujiang”, the Bank empowered its business development with financial technology, providing customers with a quality service experience. We continued to push our online and intelligent business processing system, building a smart customer service centre and improving services for senior citizens with the aim of ensuring a better customer experience for all. At the same time, we have put the protection of consumer rights and interests front and centre. By refining our consumer rights protection system, launching anti-money laundering and fraud prevention campaigns, and strengthening control over the entire consumer complaints process, we protect financial consumer rights and interests in an effective manner.

Enthusiasm for public welfare undertakings and attention to staff growth. During the year, tenacious in our belief of “taking from society, and giving back to society”, the Bank took the initiative in its responsibilities as a financial institution, and participated in various social welfare activities. On top of this, we understand the need to care about the growth of our staff. In this regard, we have optimised our training system, improved our remuneration and welfare system, and organised diversified leisure activities for employees, putting into practice a family-like culture of “respect, care and sharing”.

The year 2023 marks the first year of the application of the spirit of the 20th National Congress. It is also the first year implementing the 14th Five-Year Plan, and a key year for the adoption of the Bank’s three-year plan. Our pursuit of high-quality development will revolve around the five major development concepts of “innovation, greenness, coordination, openness, and sharing”. As a financial institution, we understand that we have social responsibilities. We are committed to our roles of serving the local economy, improving the people’s quality of life, and promoting socialist modernisation.

CHAPTER 3

About Us

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◎ Company profile

Bank of Jiujiang was incorporated as a regional commercial bank from eight city credit cooperatives in November 2000 upon approval from the Wuhan branch of the People's Bank of China. The Bank was renamed Bank of Jiujiang Co., Ltd. in October 2008. On 10 July 2018, Bank of Jiujiang was listed on the Main Board of the Stock Exchange of Hong Kong (SEHK) (stock code: 6190), the first prefecture-level city commercial bank in Jiangxi province and central China to go public in Hong Kong SAR and be traded on the Main Board, as well as the second in mainland China.

Twenty-two years of unyielding effort and hard work by our people has borne fruit. Over the past 22 years, the Bank has forged ahead with efforts. As of the end of 2022, the Bank has 281 outlets with total assets over RMB 470 billion, ranked 265th globally by UK industry magazine The Banker.

Providing services to entities and the local community. As a listed local bank in Jiujiang, the Bank resolutely assumes its political responsibilities and responds to calls from the government and regulatory authorities at all levels. It constantly optimises its financial products and services, implements policies to alleviate the difficulties of its corporate customers, and fully supports the high-quality development of the manufacturing sector, industries, micro and small enterprises (MSEs), and specialized and innovative enterprises. Meanwhile, the Bank continues to cultivate the local community and steadily increase its credit input to the Jiujiang region, contributing to the development of the local economy.

Digital empowerment and innovation. Adhering to the principle of “anchoring the Bank with deposits, managing the Bank with strict discipline, running the Bank with diligence and thriftiness, propelling the Bank with digital technology, and empowering the Bank with talent,” the Bank has made the digital transformation a strategic development focus and taken multiple measures to advance the process. By strengthening financial technology (“fintech”) empowerment, the Bank has continued to promote online, standardized and intelligent business processes, and strengthen the construction of big data risk control capabilities to enhance the accessibility, convenience, and security of its financial services. In addition, the Bank has taken the digitalisation of industrial finance as a breakthrough for the building of a supply-chain financial service platform and multi-channel agricultural financial scenarios that open up financing channels for upstream and downstream entities in the supply chain, thus significantly improving its capability to serve the real economy.



◎ Table of key performance indicators

Area	KPIs	Unit	2022
 Economic KPIs	Operating income	RMB100 million	108.70
	Net profit	RMB100 million	16.80
	Total assets	RMB100 million	4,797.04
	Total deposits	RMB100 million	3,773.40
	Total loans	RMB100 million	2,715.35
	Basic earnings per share	RMB	0.53
	Return on average assets*	%	0.36
	Non-performing loan ratio	%	1.82
	Provision coverage ratio	%	173.01
	Capital adequacy ratio	%	12.62
 Social KPIs	Total charity donations	RMB10,000	634.94
	Total number of employees	Person	4,967
	Total number of female employees	Person	2,796
	Targeted poverty alleviation loan balance	RMB100 million	4.96
 Environmental KPIs	Green credit balance**	RMB100 million	258.89
	Electricity consumption by the head offices and branches	10,000 kWh	1,012.22
	Water consumption by the head offices and branches	Ton	76,283.65
	Natural gas consumption by the head offices and branches	Cubic meter	62,692.33
	Paper consumption by the head offices and branches	10,000 sheets	306.78
	Petrol consumption by the head offices and branches***	Litre	110,232.44

* Return on average assets = net profit as a percentage of average total assets for the Reporting Period.

** The green credit balance is based on the People's Bank of China's statistics for green loans.

*** Petrol consumption by the head offices and branches includes gasoline and diesel fuel consumption.

◎ Corporate governance



The Bank is responsible for maintaining sound corporate governance, which is key to enhancing the Bank's competitiveness. In accordance with the *Law of the People's Republic of China on Commercial Banks*, the *Company Law of the People's Republic of China*, the *Corporate Governance Code* of Appendix 14 of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, the *Corporate Governance Guidelines for Banking and Insurance Institutions* and other laws and regulations, the Bank must continue improving its corporate governance system while standardising its business and improving the quality of its services. The shareholders' general meeting remains the highest level of authority while the Board of Directors, the Board of Supervisors and the special committees are tasked with the responsibility of supervising the Bank's daily operations. In this way, the Bank has cultivated a healthy management and governance environment that enables timely communication.

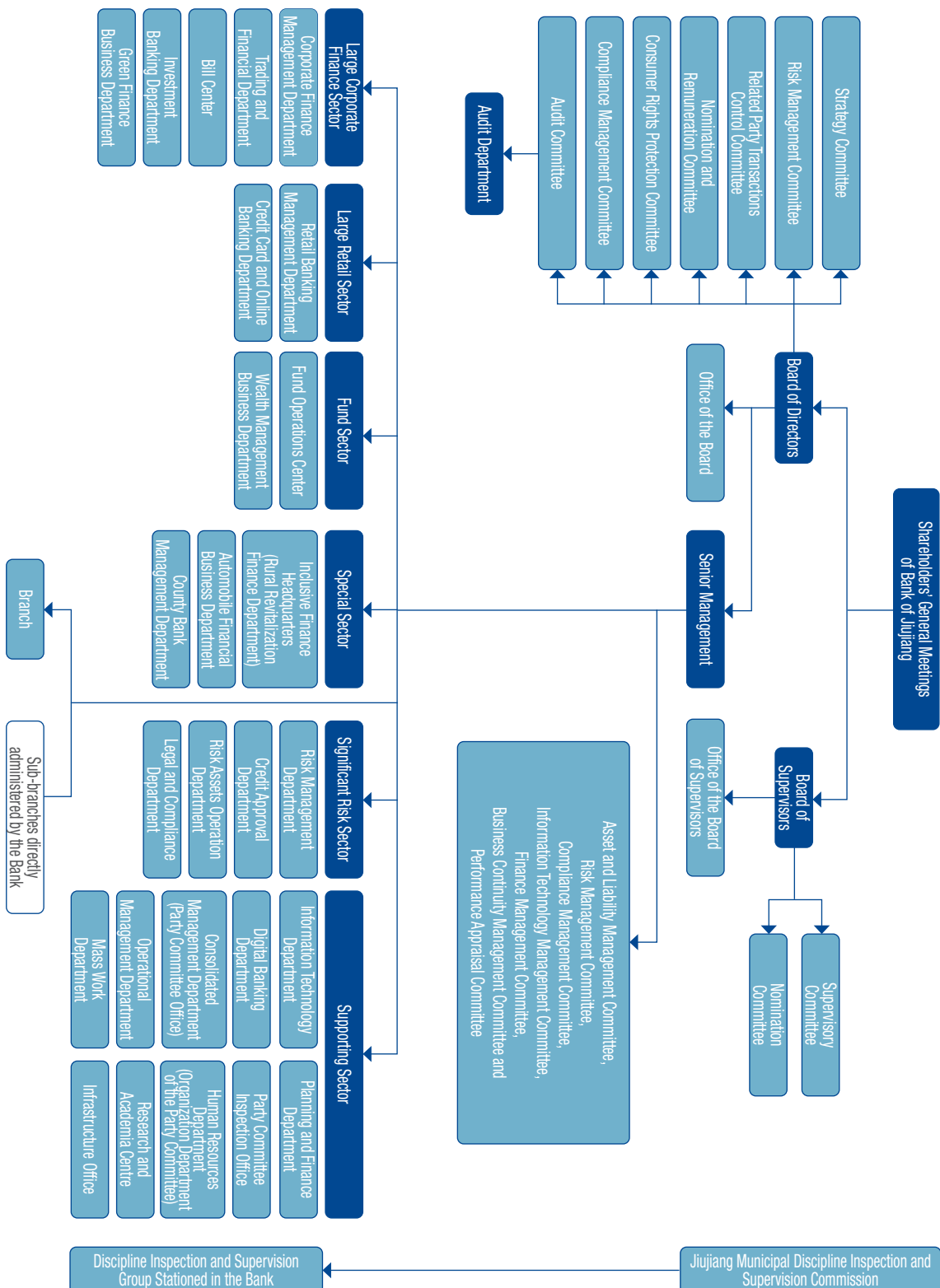


The shareholders' general meeting is the highest authority of the Bank while the Board of Directors, the Board of Supervisors and senior management are the decision-making, supervisory and executive bodies respectively. During the Reporting Period, the Bank organised one general meeting of shareholders at which 14 motions were deliberated and passed. The Bank's Board of Directors consists of 9 directors, including 2 executive directors (one of which is the vice chairman), 3 non-executive directors, and 4 independent non-executive directors. These directors have extensive experience in fields such as finance, accounting, auditing, economics, management and law, and some of them have professional backgrounds in multiple fields.



The Bank attaches great importance to information disclosure. To this end, it has formulated the *Measures for Information Disclosure of Bank of Jiujiang Co., Ltd.* in accordance with the *Measures for the Information Disclosure of Commercial Banks*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and other regulatory requirements. Under the supervision of regulators, the Bank proactively manages investor relations by ensuring equal access to information and the provision of accurate information to investors on a timely basis. From when the Bank was listed on the SEHK on 10 July 2018, the Bank has promptly disclosed its results and information related to corporate governance for the reference of its investors. In addition, the Bank has maintained close and effective communication with its investors through daily phone calls, e-mails, visits and the Bank's website.

Organisational structure



Internal control

The Bank has been committed to establishing a comprehensive and reasonable internal control system to ensure the compliance of its operations and the effectiveness of its risk management, which keep the Bank on track in terms of implementing its development strategies and attaining its business objectives. To this end, the Board of Directors is responsible for developing a systematic and sound internal control system to ensure prudent operations within the legal and regulatory framework. Senior management is responsible for implementing the internal control system according to the Board's decisions; formulating systematic policies, procedures and methods; taking corresponding risk control measures; and establishing and optimising the internal organisational structure to ensure that the various functions of internal control can be carried out effectively. The Board of Supervisors is responsible for supervising and evaluating the work of the Board of Directors and senior management in connection with the establishment and implementation of the internal control system. At the same time, the Bank focuses on fostering employees' compliance awareness by providing systematic training, thus involving employees in the internal control mechanism. In doing so, the Bank is striving to develop into a financial institution with standardised internal control management.

The Bank's internal control system covers all management and business processes. **In terms of the internal control environment**, a corporate culture that puts internal control and compliance first has been cultivated. An optimised organisational structure composed of the shareholders' general meetings, the Board of Directors, the Board of Supervisors, senior management, functional departments of internal control management, the Audit Department, and six sectors (corporate finance, retail finance, financial market, featured businesses, risk management, supporting and maintenance) has been established with a reasonable division of labour, defined responsibilities, and clear reporting lines. **In the area of risk assessment**, a relatively sound risk management system is in place, and a mechanism to control the whole process of a risk event (pre, during and post-event) has been constantly improved, which can effectively identify, monitor, measure, evaluate, and control various risks, and keep risk within a tolerable level. **In terms of control measures**, we have conducted evaluations on products, systems and processes, consolidated the year's achievements in respect of internal control and compliance, strengthened the key points of compliance and enhanced the evaluation on the compliance with internal and external rules and the evaluation on the embeddedness of the key points of compliance in various processes. Various control measures have been adopted to effectively control various businesses and matters, and the scope of internal control basically covers all management and business processes. **In terms of information and communication**, information construction, the internal and external data indicator system, and the three lines of defence and joint prevention and control mechanism are relatively sound and complete. Information exchange and communication among them is relatively smooth and effective. **On the aspect of internal supervision**, stress has been placed on inspection and evaluation. Major branches, important businesses, and significant events across the Bank are subject to inspections by the Party committee, internal control compliance inspections and routine investigation. Internal control evaluations, and supervision and evaluation by the Audit Department are carried out. The practice of "four-in-one" supervision has effectively rectified problems identified and formed an internal control mechanism featuring ex-ante risk prevention, in-process control, and post-event supervision and rectification. During the reporting period, the Compliance Department functioned well and the internal control of the various departments was reasonable and effective. Our internal control measures are constantly revised as necessary to adapt to the development needs of the Bank and the sector.

Employee behaviour management >>

The Bank continues to improve the structure of its employee behaviour management. It has established the Compliance Committee to provide specific guidance and to supervise and evaluate employee behaviour management. Each branch has a compliance division and a compliance manager. Also the Bank has dispatched compliance officers to business lines and departments, covering five major lines of business: corporate finance, retail finance, credit approval, operations management, and planning and finance, thereby embedding employee behaviour requirements throughout the major business lines' operations and management processes. On the policy front, the Bank formulated the *Contingency Plan for the Employee Behaviour Management of Bank of Jiujiang*, the *Management Measures for "Fake and Dishonest" Employee Behaviours of Bank of Jiujiang* and the *Code of Conduct for Employees of Bank of Jiujiang*.

In order to effectively monitor abnormal movements in employees' accounts and control the risk of employees participating in financial crimes, the Bank has established an account abnormality monitoring system to continuously monitor abnormal transactions in the accounts of its employees and their related persons. Designated personnel check and verify accounts involved in abnormal transactions in accordance with the *Operational Procedures for Off-site Audit, Monitoring and Management of Abnormal Transactions of Bank of Jiujiang's Employees*. These measures have effectively increased the Bank's sensitivity to abnormal employee behaviours and have enhanced the monitoring accuracy.

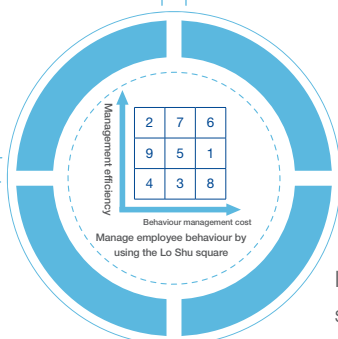
The Bank applies the Lo Shu square in employee behaviour management based on the following rules to form a virtuous cycle of management and development, pressure and efficiency, speed and quality.

90/10 Rule

This implies that 90% of results are derived from key minority decisions of 10%, so 90% of management effort should be concentrated on only 10% of decisions to achieve a controlled and balanced 100% efficiency.

80/20 Rule

Manage the 20% minority of key personnel effectively to drive the remaining 80% majority in improving management efficiency. Employee behaviour management should focus on key posts, key personnel and management members.



70/30 Rule

Activities are divided into two parts in the fields of technology, management, investment and marketing, and distributed according to the ratio of 30% and 70%. Human resources and other resources are logically deduced and deployed against conflicting priorities.

Nash Equilibrium

If any one player has chosen the best strategy with the knowledge of all other players' choices of strategy, then the current set of strategy choices constitutes a Nash Equilibrium. As shown in the Lo Shu square below, the sum is balanced against efficiency in horizontal, vertical and oblique directions, i.e., equilibrium is reached on each side.

By applying the foregoing four principles, the Bank's employees are managed and controlled comprehensively and specifically to minimise employees' non-compliance across various levels and posts and keep various lines, processes and key points of business under control. The Bank will be free from obvious deficiency, partiality and significant risks to form a virtuous cycle of management and development, pressure and efficiency, speed and quality, and a state of completeness, integrity and balance implied by the Lo Shu square for the Bank's safe, sound and sustainable development.



Compliance handbook >>

In order to build a long-term compliance management mechanism and continue to promote compliance culture and education, Bank personnel can now inquire about major external regulatory rules, laws and regulations, and the Bank's rules and measures in a classified manner according to *Bank of Jiujiang's Compliance Handbook*. With the formulation of the Compliance Handbook, the Bank has established a compliance culture in which employees are expected to strictly abide by the Bank's compliance requirements. The Compliance Handbook has made a significant contribution to the Bank's sustainable development.

The Bank has always adhered to the business philosophy of "system first" and "bank management within the system", continuously improving the system, and strengthening the system constraints. In 2022, the Bank issued 76 regulations and measures, including *Management Measures of Bank of Jiujiang on Legal Risk*, *Bank of Jiujiang's Measures on Grid-based Case Prevention Management*, *Product Management Measures of Bank of Jiujiang*, *Regulations of Bank of Jiujiang on the Follow-up of Consumer Complaints*, *Operating Procedures of Bank of Jiujiang on the Audit of Letter of Guarantee Business*, *Management Measures of Bank of Jiujiang on Institutional Auto Loans*, and *Bank of Jiujiang's Internet Loans Risk Management Measures*. In addition to the issuance of these new measures, 154 measures have been revised to improve systems across the bank. The measures revised include: the *Bank of Jiujiang's Basic Policy on Comprehensive Risk Management*, the Bank of Jiujiang's Basic System on Credit Management, *Management Measures of Bank of Jiujiang on Related-party Transactions*, *Management Measures of Bank of Jiujiang on Consumer Rights and Interests Protection*, and *Management Measures of Bank of Jiujiang on Liquidity Risk*.



Anti-corruption measures

Since 2022 when the Bank established the Inspection and Supervision Team of Bank of Jiujiang under the leadership of the Jiujiang Municipal Supervisory Committee, the Team has been capitalising on its authority and advantage of being a body directly under the Municipal Supervisory Committee and insisting on consolidating the roles played by the Inspection and Supervision Team, Audit, Party committee and Board of Supervisors and building a strong team of Inspection and Supervision officers to integrate the four supervisory functions into the frontline and daily operations to foster a integrity-based culture that our employees can identify with, participate in, promote and enrich to create a business ecosystem which is free from corruption. This corruption-free culture has been widely spread throughout the Bank, laying a solid foundation for risk prevention and compliant operations. The Discipline Inspection and Supervision Team focuses on supervision and services, promoting the Bank's integrity with a combination of strict supervision and affinity to ensure steady development and clean operations.



• Case •

The Discipline Inspection and Supervision Team stationed in the Bank held a meeting on the strict governance of the Party and discipline inspection and supervision work in 2022

On 3 March 2022, the Bank held a meeting on the comprehensive strict governance of the Communist Party of China (CPC) and the strict governance of the Bank and discipline inspection and supervision work, to study and implement President Xi Jinping's important speech at the Sixth Plenary Session of the 19th Central Commission for Discipline Inspection and the spirit of the plenary sessions of the central, provincial and municipal commissions for discipline inspection. It also studied and conveyed the inspection opinions of the Fourth Inspection Team of the central government to the Party Committee of the China Banking and Insurance Regulatory Commission (CBIRC).



