

2024 | China Minsheng Banking Corp., Ltd. Environmental, Social and Governance (ESG) Report

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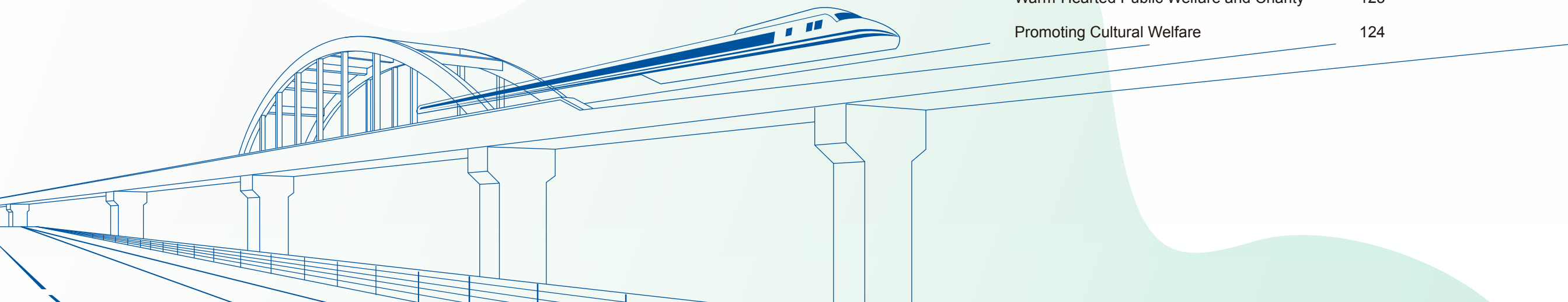
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ABOUT THE REPORT

Introduction

This Report aims to disclose the environmental, social and governance (ESG) management and performance of China Minsheng Banking Corp., Ltd. (hereinafter referred to as “China Minsheng Bank” or “the Bank” in this Report) and thus, to enhance full understanding and communication between various stakeholders and the Bank. This Report should be read together with the “Corporate Governance” section in the *2024 Annual Report of China Minsheng Banking Corp., Ltd.*, the *2024 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd.*, the *2024 Interim Special Report on Sustainable Development (ESG) of China Minsheng Banking Corp., Ltd.* and the ESG section on the Bank’s website for a more comprehensive understanding of the Bank’s practices and achievements in the ESG field.

ABOUT THE REPORT

● Introduction

This Report aims to disclose the environmental, social and governance (ESG) management and performance of China Minsheng Banking Corp., Ltd. (hereinafter referred to as “China Minsheng Bank” or “the Bank” in this Report) and thus, to enhance full understanding and communication between various stakeholders and the Bank. This Report should be read together with the “Corporate Governance” section in the *2024 Annual Report of China Minsheng Banking Corp., Ltd.*, the *2024 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd.*, the *2024 Interim Special Report on Sustainable Development (ESG) of China Minsheng Banking Corp., Ltd.* and the ESG section on the Bank’s website for a more comprehensive understanding of the Bank’s practices and achievements in the ESG field.

● Reporting Period

Unless otherwise specified, this Report covers the period from 1 January 2024 to 31 December 2024. This may, however, includes certain information beyond this period for the comparability and completeness of the Report.

● Reporting Boundary

The disclosure scope of this Report includes the Head Office, the branches and sub-branches of China Minsheng Banking Corp., Ltd., the scope and scale of some data refer to 2024 Annual Report of China Minsheng Banking Corp., Ltd. The reporting boundary of relevant data and the calculation methodologies are specified in the Report.

● Basis for Preparation

This Report complies with the Environmental, Social and Governance Reporting Code (hereinafter the “ESG Reporting Code”) set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The reference to the ESG Reporting Code is attached as appendix in the Report. This Report has complied with the “Comply or Explain” provisions set out in the ESG Reporting Code.

● Reporting Principles

This Report strictly follows the materiality, quantitative, balance and consistency principles of the ESG Reporting Code.

The materiality of the contents of this Report has been systematically assessed, which included identification of the Bank’s ESG issues, assessment of their materiality, relevance and scope, and review and response to stakeholders’ concerns about the Bank’s ESG work. This Report covers important matters related to different stakeholders. Details of the materiality assessment and the main communication channels for stakeholders are disclosed in “Stakeholder Engagement”.

Referring to applicable quantitative standards and practices, this Report discloses applicable key performance indicators (“KPI”) by using quantitative methods and explains the measurement criteria, methods, assumptions and/or calculation tools, as well as sources of conversion factors used (if applicable) in respective sections. This Report discloses positive and negative information and presents the Bank’s ESG performance during the reporting period in an impartial manner. This Report has been prepared in the same way as in previous years, and any changes that might affect meaningful comparisons with previous reports have been explained in respective sections. Unless otherwise specified, all monetary amounts in this report shall be denominated in RMB.

● Confirmation and Approval

This Report was deliberated and approved at the 11th meeting of the 9 Session of the Board of Directors of the Bank on 28 March 2025.



About China Minsheng Bank

China Minsheng Banking Corp., Ltd. was formally established in Beijing on 12 January 1996. It is China's first national joint-stock commercial bank initiated and founded mainly by non-state-owned enterprises (NSOEs). The Bank was listed on Shanghai Stock Exchange (stock code: 600016) and Hong Kong Stock Exchange (stock code: 01988) in 2000 and 2009, respectively. The Bank has grown into a bank group providing commercial banking, financial leasing, fund management, global investment banking and wealth management services, with total assets exceeding RMB7.5 trillion, net assets exceeding RMB590 billion, more than 2,400 operating units and over 63,000 employees.

About China Minsheng Bank

Over the past 29 years since its establishment, China Minsheng Bank has been adhering to the mission of “Serving the public, caring about people’s livelihood”, focusing on the strategic positioning of becoming “a bank for NSOEs, an agile and open bank, and a bank with considerate services”, insisting on market-oriented and differentiated development path, and strove to develop into a first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation, and realise its grand vision of becoming a time-honoured bank.

In 2024, China Minsheng Bank stood at No. 22 in the Top 1,000 World Banks released by The Banker, No. 351 in the Fortune Global 500 released by Fortune, No. 11 in the Top 100 Chinese Banks released by the China Banking Association, and No. 59 in China’s Top 500 Private Enterprises published by the All-China Federation of Industry and Commerce.

In the Top 1,000 World Banks released by The Banker

No. 22

In the Fortune Global 500 released

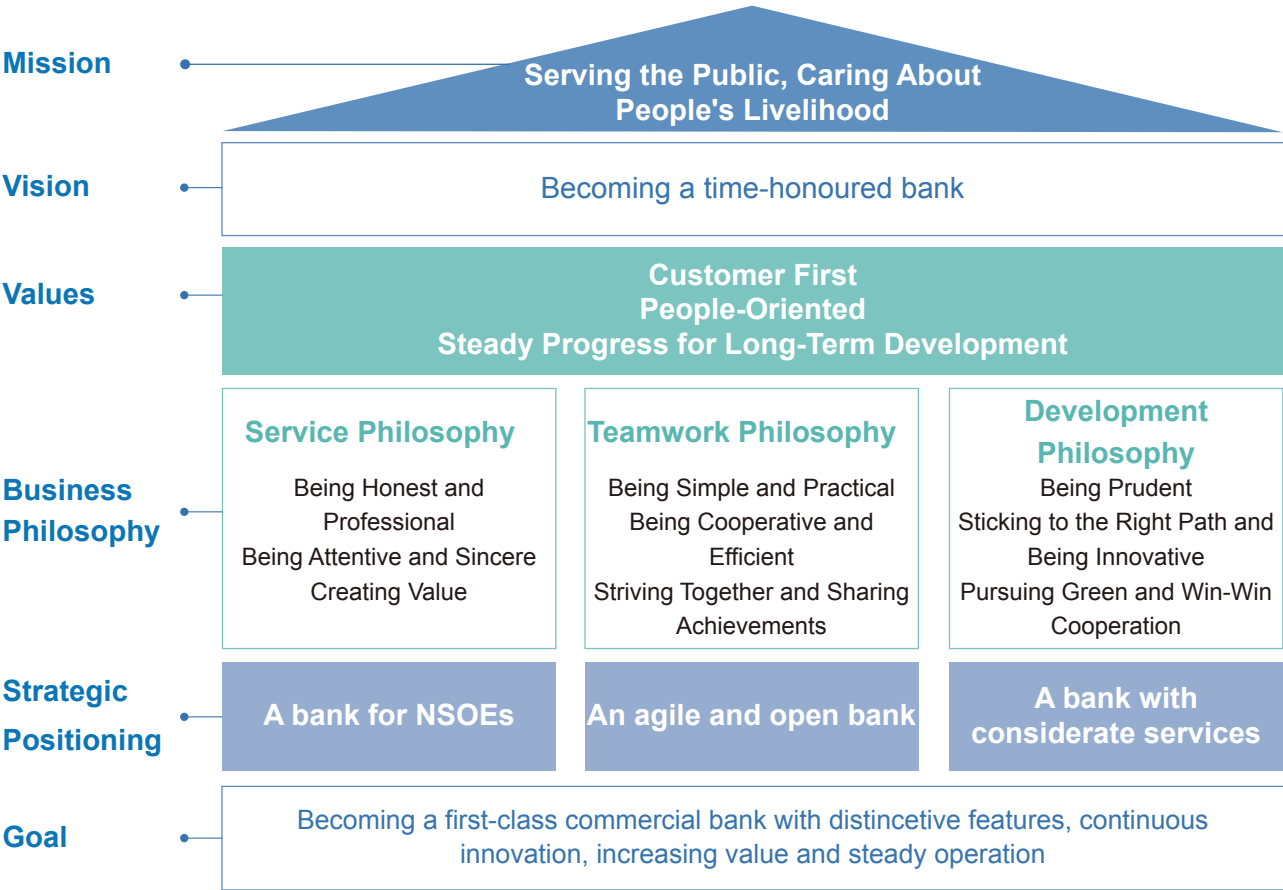
No. 351

In the Top 100 Chinese Banks released by the China Banking Association

No. 11

In China’s Top 500 Private Enterprises published by the All-China Federation of Industry and Commerce

No. 59



Cultural Structure of China Minsheng Bank

During the reporting period, the ESG practices of the Bank received extensive attention from government departments, authoritative institutions and mainstream media, and won a number of honours. With the annual ESG rating upgraded to AAA (the highest rating worldwide) by MSCI, an authoritative rating institution, the Bank became one of the first banks in China to achieve an AAA rating. The Bank was listed in the “Top 100 Listed Companies in ESG Performance in China” by CCTV, awarded the “2024 Best Practice Cases for Sustainable Development of Listed Companies” by China Association for Public Companies, selected into the Top 10 Private Enterprises in the “Top 100 NSOEs in the Social Responsibility Development Index of Chinese Enterprises” by the Chinese Academy of Social Sciences, and was honoured as the “2024 Innovative and Excellent Institution of ESG Financial Service” by the Chinese Banker magazine.



ESG Governance

Committed to establishing a high-level ESG management system, the Bank constantly improved its ESG governance structure, strengthened the implementation of ESG philosophies and innovated ESG practices to fully integrate ESG into corporate governance and operation management, so as to continuously improve the level of ESG management.

The Bank signed the *Principles for Responsible Banking* (PRB), in an aim to further fulfil its social responsibility for sustainable development, promote the transformation and upgrading of operation management and high-quality development, and enhance the corporate value and brand image through actively meeting international standards for sustainable development.

ESG Governance

ESG Governance Structure

● Statement of the Board of Directors

The Board of Directors of the Bank paid high attention to ESG efforts, elevated ESG issues to an important position in corporate governance, and ensured to have ESG issues integrated into all aspects of corporate governance from all levels of decision-making, supervision and implementation. The Board of Directors comprehensively supervised the implementation of ESG policies and plans, continued to improve the ESG governance structure, regularly reviewed ESG reports, studied and discussed ESG issues, guided and supervised the management to carry out ESG-related works, reviewed progress on the ESG management targets, disclosed information in accordance with laws and regulations, and continued to improve the quality of ESG disclosure. The Strategic Development and Customer Rights Protection Committee under the Board of Directors is responsible for reviewing matters related to the performance of social responsibilities in economic, environmental and social and public welfare undertakings, providing professional opinions and suggestions to the Board of Directors and following the implementation of policies and planning. Moreover, it supervises the implementation results and assists the Board of Directors to supervise the Senior Management to carry out ESG related work. The Bank has set up an ESG leadership team with Chairman as the team leader and President as the deputy team leader, and founded an ESG working group composed of relevant departments to advance ESG work from overall planning, coordinated promotion and implementation, respectively.

The Bank has advanced the ESG work from a strategic planning perspective, continued to improve the ESG governance structure and working mechanism, and continuously improved the high-quality sustainable development system. Fully understanding the effectiveness and progress of the Bank's ESG work, the Board of Directors took the best practices of global peers as the direction of ESG work, and worked with the Senior Management to make improvements in financing environment impact, consumer rights protection, green finance, inclusive finance, business ethics and other key areas, and to set ESG management-related targets. During the reporting period, the Bank continued to promote the implementation of the *Five-Year Development Plan for Consumer Rights Protection of China Minsheng Bank (2021-2025)*, the *Five-Year Development Plan for Green Finance of China Minsheng Bank (2021-2025)*, and the *Five-Year Development Plan for Inclusive Finance of China Minsheng Bank (2021-2025)*, and regularly listened to relevant work reports to continuously improve ESG quality and efficiency.

In March 2024, the Strategic Development and Customer Rights Protection Committee of the Board of Directors deliberated and approved the *2023 ESG Report of China Minsheng Bank*, proactively benchmarked against international best practices and fully demonstrated the Bank's ESG characteristics to the capital market. In September 2024, the Strategic Development and Customer Rights Protection Committee of the Board of Directors reviewed the *2024 Interim Special Report on Sustainable Development (ESG) of China Minsheng Bank* to continuously improve the professionalism and accuracy of ESG information disclosure.

ESG Management Strategy

2024 was the crucial year for implementing the goals and tasks of the "14th Five-Year Plan". The Bank took the *Five-Year Development Plan of China Minsheng Bank (2021-2025)* as the action plan for the transformation and development of the Bank in the future, actively promoted the integration of ESG concept into operation and management and constantly improved ESG governance while earnestly performing environmental responsibilities and creating social value.

In terms of environmental responsibility, focusing on the core strategy of improving green finance, the Bank adhered to green development and made full use of the financial leverage role to help achieve the goal of "carbon peak and carbon neutrality". The Bank prevented environmental risks by restricting credit placement to high-polluting and high energy-consuming industries, and expediting exit from enterprises with out-dated productivity. Focusing on energy saving and emission reduction, clean energy, carbon emissions trading, low-carbon technologies and green living, the Bank has built green financial ecosystems, upgraded the system of green financial products, and continued to increase strategic investment. Meanwhile, the Bank advocated green office, practiced green operation and promoted suppliers to implement environmental and social responsibilities through green procurement.

In terms of social responsibility, the Bank strengthened product innovation, increased the application of digital products, and optimised service quality while emphasising consumer rights protection, constantly improving customer experience and serving customers attentively. The Bank attached great importance to talent development and the protection of employees' legitimate rights and interests. Staying employee development-oriented, the Bank selected and employed talents in an accurate and scientific manner, strengthened the training and incentives for young talents, and provided them with broader spaces for learning and development, in an aim to help them realise their personal value. Moreover, the Bank actively undertook social responsibilities, practiced inclusive finance, supported rural revitalisation, continued to invest in public welfare undertakings, continuously strengthened communication with communities to support their development and thus create social value.

In terms of governance, the Bank continued to advance the integration of the Party's leadership and the corporate governance, constantly improved the corporate governance mechanism consisting of the shareholders' meeting, the Board of Directors, the Board of Supervisors and the Senior Management, under which they would "perform their own duties, take responsibilities for themselves, coordinate operation, and strike effective checks and balances", actively practiced the modern corporate governance philosophy, and explored the corporate governance mechanism which reflected the Bank's characteristics. The Bank continued to improve its comprehensive risk management system, strengthened internal control and compliance management, effectively promoted the anti-corruption and anti-money laundering ("AML") compliance system, and constantly improved the mechanism of information disclosure, and promoted the establishment of a sound communication mechanism with the stakeholders.

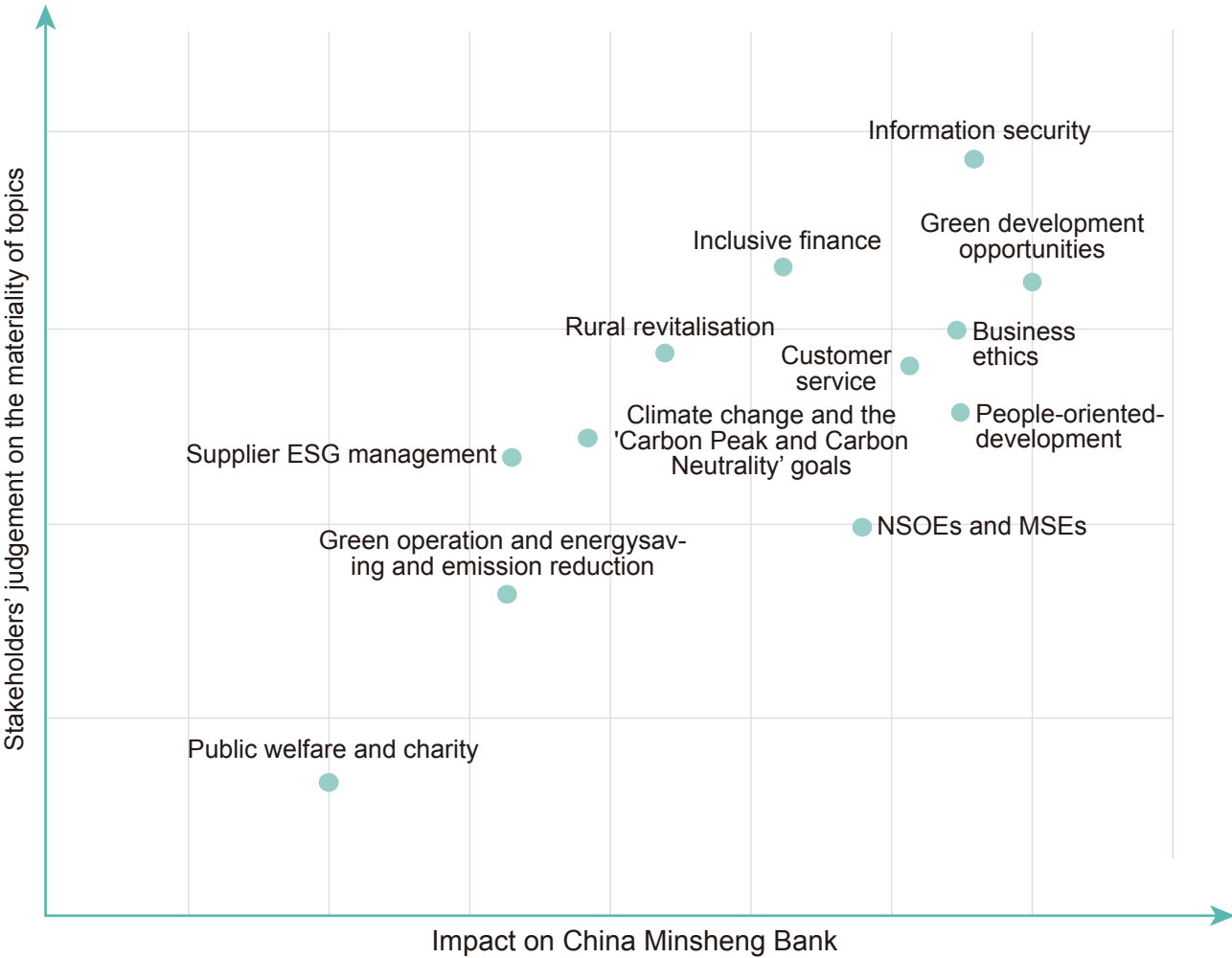
Stakeholder Engagement

The Bank actively communicated with the stakeholders to understand and respond to their needs by establishing a long-term communication mechanism, and took the material ESG concerns as the direction of actions and the reference for disclosures in the reports. According to the *ESG Reporting Code*, the Bank has set up different communication channels based on its own business characteristics and the characteristics of stakeholders to understand their main ESG concerns. The table below sets out the major stakeholders, their main ESG concerns and the relevant communication channels.

Major Stakeholders	Main ESG Concerns	Major Communication and Response Channels
Government and Regulators	Green development opportunities, climate change and the “Carbon Peak and Carbon Neutrality” goals, green operation and energy saving and emission reduction, rural revitalisation, NSOEs and micro and small enterprises (MSEs), inclusive finance, information security, people-oriented development and public welfare and charity	Policy consultations, work reports, information disclosures, routine inspections, regulatory meetings, carbon verification
Investors/ Shareholders	NSOEs and MSEs, inclusive finance, customer service and business ethics	Shareholders’ meetings, information disclosures, regular announcements, investor hotline
Customers	Green development opportunities, climate change and the “Carbon Peak and Carbon Neutrality” goals, information security, people-oriented development and business ethics	Customer satisfaction survey, 95568 hotline, complaint at lobby, complaint by letters and visits
Employees	NSOEs and MSEs, customer service, information security, people-oriented development and business ethics	Employee representatives congress, employee activities, employee happiness index survey
Community and NGOs	Green development opportunities, climate change and the “Carbon Peak and Carbon Neutrality” goals, green operation and energy saving and emission reduction, rural revitalisation, inclusive finance, customer service, information security, people-oriented development, public welfare and charity, business ethics and ESG management of suppliers	Volunteer activities, community education, environmental protection actions
Suppliers	Rural revitalisation, NSOEs and MSEs, customer service, information security, business ethics and ESG management of suppliers	Open bidding process, supplier reviews, supplier hotline

During the reporting period, to deeply and fully understand the feedback on the materiality of ESG issues of the Bank from internal and external stakeholders, the Bank conducted the questionnaire survey for stakeholders such as shareholders and institutional investors, customers, suppliers and employees to invite them to evaluate the materiality of ESG issues from their own perspective. As the supplement to the feedback of daily communication channels, this questionnaire survey provided help and guidance for the assessment of the materiality of ESG concerns of the Bank.

Based on the *ESG Reporting Code* and the concerns and suggestions of the Bank’s Board of Directors, the management, employees and major external stakeholders, the Bank has identified and evaluated 12 material ESG topics (listed by materiality): “Information security”, “Business ethics”, “Inclusive finance”, “Green development opportunities”, “Customer service”, “People-oriented development”, “Rural revitalisation”, “Climate change and the ‘Carbon Peak and Carbon Neutrality’ goals”, “NSOEs and MSEs”, “Supplier ESG management”, “Green operation and energy saving and emission reduction”, and “Public welfare and charity”. The content related to each topic are systematically described in this Report.



2024 China Minsheng Bank Material ESG Topics Matrix



Environmental Protection

Environmentally Responsible, Green Development for Ecosystem Protection

The Bank paid great attention to environmental protection and climate change, actively responded to the national initiative of building a beautiful China and proactively identified the potential risks and opportunities of policies related to “carbon peak and carbon neutrality”, promoted the implementation of the green finance development strategy, and supported green and low-carbon development, circular economy and biodiversity conservation. The Bank took green finance and ESG management as an important part and direction in its five-year development plan. The Board of Directors undertook the main responsibilities of green finance and actively deployed workforce on topics of green finance, climate risks and ESG management, reviewed strategic planning of green finance, regularly listened to execution reports on green finance, reports on ESG management and other key issues, and supervised the implementation.

Environmentally Responsible, Green Development for Ecosystem Protection

01 Practising the Concept of Green Finance

Focusing on the main target of “cutting carbon emissions, reducing pollution, expanding green development and pursuing economic growth”, the Bank implemented the national policy requirements for green finance, climate investment and financing, carbon emission reduction, clean and efficient utilisation of coal, equipment upgrading and transformation, and placement of mid- to long-term loans to the manufacturing industry. The Bank promoted the development of green finance and the layout of investment and financing, and increased credit placement in the field of green finance, in a bid to effectively serve the real economy and promote the high-quality and sustainable development of the Bank.

Sustainable Product and Service Innovation



The Bank actively supported the environmentally friendly financing demands, iterated the product system for sustainable development and green finance, and provided all-round support for the development of green finance.

Green finance brand building

In 2024, the Bank continued to improve the multi-level green finance marketing system across the Head Office and branches, and vigorously developed the “Minsheng Carbon Peak and Carbon Neutrality” green finance product and service system. With a focus on segmented scenarios and continuous innovation and integration dynamics in the industry, the Bank launched comprehensive financial service solutions tailored to serve fields such as the China Certified Emission Reductions (CCER) carbon market, marine economy, forestry industry chain, and new energy vehicles. The Bank also strengthened the innovation of carbon financial products and models, providing robust support for green and low-carbon financing needs. Meanwhile, the Bank actively served the national carbon market, offering professional services to guarantee the transaction performance of member enterprises.

Green finance product innovation

The Bank actively explored innovative carbon finance business, and successfully implemented a number of innovative initiatives. These include two-way loans linked to sustainability, loans linked to the evaluation of green financing projects, and loans linked to automotive carbon footprint.

Carbon trading product innovation

The Bank supported the innovation of carbon finance and environment-related equity products, and revised the *Guidelines for the Innovation and Development of Carbon Finance of China Minsheng Bank* to promote the standardised business development. Since the official launching of online trading in the national carbon market, the Bank has continued to strengthen comprehensive service innovation of carbon finance on the basis of carbon trading settlement services:

Innovation of regional carbon finance services

The Bank launched the Qinghai “E-Carbon Loan” business to serve micro, small and medium enterprises (MSMEs) in Qinghai Province. Based on enterprises’ “carbon account” data, the business linked loan terms to enterprises’ carbon emission reduction data and were adjusted according to the enterprises’ performance of carbon reduction. These terms were adjusted to effectively alleviate the financing pressure associated with low-carbon development and enhance the transformation momentum for the enterprises to reduce pollution and carbon emissions.

Innovation of carbon-linked transformation loans

The Bank granted a carbon-linked transformation loan to a private fine chemical enterprise. Drawing on the catalog of financial support for regional transformation, the Bank established transformation goals for enterprise and set a baseline value for the energy intensity of single product. The actual energy intensity of products was tied to the loan interest rates to meet the financing needs of enterprises. The Bank incentivised enterprises to reduce carbon emissions through process upgrades and to disclose relevant carbon emissions and transformation information, thus supporting regional green finance innovation.

Granting of the first automotive carbon footprint-linked loan

Guided by national policies, the Bank collaborated with a carbon footprint measurement institution to establish the “Joint Innovation Centre for Green Finance in the Automotive Industry Chain” aimed at exploring green finance innovation in the automotive sector. During the year, the Bank introduced a loan scheme for an car rental company, linking the loan interest rate to the carbon footprint of vehicles to be purchased, which including carbon quantification and grading sourced from the China Automobile Industry Chain Carbon Publicity Platform (CPP), effectively explored and promoted the innovation of green finance products and services.

Innovation of green finance investment instruments

The Bank and the Shanghai Clearing House jointly released the “Shanghai Clearing House-China Minsheng Bank Green Bond Selected Index” and its linked products. The product selected public offered green bonds listed on the nationwide interbank market and the Shanghai/Shenzhen stock exchanges. In pursuit of a prudent investment strategy, it is characterised by its broad scope, representativeness and high-quality. The Index further enriched the Bank’s index product system, and provided investors with more convenient green finance investment instruments, contributing to the high-quality development of the green bond market. As at 31 December 2024, the number of index constituents reached 531, with a total market value of over RMB1.31 trillion.

Green finance practices along the supply chain

The Bank has established in-depth cooperation with State Grid, China Southern Power Grid, and other state-owned enterprises in the power industry. The Bank launched a variety of financial instruments, including order financing and accounts receivable financing to help power suppliers address the shortage of production funds and support state-owned power enterprises in deploying their charging pile networks. Thereby, a solid foundation for the further popularisation of new energy vehicles was laid and a model for the application of supply chain finance in a low-carbon economy was provided through this practice, which facilitating the realisation of China’s carbon neutrality goal.



China Minsheng Bank Officially Launched the CCER Carbon Market Financial Service Solution

In March 2024, the Bank held the “Infinite Green Carbon Initiative - China Minsheng Bank CCER Carbon Market Financial Service Promotion Conference”, officially launching the China Certified Emission Reduction (CCER) carbon market financial service solution that focuses on customer demands in the carbon market. The solution aimed to help market players engage in the carbon market, cultivate carbon assets, conduct carbon trading, and generate carbon revenues. Through the solution, the Bank contributed to achieving sustainable development by raising the CCER value and encouraging corporate voluntary emissions reduction. In the future, the Bank will actively pursue green development, fulfil ESG responsibilities, increase the supply of green finance, promote innovation, to build a green and low-carbon development ecosystem collaborated closely with customers as well as professional institutions.

Green Finance Practices




The Bank always maintained the strategic determination of green development, continued to improve the green credit management system, and guided the credit resources to high-quality customers and projects in the field of green finance, as well as to key regions, industries, customer groups and products. In addition, the Bank vigorously developed the traditional businesses of project loans, working capital loans, syndicated loans, M&A loans and green bonds, and accelerated the development of innovative businesses, such as carbon finance, green consumer loans, green credit cards, green wealth management, and green funds. Moreover, the Bank also strengthened the prevention of ESG risks of the credit customers, so as to achieve high-quality and steady growth of the overall green credit business.

Steady growth in the scale of green credit

The Bank has specified in the annual guidance of credit policy on green finance that it adopts differentiated strategies and principles tailored to the maturity and differences of 211 sub-items across 30 categories within the six major industries. The Bank prioritised supporting the entire industry chain of clean energy, the gradual green transition of carbon-intensive industries, the green upgrading of infrastructure, ecological agriculture, ecosystem protection and restoration, as well as green-related derivative services and technologies. The Bank adopted differentiated management for high-pollution and high-energy-consuming resource-based industries and those with overcapacity to promote industrial restructuring and upgrading. As at the end of the reporting period, the Bank’s balance of green financing amounted to RMB411.564 billion, an increase of RMB95.427 billion, or 30.19%, as compared with the beginning of the year. The balance of green loans amounted to RMB323.459 billion, an increase of RMB59.218 billion, or 22.41%, as compared with the beginning of the year. The Bank maintained the “two no-less-than requirements” in the growth of both green credit and clean energy loan, while continuing to increase the green asset ratio of credit assets.

The balance of green financing amounted to

RMB **411.564** billion

an increase of 

RMB **95.427** billion

or **30.19%**, as compared with the beginning of the year.

The balance of green loans amounted to

RMB **323.459** billion

an increase of 

RMB **59.218** billion


or **22.41%**, as compared with the beginning of the year.

Conversion of Green Credit Energy Saving and Emission Reduction	2024
Conserved standard coal equivalent (in 10,000 tonnes)	530.40
CO ₂ emission reduction equivalent (in 10,000 tonnes)	1,221.37
Chemical oxygen demand reduction equivalent (in 10,000 tonnes)	46.21
Ammonia nitrogen emission reduction equivalent (in 10,000 tonnes)	1.23
Sulphur dioxide emission reduction equivalent (in 10,000 tonnes)	24.82
Nitrogen oxides emission reduction equivalent (in 10,000 tonnes)	25.65
Water consumption reduction equivalent (in 10,000 tonnes)	1,077.96

Active participation in green bonds

The balance of green bonds investments was

RMB **88.298** billion

a year-on-year increase of 59.41% 

In 2024, the Bank actively implemented the national strategic deployments of financially supporting sci-tech innovation, promoting common prosperity and pushing forward green development through product innovation. The Bank underwrote and issued 61 innovative debt financing instruments with total scale of RMB15.471 billion, of which, 22 were green development bonds with a scale of RMB5.592 billion. The proceeds were used for low-carbon and energy saving and other green projects. The Bank also helped 14 corporate issuers to develop in a green, low-carbon and sustainable manner. As at 31 December 2024, the balance of green bonds investments was RMB88.298 billion, a year-on-year increase of 59.41%.

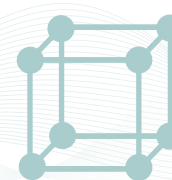
The Bank actively implemented the national strategy of “carbon peak and carbon neutrality” and widely participated in industry exchanges and seminars related to green finance. During the reporting period, the Bank participated in the Asian Infrastructure Investment Bank (AIIB) Green Finance and ESG Risk Management Symposium, exchanging views on ESG risk management of refinancing business. The Bank also actively engaged in regulatory surveys and symposiums on climate risk, ESG risk, environmental information disclosure, and carbon accounting for investment and financing.

During the reporting period, the Bank won numerous honorary awards in the field of green finance. These include the “Advanced Unit in Green Bank Evaluation” by the Professional Committee for the Green Credit Business of the China Banking Association, the “2024 Banker’s Annual Outstanding Case of Green Finance Innovation” by *The Chinese Banker*, the “Low-Carbon Case of 2024” awarded by the China News Service, and the “Best Financial Institution Award of 2024” by the Green Finance Forum of 60.

02 Strengthening ESG Risk Management

The Bank included ESG risks and climate risks into its comprehensive risk management system, clarified the key points of evaluation and management requirements of ESG risks according to the characteristics of key industries in the whole process of credit management, and conducted regular monitoring, assessment, and evaluation.

