

## SPD Bank Corporate Social Responsibility Report 2009



"Low carbon, a better life", volunteers campaign of Jinan Branch

# An Overview of the CSR Report

<b>Reporting Period</b>	Jan.1st-Dec.31st.2009(Part of Content has gone beyond this time scope.)
<b>When the latest report released</b>	April, 2009
<b>Reporting frequency</b>	Every financial year
<b>Referential guidelines</b>	<ul style="list-style-type: none"><li>◆ CBRC Guidelines on strengthening the social responsibility of the banking institutions</li><li>◆ China Banking Association: Guidelines on Social Responsibility Reports by Chinese Banking Institutions</li><li>◆ Shanghai Stock Exchange: CSR information disclosure by listed companies</li><li>◆ Sustainable development report of Global Reporting Initiatives (GRI)</li></ul>
<b>Coverage of the report</b>	Shanghai Pudong Development Bank (referred to as “SPDB” for short) and its branches
<b>Assessment method of statistics and operation basis</b>	SPDB's audited annual report 2009
<b>Where to find the CSR report and languages of the report</b>	<ul style="list-style-type: none"><li>◆ The report is released in two ways:soft copy on SPDB's website (www.spdb.com.cn) and hard copy</li><li>◆ The report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese edition shall prevail</li></ul>
<b>In what paper the report is prepared</b>	Recycled paper
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# Message from the Chairman of the Board of Directors



Mr. Ji Xiaohui, Party Secretary, Chairman

## Responsibility Leads the Future

The year 2006 witnessed the first CSR report issued by SPDB, the first of its kind in the Chinese banking industry. Since then, SPDB has consisted to issue a CSR report each year, which records the each and every step SPDB has achieved on its road to CSR. Being it the natural disaster suffered by the nation, or the Olympic Games staged in Beijing; Being it the great waves of the global financial crises, or the strenuous efforts to recover the economy... SPDB is always giving its utmost to support the economic development, make contributions to the welfare of the public, advocate the environment protection initiatives, fulfill its CSR commitment and share joys and sorrows with the nation.

SPDB knows clearly the importance of the financial industry to the country, the bank itself is to serve the public, meanwhile, to keep a credit, convey the policies of the government at all levels, and allocate the resources. It is at the core of the present economy. Therefore, on the aspect of corporate social responsibility, banks should take on more commitments. Embracing the spirit that each citizen should take on the ownership of the responsibility to care for the nation, SPDB makes active efforts

to fulfill its economic, social and environmental commitments. We are determined to devote ourselves to create more wealth for our fellow Chinese, to seek social progresses and to fulfill the missions entrusted by the epoch.

The ocean will enlarge, when it accepts every drop of water; Mountains get higher from collecting every little stones. SPDB makes its all efforts, no matter small or big, to contribute to the social-economic development of China. The year 2009 witnessed the great efforts made by the bank to further adjust its credit structure to support the macro-economic adjustment measures taken by the central government, the active efforts to boost financial services in rural areas by setting up more SPD rural banks, the initiatives to launch more SME financial services, promote the construction of a "green bank" and the pioneer efforts to launch carbon transactions in China and boost low-carbon economy in China.

The remarkable achievements made by China in the past 3 decades since the reform and opening-up to the outside world have drawn a lot of attention from all over the world and have encouraged each and every Chinese fellow who have dreamed of the revival of

the nation for so long. Looking forward to the future, SPDB knows clearer than ever the CSR commitments it bears up itself.

Premier Wen Jiabao emphasized the direction of reform and development of the financial industry shall take in the next stage in the Report of the Government Work. In the future, we shall be more determined to reform, be bold enough to try new things and give a better play to the role of finance in supporting economic growth and promoting the economic transformation. This is the corporate social responsibility that we must live up to. On the other hand, it also provides a vast blue sea for the future development of the bank.

It is a long march for banks to practice CSR initiatives. Five- year's exploration and practice is just a beginning. SPDB will move forward, along with more outstanding corporate citizens. Guided by responsibilities, we will turn on a new leaf in the history of the great revival of the Chinese nation.

A handwritten signature in black ink, which appears to be '吉晓辉' (Ji Xiaohui).

March 30, 2010



# Visions and an Overview of SPDB

As an independent director of SPDB, I'm very glad to see that while developing its banking businesses in a healthful way and trying hard to bring long-term and sustainable returns to investors, SPDB is keen with public welfare, devoted to charity and concerned with environment protection. It makes active efforts to develop green credit and is practicing corporate citizenship actively. Corporate social responsibility initiatives shall be staged as a strategic choice, but not a commercial marketing method. I hope SPDB will make more active efforts in CSR and be bold in innovation, and work out a way of corporate social responsibility with Chinese characteristics.

—Sun Zheng  
Vice-chancellor of the Shanghai Economics  
University, Independent Director of SPDB





# Visions and an Overview of SPDB

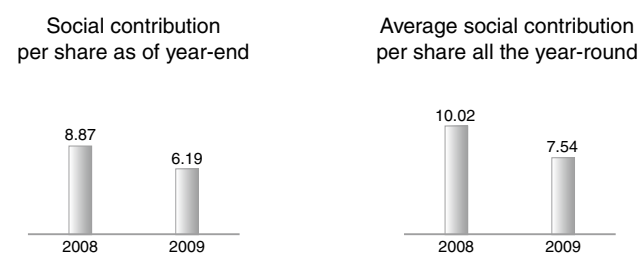
## An Overview of SPDB

A joint-stock commercial bank founded on August 28, 1992, Shanghai Pudong Development Bank (known as SPDB for short) went listed in Shanghai Stock Exchange in 1999 (stock code: 600000). At present, SPDB's registered capital stands at RMB 8.83 billion yuan. SPDB has earned respect and good fame in the domestic stock market on account of its outstanding performance and trustworthiness.

Over the past decade, SPDB has adhered to the motto of "sticking to integrity and striving for excellence" and continuously developed its various banking businesses and enhanced its overall competence. By the end of 2009, its total assets stood at RMB 1.62 trillion yuan, outstanding balance of loans being RMB 928 billion yuan and outstanding balance of deposits being RMB 1.30 trillion yuan, making an after-tax profit of RMB 13.2 billion yuan. A nationwide network was laid out with over 33 main branches and 565 banking outlets in more than 96 cities all over China plus a representative office in Hong Kong.

Looking forward, SPDB will continue to promote innovations and change with the times. Being devoted to the idea of new thinking & hearty services, the bank is devoted to building itself up into a modern financial service provider with core competence.

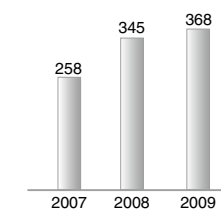
### Social contribution per share(yuan)



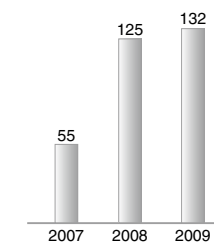
Notes: 1. Social contribution per share = earnings per share + (tax payment + staff salaries + interest expense + donations) / total shares  
 2. The social contributions per share for 2009 is lower than that of 2008, since the bank executed a re-capitalization program in 2009.

### Performance Indicators

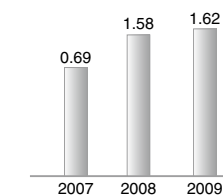
Operating income(Billion)



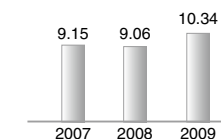
Net profit belongs to the shareholders(Billion)



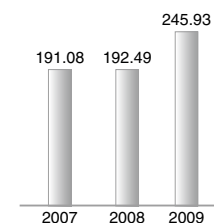
Basic earnings per share(yuan)



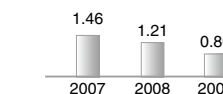
Capital adequacy ratio(%)



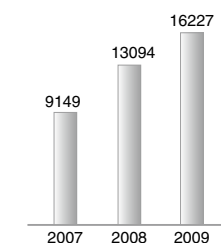
Loan loss preserves to NPLs ratio(%)



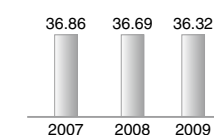
Non-performing loan ratio(%)



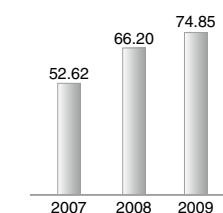
Total assets(Billion)



Cost/income ratio(%)



Tax Payment(Billion)



# Visions and an Overview of SPDB

## Corporate Governance

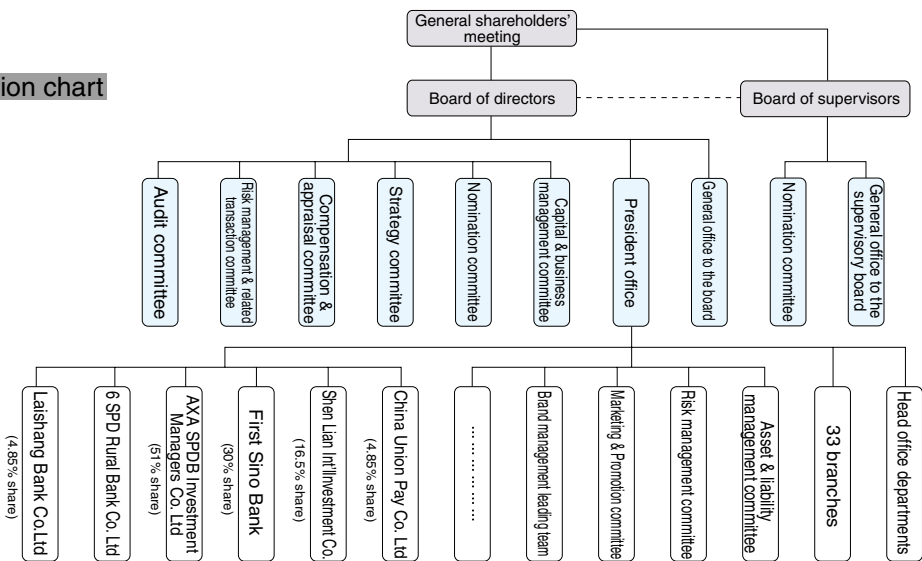
In 2009, SPDB insisted on the scientific perspectives of development and was efficiency-oriented. Business development and risk control constituted the focuses of the company. The company made active efforts to upgrade its competence and improve its management standards. SPDB faced up to challenges and touched upon a new stage of its corporate goal of building up itself into a modern social service provider with core competence.

### 1. Perfecting the Corporation's Management Framework

The demands of this modern time financial serving enterprise caused the corporation to utilize the national well-rounded corporate management experience to further improve and perfect the corporation's management level.

Firstly, the company specified and standardized the authorities and decision-making procedures of the chairman, the board of supervisors, and the business administrators; separated, controlled, and coordinated their systems, their procedures and their control operations; and guaranteed the corporate governance operated legally and diligently. Secondly, the board of the director's meeting succeeded in recruiting new Executive Vice Presidents via open recruitment. Thirdly, the company gradually standardized the performance & incentive management of the senior management via service contracts. The company issued Provisionary Rules on the Performance Assessment of Senior Management and signed target contracts with senior management to specify the performance goals expected of them.

Organization chart



### 2. Strengthening the Management and Guidance of Strategies

Firstly, we finished the Development Strategy Planning 2006-2011. In the year 2009, the economy of China dealt with the challenge of the international financial crisis and maintained economic steadiness. China had stood firmly in the current situation, and devised a long-term plan; by the purpose of the development, and by the revised trend and adjustment, the corporation had strengthened the forwardness and the directions of the strategy, and made sure the strategy would be carried out smoothly. Secondly, the company incorporated the management of social responsibility initiatives into the corporate strategy. According to the revised version of the company's Development Strategy Planning 2006-2011, the company shall carry out its corporate social responsibility as a content of strengthening the corporate culture and brand construction. The specific strategic actions of our bank practices concerning the social responsibility include as follows: "base on the rights of the people, and value unity" as the social value, share holders' value, value of the employees and the value of the client to be the spiritual kernel; serve the community and contribute socially by developing volunteer programs, and developing the image of a green bank and by any other means, such as carrying the responsibilities and obligations for the interest of stockholders, clients, employees, commercial partners, community, natural resources, environment and other interrelated objects, to maintain and promote social interest, to bring about the development of the bank and its coordination with society, to try hard to put the construction of SPDB into being an esteemed corporation of social responsibility. Thirdly, the company developed its branding strategy –SPDB's Branding Strategy Program for 2009-2014.

### 3. Strengthen Information Disclosure.

SPDB is trying its best in the principle of openness, fairness and justice to equally allow all stockholders to obtain the public information of the company and to further fulfill the system of controlling the disclosure of the interior bank information. To voluntarily disclose the information, and to cease not to improve the standard and the quality; to make most use of the various forms and channels, according to the rule and the law; to cease not to strengthen the clarity of the managing and running; and to try to become the most trustworthy and reliable banking institution for investors. SPDB is striving to obey the related system strictly, manage information disclosure, and correctly lead the investing behavior of the public investors, and to prevent and resolve danger concerning the bank's reputation. The corporation accomplished disclosing a regular report 4 times in 2009, and 20 times provisional public announcements. In this way, the investors fully knew the corporate finance and managing situation, and the transparency of the corporation was improved, and could better fulfill the listed company obligation of information disclosure. The corporation was awarded by Shanghai Stock Exchange Best Performer in Information Disclosure 2009, the only Chinese listed-bank to win the award.

# Visions and an Overview of SPDB

4. Positively Pushing reform and Innovation

The bank accelerated innovation, product development and procedure re-engineering. Firstly, it had promoted the innovation system and mechanisms. The company reformed the organizational structure of IT department and Product Innovation Department. The company set up a new business division to be engaged in direct equity fund custody services, Beijing Big Account Services and the Shipping Financing Department, thus laying a solid foundation for the innovation. In 2009, the company made a lot break-throughs. For example, the company was the first Chinese commercial bank to establish a database of PE projects and led the industry in green credit. The company was among the first batch of Chinese banks to launch RMB settlement for cross-boarder trades. Thirdly, the company set up multi-dimensional service network composed of Internet banking, telephone banking, self-service banking, mobile banking and business outlets.

5. Adhering to a comprehensive risk management

The company made active efforts to improve comprehensive risk management capabilities in order to effectively manage and control risks. First, is to strengthen research risks in policy, and introduce an annual credit policy guide, the branch integrated licensing program, and the management of post-loan. Focus on improving the policy guidelines of the forward-looking, adaptive and guidance. Secondly, from credit management, early warning risks, risks after the governor, inspection of risks, the risks of resolving, structural adjustment and other multi-pronged approach to strengthen the mechanism, strive to improve risk prevention. Thirdly, efforts to strengthen the continued monitoring of key risk areas, to highly concern about the systemic, structural, and unexpected risks, strengthening the Group customers a unified credit, bills and credit card business risk management, and efforts to prevent the accumulation of credit risks under the impulse. Fourthly, accelerated the construction of all-round, multi-level risk management control system, and promoted to the right credit risk, operational risk, market risk and so a systematic management framework and mechanisms for building, and through the implementation of the new Basel Capital Accord, enhance risk identification, measurement, monitoring and control.

6. Promoting Internal Control System

In 2009, the company formulated and issued the Internal Control Management Measures, on Strengthening the Management of Personal Accounts, and other documents, was trying to carry out internal control system and IT management. Strengthened the compliance evaluation, tips, reports, tests, etc., continue to carry out the Employee Code of Conduct learning to promote the culture of compliance is growing in popularity. Corporation's full board of directors under the leadership of the vertical management system under the role of internal organizations, establish business rules and management oversight of internal control The third line of defense outside, and through organizing a series of risk-oriented and based on the cycle of internal control audit, to improve the efficiency and effectiveness of internal controls. Further defined the cases of prevention and control organizational structure to implement prevention and control of target responsibility system, and strengthening personnel management in key posts, forming a more perfect case of prevention and control of long-term mechanism, the case did not occur throughout the year. Corporation conscientiously strengthened the leadership over the work of the anti-money laundering, and actively implement the state's various anti-money laundering laws and regulations, regulatory requirements, improved the corporation's anti-money laundering policies, regulatory systems, and effective anti-money laundering compliance to avoid risks.

