

PING AN BANK

SUSTAINABILITY REPORT IN 2020

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Statement from the Executives

In 2020, we witnessed an unprecedented COVID-19 pandemic, and China's eradication of extreme poverty and achievements in building a prosperous society. Despite domestic and global uncertainty, Ping An Bank leveraged its strengths in "finance + technology" and pursued supply-side reform to achieve sustainable growth. The Bank endeavored to realize China's policy of "ensure stability on the six fronts and security in the six areas"¹. It also strove to mitigate coronavirus-induced challenges and positioned itself as "a digital bank, an ecosystem, and a platform". The Bank further seeks to strengthen its "finance + ecology" strategy, promote the real economy, prevent and defuse financial risks, and aim to reach greater heights.

Support stemming the spread of COVID-19 pandemic, and help enterprises resume operations.

Ping An Bank prioritized pandemic prevention and control throughout the year, stemming the spread of COVID-19 pandemic while promoting production. The Bank assisted infection prevention at the pandemic frontline through donation of money and medical supplies. It built an "exclusive channel for anti-pandemic supplies" and accelerated supply delivery to hospitals in Hubei Province. Specific customers were provided with preferential policies such as deferred repayment, waiving or reduction of interest fees and credit protection. In addition, the Bank offered emergency loans, supported small and micro enterprises (SMEs) as well as self-employed individuals with preferential interest rates, and took various measures to help companies resume work and production. As part of pandemic control measures, the Bank launched 24-hour online financial services to facilitate "home banking" during the pandemic outbreak.

Continue to alleviate poverty and tap into rural revitalization opportunities. To keep up with new infrastructure and green development growth, Ping An Bank sought to step up poverty alleviation and eradication — cultivating talents, incubating industries, building brands and expanding marketing channels. The Bank also explored rural revitalization models to build an industrial revitalization platform that integrates government, enterprises, banks, insurance companies and agricultural research institutes through capital financing, financial intelligence and technology empowerment. In 2020, the Bank funded 12.755 billion yuan for industry-based approaches to poverty alleviation, improving the lives of 290,000 impoverished people. The Leading Group Office of Poverty Alleviation and Development of the State Council selected the Bank's poverty alleviation model as an "Excellent Case of Poverty Alleviation Led by An Enterprise". The Bank also received the China Banking Association's "Best Targeted Poverty Alleviation Contribution Award" for two consecutive years.

¹ Ensuring stability in employment, financial operations, foreign trade, foreign investment, domestic investment and expectations, and safeguarding security in jobs, basic living needs, operations of market entities, food and energy security, industrial and supply chains, and the functioning of primary-level governments

Promote real economy, contribute to the national economy and improve people's well-being. The Bank aspires to promote real economy, pursue supply-side reform and high-quality economic development, enhance the credit supply structure, and facilitate the implementation of "ensuring stability on the six fronts and security in the six areas" as well as transmission of monetary policies. It focuses on precision fund allocation, prioritizes the funding needs of major national strategic projects, and coordinates financial resources allocation and high-quality economic development. In 2020, the Bank enhanced its financial support to manufacturers, small and micro enterprises, and private businesses, and recorded a 38.83% year-on-year growth in inclusive loans for SMEs. The Bank also provided integrated financial services for infrastructure construction projects, the manufacturing industry, private firms as well as science and technology enterprises to facilitate China's post-pandemic economic development. In 2020, the Bank achieved significant technological achievements. The launch of "Ping An-1" marked the first Internet of Things (IoT) satellite in the financial industry. The Bank's smart risk control platform project (KYCr-Know Your Credit) won the 2020 Gartner Eye on Innovation Award for Financial Services in Asia-Pacific. The credit card A + new core system was released. In recognition of its technology strengths, Euromoney named Ping An Bank "World's Best Digital Bank" .

Develop sustainable finance and support low-carbon transformation. Ping An Bank has always been committed to promoting the development of the real economy with sustainable finance, and implementing the national sustainable development strategy. It has adopted green practices in its corporate culture to promote low-carbon awareness. It has also been supporting the development of green industries, including clean energy and environmental governance, strengthening environmental risk prevention and control, and ensuring harmony between humanity and nature. Compared to the previous year, the Bank has reduced 0.29% of the amount of loans granted to industries with high pollution, high energy consumption and excess production capacity. In contrast, the granting of green credit expanded 22.78% year-on-year. The Bank also joined in the over-the-counter issuance of China Development Bank's green bonds twice, raising awareness on climate change and the importance of Yangtze River protection to enterprises and individuals.

While the journey is long and challenging, we are determined to work harder towards a brighter future. Ping An Bank will continue to seize opportunities in a fast-changing world, while remaining committed to our aspiration of retail banking transformation. We will exert our two major strengths of "integrated finance and technology empowerment" to serve the country, improve people's livelihood and give back to the society. The Bank will also promote high-quality economic and social development as well as rural revitalization to strengthen poverty alleviation. To achieve our mission, we will continue to work hard, improve people's livelihoods and serve the real economy. The Bank will make relentless efforts to achieve the goal of building "China's most outstanding, world-leading smart retail bank" and fulfill its responsibilities in creating a new era of progress.

I. Corporate Governance

1. Bank Introduction

Ping An Bank (SZ000001) is a nationwide joint-stock commercial bank headquartered in Shenzhen. Ping An Bank continued its mission to build “China’s most outstanding, world-leading smart retail bank” under the strategy of “technological empowerment, breakthroughs in retail banking, and enhancement of corporate banking.” Ping An Bank insists on retail transformation, comprehensive finance with technological empowerment, and balanced and coordinated development. Ping An Bank has positioned itself as “a digital bank, an ecosystem, and a platform”.

Adhering to the national strategy and transformation to retail business, Ping An Bank proceeds with the policy of "technological empowerment, breakthroughs in retail banking, and enhancement of corporate banking" and has built the "3+2+1" strategy to develop retail and corporate business, comprehensively promotes the construction of AI Bank system and escalates its prevention against financial risk, continues to increase its support to private enterprises, small and micro enterprises, the real economy, and promote financial poverty alleviation, in order to become the "China’s most outstanding, world-leading smart retail bank."

Technological empowerment	Breakthroughs in retail banking	Enhancement of corporate banking
Reshape the Bank with scientific and technological innovation, and strive to provide users with the most efficient and convenient services by brand-new scientific and technological means.	Strive to achieve a fundamental breakthrough in the transformation to become a smart retail bank and better meet diversified financial needs.	Become a boutique corporate bank with focus on select industries and all-round services to customers. Provide high-quality financial services through matching products and sound risk control for the sustainable development of the real economy.

1.1 Key performance indicators

Key Performance Indicators		2020	2019	2018
Economic performance	Total assets (100 million yuan)	44,685.14	39,390.70	34,185.92
	Total deposits (100 million yuan)	26,731.18	24,369.35	21,285.57
	Total loans (including discount) (100 million yuan)	26,662.97	23,232.05	19,975.29
	Operating revenue (100 million yuan)	1,535.42	1,379.58	1,167.16
	Net profit (100 million yuan)	289.28	281.95	248.18
	Earnings per share (yuan)	1.40	1.54	1.39
	The balance of "double increases and controls" loans for small and micro enterprises (100 million yuan) *	2,828.30	2,037.30	
	Year-on-year increase in "double increases and controls" loans for small and micro enterprises (%)	38.83%		
Environmental performance	Loan balance in excess capacity industry (100 million yuan)	483.02	489.46	527.26
	Loan proportion in excess capacity industry	1.82%	2.11%	2.64%
	Total green credit extension (100 million yuan)	702.32	572	626.93
	Number of video conferences	67,751	36,736	31,811
Social performance	Customer service NPS	83%	80%	79%
	Total staff	38,097	34,253	34,626
	Social insurance coverage	100%	100%	100%
	Total tax paid (100 million yuan)	252.20	227.49	230.94
	Total donations (10,000 yuan)	9,154.63	748.62	489.83
	Cumulative investment in poverty alleviation (100 million yuan)	253.09	125.54	44.58
	Number of households that received poverty aid	29,484	16,083	1,917

* Note: "The balance of double increases and controls loans for small and micro enterprises" is a new indicator issued by the China Banking and Insurance Regulatory Commission in 2019

1.2 Honors

Award Time	Main Awards	Received from
Feb. 2020	Shenzhen Financial Innovation Award	Shenzhen Municipal Financial Regulatory Bureau
Feb. 2020	The World Small Hydropower Development Report	United Nations Industrial Development Organization
May 2020	Best Investor Relations Company	Securities Times
Jul. 2020	Asia's Best Digital Bank	Euromoney
Jul. 2020	Best Targeted Poverty Alleviation Contribution Award	China Banking Association
Jul. 2020	Private Enterprises with Important Contributions to Fighting Against the COVID-19 Outbreak in Guangdong Province	Guangdong Federation of Industry & Commerce
Aug. 2020	Excellent Communication Cases of Promoting Targeted Poverty Alleviation in 2019-2020 Excellent Communication Cases of Promoting Inclusive Finance in 2019-2020	China Banking and Insurance News
Aug. 2020	Best Customer Experience in China Best Cyber Security and IT Risk Management Project Best Trade Finance Bank Award	The Asian Banker
Sept. 2020	Bank of the Year in Technology Development Award	The 28th China International Finance Exhibition
Sept. 2020	World's Best Digital Bank	Euromoney
Oct. 2020	China's Best Digital Bank Best Mobile Banking App in Asia Pacific	Global Finance
Nov. 2020	China Public Welfare Company of the Year	Tencent Atomic Think Tank National School of Development at Peking University Tencent Research Institute
Nov. 2020	Best Customer Experience Award in China	Golden Voice Award under the guidance of China's Ministry of Industry and Information Technology and the Ministry of Commerce
Nov. 2020	Most Socially Responsible Listed Company	National Business Daily
Nov. 2020	Pioneer Financial Institution in Poverty Alleviation	China Internet Information Center
Nov. 2020	"Innovation Award for Financial Services" Asia-Pacific Winner	Gartner
Nov. 2020	Top Ten in Corporate Governance Top Ten in Green Governance Most Socially Responsible Award	Research Institute of Corporate Governance, Institute of Certified Public Accountants, Association for Public Companies, Bloomberg

Nov. 2020	Exemplary Case of Excellent Organization in the National Banking Industry Helping to Combat Poverty	China Banking Association
Dec. 2020	2020 "Excellence Award in Serving the Real Economy"	Securities Daily
Dec. 2020	2020 Financial Technology Innovation Award	hexun.com
Dec. 2020	Best Offshore Finance Bank	Annual Conference of China Transaction Banking
Dec. 2020	Top 50 Excellent Cases of Targeted Poverty Alleviation Led by Enterprises in 2020	State Council Leading Group Office of Poverty Alleviation and Development
Dec. 2020	Launch of credit card A + new core system was selected as one of the top 10 major financial informatization events in 2020	Financial Computerizing

2. Corporate Governance

2.1 Board Governance

The Bank has further improved its governance system and structure in accordance with the relevant laws and regulations as well as the requirements of the China Securities Regulatory Commission and China Banking and Insurance Regulatory Commission. The Bank has established its Articles of Association, Rules of Procedures for the General Meeting of Shareholders, Rules of Procedures for the Board of Directors, Board of Supervisors and their special committees in its corporate governance system. It has further created a governance system for information disclosure, investor relations, policy changes in the shareholding of directors, supervisors and senior executives, insider information and management, prevent abuse of funds by major shareholders and their related parties, and performance evaluation of directors and supervisors.

The Bank's general meeting of shareholders performed its duties in strict accordance with the Company Law, Articles of Association of Ping An Bank Co., Ltd. and other relevant regulations. The board of directors is accountable to the general meeting of shareholders, assumes the ultimate responsibility of the Bank's operations and management, holds meetings, and exercises its powers in accordance with legal procedures. Being accountable to all shareholders, the Board of Supervisors must maintain close contact and communication with the Board of Directors and management, conduct the performance appraisal of directors and supervisors, and perform various supervisory obligations. The Bank management abides by the principle of good faith, performs its duties diligently, and conducts operations and management according to the Board of Directors' decisions.

2.1.1 Independence of Board of Directors

The Bank's Articles of Association stipulate that at least one third of the Board of Directors members shall be independent directors. At present, the Bank's 11th Board of Directors consists of 15 directors, including 6 non-executive directors, 4 executive directors and 5 independent directors. The independent directors are experts in law, economics, finance and accounting. The ratio of independent directors in the Board of Directors has met the regulatory requirements. There are plans to include more independent directors when the need arises. Directors must remain loyal and devote sufficient time to perform their duties. Independent directors must meet the conditions stipulated by the regulatory authorities and cannot hold positions in more than two commercial banks at the same time to ensure they have enough time and energy to perform their duties. Directors shall treat all shareholders fairly, while independent directors shall be accountable to all shareholders and focus on protecting the legitimate rights and interests of minority shareholders.

The Bank's Board of Directors has set up six special committees. Independent directors account for the majority of members in four special committees, including the Audit Committee, Connected Transaction Control Committee, Nomination Committee as well as the Remuneration and Appraisal Committee, and serve as the chairperson of the committees. Independent directors also serve as members of the Strategic Development and Consumer Rights Protection Committee and the Risk Management Committee. The Rules of Procedures for the Board of Directors and the detailed rules for the work of relevant special committees stipulate that when the Board of Directors and Committees vote on connected transactions, directors shall not be allowed to participate in the voting if there is a conflict of interest. This rule shall be strictly enforced.

2.1.2 Remuneration of Directors, Supervisors and Senior Executives

The Bank's Articles of Association stipulate that the appointment and removal of Board of Directors and Board of Supervisors members, as well as their remuneration and payment methods, shall be determined by an ordinary resolution of the general meeting of shareholders. Meanwhile, the Board of Directors shall be responsible for appointing or dismissing the Bank's President and Secretary of the Board of Directors. Based on the President's nomination, the Board of Directors shall appoint or dismiss other senior executives such as the Vice President and Chief Financial Officer, and decide on their remuneration, rewards and punishments. The Board of Directors may authorize the Remuneration Committee to determine the remuneration of other senior executives.

The Bank's Remuneration and Assessment Committee of the 11th Board of Directors has 4 members, including 3 independent directors. The committee chair shall be an independent director. The committee is mainly responsible for reviewing the Bank's remuneration management system and policies, formulating the remuneration plan for directors and senior executives, and setting key performance indicators based on the senior executives' posts. The indicators shall take into account the Bank's strategy and sustainable development requirements, including ESG-related indicators such as operational performance, risk compliance and NPS. The appraisal serves as the basis for the performance evaluation of senior executives and is used to determine their bonus pay. To better prevent financial risks and inappropriate incentives, Ping An Bank has decided to defer a portion of the payment to senior executives in accordance with the "Supervisory Guidelines on Sound Compensation in Commercial Banks" and the Bank's regulations. The deferred payment period is three years, matching the exposure period of financial risks. The Bank shall decide whether to pay and the payment ratio shall be determined based on indicators such as risk exposure level.

The Board of Directors and Remuneration and Assessment Committee convened five meetings in 2020. Based on the aforementioned duties and responsibilities, they reviewed and passed the proposals on the

remuneration of some senior executives and listened to report presentations. All matters that needed to be divulged according to regulations were disclosed (See the Bank's annual report and announcements on resolutions of the Board of Directors for details).

2.1.3 Equity Management

Ping An Insurance (Group) Company of China, Ltd. and its controlled subsidiary Ping An Life Insurance Company of China, Ltd. are the controlling shareholders of the Bank with a joint share of 58%. The Bank is distinct and separate from its controlling shareholders in terms of business, organizations, personnel, finance and assets. The Bank is an independent business entity that runs its own operations. The Bank's controlling shareholders do not interfere with its operations and management.

In accordance with the Interim Measures for the Management of Equity of Commercial Banks and other regulatory regulations of China Banking and Insurance Regulatory Commission and the Articles of Association of the Bank, the Bank formulated Measures for the Administration of Equity Affairs of Ping An Bank Co., Ltd. in 2020 to strengthen the management of equity affairs and major shareholders. The measures specify that:

- When shareholders directly, indirectly, or jointly hold or control more than 5% of the Bank's shares or voting rights and have a significant influence on the Bank's decision-making on credit extensions, their voting rights shall be restricted at the general meeting of shareholders, including the voting rights of directors or representatives attending the board meeting.
- When the amount of shares pledged by shareholders reaches or exceeds 50% of the Bank's equity, the shareholders' voting rights shall be restricted at the general meeting of shareholders, including the voting rights of directors or their representatives at the board meeting.

At present, the Bank's credit extension is not overdue. The controlling shareholders' pledged shares have yet to reach 50% of the Bank's equity, which means their voting rights are not restricted.

In strict accordance with the regulatory rules and the aforementioned regulations, the Bank manages and discloses the shares of directors, supervisors and senior executives and any changes made to the amount of shares (see the Bank's annual report for details). No director, supervisor or senior executive has ever been punished by financial regulatory authorities or penalized by the Bank for flouting laws and regulations on holding, buying or selling the Bank's shares, or violated the Bank's articles of association and systems, or failed to fulfill their reporting obligations.

2.1.4 Comprehensive Risk Management

The Bank's Board of Directors takes the ultimate responsibility for comprehensive risk management, formulates risk tolerance, risk management and internal control policies, and ensures the Bank establishes

an appropriate risk management and internal control framework.

The Risk Management Committee, which reports to the Board of Directors, is mainly responsible for monitoring the control of risks such as credit risk, liquidity risk, market risk, operational risk, compliance risk and reputation risk of senior management. It is also responsible for regularly assessing the Bank's risk policy, management status and risk tolerance, and putting forward suggestions on improving the Bank's risk management and internal control. In 2020, the Risk Management Committee convened four meetings, deliberated and approved eight proposals. They reviewed or listened to the comprehensive risk management report, risk appetite statement, reports on interest rate risk in the banking book, liquidity risk, and information technology risk.

The Audit Committee of the Board of Directors reviewed and supervised the Bank's financial report, internal audit and internal control procedures, as well as compliance management. The Committee also reviewed or listened to reports on internal control, internal audit, compliance case prevention and data governance.

In addition, the Connected Transaction Control Committee of the Board of Directors assists the Board of Directors in managing, reviewing and approving connected transactions and controlling the risks of connected transactions. The committee convened 9 meetings, deliberated and approved 21 proposals in 2020.

The Bank has established a risk management system that covers basic systems, general management practices, and operational procedures in accordance with the requirements of the China Banking and Insurance Regulatory Commission and other regulatory authorities. The system covers risk identification, measurement, monitoring, reporting and control. All systems and management practices are regularly reviewed to improve and optimize the processes according to the business development situation. In 2020, the Bank ensured that all types of risks are under control by constantly optimizing the Bank's asset structure, enhancing the centralized risk management level, strengthening the asset quality control mechanism and the disposal of troubled assets and formulating an effective risk management program. Moreover, the Bank regularly carries out risk pressure tests, optimizes risk management tools, conducts risk training publicity and promotes smart risk management.

2.2 Compliance

The Bank strictly abides by business ethics and puts extra effort into developing a culture of compliance. We have established a compliance management framework under the Board of Directors' purview, while the head office's Compliance & Internal Control and Case Prevention Committees are responsible for planning, decision-making, coordinating and supervising. The management of all branches are

responsible for implementing compliance management. Moreover, the Bank has promoted the systematic and institutionalized planning and development of its compliance capabilities, and accelerated the pace of strengthening legal compliance with technology. It has built an intelligent compliance system, and promoted the smart and digital transformation of digital legal compliance management. In addition, the Bank organized a series of activities as part of the "Compliance Capacity Building Year", focusing on "Compliance Culture, Compliance Governance and Compliance Restrictions" to improve compliance and internal control.

The Audit Committee of the Board of Directors is responsible for checking the Bank's compliance status and conducting daily supervision on compliance risk management, including reviewing and approving compliance policies and overseeing their implementation, evaluating the effectiveness of managing compliance risks, as well as addressing compliance issues in a timely and effective manner. The committee listens to reports from the compliance officer and the compliance management department on compliance matters, organizes and guides case prevention work, and proposes recommendations to the Board of Directors. The Audit Committee of the Bank's 11th Board of Directors has 7 members, including 4 independent directors. An independent director serves as the chairperson of the committee. In 2020, the Audit Committee convened 6 meetings, deliberated and approved 18 proposals, and listened to reports on compliance and case prevention at all its regular meetings.

2.2.1 Business Ethics

The Bank is committed to conducting business activities that conform to the highest standards of business ethics and abide by laws and regulations. The Board of Directors and Board of Supervisors place great importance on the Bank's management of business ethics. In 2019, the President issued a revised version of the Code of Conduct for Employees, which requires employees to uphold integrity while commercial bribery is prohibited. Employees are also required to comply with anti-money laundering regulations, and report large and suspicious transactions in a timely manner, while strictly observing customer privacy. They shall properly store customer data and transaction information, and safeguard the legitimate rights and interests of customers. In 2020, all Bank employees took a basic course on the Code of Conduct and signed a compliance commitment statement.

