

China Minsheng Banking Corp., Ltd.

2025 Interim

Special Report on Sustainable Development (ESG)

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Preparation Instructions

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 Environmental, Social and Governance Report 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.

Basis for Preparation

This Report is prepared with reference to the United Nations’ Sustainable Development Goals (SDGs), the *Environmental, Social and Governance Reporting Guide* released by the Stock Exchange of Hong Kong Limited and other relevant opinions and guidelines.

Scope of Reporting

Data Scope: 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 are based on those in the 2024 Annual Report of China Minsheng Banking Corp., Ltd. The scope of relevant data and the calculation methodologies are specified in the Report.

Reporting Period: Unless otherwise specified, this Report covers the period from 1 January 2025 to 30 June 2025. This may, however, includes certain information beyond this period for the comparability and completeness of the Report.

Explanation on Data

The data in this Report are mainly internal statistical data of the Bank. The financial data in this Report are denominated in RMB, unless otherwise specified.

Confirmation and Approval

This Report has been reviewed by the Strategic Development and Consumer Rights Protection Committee of the Board of Directors of the Bank.

Release of the Report

This Report is released online and is available at the Bank’s official website (www.cmbc.com.cn).

Governance

I. Corporate Governance and ESG Governance

Corporate Governance

During the reporting period, the Bank strictly abided by applicable laws, regulations, and regulatory requirements, adhered to the integration of strengthening the leadership of the Party and improving corporate governance, actively explored the path of high-quality corporate governance, continuously improved the corporate governance system and operation mechanism, and has been committed to exploring the construction of a corporate governance mechanism with characteristics of the Bank. The Bank continuously strengthened the organic integration of the Party's leadership and corporate governance and optimised the corporate governance structure. The shareholders' meeting has approved the proposal on cancellation of the Board of Supervisors and amendments to the *Articles of Association*. The Board of Supervisors will be legally cancelled upon the date of approval by the National Financial Regulatory Administration (NFRA) of the revised *Articles of Association* when it becomes effective. Before the formal cancellation of the Board of Supervisors, the 9th session of the Board of Supervisors and the Supervisors shall continue to perform their duties according to laws and regulations, as well as the *Articles of Association* and the rules and regulations of the Bank.

The structure of the Board members embodies qualities including independence, professionalism, and diversity, which helps ensure that the Board can make decision in a rational manner.

Professionalism of the Board Members. The Executive Directors of the Bank had been engaged in banking operation and management for a long time with extensive professional experiences. All Non-Executive Directors held key positions in large renowned enterprises and were experienced in management, finance, and accounting. One of them was from Hong Kong and was familiar with the IFRS and regulations of the Hong Kong capital market and equipped with extensive banking management experience. The number of Independent Non-Executive Directors of the Bank accounted for more than one-third of the total number of Board members, meeting the relevant regulatory requirements.

Diversity of the Board Members. The diversified composition of the Board is beneficial to enhance the quality of operation of the Bank. The Bank formulated the *Policy of Board Diversity*, specifying that the Bank should take various factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and term of office, into consideration in determining the members of the Board for more diversified Board composition. The final candidates shall be elected based on his/her value and contributions to the Board.

The Nomination Committee shall supervise the implementation of the *Policy of Board Diversity*, and shall analyse and assess the structure, composition and diversity of members of the Board based on the requirements for diversified composition of the Board and make suggestions to the Board annually. The Board had reviewed the implementation and effectiveness of the diversity policy of the Bank on annual basis and included one female director into the Board.

Performance Evaluation for Sustainable Development

The Bank continuously improved the performance supervision and evaluation system with daily performance supervision as the basis and annual performance evaluation as the mainstay. It has improved the mechanism of deferred payment and recourse and recovery of remuneration, established an incentive and restraint mechanism that balanced risks and returns, laid equal emphasis on long-term and short-term development, and reflected strategic orientation and the principle of sustainable development, thereby promoting corporate governance entities to exercise rights and shoulder responsibilities in accordance with laws and regulations.

The Mechanism for Deferred Payment, Recourse and Recovery of Performance-Based Remuneration. In order to improve the incentive and restraint mechanism for performance-based remuneration, give full play to its leading role in corporate governance and risk management and control, strike a balance between current and long-term period as well as benefits and risks, and prevent radical operation behaviours and violations of laws and regulations, the Bank sets up the mechanism for deferred payment, recourse and recovery of performance-based remuneration regarding the senior management, employees in key posts and in posts having significant impact on risks. In cases of violations of laws, regulations, and disciplines, occurrences of abnormal risk exposure, or major risk incidents, performance-based compensation will be recouped and recovered from the responsible parties in accordance with regulatory requirements.

Aligned Remuneration with Sustainable Development. In accordance with the internal management mechanism, the total annual remunerations of employees of the Bank are determined after comprehensively considering the total number and structure of employees, development of young employees, risk control, operating results and other factors. In addition, the performance-based remuneration of employees is pegged to the comprehensive performance of the business unit (department) and themselves, thereby reinforcing an operational performance orientation and encouraging value creation. In terms of evaluation indicators, key performance indicators, such as sustainable development, customer base, risk control, economic efficiency and social responsibility, are set up to align the remuneration with operating results, risk prevention and social responsibilities.

ESG Governance Structure

The Board of Directors of the Bank paid high attention to ESG, elevated ESG issues to an important position in corporate governance, and ensured to integrate ESG issues

into all aspects of corporate governance, such as decision-making, supervision and implementation. The Board comprehensively supervised the implementation of ESG policies and plans, continued to improve the ESG governance structure, regularly reviewed ESG reports, studied and discussed on ESG issues, guided and supervised the management to carry out ESG related work, reviewed the progress of ESG management objectives, 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 is responsible for reviewing matters related to the performance of social responsibilities in economic, environmental and social and public welfare undertakings, providing suggestions to the Board, paying attention to the implementation of policies and plans, and assisting the Board in supervising the management in carrying out ESG related work.

ESG Working Mechanism¹

The Bank continued to improve the ESG working mechanism to ensure that the business-related ESG risks can be properly managed, and the ESG responsibilities can be effectively fulfilled.

The Bank has advanced the ESG work from a strategic planning perspective, established a three-level working mechanism of “decision-making - management - execution”, set up an ESG leadership team with Chairman of the Board as the team leader and President as the deputy team leader, and founded an ESG working group composed of relevant departments to plan, coordinate and advance ESG work.

¹ For more details of ESG Working Mechanism, please refer to the “ESG Governance” section in the [2024 Environmental, Social, and Governance Report of China Minsheng Banking Corp., Ltd.](#)

II. Compliance-Driven Development

Strengthening Compliance Management

The Bank continued to improve the internal control and compliance system, strengthened the building of a compliance culture, and continuously enhanced the awareness and capability of operating in accordance with laws and regulations throughout the whole bank.

Improving Internal Control and Compliance System. The Bank has established a compliance management system based on the *Administrative Measures on Compliance Management*, comprising policies from the compliance management department and various functional departments. This system includes the *Measures on Internal Control of China Minsheng Bank*, the *Administrative Measures on Monitoring the Conduct of Employees of China Minsheng Bank*, the *Code of Conduct for Employees of China Minsheng Bank*, the *Administrative Measures on Compliance Risk Monitoring of China Minsheng Bank*, the *Administrative Measures on Internal Control and Compliance Inspections of China Minsheng Bank*, and the *Administrative Measures on Rectification of Internal Control and Compliance Problems of China Minsheng Bank*.

Strengthening Compliance Management Mechanism. The Bank strengthened its pre-event, in-process, and post-event compliance management mechanisms. In terms of pre-event management, the Bank strengthened the regulatory development analysis, internalisation of external regulations and compliance investigation, conducted compliance publicity and education in diverse forms, and comprehensively enhanced employees' behaviour management mechanism. In terms of in-process management, the Bank strengthened compliance risk monitoring, case risk management and control, standardised the inspection and rectification standards, and ensured the effective operation of the risk and compliance responsibility determination mechanism. In terms of post-event management, the Bank strengthened appraisal notice, supervision, accountability and other management activities, and regarded law-based and compliant operations as the bottom line and red line that must be adhered to in all activities.

Enhancing Compliance Awareness. The Bank strove to reshape the compliance culture, intensify inspections and rectifications, clarify performance evaluation criteria, strictly manage operational risks, manage and control related party transactions, strengthen anti-money laundering management, and upgrade compliance technology. The Bank continuously reinforced ethical conduct education among employees, cultivated shared values, and elevated overall competence and professional ethics of employees. The Bank also formulated internal regulations such as the *Rules for Prohibited Conduct of Employees of China Minsheng Bank* and the *Disciplinary Measures of China Minsheng Bank on Staff Violations* to further standardise the behaviours of employees. All employees were required to study and sign a

commitment to abide by the *Rules for Prohibited Conduct of Employees*. By consolidating the “three-dimensional case prevention system” and the “grid-based management system for employees”, the Bank has enhanced its internal control management and case prevention capabilities. The Bank continued to carry out compliance culture publicity, incorporating regulatory conduct principles and employee behavioural standards into mandatory training courses for all employees. During the reporting period, the Bank conducted the “Year of High-Quality Compliant Development” initiative, implemented the philosophy that “compliant operation is the core competitiveness” in an in-depth manner, and worked on “implementing the new rule, constructing three systems and optimising four mechanisms. The Bank improved compliance management efficiency and contributed to its high-quality development by regular pushing compliance contents through the subscription account of “E-Compliance” to the whole bank and carrying out multi-level compliance training programmes.

Managing and Supervising Ethical Standards

The Bank attaches great importance to and is committed to upholding and strengthening good corporate governance and maintaining a high standard of business ethics, to safeguard the overall interests of shareholders and other stakeholders. The Bank regulates business ethics-related behaviour through governance framework, policies and regulations, code of conduct, and capacity building.

Governance Framework. The Bank has established the Accountability Committee of China Minsheng Bank to supervise business ethics issues, with Chairman of the Board as the chairman of the Committee, and President of the Bank, Executive Vice Presidents, and some of the Senior Management as vice chairmen of the Committee. Accountability Committees have been established at various levels, including the branches, the Credit Card Centre, and the most of sub-branches. They are responsible for supervising business ethics at the corresponding level, and rigorously addressing employee violations, disciplinary breaches, and unlawful activities in accordance with established authorities and regulations.

Policies and Regulations. The Bank has formulated the code of conduct, the administrative measures, and the implementation rules for practitioners, reviewed and revised the *Disciplinary Measures of China Minsheng Bank on Staff Violations* in a timely manner, and rigorously supervised and empowered all employees to abide by the ethical standards. Additionally, the Bank has formulated the *Accountability System for Performance of Senior Management of China Minsheng Bank*, which refined the mechanism for performance accountability, further standardises the duty performance of the Senior Management, and promotes diligent fulfillment of responsibilities.

Code of Conduct. The Board of the Bank guided the formulation of the *Code of Conduct for Employees of China Minsheng Bank*, supervised the implementation, and listened to the evaluation reports on employee conduct on an annual basis. The Bank improved and issued the *Regulations of China Minsheng Bank on Prohibited Conduct*

of *Employees*, which requires all formal employees and dispatched personnel of the Head Office and all branches to comply with the policies, so as to strengthen behaviour management of employees.

Capacity Building. The Bank has intensified its efforts in promoting compliance publicity and anti-corruption training, and formulated regular training plans for all employees (regular employees, dispatched employees and outsourced employees) on a yearly basis. For compliance training, the Bank offered online and offline compliance training for new employees. At the same time, special compliance trainings for all employees and dispatched employees, were provided at each business lines in accordance with the latest laws, regulations, regulatory developments, internal rules and actual business needs. In terms of anti-corruption training, the Bank continuously strengthened the construction of a clean financial culture, and carried out publicity on typical cases of violation of laws and regulations. The Bank incorporated national laws, Party rules and discipline, company rules and regulations, and typical cases of violation of discipline of employees into the training curriculum, and held publicity and education activities in various forms on ethical conducts which covered all employees.

Regular Audits on Ethical Standards

The Bank has devoted to promoting honest and clean governance, and preventing from moral hazard of employees. The Bank strictly investigated and punished employees involving ethical violations identified in audits, implemented strict accountability to confirmed breaches of rules and disciplines, and referred those suspected of committing a crime to judicial organs. In order to better promote honest and clean governance and prevent related risks, the Bank has taken the following measures:

Regular Review and Revision of Internal Policies. The Bank conducted comprehensive internal control audit across all operational units in accordance with the principle of “full coverage in three years”, focused on the internal systems related to ethical standards, employee ethical risks, clean practices and accountability management, and carried out all-round supervision on all business activities and personnel.

Regular Audit on Implementation. The Bank’s internal audit department has paid great attention to the implementation of regulatory compliance requirements and relevant internal policies such as the *Internal Audit Articles of China Minsheng Bank*, the *Measures on Internal Control Evaluation of China Minsheng Bank*, and the *Administrative Measures on Economic Responsibility Audit of China Minsheng Bank*. To prevent compliance and ethic-related risks, the Bank carried out all-around inspections on all businesses and staff of operating units through comprehensive audits, special audits, economic accountability audits and responsibility determination audits. During the reporting period, the Bank has completed audits of comprehensive

internal control evaluations for 12 tier-one branches through a combination of on-site and off-site approaches, and continuously enhanced this audit and supervision work.

Anti-Bribery and Anti-Corruption Policies²

Strict Adherence to Regulations and Standards. In response to changes in national laws, regulations, and regulatory requirements, the Bank reviewed and updated the *Disciplinary Measures of China Minsheng Bank on Staff Violations* in a timely manner, which clarified the anti-bribery and anti-corruption-related regulations regarding bribery and duty embezzlement, explicitly prohibiting employees from soliciting or accepting bribes, receiving kickbacks or commissions in violation of national regulations, and engaging in the transfer of benefits, insider trading and other behaviours, to strengthen institutional and supervisory mechanisms, maintaining zero-tolerance for corruption and bribery.

Strengthening of Clean Conduct and Self-Discipline Management. The Bank attached great importance to clean culture cultivation and enhancement of employees' awareness of clean practices and self-discipline, and continued to improve the mechanism for investigating and dealing with violations of regulations and disciplines, urging employees to abide by laws, regulations and disciplines. The Bank continued to strengthen the supervision on accountability management work, gave full play to the responsibilities and roles of the accountability committees at all levels. In compliance with the *Disciplinary Measures of China Minsheng Bank on Staff Violations*, these committees rigorously investigated and addressed violations and misconduct. Those who violates the criminal law will be transferred to the public security organs for legal action in accordance with the law.