ESG Risk Management Structure



The Bank’s Board of Directors assumes the ultimate responsibility for comprehensive risk management. The Risk Management Committee of the Board of Directors is mainly responsible for reviewing or approving matters related to comprehensive risk management, regularly evaluating the Bank’s risk preference and strategy, risk management and risk tolerance, and supervising the Senior Management’s control of various risks, such as credit risk, operational risk, compliance risk, and climate and environmental risk.

The Bank attached great importance to the prevention of ESG risks to promote the development of green finance. During the reporting period, the Bank revised the *Administrative Measures on Green Finance of China Minsheng Bank*¹ to clarify the Bank’s green finance management system and the division of responsibilities and management requirements of the Board of Directors, the Senior Management, relevant departments and operating units.



¹During the reporting period, the *Administrative Measures on Green Finance of China Minsheng Bank* was revised and issued in February 2025.



Revision of the Administrative Measures on Green Finance of China Minsheng Bank

- Clarifying the green finance management system.
- The Board of Directors undertakes the main responsibilities, and the Senior Management is responsible for organising the implementation.
- The relevant departments take the lead in promoting three main areas of green finance: business support, risk management and their own performance.
- The operating units at all levels are responsible for the implementation.
- Standardising the green finance-related works of the Board of Directors, the Senior Management and various departments, such as division of responsibilities, process management, internal control requirements, and data statistics.
- The Strategic Development and Customer Rights Protection Committee of the Board of Directors is responsible for reviewing the Bank's green finance strategies, the green finance goals set by and the green finance reports submitted by the Senior Management, and supervising and evaluating the implementation of the Bank's green finance strategies.
- The Risk Management Committee of the Board of Directors is responsible for the risk management related to green finance.
- The Compensation and Remuneration Committee of the Board of Directors is responsible for integrating the implementation of green finance into the performance evaluation of the Senior Management.
- The Audit Committee of the Board of Directors is responsible for green finance-related audits.
- Establishing the Green Finance Committee: The Green Finance Committee was established at the executive level with Vice President as Chairman and all green finance-related departments as members. The Committee coordinates the Bank's green development and includes ESG concepts into the core values.
- Establishing the Carbon Peak and Carbon Neutrality Office: The Carbon Peak and Carbon Neutrality Office was established at the executive level and operated in conjunction with the Green Finance Committee to coordinate the implementation of carbon emission and carbon intensity policy requirements within the Bank, so as to ensure the achievement of the relevant strategic initiatives and goals.

ESG Risk Management System



The Bank actively responds to the requirements of the Principles for Responsible Banking, as well as national policies on green finance, climate investment and financing, and carbon emission reduction, and is committed to helping customers achieve sustainable development and supporting the development of new energy and other green industries by offering targeted credit services. At the same time, the Bank incorporated ESG risk factors into its existing credit management process to strictly examine the environmental and social impacts of loan funds.

The Bank paid close attention to ESG risk management, and formulated relevant internal documents such as the *Administrative Measures on ESG Risk Management for Corporate Clients of China Minsheng Bank*, the *Checklist for ESG Risk Due Diligence and Compliance Review of China Minsheng Bank*, the *Administrative Measures on Project Evaluation of China Minsheng Bank*, and the *Notice on Clarification of Management Requirements for Dynamic Assessment of ESG Risks Prior to the Launching of the ESG Rating Model System*. The scope covered corporate and retail credit, financial markets and other investment and financing businesses. These documents guided and standardised ESG risk management across the Group and provided institutional support for the Bank as a whole to effectively identify customers' ESG risks.

The Bank established a whole-process ESG risk management system covering all subsidiaries, operating units and business types (including investment and financing businesses). The Bank also established the multi-scope and three-dimensional ESG risk information collection mechanism between the parent bank and its subsidiaries, the Head Office and the branches, and internal collection and external third-parties. The Bank placed significant emphasis on the impact of ESG risk factors on overall credit risk in investment and financing activities and integrated them into the credit risk assessment and review process. The Bank has clarified that in the processes of due diligence, compliance review, credit approval, contract management, fund appropriation and disbursement, and post-loan management, it shall implement regulatory requirements on ESG risks. The Bank strengthened ESG risk management of proposed credit and investment customers and projects, adhered to the "one-vote veto mechanism" for environmental assessment, continued tracking and monitored, strengthened dynamic evaluation, risk exposure management and namelist-based management, and responded to changes in their ESG risks with corresponding risk mitigation measures and early-warning handling measures in a timely manner.

The Bank included ESG risks into the management of investment and financing businesses. Based on the industry and regional characteristics of customers and their projects, and the nature and severity of the environmental, social and governance risks facing them, the Bank required all operating units, relevant functional departments and business departments to implement the whole-process management of ESG risks and carry out dynamic evaluation in the processes of due diligence, compliance review, credit approval, contract management, fund appropriation and disbursement, and post-loan management. The Bank also implemented a namelist-based management system for customers with significant environmental (climate), social and governance risks and adopted targeted risk mitigation measures.

During the reporting period, the Bank independently developed an ESG rating model tool which was launched and applied across the Bank within the year. This tool has enabled the online application of ESG compliance checklist reviews and rating results in lending and post-lending management. The tool has provided front-line staff with a new perspective for dynamic ESG risk assessment, and enhanced the lifecycle ESG management mechanism of "prudent check beforehand, dynamic monitoring during the process, and comprehensive assessment after the process". The Bank has constructed 25 featured ESG rating models with 16 third-level indicators and 198 fourth-level indicators. By virtue of these models, the Bank completed ESG rating for nearly 10,000 customers and considered ESG rating results throughout the investment and financing management process.

Credit Policies for Segmented Industries



The Bank implemented the national green development and energy security strategies in a coordinated manner, held on to the principle of “total volume control and structural adjustment”, and implemented differentiated credit policies and the requirements on the orderly transformation of carbon-intensive industries. The Bank enhanced monitoring for industries with high carbon emissions, improved its risk prediction capability, and established the risk exposure and responding mechanism in a forward-looking manner. The Bank gradually reduced and withdrew from inefficient and outdated enterprises and production capacity in industries with “high pollution, high energy consumption, and excess capacity”, and moderately increased support for areas such as energy conversation and carbon reduction, industrial upgrading, and safety and efficiency through a “whitelist” approach, so as to steadily promote the green transformation of credit structure and the “dual optimisation” of customers and assets.


The Bank formulated credit policies, credit granting guidance, ESG risk assessment standards, and compliance review checklist for segmented industries. Based on the industry that the credit customers or projects belonged to, the Bank developed tailored ESG rating models to identify the corresponding ESG risks and differentiated the credit placement management and control for industries with high energy consumption, high pollution and excess production capacity.

The Bank clarified differentiated credit granting strategies, access criteria and key points of risk control and other relevant requirements, and gave priority to supporting six major industries, including clean energy, clean production, energy conversation and environmental protection, ecological environment, green upgrading of infrastructure, and green services. In addition, the Bank formulated credit policies covering more than 50 key industries such as energy, transportation, agriculture, forestry, animal husbandry and fishery, mining, oil and gas, and raw materials, as well as key areas such as biodiversity conservation and rural revitalisation. With these efforts, the Bank continued to promote the green and low-carbon transformation of various industries, and further contributed to the high-quality development of the society and the economy.

The balance of the Bank's loans to the clean energy industry was

RMB **72.409** billion

accounting for **22.39%** of total green loans

an increase of 

RMB **16.001** billion

or **28.37%**, as compared with the beginning of the year.

Keeping abreast of national policies and regulatory requirements, the Bank regularly reviewed, promptly adjusted and continuously optimised the differentiated credit policies. The Bank prioritised the energy conservation and environmental protection industries in the credit policies, including energy efficient equipment manufacturing, environmental protection equipment, resource recycling and other segmented industries, and adopted differentiated authorisation. The Bank also actively supported the manufacturing of high-efficiency and energy-saving, environmentally friendly and resource-recycling equipment. Moreover, following the policy guidance of transition finance, the Bank strove to seize business opportunities of “energy conversation and efficiency enhancement” to step up the production technology upgrading and the energy conservation and environmental protection transformation of the industry with high energy consumption and high emissions.

As at the end of the reporting period, the balance of the Bank's loans to the clean energy industry was RMB72.409 billion, accounting for 22.39% of total green loans, an increase of RMB16.001 billion, or 28.37%, as compared with the beginning of the year.

Prevention and Control of ESG Risks in Credit Policies for Key Industries

Industry	ESG Risk Prevention and Control Policy
Credit policy related to energy	The Bank clarified the overall strategy, access standards and key points of risk control, and formulated differentiated credit policies in combination with the national carbon emission reduction supporting tools and the policy guidance on re-lending for clean and efficient utilisation of coal. The Bank actively supported clean energy, supported the financing needs of industry leaders and advanced enterprises in the traditional energy industries in areas, such as energy saving and carbon reduction, industrial upgrading, volume reduction and replacement, and M&A, and accelerated the exit from inefficient and backward enterprises and production capacity. It clarified that credit support would not be provided to projects involving ESG risks such as substandard environmental impact assessment and pollutant discharge, ecological protection and immigrant resettlement failure, and improper hazardous waste disposal. For example, hydropower projects were required to conduct immigrant resettlement and ecological protection programmes, and the sites should not be located in prohibited areas; thermal power projects should avoid the risk of rising environmental costs and the risk of replacement of traditional thermal power by rapidly developing new energy technologies; coking projects should guard against the risk of substandard environmental protection indicators and the risk of lacking of a <i>Pollutant Discharge Permit</i> .
Credit policy related to transportation	In terms of safety, energy saving and environmental protection, credit customers were required to comply with relevant national regulations and standards, establish an environmental protection and regulatory system appropriate for their scale of business and carry out environmental quality monitoring activities on a regular basis. For example, credit support should not be provided to storage and logistics enterprises and projects involving hazardous chemicals.
Credit policy related to agriculture and forestry	In the field of agricultural production, support was provided to the leading enterprises and high-quality enterprises in major crop production bases and green food production bases with industrialised operation, and the leading enterprises in the agriculture industry with scale advantages, brand effects and were in the list announced by the competent authorities such as the agricultural department. In the breeding sector, support was provided to the large-scale breeding enterprises that complied with environmental protection standards, and had integrated strict and complete epidemic prevention and control system and quality inspection and control system. In the fishing industry, support was provided to large-scale, intensive, sustainable, technologically advanced and highly demanded aquaculture enterprises with appropriate aquaculture resources. In the forestry industry, support was provided to government-led projects for tree breeding and afforestation with outstanding resource conditions, scale management capabilities, and prioritised support from national and local governments. In the agricultural and sideline food processing industry, support was provided to large-scale agricultural and sideline product processing enterprises in the top ranks of the sub-industries with advanced technology and equipment, complete industrial chains, stable upstream and downstream, and quality assurance and risk resistance against price fluctuations. It was clarified that credit support would not be provided to the enterprises with potential food safety risks, unqualified production environments, unqualified safety production testing, and controversial media and public opinion.

Prevention and Control of ESG Risks in Credit Policies for Key Industries

Industry	ESG Risk Prevention and Control Policy
Credit policy related to mining	It was clearly stipulated that credit customers should implement compliance procedures such as project establishment, environmental protection, pollutant discharge, safety and land; mining enterprises should obtain core licenses such as mining license, resource reserve verification report, mine manager's safety qualification license and civil explosives use permit; credit support should not be provided to mining enterprises included by the Ministry of Industry and Information Technology in the list of enterprises with backward production capacity, poor mining conditions and low quality.
Credit policy related to oil and gas	Credit support should not be provided to customers or projects with potential safety risks, substandard capacity scale and insufficient environmental protection.
Credit policy related to raw materials	It is clearly requested that credit customers that used coal or petroleum as raw materials should guard against environmental protection and pollutant discharge risks, and new credit should not be granted to enterprises with substandard environmental protection and high energy costs.
Credit policy related to biodiversity	<p>In the annual credit policies, it was clearly required to support ecological conservation and restoration, and focus on major ecosystem protection and restoration projects in China. These projects include ecological conservation, comprehensive management, construction and restoration and protective operation projects of national nature reserves, national park scenic spots, and natural parks; pollution treatment projects of river segments or lakes around key cities along the Yangtze River, Yellow River, and Pearl River basins; comprehensive land remediation or soil pollution remediation projects in key cities and regions; ecological restoration projects of mines or coal mining areas with good economic benefits; forest and mountain ecosystems, river, lake and wetland ecosystems, coastal and island ecosystems, endangered wild flora and fauna protection projects, ecological material resources (including aquatic products, forest & grass, traditional Chinese medicines, and livestock and poultry) protection projects, major biodiversity protection projects, and in-situ and ex-situ conservation projects supported by the state and local governments.</p> <p>In the ESG rating model indicators, the Bank innovatively developed an "industry-specific geographic risk indicator" by leveraging climate disaster data, regional carbon emission intensity and ecological sensitivity information. The indicator is used to assess the climate, transition and biodiversity risks of the industry and location where a customer operates.</p>

In 2024, the Bank's credit policy further clarified the key points of ESG risk prevention and control for industries with potentially material environmental and social impacts, such as steel, cement, and non-ferrous metals, specifically including:

- **Thermal power, cogeneration, steel, cement, plate glass, non-ferrous metals, petrochemical, chemical, and aviation industries:** Focus on the total amount and intensity of GHG emissions, and the carbon market compliance of thermal power enterprises.
- **Thermal power, steel, petrochemical, cement, non-ferrous metals, chemical industries, and coal-fired boiler projects:** Focus on whether the concentration of air pollutant emissions from enterprises meets the standards, whether desulphurisation and denitrification equipment has been installed, whether steel enterprises have completed ultra-low emission renovations, and whether chemical enterprises have implemented measures to prevent oil and gas leakage.
- **Paper-making, coking, nitrogen fertiliser, non-ferrous metal, printing and dyeing, agricultural and sideline food processing, pharmaceutical ingredients manufacturing, tanning, pesticides, and electroplating industries:** Focus on whether the total amount and concentration of wastewater discharge meet the standards.
- **Agriculture, forestry, animal husbandry, fishery, infrastructure construction, transportation, and tourism industries:** Focus on the frequency of climate disasters in the place of operation and corresponding contingency plans.
- **Professional treatment enterprises of sewage, waste, sludge, and hazardous waste:** Focus on the business qualifications and operation compliance of such enterprises to prevent the risk of secondary pollution.
- **Chemical, petrochemical, non-ferrous metal, coking, paper-making, and electronics industries:** Focus on the transfer and disposal of hazardous waste, and reviews on the qualifications of hazardous waste disposal providers.
- **Coal mining, petrochemical, chemical, and building industries:** Focus on the development of work safety systems and management measures, and occupational disease prevention and control measures for employees.
- **Enterprises in the retail trade and service industries:** Focus on product quality management systems and measures, product recalls and customer complaints.
- **Loans to construction projects:** Focus on projects' environmental protection and safety approvals, implementation, and acceptance, and actively keep an eye on the implementation of the "Three Simultaneities" system and safety management measures, and the alignment of interests with community residents in terms of land acquisition, resettlement, and eco-compensation during construction.
- **Special customers that may have a potentially material impact on social stability and public interests (such as nuclear power projects, waste incineration projects in densely populated areas, and large-scale hydropower projects):** Focus on site selection, the discharge of radioactive effluents and pollutants, the storage and transfer of hazardous chemicals and waste, and the safety of project construction and operation.

ESG Risk Assessment Process



Identifying ESG risks in credit due diligence process

The Bank formulated the *Checklist for ESG Risk Due Diligence and Compliance Review*, further clarifying the key points of environmental, social, and governance due diligence for customers and projects. This checklist covers nine carbon-intensive industries (category covered thermal power generation, cement manufacturing, plate glass, petrochemical, steel, paper making, non-ferrous metal, chemical, and civil aviation) and three industries (category covered nuclear power generation, hydroelectric power generation, and municipal waste incineration for power generation) that potentially have a significant impact on social stability and public interests. ESG due diligence includes, but is not limited to pollutant and waste discharge management, industrial admission policy, business permits, work safety and occupational health-related certificates, negative corporate information, energy conservation review opinions, and social stability risk assessment. The credit investigator is required to specify the ESG risk classification (low risk/medium risk/high risk) in the due diligence opinion. In order to ensure an authentic investigation, in the process of ESG risk identification, the Bank conducted cross-validation and analysis of information from competent authorities, credit agencies, regulatory authorities, and other channels.

The Bank required further environmental evaluation for comprehensive credit, project loans, and M&A loans granted to large and medium-sized customers in carbon-intensive industries. For example, the evaluation of enterprises impact on environment was required in the due diligence report for comprehensive credit granted to enterprises in the electrolytic aluminium and non-ferrous metal industries, and the analysis of the reliability and reasonableness in promoting environmental protection was required in the due diligence report for fixed-asset loans granted to enterprises in the electric power, coal, and petroleum refining industries.

For enterprises with outdated production capacity that failed to comply with the national industrial policies and enterprises that failed to meet the standards in terms of environmental protection, quality, safety, technology, and had significant environmental and social risks, the Bank clearly prohibited the admission of new customers and reduced or even withdrew from the relevant existing customers. For socially and environmentally friendly enterprises, the Bank made full use of data-based tools to continuously improve the service efficiency through measures including simplifying process and providing sufficient authorisation.

Predicting ESG risks in credit review process

The Bank formulated the ESG compliance review documents and checklists, clarifying the ESG compliance document list and review checkpoints for customers and projects. The scope covers nine carbon-intensive industries and three industries of major public interest. It is clearly required that the integrity, compliance and validity of customer (project) data should be reviewed one by one.

The Bank explicitly required that credit application institutions must provide an ESG due diligence checklist as part of the review process. For applications that failed to meet the above requirements, the Bank implemented the “process returned” with review comments entered in the public credit risk system, and required operating units to further supplement and improve application materials. For customers with a medium or high ESG risk rating, or an unclear ESG risk rating, the Bank required them to issue ESG compliance review comments. These comments should include an overall ESG evaluation and the ESG risk management measurements that such customers should take. Among them, customers, with a medium or high ESG risk, who issued negative review comments were not allowed to enter the credit approval process.

The Bank prioritised support for the business belonging to the following three categories: the business in the “C Manufacturing” industries listed in the national standard industry category; the business that was identified as green financial business in accordance with the Administrative Measures on Special Statistics of Green Finance of China Minsheng Bank, and that was selected as “green finance” in the credit approval comment; and the business involving agriculture-related loans that met the *Administrative Measures on Special Statistics of Agriculture-related Loans of China Minsheng Bank*.

Assessing ESG risks in credit approval process

The Bank has implemented a “three-in-one” approach, integrating “Business Marketing Guideline, Credit Policy, and Approval Guideline”. The preliminary approvers have already participated in the formulation of this “three-in-one” approach for green development areas such as power battery, energy storage, waste incineration for power generation, thermal power generation, new-type coal chemical, PV cell, distributed PV power generation, and new energy vehicles. The Bank encouraged branches to expand related businesses. For wind power generation, pumped hydro storage, thermal power generation, and new-type coal chemical industries that are more closely related to environmental and climate risks, the Bank required consideration of the impacts arising from external environmental and climate changes. Projects must undergo compliance procedures of environmental protection acceptance, soil and water conservation, social stability assessment, and energy-saving technology evaluation; otherwise, credit granting is not permitted. For example, the credit policy for the new-type coal chemical industry highlights that coal chemical production capacity is allowed to increase in focused areas for air pollution prevention and control. The project approval checklist specifies that environmental assessment should be conducted in accordance with the latest requirements of the Ministry of Ecology and Environment.

The Bank implemented a whitelist-based management mechanism for industries with excess capacity such as coal, steel and cement, and strictly controlled the risks of industries with “high pollution, high energy consumption, and overcapacity”. Customers with significant environmental and social risks should not be approved in principle during the approval process.

ESG risk escalation provision and process

In accordance with regulatory requirements such as the *Guidelines on Green Finance for the Banking and Insurance Industries* and the *Key Evaluation Indicators for the Implementation of Green Finance in Banking Institutions (2024)*, the Bank formulated the *Administrative Measures on Environmental, Social, and Governance Risks of Corporate Clients*. The Bank classified the ESG risk of customers into ten levels based on the environmental and social impacts of their business activities. The ESG risk is classified as low risk (ESG-A+ (level 1) to ESG-C+ (level 7)), medium risk (ESG-C (level 8) and ESG-C- (level 9)), and high risk (ESG-D (level 10)). The Bank managed, dynamically assessed and monitored its customers using such classification. Customers with high ESG risks usually have weak sustainability, low level of overall ESG management, and more ESG risk events. If a customer's ESG risk falls into high risk, risk escalation management will be required to be triggered, and their medium- to long-term credit facilities, such as fixed asset loans, will be transferred to the Head Office for centralised review and approval.

The Bank rejected loan application of

RMB **4.113** billion

from **34** projects related to the industries with "high pollution, high energy consumption, and overcapacity"

As at the end of the reporting period, the Bank rejected loan application of RMB4.113 billion from 34 projects related to the industries with "high pollution, high energy consumption, and overcapacity".



Credit to an Enterprise in Industries with "High Pollution, High Energy Consumption, and Overcapacity" Rejected

An energy enterprise in the manufacturing industry of organic chemical raw materials, one of the industries with "high pollution, high energy consumption, and overcapacity", applied for comprehensive credit to the Bank. Upon review, it was found that there was overcapacity of propane dehydrogenation (PDH) (propane conversion to propylene) in China. The combined capacity of existing and planned PDH capacity exceeded half of propylene consumption in China. In view of the high environmental and social risks of the enterprise, as well as the current potential operating uncertainties, based on the Bank's strict risk control policy for carbon-intensive industry and industries with "High Pollution, High Energy Consumption, and Overcapacity", the Bank rejected the enterprise's comprehensive credit application.

An eco-friendly enterprise in the wholesale of other chemical products, one of the industries with "high pollution, high energy consumption, and overcapacity", applied for comprehensive credit to the Bank. The applicant mainly traded in ethylene glycol, a low-risk trade product. Upon review, it is found that the environmental and social risks were high, and the authenticity of the trade activities was questionable, which may have potential negative impacts on the environment and society. Therefore, the Bank rejected the credit application.

Responding to Climate Change



The Bank fully implemented the national strategy of "carbon peak and carbon neutrality" and actively responded to the development opportunities and risk impacts and challenges brought by the environment and climate changes. According to the latest situation at home and abroad and the national policy orientation, the Bank deeply analysed the impact and potential risks brought by environmental and climate changes, improved environmental and climate risk management and control measures, formulated industry credit policies, and actively seized business opportunities to promote green and sustainable development, achieving remarkable results. As at the end of the reporting period, the Bank's climate financing balance invested in green industries for addressing climate change amounted to RMB365.379 billion, an increase of RMB93.938 billion, or 34.61%, as compared with the beginning of the year. This accounted for 88.78% of total green financing. Specifically, the climate change mitigation financing balance directed towards strategic emerging industries, non-fossil energy, carbon capture and utilisation, and controlling greenhouse gas emissions from non-energy activities was RMB247.458 billion, accounting for 60.13% of total green financing; the balance of climate change adaptation financing directed towards enhancing the resilience of key areas such as agriculture, water resources, forestry and ecosystems, oceans, meteorology, and disaster prevention, mitigation and relief was RMB191.971 billion, accounting for 46.64% of total green financing.

Formulating climate risk management plan

In the *Five-Year Development Plan for Green Finance of China Minsheng Bank (2021-2025)* (the Five-Year Plan), the Bank has clearly defined initiatives and targets in six areas of climate risk management, including optimising policies and systems, strengthening process control, enhancing intelligent management, establishing ESG rating systems, carrying out stress tests on climate risks, and strengthening forward-looking studies on ecological protection. In the implementation of the Five-Year Plan, the Bank actively seized the development opportunities, addressed the risk and challenges brought by the environment and climate changes. Each year, according to the latest situation of home and abroad and the national policy guidance, the Bank formulates credit policies for relevant industries to improve the key points of environmental and climate risk control.

Clarifying climate risk management requirements

The Bank's Risk Management Committee of the Board of Directors deliberated on important matters of climate risk management and regularly listened to the Senior Management's reports on the risk preference, the implementation of risk strategies, and the rectification of the problems identified in the comprehensive risk assessment (including climate risk management). Upon review of the Board of Directors, the Bank integrated the response to climate change risks into the five-year plan for green finance, the annual risk preferences, risk strategies, credit policies and the basic rules for green finance management, and clarified the goals and the step-by-step implementation measures and relevant requirements of climate risk management. In terms of policies, the Board of Directors deliberated and approved the *Administrative Measures on Green Finance of China Minsheng Bank*, established and improved green finance and environmental (climate) risk management policies, clarified the corresponding management process and responsibilities, and included the climate risk in the comprehensive risk management system. The Board of Directors emphasised the requirements on climate risk management in the Bank's annual risk preference statement, and further specified responding measures to climate risks in the annual strategy.

Clarifying annual climate risk management goals

The Bank formulated the annual *Risk Preference Statement of China Minsheng Bank*, the *Risk Management Strategy of China Minsheng Bank*, and the *Credit Policy on Green Finance of China Minsheng Bank*, clearly specifying the requirements for actively supporting green finance business, enhancing ESG capabilities, and improving environmental and climate risk management.

Strengthening climate risk monitoring and assessment

The Bank incorporated the climate risk indicator into the ESG rating model, and innovatively developed an “industry-specific geographic risk indicator” by leveraging climate disaster data, regional carbon emission intensity and ecological sensitivity information. The indicator is used to assess the climate, transition and biodiversity risks of the customers’ industry and operation location.

Climate risk sensitivity stress test

The Bank has conducted the climate risk sensitivity stress test from 2022 to 2023 to measure the impact of the low-carbon economic transition on the Bank’s asset quality and capital adequacy ratio. Under the mild, moderate and severe stress scenarios, the overall risk was controllable. In 2024, the Bank attended the symposium on climate risk stress testing organised by the general regulatory authority. The Bank also conducted multiple rounds of symposiums on climate risk stress testing with professional third-party institutions. These efforts significantly enhanced its capacity to identify and manage climate risks, thereby laying a solid foundation for its future climate risk management initiatives.

Providing corresponding resources for climate risk management

The Bank intensified the introduction and cultivation of talents in green finance and climate risk management. The Bank provided corresponding financial resources to support green finance and climate risk management, formulated relevant incentive policies, and included green finance and climate risk management into the comprehensive performance appraisal of operating units. The Bank also established a cross-department working mechanism to promote the enhancement of ESG risk management.

Paying attention to the forefront and trends of climate-related risks and opportunities

The Bank actively focused on ESG and climate-related opportunities and information related to ESG risk management and climate risk management. The Bank organised trainings themed with “green finance and environmental (climate) risk management”, invited industry experts to introduce green finance-related trends and policies, as well as the Bank’s green finance development goals, achievements, key initiatives and future plans to all Directors and the Senior Management.

03 Implementing Green Operation and Promoting Low-Carbon Office

The Bank adhered to the *Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development* issued by the People’s Bank of China and the National Development and Reform Commission. The Bank examined its ESG performance in line with the evaluation indicators for green finance. In this regard, the Bank established relevant systems and regulated business operations. Additionally, the Bank actively developed financial technology to improve the information-based and centralised management and service, aiming to progressively and systemically reduce its carbon footprint.

The Bank adhered to the concept of sustainable development with low carbon and energy conservation and emission reduction. In strict adherence to relevant national laws and regulations such as the *Environmental Protection Law of the People’s Republic of China* and the *Energy Conservation Law of the People’s Republic of China*, the Bank enhanced self performance by reinforcing the philosophy of green finance, upgrading devices, enhancing energy management, establishing energy consumption monitoring platform, advocating green office practices, and fulfilling social responsibilities. The Bank practised energy saving and emission reduction in multiple dimensions, enhanced employees’ awareness of environmental protection, implemented various green office measures, and supported green and innovative development.

Green Operation



The Bank actively implemented national strategies on green development by formulating and implementing corresponding green operation policies. The Bank practised the philosophy of resource conservation and environmental protection in the whole process and all aspects of business operation, so as to attain an organic unity of economic benefits, social benefits and environmental protection benefits and achieve sustainable development. In 2024, the Bank continuously implemented a multi-dimensional green operation service system, continued to strengthen innovation of online, smart and digital product models, and explored and launched various paperless inclusive financial products. As a result, service quality and efficiency were continuously improved. During the reporting period, multiple high-frequency business processes, such as information maintenance of corporate clients, were further put online, and the paperless provision of basic financial services was further enhanced.

Facilitating low-carbon services with digital operation equipment

By developing smart functions such as audio navigation and remote banking, a coordinated service model integrating online and offline, near-field and far-field channels was realised. The Bank also developed user-friendly features such as e-CNY withdrawal, large-sum quick deposit, and withdrawal of multiples of RMB10,000. In addition, the Bank fully applied mature intelligent technologies, such as facial recognition and ID card verification, on operation equipment across customer service scenarios, promoting the concept of energy conservation and environmental protection via digital services.

Deepening centralised operation

The Bank continuously optimised operation model, carried out in-depth centralised business operation, comprehensively enhanced the level of centralisation, standardisation and digitalisation of businesses, and significantly enhanced service efficiency and reduced paper consumption from traditional service processes, thus to practise green operations while improving customer service experience.

Establishing intelligent bank experience stores

As at the end of 2024, a total of 16 “Intelligent Bank Experience Stores” of the Bank were officially opened to customers, which innovated the smart experience of customers in banking outlets in an all-round manner. The Bank has created a financial ecosystem that integrated intelligent interaction, intelligent marketing, intelligent coordination and intelligent companionship, built up a window fully displaying the integration of innovative technologies and financial services, and continued to maintain high level customer influence and brand popularity.

Promoting IT-based documentation

The Bank realised online management and usage of multi-category business files, practically improved the operational efficiency of business development and internal and external inspections, and significantly reduced the usage of paper and relevant personnel travel.

Practising green publicity

The Bank implemented green publicity management in offices, and set up vertical electronic advertising screens at all institutions, outlets and office areas. All internal advertisements, including brand image promotion videos, business promotion videos, short videos, posters, roll up banners, print advertisements and other promotional materials, were released through this channel.



Green Office



The Bank strictly followed the national and local *Design Standards for Energy Efficiency of Public Buildings* to carry out the development of green bank. Thoroughly implementing the concepts of green, energy-saving, and environmental protection into the construction of offices and business outlets, the Bank has kept reducing resource consumption, GHG emissions, waste water generations as well as household garbage and hazardous wastes. Three regulations including the *Administrative Measures on Energy of China Minsheng Bank*, the *Administrative Measures on Energy Conservation of China Minsheng Bank* and the *Administrative Measures on Green Office of China Minsheng Bank* were issued to promote energy saving management and improve energy utilisation efficiency. During the year, the Bank continued to strengthen the energy management and promote the technology transformation for higher energy efficiency.

Site design

The Bank required that new office buildings should retain and utilise, to the maximum extent, existing resources to minimise damage to the environment of the sites.

Building material

The Bank required that the main materials for office buildings and main functional areas of business lobbies should use aluminium plates, stainless steel plates, luxury vinyl tile (LVT) flooring and other hard, inorganic, materials with good environmental compatibility.

Lighting system

The Bank required that the lighting in the foyer, front rooms and public walkways should use sound and light controlled time-delayed self-extinguishing switches, or smart lighting control systems with zoning and grouping. The light source should mainly be light-emitting diodes (LED) lamps.

In 2024, the Bank further refined the energy management strategy and completed the pilot project of “Minsheng IoT Digital Intelligence Platform” in the Shunyi Park. Through IoT intelligent energy-saving renovations, the Bank achieved smart electricity consumption control and precise management of major electricity consumption items such as lighting and air conditioning. As a result, the Shunyi headquarters base office area saw a year-on-year decrease of over 820,000 kWh in electricity consumption within half a year.

The Bank continued to deepen the application and practice of the iMinsheng collaborative office platform. The Bank successfully held two sessions of the iMinsheng Innovative Application Competition, soliciting a total of 770 cases in a wide range of customer service and business management areas. In addition, the Bank actively promoted digital, online, and paperless office operations. In this regard, the Bank launched an intelligent product of “Zhiyanwanxiang · AI Document Assistant”. As at the end of the reporting period, the Bank achieved agile online management of 1,025 paper-based approval processes in total, driving the transformation of the organisational operation mode and the upgrading of corporate culture.

The Bank advocated thrifty and opposed extravagance. By publishing initiative letters, setting up rolling bulletin boards, and putting up posters, it strengthened publicity and education to cultivate good habits of resources saving of employees. During the year, the Bank launched the event of Energy Conservation Promotion Week under the theme of “Green Transition and Energy Conservation”. The event encouraged employees to consciously practise garbage classification, the empty-plate campaign and green travel, and further form a green lifestyle and rational use of energy. The Bank used municipal pipeline waters, and had no issues in obtaining appropriate water sources.

Improving institutional construction

1

The Bank actively operated its business in accordance with administrative measures on energy, green office and energy saving, and enforced relevant incentive mechanism and rewarding and punishing mechanism. The Bank plans to formulate implementation rules for administrative measures on energy, green office and energy saving by 2025.

Stopping food waste

2

The Bank put a firm stop to food waste in response to the initiative of “empty-plate campaign” by putting up banners with the slogan of “stopping food waste and practising empty-plate campaign” and strengthening the publicity and guidance of “taking small portions, multiple times, as needed” when dining. In this way, the Bank created a good atmosphere of “shame on wasting and honour on saving”. The Bank also adopted small-portion tableware designed for small-portion dishes, and designated personnel to remind employees of resolutely putting an end to the “waste in every bite”. In 2024, food waste was reduced by 0.62% compared with the previous year.