In 2020, the Bank revised its Regulations on Punishment of Employee Violations and Regulations on the Management of Employee Demerit Points, defining violations in 14 business areas, including corporate business and corporate credit risk, transaction banking, retail business, small business, investment banking and asset custody. Corresponding demerit points or penalties were formulated based on the severity of violations.

Meanwhile, the Bank continued to improve the intelligence of case prevention, compliance and audit work. The Bank enhanced its smart audit AMS system, and established 98 examples of inappropriate employee conduct, such as employees' capital transactions, information declarations, reimbursements or procurement to monitor the risks of employee behavior 24/7, and identify possible infringement of laws and regulations. In addition, it focused on building a smart compliance KYS platform covering 4 major sectors, 9 scenarios and N databases, which provided full coverage, early warning and quick handling of employees' abnormal transactions, and gradually moved from "human control" and "machine control" to "smart control". The platform has become an important tool for monitoring and providing early warning, supervision and inspection, rectification and handling, as well as accountability and punishment.

A total of 13,780 cases of employee behavior monitoring data were screened in 2020, involving 2,264 employees from 73 units. Some 503 employees were found to have improper conduct; 146 violations were recorded; and 348 employees were punished.

2.2.2 Anti-corruption

In 2020, the Bank revised the Anti-Corruption Regulations of Ping An Bank and updated the scope of its enforcement. Members of the Board of Directors, members of the Board of Supervisors, regular employees, dispatched workers and outsourced employees of the Bank are required to fulfill their duties, and are prohibited from malpractices or abuse of power for personal gains, or flout the Bank's management rules while performing their duties or exercising their powers. The Regulations stipulate preventive measures (including promotion and education, discipline red line, etc.) and ways to investigate and deal with corruption, as well as encourage all employees to combat corruption.

With the revision of the Regulations, the bank organized an online anti-corruption campaign and "Compliance Culture Year". Through virtual visits, online examinations, case studies, anti-corruption posters, training lectures, anti-corruption films and talks, the Bank constantly raised awareness, explored online promotion mechanisms, and improved anti-corruption programs across the bank to turn compliance into a habit instead of a requirement. The Bank carried out comprehensive promotion online and offline via WeChat, Zhiniao App, video, poster, Happy Ping An app, mail, and lectures, to reach out to all employees (including outsourced employees).

The Bank adheres to the procurement principle of "cost-effective, open, transparent, and compliant", prevents malpractice in the procurement process, and implements a review and approval system for key procurement processes. Anti-commercial bribery clauses are also clearly stipulated in all contracts.

2.2.3 Anti-money laundering

The Bank places great emphasis on anti-money laundering and adheres to the "prevention first and risk-based" anti-money laundering principle. It continued to improve the anti-money laundering internal control management system and money laundering risk control mechanism, as well as strengthen anti-money laundering data governance and risk control of customers and businesses. The bank has also conducted anti-money laundering advocacy and training, and taken various measures to prevent money laundering, terrorist financing and international sanctions risks.

Sound management policy. The Board of Directors and Audit Committee are responsible for anti-money laundering and anti-terrorist financing management. Both parties reviewed and passed the Anti-Money Laundering Work Management Measures and related plans, covering key areas such as anti-money laundering management, large and suspicious transaction reports, customer identification and transaction record keeping, blacklist screening, and freezing of terrorist-related assets. The Board of Directors and Audit Committee oversee the anti-money laundering management of senior executives and promote an anti-money laundering compliance culture across the Bank

New technology integration. The Bank actively explores and promotes smart anti-money laundering, and continues to increase smart methods for monitoring suspicious transactions. It makes use of smart models to discover hidden features and capture new money laundering methods. Platforms such as Ping An Shield Anti-Money Laundering Management System and Smart Anti-Money Laundering Management System have been established to synchronize the life cycle management of anti-money laundering such as customer identification, large and suspicious transactions and blacklist screening, thus improving the effectiveness of anti-money laundering work.

Extensive promotion and training. In 2020, the Bank continued to conduct bank-wide anti-money laundering publicity and training with over 270 training sessions through online courses, video conferences, ACAMS and CGSS exams, and animation videos. More than 120,000 people participated in the training, thereby raising their anti-money laundering awareness and creating a culture of compliance.

Proactive reporting. The Bank actively identifies and reports suspicious transactions, providing valuable information to combat money laundering crimes. Our efforts were recognized by Wenzhou Central Sub-branch and Nanchang Central Sub-branch of the People's Bank of China, Qingshan Lake Sub-bureau of Nanchang Public Security Bureau, Zhongshan Public Security Bureau, and the Joint Office of Anti-Money Laundering in Shandong Province and other authorities.

2.2.4 Whistleblowing mechanism

The Bank has formulated the Management Measures for Whistleblowing, setting up reporting mailboxes at all workplaces, and establishing various reporting channels such as mailing, reporting mailboxes and

hotline. The headquarters' Administration Office acts as the "whistleblowing reception" that forwards reports and complaints. Reported matters are required to be followed through by relevant administrative departments or operation units within 60 working days.

In order to protect the legitimate rights and interests of whistleblowers, the Management Measures for Whistleblowing stipulates that it is strictly forbidden to repress, discriminate against or harass whistleblowers, accusers and their relatives. It is strictly prohibited to disclose the relevant information of the reported matters. Without approval, the reported matters and relevant information shall not be transferred to the reported party. Matters pending investigation shall not be disclosed or leaked. Violations on the rights of whistleblowers are to be severely dealt with. The Bank shall ensure the legitimate rights of the accused, including the right to defend themselves.

2.3 Sustainability Management

In 2020, Ping An Bank adhered to the national strategy to serve the real economy and the people. Focusing on customer needs, technology applications, and risk management, Ping An Bank continuously improved its management capabilities, and positioned itself as "a digital bank, an ecosystem, and a platform."

Striking a balance in economic, social and environmental benefits is the core strategy of Ping An Bank to achieve sustainable development. To build "China's most outstanding, world-leading smart retail bank",

Ping An Bank adopts the sustainability concept of "Responsibly create value and sincerely contribute to the society". We strive to become a valuable, humanistic, green and caring bank to promote responsible finance and realize economic, social, and environmental improvements.

We constantly improve our Corporate Social Responsibility (CSR) system and form a CSR management structure. The CSR management is led by the board of directors and senior management, with the headquarters coordinating with all departments and branches to implement the strategies at all operational levels. All employees shall play their part in ensuring the effectiveness of CSR management in daily operations.



The Bank's Board pays close attention to the Bank's green credit, social responsibility and consumer rights protection. The Board has set up a Strategic Development and Consumer Rights Protection Committee, which is responsible for formulating the Bank's management objectives and long-term development strategy, as well as supervising the implementation of the annual business plan and investment plan. It is also tasked with formulating the Bank's strategies, policies and objectives on consumer rights and interests protection, incorporating the protection of consumer rights and interests into the Bank's business development strategy, carrying out effective supervision and evaluation on consumer rights and interests protection, and promoting small and micro enterprises business planning and system development. In 2020, the committee convened three meetings, deliberated and approved four proposals. The committee also evaluated and formulated development strategies, and incorporated consumer rights protection, green credit, financial poverty alleviation and public welfare into development strategies. It guided the Bank's consumer rights protection work based on the overall plan, and regularly reviewed or listened to special reports on consumer rights protection.

The Bank won the "Most Socially Responsible Listed Company Award at the 9th Chinese Listed Companies Summit in November 2020.

2.3.1 Stakeholder engagement

We have established a regular communication mechanism with stakeholders. Through multi-channel and multi-form communication activities, we aim to meet the expectations and needs of stakeholders, respond to their concerns, and build harmonious and stable relationships with stakeholders.

In 2020, the Bank held its first online press conference to announce its annual results amid the COVID-19 pandemic. Some 270,000 participants registered to attend the virtual press conference. The Bank held a venue + telephone + video live broadcast interim results press conference, a quarterly teleconference and a phone roadshow. In addition, the Bank participated in the "online reception day for investors of listed companies in Shenzhen", answering the queries of investors by phone, mail and online platform. It also joined China Banking Association's ESG and High-quality Development Research Group, which provides the tools, methods and leading practices for the banking industry to prevent and mitigate financial risks, meet the compliance requirements of international and domestic securities regulators and institutional investors, and achieve better information disclosure.

Stakeholders	Expectations	Response Measures	Form of Communication
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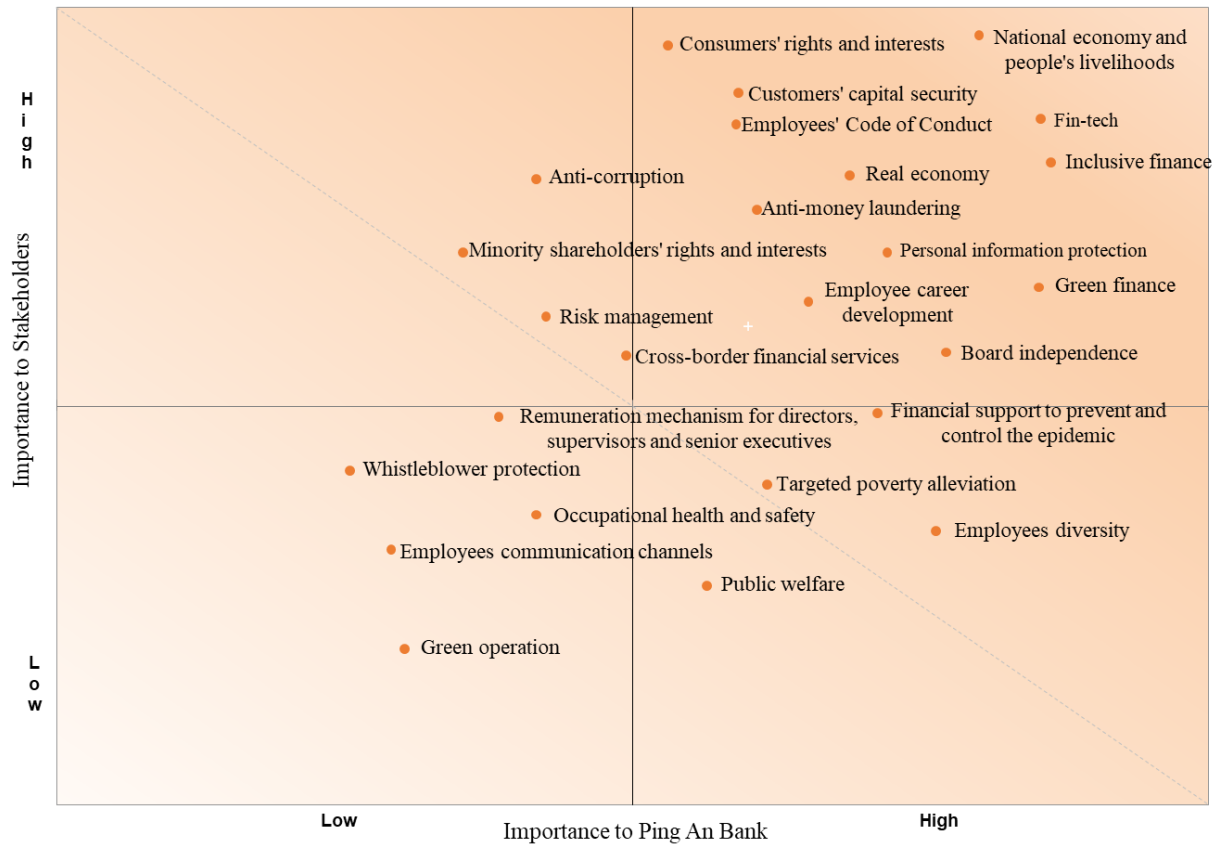
Government	<ul style="list-style-type: none"> • Lawful and compliant operation • Paying tax as the law requires • Environmental protection • Promoting employment • Facilitating local development • Facilitating industrial development 	<ul style="list-style-type: none"> • Complying with national and local regulations • Paying tax in full and on time • Developing green credit • Providing more job opportunities • Involving in local construction and procurement • Giving proposals and suggestions for industry development 	<ul style="list-style-type: none"> • Project approval • Participating in the related meetings • Report on daily work • Information disclosure • Participating in industry association activities (China Banking Association, China Payment and Clearing Association, etc.)
Stockholders	<ul style="list-style-type: none"> • Steady development • Maintaining and increasing the company value 	<ul style="list-style-type: none"> • Improving corporate governance • Improving product competitiveness • Improving product profitability • Improving brand image and reputation 	<ul style="list-style-type: none"> • Information disclosure • General meeting of stockholders • Written notification • Performance conference
Customer	<ul style="list-style-type: none"> • Launching inclusive finance • Quality service • Respect privacy 	<ul style="list-style-type: none"> • Strengthening financial products and services led by technology • Setting up service hotline and complaint channel 	<ul style="list-style-type: none"> • Customer service hotline • Customer service activities • Survey on customer satisfaction • Daily contact with customer manager
Staff	<ul style="list-style-type: none"> • Protection of rights and interests • Promising career prospects • Comfortable and safe working environment 	<ul style="list-style-type: none"> • Strict implementation of relevant laws and regulations • Designing a fair evaluation and promotion mechanism • Organizing a diversity of cultural and physical activities • Constantly improving the working environment 	<ul style="list-style-type: none"> • Labour union • Forum and training • Internal publication platforms such as internal journals and intranet
Community	<ul style="list-style-type: none"> • Advocating community construction • Carrying out charity activities • Participating in community activities 	<ul style="list-style-type: none"> • Promoting targeted poverty alleviation • Developing financial poverty alleviation • Regularly communicating with the community • Participating in local construction 	<ul style="list-style-type: none"> • Charity activities • Volunteering • Information disclosure
Partners	<ul style="list-style-type: none"> • Fair procurement • Good-faith • Mutual benefit and collaboration • Mutual growth 	<ul style="list-style-type: none"> • Public procurement information • Timely payment • Help suppliers grow 	<ul style="list-style-type: none"> • Project cooperation • Work conference • Daily communication

Media	<ul style="list-style-type: none"> • Compile data • Regular reporting and interviewing 	<ul style="list-style-type: none"> • Organize media interviews • Releasing information to media 	<ul style="list-style-type: none"> • Media open day • Press conferences • Media interviews
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2.3.2 Material issues

Through external ESG ratings, peer benchmarking and internal department interviews, Ping An Bank combined the opinions of various parties to identify key issues that serve as an important reference for the preparation of the Bank's sustainability report and future plans.

Ping An Bank 2020 Sustainability Materiality Matrix



II. Responsibility Highlights

3. COVID-19 Pandemic Prevention and Control

In 2020, people home and abroad joined hands to fight the COVID-19 pandemic. The Bank implemented the decisions of the State Council, prioritizing COVID-19 prevention and control and placing the safety of employees first. The Bank provided assistance to affected customers and frontline healthcare workers, and supported entities through financing to fulfill its mission as a financial institution and social responsibility as a corporate citizen.

The Bank donated more than **30 million yuan**

Employees donated more than **12 million yuan**

Anti-pandemic financing exceeded **10.25 billion yuan**

3.1 Swift assistance to Wuhan

The COVID-19 outbreak struck Wuhan in the beginning of 2020. The Bank offered its solidarity with Wuhan, and donated 30 million yuan to help fight against the outbreak. With the spread of the coronavirus, hospitals in Hubei Province were in dire need of protective supplies. The Bank mobilized employees to donate over 12 million yuan, built an "exclusive channel for anti-pandemic supplies", connected supply and demand, and sped up the delivery of supplies to hospitals.

The outbreak was ruthless. The brave heroes on the frontline fought against the coronavirus day and night without a decent meal due to a shortage of freshly-prepared meals. The Bank immediately raised donations to purchase 100 tons of fruits and vegetables from poverty-stricken areas and delivered them to hospitals in Wuhan, providing essential necessities to the brave fighters while creating revenue in poverty-stricken areas.

Apart from donating money and supplies to help fight against the outbreak, the Bank also optimized its online business and launched various measures such as deferred repayment, waiving or reduction of fees, preferential interest rates and credit line support to help customers overcome tough times. The Bank provided additional credit of more than three billion yuan for the urgent construction of Wuhan's Huoshenshan Hospital and provided insurance protection coverage worth 2.55 billion yuan to construction workers of a hospital in Henan to ease their safety concerns.

All employees of the Bank made concerted efforts to fight against the pandemic. Many employees were granted the Group's award of "Pioneer Volunteer Against COVID-19". The Bank's Wuhan Branch, which was at the forefront of the fight against COVID-19, leveraged on its financial advantages and fulfilled its social responsibilities. In 2020, it increased 3.099 billion yuan of inclusive loans to small and micro enterprises, and deferred the principal repayment of 7,765 SMEs worth 387 million yuan. The financing cost of inclusive loans

to SMEs decreased 1.95% compared with the beginning of the year. The Wuhan Branch rose to the challenge of fighting against the outbreak, while promoting the resumption of work to improve business performance. Hu Yuefei, President of Ping An Bank, issued a certificate of commendation to Wuhan Branch in recognition of its efforts. The Wuhan Branch also received praise from Ping An Group.

With the spread of COVID-19 across the world, the Bank also joined its sister companies to donate US\$1.5 million and £1.1 million of anti-pandemic supplies to Indonesia and the UK, respectively.

After the lockdown was lifted in Wuhan, Chairman Xie Yonglin led a team to Hubei twice and held talks with leaders of Hubei province and Wuhan city to better understand the situation of Hubei's construction industry after the outbreak, and reached a consensus on cooperation projects between Ping An and Hubei. The Bank is committed to making use of Ping An Group's financial and infrastructure expertise s to support the resumption of work among Hubei companies with innovative financial products. We participated in Hubei's infrastructure projects, helped Wuhan build a smart city and digital government, and will strive to make greater contributions to the post-pandemic recovery of Hubei.

Though we live in different places, we share the same clouds and rain, with the bright moon shining down on all of us. Ping An Bank and ethnic Chinese all over the world are in this together and we shall prevail!



Chairman Xie Yonglin (left) having a discussion with Ying Yong (right), Secretary of Hubei Provincial Party Committee

On March 18, 2020, the Hubei Infection Prevention and Control Headquarters sent a letter of appreciation to the Bank, affirming the Bank's contribution to Wuhan in coping with the outbreak.

MEDIA FOCUS: Ping An Bank Innovates the "Anti-pandemic + Poverty Alleviation" Model and Vows to Win Two Tough Battles

Source: China Banking and Insurance News, Publication date: March 12, 2020

Ping An Bank focused on COVID-19 prevention and poverty alleviation to introduce a new "anti-pandemic + poverty alleviation" model that increased farmers' output, and subsequently transported fruits, vegetables, oats and other agricultural products to Wuhan.

To minimize hospital staff's workload and ensure medical workers can enjoy freshly prepared meals, Ping An Bank divided and packed the food supplies at the place of production before delivering to Wuhan. Once the hospital receives the food, it can distribute the pre-packed food to healthcare workers, improving manpower and resource efficiency.

The agricultural products donated by Ping An Bank came from enterprises in its targeted poverty alleviation initiative. The Bank's purchase order stimulated food production in Ulanqab and Tiandong, and accelerated the pace of resuming work and production. At an oats factory in Ulanqab, the staff worked overtime while observing COVID-19 prevention measures. In Tiandong County, Guangxi Province, dozens of farmers gathered on March 10 to pick fruits and vegetables and pack them for delivery. Two days later, large trucks loaded with 7,600 fresh vegetable packages left for the north. In Inner Mongolia's Horqin Right Wing Middle Banner, a dozen workers loaded 2,600 bags of rice into large trucks and headed south. These agricultural products addressed Wuhan medical staff's need for fresh food, as well as the need to generate revenue in poverty-stricken areas.

With proper coordination, orderly organization and professional operations, Ping An Bank innovated the "anti-pandemic + poverty alleviation" model, which not only helped in winning the battle against the coronavirus in Wuhan, but also contributed to the victory against poverty.



Large trucks loaded with 7,600 fresh vegetable packages rushing to Wuhan hospitals

3.2 Securing financial services

At the start of the COVID-19 outbreak, the Bank rapidly launched a number of measures to encourage "conduct business from home" to help customers use online financial services. It supported the account settlement needs of firms that conduct import and export activities, and ensured that the transfer of foreign currency could be checked online in real time. The Bank also set up a green channel for online approval and granting of loans, implemented a list management for enterprises in key fields such as infection prevention and anti-pandemic medicines, public welfare programs, and formulated differentiated credit policies.