## Honors & Awards won by SPDB in 2009

Area	Awarded by	Name of the award
Corporate social responsibility	Summit on CSR Reporting by A-share Listed Companies	Best CSR Report for Financial & Insurance Industry 2008
	21-century Chinese Business Heralds	Best Corporate Citizenship 2009 China
	5th Chinese Corporate Citizenship Forum & Awards Ceremony for Best Chinese Corporate Citizens	Best Chinese Corporate Citizen
	Up-rising Chinese Brands and the 2nd Chinese Branding Forum	Outstanding Contributor to CSR 2009 China
	3rd Chinese Environment Investment Convention	Best Performer for Green Credit 2009
	Hua Xi Daily and Yahoo China	Most Charitable Enterprise 2009
Financial service	International Financial Times	Best Partner Bank for enterprises
	I3nd Listed Company' s Market Value Management Summit China	Top 10 of Best-managed Listed-companies in Market Value
	Asian Banker	Excellence in Branding of Consumer Banking Excellence in IT Technology Application in Consumer Banking
	21 Chinese Business Herald and Interbrand Consultancy Co.	Best Case in Branding Initiatives China
	Wealth Management Weekly and CCTV	Best Board of Directors of Chinese Listed Companies 2009
	CFO magazine	Most-trusted Chinese Bank by CFOs 2009 Best Performance in SME Finance, Best Performance in Off-shore Banking, Strongest Corporate Banking Brand
	National-level industry association –China Electronic Chamber of Commerce on Call Centers & Customer Relationship	Best call-center in Asia-Pacific Region –China 2009
	South China Weekend and China Unionpa	Top-10 Most-valued Bank Card Brands
	East Money Website & Online Banking Exhibition Survey on Online Banks China 2009	Most popular online bank
	Shanghai Stock Exchange	Best performer in terms of information disclosure
International ranking	Financial Times, UK	No. 269 of Top 500 Listed Companies Worldwide
	Banker Magazine, UK	No. 137 in terms of Tier 1 Capital and No. 91 in terms of total assets of Top 1000 World Banks
	Asian Banker	No. 23 of Top 300 Asian Banks
	BrandFinance	No. 76 of Top 500 Banking Brands Worldwide and No. 7 in terms of Chinese banking brands

# Visions and an Overview of SPDB

## SPDB’s CSR Visions

### 1.Social Responsibility

The company will fulfill its commitments to such stakeholders as its shareholders, customers, employees, business partners, communities, natural resources and environment to protect and promote the interests of society, to achieve corporate and social and environmental development of the harmonious co-prosperity.

### 2.Value System

To undertake connation of the social responsibility:actions should be restricted by courtesy, and we believe honesty leads to success.

To undertake the action motive of the social responsibility: make contributions to society, serve the public, develop in agreement, and establish harmony together.

### 3.Codes of Conduct

- (1) Be compliant, safe and sound business operation.
- (2) People-oriented and embracing unity of values.
- (3) Customer-oriented and whole-hearted service.
- (4) Be caring about the social benefits and keen on charity.
- (5) Promoting green bank and green credit.

## 4. Advancement Path of SPDB’s CSR Initiatives

Year	Summary	Characters
2005	Taking the lead in CSR initiatives in the Chinese banking industry	First to publish CSR report in the Chinese banking sector; sorting out all its CSR programs since start-up.To establish a CSR vision and value systems, Codes of Conduct, and specify the commitments to various stakeholders
2006	Exploring the CSR road	SPDB set up a volunteer program, and advocate the vision that if everyone lives up to his/her responsibilities we can create limitless possibilities. Vigorously promote Internet-banking donation system; Set up the staff online donation system; Cooperated with NGOs and engaged in several charity programs.
2007	Upgrading management standards of CSR initiatives	Exploring international standards combined with Chinese characteristics; incorporating CSR vision into the company’s development strategy 2006-2011.
2008	International norms, SPDB’S own characteristics	With international standards, improve the reporting of professional knowledge, standards, credibility: The Global Reporting Initiative Sustainability Reporting Guidelines G3 standard-setting report and invited a third-party to carry out audit of the CSR report.  Respond positively to domestic and foreign environment, develop the financial resources
2009	Looking forward to the future	Enhance communication with stakeholders, strengthen the self-reflection and social supervision, enhance the concept of vision and managing methods, to form and develop the common view of sustainable.  try best to build China’s banking industry’s first low-carbon bank: the first to introduce an integrated green credit program, successfully launched carbon finance services in Chinese banking sector and co-founded China’s first voluntary emission reductions association.



# Visions and an Overview of SPDB

## Stakeholders

The company is committed to build up an effective bi-lateral mechanism with its stakeholders and establish mutual trust.

Stakeholder	Commitments by the company	Major actions
Stakeholder	Bare the responsibility to maximizing its value and sustainable development.	<ul style="list-style-type: none"><li>◆ Build up a sound corporate governance system</li><li>◆ Follow the tracks of international and domestic economic environment, and comply with the domestic situation, strengthen the comprehensive risk management, maintain steady development and growth of all banking businesses.</li><li>◆ Strengthening information disclosure and public relations management, and make efforts to improve transparency, and strengthen reputational risk management</li><li>◆ Strengthen compliance management</li></ul>
Clients	Take the responsibility of offering qualified service and grow up together	<ul style="list-style-type: none"><li>◆ Create value for customers, and grow with customers</li><li>◆ Speed up the business and technological innovation, promote steadily progress in an integrated operation, build a sound modern financial service system;</li><li>◆ Adjust the credit structure, and support sustainable social progresses.</li></ul>
Business Partner	Committed to do transactions honestly and achieve win-win situation	<ul style="list-style-type: none"><li>◆ Keep principle of openness, fairness and justice, work with suppliers to establish and maintain long-term stability, cooperation and win-win relationships</li><li>◆ Cooperate with suppliers in equality, mutual benefit, and the principle of mutual trust.</li><li>◆ Improve the centralized purchasing system, broaden the scope of centralized purchasing, strengthen the centralized efforts to purchase and optimize the procurement process</li></ul>

Stakeholder	Commitments by the company	Major actions
Community	Committed to promote social equality and justice	<ul style="list-style-type: none"><li>◆ Actively engaged in charity programs around student-aid, poverty alleviation, volunteer program, environment protection</li><li>◆ Stage various financial consumer education programs</li></ul>
Employees	Commitment to help grow and enhance the value of responsibility.	<ul style="list-style-type: none"><li>◆ Provide equal job opportunities; To protect the employees of equality, fair employment rights, pay attention to cultivating diversity of workforce</li><li>◆ Establishment and improvement of the workers congress system, from the system to ensure the realization of basic rights of employees;</li><li>◆ Enhanced staff training, to improve the examination incentive for employees to provide a good career development opportunities;</li><li>◆ Ongoing feedback from employee satisfaction surveys and timely follow-up</li></ul>
Environment	Commitment to support low-carbon economy, build up an eco-friendly society.	<ul style="list-style-type: none"><li>◆ Full participation, the daily energy-saving environmental protection, the implementation of green procurement, environmental protection public welfare activities carried out; Great efforts to build e-banking, expansion of green financial channels</li><li>◆ Make good use of financial resources and full support of the green credits;</li><li>◆ Committed to creating a comprehensive low-carbon bank</li></ul>

# Economic Responsibilities

SPDB's outlets are more efficient and have a higher standard; and even though costs were relatively high in 2009, it was driven by strong cost control. SPDB's banking outlets efficiency and per capita is relatively stable, and we think that the future of the rapid expansion of outlets do not put pressure on the cost income ratio.

SPDB's asset quality in the listing of the bank is at a medium level, its provision coverage is at a high level. Not only are we to judge provision coverage, we also look at provision of loans for all coverage levels. From this perspective, SPDB's financials are the strongest among various medium-sized joint-stock banks.

——Qiu Zhicheng  
CFA Analyst of China Security Research of  
Banking Industry





## Promoting People's Livelihood

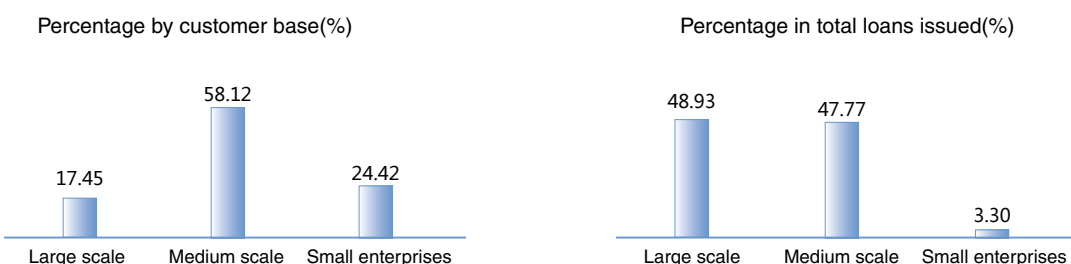
### A. Support the central and western development and the revitalization of the Northeast Industrial Area

SPDB responded positively to the national call for strong support for the central and western development and the revitalization of the northeast industrial area. It tilted credit resources toward the Midwest and Northeast throughout the year with incremental loans amounting to 1,021.93 billion yuan, accounting for 43% of loans to the total increment. SPDB characterized quality for the infrastructure in central and western regions because of the high demand, and actively supported local construction projects. As of the end of 2009, SPDB gave to the Midwest and Northeast urban areas construction loans totaling 36.5 billion, including the Changchun Urban Development (Group) Co., Ltd. 2.57 billion, Erdos Urban Infrastructure Construction Investment Co., Ltd. 1.24 billion and other large urban construction projects.

### B. Support the Building of the People's Livelihood

SPDB, on the development and utilization of water resources, sewage treatment, water plant facility improvement, and on the livelihood of the key area high rail traffic impact increased credit support; as of the end of 2009, to the development of water resources and sewage treatment areas such as loans to 13.8 billion, and to rail transit construction projects invested 6.9 billion and achieved good social benefits.

### Four types of business loans, proportion of number of customers



Note: Enterprise classification standards for the manufacturing, for example, according to the size of sales divided

### C. Support Wenchuan Post-Disaster Reconstruction

After a major earthquake in Wenchuan, SPDB was constantly helping rebuild the earthquake-stricken area. The company had successively set up branches first in Mianyang district and then Du Jiangyan. It actively provided local financial services after the earthquake. Till the end of 2009, Du Jiangyan Branch loaned 3.995 billion yuan, Mianyang Branch in Mianyang region loaned 2.8 billion, Mianzhu SPD Rural bank gave loans to Mianzhu village area totaling 800 million yuan.

SPDB intensified greatly in post-disaster emergency relief and reconstruction support for the project: Key loans to the Huadian Corporation, Sichuan, Sichuan Investment Group, and other utilities with invests of 1.5 billion; to participate in the post-disaster emergency relief and reconstruction of China's Metallurgy for a long period of time; Chengdu Construction Engineering Corporation, Sichuan Huaxi Group, China Railway, China Railway Construction Bureau and two other companies were provided 10 billion worth of loans; to Sichuan Highway, Sichuan Railway Group, Sichuan Investment Group Co., Ltd., the railway industry, distribution road, rail reconstruction loans of more than 1.3 billion; to post-disaster reconstruction in Sichuan province's development investment and financing platform for the company (Holding) Co., Ltd. of credit 10.0 billion and invested loan 20 billion yuan; to promote the cultural tourism industry as the focus, increased input credit on the service industries: support for Chengdu tour groups, the Chengdu Panda Ecological Park, Shuijingfang historical and cultural tourism district, Xiling Snow Mountain, Tianfu town post-disaster reconstruction and conservation-oriented development and put in 800 million loan yuan; strong support for local industries to upgrade facilities and post-disaster reconstruction projects, including the right Pengzhou, Dayi, Qionglai, Leshan and other post-disaster infrastructure construction, new loans of about 2.5 billion.

SPDB tailor-made a close-end fund settlement system to aid the reconstruction, which is an innovative financial model that can not only ensure the security of the funds, but also work efficiently in an open manner to ensure the smooth progress of reconstruction work.

Lanzhou Branch: this branch opened at a time when the financial crisis swept the globe, facing with the reduction of interest rate, the narrowed spread, the declination of the business efficiency, and the rising systemic risks, difficulties and challenges, this branch had insisted to support key projects for Gansu. In one year, they had invested over 14 billion Yuan of loans in total, credit funds mainly used for electric power, transportation, nonferrous metals, iron, steel, coal, urban infrastructure construction, water conservancy, agriculture, education and health advantages of the provinces of pillar industries, key enterprises and livelihood projects, with which had helped Gansu Province went through the difficult times of financial crisis. Among those efforts, they gave out 500 million Yuan to Jiudianxia water control pivot limited liability company as a long-term project loans in support Jiudianxia Hydro Project projects. After the completion of the project, 11 districts and towns in the central region can get the living water, develop cascade hydropower resources, and provide electricity to the power system. The completion of the dam project will achieve the optimal operation of water resources, the fundamental solution to the region, in both of water scarcity and electricity shortages, which will greatly improve the local power grid structure, and ease the region's tense in electricity industry, agriculture and social development, and in promoting and accelerating the surrounding counties and the rural electrification process, it had played a positive role. It promoted the rural areas in using electricity as coal, and as firewood, protected forest resources and improved the ecological environment.

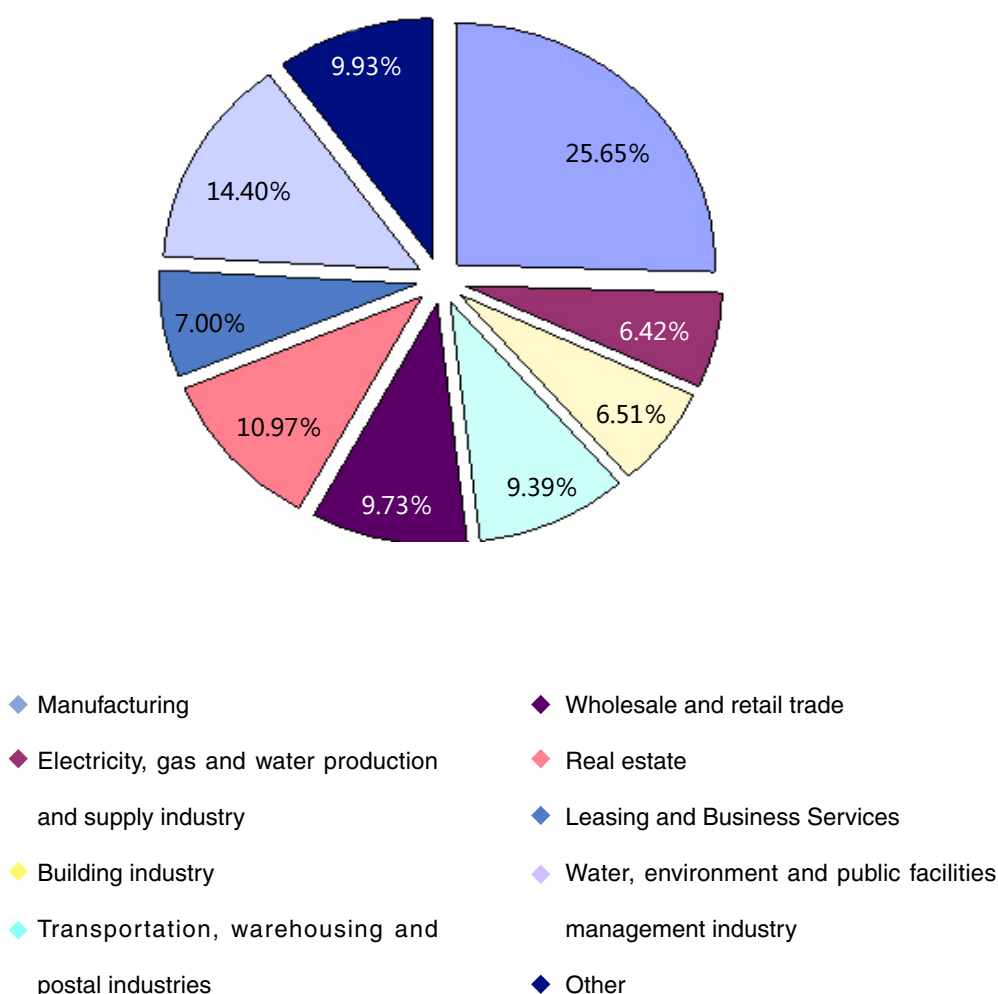
Xi'an Branch: Established for seven years, this branch have always based on a bridgehead for developing the western region to support actively the national macro-economic policy and industrial development policies. They had adopted a series of flexible and effective credit policy measures, adjusted the credit orientation, got emphasized and focused, having continuously improved the financial support for economic work, vigorously involved in developing education, health care, and in transforming functions which included a number of livelihood projects in urban areas. Strengthened the infrastructure construction, ecological reconstruction project, and fully supported the provincial key construction project. In order to consolidate and develop, they had contributed power and a steady economy to Shanxi situation.