Whistleblower Protection³

The Bank receives complaints and tip-offs through public channels, such as telephone and emails. The discipline inspection committees at various levels handle the cases in accordance with their respective authorities. The Bank has formulated and released the *Working Measures on Supervision and Discipline Execution by Discipline Inspection and Supervision Institutions of China Minsheng Banking Corp., Ltd. (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 the 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.

² For details of policies related to anti-bribery and anti-corruption, please refer to the [Key Points of China Minsheng Bank's Policies for Anti-Bribery and Anti-Corruption](#) in the section headed [Environmental, Social and Governance Information](#) on the Bank's official website.

³ For details of whistleblower protection, please refer to the [Disclosure of China Minsheng Bank's Policies on Whistleblower Protection](#) in the section headed [Environmental, Social and Governance Information](#) on the Bank's official website.

- **Smoothing up Channels for Complaints and Tip-Offs.** The discipline inspection committees at all levels have made public the postal addresses, reception addresses for visits, telephone numbers, e-mail addresses and other diversified channels for complaint and tip-off reporting, to promptly receive relevant impeachment and accusation.
- **Standardising the Handling Procedures for Complaints and Tip-Offs.** The Bank handled complaints, tip-offs 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 Banking Corp., Ltd. (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)*. The discipline inspection committees received complaints and tip-offs in accordance with their management authority levels and continuously optimised the working systems and handling procedures.
- **Strictly Implementing Confidentiality Policy.** 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 supervision rights of the public. It is clearly stipulated in the *Working Measures on Supervision and Discipline Execution by Discipline Inspection and Supervision Institutions of China Minsheng Banking Corp., Ltd. (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)* to strengthen the protection of whistleblowers. The identities and information of whistleblowers shall be kept confidential, and any public disclosure of such information shall require the consent of the individual involved. Moreover, all interactions with real-name whistleblowers shall be conducted in strict accordance with confidentiality rules.
- **Safeguarding Legitimate Rights and Interests of Whistleblowers in an All-Round Manner.** The *Disciplinary Measures of China Minsheng Bank on Staff Violations* clearly stipulated the behaviours of damaging the legitimate rights and interests of whistleblowers and the relevant punitive measures, including serious investigation and punishment on unauthorised disclosure and spread of relevant reporting contents, the information of whistleblower, the source of report, and failure to protect the whistleblower in accordance with the regulations resulting in their infringement.

Anti-Money Laundering (AML) Management⁴

Optimising AML Framework and Management Mechanisms. The Bank strictly abided by the *Anti-Money Laundering Law of the People's Republic of China* and other relevant AML regulations, upgraded money-laundering risk assessment system and strengthened the application of assessment results, and actively established a risk-adaptive money-laundering risk management system. The Bank standardised AML policy development criteria, established a model management mechanism that integrated operational risks, enhanced information security management, and continuously refined the internal control mechanism of AML. Through implementing a centralised AML due diligence (assistive) operation model at the Head Office level, the Bank optimised resource allocation and improved the quality and efficiency of due diligence performance of primary-level customers.

Enhancing AML Management Capabilities Through Sci-tech Empowerment. The Bank continued to promote the application of intelligent technologies to AML operations, improved AML system functionalities and enhanced data governance. Key initiatives included developing AI-assisted tools for suspicious transaction reporting, deploying deep learning-based predictive models, and launching a management dashboard with a panoramic view of money-laundering risks. These advancements enabled precise, intelligent, and visualised risk monitoring, and enhanced the scientific level of AML measures and the effectiveness of AML duty performance.

Intensifying Risk Identification and Management. The Bank strengthened money-laundering risk screening, issued risk alerts and promoted source-tracing and rectification and established long-term mechanisms. Furthermore, the Bank reinforced sanctions compliance management and continuously improved the namelist-based management effectiveness. The Bank established the “Monitoring & Analysis Think Tank”, continued to deepen quality control over suspicious transaction reporting, and enhance risk identification and response capabilities, so as to ensure thorough money-laundering risk management.

Cultivating Money-laundering Risk Management Culture. The Bank fulfilled AML obligations as a financial institution, enriched the publicity and education forms of AML culture. The Bank organised diverse AML training sessions that covered all employees, adapted to different job positions, and gave full play to the characteristics of institutions, including releasing AML manuals applicable to both management and operational teams, conducting a series of publicity campaigns titled “N Ways to Create Value with AML” among all employees, launching specialist seminars on in-depth interpretation of AML policies and the “Agile Learning Week” for suspicious transaction identification, to enhance the AML capabilities of all employees. As at the end of the first quarter, the Bank has conducted a total of 980

⁴ For more information on AML management, please refer to the [2024 Environmental, Social, and Governance Report of China Minsheng Banking Corp., Ltd.](#)

AML training sessions with 58,107 attendances, improving the AML duty performance awareness and competency.

Management of Related Party Transactions

Enhancing Layered Duty Performance. The Bank continuously strengthened the performance of the Board of Directors and the Related Party Transactions Supervision Committee of the Board and established the independent director special meeting mechanism. For significant related party transactions, the Independent Directors shall express independent opinions in advance on the fairness, compliance and internal approval procedures, and convene independent director special meetings to review them. The Board of Supervisors strengthened regular supervision by attending meetings of the Board of Directors and the Senior Management as non-voting delegates and reviewing reports on related party transactions. At the management level, a cross-department management office for related party transactions was established to carry out daily works such as identification and maintenance of related parties and management of related party transactions.

Improving Basic Policies. The Bank has established a policy system for the management of related party transactions, including the *Administrative Measures on the Management of Related Party Transactions of China Minsheng Banking Corp., Ltd.*, the *Terms of Reference of the Related Party Transactions Supervision Committee of the Board of Directors of China Minsheng Banking Corp., Ltd.*, the *Implementation Rules for the Management of Related Party Transactions of China Minsheng Bank*, the *Guidelines for the Management of Related Party Transactions of Subsidiaries of China Minsheng Bank*, the *Implementation Rules for the Management of Related Parties of China Minsheng Bank*, and the *Implementation Rules for the Governance of Related-Party Transaction Data of China Minsheng Bank*.

Refining the List of Related Parties. The Bank continuously optimised the standards for identifying related parties, and has formulated the *Standards for Identifying Related Parties of Internal Personnel*. The Bank promoted the improvement of the identification and management of related parties, continuously optimised the recognition model of suspected related parties, strengthened the capabilities in penetrated identification of related parties, and enhanced the accuracy, completeness, and validity of the related party list. The Bank regularly organised the whole bank, the major shareholders and the subsidiaries to update and submit the information of related parties, supervised the related parties to fulfill information reporting obligations and updated the namelist of related parties, in a bid to effectively consolidate the basis for the management of related party transactions.

Upgrading and Restructuring Systems. In line with the regulatory requirements, the Bank continuously optimised and iterated the related party transaction management system, enabling efficient full-process management of related parties and related party transactions. The Bank strengthened risk management and control and monitoring and early-warning of related party transactions, connected the management system with business systems to achieve automated data collection of related party transactions

and automated generation of regulatory reporting. These enhancements have elevated the Bank's IT system-based and intelligent management of related party transactions.

Environmental Protection

III. ESG Risk Management

ESG Risk Management Structure

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

The Bank placed particular emphasis on preventing ESG risks and promoting green finance development. In February 2025, the Bank revised and released the *Administrative Measures on Green Finance of China Minsheng Bank (Revised)* (hereinafter referred to as "*Administrative Measures on Green Finance*"), establishing and improving management systems for environmental, social and governance (ESG) risks and climate risks. Climate risks have been incorporated into the comprehensive risk management system, with clear definition of the bank-wide green finance management system and delineation of responsibilities and management requirements for the Board of Directors, Senior Management, relevant departments, and business units.

- The green finance management system has been clearly defined. The Board of Directors undertakes the main responsibilities for determining the Bank's green finance development strategy, reviewing and approving green finance targets formulated and reports submitted by the Senior Management. 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. In the meantime, the Bank standardised the green finance-related works of the Board of Directors, the Senior Management and various departments, such as duty division, 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 while reviewing the goals set and reports related to green finance submitted by the Senior Management, and supervising and evaluating the implementation of the green finance strategies by the Bank.
- The Risk Management Committee of the Board of Directors is responsible for green finance-related risk management.

- The Compensation and Remuneration Committee of the Board of Directors is responsible for integrating the implementation of green finance into 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 has been established at the execution level to coordinate the Bank's green development. It was led by the President and its standing members were from relevant departments.
- 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.
- The Risk Management Department of the Head Office assists the Risk Management Committee of the Board of Directors in fulfilling relevant responsibilities, including formulating green finance risk preferences, incorporating climate risk management, ESG risk management of corporate customers, and carbon accounting management into the comprehensive risk management system; and supports the Credit Management Department of Head Office in green finance credit management.

Administrative Measures on Green Finance of China Minsheng Bank (Revised)

It is stipulated in the Administrative Measures on Green Finance to incorporate the ESG risks as well as climate risks into the comprehensive risk management system. The Bank has established an ESG management system to effectively identify, monitor, prevent and control ESG risks in business activities, while preventing, adapting to, and reducing climate risks associated with such activities. The Bank implemented key steps under the Principles for Responsible Banking, paid attention to the environmental and social harms and risks potentially caused by corporate governance deficiencies and management issues involving customers (financing parties) and their key suppliers and contractors. The Bank also incorporated ESG requirements into its management processes, strengthened the interaction between information disclosure and stakeholders, and refined policy systems and process controls. At the meantime, the Bank proactively supported the innovations in green finance products and services in the green sector, low-carbon development, circular economy, climate investment and financing, transition finance, carbon finance, biodiversity, the “agriculture, rural areas, and farmers”, and the micro and small enterprises (MSEs), and developed emerging services such as e-banking, and formulated relevant plans. Furthermore, the Bank actively evaluated the substantial impacts of climate risk, conducted scenario analyses and stress testing, and made timely adjustments in asset risk classification and reserve provision.

ESG Risk Management System

The Bank has integrated ESG risk factors into its existing credit management processes. Relevant internal documents have been formulated, including the *Measures on ESG Risk Management for Legal Person Customers*, the *ESG Risk Due Diligence and Compliance Review Checklist*, the *Notice on the Trial Operation of ESG Rating Models and Processes in the Corporate Credit Risk Management System*, the *Notice on Launching Certain ESG Risk and Green Finance Management Functions in the Corporate Credit Risk Management System*, and the *Operational Manual of ESG Rating and Risk Management in the Corporate Credit Risk Management System* (VI.3). These measures covered investment and financing activities, guided and standardised ESG risk management works across the Group, and evaluated the impacts of ESG risks.

The Bank has established a whole-process ESG risk management system covering all subsidiaries, operating units, and business types (including investment and financing businesses), and has built a multi-dimensional data collection mechanism integrating the parent bank and the subsidiaries, the Head Office and the branches, and the internal and the external third-party information collection. The Bank paid close attention to the impact of ESG risk factors on overall credit risk exposure in investment and financing activities, and integrated ESG risk factors into credit risk assessment and review processes. The Bank has clarified that in the processes of due diligence, compliance review, credit approval, contract management, fund disbursement, and post-loan management, it shall implement regulatory requirements on ESG risks, strengthen ESG risk management of proposed credit and proposed investment customers and projects, adhere to the “one-vote veto” in environmental assessment, continue to track and monitor customers’ ESG risks, reinforce dynamic evaluation, risk exposure management and namelist-based management, and adopt differentiated risk management measures, early-warning handling and post-lending management measures in a timely manner according to changes in their ESG risks.

The Bank maintained vigilant oversight of the driving effects and transmission paths through which ESG-related risk factors impacted credit risk during investment and financing activities. The Bank incorporated ESG risk considerations into investment and financing management. Based on industries, geographic locations, and the nature and severity of the ESG risks of customers and their projects, the Bank implemented namelist-based management of customers presenting material environmental (including climate), social, and governance risks, and achieved automated push of work orders to adopt differentiated risk mitigation measures in post-lending management.

The Bank independently developed an ESG rating model tool comprising 25 ESG rating models across five major categories, covering corporate and small business legal person customers. Of which, the models for high-carbon industry customers are further assessed through ten sub-models for thermal power, steel, cement, plate glass,

non-ferrous metals, aviation, petrochemicals, coal chemicals, chemicals, and paper manufacturing. These ESG rating models comprise a three-tier indicator system structured with qualitative metrics, quantitative parameters, and adjustment and constraint terms, encompassing 16 third-level indicators and 198 fourth-level indicators. This ESG rating model tool has been put in use across the Bank, and the rating results have been applied in the whole process from pre-lending due diligence investigation, in-process review, disbursement review, and post-lending management. The tool has provided front-line staff with a new perspective for dynamic ESG risk assessment, and improved the full life-cycle ESG management mechanism of “prudent pre-event check, dynamic in-process monitoring, and comprehensive post-event assessment”.

Credit Policies⁵ for Segmented Industries

The Bank adopted the national green development and energy security strategies in a coordinated manner, and implemented differentiated credit policies and the requirements on the orderly transformation of high-carbon industries. The Bank monitored 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 conservation and carbon emission reduction, industrial upgrading, and safety and efficiency so as to steadily promote the green transformation of credit structure and the “dual optimisation” of its customers and assets.

The Bank has formulated credit policies, credit granting guidance, environmental and social risk assessment standards, and compliance review checklists for different industries. It has also developed industry-based ESG rating models to identify corresponding ESG risks based on customer or project sectors, and implement differentiated controls over credit allocation for industries with high energy consumption, high pollution, and overcapacity.

In terms of credit policies, the Bank formulated credit policies covering more than 50 key industries, such as energy⁶, transportation, agriculture, forestry, animal husbandry and fishery, mining, oil and gas⁷, raw materials, as well as key areas such as clean

⁵ For detailed credit policies for segmented industries, please refer to the [2024 Environmental, Social and Governance Report of China Minsheng Banking Corp., Ltd.](#) and the section headed [Environmental, Social and Governance Information](#) on the Company’s official website.

⁶ For example, in terms of energy utilisation, the sector of municipal solid waste incineration power generation, must meet the requirements of national laws and regulations, industrial policies and technical standards. It is also required to build corresponding highly-efficient pollution control facilities, with particular focus on legal and compliant environmental impact assessment.