The Discipline Inspection and Supervision Team stationed in the Bank held a meeting on the strict governance of the Party and discipline inspection and supervision work in 2022

At the meeting, it was pointed out that in 2021, the Discipline Inspection and Supervision Group adhered to the guidance of President Xi Jinping's thought on socialism with Chinese characteristics for a new era. It conscientiously implemented the CPC Central Committee's decisions on comprehensive strict governance and President Xi Jinping's important instructions on deepening corruption-free efforts in the financial sector, putting political supervision first, while strengthening supervision and discipline accountability, rigorously investigating disciplinary issues, promoting a clean work style, and cultivating basic-level discipline inspection and supervision cadre. We have continued to improve the supervision system, using past cases to educate our people and mitigating financial risks by punishing improper acts and dealings to ensure the sound development of the Bank.

• Case •

An educational seminar on a clean work style for middle and senior management and discipline inspection and supervision personnel

On 30 September 2022, the Bank organised a seminar on improving work style and discipline education for middle and senior management personnels. At the seminar, examples from small and medium-sized banks that occurred during the year were shared, and educational videos were shown.

All Party members and cadres of the Bank learned from those typical cases through comparisons, reviews and analyses. In this way, they are alert to misdeeds and stay consciously compliant.



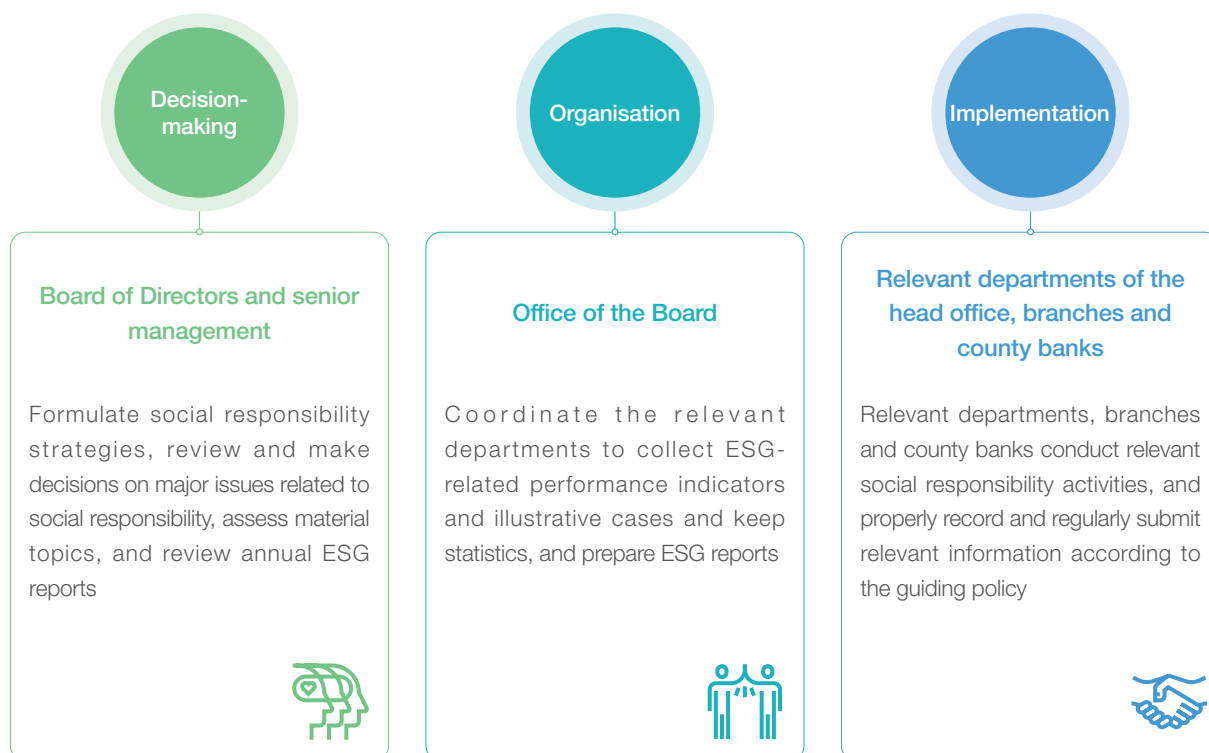
Educational seminar attended by middle and senior management and discipline inspection and supervision personnel

* The photos of this report were all taken during the Bank's activities, and have been used by the Bank for news-reporting purposes. We cannot contact the people in the photos as we do not have their contact information. If the use of these photos leads to infringement of portrait rights or other issues, please be aware that this was not the Bank's intention and the photos have not been used for profit-making purposes. The Bank will immediately rectify the situation upon notification by the relevant rights holder.



© Social responsibility management

The concept of sustainability permeates throughout the Bank's daily business development processes; and the Bank has established a social responsibility management system with clear responsibilities and virtuous cycle. The Board of Directors and senior management are responsible for formulating social responsibility strategies; the office of the Board is responsible for organising related activities; and other departments and entities are responsible for implementing the activities and providing feedback to their superiors for evaluation purposes.

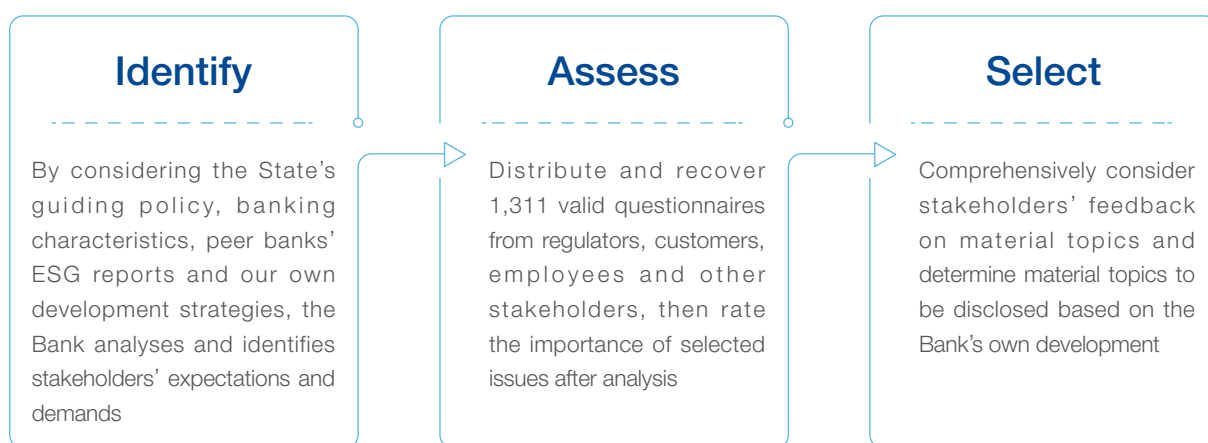


Stakeholder participation

Stakeholder	Expectations and requests	Means of communication	Responses and measures
Government	Focus on serving people	Organise meetings	Support local development
	Ensure development quality	Government-enterprise joint meetings	Support emerging industries
	Innovate financial services	Technical seminars	Increase investment in R&D
	Contribute to economic development	Policy communication	Provide financial support
Regulatory authorities	Ensure compliant operations	Onsite examinations	Strengthen internal supervision
	Prevent and control financial risks	Surveys and on-site visits	Refine the governance system
	Promptly disclose information	Report on work progress	Comply with regulatory requirements
Shareholders	Stable and healthy development	Shareholders' general meetings	Maintain investor relations
	Improve corporate governance	Regular reports	Refine the governance system
	Enhance core competitiveness	Investor communications	Make strategic planning
Customers	Enhance service quality	Petition platform	Respond to customer needs
	Streamlined workflow	Service hotline	Improve business processes
	Expanded service channels	Offline activities	Provide various services
	Enriched product scenarios	Network research	Deploy self-service equipment
Employees	Protect the rights and interest of employees	Employee representatives' meetings	Handle staff feedback
	Make career planning	Labour union	Optimise the talent development mechanism
	Support employees' psychological well-being	Internal staff hotline	Communicate with staff in a timely manner
	Improve the employee benefit system	Internal mailbox	Set up a staff centre
Suppliers	Equal and effective communication	Supplier forums	Transparent procurement process
	Perform contracts	Tendering and bidding activities	Track contract performance
	Build good relationships	Customer surveys	Maintain supplier relationships
Partners	Achieve mutual benefit and win-win outcome	Peer exchanges	Strengthen information flows
	Communicate with and learn from each other	Industry discussions	Participate in industry forums
Communities	Contribute to community governance	Outlets	Support community projects
	Spread financial knowledge	Offline publicity	Organise community publicity events
	Serve the public	Services for the public	Meet community needs
The general public and the media	Promptly disclose information	Official platforms	Disseminate news relating to the Bank
	Strengthen communication and dialogue	Media events	Reply to media enquiries
The environment	Reduce operating losses	Internal management	Implement energy-saving measures
	Deepen green finance development	Green finance services	Broaden green finance channels
	Adhere to sustainable development	Information disclosure	Advocate green ideas

Analysis of material topics

Through regular and real-time communication, as well as internal and external exchanges, the Bank ensures that it fully communicates with various stakeholders and responds to them on a timely basis. By considering its business characteristics, development strategies and the State's guiding policy, the Bank identifies social responsibility topics, determines which topics are material to the Bank's sustainable development and stakeholders, and discloses these topics in the Report.



Material topics in 2022 >>



CHAPTER 4

Promoting green finance to protect the environment

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- 26 Spreading green concepts and promoting ecological civilisation construction



Focusing on the important instructions in the *Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 for the People's Republic of China* ("the 14th Five-Year Plan") and China's goal of reaching carbon peaking by 2030 and carbon neutrality by 2060 (the "dual carbon" goals), the Bank adheres to the concept that lucid waters and lush mountains are invaluable assets, and responds to the national policy of green finance development by active exploration into this new field. We are committed to developing green finance, implementing sustainability strategy, facilitating green transformation economically and socially and building a beautiful Jiangxi.

Bank of Jiujiang is persistent in adhering to the national strategic goal of achieving the "dual carbon" goals by launching green projects that provide capital for the green development of the province. Since 2022, the Bank has focused on optimising the green financial mechanism, innovating green financial products, exploring a transformational financial model, and building a risk management system. Our efforts have seen some results.

The Bank has elevated green finance to a strategic level and deepened the development of green finance. Our market positioning as a green financial bank is incorporated into our corporate culture. We have formulated green and low-carbon investment and financing strategies with medium- and long-term targets. Green finance is elevated to a strategic level at the Board of Directors to promote its development at a high level. In keeping with the new development concept of the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* released by the CPC Central Committee and the State Council, in 2022, the Bank issued the *Bank of Jiujiang Strategic Planning Report (2022-2024)* and *Marketing Guidelines of Bank of Jiujiang on Green Finance Business*.

We have optimised the green credit process by issuing *Management Measures of Bank of Jiujiang on Green Credit* and *Implementation Rules of Bank of Jiujiang on Green Credit Management*, incorporating environmental risk assessment and management into the Bank's overall risk management framework and processes, including due diligence, project environmental risk assessments, credit ratings, reviews and approvals, and contract conclusions. The Bank has steadily strengthened the monitoring of environmental risks and kept abreast of the risk profile of credit assets through regular credit risk investigations, thereby promoting the optimisation of green credit processes and innovation of products and services on the premise of effective risk control and commercial sustainability.

The Bank is keen on green finance cooperation. In February 2022, the Bank worked with the World Bank Group's International Finance Corporation (IFC) on a finance project to jointly explore the green transformation of industrial

economies. In June that year, the Bank formally signed the Partnership for Carbon Accounting Financials (PCAF) commitment letter, becoming the first city commercial bank in China to join the PCAF. At the same time, the Bank entered into a memorandum of understanding with the Department of Ecology and Environment of Jiangxi Province to promote green and low-carbon development in Jiangxi's economy and achieve the "dual carbon" goals. In December 2022, the Bank was invited to participate in the second phase of the 15th Conference of the Parties (COP15) on the United Nations Convention on Biological Diversity (CBD) to promote the practice and exploration of transformational finance with the IFC.

We are proactive in innovating green financial products.

In March 2022, the Bank issued the first mortgage loan for wetland management rights in Jiangxi province. This has not only solved security issues, but also liquidises wetland resources, opening up a new market-based path for promoting water area construction. It will also help with promoting the upgrading of national wetland parks, supporting the ecological restoration of rural wetlands, and protecting the ecological environment. In November 2022, the Bank completed its first "Carbon Efficiency Loan" in Hukou county. The "Carbon Efficiency Loan" is a credit product provided to industrial enterprise customers who are looking to save energy and reduce carbon emissions in their production and operations, guiding high-emission enterprises to efficiently use energy and reduce greenhouse gas emissions.

Under the sound leadership of the Jiangxi provincial Party Committee and provincial government, and with the guidance and support of various financial regulators, the Bank's efforts in promoting green finance have gained the support and recognition of the authorities concerned. In 2022, The Bank received the "2021 Green Finance Contribution Award" from the Jiangxi Provincial Local Financial Supervision Administration, and was awarded the "Outstanding Group in Green Finance Reform in Jiangxi Province" by the Nanchang Central Sub-Branch of the People's Bank of China (PBOC) and the "2022 Outstanding Performer in Green Finance" by PBOC's Jiujiang Central Sub-Branch.

◎ Deepening system reform and improving green financial system

We vigorously implement the general requirements on the 14th Five-Year Plan and the national strategic goal of reaching carbon peaking by 2030 and carbon neutrality by 2060. Positioned as one of the Bank's key strategies, we proactively pursue green development. Centred on green development and driven by further reform, market and customer demands, we are improving the system for green finance management, especially the green finance organisational structure from the Board, head office functional departments, branches and sub-branches. We innovate green finance system; optimise green finance organisational structure, corporate culture and value system to embed our positioning as a "green finance bank" into corporate culture and incorporate green finance business into performance appraisal as we strive to become a leading green finance bank in Jiangxi province. Furthermore, we continue to spread our green finance wings. At present, the Bank has set up the Green Finance Business Department at the head office. In 2022, the Huichang Sub-branch in Ganzhou and the Zixi Sub-branch in Fuzhou were given "Green Sub-branch" recognition. Our green financial entities continue to grow, enhancing our capabilities in serving the real economy.

Reform starts from within: Green finance development with our own characteristics

Strategic goal of green finance >>

In 2022, the Bank maintained the trend of low-carbon transformation with a focus on key industries and target customer groups, while developing scale of business and expertise through a professional, efficient and integrated business model. Our vision is to consolidate our green finance brand and become a key driver of low-carbon transformation development.

Green finance development strategy

In 2022, the Bank implemented the green financial development strategy, formulated a clear implementation path based on the three major functions and five pillars of green financial development proposed by the PBOC, and further improved the green financial system within the bank.

First, the construction of a policy management system.

The Bank has formulated the Bank of Jiujiang Strategic Planning Report (2022-2024) to guide the development of green finance within the Bank. Through the issuance of documents such as the Marketing Guidelines of Bank of Jiujiang on Green Finance Business and Typical Cases of Green Finance, a green financial policy system has been developed with our own characteristics from multiple dimensions including organisational management, enhanced capacity, and standard construction.

Second, a strengthening of information disclosure.

The Bank released its 2020 and 2021 annual environmental disclosure reports following the PBOC's Guidelines on Environmental Information Disclosure by Financial Institutions and with reference to international standards such as the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations. The Bank signed the PCAF commitment letter in June 2022, and has been exploring its carbon footprint measurement and improving the basis of information disclosure.

Green finance management structure >>

Board level

The Board has authorised its strategy committee to assume planning, supervision and inspection responsibilities for green finance, especially in respect of approving and supervising the determination and implementation of green credit strategies and targets while studying and advising on other material decisions and issues. The strategy committee consists of three directors, including one chairman responsible for hosting the committee's work. The committee reports to the Board. It reviews reports prepared by the green finance working group, provides written proposals to the Board for deliberation, and supervises the progress made by the Bank's management in implementing the green finance proposals that have been finalised by the Board.

Management level

We implement green development concepts and attach strategic importance to green transition and innovation in our development. We continuously innovate and reform our products, processes and policies, as well as our approaches to managing environmental and social risks that may arise. Through internal coordination and cooperation between departments, we proactively pursue the goal of reaching carbon peaking by 2030 and carbon neutrality by 2060. Furthermore, we have established a dedicated post at the head office, branch and sub-branch levels that is responsible for communicating issues and providing comprehensive high-quality solutions for green finance projects and clients.

Meanwhile, to capitalise on the favourable policy of pilot zones for green finance reform and innovation and to accelerate the innovation of our existing green finance system, we have set up a green finance steering group led by senior management personnel of Bank of Jiujiang. The steering group consists of the heads of the Bank's 14 departments, including the head of the Green Finance Business Department, who concurrently serves as the group's office director and is responsible for the overall planning and coordinated promotion of the Bank's green finance initiatives.

Third, a refining of the incentive and constraint mechanisms. The Bank has included green credit as a "Secretary's project" in its Party building assessment and for many years has included the development of green finance in branch assessment. Preferential policies are available to branches to provide more incentives.

Fourth, the introduction of innovative products and service systems. So far, the Bank has launched a number of first-of-its-kind green financial products and services, such as the carbon emissions rights pledge financing business, green carbon-linked loans and Jiuyin green bill financing. In 2022, the "Carbon Efficiency Loan" was launched, an innovative special transformational financial product that supports the low-carbon development of industrial enterprises and offers an effective practice and exploration for the development of transition finance.

Fifth, the expansion of international exchange and cooperation. We are one of the first urban commercial banks in China to join the *Principles for Responsible Banking (PRB)* while actively exploring international cooperation. In 2022, we cooperated with the IFC on transition finance, exploring the innovative path of the transition finance business with an aim of achieving the "dual carbon" goals and helping Jiangxi's manufacturing industry carry out an energy-saving and green low-carbon transition.

Insisting on external cooperation to achieve synergy for green finance development

In 2022, the Bank fully implemented the decisions and strategies of the CPC Central Committee and the State Council, along with the requirements of the Jiangxi Provincial Party Committee and the provincial government. With the “dual carbon” goals in mind, the Bank has taken the lead in the reform and innovation of green finance, while exploring international cooperation to turn green transformation into growth opportunities and empower Jiangxi’s green and low-carbon development.

Transformational financial cooperation with the IFC

In February 2022, the signing ceremony for the transition finance project of Bank of Jiujiang and the IFC was held in Nanchang alongside a seminar on transition finance to help achieve the “dual carbon” goals. Through this cooperation, complementary advantages and mutual benefits can be achieved. Through strengthened exchanges and cooperation with domestic and international authorities, the Bank can learn from leading global practices, provide the market with replicable experiences, continue to explore innovative paths for the transition finance business, help the province’s manufacturing industry achieve energy-saving and green low-carbon transformation, and contribute to the construction of a beautiful Jiangxi and the green and low-carbon development of China and the world.