Controlling fixed assets

3

The Bank carried out whole-process management and control over its fixed assets in terms of purchase, use, storage, maintenance, allocation, inventory, disposal and recovery, and extended recycle period of fixed assets as long as possible through repair and maintenance, and promoted the recycling of discarded office premises to improve the efficiency of use and reduce waste of resources.

Managing waste

4

The Bank enhanced the sorting, recycling, and disposal of office waste, collected the recyclables such as paper, plastics, and metals in a separate manner, and reduced the use of disposable plastic products and promoted the use of biodegradable office supplies.

Saving paper

5

The Bank made full use of the OA system to publish notices and announcements and to submit administrative, financial, HR, fixed assets and other matters for approval, and strictly controlled the amount of paper documents printed or copied. The Bank encouraged double-side print or recycled use of office paper, and drafts to be made on the other side of single-side printed waste paper or to be revised or read on the computer. As a result, in 2024, the annual use of office paper decreased by 12.14% over the previous year.

Saving water

6

The Bank strengthened the daily maintenance and management of water equipment, installed sensors to avoid “long-time water running”, overhauled water supply facilities regularly, resolved problems detected in a timely manner, and designated personnel for regular observation and quantitative analysis to avoid water wastage due to “running, overflowing, dripping and leaking”.

Saving electricity

7

The Bank required to reduce standby consumption for automatic equipment including computers, printers and copiers, and to switch them off in a timely manner when not in use for long time and after work. The Bank put a strict ban to the use of high-power consumption materials by purchasing energy-saving lighting facilities to reduce their power consumption. The Bank also turned off lighting facilities in public areas at the scheduled time after work every day or when the office area is not occupied. During daytime working hours, the Bank turned off lighting facilities in offices and working areas with sufficient natural lighting to maximise the utilisation of outdoor light sources. The Bank controlled the indoor temperature at around 25 degrees Celsius when using central air-conditioning to reduce energy consumption, and cleaned air conditioners regularly to improve their energy efficiency. Besides, the Bank designated personnel to check whether electric equipment in the office area was switched off before holidays.

Managing vehicles

8

The Bank strengthened the daily management of business vehicles by “one card per car, refueling at designated stations”. The Bank also reinforced energy control by setting energy conservation and consumption reduction as an important indicator for appraisal. The Bank maintained vehicles on a regular basis, reduced abnormal wear and tear of components. In addition, fuel consumption and mileage data were also recorded and analysed. The Bank also provided regular fuel-saving training to drivers. In 2024, the gasoline consumption was 1.29% lower than the previous year.

Managing outlet operation

9

The Bank strictly required that newly built or renovated outlets should meet green building standards. The requirement included using environmentally friendly materials, efficient thermal insulation systems, and rainwater harvesting systems to reduce environmental impact. The Bank also conducted energy-saving renovations on existing outlets, such as replacing traditional incandescent or fluorescent lamps with energy-efficient LED lamps. This action reduced electricity consumption for lighting, and was expected to achieve energy savings of 50%-80%.

Environmental Goals

Goals for energy saving and carbon reduction

The Bank progressively advanced carbon peak and carbon neutrality efforts, in line with China's overall goals of achieving "Carbon Peak" by 2030 and "Carbon Neutrality" by 2060. The Bank has established and effectively operated the energy management system, and passed the energy management system certification. The Bank has continued to strengthen the energy saving management of the whole bank to reduce energy consumption through energy saving technology transformation projects. As a result, the Bank has reached the goal of reducing carbon dioxide emissions. Next, the Bank will increase the use of green power, continue to advance green creation programme at the Head Office, and actively cooperate with the relevant work of the Green Finance Committee of the Bank for sustainable development. In addition, the Bank pursued progress while keeping performance stable. The Bank continuously refined the credit and investment policies, actively supported the development of clean and low-carbon energy system, and backed energy-conservation, decarbonisation and greening efforts in key industries and areas. Besides, the Bank promoted the application of green and low-carbon technologies while enhanced the identification, assessment and management of risks associated with carbon-intensive assets. In a gradual and orderly manner, the Bank aims to reduce the carbon intensity of its asset portfolio and ultimately achieve its carbon neutrality.

Goals for waste reduction

The Bank's 2024 waste reduction goals have been achieved. Since 2018, the Bank has been fully implementing garbage separating and recycling. In 2025, the Bank will continue this practice, which will not only reduce the waste disposal but also cut down the emissions of GHG such as carbon dioxide and methane generated through the fermentation and decay of waste. The Bank will sort and recycle waste items such as waste paper, waste batteries, waste lighting products, and waste furniture, and standardise hazardous waste disposal, to ensure 100% compliant disposal of hazardous waste. The Bank strives to reduce the purchase of bottled water by 10% as compared with the corresponding period of the previous year.

Goals for water saving

The Bank's 2024 water saving goals have been achieved. In 2025, the Bank will continue to vigorously publicise the national water conservation action plan and carry out relevant national campaigns in depth according to the *Water Law of the People's Republic of China* and the *Regulations on Water Conservation*. The Bank reduced water consumption by strengthening water management and optimising water utilisation. The Bank required all employees to establish the awareness and develop the habit of water-saving to spontaneously save water and reduce the waste of water resources.

04 Environmental Performance Indicators

Emissions

Indicators ^{1,2}	2024
Exhaust emissions (in tonne) ³	0.28
Nitrogen oxides (in tonne)	0.26
Sulphur dioxide (in tonne)	0.02
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne) ⁴	63,946.61
Direct emissions (scope 1) (in tonne)	6,930.57
Natural gas (in tonne)	4,081.03
Coal gas (in tonne)	20.80
Diesel (in tonne)	17.94
Gasoline (in tonne)	2,810.80
Indirect emissions (scope 2) (in tonne)	57,016.03
Electricity purchased (in tonne) ⁵	57,016.03
Greenhouse gas emissions per unit area (scope 1 and scope 2) (in tonne/m ²)	0.05

Notes:

- ¹ The statistical scope of environmental performance indicators only covers the office buildings of the Head Office and the headquarters of 41 tier-1 branches in the Chinese mainland and the Hong Kong Branch.
- ² The office area used for calculating the intensities of emissions, energy consumption and wastes only covers the office buildings of the Head Office and the headquarters of 41 tier-1 branches in the Chinese mainland and the Hong Kong Branch.
- ³ Based on the Bank's business nature, exhaust emissions mainly refer to emissions from the Bank's vehicles, comprising mostly nitrogen oxides and sulphur dioxide.
- ⁴ Based on the Bank's business nature, GHGs emissions arise mainly from purchased electricity and fossil fuel combustion. GHGs include carbon dioxide, methane and nitrous oxide. GHGs are measured in carbon dioxide equivalents and counted based on the *Announcement on the Release of CO2 Emission Factors for Electricity in 2022* issued by the Ministry of Ecology and Environment of the People's Republic of China and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* issued by the Intergovernmental Panel on Climate Change (IPCC).
- ⁵ The GHGs emissions of Hong Kong Branch are counted by conversion factors provided by local power company.

Energy and Water Consumption

Indicators	2024
Energy consumption (in MWh) ¹	134,481.78
Direct energy consumption (in MWh) ²	32,576.11
Natural gas (in MWh)	20,871.00
Coal gas (in MWh)	154.73
Gasoline (in MWh)	11,482.14
Diesel (in MWh)	68.24
Indirect energy consumption (in MWh)	101,905.67
Electricity purchased (in MWh)	101,905.67
Energy consumption per unit area (in MWh/m ²)	0.11
Water consumption (in tonne)	868,200.88
Water consumption per unit area (in tonne/m ²)	0.69

Notes:

- ① Energy consumption of the Bank mainly refers to natural gas, gasoline, diesel, coal gas and electricity purchased.
- ② Energy consumption is calculated based on the amount of electricity and fuel consumption and the conversion factors provided in the *General Rules for Comprehensive Energy Consumption Calculation (GB/T 2589-2020)*.
- ③ Based on the nature of the Bank's products and services, packaging for finished products is not applicable for the Bank.

Waste Management

Indicators	2024
Total hazardous waste (in tonne)	152.33
Waste lead-acid accumulators (in tonne)	126.86
Hazardous waste consumables (in tonne) ¹	25.47
Hazardous waste unit area (in tonne/m ²)	0.0001
Total non-hazardous waste (in tonne) ²	24,472.07
Domestic waste (in tonne)	19,936.17
Canteen waste (in tonne)	4,234.72
Office equipment waste (in tonne)	120.16
Electronic consumables waste (in tonne)	3.87
Electronic products waste (in tonne)	134.61
Security equipment consumables waste (in tonne)	34.20
Security products waste (in tonne)	8.35
Non-hazardous waste per unit area (in tonne/m ²)	0.02

Notes:

- ① Hazardous waste consumables, including toner cartridges, carbon powder and cartridge, purchased by the Bank, are calculated based on the data in the purchase list provided by the supplier.
- ② Domestic waste and canteen waste among the non-hazardous waste are counted according to the data provided by garbage collection and transportation companies. Office equipment waste includes discarded or disposed office supplies (with fixed asset serial numbers) such as desks, chairs, bookcases and file cabinets, and is counted based on the actual scraping each year. Electronic consumables waste includes U disk, consumables for teller's machine, mobile hard disk, mice and keyboards, and is counted according to the data in the purchase list provided by the supplier. Security equipment consumables waste, including fire extinguishers, walkie-talkies, and glare flashlights purchased by the Bank, are counted based on the data in the procurement list provided by the supplier. Security products waste includes access control and monitoring equipment (with fixed asset serial numbers), discarded or disposed of by the Bank, and is counted based on the actual scraping each year.

Social Responsibility

Customer-First, Considerate Services for Win-Win Cooper- ation

Based on the strategic positioning of becoming “a bank for NSOEs, an agile and open bank, and a bank with considerate services”, the Bank gave full play to the characteristics and advantages in serving NSOEs and MSMEs, fully supported the development of the real economy, and propelled five sectors of sci-tech finance, green finance, inclusive finance, pension finance, and digital finance. Moreover, the Bank continued to explore and innovate business models, improved service capabilities and service experience, and sped up the all-round digital transformation, while striving to provide customers with digital, professional and comprehensive financial services and developing into a first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation.

Customer-First, Considerate Services for Win-Win Cooperation

01 Improving Accessibility of Financial Services

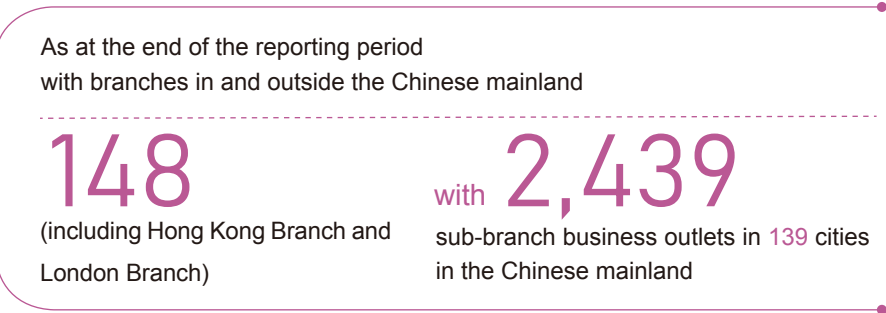
Improving Offline Financial Service Capability



The Bank continued to improve the accessibility of offline financial services. By optimising outlet layout and coverage, innovating remote expert services, deploying new intelligent machines, and upgrading services of community outlets and rural bank outlets, the Bank constantly expanded the reach and accessibility of financial services and improved the customer experience.

Optimising the layout and coverage of outlets

As at the end of the reporting period, the Bank had 148 branches in and outside the Chinese mainland (including Hong Kong Branch and London Branch). The Bank continued to upgrade the outlet location system and analyse the regional network coverage to optimise the outlet layout, with 2,439 sub-branch business outlets in 139 cities in the Chinese mainland.



Realising the full coverage of financial services

The Bank possessed the largest and most widely distributed community outlets among banks in China. As at the end of the reporting period, the Bank established nearly 1,200 community outlets across the country. In pursuit of services covering the “last mile”, the Bank provided convenient, beneficial and favourable financial services at community outlets. These outlets were positioned as important places for the Bank to practise inclusive finance and serve customers, especially the elderly and new citizens.

Strengthening the deployment of hardware equipment

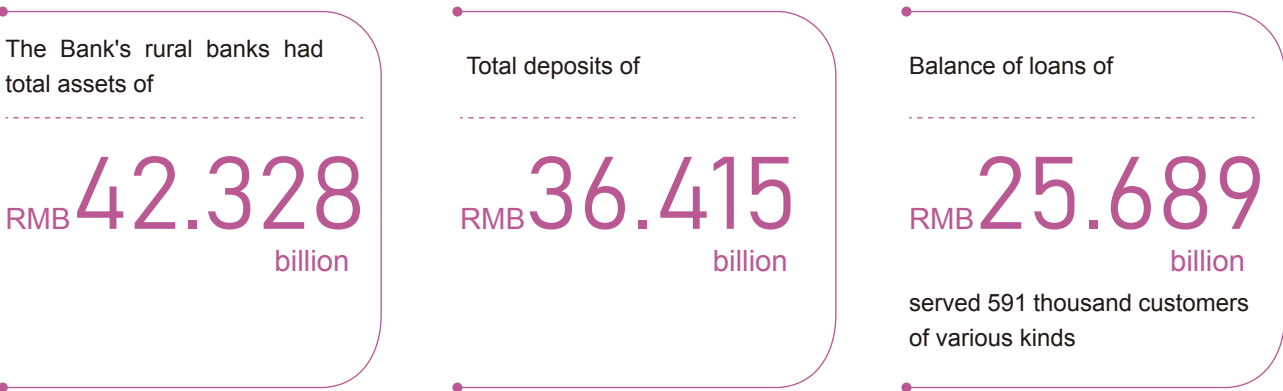
The Bank developed and cooperated with merchants in rural areas, and set up farmer-benefiting service stations in accordance with the principle of “consultation and cooperation, merit-based development, and risk under control”. It installed electronic equipment and devices, including but not limited to POS terminals, intelligent terminals, self-service inquiry machines and other hardware and software equipment, and provided customers with basic financial services, such as rural aid withdrawal, cash remittance, transfer, transfer of demand deposits to time deposits, and balance inquiry, in villages and towns and rural areas without banking outlets, and continued to promote services that benefiting farmers. As at the end of the reporting period, there were 33 contracted rural aid bank card withdrawal service stations, serving more than 26 thousand customers.

Creating a supermarket-based community outlet

The Bank entered into all-round strategic partnership with Sam’s Club. Guided by the principles of “offering convenient, beneficial and favourable financial services for the people”, the Bank aims to build the community outlet into an important platform for serving residents living around in their daily lives with convenient and efficient financial services. The first community outlet located in the Sam’s Club commercial complex officially opened on 12 December 2024. This milestone not only marked the deep integration of financial services with the retail sector, but also set a new direction for the future innovation of community banking service models.

Pushing rural banks to serve rural revitalisation

The Bank has set up 29 rural banks in total. In 2024, the Bank continuously strengthened the responsibilities as the initiating bank and enhanced corporate governance and internal control management. Moreover, the Bank continuously pushed the rural banks to stay true to their service origin of supporting agriculture and MSEs, and tap into the county-level markets, so as to serve agriculture, rural areas and farmers, and rural revitalisation. Besides, the Bank urged the rural banks to improve management competence and quality of development, thereby achieving good social benefits and operational benefits. As at the end of the reporting period, the Bank’s rural banks had total assets of RMB42.328 billion, total deposits of RMB36.415 billion, balance of loans of RMB25.689 billion, and served 591 thousand customers of various kinds.



Optimising Online Financial Service Channels



The Bank strove to optimise its financial service channels to provide customers with more efficient and convenient online services.

Upgrading online service platforms

As at the end of the reporting period, the Bank's online retail platform had 120.662 million users, an increase of 7.10% over the end of the previous year. The Bank's corporate service platform had 4,033.2 thousand users, an increase of 11.40% over the end of the previous year.

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01 — Launching the Mobile Banking 9.0

The Bank promoted the digital finance by building a smart book service system and a smart security system for risk control. Besides, the Bank actively developed digital eco-services, and expanded the coverage of services for inclusive finance and pension finance. As a result of these efforts, the Bank won the "Annual Award for Excellent Mobile Banking" in 2024.

02 — Launching the new generation of corporate online banking platform

The Bank's corporate online banking platform was reorganised in terms of business structure and key processes, enhancing customer experience by expanding smart service scenarios. The platform introduced new functions including enterprise management centre, message centre, signing centre, and task centre, to provide one-stop and comprehensive management services for enterprises, thus helping them improve management efficiency. In addition, the Bank enhanced mobile products and services by integrating mobile settlement, bills, wealth and approvals, and created a comprehensive mobile office platform integrating "financial + non-financial" services. The Bank also promoted the combination of online and offline business, and realised online operation of enterprise limit adjustments, corporate online banking change, and account information change, so as to improve the quality and efficiency of customer service.



The Mobile Banking 9.0

Building smart account book service system

The Bank rolled out the Income Centre, through which customers can check their investment product return from multiple aspects. Moreover, the Bank launched asset overview and real-time liability check services, and iterated the detail view of incomes and expenses to provide customers with smart account book service that allow them to check assets, view details, and understand earnings".

Creating smart eco-service matrix

Leveraging the mobile banking 9.0, the Bank integrated the service capabilities of remote banking, customer service teams, corporate Weixin account and offline outlets to create a comprehensive service ecosystem involving multiple channels and parties, which cleared service gaps across channels and enabled the Bank to provide attentive customer services anytime and

Improving inclusive finance and pension finance

The Bank developed new services including pension finance section, wealth management night market, and an English version of mobile banking 9.0 to improve the inclusive finance and pension finance service.

Enriching payment scenarios

The Bank continuously enriched the payment scenarios of mobile banking 9.0, such as search of credit card bills of over 130 banks on the "Repayment Pass", addition of more than 1,200 living expenses payment items on the "Payment Pass", expansion of public transport QR Code use to 5 more cities, and expansion of personal pension payment partner institutions to 10. With more payment scenarios, customers can enjoy more convenient and diversified payment services.

Adding sign language video service

The Bank provided sign language video service for customers with hearing difficulties, leveraging the face-to-face advantage of video call to help them better understand and handle their transactions.

Innovating remote expert services

During the reporting period, the Bank pooled together top experts in the industry, and launched the remote expert service model. The service enabled customers to contact experts via video calls through various methods, such as visiting outlets, making appointments through mobile banking 9.0, or arranging home visits, so as to provide customers with one-stop and comprehensive professional consulting services in market hotspots, complex issues and comprehensive needs. As at the end of the reporting period, with 5,065 remote expert video services provided to customers, the Bank further broadened the customer service scenarios and enhanced the accessibility of financial services.

Optimising basic settlement products

With the continuous effort to strengthen the product foundation, the Bank was committed to enhancing the convenience of basic settlement products:

01 Minsheng Payroll Agency

The Bank has integrated the existing payroll agency products into “Minsheng Payroll Agency”, which enabled customers to select more targeted products and effectively enhanced user experience. As at the end of the reporting period, the number of new customers signed up for “Minsheng Payroll Agency” in 2024 was 137.7 thousand, 1,092.5 thousand in total, and 365.5 thousand customers made transactions during the year.

02 Tax and Fee Express

This product connected to high-frequency payment scenarios such as the National Provident Fund and electronic non-tax payment services to build up the one-stop aggregated payment platform. As at the end of the reporting period, 347.1 thousand customers signed up for Tax and Fee Express in 2024, and 146.5 thousand customers made tax payments during the year.

03 Shipping Remittance Express

This product has achieved AI-OCR intelligent recognition and automatic filling of orders this year. Automatic remittance of payment was realised following smart system review of orders. As a result, the overall automatic remittance rate of the product has reached 86% with zero-printing operation. These advancements have greatly enhanced the efficiency of enterprises in paying remittances and improved customer satisfaction.



Upgrading the digital trade financing service through “Cross-Border E-Finance”

The Bank enriched business portfolio, added export discounting and automatic credit services for financial derivatives to meet the diversified cross-border financial needs of foreign trade MSMEs. As at the end of the reporting period, a total of RMB4.609 billion had been invested in “Cross-Border E-Finance”, serving a total of 1,407 foreign trade enterprises. Through technological innovation on sci-tech finance, the Bank ensured that the financing needs of MSMEs were properly met.

RMB **4.609** billion
had been invested in
“Cross-Border E-Finance”
Serving a total of
1,407
foreign trade enterprises

Enhancing the quality and efficiency of bill products and services

The Bank consolidated customer discounting entrances and processes and realised online operations and automated lending across all channels and processes. The Bank raised the low-risk smart credit limit for discounting customers to RMB30 million to meet more users' needs, and the current credit limit covers the needs of 70% of discounting customers. Moreover, the Bank released the auto acceptance function to enable customers to get payments within 1 minute after submitting the application. Through the deployment of acceptance and discount product service functions across all channels, the Bank continued to enhance service convenience and strengthen the service capability for MSEs.

Significant achievements of the medical insurance mobile payment project

The Bank cooperated with the Beijing Municipal Medical Insurance Bureau and launched the medical insurance mobile payment project, providing convenient medical insurance services to the insured. As at the end of the reporting period, 39 hospitals (including 28 hospitals above the tertiary level) and more than 100 pharmacies opened online channels, with more than 60,000 cards bounded by users and more than 230,000 transactions made with transaction amount of over RMB14 million.

Facilitating Special Groups to Access Financial Services



For special groups without convenient access to financial services, in accordance with the *Mobile Financial Application Software Accessibility Services Construction Plan* issued by the People's Bank of China and the related standards, the Bank continued to strengthen the construction of elderly-friendly and barrier-free service facilities at its outlets. The Bank developed mobile banking Apps for different groups of people and took advantage of community grid-based services to optimise financial and non-financial products and services for special groups.

Caring about new citizens' demand for insurance

The Bank continued to strengthen the cooperation of agency sales with insurance companies to provide cost-effective pension insurance products and introduce inclusive health insurance products such as Million-Yuan Medical Insurance, one-year critical illness insurance and medical insurance for the middle-aged and elderly. During the year, the Bank cooperated with JD Health to provide free online consultation for more than 210,000 times.

Paying careful attention to the demand of people with disabilities

The Bank's various Apps feature the barrier-free voice reading function. The text reading service is provided through the barrier-free mode, which greatly enhances the convenience of customers with visual difficulties when using mobile banking. At the same time, the Bank launched remote expert services for customers with hearing difficulties. 15 sign language experts joined the Bank's remote expert information database to provide professional support for customers with hearing difficulties through the remote expert platform. The Bank also optimised the facilities of its offline outlets, and adjusted the counter height to be more accessible for wheelchair users, providing more friendly and considerate customer experience.

Responding to the service needs of foreigners in China

In order to meet the financial service needs of foreigners in China, the Bank implemented the following measures: (1) Providing network verification service for Permanent Resident Permit; (2) Mobile phone numbers outside the Chinese mainland can be used to open bank accounts through mobile operations, and the Foreign Permanent Resident ID Card can be used to open personal pension account; (3) Foreigners in China can make appointments to apply for bank cards on the Mobile Banking App with valid ID documents; (4) All ATMs support cash withdrawal with cards issued outside the Chinese mainland labeled UnionPay, VISA and MasterCard. Through such measures, the Bank provided foreigners in China with high-quality and convenient services for mobile finance, payment and settlement.



Iterating and upgrading dedicated services for the elderly

01 Elderly-friendly outlets

The Bank strengthened the construction of service facilities for elderly people at outlets by setting up exclusive "green channel" or "help window" and providing elderly-friendly facilities such as reading glasses and courtesy seats at lobbies. The Bank took advantage of community grid-based services to optimise financial and non-financial products and services for the elderly, and provided low-risk product portfolio solutions including the time deposit product of "Assured Deposit", structured deposit, as well as steady and fixed-income wealth management products. The Bank also provided detailed answers to their questions about financial products, and organised various cultural activities to help them enjoy high-quality life.

02 Elderly-friendly devices

The Bank introduced a variety of new smart devices with multiple functions, added the functions of elderly customer detection and one-click transfer of calls, and added the feature of remote staff assistance with screen-sharing to smart devices at bank lobbies, thus providing reliable support for the elderly in making transactions. The 95568 customer service hotline offered one-key transfer to staff service for elderly customers, greatly enhancing their self-service experience.

03 Elderly-friendly online service

The Bank upgraded the elderly-friendly version of mobile banking to enhance the elderly service capacity of wealth management products and basic services.

04 Elderly-friendly door-to-door service

The Bank expanded the coverage of services by providing door-to-door services for elderly customers with mobility challenges, so as to meet their financial service needs.



Upgrading the Elderly-Friendly Version of Mobile Banking App

01

Highlighting frequently used services

The Bank optimised the homepage interface of wealth management and funds, highlighting the functions frequently used by the elderly such as account inquiry, fund transfer and remittance, deposit and bill payment. The design made it easier for elderly customers to find and use these essential services.

02

Enriching wealth products

The Bank upgraded the fund and wealth management modules and introduced more stable and value-added products. By adding stable investment options such as structured deposits, physical gold and regular investment centres, the Bank aimed to provide elderly customers with more diversified investment solutions, thereby promoting the stable growth of their wealth.

03

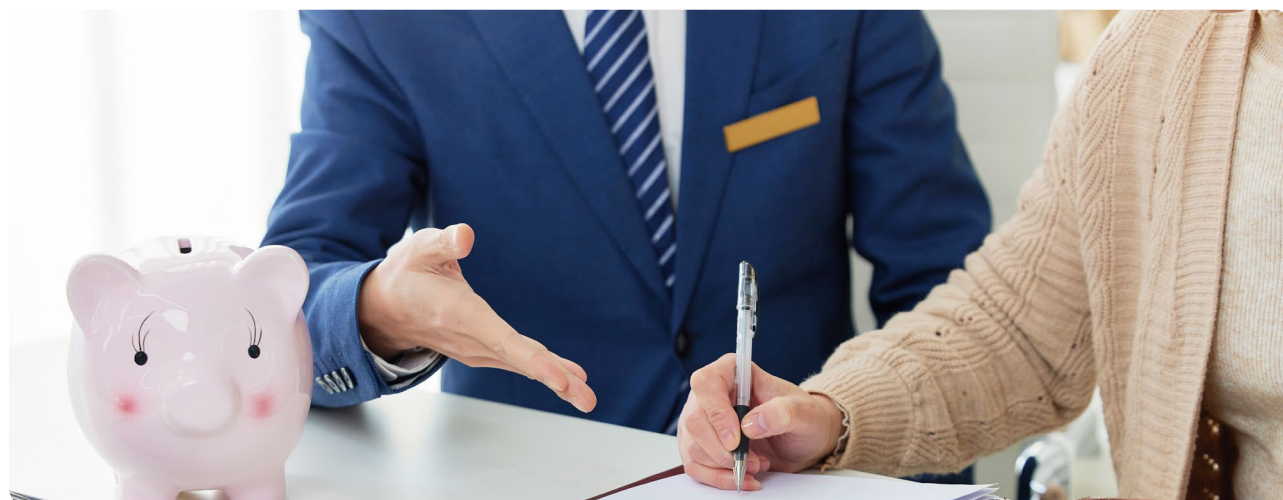
Enhancing transfer convenience

The Bank integrated the fund transfer function and the phone-number-based fund transfer function, and launched new functions of interbank pass and scheduled transfer, which facilitated fund collection and transfer payment for elderly customers and made payment and transfer more convenient.

04

Launching dedicated section for ageing finance

Centred around the three-pillar services of social security insurance, corporate annuity and personal pension, the Bank established a dedicated ageing finance section. Through offering pension-based financial services that integrated pension planning, wealth management and intelligent life solutions for elderly-focused customers, the Bank further improved the services of the elderly-friendly version of mobile banking.



02 Serving Customers Considerately



Inclusive Finance Services

The Bank actively implemented the national macro strategic deployment and regulatory policy requirements and firmly practised the deployment of inclusive finance as one of the “five major sectors” proposed at the Central Financial Work Conference. In accordance with the *Five-Year Development Plan for Inclusive Finance of China Minsheng Bank (2021-2025)*, the Bank continuously improved the systems and mechanisms of inclusive finance to broaden and deepen inclusive finance services. The Bank promoted the innovation of products and services, and opened up online and offline channels to enhance the service capacity of inclusive finance.

During the reporting period, the Bank has deeply implemented inclusive finance in the following aspects:

Continuously improving systems and mechanisms

The Bank gave full play to the coordinating function of the Inclusive Finance Management Committee, coordinated the thorough implementation of its inclusive finance development plan, and increased input in credit policies, assessment management, special incentives and team building. Inclusive finance committees were also set up at tier-1 branches to promote their management and development of inclusive finance business.

Promoting product and service innovation

The Bank enriched the portfolio of inclusive credit products by launching online products such as the unsecured and secured loan products of Minsheng Benefits under the mode of active credit granting and smart decision-making. The Bank devised the “Honeycomb Plan” to facilitate batch acquisition of customers with regional characteristics, and developed online agriculture-related products for the Agricultural Loan Express, in an aim to focus on in-depth management of the inclusive finance customer group and enhance the service capacity of inclusive finance.

Enriching product and service channels

The Bank provided “one-stop” online services for MSEs through the dual channels of “Minsheng Small Business App + Weixin Mini Programme”. The Bank supported various segmented customer groups such as individuals, legal persons, loan account holders and settlement account holders, enabled multi-channel online access, and created all-around service channels covering loans, settlements and corporate management.

As at the end of the reporting period, the balance of inclusive small business loans of the Bank were RMB662.718 billion, up by RMB50.449 billion from the end of the previous year, an increase of 8.24%. The cumulative amount of inclusive small business loans disbursed for the year was RMB715.012 billion. The Bank’s inclusive financial services and products such as “Minsheng Benefits” and “E-Easy Innovation Loan” won six awards, including “Gamma Award for Inclusive Financial Service Banks” from Securities Times, “Bank of Excellent Competitiveness in Inclusive Finance for 2024” by China Business Journal, and “2024 National Typical Cases of Inclusive Finance” from 21st Century Business Herald.

Ageing Finance Services



The Bank has been committed to meeting the practical needs of the silver-haired group, expanding its service areas, actively innovating ageing finance products and services, and providing sound, dedicate and practical supports to the ageing finance sector. Focusing on the two major areas of preparation for elderly care and elderly care, the Bank combined personal retirement plans for the customer group preparing for elderly care with the exclusive service of “Minsheng Enjoyment” for the elderly care customers, and integrated financial and non-financial services, thus to integrate resources and services to meet the demands of customers for elderly care that might last for decades, and build up a ageing finance service system to offer service solutions.

Developing ageing finance brand

Centred on the “Minsheng Enjoyment” ageing finance service brand, the Bank established a one-stop, full-cycle and warm ageing finance service ecosystem focusing on pension finance, elderly care service finance and elderly care industry finance, in an effort to contribute to the well-being of the elderly and social harmony.

Building professional product portfolio

The Bank has developed a series of product shelves for ageing finance. The Bank has built up exclusive product portfolio covering elderly care savings deposits, wealth management products, commercial pension insurance and publicly offered funds for customers preparing for elderly care. Through multi-dimensional services, such as the ageing finance section on mobile banking, the teams of ageing financial planning consultants, and asset allocation tools, the Bank provided one-stop ageing finance reserve services for customers preparing for elderly care. In addition, recognising the declining risk tolerance and increasing demand for secure products among elderly customers, the Bank tailored value preservation and growth products such as Assured Deposit and Daily Profit to provide customers with professional financial products and services.

Upgrading professional service capacity

Relying on the professional service brand of “Intelligent Elderly Care”, the Bank provided professional and efficient custodian services, and offered distinctive value-added services and one-stop comprehensive financial services to meet the comprehensive needs of pension customers in all aspects. Fully leveraging the strengths in serving SMEs and NSOEs, the Bank offered annuity consultation and solutions to help those in need to establish corporate annuity. The Bank also actively built the platform for pension business exchanges, continuously strengthened the promotion of corporate annuity policies and market cultivation. Additionally, the Bank organised a number of “Intelligent Elderly Care for A Better Life” themed corporate annuity publicity days every year to promote the high-quality development of annuity fund market. By participating in the revision of the industrial guide book of *Theory and Practice of Pension Business (Second Edition)* led by China Banking Association, the Bank joined hands with peer institutions to explore the future development direction of the pension sector.



Serving customers preparing for elderly care

The Bank actively promoted the personal pension system and extensively carried out promotional and educational activities for the third pillar of personal pension. Through the ageing finance section of mobile banking, ageing finance planning consultants and asset allocation tools, the Bank provided one-stop ageing finance reserve services for the young and middle-aged groups. The Bank has carried out certification training for ageing financial planning consultants for two years, and has built a high-quality ageing financial planning team to provide customers with professional guidance.

Empowering the services for enterprises engaged in elderly care

The Bank actively responded to the national elderly care strategy by cooperating with enterprises engaged in elderly care to provide them with all-round financial support. The Bank cooperated with elderly care-related real estate projects that had significant advantages in housing quality, medical care and services based on thorough research on industry needs. The Bank also provided comprehensive financial support to enterprises engaged in elderly care through the formation of a task force on “Comprehensive Service Support for Enterprises Engaged in Elderly Care” and the addition of regional credit policies. In addition, focusing on the needs of those enterprises in payment, account management and fund monitoring, the Bank has created distinctive account service solutions.