- **Financing support**

The Bank issued 124 loans totaling 10.25 billion yuan to support the fight against COVID-19, of which 3.761 billion yuan was used to provide medical supplies and 5.639 billion yuan for household necessities.

Subscribe for epidemic prevention and control bonds	Hospital construction loan	Loans for enterprises fighting against the epidemic
<ul style="list-style-type: none"> •Subscribed for 670 million yuan of epidemic prevention and control bonds of enterprises such as Sichuan Kelun Pharmaceutical •Invested 130 million yuan in Shenzhen Metro's anti-epidemic debt •Purchased 1 billion yuan of China Guangfa Bank's special anti-epidemic debt •Invested 560 million yuan in Industrial Securities's epidemic prevention and control debt 	<ul style="list-style-type: none"> •Wuhan Branch released a loan of 30 million US dollars to contractors of Wuhan Huoshenshan Hospital and Wuhan Leishenshan Hospital •Qingdao Branch released a working capital loan of 350 million yuan to enterprises participating in the construction of the Wuhan Huoshenshan Hospital sewage treatment project •Changsha Branch released 43.75 million yuan of domestic certificates to the construction units of medical projects such as Wuhan Leishenshan Hospital and Wuhan Cabin Hospital 	<ul style="list-style-type: none"> •Beijing Branch released a working capital loan of 200 million yuan to a pharmaceutical company to purchase medical supplies •Wuhan Branch released working capital loans of 50 million yuan to enterprises fighting against the epidemic in Hubei

● Preferential financial policies

The Bank also provided preferential loan interest rates, priority credit line support, green channels for cross-border business, waiving and reduction of transfer and online banking fees and other support for severely-affected COVID-19 areas and pandemic prevention-related industries. It also provided green channels and waiving and reduction of transfer fees for disaster relief funds and donations from people from all walks of life across the country. Deferred repayment of loans was also granted to individuals in severely affected areas.

CASE STUDY: Providing green channels for cross-border business

A petrochemical company needed more quota to import oil for refining. Its daily polypropylene output could meet the production of 400 million masks by mask manufacturers. The import letter of credit issued by Dalian Branch expired on February 7. It took only one day to complete the payment after Dalian Branch delegated relevant business departments to ensure that all business and compliance requirements are met. A total of 930 million yuan was remitted, ensuring the supply of raw materials for mask manufacturers is maintained.

● Innovative online services

To address the actual needs of enterprises and residents, the Bank's business outlets implemented off-peak working hours. Online services as ensured that users can conduct various banking activities any time. The Ping An Pocket Bank mobile app launched a number of financial services to facilitate customers' banking needs from the comfort of their homes. The number of visits exceeded two million, three days after the launch of "conduct business from home". The Bank also provided customers with 24-hour all-product consultation through its AI customer service, making it more convenient for customers.

In terms of corporate services, Ping An Pocket Finance provided convenient mobile office services for corporate customers, and provided appointment services, account services and other remote services for companies through over-the-air counters. Ping An Bank's digital financial products for small enterprises solved the financing difficulties of small and micro enterprises through online application, approval and granting of loans. During the COVID-19 outbreak, our digital financial products for small enterprises solved the urgent needs of pharmaceutical manufacturers by building a pharmaceutical industry data risk control model and adopting "industry data + online operation + smart risk control" measures.



"The epidemic has pushed Ping An Bank's digital operation and online operation to a new height."

—Xie Yonglin, Chairman of Ping An Bank

CASE STUDY: Supporting key enterprises for epidemic prevention and control

Since the COVID-19 pandemic in 2020, the Kunming Branch has made credit granting a priority to key enterprises in infection prevention and control. It rapidly extended credit to manufacturers and key state-owned enterprises listed by Yunnan Provincial Department of Industry and Information Technology to ensure the stable supply of COVID-19 essentials. The Bank granted cumulative credit line worth over one billion yuan and cumulative loan of over 300 million yuan.

To meet the short-term financial needs of companies involved in the production of medical supplies, the Qingdao Branch worked with the Headquarters' risk and product teams during the Lunar New Year holidays to add a specific plan for order financing on top of its existing digital financial standard products for small enterprises, as part of a COVID-19 contingency plan for customers in the medical industry. It further joined all sectors of society to help win the battle against coronavirus.

CASE STUDY: Omni-process cross-border e-financial services

Shijiazhuang Branch actively responded to the call of "zero contact" with customers and provided comprehensive online business during the epidemic prevention and control period. It introduced cross-border e-finance to customers. On February 24, a customer opened an import letter of credit worth US\$880,000 online, marking the branch's first online processing of import letter of credit. In import trade, transactions are frequent but the amount is often small, while each transaction needs to go through a long approval process. The branch completed the first online payment of US\$110,000 for import bills through cross-border e-finance, which laid a solid foundation for the continuous development of import trade financing business.

MEDIA FOCUS: Finance + Life facilitates resumption of work and production! Ping An Bank launches special services in response to COVID-19

Source: China Banking Association. Publication date: April 16, 2020

In late January, the COVID-19 outbreak prompted the retail banking management team of Ping An Bank to ask: What difficulties would customers face if they cannot go out and make banking transactions on time? After an urgent internal meeting, Ping An Bank launched the Pocket Bank COVID-19 Zone based on the user's perspective, and once again set a new "Ping An Speed" record. On January 29, the Bank urgently assigned the task of building the COVID-19 Zone, and the first version of the COVID-19 Zone was launched on January 30. Ten days after its launch, daily visit exceeded one million, and the number of visitors increased tenfold to 500,000.

This is a representation of Ping An Bank's use of technology to optimize and upgrade its financial services and provide strong financial protection for users to fight against the coronavirus and return to work safely. Since the outbreak, Ping An Bank has launched online tools such as "conduct business from home". The Bank resumed over 60% of its core businesses on February 20 through its online office platform. It also achieved a better recovery rate of Assets Under Management (AUM) compared to the period before the pandemic hit. As Xie Yonglin said, COVID-19 is a crisis, but also an opportunity to improve management and customer services. The fight against the coronavirus has spurred new ideas for the banking industry to practice "finance for good" and provide smarter and more open online services.

4. Rural Entrepreneurship Program

2020 is the final year of building a prosperous society and the 13th Five-Year Plan, the year of achieving “the First Centenary Goal”, and eradicating poverty. The Bank took the initiative to uphold the national poverty alleviation strategy, promote the "Rural Entrepreneurship Program" based on industrial poverty alleviation, and create poverty relief measures such as "intellectual training, industrial development, one village one product, as well as production and marketing empowerment". Using various methods such as industrial poverty

Invested a total of **25.309 billion yuan** in industrial poverty alleviation funds

Benefiting **810,000** poor people

alleviation loans, poverty alleviation government bonds, poverty alleviation corporate bonds, poverty alleviation through tourism, intellectual training, and poverty alleviation in villages, the Bank invested a total of 25.309 billion yuan of industrial poverty alleviation funds, benefiting 810,000 poor people.

In 2020, the Bank's Rural Entrepreneurship Program was recognized by the State Council Leading Group Office of Poverty Alleviation and Development, China Banking Association, China Internet Information Center and other sectors of society.

- Top 50 Special Cases of Targeted Poverty Alleviation Led by an Enterprise—The State Council Leading Group Office of Poverty Alleviation and Development
- Best Targeted Poverty Alleviation Contribution Award—China Banking Association
- Exemplary Cases of Excellent Organizations in the National Banking Industry Helping to Combat Poverty—China Banking Association
- Pioneer Institutions for Financial Poverty Alleviation—China Internet News Center
- Excellent Case of Promoting Targeted Poverty Alleviation—China Banking and Insurance News

4.1 Entrepreneur training

Following the guidance of the State Council Leading Group Office of Poverty Alleviation and Development, the Bank partnered with the China Poverty-Alleviation Promotion of Volunteer Service to organize entrepreneur training courses in poverty-stricken villages, and continued to conduct "1 + 11" (1 month intensive training + 11 months follow-up coaching) business incubation, tracking the transformation of training results through the four steps of "increasing intellectual capacity, nurturing, developing skills and strengthening the foundation". In 2020, the Bank launched an online training course for entrepreneurs in poor villages, built the "Zhiniao" online intelligence training platform, and realized e-learning, live video broadcasting, online communication and other methods to help entrepreneurs continue learning. By the end of 2020, a total of 3,678 people had been trained in 87 counties.

"China has 128,000 poverty-stricken villages. If each poverty-stricken village trains three to four entrepreneurs, the poverty-stricken villages in China will train 400,000-500,000 entrepreneurs. They will make our goal of eradicating poverty a reality."

-Liu Yongfu,

Director of the State Council Leading Group Office of Poverty Alleviation and Development

On August 20, 2020, Chairman Xie Yonglin attended the graduation ceremony of Ping An's "Village Officers, Village Doctors and Village Teachers" Project and the Training of Entrepreneurs in Liangshan Prefecture.



Chairman Xie Yonglin (left) meeting with Deputy Secretary and Governor of Liangshan Prefecture Committee Sugarbu (right)

CASE STUDY: Lu Yongbiao, Entrepreneur of Mango Town," Helps Villagers to Get Out of Poverty and Promote Self-Reliance

Lu Yongbiao, who hails from Xinxu Village, Tiandong County, Baise City, Guangxi Province, was a trainee of the Bank's first entrepreneur training course. Lu Yongbiao returned to his hometown to start his own business and built a 200-acre mango plantation a few years ago. During the entrepreneur training, Lu Yongbiao was inspired after visiting aquaculture sites in Jiujiang Town, Foshan City and learned about the economic development model of Zinan Village. After the training, Lu Yongbiao expanded his mango plantation. Taking advantage of the water source in his hometown, Lu Yongbiao invested in aquaculture to help more poor households get out of poverty.



Lu Yongbiao appears on Phoenix Satellite TV

4.2 Strengthening industrial development to facilitate poverty alleviation

In line with the national poverty alleviation strategy, the Bank innovated the industrial assistance model, integrated COVID-19 prevention and control, economic development and the "three provinces and three prefectures" assistance plan. In the form of preferential interest rate loans such as hydropower loans, loans for livestock breeding and crop planting, road construction loans and bond investments, the Bank supported poverty alleviation projects of core agricultural enterprises and promoted industrial development and poverty alleviation. It also introduced a modern agricultural industry chain that is closely linked to poor households' crop planting and livestock breeding, helping the poor to break the cycle of poverty and increase their income.

CASE STUDY: Financing hydropower projects—a China Case to international poverty alleviation

The Bank combined poverty alleviation and green development to offer hydropower enterprises with poverty alleviation funds, support the development of companies, while building hydropower stations in poverty-stricken areas to power local industries. By providing capital, technology, marketing and training, the Bank has empowered the economy of villages. The Bank's hydropower projects cover Guangxi, Yunnan, Sichuan, Ganzi prefecture, Liangshan prefecture and other severely impoverished counties. Through employment, land compensation, purchasing and consuming of agricultural products, and assisting local industries, the Bank has directly helped 3,225 poor people, and provided indirect assistance to more than 100,000 underprivileged people. The Bank's hydropower poverty alleviation initiative was featured in the United Nations Industrial Development Organization's World Small Hydropower Development Report, showcasing a "China Case" of international poverty alleviation.



Ping An Bank's hydropower poverty alleviation program supports the construction of Baihetan Hydropower Station

4.3 Incubating local brands for village revitalization

The Bank focused on agricultural products with great market potential, distinct cultural characteristics and high value to create a specialized product chain. Through a "finance + technology + production and sales" collaboration model, the Bank built a mall that sells 144 types of agricultural products as part of its poverty alleviation initiatives, such as Ping An oranges, Ping An apples, Guangxi brown sugar, "Zhengda" bacon and Inner Mongolia's quality oats. Tapping into rural revitalization opportunities, the Bank created a rural tourism poverty alleviation project. Public-private partnerships and customer participation generated income to rural communities, supporting the long-term sustainable development of rural tourism with the "poverty alleviation through tourism + rights and interests + public welfare" model, and further contributing to poverty alleviation and raising income in poverty-stricken areas.

CASE STUDY: Rural tourism development and building Ping An Village--"camellia oleifera town"

Ping An Village is located in a hilly area in Hunan province's Xiling town, Changning city. Tens of thousands of acres of camellia oleifera trees are planted in the village. The village is characterized by its beautiful rural environment, unique ecological landscape and was the hometown of Zhou Dunyi, who conceptualized Neo-Confucianism. The Bank invited tourism operators to visit the village and jointly develop customized rural tourism products. As Ping An Village is suitable for tourism, the Bank marketed it as a "leisure + culture + Red Revolution" destination, along with the nearby Mount Heng and Shaoshan, an important base during the Chinese Communist Revolution.



Tea plantation at Ping An Village in Hunan province's Xiling Town, Changning city

4.4 Innovation and marketing empowerment

The Bank joined sister companies under Ping An Group to launch the large-scale public welfare project "Ping An Cloud Farm" in May 2020 as part of poverty alleviation efforts through online consumption. With the adoption of "one tree" and "one acre of land", the bank linked the market, farmers and the government, while making use of Ping An's online and offline resources to connect customers, suppliers, farmers and public welfare organizations, and build an open online public welfare network to increase farmers' income. Chairman Xie Yonglin planted an olive tree in Liangshan in Sichuan province to symbolize his endorsement of the local olive industry. We also invited leaders of poverty-stricken counties, social media influencers and volunteers to help sell agricultural products through live streaming. By the end of 2020, we helped poverty-stricken areas achieve sales revenue of 81,242,400 yuan.



The "Ping An Cloud Farm" poster

III. Economic Responsibility

5. Support Real Economy

Facing the double challenge of global economic downturn and domestic economic transformation in 2020, the Bank made use of its strengths and created a full chain industry solution of "commercial banking + investment banking + investment" through group funding and an investment and financing mechanism. It provided financial services for national strategic development projects and major projects of core enterprises, and helped promote China's post-pandemic economic development.

The Bank won the "2020 Excellence Award for Serving the Real Economy" at the Securities Daily's 4th New Era Capital Forum in December 2020 for its outstanding contribution to the real economy, small and micro firms as well as private enterprises.



5.1 Boosting regional development

Coordinated regional development is one of the major national strategies in the new era and an important part of implementing new development concepts and building a modern economic system. In 2020, the Bank implemented the Opinions of the CPC Central Committee and State Council on Establishing a More Effective New Mechanism for Coordinated Regional Development. It adapted to the new trend of regional economic transformation and participated in the over-the-counter issuance of four local government bonds in Guangdong, Zhejiang, Sichuan and Shaanxi, driving all sectors of society to participate in local development.

CASE STUDY: Providing all-round services to Guangdong-Hong Kong-Macau Greater Bay Area Strategy

Ping An Bank's Hong Kong Branch officially opened in December 2019, leveraging its strengths in trade and supply chain finance to provide customers with commercial banking + investment banking + investment" solutions in key areas such as capital market and overseas mergers and acquisitions. In trade finance, it provides integrated cross-border financial services such as cash management and supply chain financing for Ping An's domestic and overseas customers, as well as financial service support for companies "going abroad" and local customers in Hong Kong.

The Guangzhou Branch provided credit services to customers in the construction and infrastructure sector, such as Guangzhou-Zhuhai West Expressway, Guangzhou Water Investment Group, Guangzhou Metro Group and China Railway Guangzhou Group, contributing to the construction of transportation hubs in the Greater Bay Area and

Pearl River Delta. The Zhuhai Branch made use of Hengqin Free Trade Zone's policy advantages to promote the diversified development of Macau's economy, and reached an agreement to collaborate with the Macau Stock Exchange. To speed up the interconnection of Guangdong-Hong Kong-Macau Greater Bay Area's financial infrastructure, the Bank undertook the development of the "Bay Area Trade Finance Blockchain Platform". The blockchain platform, initiated by People's Bank of China Shenzhen Branch and coordinated by Digital Currency Research Institute, aims to build a blockchain trade and finance business service platform with "primary and secondary markets, domestic and overseas access, commercial and regulatory functions, as well as online and offline interfaces".

CASE STUDY: Optimizing the business environment of Hainan Free Trade Port

On June 1, 2020, the CPC Central Committee and State Council issued the Master Plan for the Construction of Hainan Free Trade Port, which published a number of strategies related to the opening and innovation of the financial industry. The Bank immediately held a special seminar to conduct policy analysis, revised systems, optimized products and systems, and enhanced product and business service capabilities to support the construction of Hainan Free Trade Port. By the end of 2020, the trade financing business of Haikou Branch surged 106% compared to the same period last year. Offshore cross-border financial transactions also skyrocketed 219% compared to the preceding year. The branch completed its first overseas loan under domestic guarantee, and handled the opening of the first account of a company with an electronic business license in Hainan, helping to improve the business environment of Hainan Free Trade Port.

CASE STUDY: Promoting the integration of Beijing-Tianjin-Hebei

To promote the integration of Beijing-Tianjin-Hebei and development of big data centers, the Bank's Beijing branch provided leading IDC operators a 1.3 billion loan with a four-year term to support the development of super-large data center projects. The IDC industry has an extended loan repayment period. It took the opportunity to pursue direct equity investment, and recommended Ping An Venture Capital to lead the investment of one billion yuan to accelerate the pace of restructuring and listing of customers in capital markets. It also aims to help customers enter emerging areas in cloud computing and Internet of Things, and gradually become world-class and domestic top data storage centers, data centers of disaster recovery for national agencies and enterprises, as well as incubation, research and development and production bases for value-added information services and high-tech applications.

5.2 Building smart cities

In their new journey towards building a modern socialist country, cities have undertaken the historical mission of creating high-quality living spaces. The "14th Five-Year Plan" recommended the "acceleration of digital development", "promotion of new urbanization with people as the core" and "improvement of urban

governance". The development of smart cities cannot be achieved without technological and financial assistance. As a pioneer in technology and an integrated financial engine in Ping An's ecosystem, the Bank focuses on the value chain of smart justice, smart taxation and smart customs, and works with the government and industry partners to promote the development of smart cities in the new era. The Bank launched 145 new government financial platforms in 2020, raising the total number of government financial platforms to 715.

5.2.1 Smart justice

The Bank has set up China's first bankruptcy management platform to provide efficient and convenient system services for courts, insolvency practitioners associations, bankruptcy administrators, creditors and debtors. During the COVID-19 prevention and control period, the Bank assisted courts and administrators in handling bankruptcy cases online, and provided over 250 online creditors' meetings free of charge.

CASE STUDY: Four innovations to help Guangzhou's smart bankruptcy system go live

Ping An Bank's Guangzhou Branch and Guangzhou Intermediate People's Court have developed and launched the Guangzhou Smart Bankruptcy Trial System. The system and the existing online (WeChat) creditors' meeting, creditor's rights declaration applet, and 5G creditors' meeting constitute the "four-in-one" Guangzhou Court Smart Bankruptcy System. Taking advantage of the national bankruptcy network and the existing Guangzhou Smart Court platform, the system added more personalized functions and realized "four initiatives", namely China's first smart service platform for local administrators, first dynamic supervision platform for local bankruptcy trials in China, first creditor evaluation and supervision platform in China, and China's first blockchain coordination platform for bankruptcy trials.

5.2.2 Smart taxation

The Bank built an industrial tax alliance chain using blockchain technology, connecting tax bureau services with the upstream and downstream operators of the industry chain. The Bank linked upstream and downstream enterprises in the industry chain through the collaboration platform with industrial interconnection as the core and created a more open, efficient, credible and auditable collaboration mechanism. It further realized the integration of industry, billing, financing, capital and tax, and built a sound ecosystem combining industry and finance-industry and tax-finance and tax.

CASE STUDY: Assisting Shenzhen Taxation Bureau to build a tax-industry alliance chain

The Shenzhen Taxation Bureau signed an agreement with Ping An Bank, Tencent Group, Zhongzhuang Construction Group and Sunwoda Electronics to jointly build a "tax-industry" alliance chain on May 9, 2020. The agreement marked another technological innovation and breakthrough of Shenzhen Taxation Bureau after the issuance of blockchain invoices earlier. Using the Bank's leading blockchain technology, the system automatically identifies OCR and verifies the invoices imported by staff through the alliance chain, completing

the checking of invoices in seconds. Through AI artificial intelligence analysis, the system automatically extracts and compares invoice information with key information of trade contracts to realize automatic audit of invoices and trade data, as well as online invoice collection. It is expected to save at least 60 person-months of manpower every year, improving the efficiency of the banking industry chain and delivery of funds in the upstream and downstream sector of the industry chain.

5.2.3 Smart customs

The Bank supported the linking of finance, customs, treasury and banking to realize the electronic circulation of customs tax information among customs, treasury, commercial banks and other departments. Tax information is stored in the electronic treasury database so that all data is available online throughout the entire process. The Bank connected its payment system with China's General Administration of Customs, allowing importers and exporters to sign contracts and pay customs duties online in Chongqing, Shanghai, Qingdao and Tianjin. During the pandemic, the Bank helped enterprises to receive customs clearance for COVID-19 supplies through the 24/7 online service, with the accumulated payment exceeding 3.899 billion yuan.