Signing ceremony between the Bank and the IFC for the transition finance project

Joining the PCAF

In June 2022, the Bank signed the PCAF commitment letter, committing to the use of the PCAF methodology for carbon accounting and disclosure within three years, and becoming the first city commercial bank in China to join the PCAF. Going forward, the Bank will continue to develop green finance, establish new mechanisms, innovate new products, explore new cooperation, and build a competitive “green finance bank” brand.

[illegible]

Bank of Jiujiang joined the PCAF

• Case •

Signing a MoU with the provincial environment department on financial cooperation on carbon and pollution reduction

In June 2022, the Bank signed a Memorandum of Understanding (MoU) with the Jiangxi Province Department of Ecology and Environment on using financial services to reduce pollution and carbon emissions. We will take this deepened cooperation as an opportunity to provide professional financial services as a regional commercial bank. With the aim of achieving “carbon peak and carbon neutrality”, the Bank will increase financial innovation, support climate change mitigation and industrial structure transformation, meet corporate financial needs for low-carbon transformation, and create a Jiangxi model for the building of a beautiful China.



Bank of Jiujiang and Jiangxi Province Department of Ecology and Environment signed a MoU

◎ Serving enterprises and promoting a new model of green financial services

The Bank continues to promote development and innovation in green finance, supporting carbon reduction, low-carbon, and carbon sequestration industries and launching a number of first-of-its-kind green financial products. Keeping the “dual carbon” goals in mind, the Bank has been increasing its efforts in innovation and is therefore able to provide new green financial products, new ideas, and new models for the green transformation of the real economy.

• Case •

Hukou county’s “Carbon Efficiency Loan” for financial transition

In October 2022, the kick-off ceremony of Jiujiang’s pilot financial transition project was held in Hukou County. The Bank signed a memorandum of cooperation with Hukou County Hi-tech Industrial Park for the transformation of the park and also launched a special product called the “Carbon Efficient Loan” at the event. The loan is a financial product that supports the low-carbon development of small and medium-sized industrial enterprises. The product links the pricing of a loan to the overall performance of the borrower’s carbon emissions, and regularly adjusts the interest rate accordingly. A concession on the lending rate will be offered when the borrower’s performance improves over the previous year. By offering such financial incentives, we can effectively guide high-emission enterprises to pay attention to and lower their carbon emissions and practise energy saving and carbon reduction, thereby promoting green and low-carbon development.



Bank of Jiujiang signed a memorandum of cooperation with Hukou County Hi-tech Industrial Park

Helping industries with the green transition

Focusing on the photovoltaic (PV) industry to promote green development. As the backbone of China's energy transformation, PV power generation is developing rapidly and has driven a growth in farmers' income and contributed to rural revitalisation. The Bank follows the national strategy. Based on our understanding of farmers' needs through surveys, and after taking into account local resource endowments, we vigorously promote photovoltaic agricultural loans throughout the Bank to organically integrate inclusive finance and green finance and promote the green transition.



Account managers visited local photovoltaic enterprises

Contributing to rural revitalisation and increasing farmers' income

Wan'an county is a key part of the Jinggang Mountain Revolutionary Base Area and is located in the midstream economic zone of the Ganjiang River, a hot spot for rural tourism featuring red culture, Luling culture, with lush mountains and clear water. Knowing the county's plan to build beautiful villages and bed and breakfast clusters, the Bank has taken the initiative in tailor-making comprehensive financial services and providing financial support to enterprises. 35 local administrative villages have been helped in improving their living environment, enabling farmers to make a living on tourism and injecting a new momentum for rural revitalisation.

Exploring transition finance to help enterprises transform. To promote the transformation to energy-saving technologies in small and medium-sized enterprises, the Bank guides them to develop in a low-carbon manner. By linking the carbon performance of enterprises to the interest rate of loans, the Bank reduces the financing cost of high-carbon enterprises in the process of green transition, creating a brand-new model that can be learned from and promoted to support the green, high-quality and sustainable development of SMEs.

As at the end of 2022



In 2022, the Bank adhered to the principle of sustainable development, expanded its credit business, and increased investment in the high-quality development of sectors including energy saving, environmental protection, and clean production. As at the end of 2022, the Bank's green loan balance stood at RMB25,889 million, an increase of RMB8,278 million or 47% compared with the beginning of the year, according to the PBOC's statistics on green loans.

◎ Creating an environment for the development of green finance through promotion of green concepts

We are committed to the promotion and spread of green finance concepts. In 2022, we introduced our achievements in green finance development, promoted green finance products, and shared our industry practice to the public and peers from multiple perspectives, levels and channels through surveys, onsite visits, and diversified and in-depth green publicity activities.

• Case •

Large media campaign on “Attaining ‘Dual Carbon’ Goals through Green Finance”

In January 2022, the Bank hosted a large media campaign themed “Attaining ‘Dual Carbon’ Goals through Green Finance”, consisting of interviews and on-site visits. Several central and provincial media organisations took part in the activity. The highlights of Jiangxi province’s financial reform and innovation results were shown in the reports, photos and videos. During the five-day event, reporters visited local representative projects in Fuzhou, Ganjiang New Area and Jiujiang to conduct interviews.



Large media campaign on “Attaining ‘Dual Carbon’ Goals through Green Finance”

• Case •

Participating in the second phase of COP15

In December 2022, the second phase of the 15th Conference of the Parties (COP15) of the United Nations Convention on Biological Diversity was held in Montreal, Canada. As an exhibitor, the Bank was invited to attend the China Corner side event to promote the practice and exploration of transition finance with the IFC on the global stage.



Bank of Jiujiang’s notice on COP15

The Bank won awards for our achievements in green financial innovation

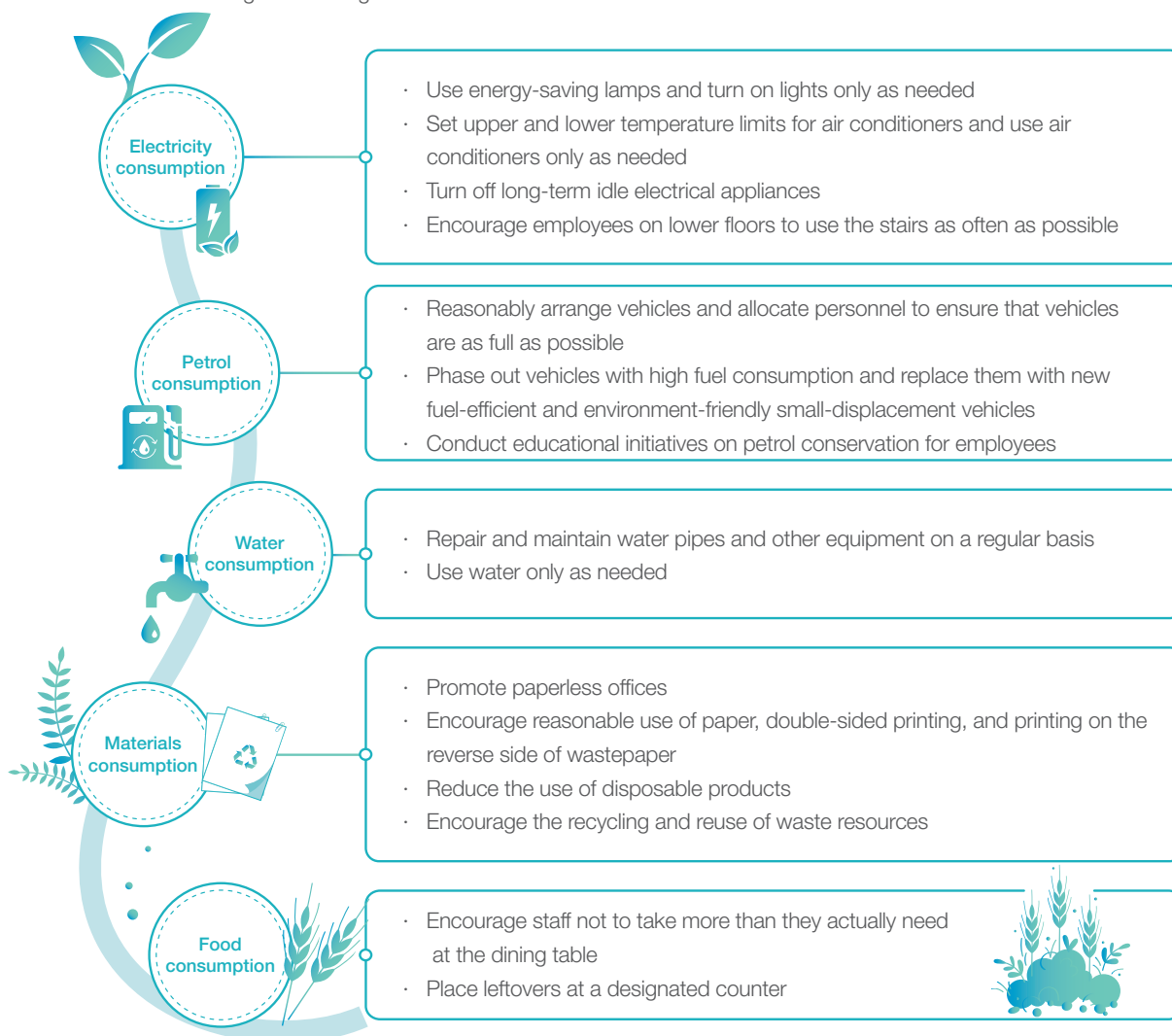
Under the sound leadership of the provincial government and with the guidance and support of various financial regulators, the Bank’s efforts in promoting green finance have gained the support and recognition of authorities. In 2022, the Bank received the “2021 Green Finance Contribution Award” from the Jiangxi Provincial Local Financial Supervision Administration, and was awarded the “Outstanding Group in Green Finance Reform in Jiangxi Province” by PBOC’s Nanchang Central Sub-Branch and the “2022 Outstanding Performer in Green Finance” by PBOC’s Jiujiang Central Sub-Branch.

◎ Spreading green concepts and promoting ecological civilisation construction

As a pioneer in green finance development in Jiangxi province, we vigorously implement the 14th Five-Year Plan and the “dual carbon” goal by prioritising ecosystem protection, green development, total management, scientific allocation, saving and recycling of resources, while promoting high-quality development of the economy and protection of the ecosystem to instil a sense of green development into our people.

Promoting green operations

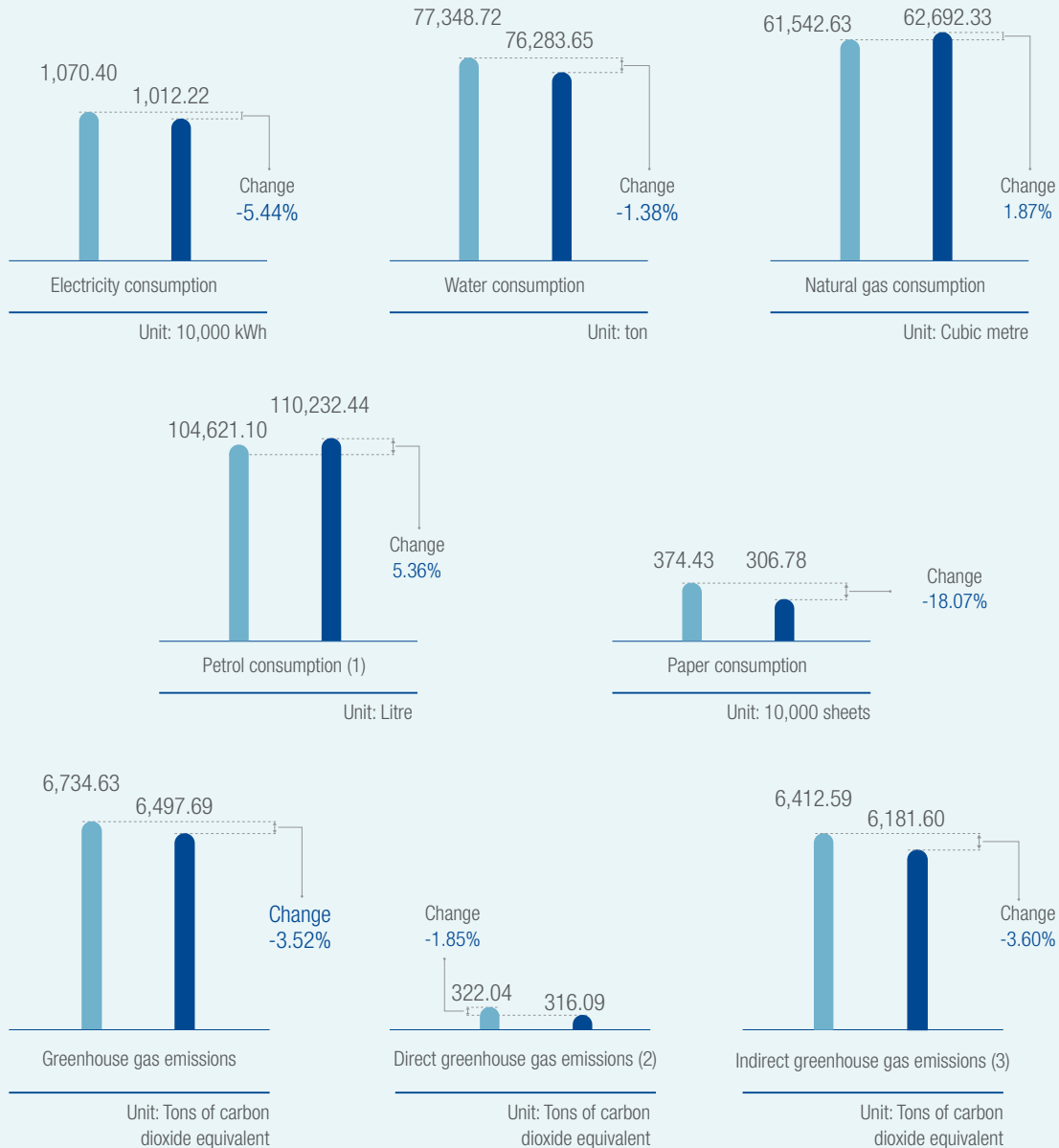
To help achieve the “dual carbon” goals and develop the Bank into a green finance bank in Jiangxi by reaching the sustainability goal of saving energies, reducing consumption, protecting the environment, cutting costs and raising efficiency, the Bank has formulated the *Management Measures for a Green Office of Bank of Jiujiang (for Trial Implementation)* and *Management Measures for Infrastructure of Bank of Jiujiang* to save resources used in office, enhance energy efficiency and protect the environment by reducing direct and indirect consumption of water, electricity, paper, petrol and other resources, as well as direct and indirect greenhouse gas emissions.



Bank of Jiujiang's resource consumption and greenhouse gas emissions in 2022

The head offices and branches

2021 2022



(1) Including the use of petrol and diesel for business vehicles, canteens and power generation.

(2) Including greenhouse gas emissions resulting from natural gas, liquefied gas and diesel consumption.

(3) Including greenhouse gas emissions resulting from electricity consumption, wastepaper disposal and transportation.

In accordance with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other related laws and regulations, we have developed systems and measures for promoting environmental awareness and low-carbon lifestyles among our employees. In 2022, the Bank implemented and improved rules on green implementation, raised employees' environmental and low carbon awareness, and achieved the sustainability goal of cutting costs and raising efficiency. The Bank will strive to become a role model in green finance and make untiring effort in promoting the 14th Five-Year Plan and the dual carbon goal.

Procurement management

We continuously improve our management of the procurement process, including management of the bidding process and suppliers. The Bank has established a centralised procurement management system that centralises organisation, operation, system and process in which demand departments, the centralised management department, the special committee for centralised procurement, the office for centralised procurement and the supervision department are all involved, all departments involved exercise their authorities and perform their duties according to the centralised procurement requirements. In this way, the Bank has effectively standardised bank-wide centralised procurement and strengthened the control of procurement risk. During the process of centralised procurement, the Bank strictly follows the principle of openness, fairness and justice. The Bank has established a comprehensive and lifecycle management of centralised procurement to reduce cost.

At the end of the year 2022, the Bank had 380 potential suppliers at the head office level. Of which, a total of 178 suppliers provided products and services to the Bank during the year, and the Bank paid RMB207 million in total to these suppliers.

The Bank strictly forbids suppliers with misconduct to participate in the Bank's centralised procurement. Suppliers on the prohibited supplier list, will be identified before they are allowed into key processes of the centralised procurement. Any suppliers on the prohibited supplier list identified will be terminated and banned from the centralised procurement. New supplier with misconduct was zero in 2022.

The Bank controls supply risks at source by organising market research for goods and technical testing for IT software. It also reviews the supplier's production environment, financial status, taxation and employment conditions. We require product suppliers to have ISO14001 environmental management system certification in respect of supplier access, product selection, and bidding evaluation. Suppliers are required to provide less toxic and hazardous products, save resources, and protect the environment, while quantitatively reviewing key environmental protection indicators.

In IT procurement, we have proactively introduced technologies such as virtualisation, cloud platforms, distributed storage, and hyper-convergence to help reduce investment in physical equipment and improve the utilisation rate of hardware, effectively reducing the energy consumed and the physical space occupied. We use audio and video and other technologies in our banking business, and explore the use of electronic signatures and electronic agreements to provide more convenient services to customers.

In active response to the latest national policy on power grid, and based on the large industrial power supply mode, we use the building automation system (BA) to automatically and precisely control the operation of each system and formulate an energy-saving and consumption-reducing plan to reduce energy waste by charging water chillers when the electricity price is at its lowest and cooling when the electricity price is at its peak.

Supplier-related KPIs in 2022



CHAPTER 5

Promoting inclusive finance to build a harmonious village

- 30 Supporting strong agricultural country strategy by focusing on supporting MSEs
- 32 Innovating the “new agriculture, rural areas and farmers” products to accelerate rural revitalisation
- 35 Focusing on regional characteristics to help increase production and income
- 37 Monitoring financing risks and improving service quality



◎ Supporting strong agricultural country strategy by focusing on supporting MSEs

The Bank has conscientiously followed the strategy of rural revitalisation. In line with the strategic direction of “adjusting the industry structure, saving capital, controlling non-performing loans, and stabilising growth”, the Bank continuously improves a new mechanism of inclusive finance, intensively cultivates the field of MSEs and rural finance and revitalisation, and provides a strong support to the consolidation and expansion of initiatives for lifting the impoverished out of poverty. At the end of 2022, the balance of the Bank’s agriculture-related loans was RMB63.85 billion.

Endeavouring to ensure supply to build a model for rural revitalisation

Since 2000 when the Bank was incorporated, we have been implementing important strategic plans of the CPC Central Committee, State Council and regulators. Based on the local economy, the Bank has been the first in positioning MSEs as target customers and addressing their financing difficulties through the innovation of inclusive finance products and services.

In August 2022, the Bank won the “Commercial Bank’s Inclusive Finance Outstanding Contribution Award” at the 5th Annual Retail Banking Development Conference. This honour will serve as a new starting point for the Bank to accelerate the transformation of the retail business, continuing our focus on key areas and weaker parts of the economy including MSEs, “agriculture, rural areas and farmers”, and rural revitalisation, with a view to continuously strengthening fintech empowerment and improving the availability and convenience of inclusive financial services.

Lowering the entry threshold for MSEs

In order to improve the loan acquisition rate of individual industrial and commercial households, the Bank has lowered the entry threshold for customers in a number of aspects, such as years of operation and transaction history. At the same time, the Bank also provides customers with convenient and speedy loans through its big data risk control model, reducing repeated due diligence procedures, optimising relevant procedures and continuously expanding the channels and coverage of financing services.