Safeguarding customers' rights and interests

In terms of non-financial services, the Bank focused on the need of elderly customers for social entertainment and health-care. To this end, the Bank has built a convenient service matrix based on community outlets to provide diversified elderly-friendly services and activities. The Bank delivered the enjoyment financial classes and organised safe and beneficial outing activities, so as to give full play to the advantages of community grid-based services. Besides, the Bank piloted the establishment of community sub-branches for ageing finance in some of the branches to create a strong atmosphere of filial piety and love for the elderly. The Bank introduced the "Enjoyment Class", offering a diverse range of courses that covered culture, finance, photography, vocal music and dance. These courses were designed to meet the learning and social needs of the elderly. Additionally, the Bank launched the special healthcare benefits of "Apex Privileges" for the elderly, providing high-end healthcare services such as professional accompaniment, appointment with named experts, and home healthcare services, to safeguard the health of elderly customers. As at the end of the reporting period, the service of appointment with named experts had covered more than 200 cities and nearly 1,200 public grade III level A hospitals nationwide.

Restructuring elderly-friendly services across all channels

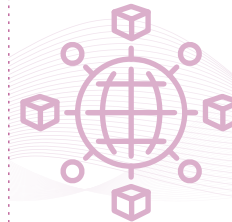
The Bank has launched the full life cycle business scenario of personal pension, so that customers can easily handle the businesses such as account opening and deposits of personal pension via online and offline channels from home. Moreover, the Bank upgraded and restructured the elderly-friendly version of mobile banking by introducing features such as "knowing total assets at a glance, knowing recommended products at a glance, convenient version switching, convenient benefits collection, and investment education services", thus to improve customer experience. In terms of product sales and management, the Bank took multiple measures to ensure the safety and compliance of the financial consumption of the elderly. These measures included optimising the risk assessment function, enhancing the quality monitoring of audio and video recording during sales processes, and strengthening the management of sales appropriateness.

Education for ageing finance consumers

The Bank established a dedicated platform for the publicity and education of ageing finance consumers. Through extensive cooperation with education institutions for the elderly and community education institutions, the Bank conducted a variety of online and offline financial knowledge promotion events. The Bank continued to enhance the fraud prevention awareness of the elderly in different ways, including providing case interpretation, and requiring authorisation when transferring money to stranger recipients at lobby.

As at the end of the reporting period, the Bank opened personal pension accounts for more than 2 million customers preparing for elderly care. The compound annual growth rate of elderly customers for the past five years was 18%. The Bank ranked at the top of the industry in terms of the Net Promoter Score (NPS) in the personal pension customer satisfaction study.

Sci-Tech Finance Services



The Bank resolutely implemented the national decision-making and deployment, incorporated sci-tech finance into the mid- to long-term development plan as a strategic business, implemented a range of measures across four key dimensions, namely mechanism construction, platform establishment, product innovation and ecosystem cultivation, to support sci-tech enterprises, particularly those dedicated, refined, distinctive and innovative (DRDI) enterprises. In 2024, the Bank served over 114,300 sci-tech enterprises, up by 14% from the end of the previous year, and over 25,700 DRDI enterprises, up by 19% from the end of the previous year. The balance of loans to sci-tech enterprises of the Bank was RMB412.2 billion, up by 8% from the end of the previous year, of which the balance of loans to DRDI enterprises was RMB117.4 billion, up by 31% from the end of the previous year.

Mechanism construction

To refine the mechanism for sci-tech finance, the Bank established the Sci-Tech Finance Committee with senior executives of the Bank as the leaders, the Corporate Business Department/the Sci-Tech Finance Department and the dedicated sub-branches for sci-tech finance, forming a multi-level organisational structure involving the Head Office, branches and sub-branches. Also, the Bank formulated and implemented a three-year plan for sci-tech finance business. At the branch level, the Bank adopted a tailored approach of "one policy for one branch" to facilitate the implementation of national policies related to science and innovation finance in key areas. At the sub-branch level, the Bank set up 18 featured sub-branches in key regions, including Beijing, Shenzhen, Nanjing, Chengdu, and Xi'an, to create a bridgehead for innovative services of sci-tech finance.

Platform establishment

Through the "Sparks Platform of Sci-Tech Finance", the Bank increased the application of digital tools and continuously optimised functional modules of the platform, which included enterprise evaluation, products and services, industry research support, and matchmaking of industrial investments. By leveraging digital tools, the Bank launched online, standardised and integrated processes for customer identification, outreach, product customisation, due diligence, business approval, and post-loan management, which enabled rapid responses and precise services for sci-tech enterprises, thereby significantly enhancing service efficiency.

Product innovation

To meet the diverse demands of sci-tech enterprises, the Bank created the exclusive product matrix of Easy Innovation, which was consisted of four major product series, namely "Equity Investment, Debt Financing, Wealth Management and Wisdom Consulting", and provided comprehensive services such as equity financing, debt financing, account management, value-added services and consultancy. Under the model of "commercial banking + investment banking", "debt + equity" and "financing + intelligence", the Bank built a one-stop and integrated financial service system. In 2024, the Bank continued to optimise its online unsecured loan product of "E-Easy Innovation Loan", vigorously promoted its intellectual property pledge financing product of "Easy Innovation IPR Loan", and accelerated the exploration of special innovative products such as "Equity Incentive Loan" and "Loan that Entitled the Bank with Option for Equity Subscription", so as to satisfy customers' various financial needs in diversified and comprehensive manner. As at the end of the reporting period, the Bank provided over RMB6 billion intellectual property pledge financing support to sci-tech enterprises.

Ecosystem cultivation

To cultivate external ecosystems, the Bank worked with governments, parks, PE/VC firms, securities companies, insurance companies and other partners to jointly serve enterprises with the tools of “stock + debt + loan + insurance”. Furthermore, the Bank integrated its internal resources and reinforced collaboration with its subsidiaries such as CMBC International, CMBC Wealth Management, Minsheng Financial Leasing and Minsheng Royal Fund to deliver more comprehensive service strength. During the year, the Bank organised a series of activities such as the “Minsheng Sci-Tech Finance”, to provide sci-tech enterprises with face-to-face, full-cycle and all-scenario services.

In 2024, China Minsheng Bank won a number of awards in sci-tech finance, including the “Annual Financial Institution for Enabling New Quality Productive Forces” at the 18th Golden Cicada Award of the China Times, the “Gold Award for New Digital Intelligence-Digital Finance” in the 2024 Excellent Digital Finance Competition in 2024, the “2024 Excellent Case of Sci-Tech Finance Innovation” by The Chinese Banker, and the “Outstanding Case of Sci-Tech Finance Pioneer List” of the 2024 China Sci-Tech Finance Conference. These awards indicated that China Minsheng Bank was recognised by all sectors of society for its quality and efficiency of innovative services of sci-tech finance.

Launching “Minsheng Sci-Tech Finance” Marketing Service Activities to Deepen the Construction of Sci-Tech Finance Ecosystem

In 2024, China Minsheng Bank continued to carry out a series of marketing service activities themed “Minsheng Sci-Tech Finance”, aiming to offer comprehensive services across lifecycle to sci-tech enterprises. Through cooperation with governments, parks, PE/VC firms and other partners, the Bank has hosted over 230 events, which covered distinctive products and all-scenario services, ecological channels empowerment and investment and financing roadshows, capital market professional counselling and support for the going global of enterprises’ industrial chains, campaigns at the Shanghai Technology Exchange and various regional sci-tech parks, and events at the Global Entrepreneurship Forums and sci-tech enterprise patent competitions, and all achieved satisfying results.



“Minsheng Sci-Tech Finance” Marketing Service Activities

03 Supporting NSOEs and MSEs

As the first national joint-stock commercial bank initiated and founded by NSOEs, the Bank has continued to firmly implement the relevant decisions and arrangements of the CPC Central Committee and the State Council, and effectively fulfilled various regulatory requirements for the development of the real economy. Based on the strategic positioning of becoming “a bank for NSOE, an agile and open bank, and a bank with considerate services”, the Bank has been steadily implementing the work of serving NSOEs. The Bank adhered to the customer-centric approach. By focusing on MSEs, small and medium-sized NSOEs, sci-tech innovation enterprises and strategic NSOEs and other customer groups, the Bank carried out financial and non-financial services in a layered, classified and segmented manner, and improved the integrated and comprehensive service system for MSMEs and large enterprises, in a bid to facilitate the healthy and sustainable development of NSOEs.

Supporting NSOEs



During the year, the Bank further implemented the requirement of finance serving NSOEs stipulated in the *Guideline on Boosting the Growth of the Private Economy* issued by the CPC Central Committee and the State Council, as well as the *Circular on Strengthening Financial Supporting Initiatives to Facilitate the Development of the Private Economy* issued by the People’s Bank of China and other seven departments, and continued to follow the *Implementation Rules for Supporting the Development of the Private Economy of China Minsheng Bank*. Giving full play to the distinctive advantages in serving NSOEs, the Bank provided strong support for the growth of NSOEs and comprehensively contributed to the high-quality development of the private economy.

During the year, the Bank fully implemented the strategic guidelines on supporting NSOEs in the following aspects:

For strategic NSOEs

the Bank expanded the list of strategic NSOE customers through multiple channels, continued to increase the proportion of strategic NSOE customers, and strengthened the “head office-to-head office” strategic cooperation, and offered differentiated, specialised and customised service solutions to its strategic NSOE customers, and iterated the exclusive benefits to them. Additionally, the Bank continued to enhance strategic coordination with NSOE customers. Together with key leading NSOEs, the Bank continued to promote business models such as the “Photovoltaic Loan” and “Agricultural and Animal Husbandry Loan”, to contributed to the implementation of key national strategies such as green finance and rural revitalisation.

For small and medium-sized NSOEs

the Bank continued to carry out the "Park Visits" activities to comprehensively improve the services for those in industrial parks by continuously exploring their demand scenarios and developing and optimising the integrated service models for industrial parks. Besides, the Bank continuously optimised and iterated the product system 3.0 that served small and medium-sized NSOEs, and further improved the benefit systems for them, so as to enhance online and convenient customer experience.

For DRDI enterprises

the Bank continued to upgrade and iterate the exclusive products, and promoted the application of the "E-Easy Innovation Loan", an online unsecured loan product with automatic approval for limit under RMB10 million, to provide more convenient and efficient financing services. Besides, the Bank cooperated with the Shanghai Technology Exchange to accelerate the application of the "E-Easy Intellectual Property Loan" product, and assisted DRDI enterprises to transform chokepoint technologies into capital flows. Moreover, the Bank strengthened the coordination with its subsidiaries with equity investment functions to promote the construction of the sci-tech innovation finance ecosystem.

The Bank enhanced the chain-based synergy

Based on the transaction data and credit support of core enterprises, the Bank promoted the application of online, unsecured and supply chain-based financial products such as "E-Data-based Credit Enhancement Procurement" and "E-Order". Besides, the Bank worked with the core enterprises in the industry chains to organise a series of supply chain finance customer forums themed "Supply Chain-Based Development", in a bid to actively empower micro, small and medium-sized NSOEs in the upstream and downstream of industry chains of core enterprises.

The Bank served national strategies and facilitated industrial upgrading

The Bank prioritised to facilitate the industrial upgrading of sectors with chokepoint technologies and related to national security, and made up for the weaknesses.

The Bank focused on core enterprises and expanded ecosystems and extended supply chains

The Bank took core enterprises of the strategic customer group as the focus and hub, increased quality credit support, actively expanded the ecosystems and supply chains of strategic customers, and promoted the inclusive financial services for MSMEs based on smart, digital and ecosystem-based products.

The Bank empowered the real economy and deployed arrangements in emerging fields

The Bank unwaveringly facilitated the building of manufacturing power, actively explored potential business collaboration in new energy vehicles, green energy, new-generation IT and other fields, and served leading enterprises for horizontal and vertical industrial integration.

As at the end of the reporting period, the balance of loans to the manufacturing industry of the strategic customer group of the Bank was RMB345.9 billion, up by RMB12 billion, or 3.6%, as compared with the beginning of the year.



The Bank comprehensively applied the "E-Credit Finance", an innovative product in the supply chain. By leveraging internet technologies and the bank-enterprise direct connect, the Bank relied on the credit and data enhancement of core enterprises to provide comprehensive, transparent and fast electronic accounts receivable management and low-cost financing services for upstream suppliers. Through batch account opening and centralised disbursement, the service efficiency was comprehensively improved. Through these initiatives, the Bank not only effectively alleviate customers' pressure on payment of accounts payable, but also guaranteed the payment needs of customers and the financing needs of suppliers.



Supply Chain Finance Series Events Themed "Supply Chain-Based Development"

Focusing on MSEs



Based on the strategic positioning as an “agile and open bank”, the Bank focused on the difficulties of MSMEs and carried out digital transformation of small business finance, so as to empower the development of MSMEs. Through the construction of “eco-bank” and “intelligent bank”, the Bank incorporated financial services into the daily work of MSMEs, so as to upgrade their interactive service experience. The Bank focused on creating new models of small business finance in terms of platform construction, product innovation, process optimisation, model upgrading and team building.

The Bank innovated online products to broaden the supply of financial services

The Bank realised data connectivity with the national credit service platform for SME financing, introduced a massive number of high-value data resources, and developed data-based credit enhancement products. Focusing on the supply chain ecosystem, the Bank realised a shift to the integrated chain-based management model for MSMEs and large enterprises, and launched chain-based financial products suitable for SMEs and upstream and downstream MSEs. The Bank created a number of innovative online products such as the Minsheng Benefit Loan, the supply chain data-based credit enhancement products, the scenario data-based credit enhancement products, and the distinctive inclusive agriculture-related products system, to promote the digital transformation of business models and to make the services more accessible.

The Bank reinvented its operational processes to enhance interactive customer experience

Powered by its data capability and sci-tech innovation, the Bank continued to optimise business handling process and has built the smart risk control model system covering the whole life cycle of credit business and the MCS smart risk control system exclusively for MSEs, and realised fully online operation from account opening to loan withdrawal, and the full-process automatic handling of secured loans.



The Bank realised smart customer profiling and iterated marketing model systems

The Bank has been committed to data-driven intelligent marketing and decision-making to enhance the financing service capability for MSMEs. Concentrated on big data, AI and other advanced technologies, the Bank enriched the panoramic and three-dimensional profiling of customers based on both internal and external data to create the smart model system covering the entire customer journey. Besides, the Bank has built a smart marketing model system that matched “people, product and place”, and achieved customer-centric refined services.

The Bank optimised service channels to provide more convenient services of small business finance

The Bank’s Weixin official account “Minsheng Home for Small Business” introduced a message centre, providing 26 free notification services in 6 categories in respect to unsecured and secured loan products of Minsheng Benefits (individual version and legal person version), including credit granting, loan disbursement, early repayment, insufficient repayment balance, batch repayment and overdue, with an estimated average of 2 million free notifications to be sent annually. The Bank optimised the “Minsheng Small Business App”, with new functions such as to-do list management and self-service invoicing, which realised remote financial approval and automatic review of invoice contracts, greatly simplifying customer operations. As at the end of the reporting period, the “Minsheng Small Business App” served 1.143 million small business customers, an increase of 221 thousand over the beginning of the year. The App received 77 thousand loan applications, and disbursed more than RMB510 billion.

The new model for small business achieved breakthroughs in legal person status, credit-based enhancement, and online operations. As at the end of the reporting period, the balance of small business loans of the Bank was RMB855,102 million, up by RMB63,886 million from the end of the previous year. Among which, the balance of loans to small business legal persons reached RMB227,255 million (up by RMB72,214 million from the end of the previous year), while the balance of unsecured loans to small businesses amounted to RMB107,955 million (up by RMB 27.028 billion from the end of the previous year). The proportion of collateralised online loans accounted for 75%, up by 27 percentage points from the end of the previous year.

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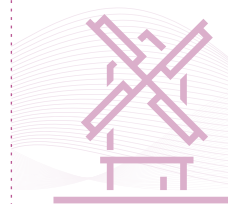
Digital Service Platform of Inclusive Finance for the Small Business Customer Group

The Bank aimed to build a digital finance factory for small business with the “1346” goal, which is: creating “1” digital service platform of inclusive finance for the small business customer group, achieving “3” major breakthroughs in small business models, completing “4” major transformations of core capabilities, and overcoming “6” major industry challenges. The digital service platform is based on a scenario-driven middle-office architecture. It takes MSEs as connector to integrate retail and corporate digital capabilities to construct an enterprise-level middle office. Based on the MSE data base, the platform integrates MSE marketing base, MSE risk control base and MSE credit product base to build a digital finance factory for small business. The digital service platform has achieved 12 technological innovations, effectively addressing common challenges such as the difficulty in matching supply and demand, customer insight, and data application of MSEs.



Digital Service Platform for Inclusive Finance for the Small Business Customer Group

Supporting Rural Development



During the year, the Bank actively promoted the integrated coordination between inclusive finance and rural revitalisation, vigorously innovated the digital and smart agriculture service model, and launched the online product of “Digital Agricultural Loan Express” with multiple models to help ensuring food security. The Bank continued to upgrade its products such as “Cotton Grower Loan”, “Harbin Farmer Loan”, “Photovoltaic Loan” and “Sugarcane Grower Loan”, so as to broaden the scope of regionally featured services and enhance the experience of farmers. The Bank launched the “B&B Loan”, an exclusive product for rural tourism, to support farmers to start their own business and get rich based on geographical advantages. The Bank continued to promote inclusive finance security knowledge and exclusive services and products for farmers, so as to make financial services more accessible to farmers. In the face of the damage to harvests caused by climate disasters, the Bank took the initiative to offer help to the affected agricultural loan customers and provide relief to the farmers through a series of actions, such as loan renewal without principal repayment, interest reduction or exemption, and delivery of small business red envelopes for farmers.

The Bank focused on leading enterprises to contribute to chain improvement and upgrade

Focusing on the needs of the leading enterprises in the sectors of grain, dairy, meat, cotton and liquor, and based on the “Agricultural Chain Express” products, the Bank has created exclusive business models and product portfolios covering various scenarios in the agricultural industry chains. In 2024, the new loans provided through “Agricultural Chain Express” amounted to RMB17.952 billion, and the number of new customers in the chains served increased by 3,561 as compare with the beginning of the year.

The Bank focused on paired assistance areas and promoted agriculture-related business

The Bank established agile task forces in a number of regions across the country to provide paired assistance, which were supported by special policies and green approval channels. The supporting teams were stationed in the paired-assistance areas to drive agriculture-related credit business. During the year, the Bank provided paired assistance to two counties in Henan Province through the “Revitalisation Loan” model, and continued to advance the construction of the rural revitalisation platform of “Digital Hua County”. The Bank improved the rural revitalisation database, with over 6.01 million entries stored under 46 data categories, covering more than 290 thousand rural households across Hua County.

The Bank focused on digital empowerment to support the management of rural resources, assets and funds

In active response to the policy requirements for optimising the supervision system of rural collective assets, the Bank deep-dived the needs of customers in the agricultural and rural ecosystem. Based on customer needs, the Bank developed a full set of services for village collectives to manage rural resources, assets and funds, enabling separate control of “business accounts” and “administration accounts”. These services helped the competent authorities effectively manage the funds of hundreds of village collectives, and empowered high-quality rural revitalisation through advanced digital finance solutions.

04 Agility, Openness and Win-Win

In accordance with the Guiding Opinions on the Digital Transformation of the Banking and Insurance Industry and the Guiding Opinions on the Banking and Insurance Industry to Promote the Development of Finance in Five Major Sectors issued by the National Financial Regulatory Administration (NFRA), the Bank included the promotion of digital finance into the Bank's five-year development plan as a core strategy, and formulated a three-year sci-tech plan and data strategy, in an effort to support the development of digital finance and firmed up the "Five Major Sectors". During the reporting period, the Bank's IT investment reached RMB6.019 billion, and the number of sci-tech personnel increased by 2.87% year-on-year.

Upgrading Digital Financial Services



China Minsheng Bank has elevated digital transformation to a strategic priority and grasped the connotation of digital finance. Besides, the Bank strove to comprehensively improve its data and sci-tech capabilities, and promoted the construction of "two major banks" of eco-bank and intelligent bank, in a bid to empower the high-quality development of the real economy through high-quality digital finance construction and innovation.

The Bank kept up with technological development

The Bank actively explored the latest technologies such as Big Model and AIGC, and strove to integrate cutting-edge technologies into banking business to continuously improve service efficiency and customer experience. Relying on intensive infrastructure, efficient implementation and effective security control, the Bank constructed a set of Big Model-based application technology system applicable to financial institutions. During the reporting period, the system was applied in the fields of intelligent Q&A, intelligent seating and intelligent wealth management.

The Bank adopted innovative technologies

In terms of technological innovation, the Bank explored the application of AI technologies, such as Big Models, in knowledge retrieval, transaction analysis and financial report recognition, to assist or even replace manual operation in more work scenarios. By applying OCR, NLP and smart recognition/comparison technologies, together with the iMinsheng multi-dimensional forms and the data visualisation system, the Bank realised online management of loan disbursement capacity. The Bank developed a quality and efficiency management platform integrated with process monitoring to provide visualised management tools. With the help of BI digital tools, the platform could automatically report and analyse operational indicators to enhance the digital management capacity of operations. Based on the system map and 266 standard rules for review, the Bank formed a system of 68 customer profiling indicators to assist in loan disbursement review, thereby upgrading it from a merely formal review to a more substantive core review.

Improving the service capabilities of open bank

- In terms of the retail ecosystem, the Bank expanded non-financial scenarios and established the mini programme of Minsheng Life and the platform of Minsheng Cloud-Based Travel. This has enabled the Bank to deepen the "scenario + finance" solutions, offering users convenient and efficient online and scenario-based financial services.
- In terms of the industrial ecosystem, the Bank focused on distinctive scenarios including digital services for enterprises, management of rural resources, assets and funds, and chain stores, and employed digital service means to empower the digital transformation of enterprises and the construction of digital villages and digital livelihood.

The "China Minsheng Bank Digital Finance Ecosystem-Based Service Practice" was honoured as a "Model Case of Digital Finance in the Banking Industry" by the China Banking and Insurance Media Co. Ltd. The "bank-government cooperation project of the integrated agricultural and rural service platform in a city" was honoured as an "Innovation Case of Finance for the People" by the conference of the "20th Digital Finance Joint Publicity Year", and an "Innovation Case of Finance for the People" in the 7th Digital Finance Innovation Case Collection.



Eco-Bank

The Bank focused on ecosystem creation and scenario application to accelerate the incubation of strategic, across-segment and cross-regional ecological project models and achieve quick breakthrough for big data products.

01 Digital services for inclusive finance

Thoroughly implementing the national development strategy for inclusive finance, the Bank developed the "Minsheng Benefits", a brand new intelligent decision-making model based on the Internet, big data and other technologies, to improve capabilities of distinctive MSE services, with over RMB100 billion balance of loans of active credit granting.

Minsheng Benefits for People

China Minsheng Bank's Digital Transformation Products for Small Business

Business Positioning

Consistently play the role of finance sector in serving the real economy, thoroughly implement the national development strategy for inclusive finance, build capabilities for distinctive MSE services based on Internet, big data and other technical applications.

Business Model

Online application, smart decision-making, online contract execution, revolving withdrawals, self-service repayment, end-to-end digitalisation of the MSE financing lifecycle. Streamline MSE financing by internet, and improve financing accessibility and efficiency.

Digital client acquisition Automatic approval
Intelligent monitoring Comprehensive services

Online
application

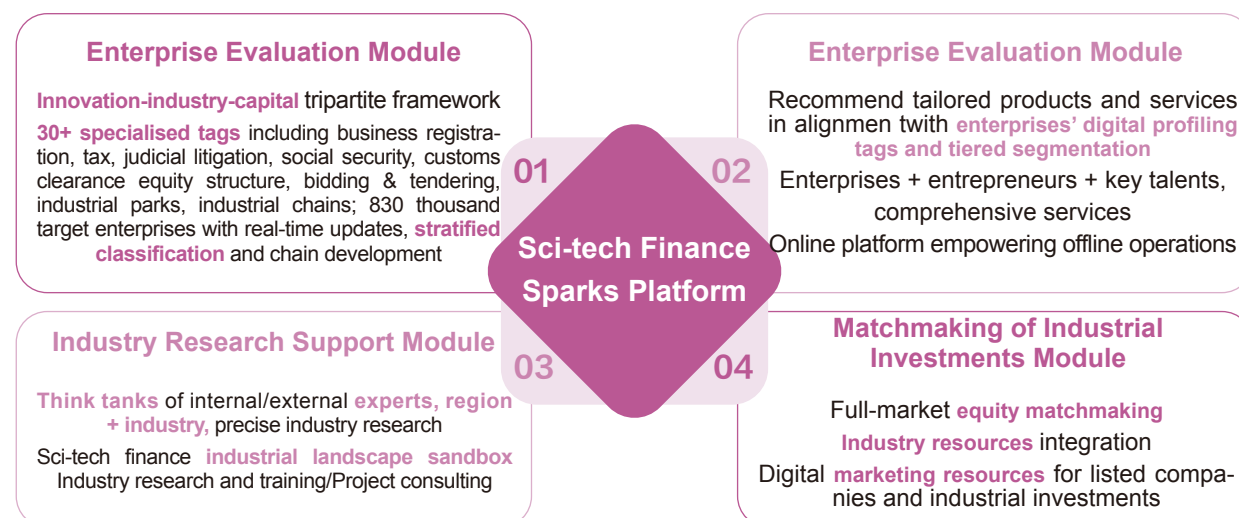
Automatic
approval

Online
contract
execution

Self-service
withdrawal

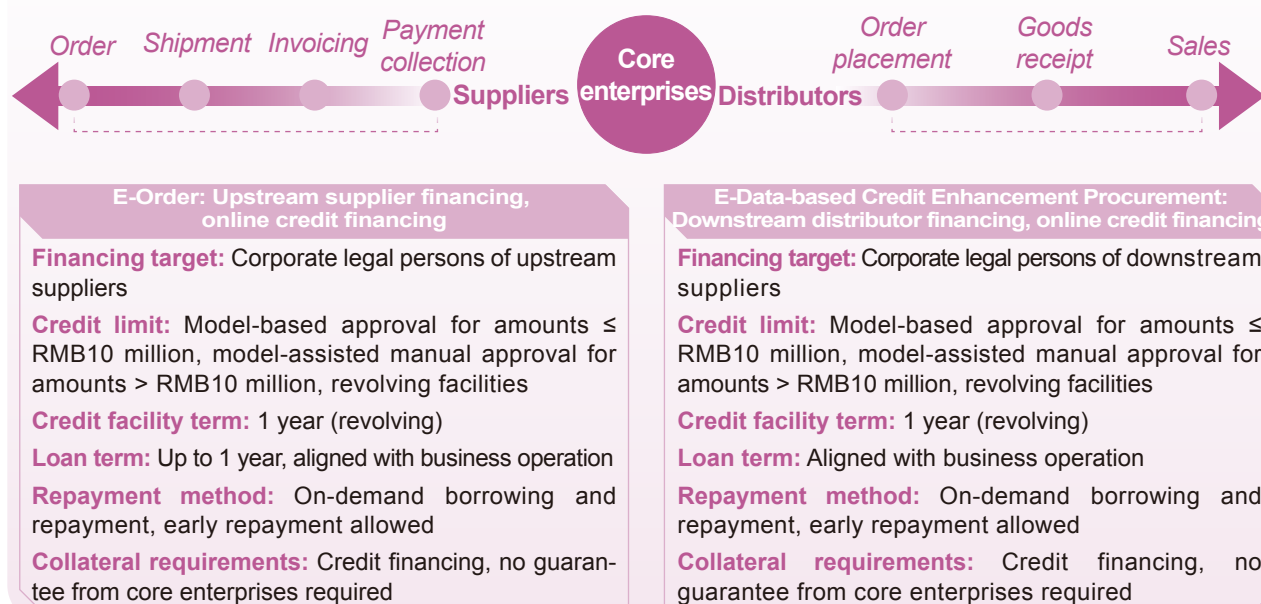
02 Digital services for sci-tech finance

Making full use of big data and relying on the computing platform and the lakehouse technology, the Bank launched the “Sparks Platform”, which is committed to solving the difficulties in sci-tech finance business. The platform integrated four major functions, i.e. enterprise evaluation, industry research support, products and services, and matchmaking of industrial investments, to support the rapid customisation of financial service solutions for sci-tech innovation enterprises.



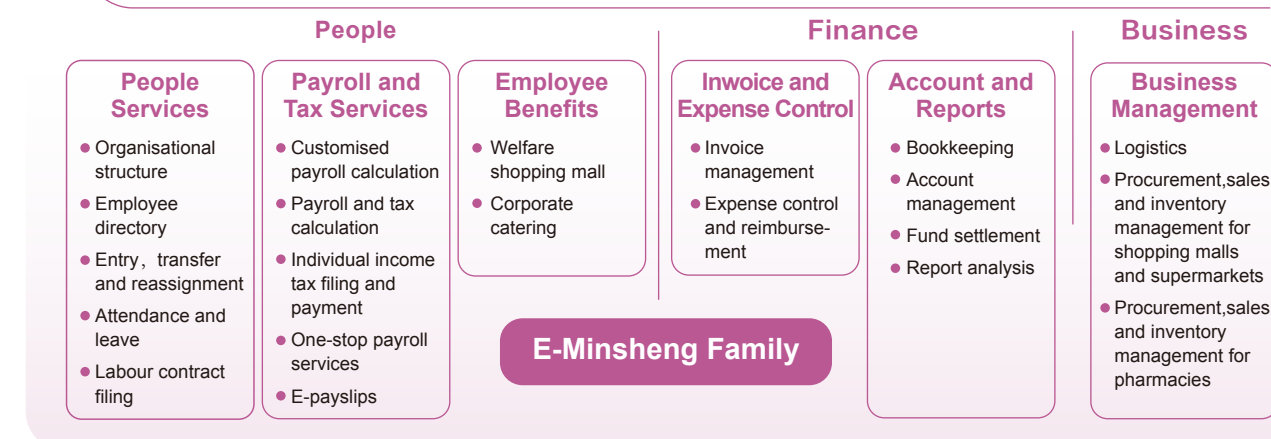
03 Digital services for supply chain finance

The Bank improved the supply chain financial service capabilities to support the stable development of industry chains and supply chains, and developed data-based credit enhancement financing products for supply chains to effectively solve the problems of difficult and expensive financing of MSMEs in the supply chains to facilitate the development of the real economy.



04 Digital services for MSMEs

Focusing on the difficulties faced by MSMEs in daily management of “personnel, finance and matters”, the Bank worked together with quality SaaS service providers from all fields to continuously build the “E-Minsheng Family” platform to provide comprehensive solutions that integrated business, accounting and finance, which enabled MSMEs to improve their operation and management efficiency, thus contributing to their digital transformation.



Intelligent Bank

The Bank comprehensively applied digital technologies to all types of business and management scenarios to make services and management more intelligent.

- Intelligent risk control:** Relying on technologies such as Big Model, the Bank realised intelligent approval of due diligence. With the establishment of digital post-loan management platform, the Bank created data base and achieved the post-loan management results of visible risk, in-place execution, precise supervision and closed-loop feedback to pre-loan management.
- The Bank empowered the integrated management of MSMEs through building a digital post-loan management and “capital chain” governance system, which included ESG into customer risk assessment to enhance the capabilities of risk monitoring, prevention and response.
- Intelligent operation:** The Bank expanded the scope of centralised operations, and promoted the use of RPA, AI and other new technologies to assist or even replace manual operations in core businesses such as account services, payment and settlement, and corporate loan disbursement. The Bank actively expanded the access channels and service scopes of remote banking. At present, the Bank has offered multi-channel access modes, including mobile banking, smart devices, CBANK and mobile operation, covering 88 high-frequency business scenarios. During the year, 8,223.6 thousand customers received the remote banking video service, and the remote banking customer satisfaction rate reached 99.65%.
- Intelligent office:** The Bank developed a digital and collaborative office platform of “iMinsheng”, which integrated more than 300 applications across the Bank and introduced more than 20 efficient tools including cloud documents and multi-dimensional forms. As at the end of 2024, a total of 1,025 paper-based approval processes realised agile online management, promoting the transformation of organisational operating model and the upgrading of corporate culture.

05 Focusing on Protecting Financial Consumers

regulations and regulatory requirements such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Measures for Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions*, the *Implementation Measures of the People's Bank of China on Protecting Financial Consumers' Rights and Interests*, and the *Guiding Opinions on Strengthening the Working Systems and Mechanisms for the Protection of Consumer Rights and Interests by Banking and Insurance Institutions*. In addition, the Bank attached high attention to the protection of the rights and interests of financial consumers. The Bank obtained insight on customers' demands, optimised customer experience, proactively responded to customer complaints, and continuously improved customer satisfaction.

Top-level Design of Financial Consumer Rights and Interests Protection



During the year, China Minsheng Bank further specified duties of the Board of Directors, the Board of Supervisors, the Senior Management, and the consumer rights protection departments, and increased the efforts on the protection and management of consumer rights and interests. From two macro perspectives, i.e. at the Board level and the strategy and planning level, the Bank offered guidance on effectively implementing various measures, and substantially safeguarded consumer rights and interests.