⁷ For the oil and gas industry, it is the bottom line to meet national standards for industrial policies, production processes, equipments, and pollutant discharge. It tends to support the purchase and upgrading of equipment in

energy, clean production, energy conservation and environmental protection, green upgrading of infrastructure, ecological environment, green services, biodiversity conservation and rural revitalisation. The Bank has specified differentiated credit granting strategies, access criteria and key points of risk control and other relevant requirements, and has incorporated binding requirements for environmental and social risk management to continuously support green transformation and upgrading of industries, and facilitate the adjustment and optimisation of energy mix.

ESG Due Diligence⁸ and Credit Review and Approval

The Bank implemented a “three-in-one” approach, integrating “business marketing guideline, credit policy, and approval guideline”. The preliminary credit approval officers have already participated in the formulation of this “three-in-one” credit policy for green development areas such as new-type coal chemical, renewable energy, and eco-environment-oriented development (EOD).

Identifying ESG Risks in Credit Due Diligence Process. The Bank continuously enhanced the standardisation and digitisation of ESG risk assessment in the credit due diligence process, and integrated ESG due diligence into the credit management system of the Bank. The Bank formulated the *Checklist for ESG Risk Due Diligence*, further clarifying the key points of ESG due diligence for customers and projects. This checklist covers nine carbon-intensive industries, including thermal power generation, cement manufacturing, plate glass, petrochemical, steel, paper-making, non-ferrous metal, chemical, and civil aviation, as well as three industries that potentially have a significant impact on social stability and public interests, including nuclear power generation, hydroelectric power generation, and municipal solid waste incineration power generation. To ensure true and reliable results, the Bank conducted cross-validation and analysis of information from competent authorities, credit agencies, and regulatory authorities and other channels when identifying ESG risks.

The Bank has made ESG risk due diligence a mandatory component of the due diligence process, with applications failing to follow the ESG due diligence checklist will not being accepted. The Bank required further environmental evaluations⁹ for comprehensive credit, project loans, and M&A loans granted to large and medium-sized customers in carbon-intensive industries. For enterprises with outdated

relation to the upgrading of green technology and other energy saving and carbon reduction carried out by high-energy-consumption enterprises to reach the benchmark level of energy efficiency.

⁸ The contents of ESG due diligence include but is not limited to the following: Pollutants and waste discharge management, industrial access policies, business licenses, safety production and occupational health-related licenses, corporate negative information, energy conservation review opinions, social stability risk assessment, etc., and require credit investigators to clarify ESG risk classification (low risk/medium risk/high risk) in due diligence opinions.

⁹ 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.

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 existing customers. For green credit business, the Bank made full use of data-based tools to continuously improve the service efficiency through measures including simplifying process and providing sufficient authorisation.

Reviewing ESG Risks in Credit Review Process. The Bank has formulated *the Checklist for ESG Compliance Review*, which specifies the required compliance documents and compliance review points for environmental, social and governance aspects associated with customers and projects, encompassing nine high-carbon industries and three major industries that are of significant public interest. The Bank has clearly required that the completeness, compliance, and validity of customer (project) information be reviewed one by one.

- The Bank explicitly requires the review to ascertain whether the credit application entity has provided the ESG due diligence checklist. For applications that failed to meet the above requirements, the Bank required operating units to further supplement and improve application materials. For customers classified as medium or high ESG risk, or whose ESG risk classification cannot be determined, an ESG compliance review opinion is required, including an overall ESG assessment and the ESG risk management measures that the customer should adopt. Among them, for customers classified as medium or high ESG risk with a negative review opinion, proceeding to the credit approval process is prohibited.
- The Bank has developed sector-specific checklists for ESG risk compliance review for customers in five industries with potentially high ESG risks, including power generation, building materials, metal smelting, chemicals, and air transport, based on the general ESG risk checklist. When conducting reviews using these industry-specific checklists, credit approval officers shall address both the general ESG risk review requirements and additional sector-focused review requirements. For example, for metal smelting customers, credit approval officers shall additionally verify customer's inclusion in the industry standardisation (market access) list and review the progress in developing capacity replacement plans.

Assessing ESG Risks in Credit Approval Process. Approval personals prudently assess customers' ESG risks in accordance with internal and external regulations and policies. Customers with significant environmental and social risks should not be approved in principle during the approval process. As at the end of the first quarter, 2 businesses related to industries with "high pollution, high energy consumption and overcapacity", worth of RMB58 million, were rejected.

[Case] Due Diligence and In-Depth Assessment of High-Carbon Industries

During the reporting period, a cement group applied to the Bank to participate in a syndicated loan. As the cement manufacturing industry fell into the “high pollution, high energy consumption, and overcapacity” category, the Bank conducted a substantive review of the enterprise and revealed that the target project planned to significantly expand its production capacity in a short period despite the limited market absorption capacity, posing a risk of overcapacity, which did not meet the requirement of the Bank's credit policies, thus the Bank rejected the credit application.

ESG Risk Escalation Provisions 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 Customers*. In the meantime, pursuant to the *Notice on Issuing the Checklist for ESG Risk Due Diligence and Compliance Review of China Minsheng Bank*, all business units shall conduct re-assessment of customers' ESG risks in accordance with the *Checklist for ESG Risk Due Diligence and Compliance Review* when submitting credit application for single legal person customers each time.

The Bank classified customers' ESG risks into ten levels based on the impacts of their operation activities on the environment and the society, and conducted dynamic assessment and monitoring. ESG-C and ESG-C- represent medium level risks, and ESG-D represents high level risks. For credit applications involving customers with medium or high ESG risks, the Bank required credit approval officers to issue ESG compliance review opinions. Customers with medium and high ESG risks receiving negative review opinions shall not access credit approval process. For customers with high ESG risks, risk escalation management will be triggered, and their fixed-asset loans and other medium to long-term credit facilities will be transferred to the Head Office for centralised review and approval.

IV. Advocacy for Sustainable Development

Development of Green Finance

Green Finance Brand Building. In 2025, the Bank continued to improve the multi-level green finance marketing system across the Head Office and branches, and vigorously developed the green finance product and service system of “Minsheng Carbon Peak and Carbon Neutrality”. The Bank continued to focus on key strategic sectors including green sector, low-carbon development, circular economy, and biodiversity conservation, and intensified innovation in scenario-based financial products and comprehensive service models in line with key customers’ need for green development. The Bank strengthened transition finance and carbon finance innovation to vigorously support green and low-carbon financing needs and promote continuous improvement of enterprises’ sustainability performance.

Green Finance Product Innovation. The Bank actively explored innovative carbon finance business, and successfully launched a number of innovative businesses, including loans linked to carbon footprint of industrial transformation and syndicated loans linked to biodiversity conservation indicators, etc.

Carbon Trading Product Innovation. The Bank supported the innovation of carbon finance and environment-related equity products, and formulated the *Guidelines for the Innovation and Development of Carbon Finance of China Minsheng Bank* to promote standardised business development. Since the official launching of online trading in the national carbon market, the Bank has continued to offer professional services to guarantee the transaction performance of member enterprises of the national carbon market on the basis of carbon trading settlement services, and continuously strengthened innovations in the comprehensive carbon finance 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 “carbon account” data of enterprises, the Bank linked loan terms to enterprises’ performance in carbon emission reduction, which effectively alleviated the financing pressure of enterprises in low-carbon development and enhanced their transformation momentum to reduce pollution and carbon emissions.
- **Innovation of Loans Linked to Carbon Footprint of Industrial Transformation.** The Bank extended Guangxi’s first carbon footprint-linked loan to an aluminum group under the *Guidance Catalogue of Financial Support to Aluminum Industrial Transformation (Trial)*. The Bank innovatively linked loan interest rate to the carbon footprints of products of the enterprise, which precisely met the financing needs of the enterprise, encouraged the enterprise to adopt advanced production technologies to achieve predetermined carbon emission reduction targets, advanced green and

low-carbon transformation of traditional industries, and supported the innovative development of regional green finance.

- **Biodiversity Conservation Indicator-Linked Syndicated Loan.** The Bank successfully completed the approval and contract-signing of a syndicated loan project for a group. Based on the contribution to biodiversity conservation in Poyang Lake and the sustainable development outcomes, the Bank linked the loan to biodiversity conservation indicators, and introduced a third-party evaluation mechanism, to carry out dynamic incentives, and successfully created a new model that integrated “finance + ecology”.
- **Innovative Carbon Incentive Mechanism for Individuals.** In partnership with Wuhan Carbon Inclusion Management Limited Company, the Bank successfully launched the closed-loop model that used individual carbon emission reduction results to offset loan interest. Leveraging the Weixin mini programme of “Wutan Jianghu”, a low-carbon lifestyle platform for individuals in Wuhan, citizens can collect carbon emission reduction reward through 11 categories of low-carbon scenarios including green transportation, waste sorting, and low-carbon electricity usage. These rewards can be used to redeem red envelopes of loan interests to offset consumer loan interests via the Bank’s Weixin mini programme of “Minsheng Chuhui Life” at the rate of “1,000g = RMB2”. This model integrated green finance with inclusive finance, and turned carbon emission reduction reward into financial benefits for consumers, realising the value of finance in empowering both consumption and ESG practices.

Sustainable Finance Products

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 products linked to the index. The product selected public offered green bonds of various types listed on the nationwide interbank market and the stock exchanges in Shanghai and Shenzhen. In pursuit of a steady investment strategy, it is characterised by its broad scope, representativeness and high quality. The product 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 the end of the first quarter of 2025, the number of index constituents reached 538, with a total market value of over RMB1.40 trillion.

Green Finance Practices in Supply Chain Finance. The Bank has established comprehensive partnerships with state-owned enterprises (SOEs) and central enterprises in the power industry, including grid companies and electrical equipment manufacturers. Through integrating transaction data, the Bank realised precise financing allocation and facilitated the development of the new energy industry with SOEs in the power industry as the link, providing an exemplary model for the application of supply chain finance in the low-carbon economy.

Participation in Green Bonds

The Bank actively implemented the national strategic deployments for financially supporting sci-tech innovation, promoting common prosperity and pushing forward green development through product innovation. During the reporting period, the Bank issued RMB10 billion green financial bonds, with proceeds allocated to green industry projects including green upgrading of infrastructure, energy conservation and environmental protection, and clean production.

Innovative Breakthroughs in Underwriting Services. As at the end of the first quarter, the Bank underwrote and issued 21 innovative debt financing instruments with total scale of RMB2.804 billion, of which, six were green development bonds with a scale of RMB0.75 billion. The proceeds were used for low-carbon and energy conservation and other green projects. The Bank also helped six corporate issuers to develop in a green, low-carbon and sustainable manner.

Significant Expansion in Investment Scale. The Bank actively promoted the development of green bond-related businesses. As at the end of the first quarter in 2025, the balance of investments in green bonds amounted to RMB80.27 billion, representing an increase of 56.80% as compared with the corresponding period of the previous year.

The Bank offered green-concept bond financing services to issuers and expanded the underwriting and issuance scales of green bonds, carbon neutral bonds and sustainable development-linked bonds, so as to boost green development.

V. Responding to Climate Change

Focus on Climate Change

Formulating Strategic Plans for Climate Risk Management. The Bank clearly defined the initiatives and targets in six areas of climate risk management in the *Five-Year Development Plan for Green Finance of China Minsheng Bank (2021-2025)* (the Five-Year Plan), 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. During the process of implementing the Five-Year Plan, the Bank actively seized the development opportunities, and responded to the risk and challenges brought by environmental and climate changes. Each year, according to the latest situation at 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 Risk Management Committee of the Board of Directors of the Bank 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 problems identified in 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(2025 Revision)*, 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. During the reporting period, the Bank formulated the *2025 Risk Appetite Statement of China Minsheng Bank*, explicitly committing to vigorously support the comprehensive green transition of economic and social development, improve the comprehensive green finance product and service systems, dynamically optimise supporting credit policies, enhance ESG risk management, advance the application of ESG rating models in the full-process management of investment and financing activities, and refine the climate risk management system.

Allocating Corresponding Resources for Climate Risk Management. The Bank intensified the introduction and cultivation of talents in green finance and climate risk management. The Bank allocated 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 its institutions. The Bank also established a cross-department working mechanism to enhance ESG risk management.

Paying Attention to 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 delivered two special training sessions on ESG topics for Directors. During the reporting period, the Bank participated in the Sustainable Markets Initiative (SMI) seminar on green finance and transition finance, MSCI interviews on green finance and climate management, and the seminar on sustainability-linked loan standards organised by Beijing National Finance Standardisation Academy. The Bank also actively participated in researches and discussions organised by regulators on topics of climate risk, ESG risks, environmental information disclosure, and carbon accounting for investment and financing activities. Furthermore, to strengthen ESG risk management capabilities, the Bank organised a training programme on ESG risk management with attendances of nearly 200 personnel in relevant functional roles.

Participation in Climate Risk Analysis

Fully Implementing the National Strategy of “Carbon Peak and Carbon Neutrality”. The Bank actively responded to the impacts and challenges brought by the environmental and climate changes. According to the latest situation at home and abroad and the national policy guidance, the Bank analysed the impacts and potential risks brought by environmental and climate changes in an in-depth manner, optimised environmental and climate risk management, formulated credit policies for different industries, and actively seized business opportunities to promote green and sustainable development.

Climate risk sensitivity stress test. The Bank has conducted the climate risk sensitivity stress tests 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. The Bank conducted multiple rounds of special discussions on climate risk stress testing with professional third-party institutions to enhance its capabilities in identifying and managing climate risks, laying a solid foundation for its future climate risk management initiatives.

Low-Carbon 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. 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. Multiple high-frequency business processes, such as information maintenance of corporate customers, were further put into online operation, and the paperless basic financial services were further enhanced.

Green Office

The Bank has been adhering to green office, reduced energy resource consumption, and actively fulfilled its environmental responsibilities. The Bank strictly followed the national and local *Design Standards for Energy Efficiency of Public Buildings* to carry out the building of green bank. The Bank revised the *Guidelines for Decoration and Design of Office Areas of China Minsheng Bank*, thoroughly implemented the concepts of green, energy-saving, and environmental protection into the construction of offices and business outlets, and reduced resource consumption and emissions and discharges of greenhouse gases, wastewater, 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.

The Bank advocated thrifty and opposed extravagance, actively promoted digital, intelligent, online, and paperless office operations to minimise unnecessary paper consumption. By publishing initiative letters, setting up bulletin boards, and putting up e-posters, the Bank strengthened publicity and education to cultivate good habits of resources saving of employees.