In order to reduce the financing costs of customers, the Bank has adopted comprehensive policy tools to actively support initiatives such as providing refinancing for MSEs, granting of inclusive credit loans, and enabling the repayment of old debts with new credit facilities so as to reduce fees and surrender profits for enterprises. The Bank also actively promotes loans that can be borrowed and repaid at any time, in any way, based on the capital needs of the industries in which the MSEs are located that fully meets the periodic funding requirements of customers.

The Bank also continuously improves the efficiency of financial services through technology enablement. We achieved online, paperless and digital operation for all varieties of retail loans; by using big data along with manual investigation, the Bank quickly approves customers in batches, realising the unification of standardisation and flexibility; and the “8-hour rapid loan approval” service has effectively solved the pain points of the “short, frequent and urgent” capital demand of MSEs and individual businesses.

In August 2022, the person in charge of the Bank’s retail business approached different organisations including the Wenzhou Chamber of Commerce and the Ganzhou Chamber of Commerce in Jiujiang City to conduct needs assessments in order to serve the real economy and to provide assistance to the MSEs.

• Case •



The Bank conducting research with local chambers of commerce

• Case •

Setting up inclusive financial service stations

The Bank actively responded to the guiding opinion of the PBOC on the set-up of inclusive financial service stations in rural areas that bring basic financial services to those regions and facilitate rural revitalisation. In August 2019, we started the construction of the inclusive financial service stations. By the end of 2022, the Bank had set up 639 inclusive service stations throughout Jiangxi province, with 73 situated in Jiujiang.

Inclusive financial service stations connect the Bank with farmers and farming enterprises. They not only make up for the lack of financial services in rural areas, but also effectively enhance the focus of our services and the coverage of our businesses, enabling more financial resources to be allocated for rural construction. At the same time, the Bank has joined with the UnionPay app to optimise support for rural scenarios so as to further facilitate the application and inclusiveness of the modern payment system and to effectively improve the standard of mobile payment services in rural areas.

• Case •

Establishing rural revitalisation service stations

County banks established by the Bank continue to expand their service offerings by gradually setting up rural revitalisation financial service stations in their operating areas to provide convenient and efficient financial services to “agriculture, rural areas, and farmers”. At the end of 2022, 20 county banks had set up 61 rural revitalisation service stations, providing services to 17 counties (districts), 63 townships, 971 administrative villages, and 133 communities, covering more than 2.15 million people. The balance of loans granted through the service stations amounted to RMB800 million, with more than 8,000 accounts receiving loans. To strengthen the registration of poverty alleviation, registration was conducted in different villages through a grid management approach by 20 county banks at the end of 2022, which completed the registration of an aggregate of 86,900 impoverished accounts and gathered a large amount of basic data. The use of big data enables the Bank to deeply explore the financing needs of rural customers and better serve the local “agriculture, rural areas, and farmers” economy.



Setting up of rural revitalisation financial service stations by county banks

• Case •

Establishing bank-guarantor partnership to facilitate inclusive financing

To cater for farmers' financing needs, the Bank has strengthened the bank-guarantor partnership to address the "difficulty in financing" problem faced by borrowers under the principle of controllable risks. The Bank works with the corresponding local employment bureau to set up entrepreneurship guarantee centres that introduce the cooperation model of "guarantee + interest discount" or "interest discount" into the centre to meet the borrower's financing needs while reducing the financing costs.

The Bank actively works with Jiangxi Agricultural Credit Financing Guarantee Co., Ltd., Jiangxi Financing Guarantee Group Co., Ltd., Jiangxi Gannong Financing Guarantee Co., Ltd. and Jiangxi Pratt & Whitney Financing Guarantee Co., Ltd. to promote the "2+8" model to solve the problem that "agriculture, rural areas and farmers" are unable to provide collateral.

• Case •

Effectively reducing financing costs for MSEs

The Bank focuses on serving the local economy and solves the dilemma of difficult and expensive financing faced by MSEs and "agriculture, rural areas, and farmers". The Bank seriously implements various preferential financial policies, strengthens support for enterprises, and uses various fee reduction and preferential measures to assist enterprises in reducing costs, and maximising the benefits of the real economy, with preferential interest rates being offered to customers supported by preferential agricultural lending, poverty vulnerable customers, and agricultural machinery customers.

At the same time, the county banks actively respond to the call and flexibly adopt various policies to address the dilemma of expensive financing faced by borrowers. This includes using PBOC's refinancing facilities to reduce the financing costs of borrowers; implementing a policy of deferred principal repayment to address customer cash flow problems; and gradually reducing the loan interest rate year-by-year for customers supported by agricultural-related inclusive financing measures while offering them preferential treatment in accordance with relevant regulatory policies.

◎ Innovating the "new agriculture, rural areas and farmers" products to accelerate rural revitalisation

The Bank facilitates close collaboration between the head office and branches to actively push forward the construction of new business scenarios and the research and development of new products in promoting rural revitalisation. Head office provides robust support for branches to construct new business scenarios and develop new products for rural revitalisation through conducting various initiatives such as policy research, industry research and market demand analysis. Meanwhile, branches make the most of their geographical advantages, and are encouraged to explore and summarise the financing needs and features of their daily business operations to provide insights to the head office for product research and development. Through collaboration between the head office and branches, we actively build new business scenarios and develop new products, based on the actual financing needs under different scenarios for rural revitalisation, which form a multi-level financial service system with differentiated features and wide coverage to improve service quality and efficiency.

Constructing a modern agricultural system to develop industries that can enrich the people

In 2022, the Bank thoroughly implemented the *Guiding Opinions on Financial Services for Rural Revitalisation* in order to prioritise services related to “agriculture, rural areas and farmers” in the allocation of resources, provide them with more sources of financing, and continuously improve its inclusive financial products and service system. In order to precisely direct financial resources to “agriculture, rural areas and farmers”, the Bank continues to explore the characteristics of the local agriculture industry and has developed a series of inclusive financial products that support its growth to precisely target customised financing services at specific groups of customers.

The Bank has comprehensively upgraded and transformed its online and offline inclusive financial services by extending the reach of offline services, promoting the digitalisation of offline services, and standardising online services. These upgrades have greatly improved the timeliness of business processing, optimised the customer experience, and expanded the Bank’s customer base in rural areas.

• Case •

Creating special credit products designed for rural areas

Based on the characteristics of agricultural industries and production, the Bank has tailored a series of credit products, such as the “Rural Talent Loan”, the “Smart Loan for Rich Farmers”, the “Smart Loan for Logistics” and the “Smart Loan for Storage”, in addition to the existing Agricultural Loan, Easy Guarantee Loan and personal business loans, to better meet the needs of customers. In addition, the Bank has also actively improved its credit products, implemented efficient business application and approval procedures, and achieved the conduct of an online and standardised lending business. In recent years, special local products launched by the Bank, such as the “Greenhouse Vegetable Loan”, the “Orange Farmer Loan”, the “Grain Farmer Loan”, and the “Tea Farmer Loan”, have achieved remarkable results.

The Bank subdivides the industries within the entire province by identifying a regional layout of the industries and industrial chain. This obtains an in-depth understanding of the characteristics of different industries in order to implement precise policies. At the end of 2022, a total of 63 projects and 235 sub-projects had been established under the “One County, One Produce” project, involving 15,485 customers and a loan balance of RMB10,785 million, representing an increase of 4,962 customers and RMB6.3 billion as compared with the end of the previous year.

At the end of 2022, the balance of the Vegetable Farmer Loan amounted to RMB2,558 million of loans provided to 1,273 farmers; the balance of the Livestock Farmer Loan amounted to RMB1,115 million for loans provided to 865 farmers; the balance of the Grain Farmer Loan amounted to RMB1.09 billion of loans provided to 1,657 farmers; the aggregate credit facilities provided to the Orange Farmer Loan was RMB328 million of loans provided to 740 farmers; and the aggregate credit facilities provided to the Tea Farmer Loan was RMB348 million of loans provided to 270 farmers.



• Case •

Introducing the innovative “Delicacies Loan”

In June 2022, the Guixi Jiuyin County Bank launched the “Delicacies Loan”, a loan to be used by bakeries engaged in the selling of pastries, bread, cakes, and other baked products for use in the production and sales of delicacies. Revolving funds are provided for the loan, which can be borrowed and repaid at any time, in any way. At the end of 2022, the balance of the Delicacies Loan amounted to RMB2,905,000 of loans provided to 16 customers.

At the end of 2022

the balance of the Delicacies
Loan amounted to
RMB

2,905,000

loans provided to

16 customers



Specialised credit products –
“Delicacies Loan”

• Case •

Introducing rice-shrimp cultivation project for the prosperity of Changtan Village

Changtan Village is the key focus for poverty alleviation in the Jiangxi province “14th Five-Year Plan” for rural revitalisation. The economic and industrial foundation of the village is relatively weak. Among the 927 households of villagers, 162 households have been identified as poverty alleviated households with three types of vulnerable population, involving a total of 703 people. Since focused poverty alleviation assistance has been provided to Changtan Village in 2021, our service team based in the village has delivered various financial services and expertise to the farmland and homes of the villagers, providing them with more sources of financing, and assisting in the industrial revitalisation of the village.



The first secretary of the Bank harvesting crayfish with villagers

In 2022, the Bank’s practical action to support for rural revitalisation included providing a special assistance fund of RMB150,000 for the rice-shrimp cultivation project in Changtan Village, an assistance fund of RMB70,000 for the support of the construction of safe villages, and working with Jiangxi Provincial Agricultural Credit Guarantee Co., Ltd. to provide a credit facility of RMB1.5 million for the leading grain growers in the village.

Through assigning one representative to attend to the needs of the village, the Bank adheres to the philosophy of “Our Full Support to the Village” and focuses on responding to the urgent needs, difficult problems and major concerns of villagers. We actively support the construction of infrastructure in the village, explore the path of industrial development, help to consolidate the industrial foundation through tangible actions, and facilitate the rice-shrimp cultivation project for the prosperity of Changtan Village.

“Heart-to-Heart” entrepreneurship guaranteed loans

The Bank has introduced the “Heart-to-Heart” entrepreneurship guaranteed loan product in conjunction with the implementation of relevant employment and entrepreneurship support policies while providing loans to qualified individual entrepreneurs or MSEs that can meet the specified requirements. The loans are guaranteed by the loan guarantee fund with interest discounts provided by the finance department for the support of individual entrepreneurs or the creation of more jobs in MSEs. The maximum entrepreneurial financing is RMB300,000 for individuals and RMB6 million for MSEs.

This loan product is exclusively tailored for entrepreneurs who can meet the fiscal interest discount policy requirements. The six key groups subject to the full amount of interest discounts provided by the government include people with employment difficulties, migrant workers returning to their hometowns to start their own businesses, people lifted out of poverty, college graduates, retired fishermen, and demobilised and retired soldiers. The annual interest rate for other groups after the government discounts is as low as 1.10%.

◎ Focusing on regional characteristics to help increase production and income

The county banks actively conduct research and develop “new agricultural, rural areas and farmers” products for their respective regions according to the unique features of the region, and continuously improve and iterate on the existing products. Up to the current date, the county banks have introduced the “Loan for Farmers” and the “Express Loan for Farmers” (an online product). At the end of 2022, the outstanding balance recorded by the county banks for the “Loan for Farmers” and the small credit facilities amounted to RMB492,417,700, of which loans were granted to 9,324 households, with an average loan amount of RMB52,800 per household.



Our account manager investigating the growth of dragon fruit

• Case •

The “New Agricultural Loan” offered by Beijing Daxing Jiuyin County Bank

Beijing Daxing Jiuyin County Bank provides operating loans to merchants in agricultural product wholesale markets in the surrounding areas for piling up stock, contracting planting bases, and maintaining and building processing plants – the “New Agricultural Loan”. It is a speedy and flexible loan service with a single credit facility ranging from RMB100,000 to RMB3 million. The loan can be released in 3 to 5 days after the application information is complete, which meets the “short, small, frequent and urgent” capital demands of MSEs. As guarantee and repayment arrangements are customised according to the actual circumstances of the customer, even MSEs that cannot provide any collateral are able to enjoy the loan services. This can effectively alleviate the difficulty in financing faced by MSEs in the agricultural product wholesale market, and provide timely and stable financial services that ensure the stable supply of agricultural products to China’s capital.



The account manager of Beijing Daxing Jiuyin County Bank promoting the “New Agricultural Loan”

At the end of 2022, the Bank had granted over RMB **300** million of the “New Agricultural Loan” to more than **400** merchants.

• Case •

The “Agricultural Entrepreneur Loan” provided by Hukou Jiuyin County Bank

Taking into account the financing difficulties faced by collective cooperatives in various townships and villages, Hukou Jiuyin County Bank actively visits relevant authorities in the county to provide suggestions on the cooperatives’ financing issues. With the distinctive features of the “Agricultural Entrepreneur Loan”, the county bank can provide effective and timely financial support for the development of the collective economy in villages. Each village formulates its own collective economy development projects and plans according to its own resources and distinctive products, which will be reviewed by relevant government departments. After the implementation of the industrial project plan, the Hukou Jiuyin County Bank will extend loans to provide financial support.



Hukou Jiuyin County Bank conducting project reviews with relevant government departments

Since the introduction of the “Agricultural Entrepreneur Loan”, Hukou Jiuyin County Bank has visited different townships and villages to promote the product, actively going door-to-door to provide loans to those in need. As the villagers generally lack relevant credit knowledge and the villages do not maintain any loan records, the credit officers answer their questions to facilitate the loan granting process and to improve the lending experience of the villagers.

At the end of 2022, Hukou Jiuyin County Bank opened a total of **101** accounts for the collective economy at each village level. The “Agricultural Entrepreneur Loan” has been extended to **158** borrowers involving a total of RMB **100** million, benefiting more than **90** villages in **13** townships including Liusi village and Liufang town.

• Case •

The “Aquaculture Loan” provided by Nanchang Changdong Jiuyin County Bank

In order to meet the funding needs for the production and operation activities of the farmers in Nanchang and to better provide inclusive financial services, Nanchang Changdong Jiuyin County Bank provides the “Aquaculture Loan” to local farmers and operators engaged in the fish farming business in Nanchang. Our staff overcomes language barriers, geographical differences, information mismatches and other difficulties to let the local people enjoy convenient financial services without needing to leave the village through “stationing in the village”, conducting village committee discussions, visiting farmers, and coordinating with the local government to truly open up the last mile of inclusive financial services.



Our account manager going door-to-door to handle loan business

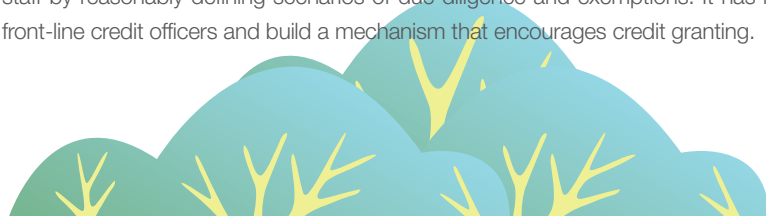
At the end of 2022, the Bank had granted an aggregate of RMB **221** million of the “Aquaculture Loan – Fish Farming” to **413** farmers.

◎ Monitoring financing risks and improving service quality

Implementing preferential policies and building a service system

In order to further implement the policies on internal transfer pricing incentives granted to agriculture-related inclusive loans, to guide the organisation to serve the real economy and to support the rural revitalisation strategy, the Bank offers preferential interest rates in various lending businesses, such as newly granted rural revitalisation loans, agriculture-related inclusive loans, loans provided to MSEs, loans provided to individual industrial and commercial households, and operating loans provided to MSE owners.

Regarding due diligence exemption of credit to “agriculture, rural areas, and farmers”, the Bank issued the *Interim Management Measures for Due Diligence Exemption of Inclusive Finance Loans for Bank of Jiujiang*, the *Interim System for the Inclusive Finance Due Diligence Exemption Committee of Bank of Jiujiang*, the *Implementation Opinions on Agriculture-related, Small and Micro and Retail Credit Due Diligence Exemption for Bank of Jiujiang*, to communicate policy direction to frontline staff by reasonably defining scenarios of due diligence and exemptions. It has helped overcome the fear of difficulties among front-line credit officers and build a mechanism that encourages credit granting.



Enhancing user experience by focusing on rural services

In order to provide better services to the “agriculture, rural areas, and farmers”, the Bank gathers the requirements of customers and business partners in a timely manner and continuously improves our products based on their requirements. We have launched the new “agriculture, rural areas, and farmers” credit products and continued to optimise our customer service based on user feedback to enhance customer loyalty.

Improving the credit approval procedures and reducing financing risk

The Bank divides customers into different tiers and establishes different approval and risk management procedures based on their type, financing channel, risk rating, loan amount, term, type of guarantee provided, etc. We have obtained a deep understanding of the industry and its features and business routine, and built an industry-specific credit approval process by focusing on the key areas of risk. We have enhanced the use of internal and external data, and built a unique early risk warning model to optimise the timeliness of risk management. We have also improved the credit approval procedures and enhanced the risk management team and their capability to set up professional service teams for specialised business.

For financial products related to the agricultural supply chain, we have adhered to the risk control concept of “clear settlement, proper management, and sellable” to implement customer cash flow management, and seasonal capital needs are managed by taking into account the features of movable properties to ensure that cash flow is consistent with the circulation cycle of assets.

Smart use of fintech to benefit customers in a precise way

In order to strengthen our technological-financial capabilities, the Bank has established a configurable business platform and made full use of internal and external data to build the access model, approval model, loan limit model, and early risk warning model so as to provide customers with a comprehensive technology solution. At the same time, the Bank deeply combines different scenarios, such as the purchase of agricultural materials, agricultural machinery, and fodder for livestock, to facilitate the innovation of scenarios and financial services to meet with differing customer needs.

The Bank has made full use of tools such as mobile banking, WeChat mini-programs, H5, online lending systems, and intelligent risk control models to provide credit support for planters, farmers, township mom-and-pop stores, agricultural products processing traders and other customer groups. We also enabled operations such as online receipt of documents, online contract signing and online lending. In addition, in order to improve the experience of township customers, the Bank launched the rural revitalisation version of the mobile banking application in August 2022, which added various practical functions such as font enlargement, weather and solar cycle forecasts, easy payment menus and locations of township service stations.

CHAPTER 6

Exploring digital technology to drive financial transformation

- 40 Supporting digital transformation by providing smart services to the people
- 42 Promoting financing of industrial activity through product innovation



◎ Supporting digital transformation by providing smart services to the people

Financial technology is an important driving force for the digital transformation of the banking sector. It can effectively help support the Bank's business innovation, promote the development of smart finance and enhance the Bank's core competitiveness. We adopt a new business philosophy that is based on openness, sharing, collaboration and integration and continuously consolidate the foundation for technological innovation. We are building comprehensive intelligent ecosystems in areas including education, medical care and housing to quickly capture customer needs and provide personalised, smart and high-quality financial services.