Shenyang Branch: Supporting the revitalization of the northeast industrial area, combined with the regional economic characteristics of the equipment manufacturing industry, the branch has developed to become host of service-line strategy , to develop equipment manufacturing industry to promote the program, analyze customer resource industries, and business characteristics, formulate business development guidance to the end of 2009, the branch of industrial enterprises credit balance of more than 6.6 billion yuan, accounting for 42.7% of all credit balances.

Wenzhou Branch: By the end of 2008, the branch set up branches in Lishui in 2009 to carry out comprehensive financial services and increase investment in credit funds, to the end of the balance of 1.933 billion yuan of loans, new loans out in the city's No. 4, strongly supported local manufacturing, agricultural processing, small hydropower development, and infrastructure construction.

Hangzhou Branch: Rooted in the local economy, support the people's livelihood, infrastructure projects, in Hangzhou, the Government's new round of "Top Ten Projects" key construction projects, loans to 755 million Yuan, of which less than 5% of the benchmark rate 385 million Yuan. Involved in affordable housing projects in villages in the city redevelopment projects, flood control projects Jiande City, Zhejiang Xin'an Chemical Industry Group silicone projects. Among those, which were supported by a comprehensive protection and remediation, Zhongshan Road project, for completing protection and continuation of human culture as a Historic District, the protection of traditional architectural form to play an active role.

Loans granted to different economic sectors in 2009





# Economic Responsibilities

## Support 4 trillion investment loans

Category	loan amount(10,000yuan)in 2009
Major infrastructure construction	11,094,117
Wenchuan disaster recovery and reconstruction	1,000
Protective housing	7,480
Livelihood projects	363,877
Independent innovation and industrial restructuring	5,117,300
Energy-saving emission reduction and ecological construction	1,186,715
The cause of social development	1,719,723

Note: The major infrastructure including railways, highways, airports, water conservancy and urban power grids, etc;  
The protective housing, including low-rent housing, squatter settlements and transformation;  
the people's livelihood projects, including rural water circuit gas room, rural infrastructure construction;  
The cause of social development, including health care, education, culture, etc;  
2009 The annual loan amount is the actual payment amount.

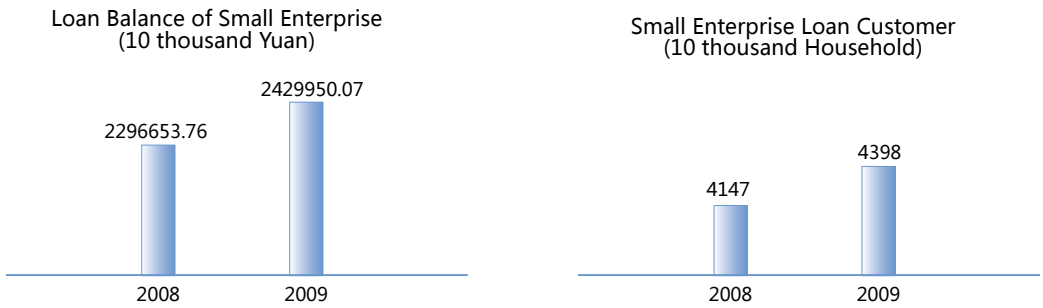
## Boosting Small and Medium Size Enterprise

### 1) Specialized Management System and Integrated Resources Platform

The financial services for small enterprise is not only the strategic choice of SPDB under the environment of daily deepening of the financial system reform and intense competitive market but also an important practice content of social responsibility. Since 2005, SPDB has started innovation and breakthrough on the aspects of management idea, operation mode and management methods and established professional management system. In September 2009, the professional management system was further developed by establishing specific SME-finance department. Up till now, all the 33 branches of SPDB have established middle and small size enterprises service divisions. Professionalized management system is not only the core competition power of SPDB small enterprise financial business development but also the safeguard of the implementation of scientific development concept and the realization of the sustainable development.

After the establishment of the specialized SME service divisions, SPDB has furthered its efforts in building this system. Firstly, make the management idea clearly stated “Focus on the target market, implement professional operation” and “Serve quality customers comprehensively, achieve the streamline of all-round business risk control”. Secondly, Shorten the small business process, finish small business credit examination and approval process on all branches levels, improve the business development efficiency; Thirdly, actively explore small enterprise sub-accounting mechanism and provide the base for objective evaluation of small enterprise financial service efficiency. Fourthly, Further evaluation and incentive mechanism, establish incentive measures, make business development direction clear; Fifthly, establish duty exemption mechanism, make small enterprise NPL tolerance level to 3% and strengthen the initiatives of developing small enterprise financial service. During the three years from 2007 to 2009, SPDB provided loans to 15418 small enterprises totaling RMB 105.037 billion. Within 2009 alone, 398 small enterprises grow up to middle and large size of enterprises.

### Small Enterprise Credit Table



Note: A small business mainly refers to the enterprises with 30,000,000 yuan in sales. The ratio refers to the bank projects of that year divided by all the enterprises (including small, medium and large size).

# Economic Responsibilities

## Boosting Small and Medium Size Enterprise

### 2) Based On the Innovation to Provide the Distinctive Financial Services

According to the financial characteristics of small enterprises and SPDB innovation service method and connotation: create "Fish Bone Analysis" management method to scientifically analyze small enterprise operating cycle of cash inflows and outflows and deposit characteristics and financial services quota and matching service; Service mode, make innovative ways for the bond by the small size enterprise and solve the small and medium-sized enterprises bond difficulties; as far as financial products are concerned, "a fast-developing enterprise financial services for small businesses are formed to provide complete financial solution for various stages of the growth of the small size enterprises, such as beginning stage, rapid development stage, and maturity stage. In 2009, "middle stage mortgages", "Gold Waterway" and "win-win" special products are tailor made to form an all-round service plan paralleled with unique products in financial services.

Shanghai Branch: actively created financial products, such as check credit granting service called "Ling Long Overdrawing", actively learned the good experiences from foreign countries on advance in cash for check protection, which break the traditional idea that the bank refuse to pay advance money on security. In cheque and commercial draft, a certain limit of credit support is provided to the customers who meet the conditions, when overdrawing happens to make sure that the customers can have smooth business transaction to maintain customer good reputation in the market and payment credit. So far, 143 customers have signed with Shanghai Branch for this financial service. "Ling Long Overdrawing" product is focused on: To strengthen the Through the bank credit support and strengthen small bills to pay ability, reduce the cheque administrative penalty cost and transaction cost, social Banks, enterprise and society harmonious win-win situation of many good.

Tian Jin Branch: Innovated the financial service mode, fully aided by PE, VC direct equity financing channels to provide PE comprehensive financial services solution, through financial advisers and trustee mode, provide enterprises with six services such as financing, investment, management, withdrawing, consultancy and protecting to help customers have direct investment while proving bank finance solution to bridge the win-win cooperation between PE investment structure and small size growing enterprise to improve and develop the domestic capital market.



Launching of SME business center of SPD Bank

Signing Ceremony of Insurance Policy-backed up Financing for Shanghai SMEs



### 3) Adjust Measures to Local Conditions, Highlight Regional Characteristic

According to regional economic development, SPDB purposefully develops services for financing the small enterprise. Besides the regions where the small and medium size enterprises are relatively concentrated, like the Yangtze River Delta and Pearl River Delta, Bohai Sea and the areas along the Yangtze River, are considered to be the main region for developing financial businesses for small enterprise, special measures to some other regions which are considered as small enterprise financial services potential market are implemented to highlight the regional characteristic.

Wen Zhou Branch: 20% of the medium and small size enterprises were affected by the international financial crisis in 2008. Their business was either stopped; closed, shrank or even collapsed. Faced with the severe situation, the branch continued to support the small enterprises through series of active measures according to the industry policy and the local economic development needs. For example, the innovation of secured financing business was increased. It was first at Wenzhou that the joint guarantee loan business for small and medium size enterprises were started. With the mode of cooperation in marketing mode, the small enterprises could reduce the cost for its loan and reduce the cost for its obtaining its information through the cooperation with government departments, industry and commerce association and trade association while implementing cluster marketing. Through financing the supply chain, services were provided for the small enterprises which are up and down-stream of the large enterprises. The credit structure was adjusted to favor small enterprises. In 2009, various loan from Wen Zhou Branch was increased 55%. The increase of the Loan to small enterprises was 65%. The increase of the loan to small enterprises is higher than the rest. The pressure on Wen Zhou small enterprises were relieved during that difficult time.

Ningbo Branch: Ci Xi Master Electronic Technology Co. Ltd was founded in 2001. Its main products are electronic sensor and electronic devices. At the beginning of the establishment, it rented 7 workshops with a registered capital of RMB 3,500,000 and millions of sales revenue. In 2005, the credit amount granted to this plant by Ningbo Branch was increased to 19 million from 3 million to support this enterprise for purchasing the land, building new workshop and acquiring new equipment. After the global financial crisis broke out, export of this enterprise's products were severely affected. The goods exported to Turkey were refused to be taken upon their delivery by the customers due to the devaluation of Turkish currency against the dollar by 30% within a week. Goods valued hundreds of thousands dollars were detained at the port for quite a few months. The enterprise had a difficult time in cash flow. Ningbo Branch advised the enterprise to improve the way of collecting the foreign exchange payment to reduce the operation risks. On the other hand, 2 million temporary loans were granted to them for two months to help enterprises to withstand the test of the financial crisis. Currently, the company has grown up to a high-tech enterprise which owns 15 Mu of land, 120,000 square meters building area with the staff of more than 300 people, generates the annual sales revenue of nearly 60 million yuan with annual profit 3.8 million. It obtained national high technology enterprise, and innovation fund project granted by the Ministry of Science and Technology and was honored as Ci Xi Patent Model.

Zhengzhou Branch: It focused on the potential opportunity of 4 trillion of government procurement market in the national economic revitalization plan. It focused on the small suppliers to the large enterprises and projects supported by the central government and develop the government procurement markets in a batch. It actively provided financial services for the government purchase order. Through the input of cash flow by the bank and dependence upon the government credit, Zhengzhou Branch



# Economic Responsibilities

## Boosting Small and Medium Size Enterprise

inspired more small enterprises into the market competition to reduce the purchase cost for the government while promoting market prosperity by instilling the fresh blood for He Nan Province Government procurement market. In the meantime, the bank credit to the enterprise help the enterprises use cash flow provided by bank loan for their growth instead of relying on their own funds through capital accumulation. That effectively improved the enterprise capital turnover efficiency to generate new possibility of making the profit. Among many small enterprises serving as suppliers; the case of No. 1 Instrument and Equipment Company could illustrate the point. Due to its low revenue, low cash flow and low liquid assets, this company failed to get the loan from many banks. Meanwhile, this company does not meet the requirements from SPDB for the loan according to its own financial statement. However, this company has increased number of successful bidding and the payment by the government is stable while profitability and continuous operation ability are showing strong momentum. The cooperative relationship was established as soon as the financial service provided for government procurement order was started. At its initial stage, 70% of comprehensive credit amount of the procurement contract was granted while China's Investment Guarantee Co., LTD. offers joint liability insurance. Due to the timely credit follow-up by SPDB, the company's revenue was increased to RMB 58,930,000 from RMB 18,590,000 in the same year.

Tianjin Branch: SPDB Tianjin Branch tailored measures to suit local conditions to provide a service solution for more than 150 science and technology small enterprises with the loan of RMB 400,000 for each and the total amount of RMB 60,000,000 loan While positively interacting with Tianjin Municipal Science and Technology Committee to build a financial service platform for science and technology business. One of the measures is to build to a small amount of loan platform with no mortgage and no bond. The city science and technology committee was responsible for screening those enterprises in such a way that those small enterprises of science and technology who had high technology content, the possibility of high growth, high-credibility and had the needs of finance could get the loan. PDB provided the integrated funding support in capital by granting unified batch credit standards to certain small enterprises of science and technology. To build a green channel in Tianjin Financial District through the cooperative work between the funding to hi-tech projects and bank loans could be seen as a pathfinder in Tianjin Finance Industry. Secondly, build the platform of collective trust and finance to expand the channels of direct fiancé for small enterprises. In July, 2009, the first certificate for "SME collective financial product" was issued. Four outstanding SMEs were chosen for this project. The amount of RMB 50,000,000 of "collective financing for SMEs" were issued with one name, separate debt, one guarantee and collective issuers. At present, the buyers are paid back by their investment. This created a new model for SME financing. Thirdly, build the intellectual property right impawn financial service platform to provide new financial method and all-round service for those SMEs with their own intellectual property. Fourthly, work with PE capitals to build a stock right pledge platform e and technology. Besides the traditional bank guarantee mode with credit business, depending upon the stock right investment and financing channel, credit business is planned to develop through the means of stock right pledge, such as investment after the loan, or loan after the investment or the mode of the linkage between investment and loan by the channel of fund company, and bring the loan and financing service for the small enterprises into a new stage.

### 4) Ushered by the responsibility, small enterprises with bright future

SPDB gives whole course ushering and support during the growth of production and management of small enterprises and the extended reproduction process, management upgrading process.

Shenzhen Branch: in 2006, SPDB Shenzhen Branch worked together with local SMEs and relevant governmental bodies to develop a collaborative plan to cultivate credits of SMEs. Each SME joining in the plan paid a sum of guarantee to fund a pool. Each plan requires 4 to 8 SMEs. Then, each plan can provide guarantee for a SME if it need to apply loans form SPDB Shenzhen Branch, no matter the SME joins the plan or not. The collective credit guarantee plans work well. From 2006 to 2009, the number of SMEs who successfully obtained credits from SPDB Shenzhen with support of this collective credit guarantee plan has increased 17 times. The amount of loans issued to SMEs increased 27 times.

Chengdu Branch: SPDB Chengdu Branch gave tremendous help to SMEs. Based on the four stages, (screening, cultivating, enhanced support and helping to get listed), SPDB Chengdu Branch developed a full set of financing plans for SMEs at different stages. One good example is Gui Bao Science and Technology Corp. Established in October, 1998, the company's initial registered capital was only RMB 500,000. In 2006, Gui Bao Sciece and Technology has stepped into expansion period and asked for loan support in 2007. At that time, Gui Bao Science and Technology was at a key stage of growth. Part of its self-owned capital was invested into construction of a new plant and the company was in great demand of inward cash-flow. SPDB Chengdu Branch actively assisted the enterprise to make a plan for sound development and provide both credit support totaling RMB 12 million and consultation services. In 2008, Gui Bao Science & Technology



Participation in "SME investigation 2009" Hangzhou as chief partner



SPDB Beijing Branch was awarded the Innovation Prize due to its efforts in promoting SME financing

# Economic Responsibilities

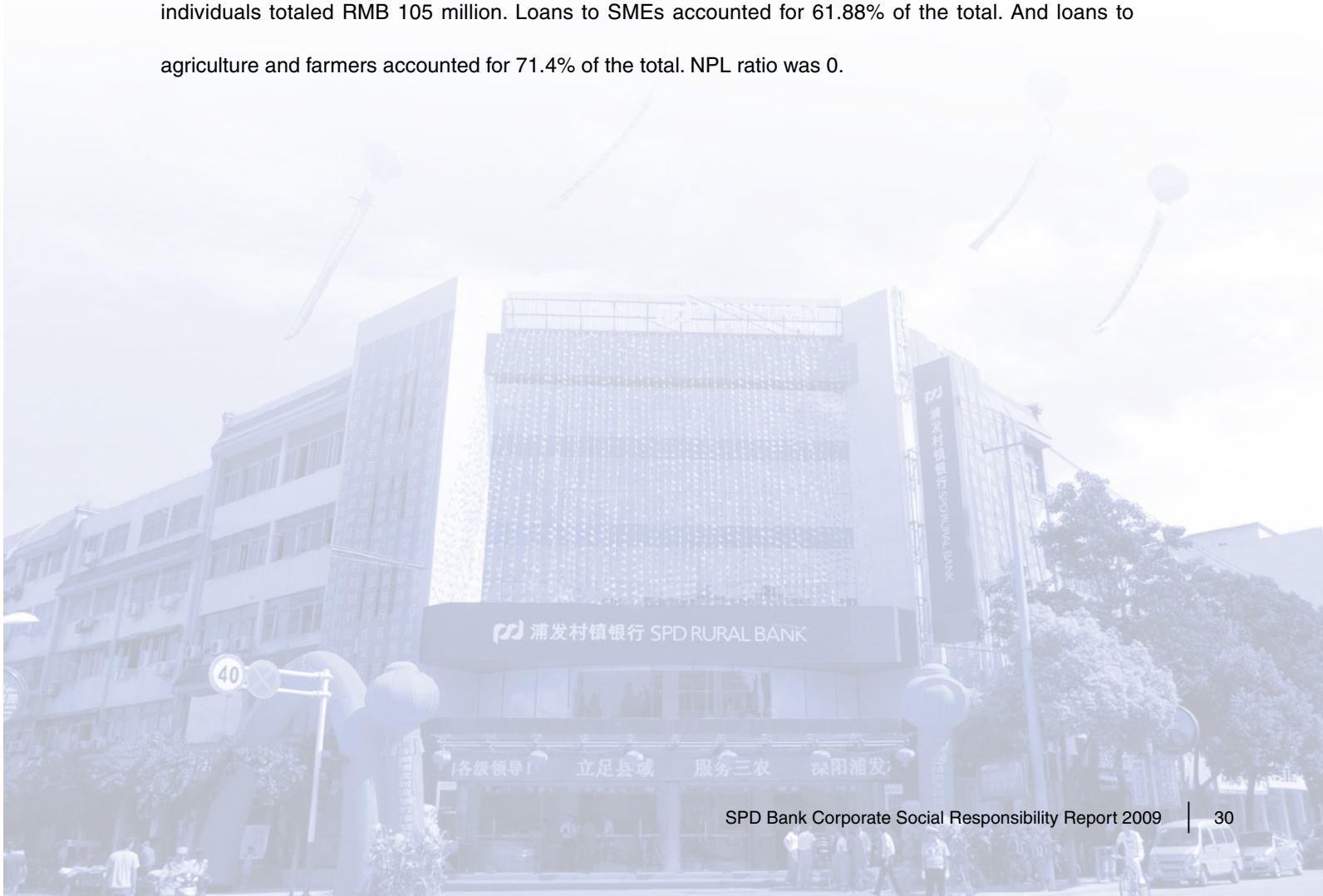
Serving Agriculture and farmers

was converted into a joint-stock company and planned to be listed on the second board of stock market. SPDB Chengdu Branch followed up quickly to grant more credit to this company under the condition that the new plant's assets have the valid mortgage value. In 2009, the credit scale has increased to RMB 40 million. With the support from SPDB Chengdu Branch, Gui Bao Science and Technology met the requirements for listing. Chengdu Branch also offered guidance and assistance to the enterprise to make capitalization scheme and have active communication with stock agents, investment bankers and other agencies. The IPO of Gui Bao Science and Technology was successful and Chengdu Branch also developed its own businesses along with the growth and development of its client.