Green Procurement

The Bank adhered to and implemented the concept of green procurement, and fully considered environmental protection, resource conservation, safety and health factors in its procurement, while taking into account both economic and environmental efficiencies. The Bank encouraged suppliers to incorporate environmental protection, energy saving and consumption reduction, and other requirements into their management system. Under the same conditions, the Bank prioritised to choose the suppliers having environmental management system accreditation and whose products having environmental labels. The Bank actively conveyed its support and advocacy on green procurement to suppliers, guided them to jointly fulfil their social responsibility for green development and facilitated their improvement in environmental performance.

Social Responsibility

VI. Accessibility to Financial Services

More Accessible Offline Services

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 first quarter of 2025, the Bank had 148 branches in and outside the Chinese mainland (including the Hong Kong Branch and the London Branch). The Bank continued to upgrade the outlet location system and analyse the regional network coverage to optimise the outlet layout, with 2,432 sub-branch business outlets in 139 cities in the Chinese mainland. The Bank had 164 county-level outlets nationwide, accounting for approximately 13%.

Improving Offline Service Network. To improve the offline service network, the Bank allocated 3,798 self-service equipment¹⁰ to fill the blank of outlets in emerging urban areas and enhance customer service accessibility. The Bank continued to develop and renovate new smart equipment by adding new functions, such as customer face verification, identity document reading and remote audio/video assistance, to the conventional equipment, and supported the installation of 41 business functions, making the business carrying rate to 73.43%, and the overall ‘one-stop’ business solution rate to 70.61%. As a result, customers can enjoy one-stop and highly efficient business handling experiences.

Realising the Full Coverage of Financial Services. The Bank has the largest and the most widely distributed community outlets among banks in the Chinese mainland. As at the end of the reporting period, the Bank has 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 urban residents.

Creating supermarket-based community sub-branches. The Bank entered into all-round strategic collaboration 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 sub-branches into an important platform for serving residents living around with convenient and efficient financial services. As at

¹⁰ Refers to customer self-service equipment, including currently deployed ATM, CRS, CDT Cash Intelligent Teller Machine (Self-Service) and Cash Recycling System at and off bank outlets, launched as at 31 March 2025.

the end of the reporting period, the Bank has established and commenced operations of three community sub-branches within the business circles of Sam's Club stores in Beijing, Quanzhou and Shenzhen, marking the deep integration of financial services with the retail sector, and setting a new direction for the future innovation of community banking service models.

Facilitating Rural Banks in Serving Rural Revitalisation. The Bank has set up 29 rural banks in 15 provinces with 80 business departments and sub-branch outlets. These institutions served 610,500 deposit customers and 66,700 loan customers. The Bank continuously strengthened the responsibilities as the initiating bank, and published the *2025 Operation and Management Guidelines for Rural Banks* at the beginning of 2025 to enhance corporate governance and internal control management. Moreover, the Bank continuously encouraged the rural banks to stay true to their service origin of supporting agriculture and MSEs, and tap into the county-level markets, serve agriculture, rural areas and farmers, as well as rural revitalisation, and to improve management competence and quality of development, and achieved good social benefits and operational benefits. As at the end of the first quarter, the Bank's rural banks had total assets of RMB41.408 billion, total deposits of RMB35.609 billion, balance of loans of RMB25.757 billion, and served 610 thousand customers of various kinds.

More Convenient Online Services

The Bank actively reinforced intelligent innovations of online services, and constantly optimised the functions of online service platforms in relation to retail, corporate, small business, and intelligent operations, to elevate customer experience and improve service quality and efficiency.

More Digitalised, Intelligent and Refined Online Platform Services:

- **Continuous Optimisation of Mobile Banking.** During the reporting period, the Bank continued to strengthen the construction of mobile banking by enhancing the refined service capabilities of asset overview, launching the Wealth Radar, upgrading wealth management scenarios, supporting flexible product allocation, and introducing agency sales of foreign currency wealth management products of other banks in currencies such as HKD and GBP, and launching new functions such as online contract-signing for Little Wealth Butler and contract-signing management for quick payment of minors. The Bank optimised risk control strategies, increased use frequencies of convenient authentication tools, and consolidated security protection mechanisms, significantly enhancing the digital, intelligent and refined service capabilities of mobile banking. As at the end of the first quarter, the Bank's online retail platform had 122.5766 million users, representing an increase of 1.59% from the end of the previous year.
- **Continuously Strengthened Online Corporate Platform Services.** During the reporting period, the new generation of corporate online banking focused on scenario-based services and launched a dedicated cross-border finance section,

supporting “one-stop” inquiry and processing of international businesses. The Bank released the version 6.0 of mobile corporate banking App, optimised the mobile desk, message centre, and settlement services, and introduced screen-sharing services to significantly improve the professionalism and intelligence of the online corporate platform, driving substantial improvements in corporate digital service capabilities. As at the end of the first quarter, the Bank’s online corporate platform had 4,111.6 thousand users, representing an increase of 1.94% over the end of the previous year. The number of customers of bank-enterprise direct connect was 7,158, representing an increase of 5.58% as compared with the end of the previous year.

- **More Convenient Small Business Finance Service Platform.** 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 first quarter, the “Minsheng Small Business App” served 2.12 million small business customers, representing an increase of 50 thousand over the beginning of the year. The App received 10 thousand loan applications this year, and disbursed more than RMB110 billion.

Strengthened Remote Expert Services. The Bank pooled together top experts in the industry and kept launching the remote expert service model. The service enabled customers to contact experts via video calls through various methods, such as visiting outlets or arranging home visits, and provided customers with one-stop and comprehensive professional consulting services in market hotspots, complex issues and comprehensive needs. As at the end of the first quarter, with 5,880 remote expert video services provided to customers, the Bank further broadened customer service scenarios and enhanced the accessibility of financial services.

Implementation of Intelligent Operation. 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 74 high-frequency business scenarios. As at the end of the first quarter, the Bank provided customers with 1,952.4 thousand times of remote banking video services, and the remote banking customer satisfaction rate reached 99.63%.

Digital Services of Supply Chain Finance. The Bank improved the supply chain financial service capabilities to support the steady development of industrial chains and supply chains, and optimised the 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.

Continuous Optimisation of Corporate Account Life-cycle Management. The Bank optimised the end-to-end process of corporate accounts, consolidated basic account service capabilities, and further upgraded the “E-Corporate Account Opening” to, support online account opening applications by individuals from Hong Kong, Macao, and Taiwan and to ensure convenient financial services for them when starting enterprises in the Chinese mainland. It also supported “one-click contract-signing” by enterprises newly opened accounts when choosing basic settlement products, such as payroll agency, Tax and Fee Express, and corporate cards, based on their needs, and substantially elevated its account product and service capabilities.

Digital Cross-Border Financial Services. Being customer needs-oriented and customer experience-focused, the Bank has developed the flagship product of “All Across the World”, which enhanced the online, convenient and digital service capabilities of international businesses. The Bank integrated over 100 cross-border transaction functions, redesigned online banking interfaces and introduced the “Cross-border Finance Section”, enabling “one click” access to high-frequency services. The Bank launched the bank-enterprise direct-connect remittance function, advanced the construction of international business section on Minsheng Small Business App, improved the smart remittance function, launched a new process of automatic settlement of inward remittances, and accelerated the promotion of Shipping Remittance Express. As at the end of the first quarter, 4,452 remittances were reviewed in a smart manner, 320 customers were serviced, representing an increase of six-fold year-on-year. Additionally, the Bank continued to upgrade the digital trade financing service of “Cross-border E-Finance”, introduced automatic credit granting services, such as negotiation of export documents, to meet the diversified needs of foreign trade MSMEs. As at the end of the first quarter, the Bank distributed a total of RMB5.363 billion, served 2,682 foreign trade enterprises, and helped stabilise foreign trade with fintech.

Enhanced Innovation and Service Capabilities of Digital Financial Products. The Bank took systematic and all-round digital transformation as a new starting point for future layout, further optimised agile innovation mechanisms and supporting mechanisms, to continuously improve the innovation and service capabilities of digital financial products.

- The Bank continued to optimise the product of “Minsheng Payroll Agency”, streamlined processing procedures and enhanced customer experience. As at the end of the first quarter, the total number of customers signed up for “Minsheng Payroll Agency” was 1,106.2 thousand, and 293.2 thousand customers made transactions in the first quarter of 2025.
- The Bank further diversified payment channels for the product of “Tax and Fee Express”. As at the end of the first quarter, the total number of customers signed

up for Tax and Fee Express reached 597.2 thousand, and 155.2 thousand customers made transactions in the first quarter of 2025, with tax payments totaling RMB13.128 billion.

- The Bank proactively explored the application of AI technologies, such as large model, in knowledge retrieval, transaction analysis and financial report recognition, to assist or even replace human operation in more work scenarios. By applying OCR, NLP and smart recognition and comparison technologies, together with the multi-dimensional forms on iMinsheng and the data visualisation system, the Bank realised online management of loan disbursement. 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 automatically reported and analysed operational indicators and enhanced the digital management capacity of operations.
- 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. The Bank actively responded to national inclusive finance policies, focused on resolving challenges faced by MSMEs in digital transformation, including difficulties in selecting tools, high costs, and operational complexity, and provided comprehensive solutions that integrated business, accounting, and finance, which enabled MSMEs to improve operation and management efficiency, thus contributing to their digital transformation. In the first half of 2025, the Bank deepened the digital innovation of “E-Minsheng Family” to integrate financial and non-financial scenarios, improve customer experience, empower the digital transformation of SMEs and practise inclusive finance. As at the end of the first quarter, the number of monthly users of “E-Minsheng Family” reached nearly 20 thousand.
- The Bank launched the online unsecured loan product of “E-Easy Innovation Loan” for dedicated, refined, distinctive and innovative (DRDI) enterprises, which focused on financing support for enterprises with core technologies and enterprises that could make up weak points of or strengthen supply chains, and on the continuous innovation capability of enterprises. By introducing multi-dimensional data, including intellectual property, products and technologies, talent teams, and equity financing, the Bank independently developed the innovation capability assessment model for sci-tech enterprises and realised online self-service application, model-based automatic approval, and online contract-signing and fund withdrawal, which is applicable to open-ended requirement scenarios of enterprises for raw material procurement, daily operations and R&D investment.
- To cater to customer needs, enhance market competitiveness, better serve the development of inclusive finance and implement its digital transformation strategy, the Bank has developed the “active credit granting and smart

decision-making model for small business”. It released the “Minsheng Benefits” series products, and launched two product lines of credit and pledge, which supported dual-entity credit granting for corporate and individual borrowers and featured with data-driven, comprehensive decision-making, and agile iteration, continuously elevating digital level of businesses. As at the end of the first quarter, total approval amount of the “Minsheng Benefits” series products reached RMB235.116 billion the balance of loans amounted to RMB115.9 billion, and the number of contracted customers was nearly 130 thousand.

- To address the needs of high-quality SMEs in supply chain scenarios for financing without credit reliance on core enterprises, the Bank has established a “MSE pan-supply chain” service system, which supported business development in primary-level markets through small-amount and de-centralised financing, supported suppliers/distributors at various levels in the chains and realised credit granting without reliance on core enterprises and batch credit approvals. The service system is characterised by easy connection, simplified procedures, quick approval, and agile iteration. Leveraging on the data-driven, unsecured, online and model-based approval, the system efficiently meets the needs of SMEs in supply chain scenarios for financing without credit reliance on core enterprises.

Accessibility of Financial Services for Special Groups

For the special groups that are not easy in accessing financial services, in accordance with the *Plan for the Development of Barrier-free Services Relating to Customer Application Software of Mobile Finance* issued by the People's Bank of China (PBOC) and the requirements of the relevant standards, the Bank continued to strengthen the construction of elderly-friendly transformation and barrier-free service facilities at its outlets. The Bank developed mobile banking Apps for different groups of people and gave full play to the advantages of community grid-based services to optimise financial and non-financial products and services for special groups.

Inclusive Financial Services. The Bank continued to improve the system and mechanism for inclusive finance, broadened the breadth and depth of inclusive financial services, promoted the innovation of products and services, and integrated online and offline channels, so as to enhance inclusive financial service capabilities. As at the end of the first quarter, the total amount of inclusive small business loans of the Bank reached RMB669.155 billion, representing an increase of RMB6.438 billion as compared with the end of last year, and the number of customers with inclusive small business loans amounted to 504,200.

SME Credit Plans. The Bank has formulated 66 credit plans for SMEs, covering 18 key branches, of which, over 95% of the target SMEs were in the national industrial clusters list, regional industry agglomeration areas, or regional key industries, effectively satisfying the financing needs of SMEs in key industries. As at the end of the first quarter, the approval number of SME credit under the SME credit plans was 1,257, with total amount of RMB24.5 billion, and the balance of credit amounted to

RMB7.9 billion.

Caring about New Urban Residents' Social Security Needs. The Bank continued to strengthen the cooperation in agency sales with insurance companies to provide cost-effective elderly care protection products and have introduced inclusive health insurance products such as Million-Yuan Medical Insurance, one-year critical illness insurance and medical insurance for the middle-aged and the elderly. As at the end of the first quarter, the Bank cooperated with JD Health to provide free online medical consultation for more than 350,000 times.

Paying Careful Attention to the Demands of People with Disabilities. The Bank improved service experience of people with disabilities with technological support: The Bank's various Apps support the barrier-free voice reading function, its mobile banking version 9.0 introduced sign language video service with 15 sign language experts providing professional assistance. The Bank constantly optimised the facilities of its offline outlets, and adjusted the counter height to be more accessible for wheelchair users, delivering more friendly and considerate customer experience.