Driving quality and efficiency of the intelligent platform by technology-led initiatives

In order to enable the calculation and provision of numeric indicators in various business platforms and systems on a centralised basis, the Bank focuses on the banking industry's existing pain points in data analysis, such the same indicator having different meanings, and differently named indicators having the same meaning. By enabling system-level settings, the Bank has defined indicators and standardised their calculation logic. Business and product data are sorted out based on system functions to drive the effective use of data.

In addition, in order to strengthen data security and utilisation efficiency while improving risk control for credit products, the Bank has actively made use of external data, enriched user profiles, and provided strong data support for use in customer group classification, data analysis and precision marketing.

• Case •

A new generation of mobile banking application

In 2022, the Bank reconstructed a new generation of mobile banking application with "companion", "wisdom" and "openness" as the keywords with the help of Alibaba Cloud's mPaaS mobile development platform which offers a one-stop digital solution and extensive mobile ecological scenarios. The new version of the application focuses on optimising user experience, providing customers with 24/7 uninterrupted "smart + manual" customer services, while at the same time optimising the accessible version for middle-aged and elderly customers, including a rural revitalisation version and a lite version for easy and quick use.

The Bank actively explores a refined method of business operations for different customer groups to customise specialised service zones for new customers, wealth management customers, agency issuance service customers and individual business entities with a view to bringing exclusive services, products and benefits to them. By developing multi-dimensional scenarios, we provide more extensive "financial + non-financial" services to integrate our daily local service resources into mobile banking so that our financial services can penetrate the daily lives of users in a comprehensive, multi-channel, and systematic manner. This enables us to provide customers with more convenient, smarter and warmer financial services.

At the end of 2022, the mobile banking platform of the Bank had acquired **2,454,000** users and the monthly customer service peak level reached **557,100** users, becoming an important customer service tool for our retail business.

• Case •

Strengthening the build-up of the electronic banking

While optimising our traditional service channels, we have also strengthened the construction of our mobile banking application, the WeChat banking platform, mini programs and online banking platform, continuously extended the business scope and types of online services, and continuously optimised the user experience by taking into account user feedback.

In 2022, the Bank strengthened the construction of electronic channels and established online channels for provident fund payment, printing transaction history, settlement verification, deposit verification, generation of repayment record and other functions to provide convenient financial support. In addition, the functions of the electronic banking platform also include fund transfers, e-statements, purchases of wealth management products, purchases of funds, time deposits, loan applications, collections of rights and interests, exchanges of points, credit card business, payments of daily expenses, and maintenance of electronic social security cards.

• Case •

Comprehensive online launch of retail products

The Bank achieved online, paperless and digital operation of all varieties of retail loans. Through the method of big data + manual investigation, the Bank quickly approved customers in batches to realise the unification of standardisation and flexibility. The “8-hour rapid loan approval” service has effectively solved the pain points of the “short, frequent and urgent” capital demand of MSEs and individual businesses.

At the end of 2022, the balance of the online retail loans granted by the Bank amounted to RMB **26,817** million, representing an increase of RMB **8,537** million compared with the end of the previous year, or a growth rate of **46.70%**. The online retail loan business of the Bank acquired **61,315** customers, representing an increase of **7,646** customers as compared with the end of the previous year, or a growth rate of **14.25%**.

The Bank’s proprietary and agency wealth management products have achieved entire process of online operations, including risk assessment, redemption application, and pledge of collaterals. The Bank has also achieved full coverage of online banking, mobile banking, WeChat banking, and other different online channels.

At the end of 2022, the Bank offered **409** online wealth management products and acquired **182,000** online wealth management customers. The balance of online wealth management products amounted to RMB **54,203** million.

• Case •

Continuously promoting digital transformation by improving overall efficiency

In 2022, the Bank actively explored various digital credit products for corporate clients to comprehensively promote the online operation of the entire corporate loan granting process, achieving “end-to-end” online operation from loan application to loan release. Through comprehensively promoting the online and standardised handling of the corporate credit business, and facilitating online contract signing and online loan withdrawal and repayment by corporate clients, we have effectively improved the quality and efficiency of the lending process to realise the goal of “letting the system do the work to save the efforts of our customers”. The entire process of the Bank for the provision of working capital loans to MSEs can be completed within 48 hours, from loan application to loan release.

The Bank has established a risk control model based on big data such as the industrial and commercial information, judicial data, credit information, and income and expenditure information of customers. We also provide online credit products to MSEs, complete online preliminary screening of customers and initial evaluation of credit limit, and enable rapid pre-approval of customers, which have greatly improved the experience of customers.

◎ Promoting financing of industrial activity through product innovation

Corporate accounts receivable pool financing model

The Bank has launched an innovative corporate accounts receivable financing business model by relying on the “Ganjin Inclusive Finance Platform”, which provides comprehensive inclusive finance services in Jiangxi province. The Bank has reduced the requirements for confirming the rights of accounts receivable and lowered the financing threshold of small and medium-sized enterprises by monitoring the revenue and expenditure of enterprises, delivering pledge notices of accounts receivable, and screening high-quality downstream enterprises. When compared with the traditional financing model which only approves a single batch of accounts receivable, the pool financing model will not be limited by the amount and term of the accounts receivable, better meeting with the financing needs of enterprises, reducing the difficulty of fund management, avoiding frequent fund withdrawal and repayment, saving labour costs, and improving work efficiency. In 2022, the Bank raised a total of RMB475 million for 14 enterprises, helping them to revitalise their accounts receivable.



Signing contracts with five enterprises

Loans for local industries with special characteristics

The Bank sets up an ad-hoc industrial finance team to coordinate and promote the development of prioritised industries, industries with special characteristics, and key supporting industries. It continues to optimise specialised products, increase investment in industrial development, and improve financial service capabilities in the industrial sector. At the end of 2022, the balance of credit facilities provided to industries with special characteristics amounted to RMB2,198 million; the balance of credit facilities provided to the copper industry amounted to RMB10,636 million, representing an increase of RMB3,505 million from the beginning of the year; the balance of credit facilities provided to the steel industry amounted to RMB7,428 million, representing an increase of RMB3,713 million from the beginning of the year.

• Case •

Lending to industries with special characteristics

The Bank has identified a number of “industries with special characteristics” based on regional features, mainly including the private hospital industry in the Guangdong-Hong Kong-Macao Greater Bay Area, the electricity substation industry in Chongren county in Fuzhou city, the rare metal industry in Ganzhou, the copper industry in Yingtan, and the electric porcelain industry in Pingxiang. The Bank focuses on providing credit facilities to the enterprises and supporting enterprises in the “industries with special characteristics” to meet their capital needs for operation activities such as daily cash flow, carrying out technological transformation and projects.

Featured credit products offered by Bank of Jiujiang

• Case •

Easy Working Capital Loans

The Bank actively explores digital credit products for corporate clients. By relying on PBOC's big data credit information platform which provides data on the revenue and expenditure of enterprises, and fully exploiting and utilising the platform information, we have launched the “Easy Working Capital Loans” exclusively for MSEs. This loan product does not require a mortgage as guarantee. It comprehensively uses big data such as corporate income and expenditure, industrial and commercial information, judicial data, credit information, and blacklists to configure the standardised loan limits and lending scheme. While improving risk identification and the efficiency in credit granting, it can also solve the financing difficulties of many MSEs. At the end of 2022, the Bank provided loans to 79 customers under the “Easy Working Capital Loans” program which involved a total credit facility of RMB134 million.

As at the end of 2022

Accumulated number of loans issued

79

Total credit facility

RMB **134** million



Our online product – “Easy Working Capital Loans”

• Case •

Government Procurement Loan

In order to optimise the business environment and further fulfill the role of policy guidance in supporting the development of micro, small, and medium enterprises under government procurement policies, the Bank has introduced the “Government Procurement Loan” product with the strong support of the local government.

The products under the scheme have the following three major advantages:

First, a high loan limit for revolving use. In order to meet the cash flow needs of suppliers, the maximum loan amount of the Bank’s “Government Procurement Loan” can reach up to 90% of the purchase contract. In addition, under the purchase order, the Bank grants a revolving credit limit based on the supplier’s winning bid over the previous two years and then grants the loan based on the bid-winning notice or the bid-winning contract. The loan facility can be borrowed and repaid at any time, in any way, for revolving use so as to shorten the cycle for the suppliers to obtain funds and to improve the quality and efficiency of financial services to serve the real economy.

Second, flexible credit granting through exclusive channels. The maximum credit term of the “Government Procurement Loan” is 3 years, and the maximum term for the IOU slip for a single loan is up to the repayment period indicated in the contract + 3 months. Loans within RMB5 million that meet certain requirements are only required to pledge the receivables and there is no need for them to provide additional guarantees. At the same time, the Bank has opened up a green channel for the “Government Procurement Loan” to continuously improve the credit approval efficiency and shorten the approval time.

Third, convenient loan applications through multiple channels. By leveraging technology and taking advantage of the “internet + government procurement model”, the Bank has opened-up multiple online and offline channels for loan applications, actively driving the interface between the credit business system and the service platforms, enabling online operations of the entire credit business service procedures, and enhancing the service level to improve the customer experience.



Our online product – “Government Procurement Loan”

Smart Sci-Tech Loan

In order to help sci-tech innovation enterprises revitalise their intellectual property rights and provide more diversified financing channels, the Bank has further refined the intellectual property pledging process and launched the “Smart Sci-Tech Loan” business. This product mainly focuses on enterprises with independent intellectual property rights (mainly including trademark rights, patent rights and copyrights), which are to be used as pledges in the application of credit facilities.

In 2022, the Bank granted 9 loans under the “Smart Sci-Tech Loan” program with an aggregate credit facility of RMB42 million.



Our online product – “Smart Sci-Tech Loan”

• Case •

Tax Easy Loan

The “Tax Easy Loan” is a loan product for corporate clients. In reviewing applications, the Bank uses technology and the relevant data from industry and commerce and tax authorities, courts and other government departments and the Bank’s data-driven risk evaluation model. As an important part of the Bank’s diversified product system, a tax-based is adopted for this loan product. Small and micro enterprises that pay taxes in accordance with laws and regulations can apply online based on their tax records. At the same time, the Bank have access to the government tax system, and our risk control model can automatically issue early warnings and assign ratings. The review and approval process can be completed as soon as in one working day. This has greatly optimised the loan approval process for small and micro enterprises and provided strong support for the Bank’s institutions in conducting mass marketing and serving small and micro enterprises.

In 2022

Accumulated number of loans issued

961

Aggregate credit facility

RMB 984 million



Our online product – “Tax Easy Loan”

Improving service quality and efficiency through smart use of technology

Bank of Jiujiang’s online corporate banking platform >>

Our electronic banking system offers self-service financial services to corporate customers and their employees via the internet or electronic terminals across a variety of channels including the online corporate e-banking channel, the corporate mobile banking channel and the corporate WeChat banking channel. The scope of services covers ten business scenarios as follows: account management, transfer and remittance, financial management, investment and wealth management, billing, cash management, financing services, international business and etc.

Technology flow evaluation system >>

The Bank has established a “technology flow” evaluation system and a sci-tech enterprise “technology flow” evaluation model to evaluate the growth and development trend of enterprises from the dimensions of technological innovation capability, while conducting quantitative evaluation of technology enterprises and classifying them based on their technical strength. The evaluation criteria cover parameters such as an enterprise’s ability in production, learning and research, connection with the capital market, capability of

its senior management team, industry position and sci-tech qualifications. It can more comprehensively evaluate the comprehensive strength of an enterprise to provide more accurate and precise financial services.

System for safeguarding the information and financial safety of customers >>

In order to safeguard the information and financial safety of customers, the Bank has strengthened its training of laws and policies relevant to personal information protection. It has engaged a professional team to conduct regular assessments on the security of mobile banking so as to identify problems and carry out relevant improvements and corrections in a timely manner.

In order to control the risks of electronic transactions and to prevent telecom fraud, the Bank has strengthened its customer identification procedures during the opening of accounts and adjusted the transaction limit as appropriate according to customer behaviour and rating. We have also established a new face-recognition system and an anti-fraud system to step up efforts in real-time monitoring and improve the performance of security algorithms so that we can enhance our ability to prevent the occurrence of abnormal transactions.

CHAPTER 7

Building a renowned brand by focusing on customer services

- 47 Improving service quality by listening closely to customers
- 49 Protecting the rights and interests of customers through internal monitoring and external promotion





◎ Improving service quality by listening closely to customers

By adhering to the principle of “Putting Customers First in Delivering Service Excellence”, the Bank continues to expand its customer service channels and improve the quality and level of its financial services. We are committed to delivering maximum value for our customers and serving customers effectively and efficiently, focusing on their financial needs to do what we reasonably can to meet such needs with a warm, dedicated human touch in whatever we do.

Providing convenient services to the people

The Bank has adopted intelligent technology to continuously improve its service efficiency and customer experience, including increasing the types of businesses applicable to smart devices, using intelligent robots to provide services in smart customer service centres, and promoting aging-friendly services, and more. By analysing the large-volume businesses frequently handled by the front desk, the Bank has introduced corresponding self-service processing devices to reduce costs while improving service efficiency. We also use intelligent robots to optimise services in our call centres in order to improve customer experience and service efficiency. We have launched a version of the e-channels focused on addressing the difficulties encountered by elderly customers in using smart devices to enhance their financial service experience.

• Case •

Increasing the types of business applicable to smart devices at intelligent outlets, and increasing the use of smart devices

In order to speed-up the transformation of intelligent outlets, achieve the goal of releasing teller manpower, reducing operating costs and building intelligent retail outlets, the Bank has identified the most frequent and highest volume businesses handled by the front desk through analysis of different factors such as institutional development, allocation of bank tellers, and business volume and business type of the front desk. From this we have introduced self-service business processing devices to handle some of these services, with the ultimate purpose of improving service efficiency, improving customer experience, releasing manpower, and reducing costs. At present, smart machines have been deployed at all the Bank's outlets. At the end of 2022, the Bank's outlets deployed 385 smart main ATMs and 319 auxiliary ATMs, an increase of 12 and 23 machines respectively compared with 2021. The smart machines processed a total of 74 types of online transactions, an increase of 14 types as compared with 2021, successfully diverting 70.46% of personal business, effectively driving the transformation of smart outlets.

• Case •

Building smart customer service centres with the use of intelligent robots

At the end of 2022, the Bank uses intelligent robots in its call centres to launch intelligent voice navigation, intelligent outbound calling, intelligent quality inspection, and online text-based Q&A through human-computer collaboration, building smart customer service centres in order to continuously improve customer service experience and improve the efficiency of the call centres.

The Bank recorded 131,200 intelligent inbound routing connection calls for the year, with an intelligent routing diversion rate of 10.46%. Through intelligent inbound voice routing, customers can handle banking processes through only speech, shortening the time to make a connection by 50% compared with the traditional button-based interface. Robots are used to make intelligent outbound calls for follow-up of bank account opening to reduce labour costs, with the replacement rate of such intelligent outbound calls recorded at around 16.64%. Intelligent robots are used to conduct T+1 day full quality inspection on the voice recordings of call centres to quickly identify customer service errors and problems, with a quality inspection rate of 100%. Customers can make enquiries through many online channels, such as WeChat, mobile banking, or on the Bank's website which support various formats such as voice, text and images, and our intelligent customer service ambassador "Xiaojiu" will automatically reply to our customers, achieving a diversion rate of 87.18%.

• Case •

Promoting elder-friendly services to enhance the happiness of customers

In order to further address the difficulties encountered by the elderly in the use of smart technology and to enable them to better share the fruitful results of informatisation, the Bank has thoroughly examined the difficulties and pain points faced by the elderly in handling banking procedures. It has improved its customer service policies one by one, enhancing the relevant measures and optimising the service approaches. The Bank provides stable service for the elderly through traditional bank counters, while also launching an elderly-friendly version of e-channels to enhance the popularity of smart technology among the elderly customers, and to cultivate and reinforce their habits in using such technology.

The Bank has actively implemented the *Key Points for Financial Standardisation in Jiangxi Province in 2022*, promoted the establishment of service standards for business outlets and the certification of elderly-friendly services, and achieved a "zero" breakthrough in the certification of elderly-friendly service outlets for banking institutions within the province, serving as a good demonstration of its work in this respect. While pursuing overall business development, the Bank has focused on the services frequently used by the elderly in their daily lives, and devoted practical and dedicated work for servicing the elderly so as to enhance their sense of fulfilment, happiness, and security along the journey of informatisation.



◎ Protecting the rights and interests of customers through internal monitoring and external promotion

In order to act on Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, further enhance the Bank's sense of responsibility towards financial consumers and improve customers' awareness of their rights and ability to manage risks, and create a harmonious environment for consumption of financial services, the Bank has continuously improved our internal complaint system and optimised management measures to protect consumers' rights and interests. We have also taken a variety of measures to enhance consumers' risk awareness such as conducting financial knowledge publicity and anti-fraud campaigns, establishing and improving anti-fraud teams and systems, and building a demonstration base for financial education in Bailudong, etc. These measures have effectively protected financial consumers' rights and interests and created a good environment for such purposes.

Starting from the inside to improve the consumer protection system

In 2022, the financial consumer rights protection initiative of the Bank in 2021 was rated Grade A by the Jiujiang Central Sub-branch of the PBOC. The Bank has been continuously improving its consumer protection system in terms of system creation, internal propaganda, process control and interdepartmental interaction. It has strictly stuck to the direction of "adjusting the industry structure, saving capital, controlling non-performing loans, and keeping stable growth" to promote the proper implementation of consumer protection work, safeguard the legitimate rights and interests of the financial consumers, and to further demonstrate the Bank's brand image of offering convenient financial services in the interests and benefit of the people.

• Case •

Improving the construction of internal consumer protection system

The Bank has established an internal control system for consumer rights protection composed of "a programmatic management method, a special multi-dimensional management system, and certain implementation rules". In combination with the regulatory requirements and the development needs of the Bank, it has made timely revision of the *Administrative Measures of Bank of Jiujiang for the Protection of Consumer Rights* and the *Bank of Jiujiang's Rules for the Evaluation of Consumer Rights Protection* to consummate the roles and responsibilities for consumer protection, enrich the content of training and examination, optimise the assessment indicators and establish that there is no upper limit on mark deduction in assessment. Moreover, the Bank has formulated and issued the *Performance Linked Implementation Plan for Consumer Protection Complaints*, and linked the performance assessment of the principal responsible persons in charge of the credit card centre with complaint letters and visits to further strengthen the responsibility system for top leaders.

• Case •

Insisting on holding special meetings on consumer protection

In order to continuously and deeply act on Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, and to consistently adhere to the principle of "Doing Practical Things for the People", the Bank held a special meeting on the protection of consumer rights and interests in 2022 to report on the 2021 consumer protection complaints and conduct a study to layout the work to be conducted by the Bank in 2022 on the protection of financial consumer rights and interests. A steering meeting at the year end on the prevention of complaints and operational risk incidents, consumer protection and behaviour management was also conducted. Its task was to report on the regulatory referral complaints in the first three quarters of 2022 and to put forward the requirements for relevant work to provide a strong assurance for the entire year.

• Case •

Strengthening coordination and interaction across departments

The Bank strengthens the management of the entire complaint handling process by adopting a complaint management system. Inter-departmental communication and coordination is enhanced through initiatives such as daily interaction, on-site communication, ad-hoc training and special meetings to explore solutions for issues and problems. We also obtain an understanding of the progress of the responsible departments in handling complaints and providing feedback, update the *Unresolved Customer Complaints Log*, and communicate with the responsible departments in a timely manner.