## Serving Agriculture and farmers

In 2009, SPDB granted more loans to agriculture and farmers. Meantime, more SPD Rural Banks were set up to improve the agricultural financial organization and service system.

In 2009, 5 new SPD Rural Banks were opened. They were Jiang Su Liyang SPD Rural Bank, Shanghai Fengxian SPD Rural Bank, Henan Gongyi SPD Rural Bank, Hunan Zixing SPD Rural Bank and Chongqing Banan SPD Rural Bank. So far, SPDB opened 6 SPD Rural Banks (the other one was Mianzhu SPD Rural bank opened in 2008) with a staff team of 114. The total assets reached RMB 235 million. And loans issued to corporations (including SMEs) totaled RMB 372 million and loans to individuals totaled RMB 105 million. Loans to SMEs accounted for 61.88% of the total. And loans to agriculture and farmers accounted for 71.4% of the total. NPL ratio was 0.

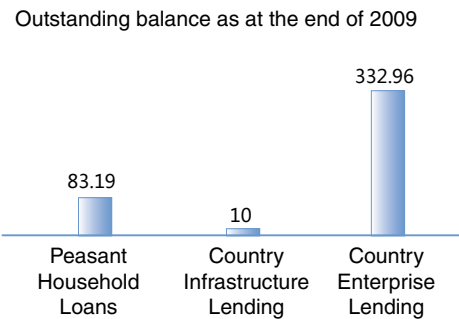




# Economic Responsibilities

SPDB developed a complete set of rules and regulations regarding setting up SPD Rural Banks. Firstly, established self-discipline mechanism. According to the basic requirements of the modern enterprise management, perfect the criteria of the rural bank shareholders, board of directors, board of supervisors and decision-making procedure on the business management level and establish the scientific and reasonable, balanced, effective corporate governance modes. According to business characteristics and development business scale and complexity, the internal control, auditing and supervision system of evaluation were established. Secondly, build up relevant mechanisms and systems. Three principles were implemented by SPDB, namely, to meet the requirements by the supervisory authorities, to interface with the bank's own systems and to meet the needs of rural bank's own operation. Therefore, SPDB developed the Provisionary Management Regulations on SPD Rural Banks and also formed six other systems to go with the regulations. They were accounting, budgeting, human resources, salary and auditing and consolidating the statement. The establishment of those management systems demonstrates the management exploration and innovation as a controlling share-holder towards its subsidiary banks while the right to manage itself as an independent rural is ensured. Third, establish the work-flow. An effective work-flow was formed for the choice of the region, stock right structure and stock holder choice and team construction to ensure various town bank run according to the norm and develop healthily.

Serving Agriculture and farmers ( Unit: RMB million)



SPDB leveraged on its own strength in terms of branding, operation management, technology and network and talents team construction to strengthen its support to rural banks and effectively reduce the founding cost and lay a good foundation to improve the service level of rural areas.

SPDB is devoted to perfecting and promoting the construction and management of rural banks in practice and creating service models and form the financial products to match the financial needs of township economic development, rural areas and SMEs, build the sales channels which fits country economic development, cultivate a professional team who are familiar with the country, close to the farmers, understand the management and are good at the management, build the risk control model which matches with the financial characteristics of country finance features to make SPD rural banks welcomed by the farmers and really fits the country economic development with a characteristic of sustainable development of SPDB.



Zixing SPD Rural Bank Opening & Donation Ceremony

Chongqing Banan SPD Rural Bank



# Economic Responsibilities

Maintain the Financial Security/Providing Quality Financial Services

## Maintain the Financial Security

Without financial security, most probably our society will go through social unrest. As the blood of economy and society, financial safety and stability directly affects the development of our national economy and society. Internally, strengthen the safety construction of the bank. SPDB established and complete electronic banking business risk management system and internal control system, strengthened the risk control and management, built electronic information platform to fit modern bank security management needs to increase security prevention level with more safeguard technology content. Externally, improved customer safety awareness. Take bank cards for example. The bank popularized the correct use of credit cards and improved the card-holder's skills in using the cards. Popularize the knowledge of preventing fraudulent unauthorized vicious incidents to inhibit illegal and criminal activities by credit card; To set up the columns on the bank website, such as "safe use of the card", "the financial management column," "daily financial tips" and help the cardholder set up a good habit of using bank cards. The bank also staged long-term advocacy programs of safety notes for using the credit cards to make known the information of using the credit card safely.

Nanning Branch: On March 29, 2009, a safeguard of SPDB Nanning Branch found that there was a suspicious gadget on the ATM machine. After careful examination, it was found that the imprinter on the automatic door was changed and a pinhole camera was installed on the ATM and an equipment similar to MP4 wrapped by black plastic bag was placed in a green plant vase. The branch immediately called police to unload the piece of equipment. After careful check of the surveillance video, it was found that two criminals installed the pinhole camera on the ATM for the purpose of stealing customer's card information and password. Thanks to SPDB's safety prevention measures, no customer incurred any losses.

Urumqi Branch: SPDB Urumqi Branch successfully staged an anti-terrorist drill and anti-fire drill. Based on the methods used by the criminals in the past and future and combining with the possible different emergencies at different branches, bank employees were provided the violence prevention training, fireproof training and others to better deal with the more complicated social security situation and strengthen branches safety prevention. Five emergency scene drills such as holding hostages to rob money, and rob the one who withdraws the money from the bank, fake police who tried to enter the counter for the robbery, the robbery with explosive cartridge and fire drills were conducted. It effectively improved the first line staff's safety awareness and their ability to deal with the emergent accidents so that both the employees and the clients' safety and property can be better protected.

## Providing Quality Financial Services

### 1.Enhance Customer's Satisfaction

SPDB staged a bank-wide "service quality improvement" project to enhance the bank's service level as the goal, through customer satisfaction surveys, organizing the inspection by mysterious customers, enhancing service capability training, improving service planning, implementing the single service standards and a series of other things, to listen to the customers, understand the customer needs for the, continuous improvement, to optimize the service processes and service environment, and to continuously improve customer service satisfaction, to fulfill the social responsibility of the provision of quality.

In December 2009, China Banking Association published the results of "2009 China's banking service One Hundred Model Banks for outstanding services". SPDB was cited as one of the best performers with 6 of its outlets/branches awarded as Top 100 model banks/outlets for outstanding services.

Hohhot Branch: In September 2009, the branch was entrusted with all the assets of Inner Mongolia financial industry investment fund business. This business played an important role in expanding both the investment channels for investors and financing sources and fund-raising channels. SPDB Hohhot Branch won wide acclaim from the society with advanced business innovation and good financial services and was awarded the title "Inner Mongolia Autonomous Region, Finance Excellent Service", which is the only joint-stock bank among the whole autonomous region. At the same time in 2009, this branch won the first Prize for being the most satisfying joint-stock commercial bank acknowledged by the citizens through a public poll, known as "The Most Satisfying Brand Large Scale Public Opinion Poll Activity" and won the title of "Gold Reputation Unit recognized by common people".

Nanchang Branch: being customer-oriented and vigorously promote the network transformation, SPDB Nanchang Branch took multiple measures, including re-outfitting its banking business environment and innovating service details. For example, well-designed samples are placed at the counter for the clients to see clearly at a glance about how to fill the service order; Set the warm service tips at the key step to remind the client; to provide one stop service for disabled persons to strive that no obstacles are in the way.

# Economic Responsibilities

Nanjing Branch: on the evening of 31 December, 2009, more than 30 staff at the branch business center counted six sacks of coin inventory overtime. The counting started from 19:30 pm and ended at 23:30 pm. More than 500 kilos of coins saved up by Hot Water Supply of Nanjing Normal University were counted with a total value of seven thousand yuan. Some staff even played with the pile of coins to put out a "2009" to greet the new year's arrival in bankers' own way.

Hangzhou Branch: this branch earnestly practiced the five heart service standard, "sincere service, focused service, heartily service, caring services, whole-hearted service" to pursue the customer satisfaction as its ultimate objectives. On 27 October 2009, the branch organized professional staff to help a client sort out and count her burnt banknote. The branch invited experts from Hangzhou Sub-branch of People's Bank of China to guide their work. Finally, a total of RMB 176, 100 were sorted out the burned cash with a total value of RMB 210,000. The client avoided the suffering of big losses. This is the most difficult task and the highest amount of cash in burnt and flawed bank notes cash to be converted in the history of Hangzhou Banking Institution. "Today Morning Post" published comment: "200,000 yuan conversion demonstrates a spirit," and praised the professionalism and devotion that SPDB offered to customers.



Counting of 6 bags of coins during overtime work, Nanjing branch

A staff from SPDB Hangzhou Branch working carefully to count burnt banknotes



## 2. Fulfilling Commitment to Provide Best Financial Services for World Expo

We want to grasp Expo as historical tasks and opportunity to actively promote the financial services to World Expo, and strive to enhance service performance, service tools, service attitude, service environment, service functions, improve service satisfaction to a new level. SPDB has made a plan called "Welcoming World Expo-financial services program preparation work," to actively be ready for various financial tasks for World Expo. First, clear guiding principles and overall objectives, and strive to achieve "four first-class", "4 barrier-free" and "four marks" so that the window service quality will be on a new stage. Secondly, implement the organizational structure and establish the system of emergency response, assessment evaluation, internal reports, public opinion, the detection and other supporting mechanisms to ensure that Expo work is in order and accountability is clear to all and falls in a right place. Thirdly, establish the measures and the standard to improve window service levels, increase network-building efforts, strengthen payment security management, optimize information systems management and maintenance, improve consultation and complaints handling, promote public opinion management, detailing work measures and standards. Fourthly, implement the security work of various aspects. Further improve the safety management system, carry out special in depth safety inspection of whole banks, implement a responsibility system for leaders at all levels, check the rectification of the problem in a timely manner. Examine In-depth internal instability factors and master the thoughts of key post employees and implement the overall dynamic management.

## 3. Improve Customer Service Handling

Take count of the complaints, strengthen internal supervision, complaint handling total overdue rate needs to be controlled at 0.2%; extension work order processing time shall not exceed 10 working days; Bank responsibility for the handling of complaints reaches the rate of 3.29%.

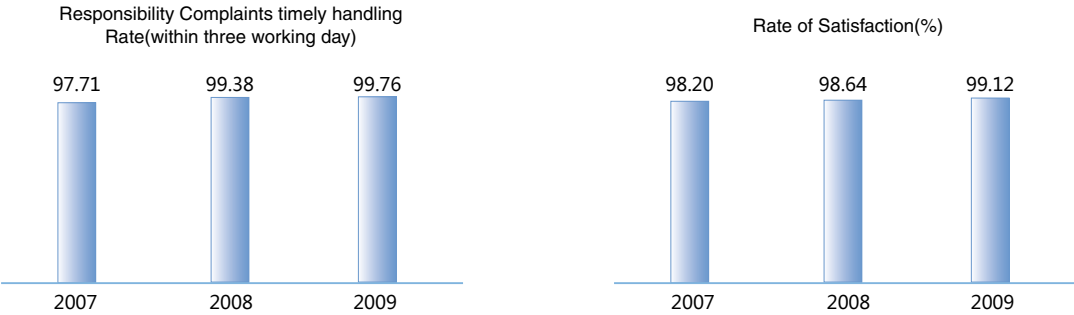
In the domestic banking industry, connect the new business with company's long-distance telephone banking service system to realize the "perfect marriage" of emerging telephone banking with new business. Strengthen the remote support to company's customers (particularly small and medium customers), dig a variety of financial needs from the clients, improve the company's customer service system, in particular, to meet the offshore, corporate Internet Banking, corporate annuities, all kinds of service needs from the clients which entrust the assets to us.



# Economic Responsibilities

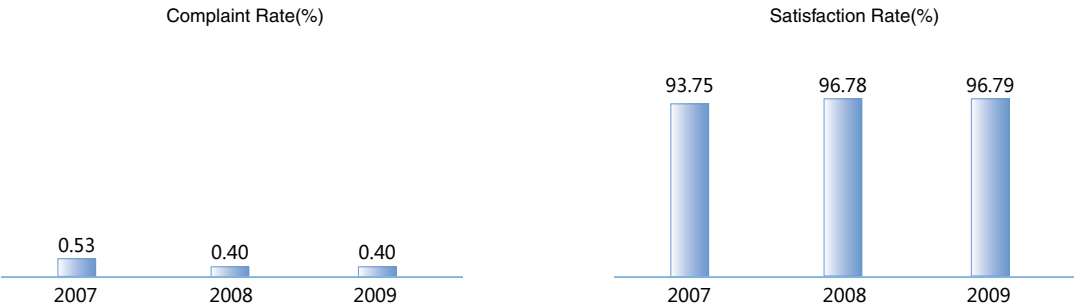
Shanghai Branch: This branch adhered to the "customer-centered" principles. First, in order to solve the problem, eliminate the consequences, improve customer satisfaction rate, the one who answers the phone is the responsible person to handle the complaints timely. Secondly, improve the customer complaints feedback mechanisms. Treat each customer complaint with realistic, objective and impartial attitude, and careful handling in time and give feedback to the customers in a timely manner to ensure the customer complaint handling satisfaction rate; thirdly, while handling the customers' complaints, the specific person, time and responsibility need to be implemented and serious implementation of the customers' complaint follow-up is important. While acquiring the satisfaction rate of complaints handling, it is important to improve the management of handling the complaints; Fourthly, start the quick response mechanism to minimize the negative impacts.

Service Center accepting bank responsibility for handling complaints hearing rate and satisfying rate of the handling results



Note: The responsibility complaints include two types of "general complaint" and "problems and suggestions". The former time limit is three working days. The later time limit is 5 working days.

Credit Card Center Complain Rate and the satisfaction rate of the reply



## Innovative Financial Products

### 1.Enrich Products Category

In the wealth management business, insist on self-development and introduction of third-party agency products dual development strategy, the basic product lines have been enriched to provide customers with a richer means of increasing the value of client assets. In the payment and settlement business, enrich payment and settlement methods, optimize and improve the channels of payment and settlement functions, to provide customers with a more secure, convenient and fast means of payment and settlement. In an Individual loan business, in accordance with the change of the national macro-policy, the relevant guidelines and operational rules were made; continue to enrich different loans such as "housing loan" and "business loan" and "consuming loan" type, to provide customers with a richer personal mortgage product selection to meet the customer's consuming demand.