Iterating and Upgrading Dedicated Services for the Elderly

- **Elderly-Friendly Outlets:** The Bank established the Configuration standard for elderly-friendly facilities at outlets, optimised lobby services, improved service flows, upgraded service facilities to enhance service experiences of elderly customers, and to advance the construction of role model outlets for elderly-friendly services. The Bank improved elderly-friendly services at bank lobbies by setting up exclusive “green channel” or “help window” and providing courtesy seats, barrier-free channels, and elderly-friendly facilities such as reading glasses and hearing aid, as well as professional assistants for business processing. 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 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.
- **Elderly-Friendly Devices:** The Bank introduced a variety of new smart devices with multiple functions, added the functions of elderly customer detection and one-key transfer of calls. The large-font interface and the “Remote Assistant” video services further simplified operations for the elderly. The Bank also added to the smart devices at bank lobbies the feature of remote staff assistance with screen-sharing, 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.
- **Elderly-Friendly Online Services:** The elderly-friendly version of mobile banking enabled the elderly to easily access digital financial services. The

Bank has continuously upgraded the “elderly-friendly version” of mobile banking for three consecutive years, maintained the large-font interface tailored to elderly users, and highlighted frequently used functions in the homepage such as account inquiries, fund transfer and remittance, asset and income overview, and deposits and bill payments. The design made it easier for elderly customers to find and use these essential services. To promote steady growth of their wealth, the Bank offered steady investment products and services including deposits, funds, wealth management products, physical gold, and fixed investment plans. The Bank provided functions such as elderly-friendly fund transfer, mobile phone number-based fund transfer, scheduled transfer, and interbank pass, enhancing the convenience for fund transfer. In order to facilitate the elderly customer group to contact the bank for business consultation, the Bank provided functions such as telephone customer service, corporate Weixin account, and remote banking to help customers solve problems encountered. The Bank also provided anti-fraud video courses to strengthen the anti-fraud awareness of the elderly.

- **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.
- **Dedicated Section for Ageing Finance:** The dedicated section for ageing finance delivered comprehensive pre-retirement solutions covering both individual and non-individual pension accounts and provided four integrated services: Firstly, it provided unified management of three-pillar pension assets which provided cross-cycle, cross-platform, and cross-category comprehensive information. Secondly, it helped calculate personalised pension gap, enabling customers to understand elderly care situation and risk exposure. Thirdly, it has established the product shelf for individual pension accounts and other elderly care products to enrich options. Fourthly, it publicised the elderly care investment concept and the risk awareness, so as to help customers make long-term wealth planning for elderly care, thus providing financial services integrating elderly care planning, wealth management, and smart living solutions.

Responding to the Service Needs of Foreigners in China. During the reporting period, the Bank continued to provide online verification services for Permanent Residence Permit, Exit-Entry Permit for Travelling to and from Hong Kong and Macao, the Mainland Travel Permit for Taiwan Residents, and the Residence Permit for Hong Kong, Macao, and Taiwan residents. Mobile phone numbers outside the Chinese mainland can be used to open bank accounts through mobile operations, and the Permanent Resident ID Card can be used to open personal pension accounts and make online foreign exchange transactions. Foreigners in China can make appointments to apply for bank cards on the mobile banking App with valid ID documents. All ATMs support cash withdrawals with cards issued outside the Chinese mainland labeled UnionPay, VISA, and MasterCard. The Bank has also developed an

English version of the mobile banking App, offering account inquiries, fund transfer and remittance, and other services. Foreigners in China can make payments with cards labeled VISA. Foreign card acceptance merchants have been expanded to cover hospitals, hotels, and restaurants, facilitating daily payments of foreigners in China.

Finance Supporting Rural Development. The Bank actively promoted the integrated coordination between inclusive finance and rural revitalisation. During the reporting period, the Bank deep-dived the needs of customers in the agricultural and rural ecosystem, developed special management service of rural resources, assets and funds for village and town collectives, enabling competent authorities to effectively manage and control funds of hundreds of village collectives. Meanwhile, the Bank implemented special supporting policies and green approval channels in multiple regions nationwide. The supporting teams were stationed in paired-assistance areas to drive agriculture-related credit business, and publicised inclusive finance security knowledge and exclusive agriculture-related services and products, significantly enhancing the accessibility of financial services for rural households.

VII. Financial Consumer Protection

Top-Level Design of Financial Consumer Rights Protection

The Bank has clarified a top-level design of financial consumer rights protection, including the Board of Directors, the management level, the execution level (consumer rights protection departments), and the supervision level (internal audit for consumer rights), thereby comprehensively strengthening consumer rights protection efforts.

- **Board of Directors:** The Board of Directors is responsible for formulating strategic policies and goals for consumer rights protection, regularly reviewing reports from the Senior Management on consumer rights protection, and annual work reports and implementation plans on consumer rights protection, receiving complaints and notifications and updates on management works, supervising and guiding the Senior Management to effectively fulfill consumer rights protection responsibilities. establishing and improving consumer rights protection management system, and promoting the alignment of this system with corporate governance and business development strategies, so as to ensure that all tasks can be centred on core business lines, and key development strategies can be implemented. Under the Board, the Strategy Development and Consumer Rights Protection Committee is responsible for key consumer rights protection initiatives such as reviewing consumer rights protection strategies, policies and targets, regularly receiving updates on management works and complaints and notifications, making suggestions to the Board, and supervising and evaluating the performance of consumer rights protection of the Bank including complaint management, inspections on products and services from the perspective of consumer rights protection, financial knowledge publicity and education, personal information protection and suitability management. During the reporting period, the Board and the Strategy Development and Consumer Rights Protection Committee reviewed the annual work report, work plan, appraisal results and special audit reports on consumer rights protection, promptly circulated and studied the *Circular on Quarterly Consumer Complaints of the Banking Industry* issued by the consumer rights protection bureau of the National Financial Regulatory Administration (the “NFRA”), studied and reviewed the reports on rectification of problems identified in regulatory appraisal, and supervised the Senior Management to execute regulatory requirements, so as to continuously enhance consumer rights protection management.
- **Management Level:** The Bank has established a Consumer Rights Protection Work Committee responsible for executing laws, regulations, and regulatory requirements related to consumer rights protection, implementing requirements of the Board of Directors and the Senior Management regarding consumer rights protection, and uniformly planning and organising bank-wide consumer rights protection works.

- **Execution Level:** The Bank has established a leading department responsible for organising, coordinating, supervising, and guiding consumer rights protection works across all units, standardising and directing the implementation of consumer rights protection works of business departments of the Head Office and the operating units, coordinating bank-wide complaint management and reviewing products and services from the perspective of consumer rights protection, continuously strengthening controls in key areas such as personal information protection, suitability management, and traceable management, and organising and conducting consumer rights protection inspection, supervision, and performance appraisal.
- **Supervision level:** To deepen consumer rights protection initiatives and enhance awareness and efficiency in consumer rights protection of all employees, according to the *Administrative Measures on Consumer Rights Protection by Banking and Insurance Institutions*, the Bank has established a regular and standardised internal audit mechanism for consumer rights protection, formulated audit plans for consumer rights protection and included it into the annual audit scope. The audits cover all relevant departments and tier-1 branches of the Bank on 5-year basis. The Bank conducts special audits that focus on evaluating the implementation of ten critical mechanisms, including reviews of consumer rights protection, consumer suitability management, and information disclosure, as well as evaluating the performance in effectively protecting eight fundamental consumer rights such as the right to know, the right to fair trading, and information security, etc.

Product and Service Innovation Management

Product and Service Innovation Management. As the supreme leading body for innovation management of the Bank, the Board of Directors takes charge of promulgating innovation and development strategies and including them into the mid-to long-term development strategy of the Bank, as well as formulating risk policies adaptable to the innovation and development strategies. The Bank has formulated the *Administrative Measures on Innovation Management of China Minsheng Bank*, and revised it during the year, which clarified that the Board of Directors makes major decisions on innovation management, the Bank should incorporate product innovation risk management into the comprehensive risk management system, periodically assess review policies in connection with innovation and risk limits of various product innovations, and maintain consistency between the development strategies and risk management policies for financial innovation and their corresponding counterparts of the Bank. Meanwhile, the Bank has established a Product and Business Innovation Management Committee to coordinate all innovation initiatives under the leadership of the Board of Directors and the Senior Management.

Review on Product and Service Management. The Bank has formulated the *Administrative Measures of China Minsheng Bank on Product Management*, and

produced risk early-warning and risk handling plans based on the market, customer feedback and customer experience, and conduct regular reviews of the Bank's products and services.

Fair Advertising of Products and Services¹¹

Policy-Making. The Bank regularly revises the *Administrative Measures on Consumer Rights Protection of China Minsheng Bank* and the *Administrative Measures on the Review of Consumer Rights Protection of China Minsheng Bank*, incorporates matters, such as newly offered products and services, and policies, institutional rules, business regulations, fee pricing, contractual terms, and marketing materials that may impact consumers, into consumer rights protection compliance reviews, so as to prevent infringements of consumer rights from the source. The Bank has formulated the *Administrative Measures on Consumer Rights Protection in Marketing and Promotion of Personal Financial Products and Services of China Minsheng Bank* and the implementation rules covering consumer rights protection across personal finance, small business finance, internet finance, ecosystem finance, wealth management, and private banking sectors.

Information Transparency. The Bank has formulated the *Administrative Measures on Consumer Rights Protection in Personal Financial Products and Services Information Disclosure*, that covers the whole cycle of pre-sale, in-sale, and post-sale processes, effectively safeguarding individual consumers' right to know, right to fair trading, and right to choose. An inquiry portal is notably displayed in the customer service section of the homepage of the 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 Product Outline" to read product documents.

Reinforced Management from the Source. The Bank supervised and managed the implementation of the systems related to product and service marketing and publicity in various ways, strengthened behaviour management, process management, and archive management. The Bank enhanced monitoring of both online and offline marketing and publicity activities, incorporated it into the basic service monitoring standards of all operating units, developed routine quality inspection and monitoring models for online marketing scenarios such as phone call recording and corporate Weixin accounts, intensified sales behaviour inspections at operating units for offline marketing and publicity activities, and reinforced notification and rectification of non-compliant publicity and integrated it into performance appraisal and accountability. At the same time, the Bank incorporated the standardisation of marketing and publicity into the key contents of internal inspections such as the annual consumer protection inspections and the internal control and compliance

¹¹ Please refer to the [2024 Environmental, Social and Governance Report of China Minsheng Banking Corp., Ltd.](#) for detailed policies. For more information of the policy, please refer to the [Key Points of China Minsheng Bank's Marketing and Publicity Policies for Fair Service](#) in the section headed the Environmental, Social and Governance Information on the Bank's official website.

inspections of the Head Office, which were carried out on-site and off-site and focused on the marketing and publicity process, in a bid to continuously optimise the system and process management in response to the problems identified in the inspections.

Financial Consumer Complaint Handling

Supervising Consumer Complaints. In respect of supervision on complaints, the Strategic Development and Customer Rights Protection Committee under the Board of Directors is responsible for studying and reviewing strategies, plans, and systems related to consumer rights protection, including complaint management. The Board of Directors and the Strategic Development and Customer Rights Protection Committee studied and circulated consumer complaint reports and complaint supervision reports of the banking industry, studied the rectification plans of the Bank, and received reports on rectification progress. The committee urged the management to supervise and rectify problems identified in the regulatory evaluations and submitted the relevant reports to the Board of Directors for reference, in an effort to continuously improve complaint management. The Bank has also formulated the *Administrative Measures on Audit of Consumer Rights Protection of China Minsheng Bank*, based on which the Audit Department oversaw the performance of consumer rights protection across the Bank, including complaint management, to constitute regular and standard internal audit and evaluation system.

Smoothing up Complaint Channels¹². The Bank provided multiple channels for customers to file their complaints, such as the homepage of its official website, mobile banking Apps, 95568 customer service hotline and outlet lobbies, and put the complaint access in a noticeable place or first-level menu to smooth up customer complaint channels and actively listen to customers' demands.

Standardising the Complaint Handling Process and the Complaint Supervision and Review Mechanisms. The Bank has established an explicit, standardised, and comprehensive complaint handling process. The receiving departments shall forward them to the responsible institutions in a timely manner for handling and response within a specific time frame. To ensure impartiality, the Bank has established an independent complaint closure review mechanism, whereby the designated departments shall review the handling results to guarantee thorough and proper resolution. The Bank has also established the "higher-level resolution mechanism for repeated complaints", and adopted comprehensive measures such as clarified rules, smart detection systems, routine notifications, and quantified appraisal, to substantively enhance consumer satisfaction in resolving high-frequency and complex complaints. A consumer disagreeing with the handling result has the right to submit

¹² Please refer to the [2024 Environmental, Social and Governance Report of China Minsheng Banking Corp., Ltd.](#) and the section headed "[China Minsheng Bank Complaint Handling Channels and Process](#)" on the Bank's official website for detailed complaint handling process and channels.

the complaint to the higher-level department for review, and to seek for dispute resolution through mediation, arbitration, litigation and other methods.

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.

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.

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 has formulated and issued policies such as the *Administrative Measures on Handling Consumer Complaints of China Minsheng Bank* and the *Rules for the Implementation of Consumer Complaint Handling of China Minsheng Bank*. Also, the Bank established a mechanism for coordinated handling of complaints and improved the efficient management of complaint handling. The Bank developed a new-generation complaint management system, continuously optimised the system functions, and achieved closed-loop management from complaint receiving to rectification from the source. The Bank continued to improve the complaint labeling system, and strengthened statistical analysis and monitoring and early-warning of complaints. Digital and intelligent means were adopted to further empower complaint management and improve the quality and efficiency of complaint handling. In the first half of 2025, the Bank regularly carried out complaint monitoring and notification, continuously optimised complaint assessment indicators, strengthened the classified management of complaints and the higher-level resolution mechanism for repeated complaints, with a specific focus on refining processing protocols and procedures for high-frequency complaints, critical complaints, and repeated complaints. Furthermore, the Bank took multiple measures to handle complaints with improved quality and efficiency in a more standard manner, including launching complaint management system on mobile devices, optimising automatic timeout alert rules, and adding automatic task reminder function.
- **Enhancing Dispute Resolution Capabilities and Improving Customer Satisfaction in Complaint Handling.** The Bank formulated 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 the Administrative Measures of China Minsheng Bank on Diversified Solutions of Financial Consumer Disputes and other regulations, actively adopted diversified resolution approaches to enhance complaint resolution efficiency and customer satisfaction. The Bank regularly organised emergency drills to improve its capability in the prevention and early-warning and emergency management of material complaints. Besides, the Bank constantly strengthened the research on handling specific types of complaints, and issued complaint handling guidelines to improve the capability in responding to similar complaints.

- **Reinforcing Source-Tracing Rectification to Improve Customer Service Experience from the Source.** The Bank formulated the *Implementation 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 continuously deepened source-tracing rectification, refined the mechanisms of anonymous commenting and data monitoring, continuously enhanced the rectification and evaluation effect, advanced governance from the source, and promoted improvements in products and services with concrete efforts. In addition, through refining the post-resolution satisfaction surveys, optimising and sorting the post-resolution survey mechanism, and adjusting survey models, the Bank kept improving customer service experience.