• Case •

Strengthening management and control for the entire process

The Bank has developed a well-defined new product management process and given greater priority to compliance and consumer protection. We have established a review mechanism for the release of external information to review all kinds of promotion materials in advance in order to further strengthen the adequacy and standardisation of information disclosure. We have also established stringent supervision and assessment procedures for consumer protection, and given full play to the leading role of supervision and assessment to enhance the effectiveness of consumer protection initiatives across the entire bank.

Caring for every customer by strictly controlling the customer complaint process

Under the focused attention and strong leadership of the Board of Directors, the Board of Supervisors and the senior management, the Bank strictly adheres to a people-centred philosophy of development and consistently implements the guiding spirit of the work conference conducted by the China Banking and Insurance Regulatory Commission on the protection of consumers' rights and interests. We have strengthened the management and control of the entire consumer complaint process by maintaining proper governance record to ensure all the relevant issues are properly addressed.

Complaint handling procedure flowcharts are displayed in all business outlets of the Bank. We provide customer complaint and opinion registers on the form filling table, and we have different channels for making complaints, all of which are shown in a prominent place in our outlets. Customers can make complaints by calling our customer service hotlines, our business outlets, our complaint handling departments at different levels of the Bank, or to the regulatory authorities. The telephone number and email address for making complaints are also displayed on the Bank's website. Customers can express their opinions or report problems at on-site business outlets, through the WeChat communication platform or submit a complaint by phone, email or by post.

• Case •

Formulating customer complaint handling systems

The Bank has formulated various measures including *the Management Measures for Consumer Complaints of Bank of Jiujiang*, *the Management Measures of Bank of Jiujiang for Handling Customer Complaints Reported Through the 95316 Hotline*, *the Detailed Implementation Rules of Bank of Jiujiang for the Review of Consumer Rights and Interests Protection for New Products and Services* and *the Working Procedures for Follow-up Handling of Consumer Complaints of Bank of Jiujiang* to standardise the complaint handling procedures. We have issued the *Notice on Further Strengthening the Two-pronged Approach for Handling Consumer Complaints* and *the Working Mechanism for Implementing Governance at the Source* to establish a two-pronged customer complaint handling approach, implement governance at the source, and set up a diversified resolution mechanism. We have also formulated *the Guiding Opinions on Further Optimising the Handling of Consumer Complaints under the New Circumstances* to develop clear work objectives, work requirements, handling procedures, and relevant roles and responsibilities to promptly and properly resolve conflicts and disputes.

• Case •

Conducting research to optimise the organisational structure

In order to ensure the effective implementation of the two-pronged approach for handling consumer complaints and the working mechanism for implementing governance at the source, the Bank conducted research to obtain an understanding of how the call centres handle consumer complaints to identify potential problems and difficulties. We have also strengthened the management of complaint handling staff in the Online Banking Department and the credit card centres, established a joint complaint response mechanism, and a coordination system involving the project manager, dedicated customer service staff and consumer protection specialist.

• Case •

Establishing a specialised handling mechanism

The Bank has established a consumer protection risk emergency response team, strengthened the coordination of dedicated functions, dedicated roles and duties and dedicated personnel, and strictly followed the two-pronged approach for handling consumer complaints and the diversified resolution mechanism for the timely and proper handling of consumer conflicts and disputes. We have also set up a working mechanism to conduct daily reviews and judgements, monthly analysis and quarterly reports. Potential conflicts and disputes are investigated on a daily basis to analyse and judge whether each complaint has been effectively handled. Reasons for the complaints are carefully sorted out each month to fully review the handling process and conduct in-depth analysis of the problems that exist in different systems, products, processes and behaviours. On-site or off-site supervision on complaint handling work is conducted and branches that fail to handle complaints properly will be notified and criticised, with those individuals who have violated relevant regulations and neglected their duties being held accountable.

• Case •

Ensuring proper follow-up handling of consumer complaints

The Bank has formulated follow-up measures for handling consumer complaints, which include sorting out relevant handling process, issuing risk alerts, issuing supervision letters, holding discussions, conducting on-site verification, and including relevant factors in assessments. In September 2022, the Bank formulated and issued *the Procedures for Follow-up Handling of Consumer Protection Complaints of Bank of Jiujiang*. There were a total of 8 supervision letters issued, 3 on-site regulatory discussions held, and 2 on-site verifications conducted for the year. Statistical analysis of complaint tickets for the entire bank was conducted on a monthly basis, and we investigated the defects in internal control and management such as the consumer protection complaints system and mechanism, product design and business process, and issued risk tips to identify problems and give suggestions. A total of 12 risk tips were issued for the year involving the improvement of rules for fixed-term wealth management products, regular reminders for overdue businesses, deferred repayment of credit card loans for poverty relief, and proper handling of customer complaints, etc.



Disseminating financial knowledge to protect customers' money

In order to maintain financial stability in the country, keep customers' money safe, and protect the rights and interests of consumers, the Bank actively adheres to the service philosophy of "Finance for the People" to disseminate and increase the popularity of financial knowledge across different aspects and at multiple levels. The Bank insists on fulfilling its major responsibility of protecting the rights and interests of financial consumers, continuously promoting the routine and systematic dissemination and promotion of financial knowledge, endeavouring to enhance the financial decision-making ability of consumers and improve risk prevention awareness and a sense of achievement. We also focus on groups such as the elderly and young people to guide them in the correct use of financial services to protect the rights and interests of consumers, promote consumption fairness, and share the fruits of digital finance.

The Bank organised activities such as "3.15 Consumer Rights Protection Education and Promotion Week", "10,000-mile Journey for Financial Literacy", "Holding Tight onto Money Bags", "Financial Education Promotion Month" and "Learning Deep from the 20th CPC National Congress to Embark a New Journey for Protecting Consumer Rights – Activities to Study and Implement the Spirit of the 20th National Congress of the Communist Party of China" to focus on topics including learning the spirit of the 20th CPC National Congress, prevention of telecom fraud, prevention of illegal fund-raising, protection of seniors against fraud, and promotion of credit information. By taking the Bailudong Financial Education Demonstration Base as the main basis for propaganda and education, the Bank carried out financial propaganda by relying on its outlets, online channels, concentrated locations, and the arrangement of specially-assigned persons to create a strong atmosphere for financial propaganda. The Bank continues to strengthen the education of financial consumers by using information leaflets, SMS reminders, announcement releases, educational propaganda, LED screens, banners, and promotion booths so as to effectively prevent and mitigate financial risks and earnestly safeguard the legitimate rights and interests of financial consumers.

• Case •

Building a robust propaganda base and focusing on the elderly and young people

The Bank has fully leveraged Bailudong Financial Education Demonstration Base as the basis of our promotions, and by relying on the business outlets, to organise timely and targeted on-site activities and arranging designated personnel to go to five selected places including the community, elderly universities, and schools for the promotion of financial knowledge. Their task is to strengthen the promotion of financial knowledge for special groups such as the elderly and young people to enhance their awareness of risk prevention.



Our staff promoting financial knowledge

• Case •

Enhancing the popularity of financial knowledge by broadening online channels

The Bank actively adopts digital technology to expand its promotion and education channels and content, enriches promotion themes, and flexibly uses digital platforms such as WeChat official account, Weibo, and Douyin to promote the education of, and enhance the popularity of, financial knowledge in an interesting way through video clips and messaging. This has expanded audience coverage and increased consumer acceptance of financial knowledge.

Protecting the elderly from financial fraud to bring them happiness

In October 2022, the Bank joined hands with Jiujiang Municipal Financial Office to conduct the “Protecting the Elderly from Financial Fraud to Infuse their Golden Years with Happiness” promotion event in the Municipal University for the Elderly. Speakers shared knowledge on financial fraud prevention to the elderly in a lively and vivid way through a variety of channels such as PowerPoint presentations, video clips, leaflets, banners and prize-giving contests, combined with the sharing of cases of defrauded elderly groups. They also warmly reminded the elderly to properly manage their money, guard their personal information, and bear in mind the motto “Don’t Easily Listen and Believe People, Don’t Easily Transfer Money, and Don’t Easily Remit Money”. At the event, all the elderly participants listened carefully to the lectures, actively interacting with the speakers, who immediately responded to their queries. All the elderly participants expressed that they had benefited a lot from the event. More than 60 elderly residents participated in this activity, with more than 200 leaflets distributed.



Conducting the “Fighting Elder Financial Fraud” promotion event

Anti-money laundering publicity and education

The Bank strictly complies with anti-money laundering laws and regulations such as the Anti – Money Laundering Law of the People’s Republic of China, the Anti-Terrorism Law of the People’s Republic of China, and the Administrative Measures for the Reporting of Large-value Transactions and Suspicious Transactions by Financial Institutions.

In order to increase public awareness of anti-money laundering, enhance the ability of the public to prevent money laundering risks, and comprehensively curb money laundering activities, the Bank endeavoured to fulfill its social responsibilities in 2022 by focusing on raising public awareness of anti-money laundering and self-protection actions along with maintaining financial security under the guidance of the Nanchang Central Sub-branch and Jiujiang Central Sub-branch of the PBOC. We conducted a series of activities including the annual promotion of anti-money laundering activities, focused on cracking down on telecom frauds, held routine promotions of guarding against money laundering risks associated with virtual currencies, and held the “Anti-Organised Crime Law” promotion activity. By combining focused and routine promotion initiatives through both online and offline channels, more than 1 million audience members participated in our promotion and educational events, achieving remarkable results.



• Case •

Engaging in “pervasive” outlet propaganda

The Bank has made full use of our network and presence in different cities and counties across Jiangxi province, as well as our outlets in other places such as Hefei and Guangzhou, to launch anti-money laundering promotion activities through various forms of media designed to creating a strong atmosphere for publicity across the Bank’s network.

First, propaganda messages are constantly rolling on the electronic displays in the outlets with promotional leaflets put on display in prominent places to publicise the guarding against risks associated with virtual currencies. Slogans such as “Be on Your Guard against Money Laundering Traps and Protect Your Money” and “Enhancing Anti-money Laundering Awareness and Preventing Money Laundering Risks” are rolling across the LED screens of outlets to alert the public to stay away from money laundering, protect personal documents and bank cards, and remind them not to buy, sell, or rent personal documents and bank cards to maintain financial stability and personal financial safety.

Second, anti-money laundering publicity videos are broadcast on TVs in business outlets. Promotional materials on anti-money laundering, card suspension action, and cracking down of telecom frauds are put on the display racks in public areas. The customer service manager at our outlets uses the interval between handling different business processes to educate customers on anti-money laundering activities, reminding them on how to effectively identify money laundering traps in daily life and in investment and financial management activities so as to combine business promotion with anti-money laundering education.

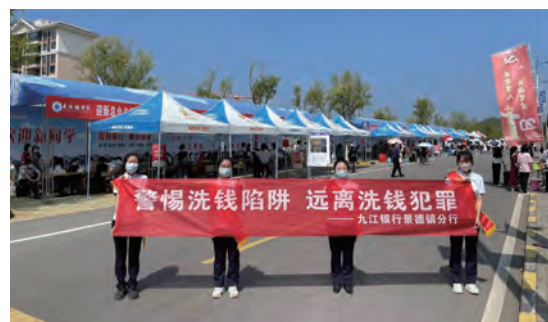


Our staff promoting “Anti-money Laundering” initiatives to the public

Engaging in “extended” on-site propaganda

All the branches of the Bank have made full use of their geographical advantages and carried out publicity activities in schools, communities, government institutions, and enterprises to enable our initiatives to stay close to the masses, to the public, and to daily lives.

In the anti-money laundering promotion month in 2022, the Bank organised a total of 23 visits to schools, 204 visits to communities, 15 visits to government institutions, and 67 visits to enterprises to conduct focused on-site promotion to different customer groups using approaches including scanning QR codes for answers, face-to-face explanations, and interactive consulting based on their age, occupation, and incomes. Such focused promotions provide different skills for preventing money laundering risk appropriate to different customers in a precise and effective way.



Conducting financial knowledge promotion campaign in schools

Engaging in “diversified” online propaganda

The Bank has fully leveraged the new media to enrich its promotional channels and has launched comprehensive promotional activities through the use of WeChat and other short video digital media platforms to expand its reach to its audiences. The Bank focuses on promoting anti-money laundering to let more customers understand its dangers and to stay away from it.

The Bank publishes anti-money laundering articles through its official WeChat account, and the sharing of these articles by the public has continued to expand the impact of our anti-money laundering activities. Our online promotional activities have been highly recognised by the local regulatory and government departments. For example, the article “Beware of Telecom Fraud” and the promotion video “Guarding Against Illegal Fund-raising Traps” published by our Hefei branch on its Weibo account were reposted by Anhui Banking Association on its WeChat public account. Our article “Elder Financial Fraud: A Case Study” was reposted by Anhui Banking Association on its official website, and our article “Conducting a Series of Promotion Activities to Create a Favourable Financial Environment” was published in the Anhui Learning Platform by Xuexi Qianguo mobile app.



Online promotions of anti-fraud knowledge

CHAPTER 8

Providing warmth by getting involved in charity work and public activities for the public good

- 57 Lending out a helping hand in supporting small and micro enterprises
- 58 Walking with love by participating in social welfare activities



◎ Lending out a helping hand in supporting small and micro enterprises

The Bank has conscientiously implemented the important decision plans of the CPC Central Committee and the State Council, and, in line with the strategy of “adjusting the industry structure, saving capital, controlling non-performing loans, and stabilising growth”, insisted on adhering to the principles of government guidance, market orientation and consumer choice. We take acceleration of the convenience, characteristics and digital development of merchants as the main line. We take upgrading merchant gathering clusters, empowering innovative services and optimising the business environment as the main direction. We take expanding domestic demand, promoting consumption and enhancing economic vitality as the main goal. These are done in order to promote the construction of a multi-level, multi-category financial development system for small and micro enterprises and provide them with comprehensive and warm financial services across multiple channels.

• Case •

Providing a RMB1 billion loan facility to Jiujiang Alliance of Young Digital Economy Talent

In 2022, the Bank participated in an entrepreneurship program held in Jiujiang for young digital economy talent, devoting huge efforts in supporting the development of digital economy, strengthening the exchange and interaction between young industry practitioners and innovation and business start-up groups, promoting mutual learning and collaboration between enterprises and young talent, and cultivating young talent engaged in digital economy using innovative thinking, entrepreneurial spirit and social responsibility in the new era to facilitate the development of the digital economy.



Supporting an entrepreneurship program for young digital economy talent

◎ Walking with love by participating in social welfare activities

The Bank has been devoting its efforts to many social welfare activities. In 2022, the Bank donated nearly RMB6.35 million to various social welfare and charitable activities, and we have long been committed to advocating core socialist values, supporting the army and their families, participating in voluntary blood donation, and contributing to Hope Projects so as to give back to society. Bank of Jiujiang has been awarded the “Meritorious Enterprise of Jiangxi Province” for our contributions to the real economy, helping fight the pandemic, and fulfilling social responsibilities.

• Case •

Visiting the elderly care homes

In January 2022, the Bank organised employees to visit the elderly care home in Guilin Street, Ruichang city and the social welfare home in Xunyang district to convey Spring Festival greetings and hand out gifts such as rice and oil to the elderly residents. The social welfare home in Xunyang district, established in 1987, is a social institution affiliated to the District Civil Affairs Bureau that mainly provides care to elderly people and special care recipients supported by the government.



Sending Spring Festival gifts to an elderly care home

• Case •

A Day for Charity at the Bank in 2022

The Bank has held the “A Day for Charity” activity for 16 consecutive years. On 5 September 2022, also marked as the seventh Charity Day of China, the donation ceremony for A Day for Charity in 2022 was held in the outlet located in the head office. All our staffs actively participated in the event and made generous donations, demonstrating the Bank’s and our people’s commitment to social responsibility.



Donation ceremony for A Day for Charity

• Case •

Voluntary blood donation in 2022

In order to further demonstrate our spirit of volunteerism and give full play to the Party members as pioneers and role models of voluntary service, the Bank organised party members to participate in voluntary non-remunerated blood donation activities. Under the guidance of blood donation professionals, our volunteers completed the registration form, measured their blood pressure, and took blood tests in an orderly manner.



Voluntary blood donation in 2022

• Case •

Visiting Wushishan Village

In January 2022, our representatives visited Wushishan Village, a poverty stricken village in Lianxi district, to conduct the “Welcoming the Spring Festival by Sending Warmth for Poverty Alleviation” event. They obtained a deep understanding of the poverty alleviation project there and donated RMB10,000 to the village.



Visiting Wushishan Village

CHAPTER 9

Caring for employees and stimulating their potential

- 61 People-oriented and promoting unity
- 66 A happy life full of vitality
- 67 A warm and caring bank



◎ People-oriented and promoting unity

Employees are indispensable for the steady development of the Bank. They are the driving force for the Bank's sustainability. We are keenly aware of the paramount importance of human resources and do our best to provide high-quality jobs and create a harmonious working place for our people.

Staff structure in 2022

As at the end of 2022

Category  Headcount  Proportion

By gender

Males  2,171 43.71%

Females  2,796 56.29%

By employment type

Full time  4,967 100.00%

By age group

Age 30 and below  3,100 62.41%

Age 31 to 40  1,668 33.59%

Age 41 to 50  165 3.32%

Age 51 and above  34 0.68%

Category  Headcount  Proportion

By region

In Jiangxi  4,150 83.56%

Outside of Jiangxi  817 16.44%

By ethnicity

Han ethnic group  4,909 98.83%

Ethnic minority groups  58 1.17%

By education background

Master's degree or above  599 12.06%

Bachelor's or vocational college degree  4,348 87.54%

Others  20 0.40%

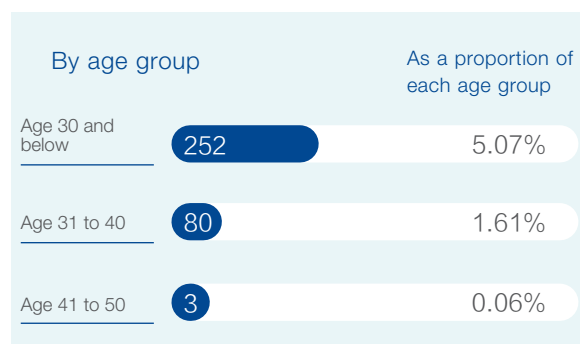
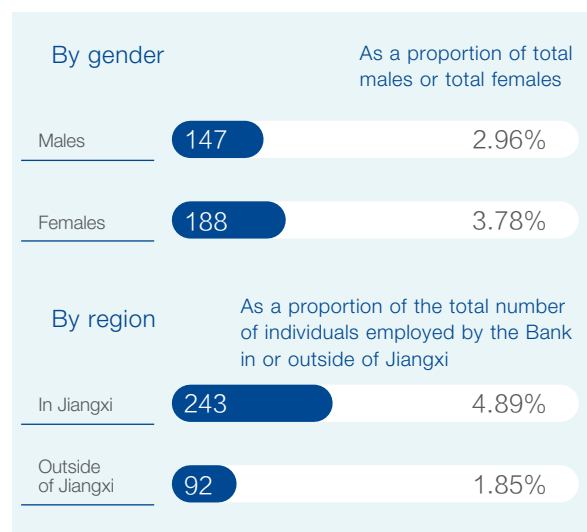
Note: The data above covers the head office, branches and sub-branches, as well as the village and county banks of Bank of Jiujiang.