5.2.4 Smart hospital

While basic medical insurance coverage is expanding in China, patients are not allowed to complete medical insurance settlement on the day of discharge from hospital to ensure the accuracy of medical insurance claims. The Bank's Tianjin Branch launched the smart hospitalization bill system at Tianjin Chest Hospital, which enables self-service payment, self-service inquiry, and check the discharge settlement. It further addressed issues such as long waiting time for elderly patients to see a doctor. After the smart hospitalization electronic bill system of Tianjin Chest Hospital went live, procedures for patients were reduced from 5-10 days to 3-5 days. The system's electronic bill has the same legal effect as the paper bill.

5.2.5 Smart elderly care

On January 16, 2021, the Bank launched its "Ping An Yinian Club", which focuses on the needs of elderly customers through an online and offline integrated senior citizen financial service system. The Bank created a large-font version of an exclusive pocket bank app with simpler pages and operations to provide customized financial services and an online "Yinian Mall" for elderly customers. It also built Yinian special stores at communities, set up a VIP waiting area for elderly customers, and provided on-site guidance for elderly customers to use smart devices at outlets. For special customers with urgent needs but unable to visit the counter in person, the store provides accessible services that meet elderly customers' needs.

5.2.6 Smart campus

A university campus represents a comprehensive humanistic ecosystem. Campus services, social interactions, academic environment and culture are important factors in ensuring its effectiveness and sustainable development. Relying on the service capabilities of smart campuses, the Bank provides higher education

institutions with an all-in-one campus card to meet the needs of universities in building a new generation of smart campuses based on mobile Internet technology. A smart campus improves the efficiency of university management and provides comprehensive, standardized, smart and in-depth services to academics and students with better coverage. In 2020, the Bank implemented campus card projects in six universities.

5.3 Accelerating industrial progress

China has developed strategic emerging industries in recent years. The Chinese government issued a number of guidelines to manage the investment of resources. The Bank aligns its work with national development policies, prioritizing support for credit projects in strategic emerging industries such as ICT, healthcare, transportation, warehousing and logistics, new infrastructure and new economy, advanced manufacturing and key areas of technological innovation to promote the transformation and development of China's strategic emerging industries.

5.3.1 Loans for railway network construction

Strengthening the construction of railway infrastructure network was an important part of the "13th Five-Year Plan". The Bank participated in investment and financing projects of railway construction to help upgrade China's railway network.

The Yuxi-Mohan Railway is a national class I railway under construction. As part of the "13th Five-Year Plan", the railway is an important component of the Pan-Asia Railway, the foundation of China's national railway network. To support the construction of the Yuxi-Mohan Railway and aid the development of infrastructure industry in Yunnan Province, the Kunming Branch made use of Ping An Group's strengths in integrated financial services and partnered with Ping An's wealth management subsidiary to provide 280 million yuan for the investment of the project through direct financing tools in 2020, providing customers with financial support despite a difficult year in raising public funds.

The Changsha Branch continued to support Hunan province's "Changde-Yiyang-Changsha Railway Land Acquisition and Demolition PPP Project", a major infrastructure project in 2020. In the past few years, the Bank also provided funding to Hunan province's other PPP railway infrastructure projects, including the second line extension of Chongqing-Huaihua Railway from Meijiang to Huaihua, as well as the land acquisition and demolition project of Zhangjiajie-Jishou-Huaihua High-speed Railway. The Changde-Yiyang-Changsha Railway project is an important part of the "One Horizontal", Xiamen-Chongqing corridor in the national "Eight Vertical and Eight Horizontal" high-speed railway main corridors. After the completion of the project, China's high-speed passenger transport network will extend to Sichuan and Chongqing, improving the transportation infrastructure in western Hunan, and driving regional economic development along the route. The Changsha Branch provided a 2.1 billion yuan loan for the three projects of Hunan Railway Investment and Development Co., Ltd.

5.3.2 Promoting the development of renewable energy industry

The Bank has made efforts to meet the country's development goal of low-carbon transformation, taking advantage of the Bank's financial services to support the development of sustainable energy.

Through the "direct bank-enterprise connection + bill pool" and the new supply chain in the photovoltaic industry, the Bank innovated the supply chain cooperation model and provided ten billion yuan of bill pool to a world's leading solar energy company, with an annual cumulative business settlement amount of 16 billion yuan. It has become one of the largest partner banks, helping the company optimize the supply chain of the photovoltaic industry.

Through special credit support, the Bank provided a long-term project loan of 990 million yuan to a power company's wind power project in Heze, Shandong province, promoting the development of renewable energy business.

In the automotive industry, the Bank provided 1.5 billion yuan of discount loans to a leading automobile manufacturer at a discount rate lower than the same period in the market. It also assisted the customer by granting 15 million pounds of loans to overseas entities to ensure the job security of employees and stable operations of overseas entities in the early stage of resumption of work and production, and help the post-pandemic development of automobile manufacturers.

5.4 Helping Chinese companies go abroad

Global economic integration has been a growing trend in recent years. As part of the "Go Global" policy, China has accelerated the pace of implementing national strategies such as the "Belt and Road" initiative, internationalization of RMB, and the construction of free trade zones. As a result, China has been opening up its financial sector further with more cross-border economic activities. With new changes in the cross-border financial needs of Chinese enterprises in their move to "Go Global", the Bank has strengthened its cross-border financial services by aligning its work with the national strategies. It has provided a full range of offshore banking services to nearly 20,000 businesses set up by Chinese companies in dozens of countries and regions around the world. The Bank provides cross-border financing services to more than 500 enterprises and manages foreign currency funds equivalent to over 200 billion yuan. The Bank's foreign currency deposits and loans in China rank first among joint-stock banks. In terms of main offshore business indicators, the Bank is top-ranked among Chinese offshore banks. The Bank's cross-border financial services were widely recognized in 2020, winning the "Best Trade Finance Bank in China" Award from The Asian Banker. The Bank also won another two awards: "Best Transaction Bank" and "Best Offshore Finance Bank" in the "Annual Conference of China Transaction Banking 2020" and "The 10th Most Trusted Financial Service Provider of Chinese Economic and Trade Enterprises".



"The Asian Banker" awarded Ping An Bank the "Best Trade Finance Bank in China" Award

5.4.1 Supporting enterprises to Go Global

With the promotion of the "Belt and Road" initiative, China's "Go Global" companies have further expanded their influence and the demand for investment and financing has also been rising. The Bank made use of its strengths in cross-border finance to provide financial support for "Go Global" enterprises.

CASE STUDY: Cross-border financing helps Chinese enterprises "Go Global"

A chemical company has production and research and development bases in 140 countries and regions around the world. With an extensive marketing network, it is the largest chemical manufacturer in China. Pursuing the "Belt and Road" initiative, the company plans to integrate the world's leading seed and pesticide industry to enhance the global competitiveness of China's agrochemical industry. In 2017, it handled the US\$43 billion acquisition of a giant seed company. Leveraging on Ping An Group's strengths in finance and technology, the Bank established a long-term and stable partnership with the company, provided support in key areas such as bond issuance, bank financing and supply chain finance, as well as cross-border M&A loans of US\$2 billion in 2020 to help the client deepen the industrial integration of agricultural assets and acquired companies, and consolidated its leading position in the global agro-chemical industry.

The Changsha Branch provided M&A loans of US\$856 million to a leading domestic large manufacturer of mobile phone mirror screens. By the end of 2020, Changsha Branch issued US\$426 million of loans (2.787 billion yuan) to meet the customer's cross-border M&A needs and help Hunan's manufacturing industry to "Go Global".

A Chinese plastic machinery company is Asia's largest injection molding machine manufacturer with the world's largest output. It has factories in Ningbo, Canada, Mexico, Brazil, Italy, India and Turkey. In light of

the saturated and competitive domestic injection molding machine market, the Ningbo Branch granted a direct credit line of one billion yuan and an indirect credit line of 570 million yuan to help the company further develop in foreign markets.

5.4.2 Supporting the "Belt and Road" Initiative

With the promotion of the "Belt and Road" Initiative, Chinese enterprises and institutions have achieved fruitful trade and investment results in countries along the route. These results cannot be achieved without financial support. The Bank has been providing financing services for "Belt and Road" initiative projects to promote global economic growth.

CASE STUDY: Financing supports for the "Belt and Road" Initiative

A transportation construction company is the world's leading integrated service provider of super-large infrastructure, with over 60 wholly-owned and controlled subsidiaries in the world. Its products and services are available in more than 150 countries. It is an important participant, builder and contributor to the "Belt and Road" Initiative. As an independent lead underwriter for the first time, the Bank issued a five billion yuan of consolidated fund ABN for the company, with a two-year term and an interest rate of 4.5%, making it the second largest independent underwriting project in the market. The financing amount of this issuance is included in the rights and interests of the enterprise, and its after-tax cost has obvious advantages over other leveraged products. The issuance of the fund reduced liabilities and costs helped the customer to optimize its financial structure, and promoted its sustainable development.

The US\$43 billion Dubai Solar Power Project is a "Belt and Road" initiative integrating investment, construction and financing, and led by China's Silk Road Fund. The Bank, as one of the participants in syndicated loans, granted a loan of US \$100 million that was disbursed in the second half of 2020.

6. Help to Improve People's Well-being

Safeguarding and improving people's well-being is China's long-term national policy. The Bank follows the country's mainstream economic development direction to ensure and improve people's livelihood as the guiding direction of business development. It has increased credit supply to key areas related to the national economy and people's livelihood, such as urban infrastructure construction projects, housing projects, healthcare, and cultural tourism, to support the nation's efforts in improving people's livelihood.

6.1 Supporting municipal construction

Many cities in China are facing various challenges, such as insufficient infrastructure construction support as well as funding support for the upgrading and optimization of municipal infrastructure. The Bank took advantage of Ping An Group's financial platform to participate in key urban infrastructure construction projects and enhance urban development.

CASE STUDY: Financing support for urban transportation construction

The Wuhan Branch provided a capital of 31.8 billion yuan for the construction of Wuhan Metro Line 12, which is the second largest urban subway loop in the world and the longest in China. Once the metro line is completed and open to traffic, it will further enhance integrated urban development.

The Shenzhen Branch participated in the syndicated loan project of Shenzhen Metro Line 6, granting a 25-year loan of 1.7 billion yuan for the construction and operation of urban and rural public transportation. It has now issued a cumulative loan of one billion yuan to support the upgrading of sustainable rail transportation in Shenzhen.

CASE STUDY: Ensuring urban water supply

Through a package of comprehensive financial services of "insurance debt investment plan + poverty alleviation loan + asset securitization investment", the Bank increased financing amount and reduced costs to the public utilities provider of urban and rural water supply in Guizhou province, and helped solve the drinking water safety issues of Guizhou residents.

Kunming is one of the 14 cities with severe water shortage in China. To improve the water supply facilities in Kunming, the Kunming Branch granted an increased credit line of 600 million yuan to a large local water supply company involved in water source development, water supply production and operation, water quality monitoring, water supply project design and construction and other supporting services. The loan aided the company to improve livelihoods and enhance Kunming residents' well-being.

6.2 Improving the living environment

Chinese President Xi Jinping had pointed out that we must act on the people-centered development philosophy in urban construction, ensure proper development of living and ecological spaces, and strive to expand public spaces for leisure, fitness and entertainment. We must make the city a pleasant place for people to work and live in. To comply with the national real estate control policy, the Bank focused on supporting urban revitalization projects, improving the urban and rural living environment, upgrading the urban industrial structure, and enhancing the potential of sustainable development in urban areas.

CASE STUDY: Facilitating the revitalization of urban villages in Shenzhen's downtown core

In Futian, Shenzhen, the revitalization project of Jindi-Shatou area involves the regeneration of four urban villages, three major industrial areas and an old residential area. The project is currently the largest regeneration area in Futian district. The Bank provided 3.6 billion yuan of loans to developers for the demolition and resettlement project. The Bank will provide financing and financial service support to developers during the development and construction phase to facilitate the early completion of the revitalization project.

CASE STUDY: Aiding the construction of Jimei New Town in Xiamen

Old urban areas, old factories and old villages occupy a large space and resources in Xiamen. It is important to revamp buildings in dilapidated conditions and improve the image of the downtown area. The Bank helped Xiamen revitalize its existing assets and resources through syndicated loans, and implemented the 23 billion yuan first-phase urban renewal project in Jimei New Town, Xiamen, in which the Bank provided 1.2 billion yuan of loans.

CASE STUDY: Facilitating the construction of Nanjing housing project

To support the construction of local housing projects, the Bank, as the lead underwriter, approved a 2 billion yuan underwriting amount of wealth management-based direct financing tools and an investment amount of 400 million yuan for the only low-cost municipal housing construction company in Nanjing. The funds raised are used for the construction of the company's affordable housing projects. In addition, the Bank granted the customer a debt financing plan with an underwriting amount of two billion yuan and an investment amount of one billion yuan for the construction of the company's low-cost housing.

6.3 Serving the healthcare industry

Health is of utmost importance to maintain livelihoods. "To develop the economy, we must improve healthcare as health is necessary to ensure people's happiness and safety." The Bank is committed to the development of a

healthy China, prioritizing funding support for medical institutions, pharmaceutical and equipment manufacturers, suppliers, and transportation operators, to facilitate the optimization of public healthcare services.

CASE STUDY: Assisting the development of pharmaceutical companies

The Qingdao Branch provided 450 million yuan of M&A loans to a leading domestic nuclear medicine company to further enhance their business through resource integration. The Shanghai Branch granted a US\$200 million credit exposure to a major pharmaceutical company for R&D funding. Making use of the Bank's five major account systems (domestic, offshore, NRA, FT and Hong Kong Branch) and with reference to offshore rates, the Bank allows companies to obtain loans at lower interest rates through their OSA or FTN channels, thus helping high-quality enterprises to reduce financing costs.

CASE STUDY: Financing helps pharmaceutical manufacturers to resume work and production

During the COVID-19 outbreak, the Bank set up a green channel and provided financial support for many medical equipment companies to expand their production, and subsequently win the battle against the coronavirus. A small enterprise engaged in the production of non-woven fabric materials in Shenzhen was able to resume its factory operations after its legal representative's application for the Bank's small enterprise digital financial credit loan had been approved in ten minutes via a mobile text message. The Changsha Branch also helped solve the inadequate working capital of a medical equipment company, granting a one million yuan loan on top of its initial loan of 2.8 million yuan.

6.4 Boosting education development

China's education industry has been growing rapidly since the report of the 19th National Congress of the Communist Party of China recommended "developing quality education and ensuring equal access to education". The Bank has been upholding the national education development plan, offering loans, acceptances and letters of credit to support the development of education enterprises. The Bank uses technology to strengthen the financial regulation of education institutions and facilitate the development of China's education industry.

CASE STUDY: Supporting the development of private education

A company in Ningbo is recognized by the Ministry of Education as the largest supplier and the export base of China's educational products. Based on its unique structure of "integration of production, education and research", it has been involved in private education in Jiangsu and Zhejiang provinces for more than 20 years. It has established three foreign language schools with nearly 12,000 teachers and students and achieved excellent education accomplishments. To further improve its operations and provide diversified

education opportunities for local students, the Ningbo Branch granted the education provider a credit line of 100 million yuan and a working capital loan of 40 million yuan.

CASE STUDY: Strengthening the supervision of education institutions' fees

In 2020, the Ministry of Education and State Administration for Market Regulation issued the Notice on Centralized Remediation of Illegal Acts Infringing on Consumers' Rights and Interests by Off-campus Training Institutions Using Unfair Clauses. The policy targets off-campus training institutions for primary and secondary school students, requiring local education and market regulation departments to focus on remediation and ensure appropriate enforcement of the law. Using its self-developed smart payment cloud platform, the Bank offers “Cloud Platform + WeChat” services to streamline the collection of school and miscellaneous fees, and address the complicated manual reconciliation and inconvenient centralized management. This service is available in 18 campuses of a preschool education provider in Shenzhen.

Adhering to the concept of "service + management" and taking advantage of its strengths in "technology + finance", the Bank provides one-stop financial services such as credit investigation, credit extension, operation

management and post-loan management for small and micro enterprises to meet their needs at various stages of development.

	By end of 2020	Increase from the beginning of the year	Increase rate
Small and medium enterprise loans (100 million yuan)	7,703.61	988.32	14.72%
Inclusive loans for small and micro firms (100 million yuan)	2,828.30	791	38.83%
Number of small and micro firms receiving inclusive loans (thousands)	654.30	116.72	21.71%

- **Digital finance for small enterprises**

"Digital Finance for Small Enterprises" is a data credit financial service system established by the Bank to serve micro, small and medium enterprises. Through online supply chain finance and Internet finance, the Bank made use of its extensive experience in serving micro, small and medium enterprises and introduced the use of technologies such as artificial intelligence and machine learning to solve the problems of high risks and lack of "collateral" when granting loans to small and micro enterprises, thereby improving service efficiency and reducing companies' financing costs. The Bank realized the online operation of Internet document submission + big data risk control + automatic approval + remote face-to-face verification + withdrawal and repayment, which has changed the traditional model of granting loans to micro, small and medium enterprises. Customers can make online loan applications, receive approval in real time, conduct remote checking and sign contracts, as well as withdraw and make payments online. All businesses can be handled online 24/7, improving efficiency and convenience.

- **"New Generation Loan" reduces financing costs**

There are more than 82 million privately or individually-owned businesses in China, hiring more than 210 million people.² Many of them were facing a shortage of working capital. The Bank launched its "New Generation Loan" service for these small and micro enterprises using the Bank's cloud computing, AI, smart risk control capabilities and data to improve the quality and efficiency of financial services, credit approval and risk control model for small and micro enterprises. The service improves the response efficiency, approval and issuance of credit, realizes 24/7 granting of loans in as fast as 15 minutes, and reduces the loan application cost of small and micro enterprises. To reduce the cost of inclusive loans for small and micro enterprises, the New Generation Loan realizes smart pricing through the data model, provides appropriate interest rates for a wider customer base, waives or reduces liquidated damages for early default payment fees, encourages small and micro enterprises to recover from the pandemic as soon as possible, and solves financing difficulties and high

² Chinese President Xi Jinping made this remark when he presided over the Entrepreneur Symposium on July 21, 2020.

costs.

- **“Digital Pocket” helps improve efficiency and reduce costs**

Digital Pocket is a platform that provides digital asset management and comprehensive services for corporate users. It provides basic financial services such as payment and settlement, account management, financing, wealth management, insurance and financial management, as well as cross-border services such as travel reimbursement, employee training and equipment leasing. It aims to improve the operation and management efficiency of companies, and reduce their management and operation costs as well as transaction fees. By the end of 2020, the number of registered corporate customers on Digital Pocket reached 1.04 million, a 189% growth from the beginning of the year. The number of monthly active corporate users reached 190,000, an increase of 203% from the beginning of the year.

- **Post-loan management to ensure financial health**

While providing post-loan services to credit customers, the Bank implemented various post-loan risk management requirements to ensure credit safety. Once credit has been granted, the Bank manages the flow of loan funds in accordance with regulatory requirements. By analyzing the flow of proceeds and checking transaction certificates, the Bank ensures that the proceeds are used for normal business operations and prevents them from flowing into restricted areas such as the stock market and housing market.

To prevent customers from forgetting the repayment date and affecting their credit records, the Bank provides SMS alerts and smart voice prompts. To reduce the working capital pressure of customers when their loan repayment is due, the Bank provides select customers with loan renewal services without repayment of principal.

For customers with operational difficulties and a shortage of working capital but willing to repay the loan, the Bank provides loan restructuring services that adjust repayment arrangements and interest rates. For customers with serious financial problems but willing to repay the loan, the Bank provides services such as waiver and reduction of late payment penalty and interest. In 2020, the Bank collected nearly 700 million non-performing assets of small enterprises through credit transfer and securitization of non-performing assets.

7.2 Developing rural finance

To promote rural revitalization and development, and speed up the creation of a rural financial service system, the Bank promoted inclusive finance to villages, provided basic financial services to residents in rural areas such as Yunnan and Chongqing, raised financial awareness and protected the financial rights and interests of local villagers.

The Bank follows regulatory policies that require medium and large commercial banks to stabilize and

optimize the establishment of branches in counties, maintain the stability of existing branches in poor areas, strive to increase the number of branches, and continue to raise the number of branches in counties. In 2020, the Bank opened 18 new branches across 14 counties, increasing the Bank's number of county branches to 89 across 14 provinces. The Bank provided financial services to 3.3 million rural customers with a loan balance of 23.2 billion yuan — a 41.24% increase compared to last year. This facilitated the development of self-employed individuals and met the personal consumption needs of residents in rural areas.