At the Board level, the Board of Directors of the Bank regularly reviewed the reports from the Senior Management on consumer rights protection, the annual report and work plan on consumer rights protection. The Board of Directors also reviewed the implementation of the five-year development plan and the report on the self-assessment of corporate governance, supervising and guiding management to effectively fulfil the responsibilities of consumer protection management. Meanwhile, the Board established a comprehensive consumer rights protection management system, and drove the alignment of the system with corporate governance and business development strategies, so as to ensure that all tasks could be centred on core business lines and critical development strategies could be put into practice. The Board of Directors of the Bank established the Strategic Development and Customer Rights Protection Committee of the Board of Directors as a specialised responsible body. During the reporting period, the Strategic Development and Customer Rights Protection Committee listened to and deliberated on the annual and interim reports and the Work Plans on consumer rights protection of the Bank, and reviewed the *Special Audit Report on Consumer Rights Protection of China Minsheng Bank in 2023*. Also, the committee circulated and studied important documents, such as the annual evaluation reports of the regulatory authorities on consumer rights protection and the quarterly complaint statistical reports. The committee studied the rectification plans of the Bank, deliberated on the rectification progress reports, and urged the Bank to improve the overall level and quality of consumer rights protection.

At the strategy and planning level, the Bank included consumer rights protection into the *Five-Year Development Plan of China Minsheng Bank (2021-2025)*, based on which, the Bank formulated the *Five-Year Development Plan for Consumer Rights Protection of China Minsheng Bank (2021-2025)*, the *2024 Work Plan on Consumer Rights Protection of China Minsheng Bank*, the *2024 Work Plan on Education and Publicity of Consumer Rights Protection of China Minsheng Bank*, the *2024 Work Plan on Training for Consumer Rights Protection of China Minsheng Bank* and other policies, to provide guidance for the protection of consumer rights and interests.

Establishing the Financial Consumer Rights Protection System



Advertising policy.²The Bank has formulated and implemented the *Administrative Measures on Consumer Rights Protection in Marketing and Promotion of Personal Financial Products and Services of China Minsheng Bank*, the *Administrative Measures on Brand Building of China Minsheng Bank*, and the *Administrative Measures on the Review of Consumer Rights Protection of China Minsheng Bank (2022 Revision)*, based on which the responsible institutions at each level conducted strict review over marketing contents of products and services offered to natural person customers, to effectively protect the rights and interests of consumers. During the year, the Bank improved the *Administrative Measures on Traceability of Sales Behaviour of Personal Structured Deposit Products of China Minsheng Bank (Trail)* to further standardise the sales process of personal structured deposit products and enhance the transparency of the sales process, thus realising the internalisation of external regulations.

The Administrative Measures on the Review of Consumer Rights Protection of China Minsheng Bank (2022 Revision)

The Bank continuously enriched the guiding system on the review of consumer rights protection, and formulated guidelines on consumer rights protection with a focus on the eight fundamental consumer rights, fee pricing, marketing and promotion, and the promotion of bank card accounts, credit cards, personal pension fund accounts, loans, structured deposits, wealth management products, insurance, public funds, and private equity management products, which specified the review requirements. The Bank provided training courses on these guidelines to further standardise review on financial marketing and consumer rights protection. Institutions at all levels conducted review over consumers rights protection to identify and highlight potential risks. All marketing materials for products and services offered to natural person customers were subject to review for consumers rights protection, so as to prevent risks of infringing consumer rights and interests from the source and improve the standardisation of marketing materials.

The Administrative Measures on Consumer Rights Protection in Marketing and Promotion of Personal Financial Products and Services of China Minsheng Bank

The measures clarified that the advertisements to be posted should comply with the advertising law without exaggerating and false propaganda. Financial marketing and promotion should be conducted in accordance with laws and regulations, and should protect consumers' rights to know, to choose, to be respected and to keep financial information secure, in order to substantially protect the legitimate rights and interests of consumers. The measures also required to include the text of promotion for products and services into the scope of consumer rights protection review.

The Administrative Measures on Brand Building of China Minsheng Bank

The measures further reinforced the management of brand consistency and the maintenance of brand, established brand awareness and service awareness among all employees through brand management and realised standardised and normative brand development. The measures also specified that departments in charge should conduct legal review over contracts for branding and promotion projects, and the audit department should carry out independent supervision and inspection on brand building management.

²The Bank has formulated fair service marketing policies, which are detailed in the *Key Points of China Minsheng Bank's Marketing and Publicity Policies for Fair Service*.

Information transparency

Bank's official website, and the full list of products can be displayed after entering the corresponding product categories. Customers can easily access product information by clicking on "View Outline" to view the product documents.

Training on marketing and promotion

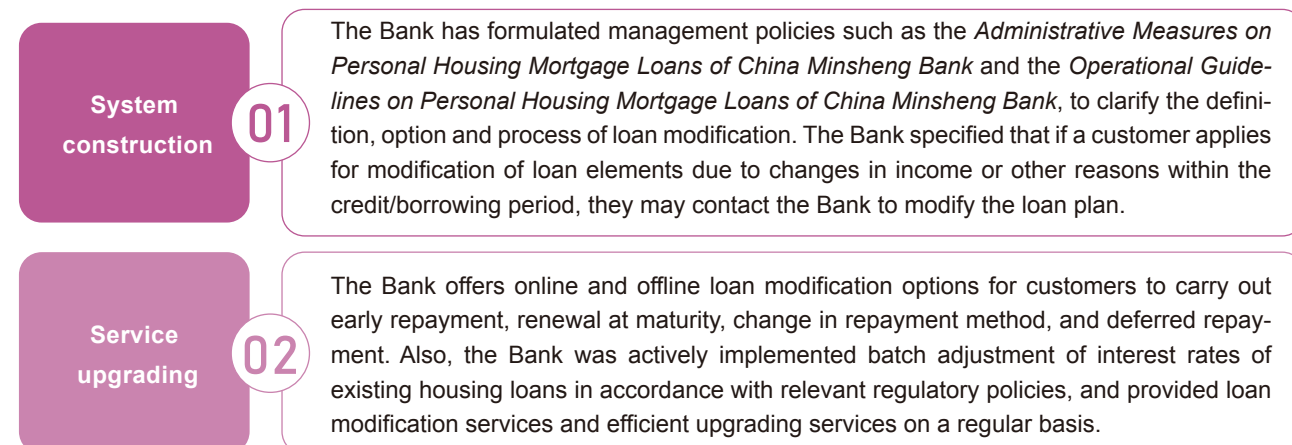
The Bank provided employees with training on key compliance points of product marketing and promotion, typical cases and other aspects through training school and cloud conference at the Head Office level, onsite training sessions and regular meetings at the branch level. The training covered all employees at branches and sub-branches that were engaged in product promotion and marketing. In addition, the Bank organised professional trainings on key review points, for all consumer protection reviewers, and conducted consumer rights protection-related exchange training on a monthly basis, in an effort to continuously improve their professional competence. In 2024, the Bank provided compliance training for nearly 300 compliance managers and key business personnel. The training, covering 40 branches, raised the compliance awareness of front-line employees and improved the quality of "audio and video recording" through regulatory policy transmission, bank regulation risk interpretation and risk business reminders.

Product and service review

The Bank continued to work under the direction of the relevant rules including the *Guidelines for Financial Innovation of Commercial Banks* issued by the former China Banking and Insurance Regulatory Commission, and clarified the role of the Board of Directors as the responsible body. As the supreme leading body for innovation management of the Bank, the Board of Directors took charge of promulgating the innovation and development strategies and included them into the mid-to long-term development strategy. The Bank formulates risk policies adaptable to the innovation and development strategies. The Bank formulated the *Measures on Innovation Management of China Minsheng Bank*, and started to revise policies during the year to clarify that the Board of Directors should make major decisions on innovation management. The Bank incorporated product innovation risk management into the comprehensive risk management system, periodically assessed and reviewed policies in connection with innovation and risk limits of innovation of various products, and strove to maintain consistency between the development strategies and risk management policies for finance innovation, and their corresponding counterparts of the Bank.

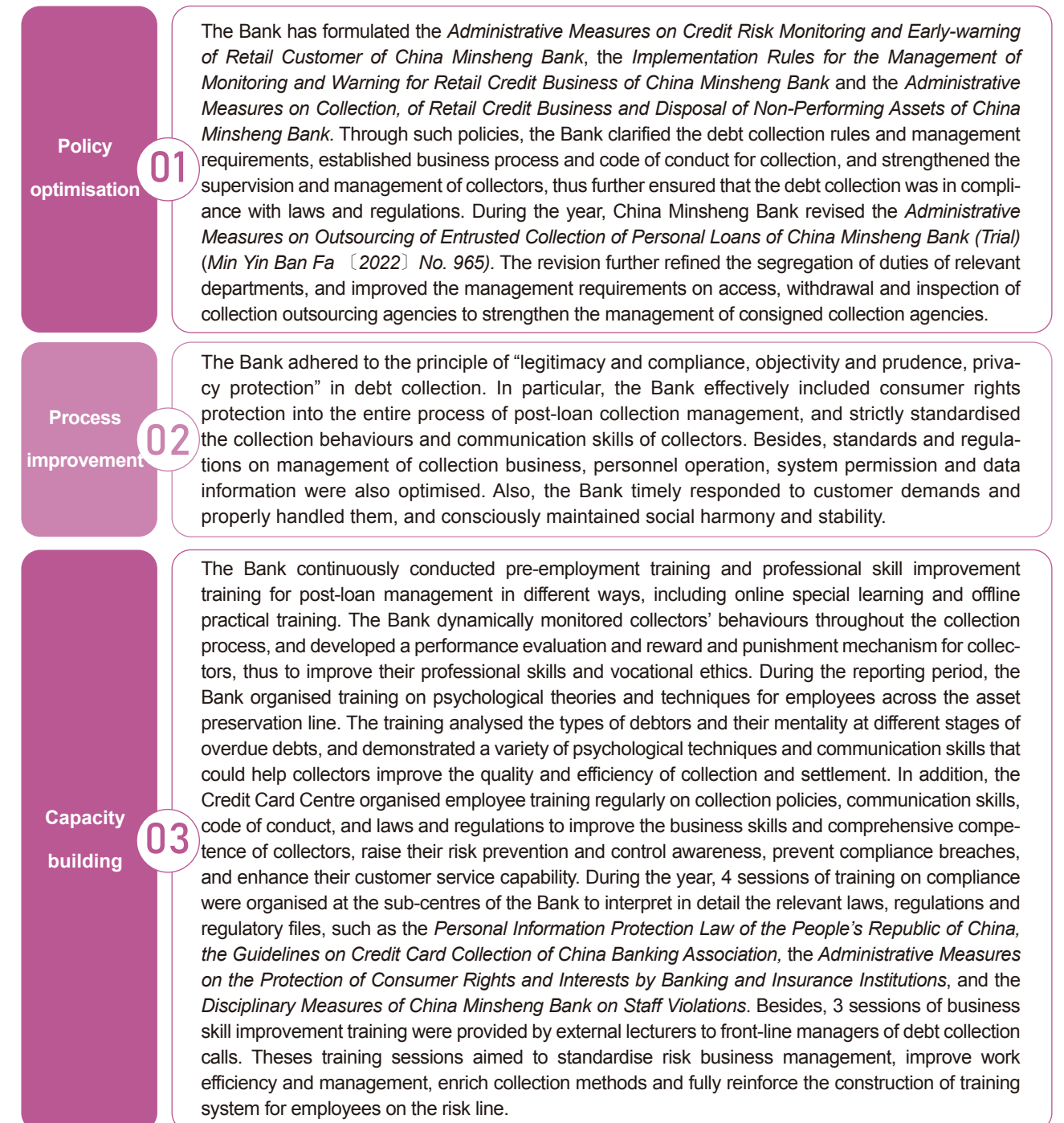
Flexible loan plan modification

The Bank actively implemented the requirements of national policies and regulations, fully respected the loan modification options of financial consumers, and provided customers with support and services for loan modification:



Debt collection³

The Bank has formulated relevant policies on debt collection, which are detailed in the Key Points of China Minsheng Bank's Policies for Debt Collection. The Bank attached great importance to debt collection management and strictly abided by relevant laws and regulations. The Bank also developed a standard debt collection management process, so as to effectively protect the legitimate rights and interests of financial consumers and promote the business development of consumer loan in a compliant and stable manner:



³The Bank has formulated relevant policies on debt collection, which are detailed in the *Key Points of China Minsheng Bank's Policies for Debt Collection*.

Supervision and Management of Financial Consumer Complaints



In respect of complaint supervision, the Board of Directors and the Strategic Development and Customer Rights Protection Committee studied and circulated consumer complaint reports of the banking industry, listened to the reports on rectification progress, and urged the management to supervise and rectify the problems identified in the regulatory evaluations and continuously improve complaint management. In addition, the Bank formulated the *Administrative Measures on the Auditing of Consumer Rights Protection of China Minsheng Bank*, based on which the Audit Department supervised the performance of consumer rights protection throughout the Bank, including complaint management, to constitute a regular and standard internal audit, supervision and evaluation system.

Smoothing complaint channels

The Bank provided multiple channels, such as the homepage of its official website, mobile banking Apps, 95568 customer service hotline and outlet lobbies, for customers to file their complaints, and placed the complaint access in a prominent position or the first-level menu to smooth customer complaint channels and actively listen to customers' demands. During the reporting period, the number of customer complaints received and handled by the Bank totaled 205,344⁴.

Reinforcing graded and classified management of complaints

The Bank established a graded mechanism for complaints to set up layered time frames for handling complaints, according to the cause, importance and urgency of complaints, to improve the efficiency of handling complaints involving urgent matters, special groups, etc. Based on the characteristics of the complaints received, the Bank has formulated complaint classification standards and strict review mechanism, in an effort to improve the quality and efficiency of complaint handling and enhance risk prevention, and further promote classified management of complaints.



⁴In order to reflect the actual situation of customer complaints, duplicate complaints and complaints related to repayment negotiations, credit report disputes and the "action against illicit use of cards" are excluded from the number of complaints during the reporting period.

95568 Customer Service Hotline

95568 customer service hotline is a telephone service system that provides services, consultation, complaints and suggestions for individual, corporate, and MSE customers and is committed to providing 365-day and 24-hour customer service. In accordance with the *Administrative Measures on Handling Consumers Complaints of China Minsheng Bank*, the Bank formulated full-process management rules for customer complaint reception, distribution, handling, case closing and return visits, to improve the quality and efficiency of complaint handling. During the reporting period, the customer satisfaction rate reached 99.8%, and the number of customer complaints received via 95568 hotline was 52,408, with the case closing rate of 100%.

Outlets

- **Smoothing complaint channels and enhancing public disclosure of complaint channels at outlets.** In accordance with regulatory requirements on the public disclosure of complaint-taking channels at outlets, the Bank further clarified the standard for public disclosure of information on complaint channels at outlets, organised outlets to update public disclosure of complaint channels, and disclosed the details of contact information for complaint at branches and sub-branches, to safeguard consumers' rights and interests.
- **Strengthening management to decrease complaints and improve customer satisfaction.** The Bank conducted special service training, established response mechanism for typical/frequent complaints, and organised simulation drills under the lobby business scenario to improve employees' service capabilities, thereby reducing the complaint rate of outlet services by 9% year on year. Based on data analysis and following the principle of "risks equivalence" to customer situation, the Bank optimised measures for the graded and classified management of personal accounts.
- **Setting up the service rating system across the Bank.** The Bank analysed various indicators and complaints at outlets, developed dynamic models to monitor the indicators, and formed the service rating guidance for branches, to evaluate the lobby services of branches and sub-branches in a comprehensive, objective and scientific way.

Monitoring complaints

The Bank regularly conducts complaint monitoring and analysis at all levels. Consumer rights protection officers were designated for the consumer rights protection departments, business departments and various operating units, to conduct regular independent monitoring of complaints in their own business lines and institutions as required, and analyse complaints for key businesses and handling of such complaints, and to strengthen information sharing and supervisory reminders.

Standardising complaint handling process and complaint supervision and review mechanism

When receiving complaints, the complaint receiving department timely shall forward them to the responsible institutions in a timely manner. In turn, the responsible institutions shall investigate and verify complaints in accordance with on requirements, and reply to the consumer with the handling results. The Bank has established an independent complaint closure review mechanism, whereby the complaint receiving department is responsible for reviewing and supervising the handling of complaints by the responsible institution. A consumer disagreeing with the handling result not only has the right to submit the complaint to the higher-level department for review, but also may seek for dispute resolution through mediation, arbitration, litigation and other methods. Upon receiving review applications from consumers, the higher-level department shall conduct comprehensive verification and supervise the complaint handling progress of the lower-level institution.

Complaint management goal

The Bank has always made it a management goal to improve the quality and efficiency of complaint handling, and continued to improve customer service and satisfaction through process optimisation, dispute resolution improvement, and reinforcement of rectification from the source.

Improving complaint handling efficiency and customer problem solving quality

The Bank formulated policies such as the *Administrative Measures on Handling Consumers Complaints of China Minsheng Bank* and the *Rules for the Implementation of Consumer Complaint Handling of China Minsheng Bank*. Also, the Bank established a concerted mechanism by different departments to handle complaints, and improved the efficiency management of complaint handling. Through building a complaint management system with constant improvement of its functions, the Bank has realised online management of the whole process of complaint handling. Meanwhile, the Bank enhanced statistical analysis, monitoring and early-warning of complaints through digital technologies to further improve the quality and efficiency of complaint management. In addition, the Bank carried out regular complaint monitoring and notification with continuous assessment indicator optimisation, to strengthen process management, and took multiple measures to handle complaints in a more standard manner.



Enhancing dispute resolution capabilities and improving customer satisfaction for complaint handling

To improve the ability to prevent and respond to material complaints, the Bank promulgated the *Measures on Emergency Management of Material Consumer Complaints of China Minsheng Bank*, the *Emergency Plan of China Minsheng Bank for Handling Material Consumer Complaints* and other regulations, and regularly organised emergency drills. The Bank strengthened the research on handling specific types of complaints, and formulated complaint handling guidelines to enhance the ability to respond to similar complaints. In addition, to improve complaint resolution efficiency and customer satisfaction, the Bank formulated the *Administrative Measures of China Minsheng Bank on Diversified Solutions of Financial Consumer Disputes*, and resolved disputes through means such as small-value compensation and mediation.

Reinforcing source-tracing rectification to reduce complaints from the source

The Bank formulated the *Detailed Rules for Rectification on Issues of Consumer Complaints from the Source of China Minsheng Bank*, and established a three-level source-tracing rectification mechanism of "the whole bank - head office departments - operating units". The Bank deepened source-tracing rectification by introducing the mechanisms of anonymous commenting and data monitoring to effectively evaluate the rectification effect, thus to effectively improve products and services.

Closed-loop management of complaints at lobby

The Bank managed the personal accounts with larger number of complaints in a graded and classified manner (account management and control), and launched the pilot project on closed-loop lobby complaint reduction by combining personal account lifecycle management, front-line customer communication skills, and return visits to customers with disagreement, while optimising system functions, standardising front-line service communication skills, and intervening in potential complaints at the early stage.

Privacy protection for whistleblowers

The Bank strictly controlled the accessibility to identities of whistleblowers, prohibited the leakage of their information, forbade retaliation against them, and protected their privacy and safety in accordance with laws.

Training on Financial Consumer Rights Protection

Proactive training and publicity

The Bank continuously enhanced consumer rights protection training by organising multi-level training with specific focus and full coverage, in an effort to build a consumer rights protection management team with excellent professional knowledge. During the year, the Bank formulated the *2024 Work Plan on Training for Consumer Rights Protection of China Minsheng Bank*, which set out the key contents and requirements for training throughout the year. The Bank circulated and reviewed its consumer rights protection training on a regular basis to maintain optimal training results. During the year, the Bank conducted a total of 3,499 consumer rights protection training sessions, with 559,239 actual participants, including 552,392 on-duty participants who were required to attend the training sessions. The training sessions covered all on-duty employees, and significantly enhanced the awareness and professional competence of the employees in consumer rights protection.

To further increase the participation of the Board of Directors in consumer rights protection, the Bank constantly enhanced duty fulfilment training on consumer rights protection for Directors. During the year, the Bank provided training to the Board of Directors on the duty to protect consumer rights, during which the Directors studied the regulatory requirements on diversified solutions of financial consumer disputes and their implementation in the Bank. In addition, the Board of Directors timely learned the consumer education work plan and the documents and circulars related to consumer complaints from regulators, and made full use of the online training module for Directors on the protection of consumer rights in order to effectively raise the awareness of Directors on the fulfilment of their duties to protect consumer rights.

Training in connection with financial consumer rights protection

The Bank's training presented layered and classified characteristics with different focuses and distinctive features. The consumer rights protection training covered all levels of employees and all types of positions across the Bank. During the reporting period, the Bank continued to enhance basic training on policies and systems. Competence improvement training was provided based on the type of position. Customer service and risk prevention training was reinforced for businesses with frequent complaints and areas with frequent risks. 209 training sessions on consumer rights protection were provided at the Head Office level, covering nearly 200 thousand participants. All operating units actively implemented their respective annual training plans. Effective and regular training on basic knowledge in consumer rights protection laws and regulations, regulatory policies and policy documents, as well as on operating standards with respect to compliant sales, marketing and promotion, and information disclosure, for sales, service and operational employees was conducted from the front line and outlets based on the actual development and business situation of the operating units. In 2024, the operating units conducted 3,290 sessions of consumer rights protection training, covering over 360 thousand participants.

Enriched Training Channels

The Bank provided a wide range of online and offline training courses specifically designed for work scenarios and common needs of employees serving individual customers:

- The Bank established the special online training section of "Special Training on Consumer Rights Protection", which offered practical training courses covering basic knowledge, dispute resolution, lobby management and typical cases. Meanwhile, the Bank gave full play to the enthusiasm and initiative of the operating units, and included the outstanding training courseware from the operating units into the special training section. As at the end of the reporting period, the Bank set up 38 special courses on consumer rights protection in the system.
- The Bank organised multi-level and multi-session onsite training for the Head Office, operating units and outlets. The training was carried out in different ways, including but not limited to traditional lecture, scenario-based training, case analysis, and seminar. The Bank continuously deepened the integration of consumer rights protection training with daily management and specific practices to improve the quality and effectiveness of the training.



Education and Publicity of Knowledge for Financial Consumers



Adhering to the “people-centred” values, the Bank took full account of the political and people-oriented nature of financial work, and continuously put into practice the concept of “finance for the people”. The Bank continued to create an “centralised + regular” education and publicity system for consumer rights protection available both “online and onsite” and endeavoured to constantly enhance the brand influence of “Minsheng’s Consumer Rights Protection in Action”.

Education for people with limited access to financial knowledge

During the reporting period, the Bank formulated the *2024 Work Plan on Education and Publicity of Consumer Rights Protection of China Minsheng Bank*, which explicitly outlined the annual key points of the consumer rights protection education and publicity work. The operating units provided high quality, layered and classified financial education and outreach to the elderly, youngsters, new citizens, people with disabilities and local residents, both online and offline. Across all areas and channels, these activities delivered useful financial knowledge to key groups in a warm-hearted way.

- **For the elderly**, focusing on the difficulties of the elderly in accessing financial services, the Bank carried out a number of education and publicity activities with a view to improving service experience for the elderly. Such activities not only enriched the daily life of the elderly, but also improved their service experience, thus effectively increasing their sense of access to modern financial services. For example, the Guiyang Branch demonstrated the operation process of various self-service channels for elderly customers via the “Outlet Micro-Class”, and the Lhasa Branch added risk reminders in Tibetan to cater the needs of elderly Tibetans.
- **For youngsters**, the Bank focused on the improvement of their financial literacy and carried out activities to bring financial knowledge to the campus to raise the risk prevention awareness among the younger group through interactive and experiential education. For example, the Beijing Branch organised the “Be a Little Banker on Father’s Day” themed financial knowledge education campaign for youngsters to help them understand the “past and present life” of currencies. In addition, the Urumqi Branch set up the “2024 Minsheng Urumqi Branch Meijiang Class” at Weng Village Primary School in Tawakul Township, Hotan County, Xinjiang, and subsidised 40 students to graduate from primary school and paid regular visits to them. The branch also delivered basic financial knowledge to the students in the “Meijiang Class” to cultivate their wealth management awareness and risk identification skills.

- **For new citizens**, the Bank provided more financial assistance and consumer rights protection services, integrated the financial knowledge education into the financial services for them to improve their sense of access and satisfaction. For example, the Xiamen Branch selected certain sub-branches and branded them as “New Citizen Financial Service Stations”. Under the theme of “Serving New Citizens Wholeheartedly, and Creating a Better Future Together”, the stations provided one-stop services for new citizens, including product consulting and business processing, and regularly popularised basic financial knowledge on insurance, wealth management, credit, etc. In addition, the Fuzhou Branch publicised the financial service initiatives for individual business households through Fujian Traffic Radio, which served the financing needs of merchants in Fujian Province and demonstrated the Bank’s brand image of financial convenience for the people.
- **For people with disabilities**, the Bank paid particular attention to their financial needs. All operating units took the initiative to delivered financial knowledge and bring them convenience. For example, the Changsha Branch collaborated with Xiangyang Home Service Centre for People with Disabilities to organise volunteer activities for people with disabilities under the theme of “On the Path of Public Welfare with You” to explore a new mode of social assistance. Through the activities, the handicrafts made by people with disabilities were promoted, so as to help realise their dream of employment. In addition, together with 8 provincial peer institutions in Qinghai, the Qinghai Branch visited the villagers with disabilities in Xiahexi Village, Lijiashan Township, Huangzhong District, and interpreted basic financial knowledge and anti-fraud measures for them.
- **For people in rural areas, remote areas and minority areas**, the Bank carried out a special education and publicity campaign entitled “Consumer Rights Protection Mission in Counties”. All tier-2 branches and county sub-branches, in conjunction with local primary-level authorities, village and township organisations and other front-line forces, carried out more than 3,500 education and publicity activities in counties. The activities covered nearly 9 million local residents, addressing the “last-mile” of financial education in remote areas. During the year, the Bank carried out regular financial knowledge education and publicity activities for farmers, villagers and national minorities in remote and ethnic minority areas under the theme of “Serving Key Groups, and Delivering Minsheng Care” to help the local people gain financial knowledge and enhance their risk prevention awareness and self-protection capabilities.

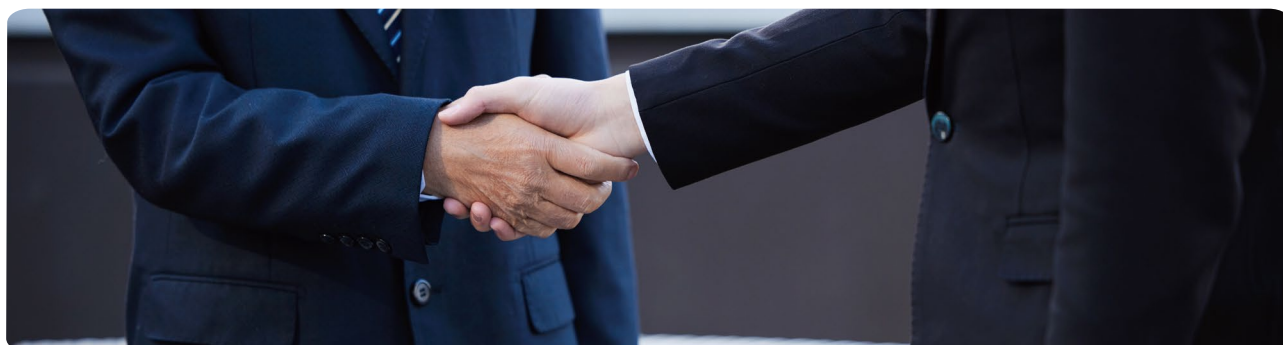


Establishing partnerships with financial education institutions

The Bank actively explored new models to educate consumers and carried out publicity activities in collaboration with financial education institutions.

- **Building “Financial Literacy Cultivation - Off-Campus Practice Base” in collaboration with schools.** The Xi'an Branch established a cooperative relationship with Xi'an Qujiang No. 2 Primary School to jointly build a “Financial Literacy Cultivation - Off-Campus Practice Base”. Since its establishment three years ago, the base has organised 36 public lectures on financial knowledge at schools, financial education video course series, and experience activities at off-campus practice base for financial literacy. In addition, the Xi'an Branch has visited the local elderly service centre for two consecutive years together with Qujiang No. 2 Primary School to carry out the education and publicity activities under the theme of “China Minsheng Bank's Constant Effort in Consumer Rights Protection”. Focusing on education and publicity for the key groups of the elderly and youngsters, the activities aimed to ensure the safe growth of youngsters and the happy retirement life of the elderly, and reached a total of 97 thousand participants.
- **Collaborating with the Dongta University for the Elderly in Yueqing to build the financial education base of “Home for the Elderly”.** The Bank worked with the Dongta University for the Elderly in Yueqing to build the financial education base of the “Home for the Elderly”, and organised the public welfare course for all students once a quarter to conduct financial education and publicity on specific topics such as counterfeit money prevention, pension fraud and credit protection with reference to recent financial cases. In addition, on special occasions such as the Dragon Boat Festival and the Mid-Autumn Festival, the Bank took into consideration the local cultures and conducted public welfare activities such as dumpling and mooncake making, and lantern riddle solving. By integrating consumer rights protection with traditional festivals, the activities not only raised the financial fraud prevention awareness of the elderly, but also delivered humanitarian care to them. The “Home for the Elderly” financial education base was among the first batch to win the title of “Wenzhou Financial Education Demonstration Base” awarded by the People's Bank of China Wenzhou Branch.

During the year, the Bank carried out 126.1 thousand education and publicity activities on consumer protection, reaching over 1,335 million consumer participants, more than 26 thousand original education and publicity contents were created. As the influence of education and publicity continued to grow, the efforts in this area were highly recognised by regulators and the public. The excellent practices of the Bank were reported by the media at the central level for 229 times. The original works from the branches won a number of honours, including the first prize of the “2024 Excellent Financial Education Case Collection of Jiangsu Province”, and the “Best Short Video Award” in the public welfare short video competition of Ningxia Banking Association under the theme of “Financial Consumer Protection in Action - Safeguarding Rights and Preventing Risks”.



06 Strengthening Data and Information Security Management

Information and Data Security Management Structure



The Bank paid great attention to the security protection of information systems and personal financial information, and has created a top-down information security governance structure. The Bank's Board of Directors and the Risk Management Committee attached great importance to data and information security management, and actively exercised their duties in managing the IT risks of commercial bank, and listened to the *2023 IT Risk Management Report of China Minsheng Bank* during the reporting period, which reviewed the overall situation of IT management and major work in risk management. Based on the report, the Board of Directors clarified the key measures on IT risk management in the next stage in accordance with the issues and risks in the current IT risk management. In 2024, the Bank further improved the IT risk management mechanism with clear roles and responsibilities, synergistic and efficient execution, and strengthened cybersecurity and data security management. Besides, the Bank enhanced the production and operation guarantee capacity, and optimised the IT outsourcing management mechanism.

Under the supervision of the Risk Management Committee under the Board of Directors, the Bank has set up a leading group for network security at the Head Office led by the Party Secretary and Chairman of the Board, who was the primary responsible person for the network security of the whole bank, while the Chief Information Officer (CIO) in charge of IT was the direct responsible person to report the network security work progress regularly at the Party committee meetings.

The Bank's IT Management Committee was the deliberative and decision-making body on IT matters for the whole bank. The Committee was responsible for the overall management, deliberation and decision-making of the whole bank's IT development planning, safe operation, data governance and other important technological matters. During the reporting period, the Bank further specified the Committee's responsibilities of directing the Bank's network security and data security protection. The IT Department was responsible for the overall management of data security. Through the coordinated management with multiple departments related to data management, consumer rights protection, risk management, legal compliance and audit, the Bank carried out data security protection throughout all links of the data life cycle.

The Bank specified that subsidiaries should implement the Party Committee's network security evaluation mechanism and optimise network security technology system and architecture, offered guidance to the subsidiaries to improve information security management systems and strengthen security bottom lines, with an aim to achieve unified security monitoring and safe operation across the Bank. The Bank reinforced the on-site inspection over subsidiaries to ensure their IT activities were carried out in a safe and compliant manner, and to prevent information security incidents.

Information and Data Security Management System



The Bank paid great attention to and continued improving its data and information security management, strictly implemented the *Civil Code of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Cryptography Law of the People's Republic of China*, the *Guidelines on the Operational Risk Management of Commercial Banks*, the *Guidelines on the Information Technology Risk Management of Commercial Banks*, as well as other laws and regulations and industry standard requirement. The Bank continuously improved the information security management system, including information security guidelines, data protection and network defence, which covered the whole bank and all subsidiaries, and provided guidance, standard and supervision for all employees to practise information security measures. Operating units at all levels set up data security managers and full-time data security positions and personnel to implement data security management measures and technical protection⁵.

During the reporting period, the Bank formulated and revised 7 information security policies, and further improved the legal bottom line standards for the data security life cycle across the Bank. Also, the Bank further enhanced the management capacity in implementing network security assessment, preventing and managing computer viruses, regulating information system development security, strengthening cryptographic equipment management, and carrying out data classification, grading and security protection. Based on that all policies covered the whole bank and all subsidiaries, the Bank guided all institutions to conduct business in accordance with laws and regulations, so as to ensure the safe and stable operation of the Bank's networks and information systems as well as the security of the business operation and customer information of the Bank.

The Bank further refined the 4-level information security system covering general policies, management specifications, standard rules, and operational procedures, and formulated information security systems covering the Bank, including the *General Information Security Strategy of China Minsheng Bank*. The Bank conducted information security education and training to all employees every year. Meanwhile, the operating units and the subsidiaries formulated and issued information security-related systems in line with their actual situation based on the requirements and guidance of the Head Office, strictly implemented the requirements to improve information security protection level.