We hire and promote candidates for each post in accordance with the relevant provisions of the Labour Law of the People's Republic of China and specific employment contracts. In 2022, no child labour was reported. There was 1 case of work-related injury which resulted in 87 working days lost. During the year, we fully safeguarded employees' rights to work and rest in accordance with the law, and we complied with the relevant laws and regulations on ensuring workers' health, safety and work environment. We also contributed to the basic social security funds for our people in accordance with the law, including basic pensions and medical care insurance. In addition, we established a housing provident fund plan to address employees' housing needs and organised physical examinations regularly to ensure our people's health.

Staff turnover in 2022

As at the end of 2022

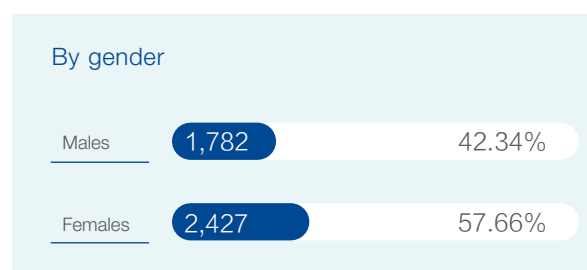
Category  Number of individuals that left the Bank  % of total



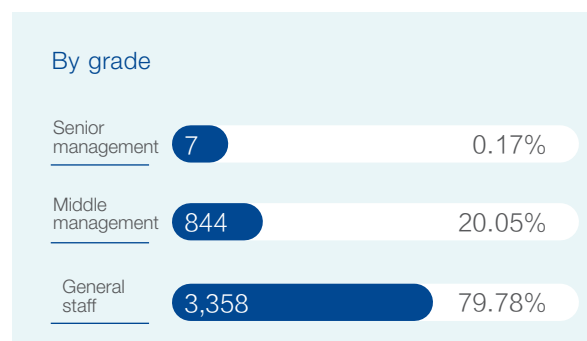
Staff training in 2022

As at the end of 2022

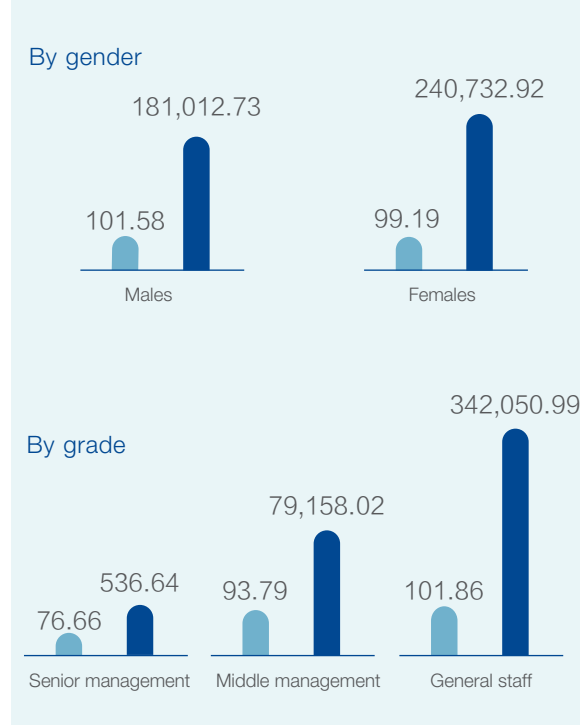
Category  Number of individuals that participated in training  % of total



Category  Number of individuals that participated in training  % of total



 Average training hours per person  Total number of training hours



The Bank attaches importance to the enhancement of the professional standards and professionalism of its staff. By integrating internal and external resources and combining online and offline channels, the Bank has continued to conduct staff training, effectively meeting the training needs of newcomers and employees of different grades and functions to achieve diversified talent development, creating a good learning atmosphere.

Extensive training to improve staff quality

The Bank has vigorously promoted staff education and training, with the objective of providing training to new hires before they start work. Training on compliance culture and internal control systems has been provided to all new joiners to help them integrate into the Bank's culture and develop compliance awareness. For existing employees, special business training themed "Retail Pioneer", "Financial Management Pioneer" and "Corporate Pioneer" have been provided to strengthen their business knowledge and enhance compliance of operations. The Bank places emphasis on the training of management personnel and regularly conducts training for branch heads and the strategic reserve pool. It also strengthens the behavioural management of management personnel to enhance their management ability and sense of responsibility.



Onboarding training for new hires

The Bank has implemented a mentorship programme to help new employees transform their identities. We have a pool of mentors to provide guidance to mentees on our business and corporate culture. The processes of mentor assignment, and formulation and summary of training plans are embedded into the human resources system to help new joiners integrate into the Bank and grow quickly, and to increase their sense of belonging and well-being. Mentors provide guidance and assistance to new-comers in their career development, with an emphasis on reinforcing ideals and beliefs, cultivating learning habits, and taking on modern responsibilities, as well as helping new employees transform their identity, plan their careers, enhance their professionalism, and foster a positive outlook on their careers, values, and life.

Conducting special training to enhance compliance awareness

The Bank constantly carries out special training to enhance the ability of all lines of business to perform their duties. A team of internal instructors is selected from the business backbone of each business line to conduct offline training, covering various aspects such as career development, basic skills for various posts, and banking rules and regulations. Due to the need for epidemic prevention and control, the Head Office's Training Centre, together with various departments, has explored new approaches, providing diversified training by making full use of resources on learning platforms including Jiuyin Yixue (九银易学) and Liangjian (量见). The special-themed programmes "Mingde Lecture" (明德讲堂), "Jiuyin Pioneer", and "Learning Map" have been conducted to improve the overall quality of employees and to help them grow.



Compliance training courses

The Training Centre took the lead in organising compliance courses such as "Internal and External Compliance", "Develop a 'Golden Shield' to Control Risk and Be a Compliant Manager" and "Compliance Cases in the Banking Business", as well as in running monthly compliance courses and examinations for senior and middle management personnel. These strengthened the legal compliance awareness of our staff, enhanced the management of key posts and major businesses, and cultivated a habit of "thinking before operating" to ensure legal compliance and sound operations.

Organising contests to raise operating standards



Business skills contest

In December 2022, the Bank held its 20th Business Skills Contest, aimed at guiding employees in continuously making improvements, enhancing their professionalism, and broadening their horizons. It also helped to fully implement the guiding principle of “promoting learning through examination and applying learning to practice”, regulating employee behaviour and mitigating business risks.

Training system for fintech posts

The Bank has established a training system for fintech posts, which takes into account employees’ needs for financial knowledge acquisition and professional skills development as well as their personal preferences. Project-based job rotations are conducted to let fintech posts learn about the Bank’s business, products, and customers in actual business scenarios, so as to lay a solid foundation for future technology-enabled business. After the rotation, through two-way selection, the fintech post can be assigned to either the IT department, so as to bring business thinking and apply advanced technologies that empower business development; or to the business department to drive the digital transformation of the department as a whole using its digital thinking and capabilities.

Recruitment of talent

In order to strengthen the integration of financial technology, data analysis and business activities, expand the talent pool, and optimise the talent structure, the Bank took multiple measures in 2022 to recruit more talent. First, we offered a wider range of benefits for talent that covers meals, accommodation, and mobility talents. Second, we strengthened publicity for talent recruitment, and deepened our cooperation with universities in Jiangxi province, Hefei city and Guangzhou city, especially with double first-class universities. We had face-to-face exchanges with fresh graduates and cooperated with recruitment agencies to expand our channels for recruitment of talent.

Employee promotion

In line with guidelines and policies on promoting employees for the new era, the Bank has developed a promotion system to recognise outstanding talent. The Bank is committed to building a management team that is young, professional and well-informed, promoting loyalty, accountability and integrity among the leadership.

Employee compensation

The Bank strictly abides by the *Social Insurance Law of the People's Republic of China*, and has established a sound and business-oriented remuneration system that prioritises efficiency and gives due consideration to equality. The Bank has formulated the *Bank of Jiujiang's Employee Remuneration Management System* and other measures to ensure that salaries and other benefits are paid in full on a timely basis. Enterprise annuities have been put in place to supplement medical insurance and effectively protect the rights and interests of employees.

The Bank's current employee remuneration system consists of a basic salary, position-based pay, performance-based pay, allowances, and benefits. Basic salary is determined based on the position, employment type, grade, pay points and a regional adjustment coefficient. Position-based pay is determined based on the number of days on the job, position, employment type, grade, management responsibility, pay points and a regional adjustment coefficient. Performance-based pay is determined based on the performance of the employee. In order to ensure the effect of remuneration in risk management and control, and establish a sound and effective incentive mechanism, the Bank has established a deferred payment management system for bank-wide employee remuneration in accordance with relevant laws and regulations such as *Guidelines for Sound Remuneration Supervision in Commercial Banks*. An employee's remuneration is subject to recourse and deduction depending on risks exposed during the period when he/she holds the relevant position.

Attendance and leave

The Bank strictly abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and relevant laws, regulations, and rules. The Bank actively implements a range of personnel management systems such as *Bank of Jiujiang Attendance Management Measures*, *Management Measures of Bank of Jiujiang on Rotation and Mandatory Leave of Key Personnel and Employees in Important Positions* and *Bank of Jiujiang Employee Welfare Management Measures*. When employees are arranged to work overtime, their decision is respected and they are paid in accordance with relevant regulations. Employees are entitled to leave on New Year's Day, Spring Festival, Ching Ming Festival, International Labour Day, Dragon Boat Festival, Mid-Autumn Festival, National Day and other statutory holidays. Compensation is paid for annual leave entitlements not taken, in accordance with the *Implementation Measures for Paid Annual Leave for Enterprise Employees* and the Bank's relevant systems.

Respect and equality

The Bank strictly abides by relevant laws and regulations including the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and the *Provisions on Prohibition of the Use of Child Labour*. We are committed to fairness, openness and integrity and prohibits discriminatory employment practices. Discrimination against employees or applicants based on race, religious belief, gender, age, sexual orientation, disability, household registration is prohibited. The proportion of female employees in the Bank is 56.29%, and there is no gender discrimination. In addition, the Bank fully protects the rights and interests of and provides benefits for female employees in accordance with *Special Provisions on Labour Protection for Female Employees*, *Bank of Jiujiang Welfare Management Measures* and local regulations.

Employee health management mechanism

The Bank attaches great importance to the physical and mental health and safety of employees, and strictly abides by relevant laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Labour Law of the People's Republic of China*, and the *Fire Protection Law of the People's Republic of China*. We contribute to social insurance funds, enterprise annuities, and housing provident funds and purchase supplementary medical insurance for our people. A reasonable leave system has been put in place and physical examinations and seminars on health are organised for our people every year. There are regular team building activities. Gyms are available for our people in several branches. At the same time, the Bank regularly organises safety training and fire drills, identifies and evaluates risks in workplaces, and takes necessary measures to eliminate or reduce such risks to protect the physical and mental health of employees.

◎ A happy life in the Bank with full of vitality

“Bank of Jiujiang Cup” cheongsam dance competition

In order to show the new style and new look of women in new-era Jiujiang, and to stimulate the enthusiasm of women to forge ahead, on 16 June 2022, the mass publicity and education activity “Rejuvenation of a Strong Country” and the “Bank of Jiujiang Cup” cheongsam dance competition to welcome the 20th National Congress, kicked off at Jiujiang Cultural Arts Centre, hosted by the Jiujiang Municipal Organ Work Committee and organised by the Jiujiang Municipal Women's Work Committee.



“Bank of Jiujiang Cup” cheongsam dance competition

• Case •

Planting a Forest of Hope Hand-in-Hand

Putting into practice President Xi Jinping's thought of ecological civilisation to implement the new development concept and to revitalise the countryside, on the occasion of Arbor Day, the afternoon of 10 March 2022, the Bank conducted a voluntary tree-planting activity “Planting a Forest of Hope Hand in Hand – Caring for Left-behind Children” in Guangming Village, Ruichang city. The young volunteers took practical action to advocate the concept of ecological civilisation that respects and cares for nature, creating a strong atmosphere of “planting, protecting and loving greenery”.



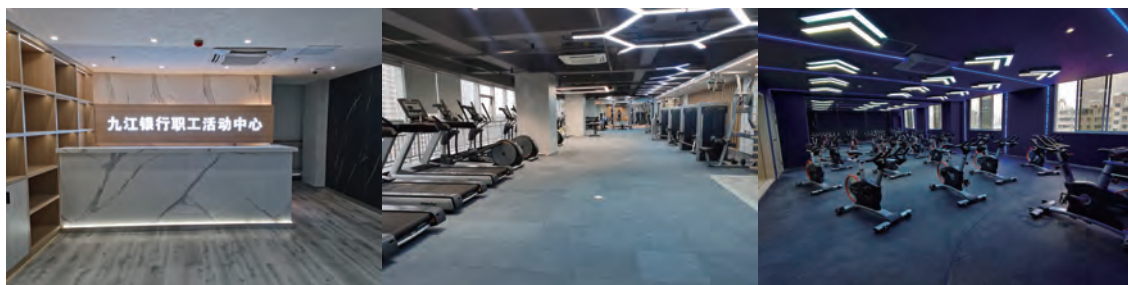
Tree-planting activity

• Case •

• Case •

Staff activity centre

We have created a harmonious and vigorous corporate culture that stresses respect, care and sharing, with a good working and living environment for our employees. To enrich the lives of our employees and inject vitality into the organisation, we built a staff centre at the head office in 2022. The centre has a fitness area, a cycling room, a yoga room, a table tennis room, a billiards room, a reading room, a tearoom, a nursing room and a pantry.



Staff centre at the head office

◎ A warm and caring bank

• Case •

Heatstroke prevention

In the summer of 2022, the Bank launched a campaign to provide heatstroke prevention and cooling supplies to our staff to protect them from the summer heat.



Cooling supplies to prevent heatstroke

Independent Limited Assurance Report

Assurance report serial No. 2300098

To the Board of Directors of Bank of Jiujiang Co., Ltd.,

We were engaged by the Board of Directors of Bank of Jiujiang Co., Ltd. (the “Bank”) to provide limited assurance on 2022 selected key data (the “selected key data”) in the 2022 Environmental, Social and Governance Report of the Bank for the year ended 31 December 2022 (the “ESG Report”).

I Selected Key Data

In this report, limited assurance procedures were performed on the following selected key data in the Bank’s ESG Report:

- Total charity donations (RMB10 thousand)
- Total number of employees (person)
- Total number of female employees (person)
- Balance of targeted poverty alleviation loans (RMB100 million)
- Green credit balance (RMB100 million)
- Electricity consumption at the head office and branches (10,000 kWh)
- Water consumption at the head office and branches (ton)
- Natural gas consumption at the head office and branches (cubic metre)
- Paper consumption at the head office and branches (10,000 sheets)
- Petrol consumption at the head office and branches (litre)

Our assurance work is limited to the 2022 selected key data in the ESG Report. Other information and information of 2021 and previous years disclosed in the ESG Report are not included in the scope of our work.

II Standards

The Bank has prepared the selected key data in the 2022 ESG Report in accordance with the accompanying basis of the selected key data (the “basis of selected key data”).

III Responsibilities of the Board of Directors

The Bank’s Board of Directors is responsible for preparing the 2022 ESG Report in accordance with the basis of selected key data. This responsibility includes designing, implementing and maintaining the internal controls related to the selected key data in the ESG Report that is free from material misstatement, whether due to fraud or error.

IV Our Independence and Quality Control

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

Our firm applies *International Standard on Quality Control No. 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

V Certified Public Accountants' Responsibility

Our responsibility is to express a conclusion on the selected key data in the 2022 ESG Report based on our assurance.

We conducted our assurance in accordance with *International Standards on Assurance Engagements 3000 (Revised)* ("ISAE 3000") "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" which requires us to plan and perform our work to form an assurance conclusion.

VI Summary of work performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The extent of procedures selected depends on our judgment, including assessing the risk of material inconsistency between the selected key data and the basis of selected key data. Our work was not undertaken for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

These procedures mainly include:

- 1) Conduct interviews with the Bank's departments and functions involved in providing the selected key data in the ESG Report;
- 2) Implement analysis procedures;
- 3) Sample test the selected key data in the ESG Report; and
- 4) Recalculate.

VII Inherent Limitation

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

VIII Conclusion

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

IX Restriction on Use

This Report has been prepared solely to the Bank which is not suitable and should not be used for any other purpose. We do not accept or assume responsibility to any party other than the Bank's Board of Directors.

KPMG Huazhen LLP

Beijing, China
April 28th 2023

Appendix: Basis of Selected Key Data

The 2022 ESG Report has been prepared in accordance with the disclosure requirements of the Stock Exchange of Hong Kong Limited's *Environmental, Social and Governance Reporting Guide*, which contains the following selected key data:

Selected key data	2022
Total charity donations (RMB10 thousand)	634.94
Total number of employees (person)	4,967
Total number of female employees (person)	2,796
Balance of targeted poverty alleviation loans (RMB100 million)	4.96
Green credit balance (RMB100 million)	258.89
Electricity consumption at the head office and branches (10,000 kWh)	1,012.22
Water consumption at the head office and branches (ton)	76,283.65
Natural gas consumption at the head office and branches (cubic metre)	62,692.33
Paper consumption at the head office and branches (10,000 sheets)	306.78
Petrol consumption at the head office and branches (litre)	110,232.44

Appendix I: Progress Report on the Principles for Responsible Banking

As an early signatory to the United Nations (UN) Principles for Responsible Banking (PRB), Bank of Jiujiang is committed to incorporating ESG issues into the whole lifecycle of its operations and management, identifying, measuring, evaluating and designing the environmental and social impacts of loans, investments and its own operations, and striving to maximise the economic, environmental and social values of its operations.

Principle 1: Alignment

The Bank aligns its existing strategies and plans with, and contributes to, the social objectives stated in the UN Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

In keeping with the new development concept of the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* released by the Central Committee of the Communist Party of China (CPC) and the State Council in 2022, we issued *Bank of Jiujiang Strategic Planning Report (2022-2024)* and *Marketing Guidelines of Bank of Jiujiang on Green Finance Business* to vigorously develop green finance in various aspects, including system construction and business promotion. We have elevated green finance and inclusive finance to a strategic level to deepen the sustainable development of our financial business.

We will align our business strategy to be consistent with, and contribute to, individuals' needs and society's goals, as expressed in the UN Sustainable Development Goals (SDGs), the *Paris Climate Agreement*, and relevant national and regional frameworks. Our vision for 2022 is to "strengthen the green finance brand and be a key driver of low carbon transition and development".

In line with the *UN 2030 Agenda for Sustainable Development*, which includes the sustainable development goals of poverty eradication, food security, inclusive and equitable education, modern energy, full employment, responses to climate change, ecological restoration, and global partnership, we have formulated measures in the areas of green finance, inclusive finance, and fintech empowerment to put into practice the concept of sustainable development.