In addition, the Bank supports the development of rural finance through inter-bank cooperation. In 2020, the Bank served 472 small and medium banks in 30 provinces, municipalities and autonomous regions, including 367 rural financial institutions. It provides efficient and convenient asset acquisition channels, covering treasury bonds, local government bonds, policy bank bonds and high-grade credit bonds, to meet the diversified asset allocation needs of local banks. Moreover, the Bank provided deposit and withdrawal services to over 1,000 rural financial institutions, offering efficient liquidity allocation services.

8. Lead Financial Innovation

The demand for high-quality economic development in the new era has led to a gradual demand for personalized and customized services in the real economy. The Bank regards "technological empowerment" as the driving force of strategic transformation as it continues to invest in financial technology, consolidate its technology, and strengthen digital and online operation capabilities. The Bank aims to transform into "a digital bank, an ecosystem, and a platform", supports the balanced development of its business and "ensures stability on the six fronts and security in the six areas", to fulfill its financial mission and serve the real economy.

8.1 "Nebula IoT" to promote smart transformation

At 12:37 on December 22, 2020, "Ping An-1" (Tianqi Xingzuo 08), the first low-orbit IoT satellite launched by a financial institution in China, made its maiden flight on the Long March 8 rocket at Wenchang Spacecraft Launch Site in Hainan. The successful launch of "Ping An-1" is an important step for the Bank to establish space IOT and further deploy the Nebula IoT platform.



The "Ping An-1" satellite made its maiden flight on the Long March 8 rocket at Wenchang Spacecraft Launch Site in Hainan.

The Bank's Nebula IOT platform integrates IOT technology with emerging digital technologies such as blockchain, artificial intelligence and edge computing to create a smart system integrating ownership confirmation, source tracing, authentication and verification. With the support of Nebula Platform, the Bank has launched new financial products and services in smart manufacturing, internet of vehicles, smart agriculture, smart logistics, and smart energy. The Bank has established connections with over 600,000 devices and provided over 110 billion yuan in funding. It has also made valuable research on big data in government and smart management of small and micro enterprises.

8.2 Smart risk control to learn and act in advance

The smart risk control platform (KYCr-Know Your Credit) is an integration platform for the Bank to undertake complex investment and financing, new supply chain and other businesses. It is also a platform that integrates risk policies, risk systems and risk management requirements and uses a man-machine integrated risk control brain built for “data management”. Using the platform’s six smart applications, namely smart approval, smart control, smart granting of loans, smart early warning, smart analysis and smart monitoring, the Bank has realized learning and acting in advance in risk management.

The Bank’s smart risk control platform (KYCr-Know Your Credit) was awarded the 2020 Gardner Financial Services Innovation Award in Asia-Pacific at the “Gartner Eye On Innovation Awards for Financial Services 2020”. It is the first time a Chinese banking financial institution won this award from Gartner, a leading global information technology research and consulting company.



8.3 “Ping An Good Chain” to accelerate the flow of funds

Common problems such as long industrial chain, numerous cross-regional businesses, cross-regional granting of credit, difficulties in due diligence, small and frequent accounts receivables have long been standing in the way of the development of supply chain finance. Upstream and downstream enterprises in the industrial chain generally face financing difficulties and high costs. To innovate the supply chain financial service model and tackle the supply chain management challenges of major companies, the Bank continued to evolve its “Ping An Good Chain” supply chain financial service platform, integrated digital accounts with the financial platform, and realized online operations, modeling and automation of services to help small enterprises address difficult, expensive and slow financing, while improving their management efficiency.

CASE STUDY: New supply chain facilitates the pharmaceutical ecosystem

Pharmaceutical distributors are in the middle part of the pharmaceutical supply chain process, with a specific payment period for the supply of pharmaceutical equipment. Following China’s introduction of the two-invoice system and assessment of financial indicators, the concentration ratio of pharmaceutical distributors has increased in recent years. There is a widespread demand for the inclusion of accounts receivables in off-balance sheets. In addition, the procurement of medicines and equipment is a standardized process. Due to the limited stock in hospitals and the different purchase frequency of different categories in each department, the amount of every purchase is different and the transaction frequency is high. The trading of medicines and

equipment involves large volumes of data, resulting in complex sorting of data.

In 2020, the Bank released a new online model of non-recourse factoring for pharmaceutical distribution. The new model is based on the name list entry system to improve hospital access. Through the Winner app with smart and quick approval, online data transmission and online granting of loans, the new model improved the distribution of products and service efficiency. On the basis of non-recourse factoring and following the principle of “risk control, regulatory compliance, technical feasibility and customer recognition”, Zhengzhou Branch upgraded its customer service plan through the app, which allows customer access, business application, quota verification and loan review, as well as the verification of trade background materials through online, modelling and automation methods. The Bank issued 2.3 billion yuan in online non-recourse factoring for a pharmaceutical distributor.

8.4 Bill integration to improve financing efficiency

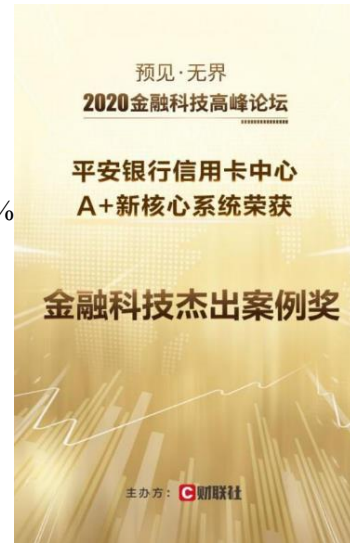
A large number of receipts and payments are involved in the business operation and management process, requiring a lot of manpower and resources in bill management and payment. Issues such as realization of bill and maturity mismatch are prominent. The Bank introduced the credit line model + asset pool service to help enterprises solve the problem of numerous bank acceptance bills and inconsistent terms of payment, thus improving the management and financing efficiency of bill assets.

CASE STUDY: Streamlining the bill management chain

In Henan province, a Zhengzhou machinery company with over 50 subsidiaries is engaged in coal machinery, auto parts and other businesses. Its annual bill settlement exceeds 10 billion yuan. To solve the problem of large bill amount and difficulties in management and transfer of bills, Zhengzhou Branch provides customers with the credit line model + asset pool service. In terms of bill management, the bill receipt function and custodian function of the asset pool helps the company to realize the planning, receipt and management of different types of bills, and realize the classification of bills with different acceptance banks and different maturities. In terms of bill financing, credit line support allows all types of bills to be pledged and exchanged for payment. By the end of 2020, Zhengzhou Branch granted 750 million yuan of credit exposure to this company.

8.5 Credit card new core system to help enhance spending

On October 31, 2020, Ping An Bank launched its credit card A + new core system. The A + new core system was the industry's first successful case of migrating the core business system of financial institutions from a centralized mainframe architecture to a distributed PC server architecture. The Bank's technology team developed the A + new core system, with 100% independent intellectual property rights and ranked first in many industry technical indicators. The successful operation of the new system is of great significance for accelerating technological upgrading and facilitating the development of retail business through financial technology and digital transformation. In December 2020, Cailian Press presented Ping An Credit Card Center's A + new core system with the "2020 Outstanding Case of Financial Technology" award.



IV. Environmental Responsibility

9. Commitment to Green Development

With China's aim to hit peak greenhouse gas emissions before 2030 and achieve carbon neutrality by 2060, green development has become a new driving force for economic development. In 2020, the Bank formulated a new "Three-Year Development Strategic Plan (2020-2022)", stating that the Bank should implement the requirements of "Building a Beautiful China", promote sustainable development and green finance, gradually improve the organization and management of green credit, and build a green bank.

70.232 billion yuan green credit granted

22.7 billion yuan green credit balance

70 million yuan green bonds issued over the counter

9.1 Environmental and social risk management

The Bank adheres to the credit granting principles of legal compliance, differentiated treatment, equal limitations, and risk control. It improved the green credit statistics system and system development, promoted the implementation of the green credit classification management system, strengthened personnel training and capacity building, strived to improve its credit management capabilities for enterprises and projects involving energy consumption and pollution risks, and implemented the green credit management policy.

9.1.1 Improving business processes

The Bank has established a risk management model of "assigning dedicated persons for risk management and dual reporting channels". Under the coordination of the head office's Risk Management Committee, risk management departments at all levels, including the Risk Management Department at the headquarter, the Corporate Credit Approval Department, the Retail Risk Management Department and the assigned risk teams, are responsible for specific credit risk management. They are also tasked with implementing social responsibility strategies related to sustainable development, and adopting green finance in all processes of credit business. The Bank promoted the Implementation Manual of ESG Responsible Credit of Ping An Bank (Trial) and incorporated ESG evaluation factors such as green credit, environment, society and governance performance into the pre-loan, loan-in-process and post-loan management of credit business.

The Bank allocates credit resources in an effective manner, strictly controls credit allocation to industries with high energy consumption, high emission of pollutants, and excess capacity. It has increased support for environmental protection, energy conservation, clean energy, green transportation and green buildings. The Bank has formed an incentive mechanism to support green credit and a restraint mechanism to curb the granting of loans to natural resource-based industries with high energy consumption or high carbon emissions.

The Bank further promoted the improvement of its own environmental and social performance and gradually enhanced its management of green credit.

9.1.2 Supporting green credit

The Bank prepares annual risk policy guidelines and makes adjustments based on changes in the internal and external environments. In 2020, the Bank conducted in-depth research and issued independent risk policies on 60 sub-sectors, covering healthcare, alternative fuel vehicles, clean energy, environmental protection, high-end equipment manufacturing, steel, coal, paper and other industries, and upstream and downstream enterprises in the industrial chain. The Bank took into account environmental factors such as climate change while formulating policies on over 20 sub-sectors in clean energy, environmental protection, steel, coal, paper as well as heat and gas supply.

The Bank continued to improve risk control measures for the entire green credit process in accordance with risk policy guidelines. The Bank strictly observes national industry policies in all aspects of customer access, investigation, examination, approval, contract signing, loan review and post-loan management, investigates and evaluates environmental and social risks in clients' projects.

The Bank does not grant loans to projects or enterprises that are prohibited by the State, or do not conform to environmental protection regulations. Loans that have already been issued to such companies shall be withdrawn. For steel, coal, cement, paper and other industries, the Bank sets higher standards of access conditions in terms of scale, technology, energy consumption and emissions, and adopts list entry management and industry quota control methods. For companies that engage in strategic emerging industries related to low-carbon economy, circular economy, energy conservation and environmental protection, and "the Belt and Road" initiative, the Bank offers preferential terms in loan pricing and economic capital allocation and accelerates the approval process once the Bank's green credit requirements are met. The Bank sets personalized restriction clauses in the loan contract, including clauses for the borrower to declare compliance on energy conservation and emission reduction, and agreement terms whereby the Bank is allowed to speed up loan recovery, suspend loans, or exercise mortgage rights in advance when the borrower fails to fulfill its commitments or there is a risk of high energy consumption and pollution. The Bank strengthens post-loan management of clients with environmental risks, pays close attention to the impact of national policies on customers' operating conditions, and enhances analysis, monitoring and adjustments.

To strengthen the risk prevention in the pre-loan investigation of corporate credit business, standardize the process, and improve the quality and efficiency of the pre-loan investigation, the Bank has formulated the Guidelines for Corporate Pre-loan Investigation, which specify the environmental protection information to be confirmed in the credit investigation, such as the borrower's business situation and credit status.

9.1.3 Business line training and guidance

The Bank continued to conduct training and awareness programs for risk management and business personnel to ensure the accurate dissemination and implementation of risk policy guidelines in all institutions. In 2020, the Bank promoted risk policy guidelines through centralized training, "small group seminars", Zhiniao online examination, Winner app, system knowledge database and other methods. The head office alone conducted 14 centralized training sessions and "small group seminars" for branches, covering all risk management and business personnel. In addition, the Bank also invited professionals to carry out ESG investment special training for related business personnel.

9.2 Developing green finance

In 2020, the Bank continued to control the granting of loans to "natural resource-based industries and enterprises high energy consumption, high emission of pollutants, and excess capacity ". It also supported hydropower, nuclear power, wind power, solar power, pollution control industries and industries involved in promoting low-carbon economy, circular economy, energy conservation and environmental protection. The amount of loans granted to "natural resource-based industries and enterprises with high energy consumption, high emission of pollutants, and excess capacity" declined 0.29% compared with the previous year. In contrast, the Bank issued green credit worth 70.232 billion yuan, an increase of 22.78% compared to the preceding year. To promote sustainable development and the concepts of climate change and Yangtze River protection to more enterprises and individuals, the Bank joined in the over-the-counter issuance of China Development Bank's green bonds twice, with a total underwriting amount of 70 million yuan.

9.2.1 Supporting the transformation of national energy structure

Transforming the energy structure is vital to achieve China's carbon neutrality goal by 2060. The Bank is committed to the decarbonization policy and has provided strong credit support to the renewable energy industry.



- **10 billion yuan** credit line provided to a large clean energy company with nuclear power development capabilities



- **1 billion yuan** loan with a 3-year term provided to the Baihetan Hydropower Plant project responsible for "West-to-East Power Transmission", and jointly underwrote **4 billion yuan** of ultra-short bond funds



- **1 billion yuan** green credit loan issued to the world's largest monocrystalline silicon manufacturer
- **270 million yuan** loan with a 10-year term provided to Tongwei Group's "Fisheries and Photovoltaic Power Integration" project in Chongqing

CASE STUDY: Helping a private photovoltaic power plant to realize three increases and one decrease"

Tongwei's 100MW fisheries and photovoltaic power integration project in Gong'an county's Biandanhu Fishing Farm has increased income for local famers, companies and the county, and decreased energy consumption and emissions. The project created jobs for 86 fishermen and increased their income. After its completion, the project will bring in nearly 50 million yuan of annual revenue, and over ten million yuan of profit before tax each year. The project will make use of Tongwei's strengths in fish farming to promote the upgrading of local traditional aquaculture models and lead the development of the local economy in the future. In a 25-year time frame, the fisheries and photovoltaic power integrated plant is expected to save about 1.01 million tons of standard coal and reduce 2.52 million tons of carbon dioxide compared to thermal power. It can also cut about 75,900 tons of sulfur dioxide, 3.80 tons of nitrogen oxides (NOx) and 688,200 tons of carbon emissions. The project plays an important role in promoting the local renewable energy industry, improving the ecological environment and realizing the goal of clear rivers and green mountains.

9.2.2 Facilitating environmental governance and protection

The Bank strongly supports the development of environmental governance projects and provides sufficient financial support for related projects through a number of green credit policies and financial services.

CASE STUDY: Helping a fabric town in the South of the Yangtze River to treat sewage

Jiapu Town of Changxing county is a fabric town in the south of the Yangtze River, Huzhou city, Zhejiang province. The town needed 777 million yuan for the treatment of industrial sewage generated by textile machines in the industrial park, ecological environment treatment such as reclaimed water, water recycling as well as energy and water conservation. The Hangzhou Branch provided financial services to optimize the loan term and opened a green channel for fast credit approval. Pollution control was effective after the project implementation. Textile wastewater from small textile factories and industrial areas in the fabric town was intercepted and treated to prevent further pollution of inland water bodies, improve the quality of water environment and facilitate the green, sustainable and healthy development of the local economy and society.

CASE STUDY: Supporting the construction of the Yellow River Basin ecological protection area

The Yellow River Basin is an important ecological barrier and economic zone in China, and plays a vital role in China's socio-economic development and ecological security. In 2020, the Zhengzhou Branch partnered with Ping An Insurance and Ping An Securities to formulate a set of service solutions such as insurance capital floating loan, direct financing tools, M&A bills, high-quality corporate bonds, safe keeping + payroll credit + real estate mortgage for the 20 billion yuan ecological protection and high-quality core demonstration area construction project.

10. Practicing Green Operations

The Bank continued to promote the integration of the internet and information technology with financial services, incorporating low carbon concepts into the entire financial services process, building green stores through the OMO (Online-Merge-Offline) service system, promoting electronic reconciliation, cutting resource wastage and reducing the impact on the environment.

10.1 Building green outlets

Through a smart OMO service system integrating online and offline, the Bank has built green business and service processes for new retail outlets. Customers can make reservations and pre-fill forms on the outlet's cloud store through their mobile devices. The information is directly connected to the outlet's business system, thus realizing the quick handling of paperless business. By the end of 2020, there were 25 major services such as debit card application and credit card activation, covering 90% of the outlets' business volume.

The Pocket Bank app has established an exclusive "over-the-air counter" to provide customers with convenient online banking services. The retail over-the-air counter now supports 33 functions, with a counter business diversion rate of 41%, of which 23 functions are handled online. It enables customers to handle their banking activities without visiting the physical outlet, thereby reducing carbon emissions from transportation use.

10.2 Creating green workplaces

The Bank actively promotes a paperless office and reduces paper consumption at the workplace through digital projects such as cloud printing and a reimbursement terminal app. The Bank continued to carry out the "Low Carbon 100" campaign, adopting various measures such as saving water and electricity, and holding video conferences to integrate low carbon and environmental protection practices into its daily operations, and motivate all employees to create a conducive environment for energy conservation and emission reduction. Through awareness programs and effective management measures, the water and electricity consumption at the Bank's Headquarters decreased in 2020 compared to the previous year.

	2020	2019	2018
Water consumption at the Headquarters (tons)	78,740	93,566	85,504
Electricity consumption at the Headquarters (kWh)	7,655,495	7,961,956	7,423,048

CASE STUDY: Caizhi Cloud App--A New Smart Office Tool

The Kunming Branch promoted the use of Caizhi Cloud app. All branch employees have installed the app, with their travel and accommodation arrangements handled through the app. While handling employees' travel

reimbursements in a timely manner, the app also reduced the loss of reimbursement vouchers, cover pages, and letters. Travel reimbursement, which previously needed 5-10 A4 sheets, can now be completed with one sheet or even without paper. In response to the Headquarter's call for smart and transparent procurement, the Kunming Branch placed all its orders through the Group's e-procurement platform throughout the year. Through the Group's platform, the Kunming Branch managed to complete all procurement and reimbursement processes online, reducing the chances of losing related information for offline inquiry and reimbursement. In addition, the Branch used tools such as a smart management platform to track the procurement of goods, to better gauge the most popular products, optimize the allocation of procurement resources, and reduce waste.

10.3 Promoting green procurement

The Bank adheres to the concept of green procurement. During the procurement evaluation, the Bank selects and guides suppliers to provide green and environmentally friendly products, green raw materials and green services. Through the setting of standard procurement contract terms and post-procurement evaluation, the Bank reviews and encourages suppliers to implement environmental protection policies in product packaging, logistics, recycling and other aspects to avoid resource wastage and pollution. The Bank continued to increase and optimize its e-procurement platform to strengthen procurement management and control across the bank. The Bank promoted the use of the platform for all types of procurement, reducing the use of paper documents, and implemented online bidding and evaluation by off-site institutions to reduce the environmental impacts of transportation and travel.

V. Social Responsibility

11. Technology Enhances Understanding of Customers

The Bank promoted the creation of AI Bank through technological empowerment. It took into account consumption patterns and customer needs to create a new "one-stop" smart service system, and continued to promote "finance + technology" to better understand users. In 2020, the Bank won several awards including Asian Banker's "Best Mobile Banking App in China" and "Best Customer Experience in China", as well as Euromoney's "World's Best Digital Bank".

1,103 outlets nationwide

2.4 billion yuan safeguarded by Anti-fraud system

20,000+ customer queries handled during the COVID-19 outbreak

2,006 offline financial knowledge sessions



Euromoney's "World's Best Digital Bank"



Asian Banker's "Best Mobile Banking App in China"

11.1 Customized products and services

The Bank provides personalized and diversified personal credit products and services for young customers, clients with growth potential, small and micro enterprise owners and wealth customers, etc. It provides convenient and efficient services for different market segments through a fully online integration process and innovative product design.

Young customers-Ping An digital account (MAX Card)

- Integrates account, payment, credit, financial management, rights and interests functions. Can integrate with online platforms and connect with a particular situation. Provides young online customers and clients with high growth potential with convenient and diversified financial services.

Elderly customers-Yinian Card

- Ping An Bank and the Civil Affairs Bureau of Shenzhen Municipality jointly issued the "Shenzhen Smart Elderly Care Yinian Card". It integrates fee exemptions (free bus and subway, free admission into parks, tourist attractions, cultural and sports venues in the city), financial debit, data collection and other services to improve banking access for senior citizens.