Network security	Taking the relevant requirements of the <i>Cybersecurity Law of the People's Republic of China</i> as guidelines, the Bank published the <i>General Information Security Strategy of China Minsheng Bank</i> and other policies, which covered security organisation, security strategy, access control and security incident. This enabled the Bank to realise the unified and standardised information security management process and technical implementation.
Data security	Benchmarking against the data security polices of regulators, the Bank revised and published the <i>Measures on Data Security Management of China Minsheng Bank</i> , which further clarified the governance responsibilities, management measures and technical means of protection for data security.

⁵The Bank has formulated comprehensive privacy and data security protection policies, which are detailed in the *Key Points of China Minsheng Bank's Policies on Privacy and Data Security Protection*.

Information and Data Security Management Measures



To reinforce the protection of financial consumer privacy and data, protect the legitimate rights and interests of financial consumers, the Bank improved security monitoring and protection measures during information processing with technologies including cloud printing, API monitoring and document encryption at terminals. Through the operation security platform performance improvement and other practices, the Bank focused on building network security capabilities of threat detection, correlation analysis, response and situation awareness. At the same time, the Bank strengthened customer privacy protection and security compliance management of client applications, and formulated the *User Interface (UI) Specifications for Mobile Operation Terminals*. Besides, the Bank refined risk prevention and control, operational efficiency and customer experience in medium- and high-frequency service scenarios, and completed the annual review and the real-name registration of major changes of mobile banking client Apps of the Bank, for the purpose of enhancing the security compliance of mobile terminals.

Security technology	The Bank set up a complete identity authentication and access control management system to protect consumers' personal information. Through identity authentication, classified authorisation and authority control for devices, applications and users, the Bank achieved effective access control management, clarified the granular boundary of external visits, and established a "zero trust" security structure. The Bank adopted symmetric encryption algorithm, asymmetric encryption algorithm, digital signature, digital certificate, de-identification and other cryptography technologies to ensure data confidentiality and integrity in the process of collection, transmission and storage of sensitive personal data. To protect the privacy of consumers' personal financial data, the Bank promoted the research and application of innovative technologies such as private calculation and confidential calculation to further enhance the protection of consumers' personal information. During the reporting period, the Bank won the third prize in the 2024 "FinCrypto" competition for cryptographic application and technological innovation.
Security management	To prevent personal information leakage, in addition to the existing policies such as the <i>Measures on Data Security Management of China Minsheng Bank</i> , the <i>Administrative Measures on the Protection of Personal Information of China Minsheng Bank</i> , and the <i>Administrative Measures on Consumer Rights Protection of China Minsheng Bank</i> , the Bank further issued the <i>Guidance on Impact Assessment of the Protection of Personal Information of China Minsheng Bank</i> and the <i>Administrative Measures on Environmental, Social, and Governance Risks of Corporate Clients of China Minsheng Bank</i> , which specified requirements on personal information access strategy, personal information processing rules, and personal information security protection. The Bank also made clear confidentiality obligations by signing confidentiality agreements and providing confidentiality training, incorporated data security risk management into the comprehensive risk management system, and enhanced security threat assessment and response capabilities. These measures significantly improved the automatic security incident assessment and emergency response capabilities.

To promptly and effectively identify and prevent data risks, the Bank put in place the data leakage incident response mechanism to minimise data leakage risks and ensure customer data security.

Proactive defence

Based on technical means such as boundary defence, network isolation, host protection, intrusion detection and application security, the Bank constructed an all-round and in-depth defence system. On this basis, the Bank realised complete cybersecurity operation in respect of asset identification, management, monitoring and early-warning of vulnerability, analysis and assessment, coordinated synergy, response and source tracing. In addition, The Bank actively applied big data, threat intelligence and other technologies to identify data security risks, thus continuously strengthening cooperation and information sharing with competent national regulators to form a synergy of efforts.

Emergency response

In order to ensure the security of business systems, devices, networks and data, ensure the stable operation, prevent the risk of data leakage, the Bank has established an efficient emergency response mechanism for data leakage, which clarified the division of duties and staff arrangement. During the year, based on the *Special Emergency Plan for Data Security Incidents of China Minsheng Bank*, the Bank issued the *Administrative Measures on Cybersecurity Incidents in Critical Information Infrastructure of China Minsheng Bank* to further standardise the emergency response workflow for cybersecurity incidents in critical facilities, and regularly carried out emergency drills. In the case of data leakage or potential leakage, the emergency organisation and personnel would take responsive and recovery measures in an orderly manner according to the process from monitoring and early-warning, analysis and assessment, notification early-warning, emergency response, coordinated synergy to source tracing, accumulate experience in responding to data security emergencies, and make every effort to protect the security of customer information, so as to avoid or reduce possible losses and impacts.

During the year, the Bank conducted drills for cyber attack and defence, as well as important information system switching, which focused on social engineering, data tampering, data theft, data leakage, data backup and recovery and other scenarios. The Bank also conducted business continuity drills simulating ransomware attack scenarios across all business units to continually improve the contingency plans and accumulate experience in responding to emergencies. The Bank strictly complied with laws and regulations related to cybersecurity and data security, implemented regulatory data security compliance management requirements, and adhered to the bottom lines of data security compliance. Additionally, the Bank submitted the security assessment on data export of the London Branch to the national competent regulatory authorities to ensure compliance in data security work. During the reporting period, no security incidents such as data leakage occurred.

Remote Disaster Recovery Construction

China Minsheng Bank continuously advanced the construction of local and remote disaster recovery solutions. A disaster recovery system of “three centres in two cities” has been established. The system comprised the primary centre at the Mapo sever centre in Beijing, the local disaster recovery centre at Dr. Peng sever centre in Beijing, and the remote disaster recovery centre at Henan Telecom sever centre in Zhengzhou. During the reporting period, the Bank completed local disaster recovery construction for 42 systems and remote disaster recovery construction for 24 systems, achieving full coverage of remote application-level disaster recovery for all critical information systems. The effectiveness of the remote disaster recovery environment for all critical systems was all validated through remote switching drills, with an effectiveness rate of 100%. In addition, the Bank successfully completed the business continuity stress test using the load-carrying switching mode, which further enhanced switching efficiency and minimised the impact on actual operations during emergencies.

Customer Privacy and Data Protection Measures



The Bank attached great importance to the construction of a comprehensive system in the field of data security. To protect consumers' personal data from the source, the Bank carried out a series of measures to improve management and security technology.

System construction

The Bank strictly complied with the *Administrative Measures on the Protection of Personal Information of China Minsheng Bank*, the *Administrative Measures on the Protection of Consumer Rights on Personal Financial Information of China Minsheng Bank*, the *Guidance on Impact Assessment Management of the Protection of Personal Information of China Minsheng Bank* and other regulations, which clearly defined organisation structure and duties on the protection of consumer information, and put forward requirements on various aspects, including all links of consumer information processing, cross-border management, cooperating institution management, information system management, staff management, and impact assessment of consumer information protection. The Bank strictly required all institutions to follow the principle of “minimum and necessary”, adopted effective measures such as classified authorisation, authority control, technical control and impact assessment to strengthen the protection of consumer financial information, and protect legitimate rights of individuals to modify consumer information. The Bank also established corresponding supervision and inspection and emergency response mechanisms to prevent information leakage and misuse. During the year, the Bank issued the *Administrative Measures on Cybersecurity Incidents in Critical Information Infrastructure of China Minsheng Bank* to further standardise the emergency response workflow for cybersecurity incidents in critical facilities.



Granting of information control authority

According to the customer privacy policies, the Bank processed customers' personal information with their consent and specified customers' authority in controlling their personal information. The Bank was fully committed to protecting the rights of customers to access, copy, delete, request account cancellation, change the scope of consented authorisation, refuse personalised display, respond to requests and withdraw consent of personal information, in an aim to enable customers to have sufficient capabilities and channels to protect their personal information security, and execute their rights in relation to personal information.

- **Accessing and updating personal information:** Customers can access or modify account information on the personal banking or mobile banking Apps via the page of settings on the website or the mobile Apps.

- **Deleting personal information:** Customers have the right to request to delete personal information when stop using the services provided by the Bank. Once the request is accepted, customers' personal information, except for those shall be retained pursuant to laws and regulations (e.g. the transaction records for AML), will be deleted in time.

Minimised data collection

The Bank adopted minimised data collection in line with the principles of "lawfulness, legitimacy, necessity and integrity".

Data retention restrictions

The Bank set corresponding data retention periods for different types of data in accordance with relevant regulations of the state and the financial regulatory authorities, as well as the time limits agreed with individual customers. Once the data retention period expired, the Bank shall delete the data. If the data was technically difficult to delete, the Bank shall stop all handling of the data other than storage and necessary security protection.

Strengthened management constraints

The Bank specified the security management requirements over the full life cycle activities from data collection, transmission, storage, usage, deletion to destruction, and implemented graded and classified data management. The Bank adopted effective measures such as classified authorisation, authority control and technical control to strengthen the protection of personal financial information, protect legitimate rights of individuals regarding their personal information, and established corresponding supervision and inspection and emergency response mechanisms to prevent information leakage and misuse.

Data use control on third parties

The Bank only shared customer personal information with third parties for legal, legitimate, necessary, specific and explicit purposes, and only shared the personal information necessary for providing services. Besides, the Bank continuously strengthened the protection of the process by which third parties used users' personal information, and rigorously monitored the software development kits (SDKs) and application programming interfaces (APIs) used by partners to access information, in an attempt to ensure data security. Moreover, the Bank entered into strict confidentiality agreements with third parties, requiring them to handle users' personal information in accordance with the Bank's instructions, policies and any other relevant confidentiality and security measures.

Supplier management in external data procurement and data application processes

The Bank placed great emphasis on customer privacy and data protection in the procurement of external data and the application of such data. Before collaborating with suppliers, the Bank acquired information about the suppliers' information security certifications to ensure they possess the relevant qualifications. The contract explicitly outlined the obligations that data suppliers must fulfil regarding customer data and privacy confidentiality during the collaboration. This included ensuring the legitimacy and compliance of data sources and the authenticity of information collection processes, and no data processing beyond the agreed-upon purposes and no data copies should be stored or retained without consent. During the collaboration, the Bank monitored the supplier's adherence to the obligations, requiring data suppliers to record and save the processing procedures of relevant data for traceability. The Bank also requested data suppliers to cooperate in conducting regular sampling checks on the supplier's data records, systems, controls, processes and procedures. Once a supplier fails to comply with relevant policies, the Bank will demand rectification and will subsequently verify and monitor the rectification outcomes.



Training on Information and Data Security Management

Information security management related training

The Bank took various measures to actively improve information security awareness and capacity, with a focus on network security, data security, customer privacy protection, etc. Training and education activities were conducted for all employees of the Bank (including regular employees and contractors), with an annual average of about 4 hours of training per person.

Special training on privacy and data protection for all employees

The Bank regularly promoted data security education. According to the *Work Plan for Education and Publicity of Cybersecurity and Data Security*, the Bank conducted relevant data security education activities for all employees and outsourced staff. The Bank regularly organised specialised data security courses for internal employees, including data security training and classified and graded training of data for mid-level managers and employees in specific positions, with an assessment pass rate of 98%. Additionally, online courses such as the interpretation of the *Data Security Law* and *Cybersecurity and Data Security Compliance Awareness Training* were developed. For new outsourced staff, the Bank conducted an assessment on network and data security awareness, and offered online training sessions designed to enhance network and data security risk compliance.

Data security training for employees with data management responsibilities (including all employees in the Data Management Department and all employees of data teams of Minsheng Fintech Co., Ltd.)

The training focused on AML and data security-related topics, introducing AML and data security management system to relevant employees, to enhance their awareness and skills in fulfilling AML responsibilities and help them fully understand the content and considerations of data security management. As a result, data security management was improved and management of minor violations by information technology personnel was strengthened. All these employees completed the post-training evaluation with a 100% pass rate.



Internal and External Audits of Information and Data Security

External certification and review of the information system

In accordance with the requirements of the NFRA, the China Securities Regulatory Commission and other authorities on the disclosure of annual reports of commercial banks, the Bank conducted annual external information system audit, which covered the assessment of the design and implementation of information security policies and technology management processes, and disclosed the audit results in the Bank's annual report and the annual internal control evaluation report. To actively implement the classified protection of cybersecurity, the Bank engaged third-party testing agencies to conduct information system security testing and risk appraisals every year, and carried out internal and external evaluation of ISO 27001 information security management system, in a bid to constantly optimise information security management system and operation procedures.

Internal information system audit

During the reporting period, the Bank's internal audit work strictly followed various regulatory requirements, kept abreast with the latest development of national information security management, and carried out six audit programmes covering information security and information system. These included the "special audit on regulatory reporting data management, the "special audit on post-implementation assessment and management of application systems, the "special audit on commissioning and change of credit card core systems", the "comprehensive annual audit on business continuity management", and the "annual audit on IT of tier-1 branches". By organising these audits, the Bank identified risks in related sectors, facilitated correction and management optimisation, promoted the continuous improvement of IT management systems of the Bank, and constructed the third line of defence for IT risk management.

Information and Data Security System Certification



The Bank's information security management system has passed the ISO 27001 information security management system certification. The business scope of this ISO 27001 certification included the design and development, operation and maintenance, and technical support of the information systems of the whole bank.

During the reporting period, the Bank's programme on "Capability System Construction for Big Models Security Management and Application Evaluation" was awarded the third prize of the 2023 Fintech Development Award by the People's Bank of China. At the same time, the Bank continued to improve the standardisation and systematisation of its information security management, and passed the system certification of the China Cybersecurity Review Technology and Certification Centre and the Enhanced Certification for "Trusted R&D and Operation Security Capability Maturity" (TSM) organised by the China Academy of Information and Communications Technology. The Bank's professional competence in protecting data, information, and privacy security of enterprises and customers has won international-level recognition.

Social Responsibility

**People-Oriented, Promoting
Development with Human Re-
sources**

HR



People-Oriented, Promoting Development with Human Resources

01 Talent Development Strategy

The Bank adhered to people-oriented development, protected the rights and interests of employees, valued talents and supported their career development, respected and paid attention to the needs and development of employees, and empowered them with smooth career development channels. The Bank also strengthened independent cultivation of young talents, and provided abundant learning resources and growth space to achieve mutual value creation and development with employees. The Bank has provided reliable conditions for safety and health protection, focused on humanistic care for employees, paid attention to their spare time life, and organised various activities to constantly enhance their satisfaction and happiness.

Clarifying Recruitment Strategy



Guided by the Bank's talent strategy, the Bank has been committed to building a young, professional and sustainable team of talents. It took the lead in the establishment of the campus recruitment and social recruitment system, and spared no effort to promote the building of the supply chain of high-quality strategic talents. Based on business development needs and comprehensive talent assessment, the Bank developed a layered and classified recruitment plan to effectively predict recruitment needs and match appropriate differentiated recruitment channels, thereby enhancing the quality and efficiency of talent recruitment. In terms of campus recruitment, in line with the goal of building a young talent team, the Bank continuously increased the proportion of fresh graduates among newly recruited employees to lay a solid foundation for independent talent cultivation. For social recruitment, on the basis of publishing regular job postings on official platforms, the Bank actively initiated talent searches for urgently needed mid-to-high-end talents in key sections.

Dedicated to building a campus recruitment brand

"Employment is the most significant livelihood issue". The Bank placed great emphasis on campus recruitment and cultivation of young talent, set the goals of developing young talent teams, and constantly increased the ratio of graduate students in the new recruits to lay a foundation of self-sufficient talent cultivation. To attract and recruit more outstanding graduates, the Bank introduced innovative campus recruitment practices, focused on the online promotion channels favoured among youngsters, proactively established contact with universities and arranged targeted presentations. In addition, the Bank promoted the use of AI interview selection tools in campus recruitment to enhance the quality and efficiency of recruitment and selection. Moreover, the Bank continuously optimised featured graduate student recruitment projects, developed the campus recruitment system with the main brand of "Future Bankers" and the sub-brands of "Young Sail Management Trainee Programme", "Minsheng Chip Fintech Talent Programme" and "Fresh Bamboo Professional Talent Programme". The cultivation of "Young Sail" management trainees is focused on key position talents in the priority business area of the Bank's transformation and reform. Through relatively rich job rotation, the emphasis is on enhancing diversified thinking and problem-solving abilities. The cultivation of "Minsheng Chip" Fintech talents is positioned as the technical backbone of the Bank's fintech field, aiming to secure a crucial talent pool for the Bank's digital transformation. Through the "industry-technology integration" approach, the focus is on identifying and selecting high-potential Fintech talents with proven technical skills, innovative learning capabilities, a sense of responsibility and teamwork spirit. The cultivation of "Fresh Bamboo" professionals is targeted at being the business backbone in various professional directions of the Bank. They are empowered through specialised training and tasks in a "step-by-step" manner. During the reporting period, the Bank recruited over 1,000 fresh graduates, making campus recruitment the main channel for talent recruitment.



Employer Brand Publicity Strategy in Campus Recruitment

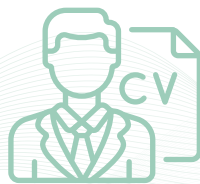
In order to strengthen the campus recruitment branding, enhance the brand influence of the "Future Bankers" programme in campus recruitment and enhance the attractiveness of outstanding graduates, in August 2024, the Bank produced an employer brand video, to systematically introduced the policies for independently cultivating young talents and demonstrated the growth paths and opportunities available to them at China Minsheng Bank. Through continuous employer branding efforts, the "people-oriented" management culture was deeply rooted in people's mind, making the Bank's employer brand more appealing. In recent years, the Bank witnessed a steady increase in both the quantity and quality of campus recruited graduates, thereby laying a solid foundation for talent selection in campus recruitment.



Employer Brand Video: Welcome Aboard, Future Bankers

During the reporting period, the Bank received multiple honours in human resources recruitment, including the "2024 China's Top 30 Employers" award co-presented by Zhaopin.com, the Social Survey Research Centre and the National School of Development of Peking University, the "2024 Employer Excellence of China" and "Excellence in Talent Attraction & Retention of 2024" awards from 51job.com, and the "2024 NFuture Top Employers Winning Tech Talent in Campus Recruitment" award from nowcoder.com.

Smoothing Talent Development Channels



The Bank attached great importance to employee growth and development, and built the sound “dual channels” mechanism for management and professional development around the Bank’s strategic positioning and development goals. It provided employees with a career development platform with fair opportunities, clear channels and scientific evaluation, helped them achieve personal value and career goals, and continuously strengthened the construction of the workforce. The Bank advanced the reform of candidate selection and appointment, established a fair and equitable talent selection mechanism, and selected talents with professional competence, value contribution, innovation mindset and a sense of responsibility in various fields. With these efforts, the Bank optimised the structure and enhanced the quality of talent teams.

Expanding the channel for professional job sequence talent development

The Bank offered employees a dual-track career path, encompassing both professional and management sequences, to meet the diverse development aspirations of its employees. In the professional sequence, the Bank has established and improved the qualification system, continuously optimised the professional talent development management framework, and carried out position-matching management and regular evaluation and appointment for professional talents at all levels of the Bank. The Bank also created diverse learning and development opportunities for employees through various measures, including providing the online learning platform of “Minsheng Learning Studio”, organising internal and external training programmes, establishing mentorship and job rotation mechanisms, and offering opportunities for key task assignments and project-based practical experiences. These moves aimed to create a diverse learning and development space for employees, encourage them to continuously enhance their professional skills and contributions, fostering a multi-layered talent team that facilitates mutual growth for both individuals and the organisation.

Enhancing young talent cultivation and development

The Bank took campus recruitment as the main channel for talent acquisition, and actively recruited a diverse range of campus talents, including those for management roles, fintech professionals and specialised positions. At the same time, it employed social recruitment to bring in mid-to-high-level talents. Talent cultivation was divided into different phases: the learning stage, the growth stage and the development stage. For each stage, the Bank clearly defined the cultivation objectives and initiatives and precisely implemented a “step-by-step” talent cultivation approach through diversified methods, including business training, task-based practice and job rotation programmes. This enabled the Bank to continuously refine job skills and consolidate the foundation of its talent teams.

Focusing on management capacity and leadership development

The Bank mainly improved the capability of the management and the reserve talents with continuous effort in the following aspects:

- Strengthening the selection and cultivation of reserve talents.** The Bank actively selected and cultivated reserve talents, in an effort to bring youthful energy to the management team, improve the management team structure, and emphasise on the selection orientation of young and professional talents with practical capability, impressive performance and front-line experience. The Bank optimised the selection process for deputy executive candidates and innovated the format of interview to enhance candidates’ interview engagement, experience and depth of presentation, thereby improving the scientificity and accuracy of talent selection. The Bank also actively organised reserve talents to make job exchanges between the Head Office and the branches to strengthen their practical skills.
- Strengthening the development of management team.** The Bank continued to optimise the age and professional structures of the senior management team. To this end, the Bank increased the utilisation of young reserve talents who embodied the Bank’s culture and values, possessed a high sense of responsibility, mission and career aspiration, demonstrated strong strategic execution capabilities and professional competency, and had a proven track record of leadership and performance. The Bank also optimised and strengthened the leader teams at all institutions, and increased job rotation and exchange of senior management at all levels to achieve the goals of serving strategic objectives, allocating resources as needed, matching people to positions, optimising structure, and to establish a clear orientation for selecting and appointing talents.
- Continuously supervising the performance of management personnel.** The Bank enhanced supervision on the performance of managerial personnel and the fulfilment of their duties, and strengthened the usage of reminder, letter of inquiry and admonishment to ensure the integrity and efficiency of the management teams.



Optimising Talent Incentives



The Bank has established a comprehensive system for performance management, evaluation and feedback, and formulated detailed and reasonable management requirements regarding assessment methods, processes and feedback. Considering the mid- to long-term business development, the Bank implemented a performance management model that integrated “annual comprehensive performance evaluation” with “periodic reviews”. This model encouraged employees to embrace long-termism and stimulate intrinsic motivation and creativity.

Strengthening people-oriented honour incentives

The Bank has established the “Minsheng Gold Medal” award and the “Minsheng Silver Medal” award as the highest honours of the Group. These awards were designed to convey the Company’s core values and drive sustainable growth of the Bank and its employees. To leverage the guiding roles and inspirational influence of outstanding individuals and role models, the Bank held the Group Honour Selection and Recognition in 2024, with a total of 676 employees and 195 groups being recognised. In addition, the Bank upgraded the “Minsheng Starry Sky” system through which the honorary medals were distributed. The system provided a comprehensive overview of employees’ honourable achievements, thereby enhancing the sense of honour and belonging among employees. Furthermore, the Bank set up the “Best New Joiner” award for young employees, and the “Career Achievement Award” which covered employees’ entire career, and can be obtained by employees with five, ten, twenty and thirty years of service, fully showcasing the Bank’s talent diversity at all levels.

Establishing the value-based remuneration management system

In alignment with the strategic transformation requirements and mid- to long-term development goals, through proactive plan and targeted investment in human capital and remuneration, the Bank aimed to sustain market competitiveness in terms of compensation offerings, strengthen the disciplinary role of compensation incentives in risk management and control, and supported the transformation of business model. The Bank’s total annual compensation for employees was configured based on the principles of driving strategic development, stable operations, and enhancing comprehensive performance, taking into account factors such as total number and composition of employees, growth of young employees, introduction and cultivation of talents in strategic business areas, risk control, and operating outcomes. Individual employee’s compensation followed the distribution principles of “setting up positions based on needs, determining salaries based on positions, matching employees to positions, adjusting salaries with position changes, and paying for performance”. On the basis of recognising the value of the employee’s position and their personal capabilities, performance bonuses were determined according to the achievement of comprehensive performance, continuously stimulating employees’ value creation and professional growth. Besides, the cultivation and motivation of young, sci-tech and front-line employees was a priority of the Bank. By optimising the salary structure and improving the incentive mechanisms, the Bank ensured the basic living standards of employees, allowing them to focus on enhancing their capabilities and experience levels, and achieve mutual growth with the organisation. The Bank formed a position-based remuneration management system that was “competitive in external market, fair in internal allocation, and sustainable in motivation measures”. The Bank also strengthened incentives for strategic key areas, critical positions and young talents, and realised the rational allocation of incentive resources and well-planned incentives for employees’ value contributions.

Building a strategy-orientated performance evaluation process

The Bank stuck to a layered, classified, comprehensive and balanced performance management mechanism. The Board of Directors was in charge of due diligence evaluation of the performance of the Senior Management, strictly enforcing regulatory policies and prioritising compliance to drive business development, and advocated a performance culture that emphasised long-term stability and comprehensive balance. Meanwhile, the Bank focused on long-term strategic goals by setting strategic transformation and execution targets, guiding the Senior Management to implement the Bank’s strategic deployments. The Bank focused on the strategic objectives and business model transformation in employee performance management. It continued to optimise the performance management system and implemented layered and classified performance evaluation requirements, enabling differentiated and refined management of employees at all levels and categories. The Bank kept optimising and improving the closed-loop performance management process covering “performance objectives setting - performance tracking and coaching - performance appraisal and delivery - performance feedback and improvement”, strengthening performance management process and the role of performance evaluation in guiding and improving employees’ behaviour. The Bank’s performance evaluation process is as follows:

- **Performance objectives setting:** The Bank’s management staff work with employees to develop performance objectives in accordance with the organisational strategy, department planning, job responsibilities, collaborative requirements, and capability enhancement plans. These goals are broken down into various indicators to reflect diverse job responsibility requirements.
- **Performance tracking and coaching:** Managers at all levels tracked employee performance based on the performance objectives set at the beginning of the year, and engaged in regular performance communications with employees to predict and assess any potential deviations from the established performance targets. Performance coaching was conducted through performance communication, skills training, experience sharing and knowledge expansion. While fully acknowledging employees’ achievements and encouraging them to further tap into their potential, the coaching promptly highlighted areas for improvement, assisting employees in bridging the gaps and successfully meeting performance objectives.
- **Performance appraisal and delivery:** To ensure the performance assessment outcomes are comprehensive and objective, the Bank applies equitable procedures with transparent policies. Employee performance evaluation is divided into periodic and annual evaluations. Periodic evaluations primarily focus on reviewing job performance and risk compliance indicators. The frequency and scope of assessments can be determined by branches based on their specific situations and the assessment results serve as references for annual evaluations. Annual evaluations provide overall assessments of employees’ job performance and capabilities. The assessment results are applied to distribute performance bonuses or adjust the job and salary grades, and serve as references for training and development, talent selection and award nominations.
- **Performance feedback and improvement:** After the performance evaluation, managers at all levels communicate with employees based on their performance results, analyse their achievements and shortages in the previous evaluation period, and guide them to develop performance enhancement and improvement plans. Then, the human resources department of each branch will develop and implement appropriate training programmes.

The Bank continued to improve the employee performance management system, harnessing the guiding role of performance evaluation to facilitate stable business operations and sustainable development. In terms of evaluation models, the Bank has established a dual approach: performance evaluation based on job responsibilities and performance ability assessment based on professional competence. By blending quantitative and qualitative indicators, the Bank offered a thorough and comprehensive assessment of employees’ contributions, encouraging them to enhance their overall capabilities. Regarding the setting of assessment indicators, the Bank incorporated outcomes from inclusive finance and green credit assessments, as well as internal assessments of consumer rights protection, into the evaluation system for staff with relevant responsibilities. For employees involved in significant risk issues, a “one-vote veto system” was implemented, to continuously strengthen employees’ sense of responsibility and compliance awareness, thereby aligning with the commitment to sustainable development.

Growing Together



The Bank abides by relevant policies in the *Administrative Measures on Employee Education and Training of China Minsheng Bank*, the *Administrative Measures on Employee Education Expenditure of China Minsheng Bank*, and the *Administrative Guidelines on External Professional Qualification Certification of China Minsheng Bank*. The Bank deepened the construction of learning maps system, constructed a layered and classified internal trainer management model, strengthened the development of the external qualification certification system, constantly improved the input-output ratio of training resources and consolidated the institutional foundation for training management. These efforts enabled the Bank to build a professional training system that was value-oriented and quality and efficiency-focused, providing comprehensive and professional support for the capability enhancement of the organisation and employees.

In 2024, the training works of the Bank were aligned with the its strategic transformation, business expansion and talent cultivation requirements. Adhering to the principle of integration of organisational development, talent development and learning-based growth, the Bank proactively advanced innovation in training philosophy and models, and product development, comprehensively advanced the upgrading of learning maps, developed general capability courses for all employees and business lines, striving to enhance the overall quality and effectiveness of the Bank's education and training initiatives. During the reporting period, the Bank completed training for employees with a total of 6.50 million attendances, organised qualification certification of 402 items within the Bank and 300 live streaming classes, which effectively improved employees' skills in performing their duties.

Deepening the construction and promoting the litigation of learning maps to enhance employees' learning experience.

Through in-depth cooperation with various institutions, the Bank strengthened its learning resource development capabilities, optimised operating models, clarified the rules for annual iteration and upgrading, and organised special briefings to ensure effective implementation. The Bank also gathered extensive feedback from employees and collected nearly 7,000 questionnaires, which provided references for the optimisation and upgrading of the operating models. In addition, the Bank integrated lightweight and real-time learning resources to diversify learning formats. It also expanded cross-departmental and cross-business line course offerings, and improved the course system to further stimulate employees' learning enthusiasm. The Bank developed 29 courses that covered general skills for all employees and business lines, and comprehensively enhanced the breadth and depth of the learning map contents for 136 professional sequences/directions, which enhanced the systematic and practical nature of its learning resources. By aligning modular designs with job requirements, the Bank provided employees with broader and more structured learning resources.

Focusing on key talent cultivation and key business areas to strengthen and refine key training programmes.

In accordance with the principle of focusing on reform priorities, key businesses and core talents, the Bank has concentrated quality training resources, focused on key training projects, carried out Party school training for senior management personnel, continued to increase reform advocacy, unified concepts and consensus, and inherited experience and wisdom. The Bank consolidated the talent training system for digital transformation, upgraded the training system for new hires, and improved the quality and efficiency of training for young talents.



Cross-Border Business On-the-Job Training Project

To enhance the market competitiveness of the Bank's cross-border business and leverage the Bank's operating advantages and management experience as a "cross-border business service platform", the Bank launched the Cross-Border Business On-the-Job Training Project to provide strong support for the professional on-the-job training of all employees, especially young employees. The project adopted a "training through practice" model. With collaboration between the Head Office and branches, this project offers a 1-3 months full-time on-the-job training experience, covering areas such as cross-border products and foreign exchange policies, cross-border risks, cross-border legal affairs, and refined cross-border operation. In 2024, a total of 20 employees from 18 branches completed the on-the-job training, which played a positive role in further optimising the Bank's talent exchange mechanism, enriching talent development channels and models, and promoting the construction of a professional talent team.

Deepening the long-term cultivation of internal trainers to promote the sharing and inheritance of knowledge and experience.

The Bank placed great emphasis on the cultivation of internal trainers and the sharing of knowledge and experience, gradually forming a standardised and systematic layered system for internal trainer empowerment and selection, along with a mechanism for course development and coaching. As at the end of 2024, a total number of 1,663 internal trainers at various levels were selected and trained, further deepening and promoting the "business-training integration" model for specialised cultivation of internal trainers in different fields.



"Minsheng Trainer Programme - Retail" - Internal Trainer Cultivation Programme

In 2024, to further strengthen the relationship between trainer cultivation and business development, and to foster the inheritance of internal knowledge and experience, the Bank organised the "Minsheng Trainer Programme - Retail", an internal trainer cultivation programme. This initiative followed the talent cultivation strategy of "topics from business needs, trainers from the front-line practices, and achievements serving business practice", and focused on the professional growth and comprehensive capability improvement of internal trainers. Through a series of carefully designed training sessions that spanned five distinct empowerment training phases, the Bank successfully cultivated 105 senior internal trainers (90 golden trainers and 15 platinum trainers). Furthermore, the Bank produced 167 complete and practice-oriented retail-specific courses with a total duration of nearly 100 hours, which has promoted the systematic and efficient dissemination and application of business knowledge.



Partnering with educational institutions for training

During the reporting period, the Bank established deep partnerships with external education institutions to carry out a series of high-quality management capability improvement training programmes aimed at elevating management capabilities. Centred around critical management areas, the Bank implemented targeted and ongoing training across diverse domains and themes. To improve basic management skills of mid-level management personnel, the Bank introduced 39 high-quality management capability frameworks from Harvard Business School, with core contents of on leadership, professional competency, and management capability, and carried out structured, three-year-term online and offline learning.



Training Programmes for High-Quality Management Capability Enhancement

Developing leadership and management capability

The Bank launched a series of high-quality management capability enhancement training projects, which focused on key management areas designed and implemented layered and classified management capability enhancement plans for executives, mid-level managers, and high-performing young employees, to effectively improve performance ability of employees at all levels.

- High-quality management capability improvement training for leaders and senior officers at the Bank level:** The training included offline face-to-face teaching and online learning, covering topics such as strategic leadership, legal compliance, etc. There were about 495 participants in this year's training, including president-level executives from the Head Office, senior management, deputy senior management, senior professional sequence personnel, and senior management of subsidiaries.
- High-quality management capability improvement training for mid-level management personnel:** The programme aims to improve basic management skills. Incorporating the 39 high-quality management capability frameworks from Harvard Business School, the programme spanned three years and focused on leadership, professional competence, and management capability. In 2024, based on the survey results on learning, the Bank organised 8 core capability training camps for more than 8,000 mid-level personnel throughout the Bank. The contents of the training covered strategic planning and execution, strategic thinking, business sensitivity, customer-centric philosophy, innovation stimulation, team management, talent motivation, and career management. Each training camp empowered participants through 21 days of online digital training programme, achieving a 95.4% completion rate, and identifying 623 outstanding trainees. This initiative continuously enhanced the team management efficiency.