Loan Plans and Debt Collection

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 system support and supporting services for loan modification. The Bank has formulated the *Administrative Measures on Personal Housing Mortgage Loans of China Minsheng Bank*, the *Operational Guidelines for Personal Housing Mortgage Loans of China Minsheng Bank*, the *Administrative Measures on the Restructuring of Small Business and Retail Credit Business* and other management rules, to clarify the definition, option, and process of loan modification. The Bank offered online and offline loan modification options for customers. Within the credit/borrowing period, considering the modification application and changes in incomes of customers, the Bank would handle the modifications of primary borrowers, co-borrowers, guarantors, repayment methods, contract terms, repayment schedules, repayment dates, repayment accounts, floating ratio of interest rate, interest rate adjustment method, and collateral co-owners based on the comprehensive consideration of customers’ modification applications and changes in incomes. Additionally, the Bank would offer relief support for customers facing income instability, financial distress, critical illnesses, or sudden hardships, dynamically adjust credit limits according to credit profiles and post-loan repayment,

and normally provide customers with loan modification services and efficient, convenient and upgraded solutions.

Administrative Measures on the Restructuring of Small Business and Retail Credit Business of China Minsheng Bank

For customers facing mismatches between actual cash flow cycles and original repayment schedules or encountering short-term liquidity difficulties but having enough cash flow for repayment in the future, the Bank explicitly specified that such customers could adjust repayment terms of the principal and interest and repayment amount by restructuring methods such as adjusting repayment schedules and loan extension. Considering the credit profiles, changes in incomes and requests of customers, account managers should offer eligible customers with restructuring solutions aligned with their cash flow cycles.

Debt Collection¹³: 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:

- **Policy Optimisation:** The Bank has formulated the *Administrative Measures on Credit Risk Monitoring and Early-warning of Retail Customer of China Minsheng Bank* and the *Implementation Rules for the Management of Monitoring and Early-Warning for Retail Credit Business of China Minsheng Bank*. Through such policies, the Bank clarified the debt collection rules and management requirements, established business process and code of conduct for collection, and strengthened the supervision and management of collectors, thus further ensured that the debt collection was in compliance with laws and regulations.
- **Process Improvement:** The Bank adhered to the principle of “legitimacy and compliance, objectivity and prudence, privacy protection” in debt collection. In particular, the Bank effectively included consumer rights protection into the entire process of post-loan collection management, and strictly standardised the collection behaviours and communication skills of collectors. Besides, standards and regulations on management of collection, personnel operation, system permission and data information were also optimised. Also, the Bank timely responded to customer demands and properly handled them, and consciously maintained social harmony and stability.
- **Capacity Building for Collectors.** The Bank regularly conducted capability-building trainings for collectors through online and offline channels. The Bank dynamically monitored collectors’ behaviours throughout the

¹³ Please refer to the [2024 Environmental, Social and Governance Report of China Minsheng Banking Corp., Ltd.](#) for detailed policies. For more information of the policy, please refer to the [Key Points of China Minsheng Bank’s Policies for Debt Collection](#) in the section headed the Environmental, Social and Governance Information on the Bank’s official website.

collection process, and developed a performance evaluation and reward and punishment mechanism, continuously enhancing their professional skills and vocational ethics. Online trainings focused on strengthening staff comprehension of financial service regulations, covering policy implementation, risk management and legal compliance to improve their professionalism in credit card business, risk identification and customer services. Offline trainings aimed to enhance employees' judgment and problem-solving capabilities in complex financial environments through centralised trainings, case analysis and scenario simulations, covering collection policies, communication skills, code of conduct and laws and regulations, so as to comprehensively improve the business skills and comprehensive competence of collectors, raise their risk prevention and control awareness, prevent compliance breaches, and enhance their customer service capability. During the reporting period, 2 sessions of training on compliance were organised at the sub-centres of the Bank to interpret in detail the relevant regulations and regulatory files, such as the *Personal Information Protection Law of the People's Republic of China* and the *Guidelines on Credit Card Collection of China Banking Association*. For outsourced partners, the Bank organised five sessions of online training on compliance and two sessions of business training to reinforce consumer rights and personal information protection awareness, ensuring lawful and compliant collection practices. Additionally, in the 2025 Special Training on Rural Bank Risk Management, the Bank interpreted in detail restructuring businesses such as repayment adjustments and extensions, emphasising strict adherence to internal rules for consumer rights protection and personal information protection.

Administrative Measures on Outsourcing of Entrusted Collection of Personal Loans of China Minsheng Bank (Trial)

The Administrative Measures on Outsourcing of Entrusted Collection of Personal Loans of China Minsheng Bank (Trial) stipulates the management principles, division of responsibilities within the Bank, access of outsourcing institutions, daily management, supervision and evaluation, complaints and emergency management coordination in terms of outsourcing of entrusted collection of personal loans. According to which, it is required to comply with the requirements for the protection of personal information, forbid violent or fraudulent collection, and ensure that the legitimate rights and interests of consumers are not being infringed upon. To further optimise debt collections, the Bank has refined the policies, further clarified divisions of responsibilities of relevant departments, and improved the management requirements on the access, withdrawal and inspection of collection outsourcing agencies to strengthen the management of consigned collection agencies.

Trainings on Financial Consumer Protection

Delivering Financial Consumer Protection Training to Employees at All Levels of the Bank. The Bank has formulated the *2025 Work Plan for Consumer Rights Protection Training of China Minsheng Bank*. The trainings presented layered and classified characteristics with different focuses and distinctive features. The consumer

rights protection training has extended to all staffs, including senior and middle management, frontline employees, management personnel for consumer rights protection, and new employees, effectively enhancing consumer rights protection management capabilities. As at the end of the first quarter, the Bank had conducted over 400 consumer rights protection training programmes, with more than 60,000 attendances of employees, achieving full coverage of employees who should be trained and significantly elevating employees' awareness and professional capabilities in consumer rights protection.

- **Consumer Rights Protection Management Capability Trainings for Management Teams.** The Bank regularly organised learning seminars and training sessions for management teams with a focus on consumer rights protection management systems and work contents, so as to enhance the duty performance capabilities of the management teams in consumer rights protection.
- **Professional Trainings for Consumer Rights Protection Reviewers:** The Bank organised professional trainings on key review points for consumer protection reviewers of the Bank on quarterly basis, and conducted consumer rights protection-related exchange training on a monthly basis, in an effort to continuously improve their professional capabilities.
- **Trainings on Compliant Marketing for Frontline Employees.** The Bank provided employees with trainings on key points of compliant product marketing and publicity and typical cases through Learning Studio, training school and cloud conference at the Head Office level, and onsite training sessions and regular meetings at the branch level. The training covered employees at branches and sub-branches that were engaged customer service. To enhance consumer rights protection and compliance awareness of all employees, the Bank organised trainings on resolutions for financial product sales disputes for compliant sales management personnel and frontline sales personnel of the Bank. This initiative helped relevant personnel improve the standardisation and effectiveness of compliant sales and dispute resolution, covering over 7,000 employees.
- **Consumer Rights Protection Standards and Complaint Handling Skills Training for New Employees.** For example, the Bank has conducted training sessions for new employees of remote banking team covering consumer rights protection policies, regulations, institutional systems, and standardised complaint handling, continuously enhancing new employees' consumer rights protection awareness and customer service.
- **Service Capability Building Training for 95568 Customer Service Staffs.** Taking optimising customer product and application experience as the core, the Bank coordinated with over 10 core Head Office departments and organised 32 special centralised training sessions with a focus on product features and key challenges in services across business lines. A full-process assessment mechanism was implemented in parallel during the training to verify learning outcomes. These sessions cumulatively covered over 20,000 participants with a 100% pass rate among trainees, effectively ensuring training quality and

knowledge application.

- **For Credit Card Related Staffs.** The Bank conducted two training sessions with the theme of “Consumer Rights Protection Traffic Light” for credit card related staffs, focusing on emphasising the importance of compliant operations and team collaboration, specifically analysing the recusal system in complaint handling, clarifying standardised procedures to avoid complaint risks triggered by conflicts of interest or improper operations.

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. For online channels, 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. For onsite channels, the Bank organised multi-level and multi-session onsite training for the Head Office, operating units and business outlets, and continuously deepened the integration of consumer rights protection training with daily management and specific practices to improve the quality and effectiveness of the training.

Financial Knowledge Education and Publicity

For the education and publicity of financial consumer rights protection, the Bank strove to create an “intensive and regular” education and publicity system, establish the brand of “Minsheng’s Consumer Rights Protection in Action”, and conduct high-quality education and publicity of consumer rights protection. As at the end of the first quarter, the Bank carried out 27 thousand education and publicity activities on consumer rights protection, reaching over 430 million consumer participants, more than 7 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.

Education for People with Limited Access to Financial Knowledge. During the reporting period, the Bank formulated the *2025 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 Bank continuously fulfilled institutional responsibilities by actively organising and participating in financial literacy campaigns, advancing the integration of education initiatives with banking operations, and proactively pursuing regulatory recognition and customer satisfaction. The operating units provided high quality, layered and classified financial education and publicity to the elderly, youngsters, new urban residents, 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, thus effectively increasing their sense of access to modern financial services. For example, the Beijing Branch educated elderly residents on frequently-occurred emerging anti-fraud topics such as “elderly care wealth management traps”, “health product scams”, “fake relative transfer scams”, and “AI face swap fraud” through the campaigns of “Financial Knowledge in Communities”, thereby strengthening financial security network for elderly residents.

- **For Teenagers**, 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 Shenyang Branch conducted activities such as “Little Financial Experts” and “Financial Mini-Class”, teaching children how to identify counterfeit money, educating students and parents on campus loan risks, and assisting the youngsters in developing sound financial and wealth management values.
- **For New Urban Residents**, 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 Nanjing Branch launched the education and publicity activity themed “Caring for New Urban Residents”, delivering financial literacy sessions at enterprises, commercial districts and construction sites through distributing brochures and face-to-face consultations. The Bank provided on-site explanations of prudent borrowing and personal credit protection using real cases, enhancing financial literacy and risk awareness among new urban residents.
- **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 Shenyang Branch carried out the activity of “Minsheng Financial Assistance to People with Disabilities”, establishing green service channels for customers with disabilities visiting outlets and launching special financial education section. Additionally, the branch produced cartoons with sign-language explaining the eight consumer rights to foster legal rights awareness and enhanced self-protection capabilities among persons with disabilities.
- **For People in Rural Areas, Remote Areas and Minority Areas**, the Bank advanced financial literacy initiatives at grassroots levels to deepen public awareness. For example, the Ningbo Branch organised the “Financial Literacy Film in Villages” for elderly rural residents to popularise financial literacy. The Zhengzhou Branch conducted sessions in villages such as Wanzhuang Village of Luohe and Magang Town of Gushi County of Xinyang, demonstrating common deceptive tactics including telecom fraud, illegal fund-raising, and pension fraud, advising villagers to safeguard personal information and protect their savings. The Urumqi Branch educated merchants, staffs and tourists at the Grand Bazaar on prevalent intermediary fraud schemes, enhancing financial knowledge and risk

prevention capabilities among local communities.

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.

- The Xi'an Branch has established 10 campus-based Financial Education Demonstration Bases across multiple regions in Shaanxi Province. Leveraging these bases as platforms, it developed an “online + offline” and “centralised + grid-based” education and publicity system to encourage students’ active participation in learning financial knowledge, and enhancing their awareness and capabilities in financial risk prevention and practical application. As at the end of the first quarter, these bases had delivered 22 activities including open campus lectures on financial literacy, video courses on financial intelligence education, and experiential programmes at off-campus financial literacy practice sites.
- The Wenzhou Branch worked with the Dongta University for the Elderly in Yueqing to build the financial education base of the “Home for the Elderly”, which was among the first batch to win the title of “Wenzhou Financial Education Demonstration Base” awarded by the PBOC Wenzhou Branch and the first of its kind in Yueqing. The base set up three “Minsheng Classes” on financial literacy, hosted the “Public Class of Explaining Laws Through Cases” on weekly basis, and organised calligraphy competitions and “Enjoyment” classes. The base also organised public courses for all students once a quarter to conduct financial education and publicity on specific topics such as anti-counterfeit money and pension fraud prevention. On special occasions of festivals, the base organised distinctive public welfare activities such as dumpling and mooncake making, and lantern riddle solving, which combined consumer rights protection and festival celebration to raise the financial fraud prevention awareness of the elderly and deliver humanitarian care to them. As at the end of the first quarter, the base delivered over 300 activities, reaching over 800 thousand consumer participants. Those efforts were highly recognised by the communities and the sub-district party-people service centres.

VIII. Privacy Protection and Data Security

Privacy 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 Board of Directors placed high priority on privacy and data security. It has established special committees for Strategic Development and Customer Rights Protection Committee, Risk Management Committee, and Audit Committee under its governance structure. Each committee held distinct responsibilities for ensuring the Bank's secure and stable operations, with oversight of implementation effectiveness. During the reporting period, these committees actively fulfilled their duties by reviewing topics such as the *2024 Cybersecurity Accountability Assessment Results and 2025 Assessment Plan*. They supervised the Bank's management of privacy and data security risks to ensure alignment with the overall risk management framework and data security standards. Specifically, the Board and Risk Management Committee examined the *2024 IT Risk Management Report of China Minsheng Bank*, which reviewed the overall IT management status and key risk management efforts during 2024. The Board and the Risk Management Committee also outlined 2025 work plans addressing current IT risk management challenges and vulnerabilities.

To effectively fortify data security defence and strengthen customer privacy protection, under the supervision of the Risk Management Committee under the Board of Directors, the Bank set up a leading group for cybersecurity at the Head Office led by the Chairman of the Board, who was the primary responsible person for the cybersecurity of the whole bank. The Chief Information Officer (CIO) in charge of IT was the direct responsible person to report the cybersecurity work progress regularly at the CPC Committee meetings. The leading group for cybersecurity at the Head Office fulfilled both the responsibility of personal information and data security protection. 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. The Committee guided cybersecurity and data security protection efforts and comprehensively managed technology application and data governance risks. 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. Such departments and units collaborated closely through synchronised actions to effectively advance effective implementation of data security guarantee and customer privacy protection management of the Bank.

The Bank specified that subsidiaries should implement the CPC 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 on-site inspections over subsidiaries to ensure their IT activities were carried out in a safe and compliant manner, and to prevent information security incidents.