SME Owners-Ping An Smart Loan

- Supports application submissions, agreement of terms, cash withdrawal and repayment on the Pocket APP. Applicants for credit line are granted multiple recurring payments or one outstanding IOU depending on risk approval results. In 2020, Ping An Smart Loan issued more than 1 billion loans through partnerships with external parties, serving 1 billion people including small and micro business owners.

CASE STUDY: Smart Elderly Care Yinian Card

The "Shenzhen Smart Elderly Care Yinian Card" supports various elderly care services, realizing "one card with multiple uses throughout the city". All seniors aged 60 and above in Shenzhen (including those from Hong Kong, Macao and Taiwan) can apply for the card with valid identity documents and mobile phones. Holders of the "Yinian Card" can enjoy preferential treatment, including free admission to parks in the city, tourist attractions invested and built by the municipal government, and free bus and train rides in the city. Senior citizens aged 70 and above can also enjoy the Old Age Allowance while eligible elderly can enjoy preferential treatment and subsidies for home care, including housekeeping services, rehabilitation and nursing services, day care services, and counseling. By the end of 2020, over 600,000 Shenzhen Smart Elderly Care Yinian Cards were issued.



11.2 Diversified service channels

The Bank launched the dual-store business model of "online cloud store + offline store" in 2020. It collaborated with stores and restaurants around community outlets to create a convenient "smart life" service online and offline, offering new experiences to customers.

- **Building digital stores**

In 2020, the Bank was committed to realizing the four functions of outlets through cloud stores:

- Online operations-The cloud store is the online storefront for customers;
- Ecosystem-The cloud store links outlets and neighboring leisure services into a single network;
- Integrated services-The cloud store brings the best of outlets' services and empowers Headquarters' business lines;
- Digitalization-The cloud store serves as the database of outlets, expanding the scope of operations.

CASE STUDY: Cloud store builds outlet business ecosystem

The Bank has established 208 community outlets in 44 cities across 21 provinces in the country, integrating nearly 100,000 merchants in offering preferential products and services based on LBS location information. The Bank collaborated with shopping districts, renowned restaurants and other merchants in Shenzhen, Huizhou, Tianjin, Fuzhou, Chengdu and other places to carry out ecological activities with different themes, empowering surrounding merchants through an increase in foot traffic and improved technology and financial services.

- **Optimizing outlets**

In terms of offline outlets, the Bank is committed to "optimizing existing outlets, adding new outlets and making dynamic adjustments". It continues to optimize existing outlets, and build new branches in prefecture-level cities and counties to better serve customers. In 2020, the Bank has 1,103 outlets with 2,167 ATM/CRS machines, including 518 off-site ATMs and 1,649 machines at branches across 26 provincial administrative regions, covering 83.87% of provinces and regions in China.

CASE STUDY: Retail store 2.0

Through technology + social interaction + scenario, digital + ecology + aesthetics, the Bank's retail stores 2.0 is a new form of retail stores, creating a community ecosystem integrating banks, merchants and communities, as well as empowering merchants with high foot traffic and finance, while providing residents with better life + financial services. In 2020, the Bank set up model outlets in Chongqing, Xiamen and Shenzhen, incorporating the characteristics of the site and the city to build an interactive

social space for customers.

Among the outlets, the Ping An Financial Center of Shenzhen Branch has set future technology as the outlet theme. Upon entering the outlet, one may feel like traveling into the future with iPads and robots in place of service counters. Not only can customers scan their faces on the ATM to withdraw money without entering passwords, but they can also enjoy one-stop services such as health management and car ecosystem. The outlet is equipped with a lounge where people can sit and talk, and make themselves comfortable with the cushions, tables and chairs provided. Other facilities that promote networking include a TED talk-style hall and a mobile space.



11.3 Professional security protection

The Bank integrates technology into its corporate governance system. The chairman of the Board is ultimately responsible for the Bank's information technology (IT) risk management, enforcing national laws, regulations and technical standards related to IT management and implementing the China Banking and Insurance Regulatory Commission's Guidelines on Information Technology Risk Management of Commercial Banks and other relevant regulatory requirements. The chairperson is also tasked with carrying out IT governance on the basis of good corporate governance, and establishing an IT governance organizational structure with clear roles and responsibilities, checks and balances and clear reporting structure.

IT risk analysis is included in annual reports and mid-year reports reviewed and approved by the Board of Directors and Audit Committee. During its four regular meetings, the Audit Committee listened to the internal

audit work report, which covered IT audit and information security control. Moreover, IT risk management is included in the annual and interim comprehensive risk management reports reviewed and approved by the Board of Directors and Risk Management Committee. The Risk Management Committee of the Board also listens to annual IT work reports on a regular basis.

After years of digital transformation, the Bank has gone beyond the role of traditional commercial banks to become a technology bank. In 2020, the Asian Banker awarded Ping An Bank the Best Cyber Security and IT Risk Management Project Award.



Asian Banker awarded Ping An Bank the Best Cyber Security and IT Risk Management Project Award

11.3.1 Protecting personal privacy and data security

The Bank has set up an Information Technology Management Committee, which is responsible for studying and reviewing the Bank's IT matters and reports to the Board of Directors and senior management. The Information Technology Management Committee has set up an Information Security Management Working Group, which regularly reports on information security status. Major IT matters related to information security are reported to senior management at the Headquarter for decision-making after being reviewed by the Information Technology Management Committee.

- **Information security inspection**

In 2020, the Bank continued to conduct information security inspections, including special information security checks, monthly security reviews, on-site inspections of branches, etc. In addition, it also conducted on-site inspections on nine outsourced vendors, found and resolved 67 security risks.

- **Third-party data security management**

The Bank has formulated the Ping An Management Measures on Data Transmission, which sets out security management requirements for data transfer to third parties, including prior notification, control during the event and post-event review mechanisms. Data must be transmitted based on the business requirements and principle of "minimum necessity". Before transferring to a third party, it is necessary to review the data receiver, the technical process of data transmission and the authorization of personal information. A confidentiality agreement must be signed with the third party to ensure the data is only used within the agreed and authorized scope of business cooperation. The data must be protected after the transmission. Once the data has been transferred, the external party shall continue to supervise and manage the transmission to ensure the data transfer is consistent with the reported situation. In the event of major deviation or risky behavior, the Bank shall promptly rectify or immediately terminate the external data exchange. The Bank also conducts a quarterly review of data outsourcing to check whether it has met the safety requirements of Ping An Management Measures on Data Transmission.

- **Information security training for all employees**

The Bank continued to carry out Cyber Security Week activities in 2020, engaging all employees through cyber security training and competitions. The Bank encouraged employees to promote the National Cyber Security Week to customers through My Moments at WeChat, WeChat official accounts and outlets.

The Bank made use of the content in People's Bank of China's brochures and adapted them into training materials. Through the Zhiniao platform, security tips, desktop pop-up windows, screensavers, etc., the Bank organized all employees to join in the promotion of Cyber Security Week, so that all employees are aware of its main objectives. The "learning + testing + competition" approach helped employees enhance their information security awareness and ability, strengthening information security while providing daily customer services.

11.3.2 Protecting the security of customer funds

The Bank's SAFE intelligent anti-fraud system integrates credit and debit card transactions and customer behavior data, and adopts advanced technologies such as artificial intelligence, big data and geo-fence to create the finance industry's first unified retail anti-fraud management platform, realizing "one system, unified data, dual-card joint security, and tailored products and services". The platform realizes the prevention, control and early warning of the customer's risks in using cards, intercepts fraud in real time, and supports daily monitoring of tens of millions of transactions. Since launching, it has provided network security protection for more than 100 million customers, and prevented fraud exceeding 2.4 billion yuan. It managed to ward off centralized network of fraud attacks tens of thousands of times a day, ensuring the security of customer funds.

CASE STUDY: Assisting a customer to dispute 40,000 yuan of fraudulent charge

Customer Mr. Wang suffered a fraudulent charge over 40,000 yuan after a credit card data breach. After a

report was made, the Bank made every effort to investigate and help the customer dispute the charge on the account and recover the funds from the high-risk merchant. All funds were recovered after bank staff's persistent follow-ups.



11.4 Consumer rights protection

Consumer rights protection is an important part of the Bank's business development strategy. The Board of Directors bears the ultimate responsibility for consumer rights protection across the bank. Under the Board, a Strategic Development and Consumer Rights Protection Committee is set up to formulate the Bank's strategies, policies and objectives in consumer rights protection, incorporate consumer rights protection into the Bank's business development strategy, and conduct effective supervision and evaluation. The Strategic Development and Consumer Rights Protection Committee convened three meetings in 2020, and reviewed plans and reports on consumer rights protection.

The Headquarters' Consumer Rights Protection Committee is a permanent body for consumer protection management across the bank. It coordinates consumer protection management, implements strategies, policies and systems for consumer rights protection, organizes the implementation of requirements for consumer rights protection, and improves consumer rights protection across the bank. Located at the Headquarters' Consumer Rights Protection Center, the Secretariat of the Working Committee is responsible for the daily work and liaison of the Consumer Rights Protection Committee. It coordinates consumer rights protection management based on the requirements of the Consumer Rights Protection Committee, promotes the implementation of consumer rights protection at all departments, and has created full-time jobs to ensure sufficient manpower. Each branch has set up a consumer rights protection working committee and a consumer rights protection center.

The Bank is committed to strengthening consumer rights protection. According to Chairman Xie Yonglin, the Bank should focus on the four aspects of "scenarios, tools, application and implementation" to enhance

consumer rights protection, use technology to improve consumer rights protection, and protect the legitimate rights and interests of consumers. In 2020, the Bank strengthened the system and mechanism of consumer rights protection, integrated consumer rights protection into corporate governance, established a consumer rights protection system, improved the institutional foundation of consumer rights protection, and enhanced the implementation of consumer rights protection measures. The Bank is also committed to the principle of "education first and prevention foremost" in consumer rights protection, and focuses on the management of consumer rights protection process including pre-review, control during the event and post-event supervision to safeguard consumers' rights and interests.

11.4.1 Ensuring the security of products and services

In accordance with regulatory requirements, the Bank implements the principle of "prevention foremost" throughout the development process of products and services, identifies key areas in the checklist of consumer rights protection before products are launched, strengthens the consumer rights protection audit process, implements the pre-review of products and services, enhances behavior control before, during and after the event, and prevents consumer right disputes and violations.

- **Consumer rights protection evaluation and approval in the development of products and services**

In compliance with the regulatory requirements and Ping An Bank's Management Measures for Consumer Rights Protection Evaluation and Approval in the Development of Products and Services, the Bank adopts the principle of "prevention foremost" throughout the process of developing products and services, identifies the key areas of consumer rights protection in the checklist before products are launched, strengthens the process of consumer rights protection review, implements the pre-review of products and services, enhances behavior control before, during and after the event, and prevents consumer right disputes and violations.

In 2020, the Bank improved the development of consumer rights protection pre-review mechanism, and further clarified the scope of consumer rights protection review and the list of materials requirements. All new product and service agreements, marketing materials, announcements, entry and withdrawal of third-party partner institutions were included in the scope of consumer rights protection pre-review, which was strictly implemented in all departments.

- **Marketing compliance review**

To standardize the review process of marketing documents and avoid inappropriate marketing issues and improve the review efficiency, the Bank updated its Guidelines Manual for Retail Marketing Review. The manual provides review instructions and requirements, a summary of common issues and case studies to strengthen the compliance of retail marketing documents. Drawing on past review experiences, the Retail Legal Compliance Center adopted the regulations on financial marketing and created a list of taboo words, which is integrated into the automated review system that prompts alerts on the use of prohibited words and

suggests changes for each pending document to ensure compliance.

- **Sales personnel management**

The Bank has formulated the General Rules for the Implementation of General Sales Qualification Management in Retail Banking to ensure that retail business employees master the banking business and management regulations related to their posts. The rules stipulate that each department that manages qualification certificates shall clarify the specific requirements, including the content and scope of qualification certificates, obtain methods, validity period, applicants, types of products and punishment measures. On the basis of the sales qualification, each department shall implement job certification standards for other professional skills and access qualifications for employees, and continue to strengthen compliance training. The rules aim to help employees understand the financial regulatory system and requirements, and ensure they have the relevant professional knowledge and skills to perform their jobs and prevent business risks.

The Bank's Retail Legal Compliance Center organized nine compliance training sessions in 2020 online and offline. Training topics included employee behavior management, evaluation skills and regulatory inspection. More than 20,400 employees in retail banking participated in the training. During the COVID-19 outbreak, 24 branches carried out 32 online compliance training sessions in the form of micro-classes, Lizhi Micro-class and video conferencing software. The training focused on financial marketing promotion, information security for remote work, loan repayment deferment, audio and video recording during the selling process and outsourced employee compliance.

11.4.2 Relieving the customers' pressure on loans repayment

The Bank has formulated the Guidelines for Debt Restructuring of Personal Credit Business. If customers experience problems repaying their loans, they can apply for a new loan to settle the old loan, thereby easing their pressure to repay. When customers need to modify their loan plans, they can refer to the Guidelines for Debt Restructuring of Personal Credit Business and the Operating Rules on Post-loan Services of Retail Loans and select options such as extending or shortening the loan term, using new loans to repay old loans, and changing the repayment method.

In the first half of 2020, the Bank responded immediately to the COVID-19 pandemic and drafted a relief plan for customers affected by the pandemic. Based on the duration of the outbreak in China, the repayment date was postponed from March 10 to June 10. The Bank also provided various alternative methods such as interest rate reduction, extension of the loan term, debt restructuring, and loan renewal without repayment of principal to help customers affected by the epidemic. During the middle and late stages of the COVID-19 outbreak in China, the Bank continued to provide more flexible options to clients in strict accordance with the regulatory policy of "ensuring loans could be extended wherever possible". It continued to provide support to customers affected by the epidemic after the initial extension of the loan term to the first quarter of 2021.

The Bank continued to optimize its collection and recovery policies and procedures, with the formulation of the Management Measures for the Outsourcing of Retail Credit Collection and Recovery, Notice on Further Strengthening the Management Requirements of Third Parties Involved in Collection and other documents. The Bank specified outsourcing collection channels, selection of outsourcing collection companies, management of outsourcing collection companies, and management of complaints against the operations of outsourcing collection companies. The latest regulatory requirements and industry norms are conveyed in a timely manner to ensure compliance in the collection process.

In August 2020, the Bank conducted special training on collection and recovery. On-site training on the collection process was conducted for retail risk managers and collection senior employees of branches and relevant personnel at the Headquarter, covering strategies, processes, tools, reports, analysis and other aspects. The training improved the theoretical and practical aspects of collection personnel's performance. In addition, the Bank conducted a series of training sessions on the collection system, introduced its functions, optimization and operating methods, improving branch employees' proficiency in using the system.

11.4.3 Providing sound complaint procedures

To ensure the effective implementation and enforcement of consumer rights protection objectives and policies, the Bank set up multiple customer service channels and carried out complaint management based on the concept of "find ideas and solutions, learn from past experiences, and investigate violations".

- **Diversified customer communication channels**

The Bank values customer feedback, and launched the Message to the President, integrating the traditional suggestion box and suggestion book. Customers can provide feedback in the form of text and pictures by scanning the QR code at outlets.

During the COVID-19 shutdown, the Customer Service Center enhanced online services through optimizing smart voice functions and expanding the scope of phone and online services.

The Bank further established an online service platform for customers in corporate online banking, digital pocket, WeChat official account, CTM (Self-service Terminal for Corporate Bills), new supply chain and other channels, which can answer corporate customers' queries 24/7. To date, the cumulative number of customer visits has reached 450,000, with a 95% problem solving rate. The proportion of non-manual services exceeded 90%.

- **Improving the complaint management mechanism**

To implement the regulatory requirements and recommendations of the China Banking and Insurance Regulatory Commission, the People's Bank of China and other regulatory authorities on the protection of financial consumers' rights and interests, the Bank formulated and revised a number of its operating procedures, including the *Complaint Management Measures, Prevention and Contingency Plan for Major*

Financial Consumer Disputes, Management Measures for the Development of Diversified Solution Mechanism

for Financial Disputes, and Management Measures on Customer Reporting for Consumer Rights Protection to

further improve and strengthen the consumer rights protection management system. The Bank continued to promote the use of technology to enhance customer experience:

- 1) **Innovate "smart consultation" to improve the online management and handling of complaints.** The Bank established data-based and online tools for complaint management. Adopting the new regulatory classification of business complaints, the Bank created a "complaint heat map", which allows the Bank to view complaints in real time so that relevant personnel can intervene and deal with the complaints in a timely manner while management can make predictions and take the necessary measures. During the COVID-19 pandemic, the Bank handled more than 20,000 customer complaints in an efficient manner with the help of the mobile consultation system.
- 2) **Establish an AI complaint early warning system and new complaint early warning standards in the industry.** The Bank established the AI complaint early warning system to conduct real-time monitoring of complaints and set up timely warning and risk warning alerts such as "rapid growth of complaints", "abnormal events" and "risk events". It has helped the Bank to achieve closed-loop management of "complaint prediction-smart early warning-AI notification-analysis and optimization", and further enhanced complaint risk prediction and early warning capabilities.
- 3) **Improve customer experience through early detection of problems.** The Bank studied consumer complaints, analyzed the nature of complaints through early detection and determined the root causes of problems, to optimize the Bank's services and processes and enhance customer experience.
- 4) **AI quality inspection platform empowers business development.** The Bank has built an AI quality inspection platform. Through artificial intelligence technology, the Bank has established five core quality inspection capabilities: "audio text quality inspection", "image quality inspection", "plain text quality inspection", "audio emotion quality inspection" and "audio activity quality inspection" for more than 30 business scenarios, improving quality and efficiency, reducing risks and enhancing customer satisfaction.

In 2020, the Bank received 431,535 customer inquiries, of which customer complaints accounted for 44,666.

Most of the complaints were related to credit card and personal loans, and filed in Shenzhen, Beijing and Shanghai.

- **Consumer rights protection training**

The Bank formulated 2020 Consumer Right Protection Training Plan to standardize its training, improve the quality and effect of consumer right protection training, and establish a long-term working mechanism for consumer right protection training. The plan specified roles and responsibilities, target audience, training contents and requirements.

In 2020, the Bank carried out special education and training on consumer right protection through online and

face-to-face channels. 25 online courses on consumer right protection were conducted for 166,600 retail banking employees. There were also 94 in-person training sessions on consumer right protection, accumulating 4,043 participants. All new retail banking employees are required to attend online training on the Guidelines for Consumer right protection in Banking Industry and Introduction to Consumer Right Protection in Ping An Bank before they can participate in the job induction training and apply for the job qualification certificate.

11.4.4 Promoting financial education

To improve the financial literacy of consumers and strengthen the ability to prevent and resolve financial risks, the Bank launched awareness programs for young people, the elderly and migrant workers online and offline. It carried out a series of campaigns via various channels, and utilized internet financial platform to promote the positive impacts of finance, dissuaded the public from illegal financial activities, strengthening the prevention of financial risks for the public.

Developed online education projects via multiple platforms. The Bank made use of the internet's advantages and launched a series of online financial education activities through its own channels and external cooperation. In particular, the Bank disseminated financial knowledge to more than 39.43 million people through Baidu Zhidao Q&A + live streaming.

Regular offline education activities. The Bank took advantage of its outlet resources and mobilized outlets, insurance companies, securities companies and financial institutions in each region to hold joint campaigns, disseminating financial knowledge to thousands of households. It also carried out various education activities at schools, companies, communities and villages, enabling more individuals to gain financial knowledge.

CASE STUDY: Innovative online education content

Under the guidance of China Federation of Internet Societies, the Bank and China Economic Net jointly launched Dr. An Pro Bono Online Class, as part of the "Financial Consumer Literacy Improvement Plan". The Bank invited experts to host 13 classes, drawing more than 10 million viewers through live streaming and multiple platforms.

The Bank participated in a financial knowledge live webcast organized by the Office of the Guangdong Cyberspace Affairs Commission, China Banking and Insurance Regulatory Commission Guangdong Bureau, Guangzhou Branch of People's Bank of China and Nanfang Daily Newspaper. The Guangzhou Branch broadcast the sitcom "Bye-bye, Campus Loan", which was aired live on 17 major platforms in China, registering 8.6 million visits, 326,000 likes and comments.



Dr. An Pro Bono Online Class



Sitcom "Bye-bye, Campus Loan"

CASE STUDY: Released Consumer Right Protection Blue Book 2019

In March 2020, the Bank released the Consumer Right Protection Blue Book 2019, which is available to customers at all outlets. The Bank partnered with Nielsen, a world-renowned market research and data analysis institution, to issue financial consumer right protection alerts, reminding consumers of high-risk areas and new financial scams. It helped consumers enhance their awareness of financial risks in the creative form of "seven-word tactic", and worked with consumers to protect their rights and interests.