Supporting employee to obtain professional qualification certification

The Bank attached great importance to the professional development of its employees, provided financial support and guarantee for all employees to obtain the external core qualification certification, such as Chartered Financial Analyst (CFA), Certified Financial Planner (CFP), Associate Financial Planner (AFP), Association of Chartered Certified Accountants (ACCA), Financial Risk Manager (FRM), and Project Management Professionals (PMP), and encouraged them to attend the certification examinations organised by external institutions. Upon approval, the Bank may reimburse all costs associated with external core certifications. As at the end of 2024, a total of 15,345 employees obtained external qualification certification.



02 Equal and Diverse Employment

Protecting Employees' Labour Rights and Interests



When signing, renewing, terminating, and rescinding labour relations with employees, the Bank strictly abided by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and other laws and regulations. Constant efforts were made to optimise the management process and improve the institutional system covering the whole process of induction, attendance, leave, salary, and dismissal. The Bank followed legal procedures to ensure that employees were treated in a fair, open, and impartial manner, regardless of gender, race, or other factors. The Bank incorporated employee rights and interests, such as maternity leave, infant care leave, and childcare leave into its attendance system, in full compliance with the law. When formulating, modifying, or deciding rules and regulations or major matters that directly concern the vital interests of employees, such as labour remuneration, and working hours, the Bank would consult with the Trade Union or employee representatives on an equal basis, and make the decisions known to all employees.

Complying with Labour Standards



Child labour and forced labour are prohibited in the Bank. To prevent these situations from happening and correct the relevant behaviours, the Bank introduced strict review and supervision measures in employee recruitment and appointment procedures, enhanced training of major HR services providers, and would penalise any violation in accordance with laws, regulations, and relevant internal disciplinary policies. For any child labour or forced labour identified, punishment would be imposed in accordance with relevant laws and regulations. During the reporting period, the Bank did not involve in child labour, forced employment, or forced labour, nor did it violated the laws or regulations relating to child labour or forced labour.

Providing Employee Benefits



The Bank provided all employees with basic social benefits and internal standard benefits, and made timely and full payment for basic pension, basic medical care, unemployment, work-related injuries, maternity and other kinds of social insurance and housing provident funds, thus to protect employees' labour rights and legitimate rights and interests in accordance with laws. In addition, the Bank set up a welfare system including corporate annuity, supplementary medical insurance, physical examination, and other benefits to provide guarantee for employee welfare. In addition to the national statutory holidays, all employees were entitled to annual leave, infant care leave and childcare leave in line with the regulations, and female employees during pregnancy or lactation period were privileged with prenatal leave, maternity leave and lactation leave. The Bank also provided welfare leave and service year-based leave to support employees to achieve work-life balance.

03 Employees Health and Safety

Strengthening Safety Prevention and Control System



The Bank strictly abided by laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, as well as industry standards and regulations such as the *Security Requirements for Banking Business Area of Public Safety Industry Standards of the People's Republic of China*. The Bank also issued the *Notice of CPC China Minsheng Bank Committee Office on the Establishment of Work Safety Committee of China Minsheng Bank*, and set up the Work Safety Committee with the Chairman as the head and the President as the executive head. The Committee covered all departments of the Head Office, all branches and all subsidiaries, further improving the bank-wide safety organisational system and working mechanism.

Improving management measures

Pursuant to the *Work Safety Law of the People's Republic of China*, the *Emergency Response Law of the People's Republic of China* and the *Contingency Plan for Banking Emergencies* and in order to strengthen the work safety management of the Bank, fulfil the responsibilities for work safety supervision and management, prevent and reduce occupational accidents, and protect the safety of employees, customers and the Bank's properties, the Bank conducted the following work during the year:

- **Standardising safety management.** The Bank formulated the *Working Rules for Work Safety Committee of China Minsheng Bank* and the *Working Rules for Work Safety Committee Office of China Minsheng Bank*. These regulations standardised work safety efforts throughout the Bank and ensured that work safety operations run smoothly within the framework of the institutional system.
- **Improving emergency response plans.** The Bank streamlined the workflow and formulated the *Emergency Response Plan for Security Work in Dealing with Group Petition Incidents at the Head Office Premises* and the *Emergency Response Plan for Security Work in Dealing with Incidents at the Head Office Premises*. These measures were designed to effectively maintain the regular office work order and personnel safety at the Head Office premises while minimising negative impacts.

Reinforcing employee safety training and drills

The Bank organised training on safety knowledge and skills regularly and conducted emergency drills to ensure employees with enough security awareness and ability to respond to emergencies. Taking into account the unique characteristics of banking operations and the practical needs of employees, the Work Safety Committee Office at the Head Office formulated the *Fire Emergency Manual of China Minsheng Bank* by using graphics and text. The manual covers a wide range of aspects including basic fire safety knowledge, identification and use of fire fighting equipment, fire extinguishing and self-rescue, as well as emergency response to bank fires. By refining and organising key fire safety knowledge and emergency procedures relevant to the Bank, the manual aims to help all employees quickly acquire fire safety skills and enhance their ability to save themselves and others. During the reporting period, all branches (including sub-branches) conducted various drills for fire evacuation, flood and waterlogging prevention, anti-terrorism and anti-violence, and emergency response. The Bank has carried out a total of 9,846 security publicity activities, 30,489 security training sessions with 540 thousand participants, and 8,174 safety emergency drills with 180 thousand participants.

Strengthening fire prevention management

The Bank established the fire safety inspection system, in which property service managers on duty were required to carry out daily safety inspection, record daily inspection report, summarise inspection results weekly and monthly, and identify potential risks. In 2024, for each office area of the Head Office, the Bank carried out a total of 2,453 safety patrols and 2,057 safety inspections, discovered a total of 1,919 potential risks and issued 438 safety notices, with a rectification rate of 99.3%.



Conducting special inspection

The Bank actively implemented the spirit of the “Work Safety Conference for the Entire System and Industry” organised by the NFRA. A work plan was developed and approved by the Party Committee and the Work Safety Committee, and efforts were coordinated across all institutions to carry out investigation and implement targeted rectification measures to address potential problems. The Bank also conducted a thorough review of the initiative’s implementation and submitted the Summary Report on Potential Safety Risk Investigation and Rectification Campaign of China Minsheng Bank to the General Office of the NFRA.

Promoting security awareness

To enhance employees’ fire safety knowledge and awareness, the Bank launched the “Fire Safety: A Shared Responsibility” quiz campaign with prizes. The campaign encompassed critical fire safety topics, including real case studies, fire safety responsibilities, basic fire prevention knowledge, and the identification and use of fire-fighting equipment. An assessment was included to evaluate employees’ understanding of the knowledge imparted. By the end of the campaign, a total of over 41,300 employees of the Bank had completed the quiz after attending the video course. Among them, 32% scored at excellence (90% correct) or higher, while 97% scored at pass (60% correct) or above.

Building a Defence Line against Occupational Health Risks



The Bank highly valued employees' health and safety. In strict accordance with relevant national laws and regulations such as the *Labour Law of the People's Republic of China*, the Bank cared about employees' safety and health, and paid social insurance as required by the *Social Insurance Law of the People's Republic of China* and other related national policies. The Bank actively responded to the *Outline of the "Healthy China 2030" Plan*, the *Opinions of the State Council on Implementing Healthy China Action* and other documents, and opened Minsheng Infirmary and Minsheng Health Room in workplace to provide employees with a full range of occupational medical and health management services and first-aid services for acute and critical diseases during office hours, and to assist patients to receive timely and necessary treatment before being transferred to medical institutions. The Bank established three lines of defence to protect employees' health and safety as a response to the call of the State on establishing and improving a multi-level medical security system.

First line of defence

First line of defence: The Bank followed the provisions set out in the *Employment Contract* and the internal rules for labour relations management regarding employee protection, work condition and occupational hazard protection. The Bank paid social insurance on time for employees in full amount and handled occupational injury incidents in compliance with the relevant laws and regulations.

Second line of defence

The Bank formulated labour relation management regulations regarding employee protection and included them in the *Employment Contract*. The Bank examined the implementation of the "first line of defence" and other regulations on a regular basis, and organised relevant trainings and lectures.

Third line of defence

The Bank established a supplementary mechanism of group medical insurance policy, which covered multiple collective insurance items such as outpatient, inpatient and accident, to provide basic health insurance service for employees.



Minsheng Infirmary and Health Room Provided All-Round Medical and Health Services

To provide employees with better health management and service and foster a healthy culture of the Bank, the Head Office, with the approval of the Health Committee of Xicheng District, obtained the *Practice License of Medical Institution* and opened the Minsheng Infirmary and Health Room, which aimed to offer employees with medical and health services in all aspects, including general consultation and diagnosis, chronic disease management, medical first aid, psychological counselling, health therapy and wellness education. In 2024, the Infirmary and Health Room received 10,412 visits, arranged 48 expert visits, and provided 97 health therapies.



The Minsheng Infirmary and Health Room Providing Medical and Health Services to Employees

The Infirmary and Health Room received

10,412
visits

Arranged

48
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Provided

97
health therapies



04 Pleasant Working Experience

Deepening Democratic Management



In accordance with relevant provisions of the *Trade Union Law of the People's Republic of China* and the *Constitution of the Chinese Trade Unions*, the Bank actively put the *Provisions on the Democratic Management of Enterprises* into practice, supported the independent work of the Trade Union and the democratic election of its chairman, and made available relevant funds in full amount to protect the democratic rights of employees. During the reporting period, the Bank promoted the institution-based, procedure-based and standard-based democratic management of employees, organised and convened employee representatives congresses, and deliberated on and approved the *Working Report of Employee Supervisor*, the *Disciplinary Measures of China Minsheng Bank on Staff Violations (2024 Revision)*, the *Regulations on Prohibited Conduct of Employees of China Minsheng Bank (2024 Revision)*, the *Candidates for Employee Supervisors of the 9th Board of Supervisors of China Minsheng Bank*, and other rules, regulations and matters related to the employees' immediate interests.

During the reporting period, the trade unions at various levels of the Bank continued to improve the corporate democratic management system with employee representatives congress as the basic form, organised employees to participate in democratic elections, decision making, management and supervision, and proactively encouraged employees to engage in corporate governance in an orderly manner. The Bank convened the 3rd, 4th, and 5th employee representatives congress of the second session, where the representatives deliberated and passed a series of major proposals and significant policies and measures through voting. The primary-level units regularly organised and convened employee representatives meetings at branch level based on the related institutional requirements, which deliberated and voted on the policies and measures concerning employee benefits. These meetings fully protected employees' rights to information, participation, expression and supervision.

Smoothing Communication Channels



The Bank has built up a long-term feedback platform for employees called the "Voice of Minsheng" to collect and address business development appeals from the primary-level institutions, to summarise key issues on a regular basis to report to the management for making decisions, and to publish the solutions for problems. In order to protect employees' personal privacy and information security, employees could raise questions and file appeals both anonymously on the "Voice of Minsheng" platform. Once replied, employees could post questions for unlimited times and give anonymous feedback on the responses to ensure that their issues were effectively solved. The Bank adhered to the principle of keeping employee information confidential, and attached great importance to the anonymity of employee opinions submitted. Thus, the Bank developed a stringent complaint handling process, clearly stipulated the authorisation and confidentiality scope of employees' personal information, and strictly controlled the retention time of appeal information to effectively guarantee the personal information security.

The Chairman and the management paid close attention to employees' complaints, and held special meetings to work out the solutions for the problems and demands reported. The operation team of the "Voice of Minsheng" platform coordinated, tracked and urged the whole process of problem solving, and assessed the efficiency of the corresponding departments in handling appeals. During the reporting period, the Bank collected a total of 894 employee feedback issues from the "Voice of Minsheng" platform, with 592 anonymous ones therein, and the solution rate reached almost 100%.

Caring about Employees' Life

Conducting happiness index survey

For a more pleasant occupational experience and higher employee satisfaction, the Bank launched the bank-wide happiness index survey on a regular basis, with the assessment results covering the whole year. The 2024 happiness index survey covered all 50 operating units across the Bank. The findings furnished essential data to support future empowerment and improvement initiatives for the operating units. Based on the survey results, targeted measures were implemented to address the pressing difficulties and problems that were of the greatest concern to the operating units and primary-level employees, so as to enhance their sense of gain, security and happiness.

Maintaining a work-life balance

In order to enrich employees' leisure life and improve their physical fitness, the Bank organised a wide range of sports activities for all personnel, such as esports matches, "Minsheng Cup" chess matches and contract bridge matches, to care about employees in all aspects, help them grow happily, and to create favourable workplace ecosystem to elevate the operational efficiency of the organisation. The Bank organised employee care programmes during the New Year's Day, Spring Festival, May 1st (International Workers' Day), Dragon Boat Festival, Mid-Autumn Festival, National Day, and other festivals. The Bank also arranged birthday celebrations for employees, paid consolations to employees and their families in difficulties, and showed solicitude to paired assistance cadres. The Bank also organized themed activities for the Women's Day and the Children's Day, and parent-child activities for summer vacations, in a bid to help employees maintain the balance between work and life and improve family happiness.





Warmth Delivery Activities During 2025 New Year's Day and Spring Festival

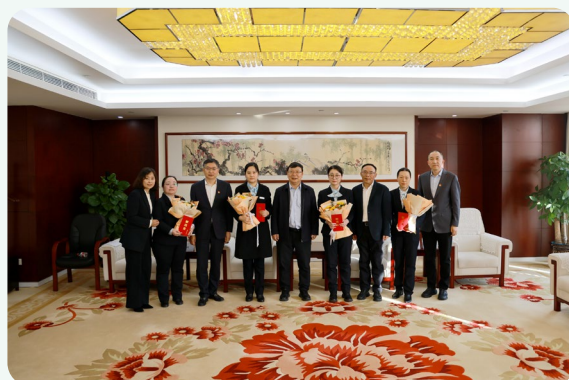
During the 2025 New Year's Day and Spring Festival, in active response to the call of the CPC, the Bank organised trade unions at all levels to conduct warmth-delivery activities in accordance with the *Implementation Rules for the Use and Management of Trade Union Relief Funds of China Minsheng Banking Corp., Ltd.*. During these activities, the trade unions extended profound care to over 450 employees in difficulties and their families, and to the Bank's cadres on temporary assignment for rural revitalisation and the retired employees in difficulties, with a total of RMB3.15 million consolation funds distributed to them. This act conveyed the care and the warmth from the CPC and the trade unions to each employee, further enhancing their sense of belonging and cohesion.

Amount of consolation funds distributed to employees

RMB **3.15** million



Warmth Delivery Activities during 2025 New Year's Day and Spring Festival



Caring about female employees

The Bank continued to improve the organisation of trade unions and other female employees groups at all levels, and safeguarded the legitimate rights and interests of female employees to enhance their sense of belonging and honour, stimulate their enthusiasm and creativity, and create more opportunities and platforms for their career development. During the year, the Bank urged the Female Employees Committee of the Trade Union to implement standardised management practices and actively enforce the "Special Protection for Female Employees" clause. The Bank maintained the bank-wide programme of "Care for Female Employees", which provided activities tailored to the interests of female employees, including training for female directors of trade unions, face-to-face dialogues, legal knowledge contests on female employees' rights, The Rose of Books (a cultural programme), and physical and mental health-focused lectures and online counselling services on topics such as "Mental Health", "Family Education", and "Occupational Strain". These efforts provided comprehensive care and support for female employees.

Paying attention to mental health

The Bank continued to enhance its initiatives for supporting mental health of employees. In addition to the regular appointment-based counselling services provided through the 7×24 hours psychological counselling Employee Assistance Programme (EAP) hotline, a new "instant consultation" feature was added to offer more timely psychological guidance and support to employees. The one-on-one psychological counselling at the mental health station were also optimised, with specialised counselling services on "Family Education" and "Health Management" added, effectively alleviating employees' work-related and personal stress. During the reporting period, the EAP hotline provided a total of 1,545 hours of service to employees. Besides, the Bank offered "Psychological Care for the Primary-Level Employees" services to 6 branches, conducting 49 events that reached nearly 10 thousand individuals. Six sessions of "Physical and Mental Health Lecture Series" were held, covering topics such as mental health improvement, occupational strain, and the prevention of cardiovascular and cerebrovascular diseases, reaching 12,000 participants both online and on-site. The second "Mental Health Ambassador Training Classes", consisting of 42 learning hours over six months, was held for 50 senior and mid-level managers and key personnel, fostering more advocates and guardians of physical and mental health. After years of exploration, the EAP services have been integrated into all aspects of employees' daily work and life, achieving breakthroughs in both service effectiveness and influence.



Creating an Innovative "EAP Health Ambassador" Team to Advocate for a Healthy Lifestyle

The Bank has established an internal "EAP Health Ambassador" team, which is capable of risk identification and prevention, referral of employees with physical or mental health concerns to appropriate support, and the promotion and leadership of a health organisational culture. In 2024, the Trade Union at the Head Office launched the second "EAP Health Ambassador" training programme, which attracted 50 participants, including senior and mid-level managers and psychology enthusiasts from 34 departments of the Head Office. Through a combination of online guided learning and offline hands-on practice, employees gradually mastered the contents of the 10 modules, including the positioning and functions as a "Health Ambassador", daily stress management, care and management of personal issues, application of counselling techniques, prevention and identification of psychological risks, practical techniques and practices for heart-to-heart conversations, and identification and response to workplace health risks. This programme has created an internal part-time EAP service team and extended psychological care services to the primary-level.



The Second "EAP Health Ambassador" Training Programme

05 Performance Indicators of Human Resources Development

Key Performance Indicators Related to Employment in 2024

Employment Profile in 2024 ¹		
Indicators	Headcount ⁴	Percentage
Total employees	60,665	100%
By employment type		
Full-time	60,665	100%
Part-time	0	0%
By gender		
Male	26,147	43.10%
Female	34,518	56.90%
By age ³		
<=30	12,534	20.66%
31 to 50	45,344	74.74%
>50	2,762	4.55%
By geographical region ⁴		
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong)	17,942	29.58%
Central China (Henan, Hubei and Hunan)	4,237	6.98%
North China ⁵ (Beijing, Tianjin, Shanxi, Hebei and Inner Mongolia)	22,459	37.02%
South China (Guangdong, Hainan and Guangxi)	6,292	10.37%
Northwest China (Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang)	2,321	3.83%
Northeast China (Heilongjiang, Jilin and Liaoning)	2,366	3.90%
Southwest China (Chongqing, Sichuan, Guizhou, Yunnan and Xizang)	4,722	7.78%
Hong Kong, Macao and Taiwan regions of China	301	0.50%
Overseas (London)	25	0.04%
By ethnic group		
Ethnic minorities	2,874	4.74%
Ethnic majorities	57,791	95.26%
Notes:		
① The scope of employee data covers the Head Office, branches and sub-branches at all levels of the Bank.		
② The number of employees is the headcount as at the end of 2024.		
③ The age group classification data currently does not include overseas (London).		
④ The headcount of each region is the total number of employees of the branches in each region.		
⑤ The Head Office and the Credit Card Centre are included in North China for statistics.		

Key Performance Indicators Related to Turnover in 2024

Employment Turnovers in 2024	
Indicators	Turnover rate ^{1, 2}
Total turnover rate ³	3.14%
By gender	
Male	3.47%
Female	2.90%
By age	
<=30	6.30%
31 to 50	2.57%
>50	1.42%
By geographical region	
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong)	3.54%
Central China (Henan, Hubei and Hunan)	3.32%
North China (Beijing, Tianjin, Shanxi, Hebei and Inner Mongolia)	1.82%
South China (Guangdong, Hainan and Guangxi)	4.50%
Northwest China (Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang)	3.83%
Northeast China (Heilongjiang, Jilin and Liaoning)	2.50%
Southwest China (Chongqing, Sichuan, Guizhou, Yunnan and Xizang)	4.46%
Hong Kong, Macao and Taiwan regions of China	7.97%
Overseas (London)	8.00%
Notes:	
① The employee turnover rate data covers registered employees of the Head Office, branches and sub-branches at all levels of the Bank.	
② The employee turnover rate is calculated based on the active/passive turnover of employees.	
③ The employee turnover rate represents the ratio of the turnover of regular employees in 2024 to the headcount of regular employees as at the end of 2024.	

Key Performance Indicators Related to Employee Training in 2024

Training hours of employees in 2024	
Indicators	Average training hours (hour) ¹
All employees	59.13
By rank	
Senior management	49.80
Mid-level management	51.23
General employees	61.64
By gender	
Male	56.81
Female	60.88
Percentage of employees trained in 2024 ²	
Indicators	Percentage of employees trained (%) ³
By rank	
Senior management	89.35
Middle management	99.74
General employees	99.65
By gender	
Male	99.38
Female	99.70
Notes: ^① The average training hours of employees represents the ratio of the total training time on record in the Bank as at the end of 2024 to the average headcount of the Bank in the year. ^② The percentage of employees trained represents the ratio of employees taking training as at the end of 2024 to the average headcount in the year. ^③ The scope of the percentage of employees trained covers the Head Office, branches and sub-branches at all levels of China Minsheng Bank.	

Key Performance Indicators Related to Employee Health and Safety in 2024

Employee health and safety in 2024		
Indicators	Headcount ²	Percentage ⁴
Number of work-related fatalities occurred in the past three years (including the reporting year) ^{1,3}		
2024	2	0.003%
2023	0	0
2022	0	0
Indicators	Number of days	
Lost days due to work injury (work injury leave) ⁵	1,553	
Notes:		
^① The scope of work injury and work-related fatalities covers the Head Office, branches and sub-branches at all levels of the Bank.		
^② The number of employees is the headcount as at the end of 2024.		
^③ Statistics on work injuries and work-related fatalities are collected based on the recognition of the local Human Resources and Social Security Bureau.		
^④ Rate of work-related fatalities = Number of work-related fatalities/Total number of regular employees		
^⑤ The number of lost days due to work injury is the total number of days of leave due to occupational injury of employees recognised by the local Human Resources and Social Security Bureau.		





Social Responsibility

Financial Public Welfare, Minsheng's Care for the Society

Adhering to the philosophy of sharing development achievements with the society, the Bank closely connected its own development with social progress and continued to initiate innovative social responsibility practices in the fields of paired assistance, emergency response and disaster relief, disease treatment, donation to education, environmental protection and cultural welfare. The Bank passed warmth and strength through its actions and endeavoured to contribute to a better society.

Financial Public Welfare, Minsheng's Care for the Society

01 Supporting Rural Revitalisation

The Bank actively responded to the national strategy to financially support rural revitalisation and facilitate common prosperity. During the year, the Bank developed the *2024 Key Points of Paired Assistance* to clarify the targets, division of work and specific measures of assistance. The Bank also signed a letter of work responsibility with the primary-level Party committees to fulfil the assistance responsibility. Through innovative products and models, including the "Revitalisation Loan", "Photovoltaic Loan", "Agricultural Loan Express", "Cotton Grower Loan", "E-Grain Finance", and the "Common Prosperity Loan", as well as data-based credit enhancement and scenario-based risk identification, the Bank aimed to overcome the "last-mile" challenge of credit support. This helped channel inclusive financial services into rural areas, further enhancing the financial support to these regions. The Bank continued to improve the management system and refined the working mechanism of the rural revitalisation leading group. In line with the five-year overall target of "two focuses (promotion of role business models of rural revitalisation and establishment of model demonstration sites in Fengqiu County and Hua County in Henan Province), three no reductions (organisational leading strength for targeted assistance, policies for key assistance, and talent support), and five increases"(amount of assistance funds, amount of consumption-based assistance, amount of loan support, number of party building partners and number of social organisations introduced to the two counties) during the transition period, the Bank mobilised resources across multiple sectors, coordinated internal and external efforts, leveraged social support advantages, and highlighted the distinctive role of financial support. With these efforts, the Bank aimed to transform designated assistance areas into exemplary models for rural revitalisation.

During the reporting period, the Bank adopted a scenario-based approach to support rural revitalisation. The Bank intensified its engagement with leading enterprises in five key sectors: grain, dairy, meat, liquor, and cotton. In this regard, the Bank accelerated the full implementation of the Beidahuang Agricultural Loan Express, made breakthroughs in business development of the upstream and downstream of the supply chain of Twins Group and facilitated the first large-value domestic letter of credit settlement for Henan Huahuan Dairy. These efforts have contributed to the steady growth in the scale of agriculture-related business. The Bank also launched ecosystem-based financial products to support financing for high-quality downstream distributors in the food, grain and oil sectors, effectively addressing their core challenges in daily operations and cash flow management. Furthermore, the Bank actively planned the "Minsheng Enterprise Support Campaign" for rural revitalisation to promote agriculture-related services and policies.

The Bank cooperated extensively with governments, various institutions and leading enterprises, leveraged digital technologies to effectively solve the problems of information asymmetry, low process efficiency, high financing prices and poor accessibility in traditional rural financial services. This enabled the bank to provide high-quality services that were readily accessible to individual farmers. The Bank offered an exclusive online unsecured product of "Agricultural Loan Express" for agricultural growers in Heilongjiang province to financially support them to install photovoltaic equipment on their rooftops, aiding them to increase income and become prosperous.

During the reporting period, the Bank carried out diversified assistance in 832 state-level counties lifted out of poverty, covering organisation, finance, industry, talent, culture, education, ecosystem and other key aspects. As at the end of 2024, the balance of loans to those counties nationwide amounted to RMB49.841 billion, and the total amount of consumption-based assistance to the areas lifted out of poverty nationwide reached RMB51.16 million, contributing to the economic development and the improvement of the quality of life of local residents.

The Bank has provided paired assistance to Hua County and Fengqiu County in Henan Province for 23 consecutive years, cumulatively donated more than RMB260 million free assistance fund and granted more than RMB1.4 billion loans to the two counties. The Bank has won the highest level of "Good" in the paired assistance assessment on the central unit for many consecutive years. During the year, the Bank has concentrated on establishing a new business implementation model featuring "centralised management + targeted assistance + on-site service". The Zhengzhou Branch specifically established an agile task force to provide paired assistance to Hua County, and provided dedicated support policies and green approval channels. Additionally, a dedicated support team was stationed in Hua County to drive agriculture-related credit business.

02 Warm-Hearted Public Welfare and Charity

Adhering to the philosophy of sharing development achievements with the society, the Bank leveraged its strengths to optimise the public welfare system, implemented a variety of philanthropic initiatives encompassing targeted assistance, support to those in difficulties, educational support, health and well-being, arts and culture, and community development. In 2024, the Bank donated RMB130 million, benefiting people more than 1.4 million times.

The Bank has implemented the "Power of Minsheng's Love – ME Charity Innovation Funding Scheme" for ten consecutive years as a part of its commitment to supporting innovation in the public welfare sector, donating a total of RMB114 million to provide financial support for 245 innovative public welfare projects in the fields of rural revitalisation, community development, education support, health and well-being, and ecological civilisation, benefiting 31 provinces, autonomous regions, and municipalities across the nation, and 374 thousand people across 308 districts and counties.



Certificate of the Fifth Global Solicitation on Best Poverty Reduction Practices Campaign

The Bank has supported the AIDS prevention and control programme of China Red Ribbon Foundation for the 17th consecutive year, and has cumulatively donated RMB48.70 million to support AIDS prevention and control and education in remote areas, mother-to-child interruption programmes in Liangshan Yi Autonomous Prefecture in Sichuan, training of AIDS prevention staff, and publicity and education on AIDS control nationwide.

The Bank adhered to the mission of "serving the public, caring about people's livelihood", participated in community co-building, encouraged employees to participate in voluntary service, advocated the spirit of helping those in need and helping each other, and practised social responsibility with concrete actions. During the reporting period, the Bank established a total of 43 Minsheng Youth Volunteer Groups. In line with the *Notice on Deepening the "Learning from Lei Feng" Campaign and Advancing Minsheng Youth Volunteer Services for Communities*, the groups carried out a series of volunteer activities, including the "Golden Glow Initiative" for elderly care, the "Caring Initiative" for left-behind children, the "Sunshine Initiative" for people with disabilities, as well as regionally distinctive community volunteer services and other youth volunteer public welfare activities. A total of 274 volunteer activities were organised with over 13.3 thousand participants engaged.

The Bank also focused on biodiversity conservation, and extensively cooperated with all sectors of society to vigorously support ecological protection. The Bank has collaborated with the Shanghai First Financial Public Welfare Foundation to launch the "Biodiversity Promotion Initiative" and with the Guiyang Qianren Ecological Public Welfare Development Centre to carry out the "Guizhou Rivers Day 1+2 Action," jointly building a green homeland.

The Bank fully funded the "Guangcai • Minsheng" medical care programme for children with congenital heart diseases for the 12th consecutive year and provided free medical care for suffered children in Xizang, South Xinjiang and other areas. As at the end of 2024, the Bank had offered treatment to 1,326 children in total.

The Bank has cooperated with Beijing Meijiang Education Foundation on education welfare programmes for the 16th consecutive year, and set up a "One-to-One Class -Minsheng Meijiang Class" in Aheqi County and Ahetao County in Kizilsu Kirghiz Autonomous Prefecture in Xinjiang. Over the years, the Bank has supported a total of 1,670 students.

03 Promoting Cultural Welfare

During the reporting period, the Bank's public art institutions remained deeply engaged in cultural philanthropy, actively supporting national cultural development strategies. The art institutions organised annual key exhibitions to promote the inheritance of outstanding traditional culture, support the development of rural arts, and continue to deepen cultural welfare, so as to serve the national strategy of culture and knowledge popularisation, and meet the needs of public art education.

Dedicating to the Path of Cultural Public Welfare

The Bank has been deeply involved in cultural public welfare for the 18th consecutive years. The six public welfare art institutions sponsored and operated by the Bank focused on serving national strategies and the public. During the reporting period, it meticulously curated and presented exhibitions such as "The Origin of Civilisation - Exploring the Early Chinese Civilisation," "Animation China: A History of Shanghai Animation Films," "Shanghai: Capital of Photography, 1910s-2020s," and "Duration". During this period, the public welfare art institutions served 200,000 visitors accumulatively through online and offline platforms, organised over 180 public education activities, and attracted 140,000 visitors to on-site exhibitions, successfully pioneering a distinctive path of cultural public welfare that serves both national strategies and the public.

The public welfare art institutions served

200,000

visitors accumulatively through online and offline platforms

Organised over

180

public education activities

Attracted

140,000

visitors to on-site exhibitions

Supporting the inheritance of outstanding traditional culture

The Beijing Minsheng Chinese Calligraphy Public Welfare Foundation, together with the Chengdu Branch and the Hefei Branch of the Bank, jointly established the Minsheng Traditional Culture and Calligraphy Research Centre with well-known universities to foster humanistic literacy and conduct research on traditional culture and art. In addition, "Minsheng Outstanding Traditional Culture Scholarship" and other public welfare programmes were launched to facilitate the inheritance and development of excellent traditional culture.

Injecting artistic nutrients to rural revitalisation

The Bank upgraded the rural art construction of Hua County of Henan Province, developed the models of "art + cultural tourism", "art + intangible cultural heritage" and "art + rural construction", and organised artistic activities including the "Minsheng MA+ Rural Art Village Creativity Festival" in Hua County, to open up space for rural aesthetic education, create cultural landmarks, accelerate the building of cultural tourism, and realise rural revitalisation with fresh artistic nutrients and Minsheng's strength in the county.

This year, the Bank won a number of honours in terms of social responsibility, including the "Jiazhong Plan - Hua County Modern Agricultural Technology Practice Camp Public Welfare Project" was honoured as an "Excellent Case of Rural Talent Revitalisation in 2024"; the "ME Charity Innovation Funding Scheme" was selected as one of the best cases of the "Fifth Global Solicitation on Best Poverty Reduction Practices Campaign" jointly presented by the World Bank, the Food and Agriculture Organisation of the United Nations, the International Fund for Agricultural Development, the World Food Programme, the Asian Development Bank, the China International Poverty Reduction Centre, and the China Internet News Centre. The Jiazhong Plan and the Hua County Modern Agricultural Technology Practice Camp were selected as one of the "2024 Rural Revitalisation Practice Cases" and the "Innovative Rural Development Practice Cases," respectively. The Bank's consumption-based assistance case study titled "Practical Actions, Heartfelt Assistance: Learning from the 'Ten Million Projects' Experience to Effectively Promote Rural Revitalisation" was selected as one of the social responsibility cases by CNR.net. The Bank's rural revitalisation demonstration site in Hua County, Henan Province, "100 Beautiful Village - Dishang Village" was included in the 2024 China Rural Innovation Map. The progress of the Bank's targeted assistance work was selected for inclusion in the "Briefing on Financial Targeted Assistance for Rural Revitalisation" (Issue 1, 2024) published by the People's Bank of China's Assistance and Revitalisation Office. Two projects submitted by the Bank, namely the "Rural Integrated Management Service Platform Based on Open Banking" and the "Big Data-Based Fertiliser and Agricultural Materials Sales Financing Service" were selected as the demonstration projects of the Empowerment of Fintech to Rural Revitalisation in Henan Province.



Corporate Governance

Steady Operation, Enhanced Compliance and Risk Control

The Bank insisted on operating with integrity and compliance, and continuously strengthened compliance management and culture development. It deepened the construction of the comprehensive risk management system to ensure that its risk management capabilities were further improved. The Bank insisted on honest and clean governance and attached importance to creating a culture of honesty and cleanness. The Bank focused on the prevention of intellectual property (IP) risks, and enhanced employees' awareness of IP rights protection. The Bank emphasised on good interactions with partners, advocated and supervised the fulfilment of environmental and social responsibilities of suppliers.