### 2.Actively publicizing the idea of Healthy Way of Life

On 17 September 2009, "Going beyond wealth and find happiness" as the theme of "SPDB Premier Banking" Healthy Public National Tour starts in Beijing. By the end of 2009, the event had been held in 21 cities in China. More than 8,000 clients participated. by " Inheriting the essence of the national medicine and spreading Chinese Medicine health concept", SPDB Premier Banking combined the ancient and modest wisdom of Chinese Nationality with financial service, which created a new service model. The clients commented that they were grateful for the health seminars provided by SPDB because there is no wealth and happiness without health.



# Economic Responsibilities

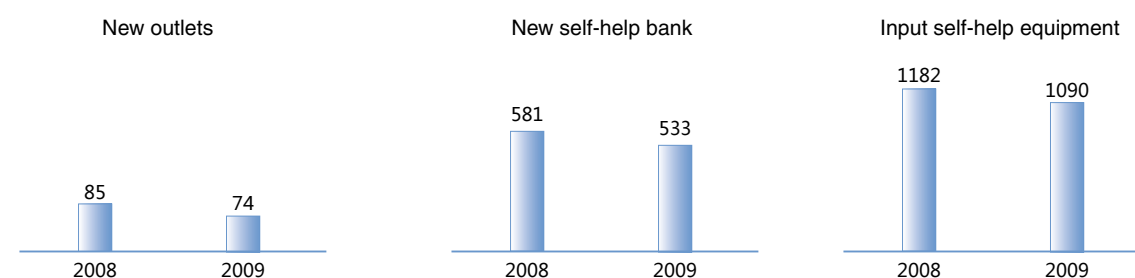
Dalian Branch: From the beginning charge of the fixed phone & PHS call fees, Unicom broadband same rate fees, cable TV basic fees, cable TV surcharge, mobile phone call fees, the Branch has since developed the new charge business on Gas-Water-Electricity-joint fees, Unicom & telecom phone fees in 2009, which completely includes all the paying items connected with the daily life of city residents. Also by making the self-help channels such as website bank, telephone bank etc be available, it finally promotes the SPDB Leisure Banking Card to become the most comprehensive bank card in the Dalian banking market.

## 3. Actively Propel Financial Innovative Business

As one of pilot banks doing business of the CNY cross-border trade settlement accounts, SPDB searched thoroughly the requirement of this business and exploited kindred products out continually. The Bank tried its uttermost to make the customers effectively avoid the rate risk, reduced the remittance cost, simplified the trade procedure, so that it could provide a powerful financial tool for more national enterprises to accelerate their paces of "walking out" and participate the international competition at the background of Economic globalization. On a national scale, it has successfully transacted the FIRST CNY L/C cross-border trade financing business(import documentary credit business) and the FIRST CNY cross border trade settle accounts pilot business(CNY cross border trade L/C establishment business). It also took the lead in the bank field to earn the FIRST huge settle account business of CSSC (China State Shipbuilding Cooperation). The yearly CNY cross-trade volume and liquidation quantity both exceeded RMB 100 million.

In 2009, the Bank has kept and promoted the leading superiority of the direct equity investment fund business. It also has built the direct equity investment fund information system platform with putting into more than 80 thousand projects, which makes the SPDB the first commercial bank with the PE project database. It firstly launched "the Leading Funds Comprehensive Financial Service Program" which covers the whole lifecycle of the equity funds. The Bank successfully won the 200 billion Yuan bidding of CSSC funding independent trusteeship bank qualification, and also successfully marketed 50 billion equity fund trusteeship qualification of Sea projects equipment.

### Service channel construction conditions



The Bank continually launched new trade financing products & service to satisfy the requirement of the import & export trade enterprises. On the product: innovatively launched e-bill business, national L/C buyer financing and paying-for-other business, offshore forfeiting, import L/C and import offshore under collection & payment, factoring "end-to-end" products, off and on shore linkage factoring, domestic insurance financing, entrusted agency discount, future Exchange standard W.R. pledge etc, and launched the first bank slip factoring business by cooperating with PICC; On the service: positively innovated supply financial mode, carried out the network financing business for the dealers of "Mitsubishi Motor Sales (China) Co., LTD", and "Baotou Bei Ben Heavy-Duty Truck Co., LTD. and the dealers network confirming storehouse business, which two are supply financial chain business centered by the buyers. In the meanwhile it also launched the "1 + N Supply Chain Financial Business" which are centered by the buyer.

The Bank also launched management business for the enterprise employee welfare plans, provided the staff a comprehensive unearned income welfare plan, and released yearly pension account management service platform - "SPDB Annuity Thorough," which made an enterprise omni-bearing and cloverleaf annuity service system. It also has launched the "Annuity Card" service, the "direct enterprise annuity information" customer query and service, and accomplished trans-bank & trans-regional "enterprise annuity payments platform system" construction and the pilot work, convenient for the rights of the beneficiary, safely get the enterprise annuity treatment for them.

On July 2, the business cooperation signing ceremony between SPDB and Beijing branch of PICC was held in Beijing, with starting the "Commercial Funds on Account and Services Program", which was the extending of the financial products supply chain under the flag of "SPDB Create Riches" and was another great work of SPDB financial supply chain business. This business has built a new credit risk precautionary measure and share mode between the bank and insurance company by the professional division between the two parties- the bank providing



factoring and the insurance company taking the buys credit risk, which combined the financial and credit warrant together and greatly promoted the content and the quality of the service product of the both sides. Comparing the direct factoring to the enterprises in the market, and then to the bank finance mode, this mode reduced the risk of the enterprise and simplified the working procedure, and make the enterprise enliven the inset and control the risk and promote the purpose of the management, which made the Insurance, Bank and Enterprise "the Three Parties Win Together".



# Social responsibilities

For years, many of the local enterprises have been actively engaged in corporate social responsibility practice. What is special of SPD Bank is its understanding of the origin and practice of social responsibility that covers all the related interest parties from corporate, state, community, industry, clients, and clerks to environment. The systematic undertaking of social responsibility of SPD Bank is a comprehensive, sustainable process that has already embedded in the corporate culture.

I think SPD Bank is no longer a follower of social responsibility, but a strategic social responsibility practitioner. The bank regards the social responsibility not only as a request from society, but a strategic option to enhance the sustainable competitiveness and create shared value both for the community and corporate alike.

——Mr. Qinshuo  
General Manager,  
Editor in chief of CBN



## 浦发银行热烈欢迎都江堰哈哈合唱团的小朋友们!



## Developing Human Resources

### 1. Caring about the staff

Human resources are the most precious treasure of SPDB. As all rivers run into sea, the bank has the people-oriented concept and tries hard to cultivate an excellent corporate culture and create a comfortable environment, raising the welfare payment and building broad platform, so that a good working atmosphere has been constructed. More than 80% took part in the 2009 staff satisfaction survey and the rate of satisfaction was more than 80%.

One is to ensure the employees' rest right. According to the "Labor Contract Law", other relevant law and principles, through establishing effective orderly work mechanism, reasonable allocation of human resources, SPDB scientifically verifies employee responsibilities, implements the state regulations on paid annual leave, to fully safeguard the rights and interests of employees to rest and holiday.

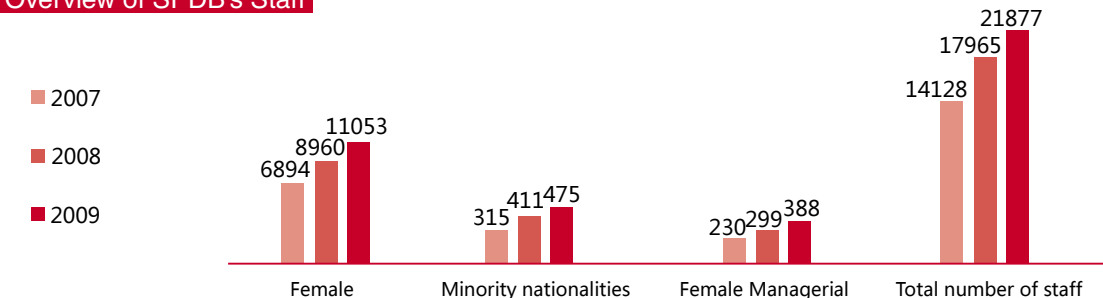
Secondly, fair and reasonable distribution of incentive packages. On the issue of income distribution, SPDB fully considers the rights and interests of employees, the factors of local social average wages and compensation package level in the banking industry etc, so that relatively speaking, its staff welfare and the payment takes over the lead.

Thirdly, improve the employee welfare treatment. SPDB provides a full payment for the employee social insurance and housing fund and improves employee benefits, carry out comprehensive enterprise annuity and the supplementary medical insurance complement system, perform the employee health check periodically, to organize sports meeting, photography contest, get-together-for-fun meeting etc, all kinds of colorful cultural life. The purpose is to care for all employees both physical and mental health. SPDB even gives some safety emergency drilling for fire, robbery and special events and safety education to ensure employee safety.

Fourthly, respect the employees' religious freedom, hold the belief of the equality between the two genders, eliminate the use of child labor; labor contract rate is 100%.

Fifthly, actively promote democracy construction by ensuring the employees' participation and supervision, and the implementation. Through the staff representative meeting, the SPDB asked extensively the employees' opinions, to further enhance the enterprise management, performance evaluation, compensation distribution of transparency. The democratic management ability participated by the staff has been enhanced unceasingly.

### An Overview of SPDB's Staff



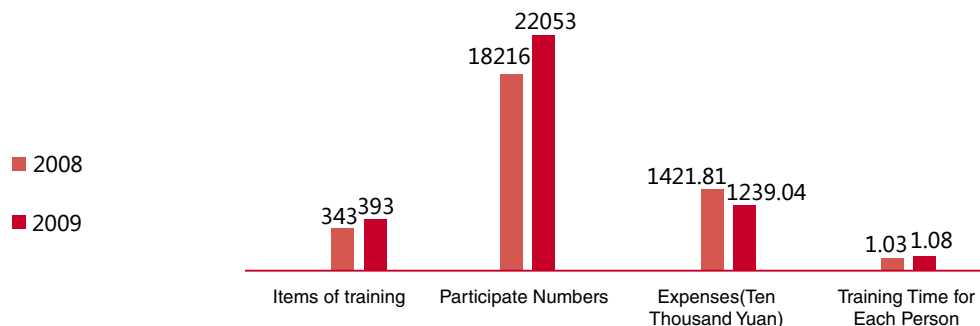
### 2. Scientific Career Planning for Staff

Conforming to the employees' career development requirement, SPDB has actively created the develop-meet employing environment by promoting, organizing and overall planning, in order to develop the employees and the enterprise together. In 2007, the talents group construction had been vigorously promoted to do a good job on the requirement of the construction of the three reserve teams. In 2009, the point had been put in establishing the rank management system for three goals: first is to establish a unified position & employee rank system in the whole bank to display a clearer standard management for all the staff. Second is the relatively scientific division among different working positions, to reflect the different position value and strengthen the encouragement & discipline mechanism. Third is to completely establish the position orders of management, business, major, marketing and operation to enlarge the developing road for the employees' career. Thus, the staff fair, just distribution mechanism and more-than-one-way-to-develop road had been further promoted to develop the human resource management level of SPDB. At the present, the staff rank system has almost been accomplished.

### 3. Diversified Study and Further-education Platforms

(1) To follow the seven basic principles. One is to combine the employees' study and development requirement with the employee conduct, and regard the individual's improvement and development as the enterprise's important drive motion of a long-term promotion. Two is the educational system for new employees. Three is the covered all training fund account system. Four is the screening examination system for the part-time trainers. Five is the card-hold professional post system. Six is the training evaluation system. Seven is the overall auditing system for the education training work. All of these create a good learning environment. In 2009, 49590 thousand Yuan has been used, 393 face-to-face training programs have been carried out and more than 22.000 people-times have been trained with a 1.08 times for per person.

### Training Condition



# Social responsibilities

(2) To develop vigorously the distance education. The numbers of the network study subjects have been increased to 616, with 21,210 people enrolled and 133,000 class hours. There are 12 internet training programs, which played a very positive role in the training of compliance, new products, new employee daily self study.

(3) To encourage the employees accomplish as much as possible at their position. One is to constantly perfect professional post qualification authentication system. Since 1997, SPDB have begun this system, which sets a clear career growing path for various professional positions. 61 times of exams with 27655 people participating have been held during 2009, 19300 certificates have been issued as a result. Second is to actively develop the senior management personnel training. 6 training classes have been developed, 245 presidents participated the training and communicated on the topics like "the Inner Control and Risk Management, Innovative Work and Practice, Teamwork Management and Employee Motivation etc". Three is to strengthen the backup talents. 20 management backbones and backup talents from 15 branches successfully finished the training mission in Singapore Nanyang Polytechnic University.

(4) Encourage the staff to participate in social training. One is AFP: By the end of 2009, 1,379 employees had passed the AFP test, 166 passed the CFP test, 89 passed EFP test. Second is all kinds of professional finance certificate authentication: by the end of 2009, 54 employees had gotten the "International Factoring Expert Qualification"; 695 passed the fund sales personnel qualification test, 617 obtained the insurance agency personnel qualification certificate, 21 "Securities Practitioners Qualification Certificate". Three is personnel qualification tests: by the end of 2009, all together there were 4,748 employees taking part in the banking association personnel qualification tests.

the Coverage Rate of the Employee Training(%)



## Popularization of Financial Education

SPDB actively strengthened the financial consumer education, enhanced the consumers' ability to recognize the financial risk to make the commercial banks run steadily. On the base of maintaining consumers' financial legal rights and interests, SPDB has gradually explored a long-effect mechanism series adjoin to enterprise, community, school education etc, which combined economic behavior and social responsibility tightly. For example, through setting up the financial journals like the Best monthly Fund Models, the quarterly Fund Models etc, SPDB has popularized the financial knowledge of funds to the consumers, and actively guided the clients' financial planning. To improve the customers' cards application level, SPDB has taught the common knowledge of using the card safely through giving the handbook, teaching in the public and other electronic channels... in order to promote the customers' ability to keep watch on the deceit behavior of all kinds of bankcards.

Hangzhou Branch: Guided by principle of closing to the people, convenient for the people, benefit for a long run, basing on the community, the Branch staged free lectures, built connection sites, set tutors etc, extending the community service to communities, schools, enterprises, governmental places etc, in order to provide a convenient, practical, systematic, three-dimensional financial service and explore out an effective financial service working system enjoin to the residents' life. In 2009, themed by "private financial advisers at your side", a team composed of experienced employees with customers service (among whom there were CFP, AFP, personal bank financial planning managers etc,) carried out the community financial service round about the E-bank, the using card safety, personal loan, wealth planning, false money identification, banking services etc, to popularize the common financial knowledge and provide freely the consultant service to the community residents. At the same time, the questionnaire was given to collect more details of the individual needs on the bank financial service, so that variable wealth plan programs could be provided freely according to different requirements. This kind of activities were held more than 90 times, and provided services to more than 50,000 people.



# Social responsibilities

Uphold the Volunteer Spirit

## Uphold the Volunteer Spirit

Since the SPDB volunteer team was established in 2006, the team concept of "dedication, assistance, friendship and progress" has been continually promoted. Besides, the financial education, environmental protection actions, poverty support etc activities also have continued, which have achieved good social repercussions.

### (1) Constantly Enhance Cooperation with NGOs

The year 2009 saw the fourth consecutive year of cooperation between SPDB and JA CHINA (Junior Achievement). Through "migrant schools" teaching activities, they broadened the children's vision and enhance their social sense and teamwork spirit. Besides through "Career Orientation Workshop", the volunteers sincerely shared their own understanding on career to discuss actively the ideal, orientation, and relationship with the university students, and gave them guidance and imitation interview to improve their skills and successful transform themselves from students to professionals.



Hangzhou Branch: "Enthusiasm Stirred, Love Flows" Volunteer Team blood Donation activity

Lectures provided by volunteers of SPD Bank and JA China



### (2) Actively launch SPDB Volunteers Day

On 9th Jan. 2010, the third SPDB's volunteers Day themed by "Less Carbon, Better Life" was launched. More than thousands of volunteers from both the head office and branches, with the same hats on the head and flags held highly in the hands, went to the streets and communities and carried out all kinds of environment protection activities to forge a low carbon bank and doing contribution to the Low Carbon Economy.