Ping An Bank's Consumer Right Protection Blue Book 2019 was released on March 15

12. Value People and Help Employees Grow

Upholding the principle of "people first", the Bank believes that employees are an important driving force for the company to achieve sustainable development. We achieve progress together with employees on the basis of fairness, justice and openness.

The Bank created three training systems, namely the War God Series, the War Wolf Series, and the War Hero Series, for employees of different levels. The training systems focus on strategy to improve managers' leadership skills of and employees' execution capabilities, enhancing the workforce's ability to think, to act and to lead.

38,097 employees

8,577 new employees

119.94 training hours per employee

111,392 accumulate visits to employees

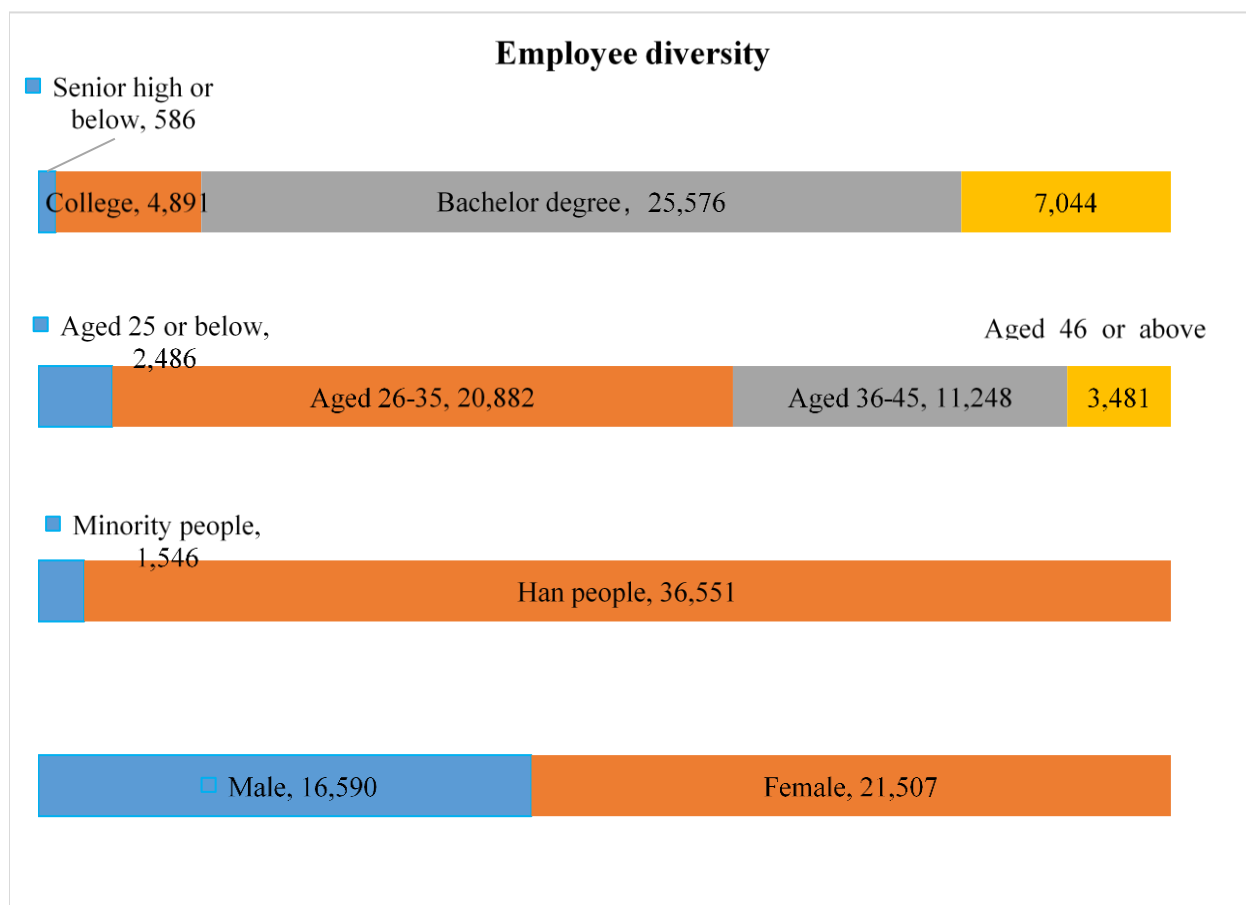
12.1 Encouraging diversity

We ensure equal opportunities, openness and inclusiveness in all aspects of recruitment, performance appraisal, training and promotion. We do not discriminate based on age, gender, disability, political beliefs, marital status, family background or other individual differences.

Upholding the principles of fair and equitable pay, gender equality and equal pay for equal work, the Bank has been optimizing the compensation planning mechanism to ensure employees can enjoy the Bank's business success, and match employee remuneration with performance.

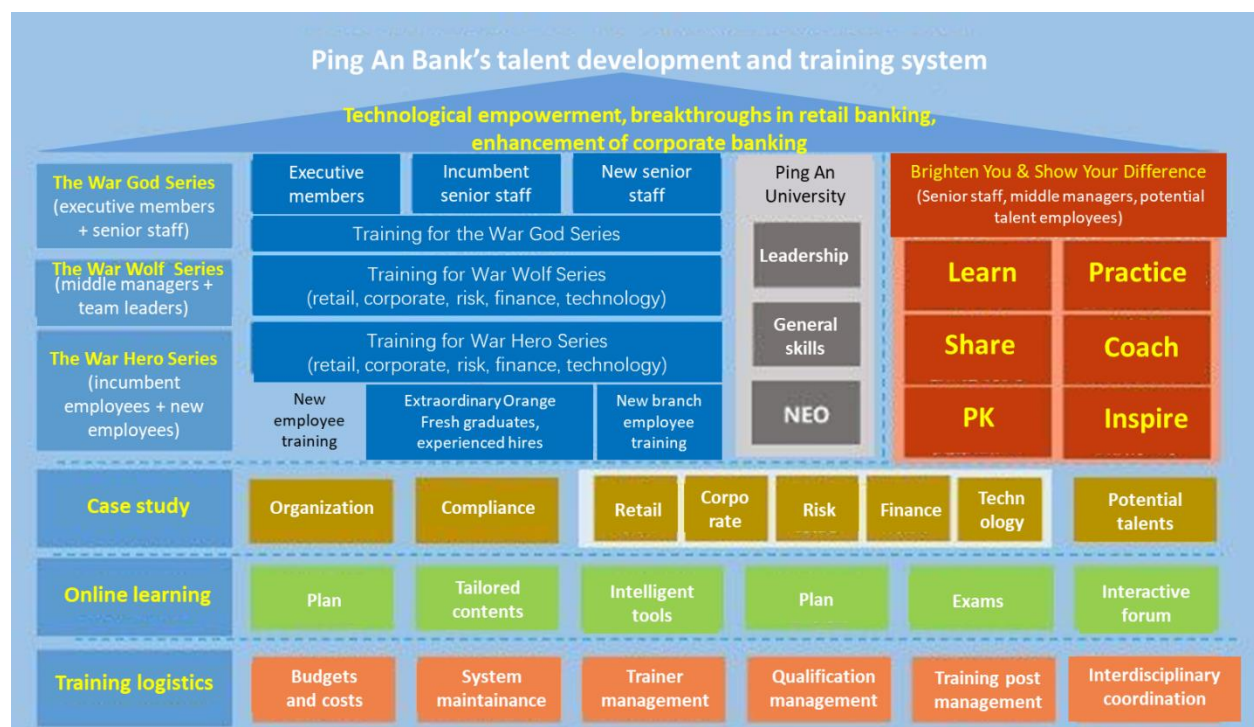
We provide a range of welfare benefits to all employees, including five types of insurance plans—endowment, medical, unemployment, work injury and maternity — and housing fund. Apart from the provision of maternity leave, paternity leave and annual leave as stipulated by law, we also provide employees with a corporate annuity plan, supplementary insurance, annual employee medical check-ups, meal subsidies, birthday and holiday benefits.

We have established an effective and reliable performance appraisal system, and achieved closed-loop management from planning, coaching to evaluation. Not only do we focus on the achievement of employee performance goals, but also the guidance and communication with employees to ensure objective and fair evaluation of employee contributions under the same rules. We have established a sound employee development pathway management system and regularly revised management methods. The pathways include management, profession, business, technology, and function, which enable diversified employee development aspirations and the Bank's talent development needs.



12.2 Empowering employees

In 2020, the Bank aligned its training work with its strategy, strived to improve employees' "innovation, efficiency and collaboration" capabilities, strengthened their data management skills, embraced technology and the ecosystem, and optimized the War God Series, War Wolf Series, and War Hero Series training systems. The Bank continued to promote the training of potential talents and cultivate more young employees.



12.2.1 Diversified on-job training

In 2020, the Bank aligned its training with its strategy. The Bank strived to improve its "innovation, efficiency and collaboration" capabilities, strengthen their data management skills, embrace the business ecosystem and finance, promote the coordinated development of business teams through training, optimize the talent system, improve the team, and cultivate talents to support business development. In response to the pandemic's impact, the Bank conducted online learning and cultivated a learning culture. In 2020, the training hour per employee reached 119.94 hours, a 30% increase compared to the previous year.

The Bank built smart training management platforms using technology to integrate Zhiniao functions into its daily training system and expand the training of more employees. Throughout the year, the Bank launched 1,929 Zhiniao courses, prepared 9,734 exams, and conducted 2,726 live broadcasts. On average, one employee took 18.6 online courses.

The Bank continued to optimize and implement the three training systems of the War God Series, War Wolf Series, and War Hero Series, created the "Extraordinary Orange" new employee training brand, and conducted customized training programs for in-service employees, middle managers, executive members and senior staff. In addition to in-house training courses, employees are encouraged to take examinations and certifications related to their jobs. In accordance with the requirements of the People's Bank of China and regulatory agencies, as well as industry qualifications, the Bank has drawn up a list of external qualification certificates applicable to specific jobs, covering 36 common qualifications in the industry. Employees of various departments can sign up for relevant certification examinations based on the list, and the Bank will reimburse

examination expenses based on relevant certificates.

12.2.2 Building a talent team

To meet its strategic needs, the Bank continued to promote the "Brighten You" training program, aimed at selecting, training and retaining a group of young and capable talents for the sustainable development of the Bank. The "Brighten You" training program places equal emphasis on talent cultivation and key business innovation, and establishes a system for nurturing talents. The program allows the Bank to train, evaluate, and assign the young talents.

In 2020, the Bank carried out two terms of the "Brighten You" Program, training 239 talents, 52 of which had completed the program and been assigned posts. The first term already concluded, while the second term has trained 41 employees. In addition, the "Show Your Difference" program was launched in two business lines and 39 branches, involving the training of 2,844 potential talents.

12.3 Open communication

We value employees' opinions. We set up various channels to understand employees' thoughts, and hold various activities to enhance employee engagement. We strive to create a positive working atmosphere, and respond to employees' needs.

12.3.1 Listening to employees

The Bank is committed to providing efficient and transparent communication channels, and tends to employees' experiences and concerns. We respond to employees' inquiries in a timely manner, and advocate communication and guidance between direct supervisors and employees. We address employees' inner needs through performance interviews with supervisors, and provide clear instructions to help employees grow. Moreover, we make use of Zhiniao platform's questionnaire function to gauge the training needs of employees, organize relevant courses and conduct training.

CASE STUDY: All the Way with You'Employee Caring campaign

Adhering to the philosophy of "happy work and healthy life" and leveraging on technology, we formed a dynamic team to coordinate all departments in joining the "All the Way with You" Employee Caring Campaign, creating a positive, healthy and harmonious workplace.

CASE STUDY: We Talk Campaign

We launched the We Talk campaign to promote innovation, efficiency, collaboration and other organizational skills. Since its launch at the end of July, the campaign attracted the participation of 12,645 employees. Ten spokespersons with the best organizational skills were eventually selected.



Ten spokespersons with the best organizational skills

12.3.2 Catering to employee needs

We value the health and safety of employees and made every effort to promote the prevention and control of the COVID-19 outbreak. We organized various recreational activities to enrich employees' spare time. In addition, we pay attention to employees' concerns to foster team spirit and a sense of belonging.

- **Ensuring employees' health and safety**

To combat the COVID-19 pandemic, the Headquarters' Labor Union announced Ping An Bank's requirements for the prevention and control of the coronavirus to employees through the "Zicheng E Home" starting from January 27, 2020 (the third day of the Lunar New Year). It also provided timely updates on the Bank's COVID-19 prevention and control, achievements made during the fight against the pandemic, and organized all branch labor unions to purchase emergency supplies for employees returning to work. The Headquarters' Labor Union purchased and organized the delivery of more than 300,000 medical supplies to Wuhan Branch staff, provided 900,000 masks for returning staff, and distributed instant food such as cereals and instant noodles to protect the lives and health of the staff.

We pay attention to workplace safety, and regularly organize fire drills to ensure employees master fire safety skills. In addition, each branch collaborates with local professional organizations to conduct first aid training.

CASE STUDY: Ping An Safety 'by Your Side

On December 17, 2020, the Headquarters organized an on-site first aid training "Ping An, 'Safety' by Your Side". Held at a first aid studio theatre, the first aid knowledge training was conducted by Shenzhen First Aid Center Training Department experts and provided the participating employees with first-aid knowledge and practical skills in an engaging manner through quizzes and contests.



Deputy director of the Training Department of Shenzhen First Aid Center imparting “first aid knowledge” (left)

Group photo of participating employees (right)

- **Promoting work-life balance**

To adjust employees' work pace and promote work-life balance, we have set up employee activity centers at our Headquarters, Shanghai Xuhui Office and other places. The employee activity center on the 11th floor of the Headquarters' South Tower receives 200 employees on a daily average since its launch in July. The Labor Union arranges various leisure activities such as yoga, jazz, street dance, and boxing at the center.

Various recreational activities were organized to enrich employees' daily lives. The Headquarters' Labor Union held a 3x3 Basketball Challenge in 2020, with 51 teams and over 200 participants. The Shanghai Branch Labor Union organized the "Shanghai Branch Culture and Arts Festival", to enrich employees' social life.

CASE STUDY: PA Cloud Party

“Energetic PA”, the first stop of the "PA Cloud Party" event, promoted the importance of healthy living among employees through short videos, attracting 9,572 employees to participate. There were over 5,000 lucky draw winners. The "Savory PA" activity, a special event with food theme was launched after the curbing of COVID-19 outbreak in China. The event aroused employees' nostalgia for hometown taste and attracted wide participation. The number of page views exceeded 65,000, and the number of draws surpassed 73,000. About 15,000 employees participated in the lucky draw, and over 5,000 people won prizes.

- **Focusing on employees' differentiated needs**

We care for women employees and strive to meet their needs. We organized various women-themed activities, and set up nursing rooms at branches.

We continued to hold the "Caring for Employees with Four Virtues" campaign, organized celebrations for employees' key anniversaries such as birthdays, marriages, childbirth, and retirement, visit ill employees, and send condolences to families of deceased employees. We made 111,392 cumulative compassionate care visits in 2020, and 213 visits under the "Special Difficulties Assistance" program. The Headquarters offered RMB 150,000 money to 22 ill employees.

13. Practice Charity to Create a Better Society

Charity is a symbol of the development and progress of social civilization, and is the responsibility and obligation of corporate citizens. Ping An Bank participates in public welfare undertakings, encourages employees, customers and communities to practice philanthropy, cares for special groups, respects the elderly, and protects the environment. We give back to the society through actions, fulfilling our commitment to all sectors of society.

In 2020, Ping An Bank overcame the impact of the pandemic and encouraged employees to participate in charity and volunteer services. Ping An Bank held 539 online and offline employee-themed activities throughout the year, involving 277,000 participants. We promoted poverty alleviation products online through the "Zicheng E Home" WeChat account, and attracted approximately 20,000 employees to participate and subscribe Yinshan OATS gift packs. We conducted over 200 offline charity activities including the "Cool Summer" and "Love in Double-Ninth Festival", benefiting over 20,000 people. Taking advantage of our strengths in "finance + technology + public welfare", we built an online public charity platform to carry out programs such as helping farmers, the poor, and students, connecting offline charity resources to accurately match projects and meet the needs of more than 1 million customers. In 2020, Ping An Bank's donations totaled RMB91,546,300.

13.1 Supporting Education

Education is the foundation of national success, and an important cornerstone of national development and social progress. Ping An Bank supports the building of higher education institutions, participates in youth talent training programs, and takes action to promote the development of education in China.

CASE STUDY: Supporting the building of universities

In November 2020, the establishment of Shenzhen MSU-BIT University Education Foundation and the signing ceremony of the donation agreement for the Ping An Education Special Fund were held at Shenzhen MSU-BIT University. Li Wenhui, Director of Social Organizations Administration of Shenzhen Municipality, Hu Yuefei, President of Ping An Bank, and Zhu Dijian, Secretary of the Party Committee and Vice President of Shenzhen MSU-BIT University attended the ceremony.

Delivering his speech at the signing ceremony, President Hu Yuefei said Shenzhen MSU-BIT University has an important historical mission as a university jointly initiated and established by the two heads of state of China and Russia. The establishment of the Foundation is an opportunity. As a participating organization, Ping An Bank would connect with the Foundation and set up the Ping An Education Special Fund to promote talent training, teacher development and scientific research innovation at the university. In the future, Ping An Bank would also encourage employees, customers and other companies to donate in support of education, and

continue to expand the Foundation's influence.

CASE STUDY: Cheering for inspirational youth

On July 7, 2020, the 2020 "Inspirational Plan" co-sponsored by Ping An Group, China Youth Daily, China Youth Foundation and Tsinghua IGI was officially launched. Ping An Bank invited inspiring youth all over the world to discuss the topic on "How to use digital currency to build a responsible economic society".

With a prize of 1 million yuan, the event invited many renowned experts from Central University of Finance and Economics, Peking University, Nankai University, Renmin University of China to serve as judges. Collaborating with career guidance units and venture capital incubators, it also provided a full range of "study, career, and entrepreneurship" resources for inspirational young people through professional guidance during the competition, enabling the contestants to achieve their aspirations.



President Hu Yuefei served as the ambassador of the "inspirational Plan"

13.2 Caring for children's growth

Children represent the hope of a nation. It is the common aspiration of the society that every child can thrive. Ping An Bank cares for children and supports their healthy growth through volunteer services and external cooperation.

CASE STUDY: Helping special children realize their art dreams

On December 1, 2020, the art show "Art Education Exploration-Art Jigsaw: Returning the Whole World to Them", supported by Ping An Bank, opened at Shenzhen Guan Shanyue Art Museum. Over 300 works of art by over 200 students from Shenzhen Yuanping Special Education School were showcased. Ping An Bank focuses on special education, and has been funding Yuanping Special Education School since 2007, with a



cumulative donation of 1.55 million yuan. Since 2018, Ping An Bank has supported Yuanping Special Education School to carry out teaching innovations. Yuanping Special Education School has established "Colorful Yuanping · Safety with You" art healing classes, as well as gardening, broadcasting, calligraphy and music courses, enabling special children to receive comprehensive art education. Over the past two

years, the school has recorded 364 teaching hours, served 20,020 students and helped children realize their dreams.



Exhibition work: Inner Painting by Wu Genggeng

Exhibition work: Paper Quilling Art by Zhu Langfeng

CASE STUDY: Advocating child protection at schools

To promote social welfare undertakings, fulfill responsibilities of corporate citizens, the Foshan Branch launched the “Learning to Protect Against Harm” Program for girls at schools on November 17, helping teachers and students gain a better understanding of the necessity and urgency of protecting girls, and teaching children to protect themselves against harm.



Volunteers from Foshan Branch raising awareness on the importance of self-protection to students

13.3 Helping disadvantaged groups

As a minority group in society, the plight of the vulnerable is often not in the public focus. Through non-profit organizations, Ping An Bank visited different disadvantaged groups, learned about their challenges, and mobilized customers and all sectors of society to respond to their needs, contributing to the building of an inclusive society.

CASE STUDY: Helping families with autistic children

"When my son was 3 years old, he called me mother for the first time." Mother Deng recalled the scene when her autistic son called her mother for the first time. "It was the sweetest sound in the world!" From the joy and hope of welcoming a new life, to the despair and helplessness of knowing the child's condition, and gathering the courage to create a better world for the child... This is the journey that almost every "mother with autistic child" has experienced. Ping An Private Bank and Shenzhen Social Commonwealth Fund, Shenzhen Association for Families with Persons with Intellectual Disabilities, and Shenzhen Autism Society jointly launched the "Cheer for Mothers with Autistic Child" Charity Program. Through psychological assistance, caregiver skills training, we have helped 2,053 special families.