Steady Operation, Enhanced Compliance and Risk Control

01 Strengthening Compliance Management

The Bank continued to improve the internal control and compliance system, strengthened the building of compliance culture, and constantly enhanced the awareness and capability of the whole bank in law-abiding and compliant operation.

The Bank strictly complied with requirements of the *Law of the People's Republic of China on Commercial Banks*, the *Guidelines for Compliance Risk Management of Commercial Banks* and other relevant laws and regulations. With the *Measures on Compliance Management of China Minsheng Bank* as the basic rule, the Bank has established a compliance management policy system consisting of rules of the compliance management departments and rules of other functional departments. In addition, the Bank has formulated various policies, such as the *Basic Rules for Policy Management of China Minsheng Bank*, the *Administrative Measures on Internal Control and Compliance Inspection of China Minsheng Bank*, the *Administrative Measures on Rectification of Internal Control and Compliance Issues of China Minsheng Bank (2024 Revision)*, the *Code of Conduct for Employees of China Minsheng Bank (Revised)*, the *Administrative Measures on Monitoring the Conduct of Employees of China Minsheng Bank*, the *Regulations on Prohibited Conduct of Employees of China Minsheng Bank (2024 Revision)*, the *Administrative Measures on Operational Risk of China Minsheng Bank*, the *Administrative Measures on Loss Data Collection for Operational Risk of China Minsheng Bank*, the *Administrative Measures on the Measurement of Regulatory Capital for Operational Risk of China Minsheng Bank*, the *Administrative Measures on Self-Assessment of Operational Risks and Control of China Minsheng Bank*, the *Administrative Measures on Criminal Cases of China Minsheng Bank (2024 Revision)*, the *Administrative Measures on Risk Prevention and Control of Criminal Cases of China Minsheng Bank*, the *Administrative Measures on Case Risk Investigation and Handling*, and the *Implementation Rules for the Handling of Criminal Cases*.

During the reporting period, the Bank strengthened the building of compliance management mechanism that covered prevention, in-process management and post-event management. In terms of prevention, the Bank strengthened the regulatory development analysis, internalisation of external regulations and compliance investigation, and comprehensively enhanced employees' behaviour management mechanism. In terms of in-process management, the Bank strengthened case risk management and control and standardised the inspection and rectification standards, and ensured effective operation of the working mechanism for determining accountability for risk compliance. The Bank focused on reshaping compliance culture, strengthened investigation and rectification, clarified appraisal orientation, paid attention to operational risks, managed and controlled related-party transactions, reinforced AML management, and upgraded compliance technology. The Bank consolidated the "three-dimensional case prevention system" and the "grid-based management system for practitioners", improved internal control management and case prevention capability, and continuously enhanced the effectiveness of compliance management.

The Bank actively guided employees to strictly comply with laws, regulations and regulatory requirements, adhere to professional ethics, and strengthen self-discipline. To this end, the Bank launched a special initiative to enhance employees' integrity awareness, foster shared values, and improve the overall quality and professional ethics of employees. The Bank also revised internal regulations such as the *Regulations on Prohibited Conduct of Employees of China Minsheng Bank* and the *Disciplinary Measures of China Minsheng Bank on Staff Violations* to further standardise the professional behaviour of employees. All employees were required to study and sign a commitment to abide by the *Regulations on Prohibited Conduct of Employees*. During the reporting period, the Bank conducted a total of 6,989 compliance training sessions for 263 thousand participants.

Compliance Training Fact Sheet

Indicators	2024
Number of compliance training (times)	6,989
Number of employees covered by compliance training (participants)	263,447

02 Enhancing Risk Prevention and Control

The Bank insisted on taking the risk prevention and control capability as the boundary of its business development, and regarded strengthening value creation, saving capital consumption, and balancing risk and return as its goal. The Bank constructed a safe boundary for high-quality development and guarded the bottom line of not triggering systematic risks, constantly improved basic customer groups, basic products and service capabilities, and optimised the risky assets allocation, so as to ensure the realisation of strategic goals.

The Bank continuously improved the management system of risk preference, strategies, and policies, and optimised risk management policies and procedures to enhance professional and refined management of major risk categories and strengthen the prevention and control of emerging risks such as fraud risks and model risks.

The Bank strengthened key aspects of risk management, optimised system management mechanism, and improved the construction of tool system. The Bank implemented risk management reporting and enhanced the risk management system and data quality. The Bank improved smart risk control system, strengthened data governance, and enhanced risk data aggregation capability. At the same time, the Bank optimised risk teams and talents management, improved employees' awareness of risk management responsibility and enhanced the professional level of the risk management personnel.

During the reporting period, the Bank effectively improved the professional level of risk management capabilities across the Bank through comprehensive training programmes. Utilising a variety of methods, including offline training, live streaming, and centralised teaching, the Bank conducted extensive training sessions on risk management. These sessions covered risk preference and strategy, risk management lectures for subsidiaries and key roles in risk management. The Bank also provided specialised training sessions, focusing on the implementation of credit risk internal rating-based (IRB) approach, country risk and market risk. In addition, to boost digital and intelligent capabilities, the Bank offered training on smart risk control, the utilisation of external data, and the integration of local data with distinctive characteristics. These training sessions reached across 32 departments at the Head Office and 44 operating units.



03 Business Ethics Supervision

The Bank strictly abided by relevant laws and regulations on anti-corruption, such as the *Law of the People's Republic of China on Banking Regulation and Supervision* and the *Interim Provisions on Banning Commercial Bribery*, and formulated the *Disciplinary Measures of China Minsheng Bank on Staff Violations* and the *Provisions of the Party Committee of China Minsheng Bank on Strictly Separating Work-Related and Personal Matters in Performing Duties and Executing Powers (Trial)*, which clarified the anti-bribery and anti-corruption system, standardised the operation of power, seriously investigated and punished violations of rules and regulations and prevented the risk against clean practices. The Bank attached great importance to clean culture cultivation and enhancement of employees' awareness of clean practices and self-discipline.

Standardised policy constraint

The Bank has established the Accountability Committee of China Minsheng Bank to be responsible for business ethics supervision, with Chairman of the Board as the Chairman of the Committee, and President, Executive Vice Presidents and some of the Senior Management as the Vice Chairmen of the Committee. The branches, the Credit Card Centre and most of the tier-2 branches have established relevant accountability committees at their respective levels. The accountability committees at all levels supervised and monitored business ethics and punished violations by employees in accordance with their authority and relevant regulations.

The Bank has formulated the *Policy for the Accountability for the Senior Management's Performance of Duties of China Minsheng Bank* and improved the accountability management mechanism for the performance of their duties to further regulate the conduct of Senior Management to ensure their diligent fulfilment of duties. The accountability committees at the three levels, including the Head Office, the branches or the Credit Card Centre and the tier-2 branches shall, within their accountability authority, seriously investigate and punish, and hold accountable, the employees committing violations in accordance with the *Disciplinary Measures of China Minsheng Bank on Staff Violations*, and hand those who violated criminal laws over to the public security organs. The Bank continuously strengthened the supervision over the accountability management of the whole bank, gave full play to the roles of the accountability committees at all levels to reveal the Bank's resolution in strict governance of the bank by laws, strengthened the supervision and management over abnormal employee behaviour and promptly helped and monitored them to effectively prevent risks.



Anti-bribery and anti-corruption⁶

In accordance with the changes in national laws and regulations and relevant regulatory provisions, the Bank has promptly reviewed, revised and improved the *Disciplinary Measures of China Minsheng Bank on Staff Violations*, in which the Bank clarified the provisions regarding anti-bribery and anti-corruption such as giving and taking bribes and misappropriation of office, and prohibited employees from soliciting or accepting bribes or accepting kickbacks and handling fees of all kinds in violation of national regulations, and giving bribes or participating in benefit transfer and insider transaction. The Bank improved the policy systems and the supervision and constraint mechanism and applied zero-tolerance policy against corruption and bribery⁷. The Bank has set up a leading group for the prevention and control of employee moral risk to enhance the management of such risk, continuously improved the working mechanism for investigating and dealing with disciplinary violations, and urged all employees to abide by laws and regulations, so as to support and guarantee the smooth implementation of the reform and transformation and the healthy business development of the Bank.

Standardised complaints management

The Bank has made the channels for complaints and reports public, including telephone numbers and email addresses, and the discipline inspection committees at all levels accepted complaints and reports according to their administrative authorities. The Bank also formulated the *Working Measures on Supervision and Discipline Execution by Discipline Inspection and Supervision Institutions of China Minsheng Bank (Trial)* and the *Working Measures on the Verification and Notification of Real-Name Complaint and Reporting in the Discipline Inspection and Supervision System of China Minsheng Bank (Trial)*, which defined detailed and comprehensive provisions for the discipline inspection committees at all levels to smooth up reporting channels, standardise reporting procedures, and safeguard the rights and interests of whistleblowers:

- ⑥ **Smoothing up the channels for complaints and reports.** The discipline inspection committees at all levels have made public the addresses for complaints and reports, reception addresses for visits, telephone numbers, e-mail addresses and other diversified channels to promptly receive accept relevant reports.
- ⑥ **Standardising the handling procedures for complaints and reports.** The Bank handled complaints and clues in strict compliance with the relevant provisions of the *Working Measures on Supervision and Discipline Execution by Discipline Inspection and Supervision Institutions of China Minsheng Bank (Trial)* and the *Working Measures on the Verification and Notification of Real-Name Complaints and Reports in the Discipline Inspection and Supervision System of China Minsheng Bank (Trial)*. The discipline inspection committees received complaints and reports in accordance with their management authorities and continuously optimised relevant working systems and handling procedures.
- ⑥ **Protecting whistleblowers.** The Bank strictly implemented the confidentiality system, tightly controlled the scope of knowledge of complaint matters, and continuously strengthened the protection of whistleblowers. It was strictly forbidden to transfer the complaint and report materials and relevant information to the person being tipped off. The Bank strictly prevented the whistleblowers, including those of anonymous, from retaliation or reputation damage, effectively safeguarded their legitimate rights and interests, and protected the rights for public scrutiny. The *Working Measures on Supervision and Enforcement of Discipline Inspection and Supervision Institutions of China Minsheng Bank (Trial)* and the *Working Measures on the Verification and Notification of Real-Name Complaint and Reports in the Discipline Inspection and Supervision System of China Minsheng Bank (Trial)* clearly stipulated to strengthen the protection of whistleblowers. The identities and information of whistleblowers shall be kept confidential, and any public disclosure of such information requires the consent of the individual involved. Moreover, all interactions with real name whistleblowers must be conducted in strict accordance with confidentiality rules. The *Disciplinary Measures of China Minsheng Bank on Staff Violations* clearly stipulated the behaviours and penalties for damaging the legitimate rights and interests of whistleblowers, including serious investigation and punishment on unauthorised disclosure and spread of relevant reporting contents, the information of the whistleblower, the source of report, and failure to protect the whistleblower in accordance with the regulations resulting in their infringement.
- ⑥ **Respecting employees' right to appeal.** The *Disciplinary Measures of China Minsheng Bank on Staff Violations* specified the reconsideration and grievance process and the handling mechanism for employees who were subject to accountability treatment. When an employee disagreed with the disciplinary decision, he/she may submit a written application for reconsideration and appeal to the accountability committee. The accountability committee shall make decision on reconsideration within the prescribed timeline. When the employee still disagreed with the reconsideration decision, he/she may appeal to the accountability committee at a higher level, which will deal with the reconsideration and grievance according to the prescribed procedures to safeguard the legitimate rights and interests of employees. After reconsideration or review, the receiving accountability committee may maintain, cancel or alter the original disciplinary decision.

⁶The Bank has formulated an anti-bribery and anti-corruption policy, which is detailed in the *Key Points of China Minsheng Bank's Policies for Anti-Bribery and Anti-Corruption*.

⁷During the reporting period, there were a total of 2 concluded legal cases regarding corruption brought against the Bank, and the personnel involved were dealt with in accordance with laws.

Audit and Risk Management

The Bank has devoted to promoting honest and clean governance and preventing from moral hazard of employees. It has strengthened its internal audit supervision in accordance with the rules including the *Internal Audit Articles of China Minsheng Bank* and the *Measures on Internal Control Evaluation of China Minsheng Bank*. The Bank strictly investigated and punished problems involving ethical violations by employees identified in audits, implemented strict accountability to confirmed breaches of disciplines, and referred those suspected of committing a crime to judicial organs. The Bank’s internal audit paid great attention to the construction and implementation of business ethical standards. Through comprehensive audits, special audits, economic accountability audits and responsibility determination audits, the Bank conducted inspections with focuses on deceptive behaviours that violated laws, regulations and internal systems to seek individual or special benefits, and more effectively supervised and prevented fraud and irregular business conducts. In order to better promote honest and clean governance and prevent related risks, the Bank has taken the following measures:

- 01 The Bank carried out a comprehensive internal control evaluation on operating units every three years and incorporated employees’ moral risks, honest and clean performance of duties and accountability management into the scope of inspection and evaluation, and conducted all-round supervision on various businesses and all staff.
- 02 The Bank enhanced audit supervision over the identification of liabilities for non-performing assets. The Bank focused on the investigation of moral risks and violations of laws and regulations, such as fraud, dereliction of duty, fraudulent appropriation, and insider trading, arising during the formation and disposal of non-performing assets.
- 03 The Bank enhanced audit supervision over the identification of liabilities for criminal cases. The violations of laws and regulations by the perpetrators and participants in criminal cases, as well as the duty performance of senior management personnel who are responsible for the management, leadership, supervision and inspection of the occurrence of the cases were seriously investigated.
- 04 The Bank strengthened the audit and supervision over the “key minority”, such as the “top leaders” and leading teams at all levels of the system during economic accountability audits.
- 05 The Bank constantly monitored and reminded irregular employee behaviours violating business ethics with data-based technologies during daily audit.
- 06 The Bank conducted follow-up audit and non-voting supervision on key areas, key positions and key links which were capital-intensive, resource-rich and power-concentrated, such as major project construction and major material procurement.
- 07 Meanwhile, the Bank’s inspection teams focused on the rectification responsibility and actual results, included the rectification of problems identified in audit supervision into the scope of inspections, and assessed whether the rectification of problems found and handed over by auditors has achieved effective results.

Capacity building

The Bank further promoted anti-corruption training, developed regular training schemes for all employees (including regular employees, contractors and outsourced employees) every year. During the reporting period, the Bank continued to foster the honest and clean culture, and gave lectures on typical cases of disciplinary violations with the theme of “cultivating ideology, enforcing discipline and law, promoting integrity, and fostering development; persisting in comprehensive strict governance of the Party and the Bank”. The Bank continued to strengthen the good atmosphere of “clean practice, clean performance of duties, clean self-cultivation and clean and harmonious family”. The Bank also organised all employees to watch the anti-corruption documentary of *Penetration V* to refine and solidify the efforts to take the cases as a guide, promote reform and governance by cases, and give full play to the warning role of typical cases. The Bank produced training materials based on the national laws and regulations, party rules and discipline, the *Disciplinary Measures of China Minsheng Bank on Staff Violations* and the typical cases of violations of ethical standards by employees as training content, made training courseware and required all operating units to carry out the training. In addition, the Bank also carried out various educational activities on employee ethical conducts.

During the reporting period, the Bank carried out 1,483 anti-corruption training sessions, involving 252,417 participants. The Bank also provided one session of anti-corruption training for all management members. This enabled the Bank to keep a close eye on the key positions and strengthen supervision discipline.

Anti-corruption Training Fact Sheet

Indicators	Data for 2024
Number of employees covered by anti-commercial bribery and anti-corruption training (participants)	252,417
Percentage of employees covered by anti-commercial bribery and anti-corruption training (%)	100
Total number of directors covered by anti-commercial bribery and anti-corruption training (participants)	16
Percentage of directors covered by anti-commercial bribery and anti-corruption training (%)	100
Total number of management members covered by anti-commercial bribery and anti-corruption training (participants)	33
Percentage of management members covered by anti-commercial bribery and anti-corruption training (%)	100

04 Prevention of Money Laundering Risks

The Bank strictly abided by the *Anti-Money Laundering Law of the People's Republic of China*, the *Provisions on Anti-Money Laundering through Financial Institutions (PBOC Order [2006] No.1)*, the *Guidelines for the Management of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions (Trial) (Yin Fan Xi Fa [2018] No.19)*, and other AML related laws and regulations. The Bank further enhanced AML management through strengthening the AML internal control system, intelligently upgrading the AML system, conducting money laundering risk assessments, strictly identifying and managing suspicious transactions and implementing quality control, consolidating the foundation for fulfilling AML obligations and empowering the front-line to perform AML duties, thereby safeguarding the financial assets of the people.

Optimising system construction

The Bank took a proactive approach to integrate external regulations into its operations, and has established an AML system that aligned with its strategic planning and actual business operations. The system encompasses a wide range of AML responsibilities, including “customer due diligence, record keeping of customer identity and transactions, reporting of large-value and suspicious transactions, list monitoring, customer risk rating for money laundering, AML risk assessments, publicity and training, data governance, model management, and information security management”. The Bank fully complies with AML laws, regulations, and supervisory requirements. During the reporting period, the Bank insisted on giving play to the guiding role of its AML systems, further enhancing the effectiveness of system transmission.

- Assessing and continuously optimising policies and systems.** Adhering to the principle of “policy guiding implementation”, the Bank conducted a comprehensive assessment of the effectiveness of its AML system. This assessment was benchmarked against the latest AML situation, regulatory requirements, and internal operational realities. Based on the assessment results, the Bank further refined and revised its AML system, while continuously monitoring the effectiveness of their implementation.
- Focusing on guiding the implementation of systems.** The Bank consistently adhered to the mechanism of “training for all policies”, strengthening policy interpretation and dissemination. This ensured that all employees have a thorough understanding and mastery of AML systems.



Improving risk management

During the reporting period, the Bank further improved its money-laundering risk management system and decision-making mechanisms of the AML leading group. By these efforts, the Bank continued to strengthen the quality and efficiency of AML compliance management. Such measures included:

- Strengthening the money laundering risk defence line led by the Senior Management.** The Board of Directors, the Board of Supervisors and the Senior Management placed a high priority on the resource allocation and performance assurance for AML efforts. They deployed and supervised the optimisation of AML and anti-fraud management models, while paying attention to the progress of the specialised AML areas including the construction of money laundering risk management mechanism, institutional money laundering risk assessment, money laundering type analysis, sanction compliance risk and the development of the customer due diligence platform. They advocated for establishing an AML culture at the Bank, leading the whole bank to further refine and deepen money laundering risk management.
- Optimising group-based joint prevention and control of money laundering risk.** The Bank initiated the acceptance and verification of AML systems and internal control systems for the newly established overseas branch, offered guidance on AML systems to subsidiaries, and conducted training on money laundering risk management. These initiatives were designed to promote the effectiveness of the group-wide AML efforts.
- Strengthening the effectiveness of money laundering risk assessment.** The Bank was committed to implementing the spirit of AML supervision and assessments. To this end, the Bank upgraded assessment indicators, and conducted money laundering risk assessments to find out its exposure to money laundering risks. In addition, the Bank promoted institutions at all levels to apply money laundering risk self-assessment results in a layered and classified manner, further consolidating the AML working system.
- Accelerating the smart process of AML.** The Bank expanded the data sources for its smart analysis graphs to enhance the visualisation of full-dimensional customers information collection, thereby assisting front line staff in improving risk identification efficiency. Additionally, the Bank enriched the rules for suspicious transaction monitoring models and steadily promoted the research and development of smart models, such as the graph computing-based gang model and behaviour sequences.



Strengthening risk monitoring

During the reporting period, adhering to the development positioning of “Financial Intelligence Hub”, the Bank actively embraced the political and people-centric nature as a financial institution. By conducting in-depth research on money laundering risks, implementing diversified prevention and control measures, and enhancing research mechanisms, the Bank effectively safeguarded national security, financial order, and customer interests. Specific measures included:

- 01 Strengthening the foundation**

The Bank upgraded its money laundering risk management mechanisms and pushed forward smart identification and quality control of suspicious transactions. By centralising the identification of suspicious transactions at tier-1 branches and updating the functions of the key suspicious transaction reporting and review system, the Bank continued to ease the burden of the primary-level institutions while boosting the quality and efficiency of suspicious transaction reporting.
- 02 Conducting diverse investigations**

The Bank optimised the special working team mechanism for major and key cases and broadened the use of tools for tracking the financial chains of organised crimes. These measures enabled the Bank to effectively prevent, control and uncover high-value case clues, providing support to authorised agencies in conducting thorough investigations.
- 03 Enhancing supervision**

The Bank upgraded the money laundering risk monitoring and supervision system, ensuring timely dissemination of major national deployments and new regulatory policies. The Bank also highlighted excellent practices in money laundering risk management through case studies. In addition, by maintaining smooth communication channels across departments and levels, the Bank guided its operating units to enhance their professional capabilities and optimise customer group quality.



Broadening the scope of publicity and education

The Bank continued to strengthen the building of money laundering risk management culture, conducted external publicity and education and internal training activities, and effectively fulfilled the AML social responsibility of financial institutions.

- 01 Publicity**

The Bank held the “Minsheng Cup” labour and skills competition and AML grand contest, attracting over 50,000 participants from across the Bank. This event demonstrated the Bank’s professional expertise in AML and deepened the development of Minsheng AML culture. The Bank organised AML short video campaigns themed “Combating Money Laundering Crimes and Building a Harmonious Society”. A total of 10 issues with 20 promotional videos were released, covering themes such as anti-gang crime, anti-illegal fundraising and anti-fraud. Additionally, one issue of promotional posters on the theme of environmental crime was also published. A total of 43 branches of the Bank conducted various forms of AML education and publicity activities focusing on the cases of broad scope and new types, and high-risk areas of money laundering. Approximately 870,000 copies of publicity materials were released, reaching 45,242,542 individuals. These efforts aimed to enhance the public’s capability to resist money laundering risks and to contribute to curbing money laundering crimes in the whole society.
- 02 Training**

The Bank actively launched AML training programmes that covered the Board of Directors, the Board of Supervisors and the Senior management, as well as leading AML departments, business departments, and account managers. The programmes were specifically tailored to the unique responsibilities of each level, enhancing AML awareness and capabilities across the Bank. By leveraging publications such as AML handbooks, AML agile learning forums, and research on money laundering risks, the Bank continuously imparted AML knowledge. The Bank also ensured smooth communication channels across different departments and levels. During the year, 4,259 and 953 employees obtained the AML qualification from the People’s Bank of China and the Bank, respectively. A total of 4,422 AML training sessions were conducted throughout the year, reaching 411,372 participants.

AML Training Fact Sheet

Indicators	Data for 2024
Number of AML training (times)	4,422
Number of employees covered by AML training (participants)	411,372
Audience for AML publicity activities (participants)	45,242,542

During the reporting period, the Bank’s AML efforts were recognised with 10 commendations from external authorities, including the Ministry of State Security of the People’s Republic of China and the People’s Bank of China. The Bank’s project, “R & D and Practice of the ‘AI+’ Money Laundering Risk Management System”, won the “Data-Driven Financial Innovation Award” by the *Financial Computerising*, sponsored by the People’s Bank of China.

05 Management of Related-Party Transactions

Strengthening the duty performance of the Related-Party Transactions Supervision Committee of the Board of Directors

The Related-Party Transactions Supervision Committee of the Board of Directors of the Bank was a special working body established by the Board of Directors in accordance with the Articles of Association of the Bank and it provided professional advice for the Board of Directors' decision-making or made decisions on professional matters authorised by the Board of Directors. As at the end of the reporting period, the Related-Party Transactions Supervision Committee of the Board of Directors consisted of six members, all of whom were Independent Non-Executive Directors. These members are senior professionals with extensive experience in finance, accounting, auditing, law and other related fields. During the reporting period, the Related-Party Transactions Supervision Committee of the Board of Directors held five meetings, deliberated on seven topics, and listened to three reports. The Chairman and members of the Committee also engaged with the Head Office departments through on-site visits and daily communications. They jointly explored matters such as risk control of related-party transactions and their impact on capital utilisation. They also provided opinions and suggestions on the management of related-party transactions.

Strengthening the management of related-party transactions

During the reporting period, the Bank thoroughly implemented the *Administrative Measures on Related-party Transactions of Banking and Insurance Institutions* and implemented the State Council's reform initiatives regarding the independent director system. The Bank strictly managed related-party transactions in accordance with laws, regulations, and internal systems. In this regard, the Bank improved and consolidated the related-party transaction system and management mechanisms by revising the *Administrative Measures on Related-party Transactions of Banking and Insurance Institutions*, the *Terms of Reference of the Related-Party Transaction Supervision Committee of the Board of Directors*, and the *Detailed Rules for the Management of Related-Party Transactions*. The Bank continuously enhanced the completeness and accuracy of its related party list, conducted investigation of suspected related parties, and implemented daily dynamic management. The Bank also promoted the online management of related parties. In addition, the Bank deepened the application of the related-party transaction system functions and data governance and launched a strong control function for assessing pricing fairness in the system. Furthermore, the Bank facilitated the integration and transformation of business systems with related-party transactions, achieving automated data collection and developing a fully automated report-generation function for regulatory filings on related-party transactions. Moreover, the Bank conducted special training sessions on related-party transaction management to improve the awareness and professional capabilities of its related-party transaction management personnel.

06 Deepening Procurement Cooperation

Supplier Management Policies

Adhering to the principle of win-win cooperation, the Bank attached great importance to the good interaction with partners and suppliers to build a sustainable value chain, and strove to achieve mutual benefits. The Bank constantly improved the procurement management rules and regulations and enhanced procurement management and supplier management. The Bank actively promoted the implementation of green procurement policies, encouraged suppliers to improve their environmental and social risk management capabilities, and worked with suppliers to assume social responsibilities.

The Bank built up a management system including the *Administrative Measures on Centralised Procurement*, the *Administrative Measures on Small-Amount Decentralised Procurement*, the *Administrative Measures on Centralised Procurement Suppliers*, the *Administrative Measures on Procurement Agencies of the Head Office*, and the *Regulation on Performing Duties with Integrity by Procurement Staff*, to regulate the procurement management and supplier management of the Bank, and provide guidelines and basis for the healthy development of procurement activities.

Supplier Assessment and Supervision

The Bank has established a strict supplier access system, requiring suppliers to comply with national laws and regulations, to have good business reputation and sound financial and accounting systems. The products or services they provided should meet national and industrial standards and green procurement standards. Suppliers should also follow the occupational health and safety management, labour laws and regulations. Suppliers should be willing and able to accept the supervision and management from the Bank whilst providing products and services. As for centralised procurement projects, the Bank strictly assessed the qualifications of suppliers, records of significant violations of the laws and regulations, breach of contracts, and tax or social security fund arrears, and those that did not meet the conditions were withdrawn, so as to control supplier risks from the source. Through the supplier management system, the Bank implemented supplier data base management and online dynamic monitoring of qualified suppliers.

In order to ensure that suppliers comply with the Bank's supplier management requirements in the process of contract performance, the Bank reviewed suppliers in various links, such as procurement access, evaluation and assessment, malpractice management, etc. The Bank carried out continuous supervision and appropriate on-site review on the effectiveness of supplier's environmental policies and management procedures, including whether to comply with the Bank's management requirements on social responsibilities, occupational health and safety management, labour standards, environmental protection and so on. In the process of supplier selection, the Bank paid attention to the environmental protection management and risk management of suppliers. Through annual periodic evaluation, the Bank conducted statistics, analysis and feedback on the performance of existing suppliers, and used the evaluation results as important evidence for the Bank's decision on future cooperation with suppliers. At the same time, the Bank encouraged suppliers to strengthen their own energy saving and environmental protection management. During the reporting period, the supplier review covered all suppliers of the Bank's centralised procurement projects.

In the procurement process, the Bank has established the working system of Centralised Procurement Management Committee, which clarified the composition of the committee and its decision-making mechanism, and implemented collective decision-making. The division of procurement duties and segregation of positions were carried out according to the principle of incompatibility of positions, with multiple people working together to complete the procurement work. The procurement public announcement system and the random selection mechanism of evaluation experts were implemented to ensure the openness, fairness and impartiality of the procurement work. In addition, the Bank's supervisory departments participated in the on-site supervisions during the courses such as procurement plan deliberation, expert selection and project evaluation, in an aim to strengthen the compliance of the whole procurement process.

Key Performance Indicators Related to Suppliers in 2024

Indicators	2024
Total number of suppliers	2,576
East China	679
Central China	140
North China	1,201
South China	374
Northwest China	30
Northeast China	48
Southwest China	104

Note: The supplier number statistic only includes suppliers from the Chinese mainland.

Conducting Green Procurement

The Bank adhered to and implemented the philosophy of green procurement, and took into full consideration environmental protection, resource conservation, safety and health in its procurement, while taking into account economic benefits and environmental benefits. The Bank encouraged suppliers to incorporate environmental protection, energy saving and other requirements into their management system. Under the same conditions, the Bank gave priorities to the suppliers who have obtained the certification of environmental management system and whose products were certified as environmentally friendly. The Bank actively conveyed its proposition and support on the socially responsible procuring behaviours to the suppliers, guiding them to jointly fulfil their social responsibility for green development and facilitating their improvement in environmental performance.

During the year, the Bank followed the regulations on centralised procurement management and small-amount decentralised procurement management to strengthen the management of various procurement operations, requiring prioritised procurement of energy-saving and environmentally friendly products under the same conditions. The Bank has specified the entry conditions or evaluation criteria for green, energy-saving certification, environmental management system certification, green recycling, etc. in the procurement requirements for a number of procurement projects, such as construction engineering projects, business outlets constructions, IT equipment, office furniture, office supplies and printed materials, giving priority to the procurement of energy-saving and environmentally friendly products. As for construction engineering projects, the Bank clearly stated in the procurement documents that the building materials used by the suppliers should meet the requirements of green and environmental protection, and the energy management should meet energy-saving requirements. As for display equipment projects, the Bank prescribed in the scoring rules for procurement that the products with energy conservation certification could obtain higher scores. As for office furniture projects, the Bank took it as a necessary condition that the products should meet the country’s environmental protection requirements, and incorporated environmental protection into the scoring rules when preparing the procurement assessment standards. As for printed materials, the Bank took environmentally friendly paper as a requisite.

07 Protecting Intellectual Property

Pursuant to the *Anti-Unfair Competition Law of the People’s Republic of China*, the *Patent Law of the People’s Republic of China*, the *Advertisement Law of the People’s Republic of China*, the *Trademark Law of the People’s Republic of China* and other relevant laws and regulations, the Bank has formulated the *Administrative Measures on Intellectual Property Rights*. The IP rights were managed in aspects of innovative protection, license management and infringement protection to prevent IP risks.

To give full play to the financing guarantee value of its IP rights and empower the dedicated, refined, distinctive and innovative SMEs to promote innovative business development, the Bank issued the *Legal Guidance on Intellectual Property Right Pledge and Guarantee*, which standardised and provided guidance for the whole process of IP pledge financing business with focuses on the verification and admission, establishment and protection of rights, and pledge right realisation of IP pledge.

During the reporting period, the Bank strengthened the management of IP rights, encouraged innovation, and actively guided the application for relevant rights of intellectual achievements. Throughout the year, the Bank launched 15 patent applications, 2 trademark registration applications, and 31 copyright applications, completed 30 copyright registrations, 5 patent authorisations, 1 trademark registration, and 17 renewals of trademarks upon expiration.

Key Performance Indicators Related to Intellectual Property in 2024

Indicators	Data for 2024
Number of invention patents applied to the main business (item)	47
Number of invention patent applications during the reporting period (item)	15
Number of invention patent authorisations during the reporting period (item)	5
Number of valid patents during the reporting period (item)	58



Appendix: HKEX ESG Code



Appendix: HKEX ESG Code

Requirements, Subject Area, Aspects, General Disclosures and KPIs		Disclosure location or remarks
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	P12-P13
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report (Materiality, Quantitative and Consistency).	P5
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	P4
“Comply or Explain” Provisions		
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P35-P40
KPI A1.1	The types of emissions and respective emissions data.	P41
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and (if applicable) intensity.	P41
KPI A1.3	Total hazardous waste produced (in tonnes) and (if applicable) intensity.	P43
KPI A1.4	Total non-hazardous waste produced (in tonnes) and (if applicable) intensity.	P43
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	P40
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P40

Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P35-P40
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	P42
KPI A2.2	Water consumption in total and intensity.	P42
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P40
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P37
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not materially related to the Bank's business
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	P16-P34
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P16-P34
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P33-P34
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P33-P34

B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P94-P115
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	P116
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P117
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P107-P111
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P119
KPI B2.2	Lost days due to work injury.	P119
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P107-P111
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P112-P115
KPI B3.1	The percentage of employees trained by gender and employee category.	P118
KPI B3.2	The average training hours completed per employee by gender and employee category.	P118
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P106
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P106
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	P106

Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P139-P140
KPI B5.1	Number of suppliers by geographical region.	P140
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P139-P140
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P139-P140
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P139-P140
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P44-P93
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not materially related to the Bank's business
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P72-P84
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P141
KPI B6.4	Description of quality assurance process and recall procedures.	Not materially related to the Bank's business
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P85-P93
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P128-P138
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P131
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P130-P133
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P130-P133
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P120-P125
KPI B8.1	Focus areas of contribution.	P120-P125
KPI B8.2	Resources contributed to the focus area.	P120-P125