Jinan Branch: It promoted the "Bicycle City" large-scale public welfare activities. Some volunteers were recruited from in and outside the bank after the "Energy Saving, Healthy Life", "go to work by bike". More than ten thousand people signed for the activities. Some other were selected from almost one thousand applicants enrolling through radio, TV, network. Finally 100 representatives were gathered to participate the starting ceremony of "Bicycle Jinan" (going to Jinan by bike) city round-up large public welfare activity on 9th Jan. The goal was to help the townspeople to have a deeper understanding of greener ways of transportation so as to promote the city to develop harmoniously.

Hangzhou Branch: Blending the "Citizens Low Carbon Green Life Ten Principles" (released by Zhejiang Provincial Government) into the volunteer activities, the branch also elaborately printed the "2010 Low Carbon Green Life Ten Principles" into work calendar. At one hand, the Branch propagandized at each business network, on the other hand, it held the volunteer activities at Hangzhou, Shaoxing, Jiaxing, Huzhou, Yiwu five cities on 9th Jan at the same time by going to streets, communities, supermarkets, professional market, distributing to the public calendar and environmental protection bags in order to propagandize the green environmental protection idea.

Xi'an Branch: The "Green Environmental protection, Caring for Qinling" activities were carried out by volunteers, who solemnly sworn, "I will be a glorious volunteer. I promise: do whatever we can to help others, no pay, social service, voluntary spirit, spread advanced culture, to contribute my strength for establishing a more harmoniously unite, equal, friendly society." During the following four hours, regardless of the harsh coldness, the volunteers collected rubbish, picked up all the cigarette ends, paper pieces, beverage bottles, also shoveled the snow & ice from the important road sections.

Hohhot Branch: Launching "five ones" action (namely "save every degree of electricity, save every drop of water, save every piece of paper, save every pence of money, happy dedication every day") and printing the City Bus Lines Map to promote people to travel healthily, love life, love walk, take bus more.



# Social responsibilities

Contributing to Social Welfare



## Contributing to Social Welfare

### (1) Countable Donations but Countless Love

SPDB donated a total of RMB 14.59 million Yuan during 2009 to various charity programs, such as supporting the poor, helping the studying, environmental protection etc.

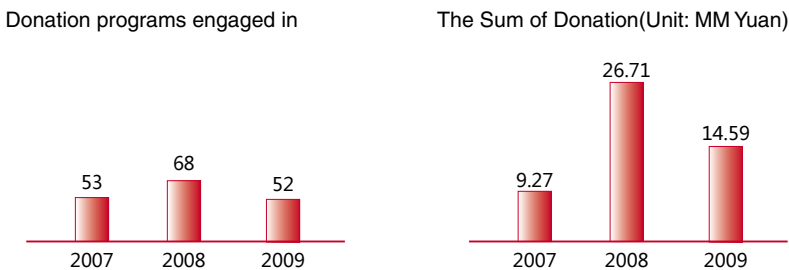
Region	Charity Programs and donations	Amount of Money donated (Unit: 000,000 Yuan)
Head Office	donated to the Taiwan Moraque Typhoon disaster area	2
Shijiazhuang	Donated to the supporting poverty funds	1.4
Tianjin	Set up SPDB Scholarship	1/year,total 3 years
Hangzhou	Establish Innovation Park for ten Universities	1
Guangzhou	Huizhou Branch opening feedback to society donation	0.5
Dalian	SPDB Scholarship	0.5
Chuangsha	Donated to the Shaoshan South Circle Line Landscape	0.5
Hangzhou	One to one poverty support donation	0.45 y total 4 ys
Nanjing	Donated to Jiangsu provincial poverty support office	0.305
Taiyuan	Donated to China Environmental Protection Foundation	0.3
Guizhou	Donated to the earthquake disaster area in Bijie region	0.3
Nanjing	Zhengjiang Branch opening feedback to society donation	0.2
Jinan	The National Sports Event support donation	0.2
Nanjing	Guilin Branch opening feedback to society donate	0.2
Head office	Children Health Foundation Donate	0.1
Ningbo	Donated to Ningbo Charities Aid Foundation	0.2
Ningbo	Fenghua Branch opening donated to the local Charities Aid Foundation	0.1
Wenzhou	Yongjia Branch opening donate to the local head Charities Aid Foundation	0.1
Nanjing	Donated to the Spring Buds Program—a program to help dropped-off girls in the countryside to go back to schools	0.1
Hangzhou	Lin'an Branch one to one poverty support donation	0.1
Hefei	Huainan Branch opening donate to the Students' Affair Division Municipal Party Committee Communist Youth League	0.1
Hefei	Tongling Branch opening donated to the local head Charities Aid Foundation	0.1

# Social responsibilities

As its own financial advantage, SPDB combined millions of customers' strength together and participated actively the social public welfare programs. One is external website love homepage, connecting the customers with the social welfare charities directly, which was designed particularly to build love passage for the online banking customers. Love can be delivered only by one. At present, by using the online banking donation system, SPDB has cooperated with 5 social charity organizations. The customers can transfer the donation money directly to the charity organization. With its help, 1942 denotes had been transferred with the total sum of 254,000 Yuan in 2009. Secondly, SPDB was the first Chinese bank to open the phone-banking donation channels. SPDB phone-banking was put into use in May 2009, the first Chinese phone-banking with the donation function. The "Heart Connecting with Hands, Love Connecting with Finger Tips" Phone Bank Love Donation Activities were firstly launched, appealing for its own staff and also encouraging its customers to donate by phone bank, so that "Love" & "Charity" can be easily blended into the modern city people's life. A total of RMB 349700 Yuan was donated by SPDB staff via phone-bank to the earthquake-struck Sichuan area on the 1st anniversary of Wenchuan Earthquake.

In 2006, the cooperation between SPDB and Chinese Foundation for the Prevention of STD and AIDS was launched with the aim of denoting 1 million in 3 years to AIDS-influenced children in Nanyang Henan. With the donation, Chinese Foundation for the Prevention of STD and AIDS staged vocational training programs for those children in Nanyang Henan. The UNAIDS, UNICEF, Ministry of Civil Affairs, Ministry of Health and Department of Civil Affairs of Henan Province all gave high praises to the programs. The Project is very meaningful to rescue work and also to the social benefit. 140 children in 4 terms in 3 years have obtained training (the 4th term students will graduate at July). Whoever study there cherish the opportunity very much with the hope to learn some skills and find a good job. SPDB also organized the "Sailing Out Trip" summer camp to Shanghai during the project, which made the students taste the warmth from the society and encouraged them to feedback society by working hard. The three-year project almost arrive at the end, but the discussion between the SPDB and UNAIDS is continuing, hoping continually contribute to the Aids Cause.

## An Overview of Donations made by SPDB in the Past Three Years



## (2)Investment in Education, Harvest on Hope

SPDB builds the Hope Project Primary Schools continually. Since 1997 the first SPDB Hope Project Primary School at Dabieshan areas was established, 21 such schools have been done with the total donation of RMB 14.429 million Yuan at Hangzhou, Kunming, Chongqing, Shenzhen, Nanchang, Nanning, Tianjin, and Tibet (Three new ones were built in 2009).

No.	Items	Names of the Hope Project Primary School	Donation Time	Sum donated (Unit: MM yuan)
1	Head Office	SPDB Hope Primary School in Hetu Town Da Bie Mount	1997	0.8
2	Hangzhou Branch	Yongxi Middle School at Tiantai County	1995	0.5
3		Yangxi Central Middle School at Taishun County	1998	0.25
4	Chongqing Branch	Wangzhou PDB Hope Primary School in Chongqing	1998	0.2
5	Kunming Branch	Jiadian PDB Hope Primary School	2000	0.2
6		Mengli PDB Hope Primary Schoo	2006	0.4
7		Ruili PDB Hefei Hope Primary School	2009	0.5
8	Nanjing Branch	Taiping village PDB Hope Primary School at Sihong County	2001	0.3
9	Urumchi Branch	Daban City PDB Hope Middle School	2006	0.25
10	Chengdu Branch	Yaojiaxiang Primary School at Jian'ge County	2003	0.05
11		The Central School at Puji Town Puge County Liangshan State	2008	0.4
12	Nanjing Branch	SPDB Hope Project Primary School	2006	0.2
13	Nanchang Branch	Guchengzhen SPDB Hope Project Primary School at Jinggangshan	2006	0.25
14	Tianjin Branch	SPDB Hope Project Primary School at Zhao wen village Zaojiacheng Town Ninghe County	2007	0.25
15	Shanghai Branch	SPDB Hope Project Primary School at Jiding town Sajia County TRA(Tibet Autonomous Region)	2007	0.579
16	Shengzhen Branch	SPDB Hope Project Primary School at Raoping County Guangdong province	2007	0.2
17		SPDB Hope Project Primary School at Yehedong village Huangping County Qiandongnan Miao and Dong Autonomous Prefecture Guizhou	2008	0.2
18	Zhengzhou Branch	SPDB Hope Primary School Xiaowangsi village Luodian countryside Runan county Zhuangmadian	2008	0.3
19	Wuhu Branch	Peace Center School Hongyang Town Honghe Sansheng SPDB Hope Project Primary School	2008	0.2
20	Guangzhou Branch	SPDB Hope Primary School Dayuan Yunan County	2009	0.4
21	The whole Staff	Nine-year School at Gexianshan Town Pengzhou City Sichuan Province	2009	8



# Social responsibilities

Contributing to Social Welfare

Hefei Branch: SPDB made it a tradition that whenever a new main branch opens, the opening ceremony shall be streamlined and save the money and donate to the local charity program. On December 28, at the activity of Huainan Branch "Opening Ceremony & Silver Enterprise Cooperation Sign Ceremony", SPDB Hefei Branch donated RMB 100,000 to Huainan City Hope Project Office and the "Huainan City PDB Excellent Students Assistant Funds" was also founded.

Shenyang Branch: After an interview, the Branch realized the condition of the Leijia Primary School at Kangpin county is very difficult: the students warm themselves by earth furnace and corn cob. Immediately, the branch donated to help the school buy necessary new teaching equipments and give scholarships to outstanding students. The Branch also encouraged the kids with the motto, "Snow melts when the spring is here; life dances when the music rings out; spirit gets moistened when the pure spring water is near."

Shanghai Branch: Continually advance the Tibetan Hope Project Primary School Work. SPDB Shanghai Branch even developed Regulations to Manage the Funds for Supporting SPDB Tibet Hope Project Primary School, opened the special donation account for the convenience of the staff's donation. The Branch purchased 500 books and posted to Tibet at the beginning term of 2009. At the same time, the Branch's Youth League connected with Hope Project Primary School by sending delegation made of 6 outstanding staff to teach. Also the delegation of SPDB Hope Porject Primary School at Sajia County came to Shanghai and had a thorough communication on how to continue the future support. The good result will compose a new page on the causes of helping Tibet's teaching and education.

Hohhot Branch: A "Love Help, Feedback to Society" donation activity was held at Dongtu town School Wuchuan County in May. That county is a state-level poor county. The school teaching condition is bad. Bags and stationeries bought by the Branch Staff with some sports articles were given to the 57 school students at the donation ceremony. At Baotou Branch's one year anniversary at Sep, the Branch donated two Book Rooms valuing RMB 50,000 Yuan to two poor schools of Guyang & Damao county.

Changchun Branch: The Branch was awarded the title "Practice Base of Employment & Starting Business" on 21st, Nov. by the Central Communist Youth League. Wu Hongtao, Deputy Secretary of CPCGPC of Jilin Province gave a high regard of building this base. He said, " As an socially responsible enterprise, SPDB provided a financial practice platform for the youth by establishing this base. It will enhance the students' professional and practical capability, lay a solid foundation for their future career and bring up outstanding talents for the society".

Hangzhou Branch: Influenced by the financial crises, the hardness for the 2009 university graduates to find jobs has become a prominent social problem. In order to support and promote college starting business education with a success rate, Hangzhou branch and Zhejiang provincial education department co-hosted the start ceremony of the "SPDB University students Starting-up Business Experimental Place" (hereinafter as "Experimental Place") and the First Starting-Business Educational BBS for the University Students in Zhejiang Province. 1 million was donated by SPDB to Zhejiang Province People Education Funds for the construction and operation of 10 Experimental Places in 10 universities with the average of 100.000 Yuan for each. They are Zhejiang Industrial University, Zhejiang University of Science and Technology, Hangzhou Electronic Science and Technology University, Zhejiang Industry & Commerce University, China Measure College, Zhejiang Forestry College, Jiaxing college, Shaoxing Art & Science College, City college of Zhejiang University and Huzhou Vocation Technical College. Getting the basic education on starting a business, the students also can get imitation venture platform before they leave the schools, which lay a solid experience and ability foundation for their future career. Second, in the Experimental Places, the "Double Teachers Business Guidance Policy" is used. Third, after leaving the schools, the group and project might have priority to obtain the local management department's policy and funds support after they register.



Donation for education by Hohhot branch

U r u m c h i Branch carries out activities to help the poor and needy in SOS village every year.



Establishment of student incubator parks in 10 universities in Zhejiang province

Beijing Branch: the Activity of "Aid a youth, Breed a future entrepreneur"





# Social responsibilities

### (3) Help the Poor

Hangzhou Branch: Positively responding to the Zhejiang province "Five-year Low-income Households well-off society projects", according to the arrangements of the provincial Party Committee & Government, the Branch helped nine "low-income households" central villages in Yaxi town Liandu District Lishui City group by group. In 2009, 14 poverty-relief projects in Yaxi town have been supported, 720 mu characteristic industrial base has been developed, 71 low-income households have been brought out of poverty condition. The initial success of poverty support has been achieved.

Special Reports from Xinhua Website:  
With the help of SPDB, the Low-income Households in Yaxi town Lishui town Get Rid of Poverty  
Source: Xinhua Website | Date: 17th Dec. 2009

17th Dec from Zhejiang Channel Xinhua Website (YuanQingyun). Except visiting the poor, providing funds, the Bank also use its own advantage to promote effective help projects. In the two yeas of helping the Yaxi Town Lishui, SPDB Hangzhou Branch has supported 14 projects and brought 71 households out of poverty successfully.

Kong Yiming, vice secretary of CPC committee of SPDB Hangzhou Branch, leading a poverty support group of 12 people, came to the Yaxi Town Lishui City to put the "Low-income Households Well-off Project" into practice. The project is an important measure promoted by Zhejiang provincial Party Committee and Government, which has an aim of making the pure family income of above 70% low-income households( basic allowance households except) increase to more than 4,000 yuan in 5 years( from 2008 to 2012).

Donated funds in this project combined the SPDB Hangzhou Branch and the nine "low-income households" centralized villages at Lishui town into pairs. The task is to help the per capita income of the 298 households, 653 persons in the nine villages to increase from below 2500 yuan to 4500 yuan above in 5 years(until 2012).

The object of this task is located at the northwest of Lishui town. In 2008, the total town economic output was only 240,000,000 Yuan, even thought rose by 2.1% to 2007, but comparing with the cities around, it has a quite slow development. There are three reasons for this: first, horrible natural environment, which causes the natural cash crops are little while the cost of the cultivated ones are very high. Second, the unsmooth transportation, which increases the cost and also makes it hard to transport things to the final destination. Inside and outside can not communicate easily so that the poverty is there after years. Third, economic structure is far from diversified. The main business for Yaxi is the mushroom cultivation. But because of the remote location, it's very hard for them to sell out their products, so many people just take their products out to big cities like Shanghai, Hangzhou etc, to sell, which finally cause the move out of the village laborers. In addition, the lack of product variety makes the market competition force decline also.

The nine villages SPDB helped by teams are so-called "shell villages": one, the whole village collectively haven't any

income; two, most of the young people have gone out to work, leaving the elders and the young ones. After knowing this, the Hangzhou Branch provided some poverty support to them. During 2008, 450.000 Yuan has been transferred there and 14 support projects have been put into action gradually. To make the money work more effectively, the local government transferred the money directly to the villages, and made the villagers decide how to use it according to their own needs. The villages on the mount like Daihou, Yaban etc, built their own roads, which solved the "several decades' hard travel problem". On the other hand, some villages in the low-laying area put more attention on building and improving the local health care infrastructure equipments. They do not only build public restrooms, but also remold restrooms from door to door. Some other villages developed the feature agriculture such like planting strawberry, raising fish in the rice field etc, which changed their "eating the mount in the mount" tradition. Until Nov, 2009, Hangzhou Branch had brought successfully 71 households out of poverty condition.

In order to improve the pertinence and efficiency of the poverty support work,

a deeply discussion between the support branch team and the village & town cadres had been carried out. They decided to put the development of the feature plant & poultry raising into an important place for the next year, and also decided to enhance the economic support strength. To enable the government to put the money on more important issues increasing the support ability, the Branch also arranged the two years fund 900, 000 Yuan orderly by dividing out gradually at the New Year.