CASE STUDY: Building barrier-free cities

In December 2020, the Shanghai Branch launched the "Be Your Eyes" Barrier-free City Campaign. Visually impaired runners from the non-profit organization "Lanjingling" coached participants how to help the visually impaired find seats and pass long narrow passages in the subway, cinema and other facilities. The campaign advocated the concept of "barrier-free spots" to create an accommodating environment, and called on the society to attend to the lives of visually impaired people.

The Wenzhou Branch launched a campaign on the National Day of Persons with Disabilities to call on public attention to smooth traffic flow of the pedestrian lanes for the blind. Volunteers cleared the obstacles that occupied the footpath, moved away the public bicycles and electric vehicles, and cleaned the pavement to provide an enabling environment for the blind.



"Be Your Eyes" Barrier-Free City Charity Campaign

CASE STUDY: Extending care to destitute households

The Xi'an Branch, together with Shanxi colleagues and the Red Cross Society of Xi'an, held the "Ping An Love in Winter" Campaign on January 17. More than 60 poor households in Huyi District, Gaoling District, Lantian County, Zhouzhi County received a cumulative donation of 150,000 yuan under the Ping An Special Financial Fund.



Ping An "Special Financial Fund" donation ceremony

13.4 Building charitable communities

The Bank's retail outlets launched the "Ping An Charity Service" Program to build a outlet-centered community service ecosystem that connects customers, employees, and communities. Employees act as the community volunteers while the outlets serve as the base camp for community services, encouraging everyone to lead a charitable life. The program raised awareness on the importance of community service and incorporated the act of charity-giving into retail outlets' services.

CASE STUDY: In Search for the World's Young Artists --One World Community Art Campaign

From October to November 2020, Ping An Bank organized the "In Search for the World's Young Artists--One World Community Art Campaign", and gathered artworks from urban and rural community residents with one world as the theme. The campaign provided a platform for children across the country to communicate via art. Through online art classes and exhibitions, the campaign gathered 844 young community artists from 17 provinces, 41 cities, and 101 communities. The children used paintbrushes to illustrate lives in rural and urban areas, giving a voice to families with special children, and fostering charitable communities.



Art competition poster

CASE STUDY: Connecting Ping An Neighborhoods

The 11 community banks under Wenzhou Branch jointly organized a series of activities for the "Warm Winter for Ping An Neighborhoods" Program. All branches sought to connect with subdistricts, communities, and real estate agencies to build community branches that promote the concept of residents' "bank right on your doorstep" through a four-pronged approach — "government-led, bank linkage, community promotion, and resident participation". Popular and entertaining activities that promote financial knowledge awareness were held, including sports games, dumpling contest, ring toss games, and quizzes. Over 100 events were held throughout the year.

13.5 Employee volunteer activities

Ping An Bank encourages employees to actively participate in volunteer activities to demonstrate the compassion of Ping An staff. The Sancunhui app provides a convenient platform that promotes volunteering. Employees can organize and sign up for volunteer activities on the app. For many years, we have organized charity activities such as "Cool Summer" and "Respect the Elderly during the Double Ninth Festival".

We celebrated the Double Ninth Festival (ninth day of the ninth month in the Lunar calendar) on October 25, 2020 with our customary "Senior Citizens Day". To promote China's traditional virtues of respecting and honoring the elderly, the Bank organized the "Love in



Double Ninth Festival" event to practice its corporate social responsibility and as part of Ping An Bank Volunteers Association's "Embarking on a Journey of Community Service Together" initiative.

Ping An Bank has held the Double Ninth Festival Respect the Elderly campaign since 2014. We have planned and held more than 700 events to show our compassion to more than 60,000 elderly customers and senior citizens in communities and nursing homes. The visits and campaign reflect the Bank's respect for the elderly, and demonstrates our promotion of traditional values. Senior citizens and other members of the public have welcomed and praised our initiatives for the elderly, which contribute to the development of a harmonious society.

Cleaners, traffic police, construction workers, municipal workers, couriers, security guards and other personnel brave the scorching summer sun to protect the beauty and tranquility of the city. To fulfill our social responsibility and build a beautiful homeland, Ping An Bank launched the "Cool Summer" charity drive to care for people who work outdoors in the heat.



CASE STUDY: "Building Green Hills and Clear Waters, Sowing Hope of Peace" Tree Planting

On April 6, volunteers from the Jinan Branch visited the Huangqian Base in Yanglangou Village, Daiyue District, Tai'an City to participate in the "Building Green Hills and Clear Waters, Sowing Hope of Peace" tree-planting activity. Over 70 volunteers followed the instructions of orchard managers and planted 100 peach trees for reforestation. Ping An Bank donated the tree saplings, turning the concept of "lucid waters and lush mountains" into reality. It further enhanced employees' awareness of environmental protection and developed a sense of responsibility in building a green homeland.



CASE STUDY: Foshan Branch organized blood donation

The Foshan Branch held a blood donation drive, “Donate Blood Together with Ping An”, mobilizing Party members and employees to save lives and help combat the COVID-19 epidemic. After the announcement of the blood donation drive, Party members and Foshan Branch employees played a leading role to encourage others in joining the campaign. 25 people participated in the blood donation drive, contributing 8,900 ml of blood.

MEDIA FOCUS: You Guard Wuhan, We Protect You / COVID-19 Diary

Source: "Financial Stories", date: February 27, 2020

An anti-pandemic mobilization effort involving 1.4 billion people.

A battle that does not involve gunpowder but no retreat can be made.

Through blood, sweat and tears, a great wall was built to control the spread of COVID-19 .

However, the lack of personal protective equipment resulted in thousands of healthcare workers sacrificing their lives to protect us. Li Wenliang, Liu Changming, Peng Yinhua were some of the heroes who succumbed to COVID-19.

A group of Ping An Bank employees overcame supply and manpower shortages, as well as traffic congestion to build a platform for the delivery of medical supplies in Wuhan, Nanjing, Oman, China, and the world, providing a lifeline against COVID-19.

GRI Standards Index

Indicator number and description	Disclosure	Corresponding chapter(s)
GRI 101: Foundation		
GRI 102: General Disclosure		
Organizational Profile		
102-1 Name of the Organization	Disclosed	Bank Introduction
102-2 Activities, Brands, Products and Services	Disclosed	Bank Introduction, Sustainability Management
102-3 Location of Headquarters	Disclosed	Bank Introduction
102-4 Operating Location	Disclosed	Bank Introduction
102-5 Ownership and Legal Form	Disclosed	Corporate Governance-Board Governance
102-6 Markets Served	Disclosed	Support Real Economy, Help to Improve People's Well-being, Develop Inclusive Finance, Developing green finance, Technology Enhances Understanding of Customers
102-7 Scale of the Organization	Disclosed	Bank Introduction
102-8 Information on Employees and Other Workers	Disclosed	Value People and Help Employees Grow--Encouraging diversity
102-9 Supply Chain	Disclosed	Practice Green Operations--Promoting green procurement
102-10 Significant Changes to the Organization and its Supply Chain	Disclosed	Practice Green Operations--Promoting green procurement
102-11 Precautionary Principle or Approach	Disclosed	Corporate Governance-Compliance
102-12 External Initiatives	Not disclosed	
102-13 Membership of Association	Not disclosed	Sustainability Management
Strategy		
102-14 Statement from Senior Decision-makers	Disclosed	Statement from the Executives
Ethics and Integrity		
102-16 Values, Principles, Standards and Norms of Behavior	Disclosed	Sustainability Management
Governance		
102-18 Governance Structure	Disclosed	Corporate Governance-Board Governance
Stakeholder Engagement		
102-40 List of Stakeholder Groups	Disclosed	Sustainability Management-Stakeholder Engagement
102-41 Collective Bargaining Agreements	Not disclosed	
102-42 Identifying and Selecting Stakeholders	Disclosed	Sustainability Management-Stakeholder Engagement
102-43 Approach to Stakeholder	Disclosed	Sustainability Management-Stakeholder

Engagement		Engagement
102-44 Key Topics and Concern Raised	Disclosed	Sustainability Management-Material Issues
Reporting Practice		
102-45 Entities Included in Consolidated Financial Statements	Disclosed	About this Report
102-46 Define Report Content and Topic Boundaries	Disclosed	About this Report, Sustainability Management-Material Issues
102-47 List of Material Topics	Disclosed	Sustainability Management-Material Issues
102-48 Restatements of Information	Not applicable	
102-49 Changes in Reporting	Disclosed	About this Report
102-50 Reporting Period	Disclosed	About this Report
102-51 Date of Most Recent Report	Disclosed	About this Report
102-52 Reporting Cycle	Disclosed	About this Report
102-53 Questions Regarding the Report	Disclosed	Feedback Form
102-54 Claims of Reporting in Accordance with GRI Standards	Disclosed	Third-party Assurance
102-55 GRI Content Index	Disclosed	GRI Index
102-56 External Assurance	Disclosed	Third-party Assurance
GRI 200 Economic		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Corporate Governance-Board Governance
103-3 Evaluation of the Management Approach	Disclosed	Corporate Governance-Board Governance
GRI 201 Economic Performance		
201-1 Direct Economic Value Generated and Distributed	Disclosed	Bank Introduction-Key Performance Indicators
GRI 203 Indirect Economic Impact		
203-1 Infrastructure Investment and Services Supported	Disclosed	Help to Improve People's Well-being -- Supporting municipal construction
203-2 Significant Indirect Economic Impact	Disclosed	Support Real Economy, Help to Improve People's Well-being , Develop Inclusive Finance, Developing green finance
GRI 204 Procurement Practice		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues

103-2 The Management Approach and its Components	Disclosed	Corporate Governance-Compliance, Practice Green Operations--Promoting green procurement
GRI 205 Anti-Corruption		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Corporate Governance-Compliance
103-3 Evaluation of the Management Approach	Disclosed	Corporate Governance-Compliance
205-2 Communication and Training About Anti-corruption Policies and Procedures	Disclosed	Corporate Governance-Compliance
205-3 Confirmed Incidents of Corruption and Actions Taken	Disclosed	Corporate Governance-Compliance
GRI 206 Anti-competitive Behavior		
206-1 Legal Action for Anti-Competitive Behavior, Anti-trust and Monopoly Practices	Disclosed	Corporate Governance-Compliance
GRI 300 Environmental		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Practice Green Operations--Building green outlets, Creating green workplace
103-3 Evaluation of the Management Approach	Disclosed	Practice Green Operations--Building green outlets, Creating green workplace
GRI 302 Energy		
302-1 Energy Consumption within the Organization	Disclosed	Practice Green Operations--Building green outlets, Creating green workplace
302-4 Reduction in Energy Consumption	Disclosed	Practice Green Operations--Building green outlets, Creating green workplace
302-5 Reduction in Energy Requirements of Products and Services	Disclosed	Practice Green Operations--Building green outlets, Creating green workplace
GRI 303 Water and Effluents		
303-3 Water Recycled and Reused	Disclosed	Practice Green Operations--Creating green workplace
GRI 307 Environmental Compliance		
307-1 Non-compliance with Environmental Laws and Regulations	Disclosed	Practice Green Operations--Building green outlets, Creating green workplace
GRI 308 Supplier Environmental Assessment		
308-1 New Suppliers that Were Screened Using Environmental Criteria	Disclosed	Practice Green Operations--Promoting green procurement
308-2 Negative Environmental Impacts in	Disclosed	Practice Green Operations--Promoting

the Supply Chain and Actions Taken		green procurement
GRI 400 Social		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Value People and Help Employees Grow- -Encouraging diversity, Sustainability Management
103-3 Evaluation of the Management Approach	Disclosed	Value People and Help Employees Grow- -Encouraging diversity, Sustainability Management
GRI 401 Employment		
401-2 Benefits Provided to Full-time Employees That Are Not Provided to Temporary or Part-time Employees	Disclosed	Value People and Help Employees Grow- -Encouraging diversity
401-3 Parental Leave	Disclosed	Value People and Help Employees Grow- -Encouraging diversity
GRI 404 Training and Education		
404-1 Average Hours of Training per Year per Employee	Disclosed	Value People and Help Employees Grow- -Empowering employees
404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	Disclosed	Value People and Help Employees Grow- -Empowering employees
GRI 405 Diversity and Equal Opportunity		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Value People and Help Employees Grow- -Encouraging diversity
103-3 Evaluation of the Management Approach	Disclosed	Value People and Help Employees Grow- -Encouraging diversity
405-1 Diversity of Governance Bodies and Employees	Disclosed	Value People and Help Employees Grow- -Encouraging diversity
GRI 406 Non-discrimination		
406-1 Incidents of Discrimination and Corrective Actions Taken	Disclosed	Value People and Help Employees Grow- -Encouraging diversity
GRI 413 Local Communities		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Practice Charity to Create a Better Society
103-3 Evaluation of the Management Approach	Disclosed	Practice Charity to Create a Better Society

413-1 Operation with Local Community Engagement, Impact Assessment and Development Programs	Disclosed	Practice Charity to Create a Better Society
413-2 Operation with Significant Actual or Potential Negative Impacts on Local Communities	Disclosed	Practice Charity to Create a Better Society
GRI 416 Customer Health and Safety		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Technology Enhances Understanding of Customers--Professional security protection, Consumer rights protection
103-3 Evaluation of the Management Approach	Disclosed	Technology Enhances Understanding of Customers--Professional security protection, Consumer rights protection
GRI 419 Socioeconomic Compliance		
GRI 103 Management Approach		
103-1 Explanation of Material Topic and its Boundary	Disclosed	About this Report, Sustainability Management-Material Issues
103-2 The Management Approach and its Components	Disclosed	Corporate Governance-Compliance
103-3 Evaluation of the Management Approach	Disclosed	Corporate Governance-Compliance
419-1 Non-compliance with Laws and Regulations in the Social and Economic Area	Disclosed	Corporate Governance-Compliance

Third-party Assurance



Assurance Statement of Sustainability Report

TUV NORD (Hangzhou) Co. Ltd. ('TUV NORD') has been commissioned by the management of Ping An Bank Co., Ltd (PING AN BANK' for short) to carry out an independent assurance of the 2020 Sustainability Report ('report' for short). PING AN BANK is responsible for the collection, analysis, aggregation and presentation of information within the Report. TUV NORD's responsibility in performing this work (assurance of the report) is in accordance with terms of reference agreed in the scope of engagement with PING AN BANK. PING AN BANK is the intended users of this statement. This statement is based on the assumption that the data and information provided in the report is complete and true.

Assurance Scope

- The report revealed the accuracy and reliability for key performance, information and management system, which happened in 2020.
- Audit site: Ping An International Finance Centre South Tower, No. 5033, Yitian Road, Futian District, Shenzhen, headquarter of PING AN BANK, with no other subordinate units, branches or project sites of PING AN BANK involved.
- We evaluate the collection, analysis, aggregation of the information and data.
- Assurance of the Report was done on **26-27.01.2021**.

Assurance Methodology

Assurance process including following activities:

- Review the document information provided by PING AN BANK;
- Interview the staff from the head office of PING AN BANK by face-to-face or telephone;
- View the related websites and media reports, verify the data and information through sampling method;
- Refer to the GRI Sustainability Reporting Standards (GRI Standards) on balance, comparability, accuracy, timeliness, clarity, reliability, and give the evaluation;
- Refer to AA1000AS (2008) Assurance methodology;
- Assurance activity is based on TUV NORD sustainability report assurance management procedure.

Assurance Conclusion

PING AN BANK Sustainability Report provide an appropriate and objective view of the sustainability & social programs and performances in 2020. The report takes "in the frameworks of "Economic Responsibility", "Environmental Responsibility" and "Social Responsibility", three aspects to reveal 2020 PING AN BANK sustainability idea, practice, result and typical cases;

The data in report is reliable and objective, TUV NORD did not find the system error or substantial error, which meets the disclosure requirement of GRI Standards core option:

- Balance
The performance information of loopholes and risks discovered in the basic-level operation of PING AN BANK were objectively disclosed, manifesting balance;
- Comparability
Key data of PING AN BANK in 2020 was demonstrated as "key performance indicators" in the Report, manifesting comparability;
- Accuracy
It was discovered through sampling review that the cases and data disclosed in the Report were basically objective and accurate;



- **Timeliness**

The social responsibility performance of 2020 was disclosed in the Report, demonstrating strong timeliness, allowing stakeholders to obtain information in a timely manner and make reasonable decisions:

- **Explicitness**

Pictures, graphics and data sheets were used in the Report, making the information in the Report comprehensible. And indicator benchmarking tables were used, facilitating the stakeholders to find desired specific information:

- **Reliability**

The Office of PING AN BANK is responsible for the collection, recording, arrangement and analysis of the information and processes used for preparing the Report to make it verifiable, ensuring the quality and substantiality of the information to a certain degree.

Suggestion for Improvement

Through assurance and evaluation, we had following improvement suggestion on sustainability practice and management:

- In order to improve the accuracy of the selection of substantive topics, it is suggested to enlarge the survey sample during the screening and confirmation of substantive topics.
- It is suggested that proper terms should be properly explained in performance disclosure to increase the readability of the report.
- It is suggested to add data comparing with peers in performance disclosure and increase the horizontal contrast of the report;

Special Statement

This statement excluding:

- The activity outside information reveal;
- The position, idea, faith, object, future developing direction, and promise which stated by PING AN BANK.
- Because the economic data had been audited by the third party, we will not do double audit this time.

Statement of Independence and Competence

TUV NORD Group is the world's leader in inspection, testing and verification, operating in more than 70 countries throughout the world and providing services which includes management systems and product certification; quality, environmental, social and ethical auditing and training; environmental; social responsibility and sustainability report assurance.

TUV NORD (Hangzhou) Co. Ltd. (a member of TUV NORD Group) affirms its' independence from PING AN BANK and confirms that there is no conflicts of interest with the organization or any of its subsidiaries and stakeholders when performing the assurance of the Report. TUV NORD (Hangzhou) Co. Ltd. was not involved in any manner with PING AN BANK, when the latter was preparing the Report.

The team leader: Xuemei (Olina) Li
Date: 02.03.2021

The Authorized person: Haining Song
Date: 02.03.2021

Note: in case of conflict between the Chinese and English versions of the declaration, please refer to the Chinese version

About this Report

This Report is the eleventh annual report on social responsibility issued by Ping An Bank. It discloses the responsibility fulfillment and performance of Ping An Bank for its stakeholders including customers, the public and employees, and demonstrates the good life that Ping An Bank has created for its stakeholders.

Reporting Period

January 1, 2020-December 31, 2020. In order to enhance the comparability and perceptiveness of this Report, some contents have been extended.

Scope of this Report

Headquarter of Ping An Bank and all its branches

Explanation for Appellations

For the convenience of presentation and reading, "Ping An Bank Co., Ltd." is expressed as "Ping An Bank" or "we/us", "the Bank" in this Report; "Ping An Insurance (Group) Company of China, Ltd" is expressed as "Ping An Group".

Data Source

The data used by this Report come from Ping An Bank's official documents or reports.

Reporting Guidelines

ISO26000: Social Responsibility Guide (2010) of the International Organization for Standardization Global Reporting Initiative Guidelines for Sustainable Development Reports (GRI Standards) Guidance for Social Responsibilities of Listed Companies of Shenzhen Stock Exchange

Guidance of the General Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration on Compilation of Social Responsibility Reports (GB/T36001)

Guidelines of the Chinese Academy of Social Sciences on Compilation of Social Responsibility Reports of Chinese Enterprises (CASS-CSR 4.0)

Reliability Guarantee

The Company guarantees that there is no false record, misleading statement or material omission in this Report.

Feedback Form

To our readers:

Thank you very much for reading this Report during your busy schedule. In order to improve the report preparation and enhance the responsibility performance of Ping An Bank, we particularly hope to listen to your comments and suggestions.

1. For Ping An Bank your stakeholder category is:
☐Government ☐Customer ☐Partner ☐Employee
☐Environmental Protection Related Organization ☐Community/Public ☐Media
2. What is your overall evaluation of this Report?
☐Excellent ☐Good ☐Average ☐Poor ☐Very Poor
3. How do you think the quality of social responsibility information disclosed in this Report?
☐Very High ☐High ☐Average ☐Low ☐Very Low
4. What do you think of the structure of this Report?
☐Very Reasonable ☐Reasonable ☐Average ☐Bad ☐Very Bad
5. How do you think of the readability of this Report?
☐Excellent ☐Good ☐Average ☐Poor ☐Very Poor
6. Which part of this Report are you most interested in?
☐Serving the real economy ☐Technology-led development ☐Promoting green development
☐Carry our people-oriented management ☐Commit to returning society
7. What other valuable suggestions do you have for report preparation or responsibility fulfillment practice?

Note: Please send your feedback to Ping An Bank Building, No. 5047 Shennan East Road, Shenzhen, 518001; Tel: (0755) 2216 8695; Email: chenxm001@pingan.com.cn.