We constantly practise the concept of green development and have placed green transition and green innovation into a strategic position in our corporate development. Innovation and reform in terms of product innovation, process optimisation, system development, and environmental and social risk management are pursued, and new ideas are developed for green finance through collaboration of our various departments. In this way, we work towards the "dual carbon" goals.

Principle 2: Impact and target setting

The Bank has performed an impact analysis of its portfolios to identify its most significant impact areas, set targets, and developed action plans that are consistent with the objectives of the UN SDGs and the Paris Climate Agreement and other relevant international, national or regional frameworks, against which the Bank made some progress in 2022.

The Bank continues to increase its positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from its activities, products and services.

We are committed to the concept of green development, focusing on supporting “dual carbon” projects, innovating green financial products, optimising green financial service solutions, and conducting industry research to drive our green finance efforts deeper.

We have defined our green credit goals. The short-term goal is to provide more green financial services with the help of a comprehensive customer service system and leading financial products. The long-term goal is to promote green transition of local high-carbon industries by launching green and inclusive credit products and cooperating with local industries based on national development policies, provide sustainable solutions for enterprises, and support the reform of industrial supply chains, thereby achieving regional sustainable development.

The Bank has issued the *Marketing Guidelines of Bank of Jiujiang on Green Finance Business*, a marketing guidance for our green finance business to clarify the direction of our support for green finance.

We have set relevant development goals based on a number of target areas of significant impact, such as the green finance development strategy and annual green credit targets, to align with and contribute to the objectives of the UN SDGs and the *Paris Climate Agreement*.

The Bank has applied impact analysis tools to analyse investment and financing activities that have a significant impact, optimised the structure of credit extension to serve the green economy transition and help attain the “dual carbon” goals, and increased support for key areas such as manufacturing, emerging industries, and rural revitalisation.

Principle 3: Clients and customers

The Bank has implemented or plans to implement policies and practices to promote responsible relationships with customers. We plan to work with clients and customers to encourage sustainable practices and promote the sustainable development of economic activities.

The Bank is committed to working responsibly with its clients and customers to encourage sustainable practice and enable economic activities that create shared prosperity for current and future generations.

The Bank identifies and focuses on pain points in green development in different industries, and continues to increase financial support for green projects, improve its product innovation capabilities, and provide more diversified green financial products inside and outside Jiangxi province. To support the low-carbon development of industrial enterprises, we have launched a special transition finance product, the “Carbon Efficiency Loan”, which links the pricing of a loan to the overall performance of the borrower’s carbon emissions, and regularly adjusts the interest rate accordingly. A concession on the lending rate will be offered when the borrower’s carbon performance improves over the previous year. By offering such financial incentives, we can effectively guide high-emission enterprises to pay attention to and lower their carbon emissions and practise energy saving and carbon reduction, thereby promoting green and low-carbon development.

Principle 4: Stakeholders

We consult, engage and partner with relevant stakeholders to achieve society’s goals and enhance our impact.

The Bank proactively and responsibly engages, communicates and collaborates with relevant stakeholders to achieve sustainable development goals, and ensures that stakeholders’ key sustainable development needs are promptly and adequately understood, and that corresponding measures are taken.

We conduct materiality assessments of ESG issues of concern to stakeholders and discloses them in the ESG report.

The Bank promotes green operations and has formulated the *Management Measures for a Green Office of Bank of Jiujiang (for Trial Implementation)* and *Management Measures for Infrastructure of Bank of Jiujiang* to save resources used in offices, enhance energy efficiency, and protect the environment by reducing direct and indirect consumption of water, electricity, paper, petrol and other resources, as well as direct and indirect greenhouse gas emissions.

We are committed to the promotion and spread of green ideas. We have introduced our achievements in green finance development, promoted green finance products, and shared our industry practice with the public and peers from multiple perspectives, levels and channels through offline academic exchange activities, the Internet, newspapers, television, and other channels, as well as with diversified and in-depth green publicity activities.

In 2022, the Bank joined with the Jiangxi Provincial Local Financial Supervision Administration, and the PBOC’s Nanchang Central Sub-Branch, to organise a media campaign themed “Attaining ‘Dual Carbon’ Goals through Green Finance”, consisting of interviews and on-site visits. In addition, we signed a Memorandum of Understanding (MoU) with the Jiangxi Province Department of Ecology and Environment on the use of financial services to reduce pollution and carbon emissions. We participated in the China Corner side event of the UN Biodiversity Conference, COP15, as an exhibitor to showcase our exploration of the field of transition finance.

Principle 5: Governance and culture

The Bank has implemented relevant initiatives and measures to foster a responsible culture among employees. It incorporates relevant factors of capacity building, pay structure and performance management into corporate governance to enhance communication between employees and management.

The strategic positioning of “green banking” is specified in the Bank’s corporate culture handbook.

The Bank has elevated green finance to a strategic level, continued to improve its green finance system, and actively promoted green finance. The Board of Directors has authorised its strategy committee to assume planning, supervision and inspection responsibilities for green finance, especially in respect of approving and supervising the determination and implementation of green credit strategies and targets while studying and advising on other material decisions and issues.

We conduct training on green finance topics from time to time to cultivate and introduce relevant professionals.

We will implement our commitment to these principles through effective governance and a culture of responsible banking.

Principle 6: Transparency and accountability

The Bank goes beyond the implementation of these principles by continuing to make a positive impact on society and the environment, and by maintaining transparency on the Bank’s impacts and the contributions it makes to its stakeholders.

We regularly disclose the progress of our practices as a responsible bank in annual reports and ESG reports, and publish them on public channels such as the stock exchange platform and official websites.

We annually disclose the sustainability performance indicators in the ESG report, and explain the calculation methods and details in the report.

Appendix II: Principles for Responsible Banking Index

Description of Index		Summary of the Bank's Response	Corresponding Chapters in the 2022 ESG Report
Principle 1: Alignment			
1.1 Describe your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services.		The Bank positions itself as a regional urban commercial bank rooted in Jiujiang, centred in Jiangxi province, and spreading its business across the Greater Bay Area and Yangtze River Delta. It continuously optimises its financial products and services, implements policies to alleviate the difficulties of its corporate customers, fully supports the high-quality development of the manufacturing sector, industries, and micro and small enterprises, and specialises in innovative enterprises.	Chapter 3: About Us
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the <i>Paris Climate Agreement</i> , and relevant national and regional frameworks.		With the strategic objective of reaching carbon peaking and carbon neutrality, the Bank has incorporated a strategic positioning of "green banking" in its corporate culture. It has continuously optimised its mechanisms, and formulated green and low-carbon investment and financing strategies and medium- and long-term targets, building a comprehensive, supportive financial system. The Bank has tilted its resources toward green business to stimulate the endogenous growth of green business, and built a green financial services network to improve the effectiveness of green financial services for green development.	Chapter 4
Principle 2: Impact and target setting			
2.1 Impact analysis	Show that your bank has performed an impact analysis of its portfolio(s) to identify its most significant impact areas.	The Bank measures the environmental performance of green credit across the Bank in accordance with the <i>Guidelines for Measuring Energy Saving and Emission Reduction of Green Credit Projects</i> . Our environmental performance was remarkable, with energy-saving and emissions reductions mostly achieved.	Chapter 4

Description of Index	Summary of the Bank's Response	Corresponding Chapters in the 2022 ESG Report
2.2 Target setting	Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART).	The Bank has defined its green credit goals. The short-term goals are to continuously innovate green credit products, organically integrate itself with the local real economy and industries in Jiangxi, increase cooperation with external parties on green finance, and drive optimisation of green credit processes and the innovation of products and services. The long-term goals are to respond to the national green finance development policy, implement a sustainability strategy, facilitate green transformation both economically and socially, and build a beautiful Jiangxi.
	Show that your bank's goals are consistent with, and contribute to, the objectives of the SDGs, the Paris Climate Agreement, and relevant national and regional frameworks. You bank should determine a baseline for selected indicators and assess the level of alignment in a specific year, and set targets based on the baseline.	Adhering to the principles of green development, deepening reform, and being market and customer oriented, the Bank has optimised its organisational structure concerning green finance from top to bottom, innovated its green finance institutions, improved its green finance organisation, culture, and value system, and incorporated green finance business into its performance assessment.
	Disclose that your bank has analysed and identified the targets set that may have significant (potential) negative impacts on the SDGs/ climate change/social objectives, and, where feasible, has taken relevant measures to minimise these negative impacts and enhance the net positive impacts.	In 2022, the Bank maintained the trend of low-carbon transformation with a focus on key industries and target customer groups, while developing scale of business and expertise through a professional, efficient and integrated business model. Our vision is to consolidate our green finance brand and become a key driver of low-carbon transformation development.
2.3 Target implementation and monitoring	Show that your bank has set milestones and developed action plans to meet the targets set.	In light of the "dual carbon" strategic goals, the Bank will dovetail itself with the circular economy to promote ecological protection and restoration, enhanced environmental construction and governance, efficient use of resources and energy efficiency, while increasing the influence of its green finance brand. Focusing on serving the economy in its green transition, the Bank has supported the transformation of high-carbon industries and the development of low-carbon industries, and steadily pushed forward its green finance business.
	Indicate that your bank has established methods for measuring and monitoring progress towards your targets. The definition of relevant key performance indicators, any changes to the definition and any reset of the baseline should be disclosed.	The Bank's Board of Directors has authorised its strategy committee to assume the planning, supervision, and inspection of green finance, especially in respect to approving and supervising the determination and implementation of green credit strategies and targets while studying and advising on other material decisions and issues.

Description of Index		Summary of the Bank's Response	Corresponding Chapters in the 2022 ESG Report
		The Bank has incorporated green finance development into the comprehensive performance appraisal of its branches and set up a green finance assessment and incentive mechanism. The Bank has incorporated environmental risk alert indicators into the scope of its credit assessment and explored the establishment of a green credit risk assessment model to effectively prevent and control the environmental risks of loans.	
2.4 Progress of target implementation	For each target: State that your bank has implemented the target implementation actions set, or explain why the relevant actions have not been implemented or why the actions need to be adjusted, and how your bank has adjusted the plan to meet the set targets.	The Bank has fully embraced green financial reform and innovation, optimising product services, standards and regulations, and incentive initiatives, and deepening innovation in green investment and financing models. Our financial resources are tilted to green production, clean energy, green transportation, green buildings, and green technological innovation. As a result, we have acquired experience in green finance with distinctive local characteristics and in serving the real economy. Through our product innovation in green asset securitisation and green asset-backed notes, we have explored carbon financial innovation at a deep level and promoted the greening and upgrading of financial products.	Chapter 4
	Report on your bank's progress since the last report (up to 18 months at the time of initial disclosure after signing) towards achieving the set targets and the impact your progress resulted in. (Where appropriate and feasible, banks should include quantitative disclosures.)	In 2022, the Bank measured the environmental performance of green credit in accordance with the <i>Guidelines for Measuring Energy Saving and Emission Reduction from Green Credit Projects</i> , based on the different sectors that the bank's green credit support projects belong to. Overall, further energy saving and emissions reductions have been achieved.	
Principle 3: Clients and customers			
3.1 Describe the policies and practices that your bank has implemented and/or plans to implement to promote responsible relationships with customers. Describe the plans and measures implemented (and/or planned), their scale and (where possible) their results.		The Bank has launched the Carbon Efficiency Loan, and introduced the first "Hand-in-Hand Wealth Management" product and "Green Home Loan" in China to support environmental projects. We have also initiated the first green bill research project in China, and launched Jiuyin green bill financing to support the green transition of micro and small enterprises. Our online green financial products include the "Smart Loan for Rich Farmers" and the photovoltaic agricultural loan. These products have provided strong support for the green transition of the real economy.	Chapter 4,chapter 5 and chapter 7
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		By adhering to the principle of "Putting Customers First in Delivering Service Excellence", the Bank continues to expand its customer service channels and improve the quality and level of its financial services. We are committed to delivering maximum value for our customers and serving customers efficiently and effectively, focusing on their financial needs and doing what we reasonably can to meet such needs with a warm, dedicated human touch.	

Description of Index	Summary of the Bank's Response	Corresponding Chapters in the 2022 ESG Report
Principle 4: Stakeholders		
4.1 Describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved.	Through regular and real-time communication, as well as through internal and external exchanges, the Bank fully communicates with various stakeholders and responds to them on a timely basis. By considering its business characteristics, development strategies, and the State's guiding policy, the Bank identifies its social responsibilities. In 2022, we communicated on major issues such as green finance, financial inclusion, financial technology, and customer rights and interests.	Chapter 3
Principle 5: Governance and culture		
5.1 Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.	The Bank has elevated green finance to a strategic level and has established relevant functions at the Board, management, and branch levels to make the development of green finance an important part of its operations and long-term planning.	Chapter 3
5.2 Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, inclusion in remuneration structures and performance management, and leadership communication, amongst others).	The Bank continues to enhance its staff management structure and values staff training to diversify its talent and create a good learning environment. It has established a sound remuneration system and approved performance pay based on the performance of employees.	
5.3 Report that your bank has a governance structure in place to implement the Principles for Responsible Banking, including: a) Goal setting and action plans b) Remedial action where objectives or milestones are not met or where unforeseen negative impacts are identified	The Bank's strategy committee reports to the Board. It reviews reports prepared by the green finance working group, provides written proposals to the Board for deliberation, and supervises the progress made by the Bank's management in implementing the green finance proposals that have been finalised by the Board.	

Description of Index		Summary of the Bank's Response	Corresponding Chapters in the 2022 ESG Report
Principle 6: Transparency and accountability			
6. 1 Implementation progress	Report the progress made by your bank in fulfilling the six principles in addition to the targets set and implemented in at least two areas (refer to items 2.1-2.4) in the past 12 months (up to 18 months when first disclosed after signing).	The Bank continues to improve new mechanisms for financial inclusion while promoting green finance transformation. Technological innovation has been strengthened to provide more intelligent and quality financial services in a targeted manner. By promoting the online, smart, and IT-based business, we strictly control the quality of our services and safeguard the rights and interest of consumers. In addition, we provide high-quality jobs and a standardised and harmonious working environment for our employees. The Bank has long been committed to promoting various public welfare undertakings and has allocated considerable resources to charitable work.	Appendix I and chapters 4-8
	Show that your bank has considered existing and emerging international/regional good practices related to the six principles of responsible banking, and report the priorities and target plans identified that are consistent with these good practices.	The Bank has proactively drawn on global green business ideas. In 2022, the Bank worked with the World Bank Group's International Finance Corporation on transition finance, joined the Partnership for Carbon Accounting Financials, prioritised the exploration of innovative paths for the transition finance business, and helped Jiangxi's manufacturing industry achieve an energy-saving and green low-carbon transition. These efforts have brought us closer towards our strategic goal of contributing to the construction of a beautiful Jiangxi and the green and low-carbon development of China and the world.	
	Report that your bank has upgraded/ is upgrading existing practices to reflect and be in line with existing and emerging international/regional good practices, and has made progress in fulfilling the Principles.	By strengthening exchanges and cooperation with relevant departments at home and abroad, the Bank has achieved complementary advantages and built mutually beneficial win-win scenarios, developing a series of leading practices that contribute to the establishment of relevant global standards. It has provided financial service solutions for the transformation of high-carbon industries in Jiangxi province, has established an environmental and social risk management system, and has developed related intellectual property products.	

ESG Indicator Index

Scope of Indicators and Aspects	General Disclosures	KPIs	Corresponding Chapter
A1 Emissions	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1.1 The types of emissions and respective emissions data.	Spreading green ideas and developing ecological civilisation
		A1.2 Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Spreading green ideas and developing ecological civilisation
		A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not relevant
		A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not relevant
		A1.5 Description of measures to mitigate emissions and results achieved.	Spreading green ideas and developing ecological civilisation
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Spreading green ideas and developing ecological civilisation
A2 Use of resources	Policies on the efficient use of resources, including energy, water and other raw materials.	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Table of key performance indicators
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume per facility).	Table of key performance indicators
		A2.3 Description of energy use efficiency initiatives and results achieved.	Spreading green ideas and developing ecological civilisation
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Spreading green ideas and developing ecological civilisation
		A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not relevant
A3 Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Spreading green ideas and developing ecological civilisation
B1 Employment	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1.1 Total workforce by gender, employment type, age group and geographical region.	People-oriented and promoting unity
		B1.2 Employee turnover rate by gender, age group and geographical region.	People-oriented and promoting unity

Scope of Indicators and Aspects	General Disclosures	KPIs	Corresponding Chapter
B2 Health and safety	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B2.1 Number and rate of work-related fatalities.	People-oriented and promoting unity
		B2.2 Lost days due to work injury.	People-oriented and promoting unity
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	People-oriented and promoting unity
B3 Development and Training	Policies on improving employees' knowledge and skills in performing their duties. Description of training activities.	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People-oriented and promoting unity
		B3.2 The average training hours completed per employee by gender and employee category.	People-oriented and promoting unity
B4 Labour standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B4.1 Description of measures to review employment practices to avoid child and forced labour.	People-oriented and promoting unity
		B4.2 Description of steps taken to eliminate such practices when discovered.	People-oriented and promoting unity
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	B5.1 Number of suppliers by geographical region.	Spreading green ideas and developing ecological civilisation
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Spreading green ideas and developing ecological civilisation
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not relevant
		B6.2 Number of products and service related complaints received and how they are dealt with.	Protecting the rights and interests of customers through internal monitoring and external promotion
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Protecting the rights and interests of customers through internal monitoring and external promotion
		B6.4 Description of quality assurance process and recall procedures.	Not relevant
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protecting the rights and interests of customers through internal monitoring and external promotion
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Corporate governance
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Corporate governance
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Providing warmth by getting involved in charity work and public activities for the public good
		B8.2 Resources contributed (e.g. money or time) to the focus area.	Providing warmth by getting involved in charity work and public activities for the public good

Feedback from readers

Thank you for reading Bank of Jiujiang's 2022 Environmental, Social and Governance Report. In order to promote communication between the Bank and its stakeholders and enhance the Bank's capability to perform its social responsibilities, we hope that you can evaluate this report and provide valuable comments and suggestions. Please fill out the feedback form below. You may send us your feedback using any of the following methods.

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1. Please choose the stakeholder category that you belong to.

☐ Government ☐ Regulator ☐ Shareholder ☐ Customer ☐ Employee ☐ Supplier ☐ Partner ☐ Community
☐ Environment ☐ Others

2. Your general evaluation of this report:

☐ Poor ☐ Average ☐ Good ☐ Excellent

3. Your evaluation of Bank of Jiujiang's performance of social responsibilities from an economic perspective:

☐ Poor ☐ Average ☐ Good ☐ Excellent

4. Your evaluation of Bank of Jiujiang's performance of social responsibilities from an environmental perspective:

☐ Poor ☐ Average ☐ Good ☐ Excellent

5. Your evaluation of Bank of Jiujiang's performance of social responsibilities from a social perspective:

☐ Poor ☐ Average ☐ Good ☐ Excellent

6. Do you think the information disclosed in this report is complete?

☐ No ☐ Average ☐ Yes

7. Do you think the content and typography is clear and suitable for reading?

☐ No ☐ Average ☐ Yes

8. Do you have any other comments or suggestions on the report or on how Bank of Jiujiang can improve the way it performs its social responsibilities?

Thank you for your care and support for Bank of Jiujiang!



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