Policies on Privacy and Data Security¹⁴

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 has established and continuously improved the personal information security management system applicable to the whole bank and all subsidiaries, including information security guidelines, data protection and network defence, as well as operational workflows across all business lines and channels such as counters, self-service machines, websites, Apps, Weixin official accounts and H5 pages, in a bid to guide, standardise and supervise all employees to abide by personal information security protection requirements and implement relevant 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 protection.

- 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. 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, and strictly implemented the requirements to improve information security protection level.
- During the reporting period, the Bank formulated the *Rules for Sensitive Information De-sensitisation Management* and revised the *Implementation Rules for Data Export Security Management (2025 Revision)* and the *Rules for Data*

¹⁴ For more information of the policy, please refer to the [Key Points of China Minsheng Bank's Policies on Privacy and Data Security Protection](#) in the section headed the Environmental, Social and Governance Information on the Bank's official website.

Security Grading Management (2025 Revision). These measures further reinforced the institutional base and standard of data life-cycle security of the Bank, and further enhanced the management capabilities in implementing cybersecurity assessments, preventing computer viruses, standardising secure information system development, strengthening cryptographic device management, and executing data classification and grading and security protection. Building upon comprehensive coverage of the regulations of the whole bank and all subsidiaries, the Bank guided lawful and compliant business operations of business units, ensured safe and steady operation of networks and information systems, and safeguarded the safe operations of the Bank and the security of customer information.

- The Bank formulated the *Administrative Measures on Data Security of China Minsheng Bank*, which provided the principles in managing customer information security, and specified the requirements for the management, incident management, training and inspection of customer information security. It also specified the security management in various stages, such as collection, transmission, storage, usage, deletion and destruction of customer information, and clarified the management requirements and technical measures for information of different security levels to protect customer information and privacy security from technology and management.
- The Bank has formulated the *Administrative Measures on Data Classification and Grading of China Minsheng Bank (Revised Edition)*, established a standard for data classification and optimised the *Administrative Measures on Data Security of China Minsheng Bank* to further clarify data security governance responsibilities, management measures and technical safeguarding methods. The Bank continuously promoted the application of these standards in source business systems and data usage scenarios, establishing a unified standard and implementation basis for the entire bank to identify data security levels and to implement data protection measures.

Privacy and Data Security Protection Measures

The Bank attached great importance to the comprehensive system construction in privacy and data security. The bank focused on both security technology and security management and carried out various measures to protect consumers' personal data from the source.

- **Security Technology.** The Bank has set up a complete identity authentication and access control management system to protect consumers' personal information. Through identity authentication, classified authorisation and authority control of 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.

- **Security Management.** To prevent personal information leakage, in addition to the existing policies such as the *Measures on Data Security Management of China Minsheng Bank*, the *Administrative Measures on the Protection of Personal Information of China Minsheng Bank*, and the *Administrative Measures on Consumer Rights Protection of China Minsheng Bank*, the Bank further issued the *Guidance on Impact Assessment of the Protection of Personal Information of China Minsheng Bank* and the *Administrative Measures on Environmental, Social, and Governance Risks of Corporate Customers of China Minsheng Bank*, 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 and handling 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. The Bank has revised the *Special Emergency Plan for Data Security Incidents of China Minsheng Bank*. 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 reporting period, the Bank conducted drills for cyber attack and defence, as well as important information system switching, which focused on phishing attacks, backdoor implantation, backdoor exploitation, web page tampering and hidden links implanting 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.

The Bank integrated data protection into product design and development processes in an in-depth manner, achieving full life-cycle security management and control. During pre-development phases, the Bank initiated security assessments at project need and design stages, and dynamically refined security needs, design solutions and evaluation criteria based on national regulations, industry standards, security threats and institution-specific security mandates, so as to ensure security needs and standards of development to be precise, comprehensive and implementable, and to ensure the product application system safe and compliant from the source. Before going online, all new internet application modules would undergo security testing to identify and remediate vulnerabilities in advance, and strengthen the inherent system security capabilities. Meanwhile, the Bank established a “one-stop” security service, and launched a life-cycle supporting platform for safe development, which internally integrated security needs and testing tools and externally bridged project initiation, development and change and deployment stages, delivering full-process security support to construct robust data protection safeguards throughout product development cycles.

Personal Information and Data Protection Management

The Bank attached great importance to the personal information and data protection management, continuously updated its privacy policy for online business channels, explicitly informed customers about how to exercise their personal information rights, and specified the rules for collection, storage, sharing and transfer, and deletion of personal information, so as to fully protect the legitimate rights and interests of customers with respect to the handling of their personal information.

Granting of Information Control Authority. In the customer privacy policies, the Bank processed customers' personal information with their consent and specified customers' authority in controlling their personal information. The Bank is 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 Modifying Personal Information.** Customers can access or modify account information on the personal banking or the mobile banking App via the settings page of 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 will be deleted in time, except for those required to be retained by laws and regulations (e.g., the transaction records shall be retained according to AML requirements).

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

Data Retention and Deletion. 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, and the time limit as agreed by personal customers. Personal customer information will be stored only for the minimum period required to achieve authorised purposes, except where otherwise stipulated by laws or administrative regulations. Upon exceeding these retention periods, the Bank will delete such information. For personal data that is technically difficult to delete, the Bank will cease the storage and take other measures beyond necessary security protection.

Strengthening Management Constraints. The Bank specified the security management requirements over the full life cycle from data collection, transmission, storage, usage, deletion to destruction, and carried out classified and graded data security management. The Bank adopted effective measures, such as graded authorisation, authority control and technical control, to strengthen the protection of personal financial information and safeguard the legitimate rights of individuals regarding their personal information, and established corresponding supervision and inspection and emergency response mechanisms to prevent from 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. The Bank would neither rent out, sell nor provide personal information to third parties

for purposes beyond transactions/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/Partner 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, continuously tracked and managed suppliers/partners, and supervised their implementation of confidentiality tasks. Before collaborating with suppliers, the Bank acquired information about the suppliers' information security certifications to ensure they possessed the relevant qualifications. The contract explicitly outlined the obligations that data suppliers must fulfil 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 suppliers' adherence to the confidential 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 suppliers' data records, systems, controls, processes and procedures. Once a supplier fails to comply with relevant policies, the Bank will urge them to rectify it and will subsequently verify and monitor the rectification outcomes.

Training on Privacy and Data Security Protection

At the beginning of the year, the Bank formulated the *Work Plan for Education and Publicity of Cybersecurity and Data Security*, and took various measures to actively improve information security awareness and capacity, with a focus on cybersecurity, data security, customer privacy protection, etc. Training and education activities were conducted for all employees of the Bank (including regular employees and contractors). As at the end of the first quarter, the average training time per person was about 4 hours.

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 special data security courses for internal employees, including the *Training on Existing Data Export Risk Self-Assessment* and the *Special Training on Log Sensitive Information Governance of the Bank*, with a 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.

Information System Audit

External Certification and Audit of Information System. In accordance with the requirements of the NFRA, the CSRC and other authorities on the disclosure of annual reports of commercial banks, the Bank conducted annual external information system audits, 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 graded 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. The Bank strictly implemented regulatory requirements by continuously conducting information security audits in annual technology-related audit programmes and performing a comprehensive information security audit every three years. During the reporting period, it executed two technology audit projects, namely the "Special Audit on Information Security" and the "2025 Audit on IT Risk Management of Tier-1 Branches", to examine information security vulnerabilities and risks in cybersecurity, data security, system security and terminal security of the Head Office, the branches and the subsidiaries, driving enhancements in information security management and further refining the information security management system of the Bank.

Information Security Management System Certification¹⁵

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.

The Bank has obtained the "Data Security Capability Maturity Model Level 3" certification. The certification aligned with the national data security standard GB/T 37988-2019 *Information Security Technology - Data Security Capability Maturity Model*, and was conducted by third-party certification agencies approved by the

¹⁵ Please refer to "[China Minsheng Bank's Information Security Management System Passing ISO 27001 Certification](#)" and "[China Minsheng Bank Passing Data Security Capability Maturity Model Level 3 Certification](#)" in the section headed Environmental, Social and Governance Information on the official website for details of the ISO 27001 certification and the data security certification.

National Certification and Accreditation Administration. The certification identified the Bank's technical and management competences in customer privacy and data security in a systematic manner.

In addition, 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 “Trustworthy Evaluation of Security Maturity Model” (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.

During the reporting period, the *End-to-End Data Security Solution Based on Confidential Computing Technology of China Minsheng Bank* was awarded the Excellence Prize in the 2025 Digital Finance Security Innovation and Practice Competition.

IX. Talent-Driven Development

Talent Introduction Strategy

Dedicated to Building a Campus Recruitment Brand. 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.

- **Innovating Campus Recruitment Practices.** The Bank focused on expanding online promotion channels favored by young talent and proactively established partnerships with universities for targeted campus promotions. In the first half of 2025, under the theme “New Journey in CMBC” the Bank uniformly organised the Head Office, 41 branches, the Credit Card Centre, and five subsidiaries to simultaneously launch the spring campus recruitment and summer internship programmes. Recruitment information was published on official website of the Bank, campus BBS, Weixin groups, and social media, with significantly enhanced applicant quality. Additionally, the Bank intensified efforts to develop campus channels by collaborating with universities to establish “Green Referral Channels” for increasing high quality candidates. The *Interviewer Handbook* was compiled to elevate interviewers’ skills and selection efficiency, reinforcing the Bank’s positive brand image.
- **Deepening University-Bank Collaboration.** To date, the Bank has established partnerships with over 40 universities, including Peking University and the Central University of Finance and Economics, to build resource-sharing mechanisms and cooperative platforms for talent cultivation, internships, and employment. Through the university excellence-referral channel, the Bank provided internship opportunities for students while precisely identifying outstanding graduates, thereby enhancing its employer brand influence.
- **Optimising Featured Graduate Recruitment Programmes.** The Bank continued to refine its campus recruitment system with the main brand of “Future Bankers” and the sub-brands of “Young Sail” management trainee program and the “Voyage” professional talent programme. The “Young Sail” programme focuses on cultivating key position talents in key business areas of reform and transformation of the Bank. Through rich experiences from job rotations, the programme puts emphasis on enhancing diversified thinking and problem-solving capabilities. The “Voyage” programme focuses on cultivating backbone employees in various professional fields by providing special trainings and task-based development.

Talent Development Mechanism

Smoothing Career Development Channels for Employees. The Bank attached great importance to employee growth and development, and has built the sound “dual-channel” mechanism for professional and management sequences around the Bank’s

strategic positioning and development goals. It provided employees with a career development platform with clear channels, open opportunities, fair procedures and scientific evaluation. Employees are free to choose either vertical development or horizontal development based on their strengths and career planning.

Expanding the Channel for Professional Job Sequence Talent Development. The professional job sequence is designed to offer professional talent a transparent career path. Guided by the principles of “strategy orientation, capability direction, and value creation,” the Bank has improved and revised the management system for the development of employees in the professional sequence. It deepened the construction of qualification systems and evaluation systems. Through mechanisms such as evaluation-based appointment, performance-based incentives, appointment term management, and cross-sequence development pathways, the Bank motivated employees to continuously enhance their professional capabilities and value contribution, conducted regular talent-position matching management at all levels, to build multi-layered talent teams and achieve common growth of employees and the Bank.

Enhancing Young Talent Cultivation and Development. The Bank took campus recruitment as the main channel for talent introduction and actively introduced diversified campus recruitment talent. The Bank divided the post-employment cultivation of new campus hires into several phases, including learning, growth and development phases, and clearly defined the cultivation positioning and initiatives at different phases. Through business training, mission practice, job rotation and exchange training and other diversified methods, the Bank accurately implemented “stepwise” cultivation of talents, continuously refined job skills, and consolidated the foundation of the talent teams.

Focusing on Management Competencies and Leadership Development. The Bank continuously improved the competence of management and reserve talents mainly in the following areas:

- **Strengthening the Selection and Cultivation of Reserve Talents.** The Bank actively carried out the selection and cultivation of reserve talents, in an effort to bring youthful energy to the management team, improve the management team structure, and emphasis 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 scientific and precise talent selection. The Bank also actively organised reserve talents to make job exchanges to strengthen their practical skills.
- **Continuously Strengthening the Development of Management Teams.** 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.

- **Continuous Supervising the Performance of Management Team.** The Bank enhanced supervision on the performance of managerial personnel and the fulfillment of their duties, and strengthened the usage of reminder, letter of inquiry and admonishment to ensure the integrity and efficiency of the management teams.

Talent Growth

Continuously Refining and Optimising the Learning Map and Deepening Its Empowerment System. In the first half of 2025, the Bank continuously improved its learning map system, established the course system of “1 (bank-wide publicity) + 1 (broad skill enhancement) + N (job skill enhancement)”, and developed and launched 29 general skill courses for the whole bank and the business lines, continuously improving employees’ basic skills and general abilities across business lines. The Bank collaborated with business departments to drive the annual iteration and upgrading of professional sequence learning maps, and jointly created, developed and reviewed knowledge and skill frameworks and training resources for positions, completing the first phase of resource allocation.

Focusing on the Cultivation of Key Talents and Business Areas, Strengthening and Refining Key Training Programmes. In accordance with the principle of focusing on reform priorities, key businesses and core talents, the Bank gathered quality training resources, focused on key training projects, organised and carried out party school training for senior management personnel, continued to increase reform advocacy, unified concepts and consensus, and inherited experience and wisdom, to strengthen the talent training system for digital transformation, upgrade the training system for new hires, and help improve the quality of training for young talents.

Improving the Internal Trainers Cultivation Mechanism. The Bank attached great importance to the cultivation of internal trainers and the sharing of knowledge and experience. A supporting mechanism for the selection, cultivation, utilisation, and incentives of internal trainers had been established. As at the end of the first quarter of 2025, 1,732 internal trainers at various levels had been selected and trained, further deepening the “business-training integration” model for specialised cultivation in different fields.

Enhancing Data Analysis and Application Capabilities. The Bank launched an integrated cultivation programme for data analysts and internal trainers, focusing on

enhancing data literacy and analytical thinking to promote “empowering the frontline” and “business and data integration”. On the one hand, a certification framework was established to cultivate data analysts and internal trainers through “foundation cultivation and talent forging”, thereby improving the capability in data analysis and application of the Bank. On the other hand, the “two horizontal dimensions and one vertical dimension, and centralised intensive training” approach was implemented to enhance Head Office-branch collaboration, achieving improvements in employees’ data competencies and data-driven business growth.