Another task of this poverty support is to show solicitude for the "Three Old" (Old party members, old guerrillas, and old traffic wardens) and their wives in the mountain village. Many of them live a hard life in the Lishui Mount area. They have no other income except 200 Yuan allowance from the government. After the PDB knew of this, they delivered money and goods to 13 of them after gathering by the Labour Association and League Committee.

On the way to leave Yaxi, the branch team met the mountain kids who left school to return home. Even in winter, they just wore thin clothes and some even in the sandals. Some team members couldn't help sighing, "This really is THE PLACE where the poverty support should come, helping those who really need help!"

Nanchang Branch: To be responsible for the poverty in Chaitian Village, Lingdong Town, Wanzai County of Yichun City, they have done some practical and good things for the villagers. First of all, because of the condition of having no markets in this village, the branch bank coordinated with WanZai County and LingDong Town, and at the same time donated 140 thousand yuan, in the year of 2009 new markets were built up to solve the problem of going too far away to a market; Secondly, the branch bank contributed some furniture for the Village Party Committee in order to improve the office environment Thirdly, on New Year's Day or other festivals, the branch bank visited lonely elders and poor families with grain, oil, quilts and the greetings of all the staff. Therefore, they demonstrated a good image of a responsible enterprise with their own actions.

Dalian Branch: In the year of 2009, the branch bank and Dalian Charity Federation entered into the fifth year of holding the project of"SPDB - Life Bud Project of Mutual Aid" together. This Loving Care Project was started by Dalian Charity Federation with the purpose of helping "minimal assurance families and patients (between the ages of 0-18) afflicted by one of the five major diseases, which were in the families that had priority". Through the channel of "Charitable Donation" of Internet Banking, SPDB advocated e-bank customers to conduct charitable donation through Internet Banking; it was convenient both for the customers to offer love and for the charity federation to manage the donated money. Over the last five years, SPDB has donated more than 100 thousand yuan for Dalian Charity Federation in total.

The Credit Card Center of Head Office: "Rainbow Love-Giving Association" is a commonweal organization organized by the volunteers of Credit Card Center; it has developed a long-term donating relationship with the charitable street markets of Shanghai Jing'an Temple. The staff would donate the unused goods to charitable markets; some of them would be donated to poor families directly through charitable markets. In 2009, Rainbow Love-Giving Association launched many endowment drives of charitable markets, some donated items were exchanged into daily necessities for the poor families through charity auctions, and they were distributed freely to the minimal assurance families and to the needy families with low incomes.

# Social responsibilities

Contributing to Social Welfare

## (4) Caring for the disaster-struck areas

After the Wenchuan earthquake in 2008, SPDB and more than 10 thousand staff members took actions immediately, and their hearts were always linked with the hearts of the earthquake victims: on the one hand, they donated more than 20 million yuan in cash and many other goods. The Chairman personally went to Wenchuan first, and many other SPDB volunteers followed after; on the other hand, they worked out financial resource advantages, set up Mianzhu SPD Rural Bank, opened the green passages of rebuilding after disasters, and supported reconstruction greatly for the disaster areas.

In May of 2009, at the anniversary of Wenchuan Earthquake, Chengdu Branch and the bank president of Mianzhu SPD Rural Bank led a team to the severely afflicted areas of the earthquake: Mianzhu and Pengzhou. They held a donation ceremony of “the love of SPDB is taking actions in helping the lonely and disabled”, and distributed the donated money from the bank staff of 200 thousand and 200 yuan to the 90 physically disabled students, 346 lonely elders in Xiaode Town, and 80 other disabled and lonely people after the earthquake in Mianzhu City. At the same time, Chengdu Branch and Mianzhu SPD Rural Bank signed child sponsorship contracts with 4 orphans in Xiaode Town, providing 3600 yuan yearly as the basic living allowances for every orphan under 18 years old. Meanwhile SPDB Chengdu Branch hoped and encouraged the orphans to study hard for college and promise that they will provide them scholarships so that they will grow up to be useful talents for the nation.

In July of 2009, SPDB invited the Haha Children's Choir of Dujiang Dam City, which is correspondingly aided by Shanghai, to celebrate the International Children's Day.



completed in Gexian Mountain Town, Pengzhou City of Sichuan Province.

After the earthquake, the school was in a state of devastation. SPDB cooperated with the Education Bureau in aiding the projects; they personally experienced and conducted many meticulous works such as filtering projects, co-ordination and supervisory control to make sure the projects would be completed in due time, and the quality of construction was examined and verified by professional institutes.

The construction of the new school cost a total of RMB 18 million yuan, of which 8 million was donated by SPDB staff and the rest granted by local treasury. At the completion ceremony, SPDB donated another 500 thousand yuan to improve school facilities. This school covers an area of 28,481 square meters; the area of structure is 9,937.42 square meters. It is composed of three parts: kindergarten, primary school and middle school with academic building, multi-media classroom, library, reading rooms, laboratory, school broadcasting system and many other modern supporting facilities for teaching. There are more than 80 school staff and 800 students.

Liu Xinyi, the Executive Vice President of SPDB, spoke to the teachers and students affectionately “SPDB values the relationship with the nine-year school of Gexian Mountain Town very much. Aiding this school has given us an opportunity to return to the society with our little strength, it also has given our staff the chance to learn: we are deeply touched and inspired by the strong will, generosity and the active fighting spirit of the cadre, the people and even the children of the disaster-struck area. A hundred years ago, Mr. Liang Qichao advocated ‘if the young is strong, China will be strong’. His admonition is still ringing in our years. We hope the children will keep and develop a fearless and active spirit to achieve greater progress. The entire SPDB Staff will always care and support you!”

In order to remember and appreciate the loving actions of SPDB Staff, the whole school set up the aid monument of SPDB for the purpose of perpetual commemoration.

Tablet inscription as follows:

On May 12th, 2008, a merciless earthquake struck Wenchuan. The nature was changeable, our countrymen suffered severely. However, there was love in the world, and it pulled the victims through. The love of the whole country was united upon the ruins, the one mind of all the people built up the unbreakable Great Wall of the experienced China.

A great number of Staff from Shanghai Pudong Development Bank stretched out their warm hands, donated 8 million RMB, used for the reconstruction of the nine-year school of Gexian Mountain Town, Pengzhou City after the disaster. At the present, the school is still standing firmly with the sound of the reading children; the hope of China is hidden here, the backbone of China is being cultivated here!

Being with the universal love, recalling memory of the national disaster, we set up this monument for perpetual aspiration.

Shanghai Pudong Development Bank  
Sept 1st, 2009



# Environmental Responsibilities

We highly respect the beautiful vision of Low Carbon Bank advocated by SPD Bank, appreciate all its great achievements in green finance initiatives. We hope to strengthen our partnership with SPD Bank in the future, tap the potentials of the energy-saving investment by means of responsible commercial activities, and contribute to the green planet all together!

—Mr. Hyun-Chan Cho  
Country Manager China & Mongolia of IFC





# Environmental Responsibilities

## Develop Low Carbon Bank

The present world is facing the ternary crisis: besides the short-term financial crisis, the energy crisis and the environmental crisis are more serious crises to face for the long-term development of human beings. Therefore, the development of Low Carbon Economy has been known universally. The Climate Conference in Copenhagen has blown the trumpet; China has considered the improvement of energy efficiency, emission reduction, exploiting and utilizing renewable energy resources as one of the most important parts of the future development and economic transition strategy. Commercial banks are managing credits, propagating strategies, allocating resources; they are one of the core strengths in society. SPDB is carrying out the social responsibility, taking the lead in the financial area of using water carbon, in order to develop the low carbon bank in the financial sector of China.

The first is to issue the initiatives, and make clear the purpose of taking actions. Issue The Initial Written Proposal for Constructing Low Carbon Banks of SPDB , and participate in global economy reformation with responsibilities and missions. SPDB announces seriously: “SPDB will be devoted into developing ‘Low Carbon banks’ of financial sector in China, and will make efforts in promoting Low Carbon Economy development. Advocate low carbon life, the whole staff members will participate to improve practices; advocate green finance, support industries, strengthen competitive forces; advocate green responsibilities, model values, achieve duties.”

Secondly all members will participate in daily energy-saving and environmental protection. SPDB appeals that all staff members start from the little things around, and put environmental protection into practice, build up the work atmosphere of low carbon, which include: choose environmental protection material for decorating office buildings, try the best to use natural lighting, suggest walking to the first three floors, reduce the stand-by energy consumption of air-conditioners, computers, copy machines and other appliances, turn off the appliances in time, paperless office document, optimize the management of business trips, carry out video conference system, and so on.

The third is to actively develop e-bank, expand green passages. SPDB advocates various e-banking channels, such as internet banking, call center, phone-banking, electronic bills and other electronic service passages, therefore develop actively the advantages of financial resources, lead the great number of clients to take part in environmental protection, in order to reduce the paper consumption reduce the carbon emission of the clients on passage reduce the occupation of social resource.



SPDB participates the activity of “One hour for the Earth”, advocates “Temporary Darkness; Permanent Light”

## Individual and corporate customers of Internet Banking and Trading Condition

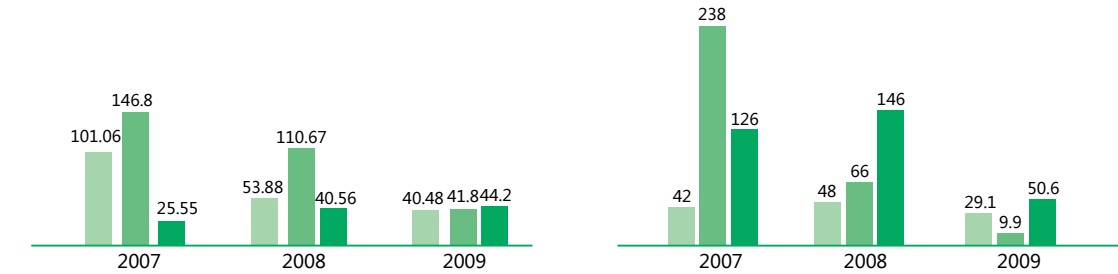
- The Increase of Individual Customers quantity of Internet banking

The Increase of trading amounts of Individual Customers

The Increase of trades of Individual Customers
- The Increase of the corporate customer quantity of Internet banking

The Increase of trading amounts of Corporate Customers

The Increase of trades of Corporate Customers



## The condition of building Electronic Channels

Items	Year	The Number of Customers (Ten Thousand)	The Number of Trades (Ten Thousand)	The Trading Amounts (Ten Thousand)
Internet Banking	2008	134	7,728	309,938,475
	2009	188	11,464	348,439,070
Self-service Banking	2008	1.60	6108.42	7833302.62
	2009	4.13	7217.44	9648390.81
Telephone Banking	2008	All customers and potential customers	1529.04	631402.41
	2009	All customers and potential customers	1587.95	1468330.21
Cellphone Banking	2008	0.00	0.00	0.00
	2009	10.40	12.00	264983

# Environmental Responsibilities

Develop Low Carbon Bank

## Advocate Green Finance

### 1. Green-credit Policy, insist on a sustainable development strategy

In 2009 SPDB continued in carrying out the policy of state macro-control, and carried out strictly the guidance of the policy of energy-saving and emission reduction of supervision and regulation department, issued SPDB Credit Guidance 2009, making clear the energy-saving and emission reduction of credit requirements, maintain pressure and different treatments on the credit companies and new projects, cautious in dealing with high energy consumption, high emission, resource-consuming type, overcapacity enterprises. To make sure that the limited financial resources will be put into environmental protection, and is committed to building conservation-oriented society of sustainable development.

#### (1) Support and put into the energy-saving environmental protection projects of credit

SPDB adheres to provide active credit support for the main projects of energy-saving, environmental protection projects, water pollution control projects, including: large-scale nuclear power hydroelectric power petroleum and petrochemical traditional energy projects; better comprehensive benefits of renewable energy, sulfur dioxide management, economical use of water resources, comprehensive utilization of resources, utilization of waste materials and resources, clean production and other energy reduction programs. Urban sewage treatment, sewage pipe network, prevention and control of water pollution of the main rivers, treatment of industrial pollution and other ecological and environmental construction projects.

In 2009, SPDB supported the following energy-saving projects: Sewage Treatment Plant of Changshu City, Jiujiang Xinhua Hydropower Development Co. Ltd., Pingnan County Wangkeng Hydroelectric Co. Ltd., Shanxi Lan-River Hydropower Co., Ltd.; Xinyu clear water and blue sky and wastewater treatment Co. Ltd.; Nanyang Square City Wind Power Co. Ltd. a subsidiary of China Power Investment Corporation Zijin County East River scenery Likou Power Development Co., Ltd.; Jiujiang Xinhua Hydropower Development Co., Ltd.; projects, sewage treatments, wind power generation and other energy-saving emission reduction projects. Besides, In addition, in order to support the energy-saving emission reduction projects, SPDB is in corporation with the IFC to carry out cooperation in energy efficiency financing projects, and set up a special credit of one billion yuan, and encourage such credit. Every green credit business is in steady progress. As of the end of 2009, SPDB invested 17,488 billion yuan as loans for energy-saving environmental protection industry, and achieved good social and economic benefits.

#### (2) Adjust credit structure and Withdraw from the restricted sectors

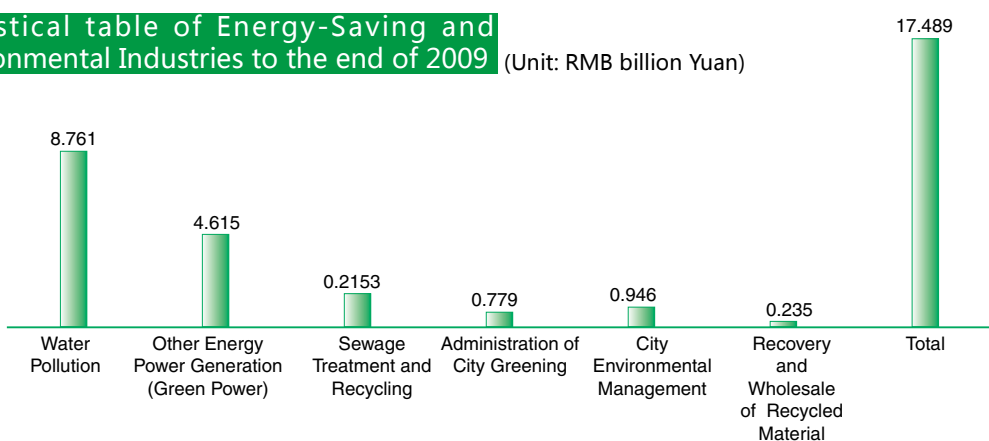
SPDB actively adjusts its credit structure and withdraws from the restricted sectors. SPDB strictly forbids its branches to offer further credit support to sectors or projects restricted by national policy.

In 2009, SPDB took effective measures to safeguard risks involved with against the “two highs” industries. For those enterprises cited by the environmental protection authorities as pollutant enterprises, SPDB will limit further credit and collect back the loans already issued. As of the end of December 2009, SPDB withdraw a total of RMB 25.9 billion loans from the highly-pollutant and high energy-consuming industries.

Nanchang Branch: the Branch provided 658 million yuan as credit to support the first major project “Great pressure on the small, energy-saving emission reduction” in the province—Jiangxi Xinchang power plant construction of infrastructure and environmental protection projects. At present, 660,000 kilowatts of supercritical coal-fired units have been in operation in the Unit1 of Xinchang power plant, and it provides 4 million kilowatts for Jiangxi Power Grid, and is expected to meet the demand of 60% electricity for Nanchang area, and it provides reliable power protection for the economic development in the region. It is estimated that the project may help save about 60 million tons of coal annually and about 10 million cubic meters of water, and reduces sulfur dioxide emissions nearly 3 million tons.

Wuhan Branch: It supports strongly for science and technology, and development of environmental enterprises, and also supports actively the construction of “two-oriented society”. In October 2009, the credit support of 50 million yuan for Wuhan municipal government for the promotion of green travel, to ease traffic pressure and improve the urban environment, it has launched the building of “Wuhan public bicycle services”, for the effective promotion of energy-saving emission reduction, and reducing air pollution, easing traffic pressure to produce good social and environmental benefits.

Statistical table of Energy-Saving and Environmental Industries to the end of 2009 (Unit: RMB billion Yuan)



Strong support to build energy-saving, environment friendly society and projects of people's livelihood

Hangzhou branch launched green credit to Lanxi Xiexin Environmental Thermal Power Co., Ltd.