Developing Leadership and Management Capability. Focusing on key management priorities, the Bank centered its training contents on leadership, professional competence, and management capabilities. By implementing layered and classified cultivation for the executives, mid-level managers, and young key talents, the Bank effectively enhanced the performance capabilities of managers and employees at all levels. In the first half of the year, the Bank organised training for young management talents specifically focused on five key dimensions, including theoretical ideology, cultural philosophy, business strategy, product tools, and systematic methodology.

- **Party School Training Programme for Young Management Talents:** Aligned with the Bank's business strategy and the development requirements for management talent pool, the Bank successfully completed three intensive training sessions of the Party School training programme for young management talents in the first half of the year, cumulatively covering over 310 deputy senior management reserves. The Senior Management of the Bank and Head Office department heads delivered on-site lectures across five key dimensions, including the theoretical ideology, cultural philosophy and business strategy to analyse strategic implementation pathways. The programme innovatively designed 14 practical case study topics, yielding outputs such as the *Project Report on Strategic Execution* and established a closed-loop system of “learning, comprehension, reflection, and application”. Adhering to the principle of “integration of learning and practice”, it provided robust support for building the Bank’s management talent team.
- **Joint Capability Enhancement Training Programmes with Educational Institutions:** The Bank collaborated extensively with external educational institutions, including the Corporate Learning team in China of Harvard Business School, to co-create and implement high-quality management capability enhancement programmes for consecutive years. These initiatives included the “High-Quality Management Capability Enhancement Training Programme for Mid-level Managers” for the management teams, and the “Training Camp Programme for Young Employees Growth in Minsheng” for core and young employees. During the training period, over 8,000 mid-level managers and nearly 5,000 trainees participated in the training camp activities.

Supporting Employees to Obtain Professional Qualification Certifications. The

Bank attached great importance to the professional development of its employees, provided financial support and guarantee for all employees to obtain external core qualification certifications, such as Chartered Financial Analyst (CFA), Certified Financial Planner (CFP), Associate Financial Planner (AFP), Certified Public Accountant (CPA), Association of Chartered Certified Accountants (ACCA), Financial Risk Manager (FRM), and Project Management Professionals (PMP). The Bank encouraged employees to take part in certification examinations organised by external institutions. As at the end of the first quarter of 2025, a total of 15,942 employees had obtained external professional qualification certifications.

Promoting Development with Performance Evaluation

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 and achieve mutual growth between the organisation and employees. 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 adhered to a layered, classified, and comprehensively balanced performance management mechanism. The Board of Directors strictly conducted due diligence evaluations of the Senior Management in accordance with regulatory policies, advocated a performance culture that emphasised long-term stability and compliance leadership, and focused on strategic goals by setting transformation and execution targets to guide the Senior Management to implement strategic deployments. For

employee performance management, the Bank optimised the system with focus on strategy implementation and business transformation, implemented layered and classified assessment requirements, and achieved differentiated and refined management. The Bank continuously improved the closed-loop performance management process of “performance objectives setting – performance tracking and coaching – performance appraisal and delivery – performance feedback and improvement”, strengthened performance process management, and enhanced the role of performance appraisal in guiding employee behavior and capability development. The Bank’s performance process mainly includes the following:

- **Performance Objectives Setting.** The Bank’s management personnel work with employees to develop performance objectives in accordance with organisational strategy, departmental planning and position responsibilities. These goals are broken down into various indicators to reflect diverse job responsibility requirements. Among them, “social responsibility”, serving as an important appraisal dimension, has played a key positive guiding role in driving the Bank to implement the “five major sectors” such as sci-tech finance and green finance, as well as ESG/sustainable-development goals including financial consumer rights protection.
- **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.** The Bank adhered to the principles of openness of policies, fairness of processes, and objectivity of results when comprehensively evaluating employee performance. Evaluations were conducted periodically and annually. Annual appraisal occurred once per year, assessing position performance, risk and compliance, duty performance competence, and other dimensions. The appraisal results were 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. Periodic appraisal was conducted quarterly or semi-annually based on requirements of institutions, primarily reviewing position performance and risk and compliance indicators. The frequency and scope were determined independently by each institution and served as references for annual appraisal. The Bank employed a combination of quantitative and qualitative scoring, 360-degree assessment, and presentations on key performance events to conduct comprehensive evaluations of employees’ value contributions.

- **Performance Feedback and Improvement.** After the performance appraisal, managers at all levels communicate with employees based on their performance results, and analyse their achievements and shortages in the previous appraisal period, and guide them to develop enhancement plans. The human resources department of each institution will assist in implementing corresponding training programmes. At the same time, the Bank set up an appeal mechanism for appraisal outcomes. Employees could submit written appeals to the human resources department of their institutions regarding disputed results. Upon receiving an appeal, the department shall conduct investigation and verification, solicit opinions, and submit it for review to the authorised personnel before providing feedback to the appellant.

In 2025, the Bank continuously strengthened system construction and technology empowerment, planned and built employee value system, provided support for the full-process performance management of employees, and promoted the common growth between the organisation and individuals. In the meantime, the Bank improved the employee performance management system and gave full play to the guiding role of performance appraisal, and promoted steady business operation and sustainable development. In terms of appraisal mode, the Bank set up business performance appraisal and performance capability appraisal, and conducted comprehensive and all-round appraisal of the value contribution of employees through a combination of quantitative and qualitative indicators, so as to guide the improvement of the comprehensive competence of the employees. In terms of appraisal indicators, the Bank incorporated the responsibilities of inclusive finance, green credit, and consumer rights protection into the appraisal of relevant employees. The Bank adopted “one-vote veto system” for significant risks to continuously enhance their sense of responsibility and compliance awareness, as well as to practice the philosophy of sustainable development.

Protecting Employees’ Rights and Interests

Protecting Legitimate Rights and Interests. When signing, performing, terminating, and rescinding labour relations, 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, and made constant efforts 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. In the attendance system, the Bank implemented all employees' rights and benefits such as maternity leave, parental leave and child care leave in compliance with laws. 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.

Improving Welfare Mechanism. The Bank provided all employees with comprehensive social security and a well-established benefit system from its own, 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, and protected employees' labour rights and legitimate rights and interests in accordance with laws. The Bank has also set up the corporate annuity system, and provided supplementary medical insurance, physical examination and other benefits to ensure employee welfare guarantee. In addition, the Bank has prepared workplace infirmaries to provide first aid or health consulting service to all employees during office hours. Through bulletin boards, the OA platform and health lectures, the Bank routinely carried out health education to enhance employees' health awareness and self-care capability.

Maintaining Work-Life Balance. In order to enrich employees' leisure life and improve their physical fitness, the Bank organised a wide range of mass cultural and sports activities for all employees, fully cared for employees' physical and mental health, helped them to grow happily, created a favourable workplace ecosystem, and elevated the operational efficiency of the organisation. At the same time, the Bank organised consolation activities during important holidays to care for employees and their families in difficulty and convey the warmth of the Bank. In addition to 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, and to realise the common growth of the enterprise and its employees.

Caring about Female Employees. The Bank continuously improved the organisation of trade unions and other female employee 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. The Bank urged the female employee committees of trade unions at all levels to standardise management and actively implement the "special protection for female employees". During the reporting period, institutions at all levels of the Bank held diversified activities for female employees such as reading clubs, tea-art workshops and handicraft sessions, and carried out quizzes on physical and mental health knowledge focusing on hot topics like emotional management and stress adjustment, attracting nearly 16,000 female employees to participate, thereby helping them release stress and maintain a positive mindset, and providing female employees with all-round care and support.

Paying Attention to Mental Health. The Bank continued to enhance its initiatives for supporting mental health of employees. On the basis of the regular appointment-based counselling services provided through 7×24-hour psychological counselling Employee Assistance Programme (EAP) hotline, the Bank newly added

the “Weixin reservation” function to provide employees with more convenient and faster psychological guidance and support.

The Bank optimised the one-to-one psychological counselling at the mental health station by adding interesting psychological experience projects such as “EEG detection” and “sand table” to enhance service attraction through technology empowerment and interactive counselling models. As at the end of the first quarter, employees’ use of the hotline and consultation cases totaled 284.25 hours, while the mental health station held 12 sessions of on-site services, producing 29 counselling cases with an accumulated service time of 29 hours, effectively helping employees relieve workplace and life stress. In addition, by regularly issuing 12 monthly and 24 weekly mental health newsletters, the Bank built a routine knowledge publicity mechanism to continuously strengthen the mental health awareness and self-adjustment ability of employees.

Listening to Employees’ Voices

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. The Bank continued to advance the institutionalisation, proceduralisation and standardisation of employees’ democratic management, convened the Employee Representatives Congress of the Bank, and deliberated and approved the *Work Report of Employee Supervisors*, *Disciplinary Measures of China Minsheng Bank on Staff Violations (2024 Revision)*, *Prohibited Conduct of Employees of China Minsheng Bank (2024 Revision)*, and the *Candidates for Employee Supervisors of the Ninth Session of the Board of Supervisors of China Minsheng Bank* and other institutional systems concerning employees’ immediate interests. 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 election, decision-making, management and supervision in accordance with the law, and proactively encouraged employees to engage in corporate governance of China Minsheng Bank in an orderly manner. The Bank successfully convened the third, fourth and fifth meeting of the second session of the Employee Representatives Congress the Bank, at which employee representatives deliberated, voted and approved a series of major proposals and important policies and measures. The primary-level units regularly organised and convened employee representatives congresses at branch level based on the related institutional requirements, deliberated and voted on the institutional measures concerning employee benefits, thereby enabling employees to fully and effectively utilise their rights of information, participation, expression and supervision.

Conducting Happiness Index Survey. For a more pleasant occupational experience and higher employee satisfaction, the Bank conducted the bank-wide happiness index survey on a regular basis, with the assessment results covering the whole year. Through the happiness index survey, the Bank understood the real needs of employees and took targeted measures to address the pressing difficulties and problems that were of the greatest concern to the operating units and primary-level employees, effectively enhancing the sense of gain, security and happiness of employees.

Respecting Employees' Right to Appeal. The Bank has formulated the *Disciplinary Measures of China Minsheng Bank on Staff Violations (2024 Revision)*, which 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 to the accountability committee or appeal to the accountability committee at a higher level. The accountability committee shall make a decision on reconsideration within the prescribed timeline. After reconsideration or review, the receiving accountability committee may maintain, cancel or alter the original disciplinary decision.

Smoothing Communication Channels. The Bank has operated the platform of “Voice of Minsheng” for four consecutive years to collect and address business development needs and employees’ appeals from 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. To protect employee’s 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, and clearly stipulated the authorisation and confidentiality scope of employees’ personal information to effectively guarantee the personal information security. As at the end of the first quarter, the Bank collected a total of 280 employee feedback issues from the “Voice of Minsheng” platform, with 198 anonymous ones therein, and the resolution rate of appeals reached nearly 100%.

X. Social Responsibility Governance

Promoting Revitalisation with Featured Assistance

The Bank actively responded to the national strategy and used finance as an engine to support rural revitalisation and facilitate common prosperity. Through innovative products and models including the “Revitalisation Loan”, “Photovoltaic Loan”, “Agricultural Loan Express”, “Cotton Grower Loan”, “E-Grain Finance”, and “Common Prosperity Loan”, the Bank channeled the “living water” of inclusive finance into every “fields and villages”, continuously enhancing financial support to rural areas.

Deepening Scenario-Based Financial Services to Empower a New Chapter in Rural Revitalisation. The Bank adopted a scenario-based approach to support rural revitalisation. The Bank intensified its engagement with leading enterprises in five key sectors, including the grain, dairy, meat, liquor, and cotton. In this regard, the Bank accelerated the full implementation of the B enterprise’s Agricultural Loan Express, made breakthroughs in business development of the upstream and downstream of the supply chain of S Group and facilitated the first large-value domestic letter of credit settlement for Henan H 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.

Breaking Bottlenecks with Technology Empowerment and Boosting Farmers’ Prosperity with Inclusive Finance. 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.

Multi-Dimensional Measures for Precise Assistance. The Bank has carried out diversified assistance in 832 state-level counties lifted out of poverty, covering key areas such as organisation, finance, industry, talent, culture, education and ecology. As at the end of the first quarter, the outstanding loan balance in areas lifted out of poverty nationwide reached RMB52.757 billion, and the total consumption assistance in areas lifted out of poverty nationwide amounted to RMB10,232.9 thousand.

Initiating Public Welfare and Charity

Delivering Minsheng's Warmth Through Charity and Public Welfare. Adhering to the principle of sharing development achievements with the society, the Bank fully utilised its advantages, optimised the public welfare service system, and carried out public welfare practices covering paired assistance, assistance to the vulnerable group and those in difficulties, education support, health and well-being, culture and art, and community development. The Bank has supported the AIDS prevention and control programme of China Red Ribbon Foundation, “Guangcai – Minsheng” medical care programme for children with congenital heart disease, and the education funding project of “Minsheng Meijiang Class” for many years, continuously shouldered its responsibility, delivered Minsheng's warmth, and gave back to the society with practical actions.

Building Branded Distinctive Public Welfare Projects. The Bank has built branded distinctive public welfare projects for consecutive years. During the reporting period, the Bank hosted the tenth session of the “Power of Minsheng's Love – ME Charity Innovation Funding Scheme”, providing funding and capacity building support for 29 innovative charity plans committed to rural revitalisation, community development, education support, health and well-being, ecological civilisation and other sectors.

Leading Cultural and Artistic Public Welfare

Serving Society Through Artistic and Cultural Public Welfare. The Bank has been deeply involved in cultural public welfare for 19 consecutive years. During the reporting period, the six public welfare art institutions sponsored and operated by the Bank carefully curated and presented exhibitions such as “The Origin of Civilisation - Exploring the Early Chinese Civilisation”, “Animating China: A History of Shanghai Animation Films”, “Shanghai: Capital of Photography 1910s-2020s” and “Duration”. As at the end of the first quarter, the Bank's public art institutions had served 65,000 public visits through online and offline platforms, organised more than 50 public education activities, and attracted 55,000 on-site visitors, successfully forging a distinctive path of cultural public welfare that serves the national strategy and the public.

Suggestions & Feedback

This report is published both in Chinese and English, the Chinese version shall prevail. This report is provided in electronic format. If you have any comments or suggestions, please send email to esg@cmbc.com.cn or call 010-58560666-6221.

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