# Environmental Responsibilities

## 2. Global cooperation for the integration of green finance service solution

In 2008, SPD Bank initiated the “green finance service solution” among domestic banks, including energy efficiency finance projects with AFD and IIF, financial advisor of CDM, green equity finance project and professional supporting solution, with an aim to provide comprehensive, effective and convenient service to energy-saving and emission reduction related projects.

(1) Cooperation with AFD. SPD bank first worked together with AFD in 2006 on energy efficiency finance project and made a breakthrough in 2009 after 4 years strenuous effort, thus starting several business, including a) AFD direct on-lending for energy efficiency improvement project of two power plants in Guangxi and Yunnan province with a total facility of EUR440 million in 2009. All the on-lending contracts were finalized and first withdrawal already made. b) AFD fee-based credit business for comprehensive energy saving improvement project of Zhongcheng Chemical factory, steam turbine renovation project of Zhonghua power plant, waste heat generation system of Wuhu Yuanlong Cement factory, Circulating fluidized-bed boiler substitution heating project of Harbin Investment Company, waste heat generation system of Huaihai Zhonglian Cement factory and corresponding withdrawal. In the fourth quarter of 2009, 201MW wind power project obtained the certification and approval from AFD and EUR30 million was finalized with the financing gap provided by credit from SPD bank.

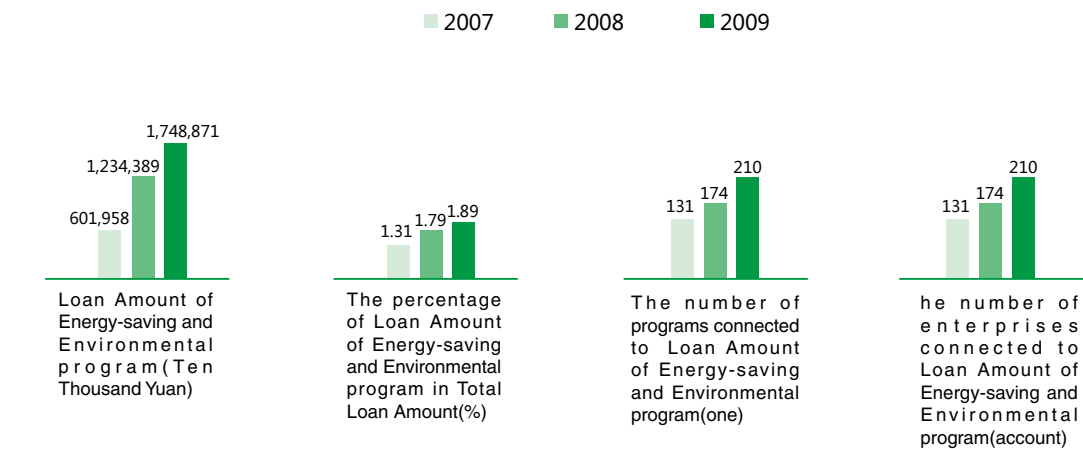
By the end of 2009, withdrawal of EUR 200 million of the first batch of credit offered jointly by AFD and SPD bank was finalized to support 6 energy efficiency and renewable energy projects with a total annual saving of standard coal of 307700 ton and reduction of CO<sub>2</sub> 872600 ton, a sound achievement in energy saving and emission reduction.

(2) Cooperation with IFC. The bank first started the cooperation with IFC in 2007 when IFC set up CHUEE project in China by its own fund and donation from world environment fund. IFC provided technical support and shared the risk of project finance of energy saving, emission reduction and renewable energy projects and consultancy service in fields of market, engineering, project development and equipment finance. On Oct. 31, 2009, the bank reached an agreement with IFC to share the risks of energy saving finance projects. In Jan. 2010, the first project, a waste heat generation project in Xi'an, was a great success with SPD bank providing a facility of RMB 220 million and IFC 50% of credit for risk allocation and gained sound economic and social benefits with a total annual saving of standard coal of 8225 ton and reduction of CO<sub>2</sub> 21700 ton.

The innovative cooperation with IFC who provided technical support and shared risks helped the bank to execute the social responsibility and its service more vigorously to provide facility to companies especially SMEs in energy saving and environment friendly projects.

(3) SPD bank had also reached an agreement with Citibank to develop and apply CER value together to support environment friendly projects. Besides, the bank had also communicated with many domestic counterparts for practical cooperation models to provide support to CDM projects.

Statistical Table of Energy-Saving and Environmental Program



The Statistical table of the stock in 2008 and withdrawal in 2009 from high energy-consuming and high pollution industries

High energy-consuming and high pollution industries	The Inventory balance at the end of 2008(billion)	The Inventory balance at the end of 2009(billion)	Withdrawals from the stock(billion)
Non-metallic mineral products industry(Cement)	74.13	49.77	-24.36
Ferrous metal smelting and rolling processing industry (Iron and Steel)	255.03	130.62	-124.41
Chemical materials and chemical products manufacturing	139.74	80.96	-58.77
Non-ferrous metal smelting and rolling processing industry(Aluminum)	102.94	51.09	-51.85
Total	571.84	312.44	-259.40



# Environmental Responsibilities

## 3.Product innovation, success in carbon finance

### (1) Financial advisor for the first CDM project in banking industry

In July, 2009, the bank successfully introduced CDM development and trading institution for the two hydro power projects with a total capacity of 70000 kilo watts in Shanxi province at a very competitive price thus bringing an additional annual income of EUR 1.6 million from the sale of carbon.

China is one of the largest carbon emission countries with the total emission of carbon occupying one third of the global market. In the past, domestic companies of CDM projects negotiated directly with international carbon fund and investment banks who always master the pricing of deal of carbon based on their advantage of strong position and professional knowledge. The domestic companies, due to lack of information of carbon market, were in a very disadvantage position in deal, thus bearing too much risks in development and transaction.

Based on its advantages in the international business and investment banking, SPD bank provided enormous benefits and convenience to CDM project owners by providing overall one stop service as financial advisor including a) outsourcing service of negotiation and preparing of contract documents, b) free service for owners who need not to prepay the management overhead, c) assisting owners to find suitable buyers with strong records through bank's channel, d)providing reasonable CER price for owners based on the bank's strong information data base, e) guaranteeing fast remittance through bank's settlement system and f) helping owners to obtain "green certificate" from the UN. The successful deal CDM project was a breakthrough for the bank to take a leading role in the field of carbon finance.

### (2) Wind power project

It is the first wind power project in the sea, one of the key municipal infrastructure projects with a total investment of RMB 2.365 billion and a franchise operation of 25 years. The total capacity reached 102 MW composed of 34 machines each with a capacity of 3 MW. As lead management and agent, SPD bank organized a syndication of RMB 1.892 billion to finance the project. Besides, the banks also signed agreement with CDM owner who put account received and income of sale of CERs as collateral, thus combining CDM finance with traditional syndication loan. As estimated, the project will be able to result with a total annual saving of standard coal of 86000 ton and reduction of CO2 237400 ton.

## 4. Green organization to promote the low carbon economic community

On Oct. 25, 2009, the bank established the first volunteer emission reduction joint organization, Eco-City Green Industry Association (EGIA) with a dozen domestic and foreign enterprises and institutions that shared the same philosophy of social responsibility and social welfare. SPD bank as the only founder from the finance industry was committed to promote low carbon finance solution and overall low carbon economy of the whole nation.

The aim of Eco-City Green Industry Association is to build up a platform for institutions and private individuals who voluntarily advocate energy saving and emission reduction projects by introducing foreign experience pursuant to domestic environment law and regulation and standards. EGIA is committed to offer fund and technical support, organize large scale campaign to propagate energy saving and emission reduction concept and try new business operation models to further promote the balanced development, low carbon life style and belief.



# Outlook, Index and Feedback

## Guidance of Social Responsibility of the SPDB in 2010

- 1.Development of international standards to adapt to meet the needs of the Chinese localization, with SPDB’s own characteristics of corporate social responsibility strategic planning; sound corporate social responsibility indicators; to build the whole corporate social responsibility management within the rules and regulations.
2. Whole staff involvement strategy: Strengthens the company whole staff community responsibility idea promotion; Strengthens the company whole staff community responsibility practice participation; Development company community responsibility work special training; Strengthens the company community responsibility work human resources investment.
- 3.Green strategy: Devotes in the making domestic financial industry first low-carbon bank, on the one hand, establishes the environmental protection culture, the reduction energy consumption, construction green mesh point, implementation green purchase; On the other hand, develops the green credit vigorously, promotes the green finance to the company strategy altitude; Strengthens the international standard the research and the execution, provides the related resources; The drive innovation, from to the knife wound construction cost value, constructs the sustainable development competitive advantage green.

## The GRI Index of Global Initiative Report

Number	Content	Disclosed details
Strategy and Analysis		
1.1	Agency decision-makers on sustainable development and its strategic relationship with the agency's statement	P9,P10
1.2	The description of major impacts risks opportunities	P11
Company		
2.1	The name of Organization	P7
2.2	Main brands, products and services	P19-P40,P61-68
2.3	The Operating structure of the Organization	P9
2.4	The headquarters of the Organization	P7
2.5	The number of countries which have business with the organization, the name of the countries of the significant business activities or mentioned in the report and direct issues of sustainable development	P1
2.6	The nature and legal form of ownership	P7
2.7	Participated markets Including geographic distribution, industrial distribution and client/beneficiary	P7,P22
2.8	The scale of the organization Including employees, sales, total assets ratio of debt to net assets, the number of provided products and services	P7,P8
2.9	The scale of the organization structure or the major changes that have taken place during the reporting period of the ownership	P7,P8,P9
2.10	Awards within the reporting period	P12
Report Parameter		
3.1	The reporting period of the provided information	P1
3.2	Date of the report of last year	P1
3.3	Reporting period	P1
3.4	Contact person who answers the report and its contents	P1
3.5	The Content of definite report(Determine the proceeding of the content of the report)	P1
3.6	Report Boundary (Such as nations, departments, subsidiaries, leased facilities, joint ventures, suppliers)	P1
3.7	Point out any restrictions on the scope and boundaries of the report	P1
3.9	Data measurement techniques and the basis of calculation	P1
3.11	The significant differences between the scope, boundaries, calculating methods of the report of the previous reports	P1
3.12	The location in the report disclosed in the sets of criteria list	P1
Corporate Governance		
4.1	The structure of institutional Governance	P9-P11
4.2	Point out whether the chairman of the highest governance body is also and executive officer If so, their role in the organization and the reason for such arrangement	P9,Pls. refer to SPDB 2009 Annual Report
4.3	Point out the independent members of the highest governance body or the respective number of non-executive members regarding to the organization with a single board of directors.	
4.4	Shareholders and employees make recommendations to the highest regulator body or mechanism of the operating direction.	
4.5	the relationship between Compensation and organizational performance (including social and environmental performance) of the Highest governance body ,senior managers and executives (including departure arrangements)	
4.6	Avoid procedures of conflicts of interest in the Institutions of governance)	
4.7	How to determine the qualifications and experience and other things which the highest governing body members should possess.	P9,Pls. refer to SPDB 2009 Annual Report
4.8	The internal formed the mission, values, codes of conduct and the relevant principles and their implementation of the economic, environmental and social performance.	
4.9	The highest governance body overseeing organization identify and manage economic, environmental and social performance of the procedure	
4.11	Explain whether and how the organization adopted the preventive measures or principles	
4.12	The economic, environmental and social charter initiated by the institutions to the outside world or other participation or support of the initiatives.	
4.14	Organization's list of stakeholders	P15,P16
4.15	The basis of indentifying and selecting the key stakeholders	P15,P16
4.16	The participatory manner, type of the Stakeholders and category of stakeholders group to consult the frequency expressions	P15,P16
4.17	The key issues and concerns raised by the stakeholders involved in the process, and how the organization responds to these issues and problems	P15,P16
Economic benefit indicator		
EC1	The economic value of the creation and distribution, including total revenue, operation costs, compensation for the employees, donations and other social investments, retained earnings to capital providers and the funds of government payment	P8,P43,P50,P51,P52
EC2	The financial burden and other risks and opportunities of Agency activities caused by the climate changes	P61-P68
EC3	The coverage of the agency defined benefit plan	P43-P45
EC5	The scope of the agencies operation locations in key entry point of the standard of wages to local minimum wage rate	P43
EC7	The procedure of agencies operating in key locations from the local community employees, and the proportion of senior managers in the local community	P43
EC8	Through business activities, institutions provide real objects or free professional services for the public interest to carry out major investments in infrastructure and services and its impact	P46
EC9	The understanding and description of the agencies to its significant indirect economic impact (including the impact of the extent and range	P36,P38,P48-P58,P61

# Outlook, Index and Feedback

Number	Content	Disclosed details
Environmental benefit Indicator		
EN3	The direct energy consumption divided by main energy source	P61
EN4	The indirect energy consumption divided by energy source	P61
EN5	The saved energy through the adoption of energy-saving measures and improvement of the utilization efficiency	P61
EN6	Provide energy-saving or renewable energy products and the measures of services, and the results of these measures in reducing energy demand	P62-P68
EN7	Measures and results to reduce indirect energy consumption	P62-P68
EN26	Reduce the measures and their degrees of products and services of environmental impact	P62-P68
Social benefit Indicator		
LA1	The total number of district employees by the type of employer, employment contract.	P43
LA2	Total amount and percentage of the mobility by age gender and districts	P43
LA4	The proportion of employees of collective bargaining agreement coverage	P43-P45
LA10	The average number of hours of statistics for each employee in receiving trainingand Safety commission	P45
LA11	Provide skill managements and lifelong learning programs for the employees to support the staff to enhance capacity and help employees deal with matters relating to plans for retired	P44,P45
LA12	Subject to regular performance and career development of staff appraisal ratio	P43
LA13	According to gender, age category, ethnic minorities member and multiplex target division, each control institution members and each kind of employee's segmentation	P43
LA14	The proportion according to staff category statistics of basic salary for male and female	P43
HR4	The total number of cases of discrimination and measures which are taken	P43
HR6	Been identified with the possibility of using child labor, high-risk business activities, and for the measures taken to eliminate child labor	P43
SO1	Any assessment and management of operational activities impact on the community (including access, operation and withdrawal) of any plans and nature of measures, scope and effective degree.	P46
SO5	To the position of public policy and in the development and participation in public policy	P19-P32,P63
SO6	The total value of financial and in-kind donations according to country of political parties, politicians and relevant organization.	P50-P58

Additional indicators of Financial service industry

Number	Content	Disclosed details
FS1	With specific environmental and social elements of the policy applied to business lines	P24,P31,P63
FS2	Lines of business contained in the environmental and social risks, and screening steps to evaluate	P63-P66
FS4	Enhance staff capacity to implement environmental and social policies associated processes, and applied to business lines in the concrete steps	P48,P49,P61
FS5	With clients / investment companies / business partners on the environmental and social risks and crises in the interaction	P61-P68
FS6	In the investment portfolio, each business line based on specific geographic, size (small businesses, small and medium enterprises or large enterprises), and the proportion of the industry classification	P19,P22,P23
FS7	According to different purposes, in various product lines to pass a specific environmental benefits of products and services, the monetary value	P62-P67
FS10	In the organization investment portfolio, reported that the department once has carried on the interactive company percentage when quantity on the environment or the social question with it	P61-P68
FS16	Depending on the type of beneficiaries and improve the level of financial knowledge	P46

## Feedback

In order to strengthen the surveillance and the instruction of the social responsibilities, improve the company's ability to fulfill its corporate social responsibilities, we sincerely welcome you to give us your comments and suggestions.

1. Your overall assessment on social responsibility report of SPDB
- ☐Excellent ☐Good ☐Common
2. Your assessment on the economic responsibility of SPDB
- ☐Excellent ☐Good ☐Common
3. Your assessment on the social responsibility of SPDB
- ☐Excellent ☐Good ☐Common
4. Your assessment on the environmental responsibility of SPDB
- ☐Excellent ☐Good ☐Common
5. Do you think this report can reflect the responsibility practice in economic, social and environmental impacts?
- ☐Excellent ☐Good ☐Common
6. How do you think of this report in disclosing the information, data, clear indicator accurately and completely
- ☐Excellent ☐Good ☐Common
7. Do you think the contents of the arrangement and layout of this report are easy to read?
- ☐Excellent ☐Good ☐Common
8. Your opinions and suggestions on the social responsibilities of SPDB will be much appreciated:

Thank you for your valuable time!





—— 新 思 维 · 心 服 务 ——