



**2024**

**HUAXIA BANK CO., LIMITED**  
**Social Responsibility Report**

## About This Report

### Reporting Scope

Reporting Period: Unless otherwise stated, the report covers the period between January 1 to December 31, 2024.

Organizational Boundary: The report discloses the information of the Huaxia Bank Co., Limited and its major subsidiaries.

Release Cycle: This is an annual report. (The most recent report was issued on April 30, 2024.)

### Preparation Basis

The report was prepared in accordance with the *Guidelines on Environmental Information Disclosure for Financial Institutions* issued by the People's Bank of China, the *Opinions on Strengthening the Corporate Social Responsibility of Banking Institutions* issued by the former China Banking Regulatory Commission (CBRC), the *Guidelines on Corporate Social Responsibility for Financial Institutions in China's Banking Sector* by China Banking Association, and the *Guidelines No.1 for Self-Regulation of Listed Companies - Standardized Operation* issued by Shanghai Stock Exchange (SSE), and by referring to the *GRI Sustainability Reporting Standards* (GRI Standards) issued by Global Sustainability Standards Board (GSSB) and the *IFRS S2 Climate-related Disclosures* issued by International Sustainability Standards Board(ISSB).

### Reference

"Huaxia Bank Co., Limited" is referred to as "Huaxia Bank", "the Bank" or "We/our"; "Huaxia Wealth Management Co., Ltd." is referred to as "Huaxia Wealth Management", and Huaxia Financial Leasing Co., Ltd. is referred to as "Huaxia Financial Leasing" in the report.

### Data Sources

The financial data in this report comes from the 2024 financial report, audited by Ernst&Young Hua Ming Certified Public Accountants (Special General Partnership) according to domestic auditing standards. Other data mainly comes from the Bank's internal systems and the statistical data of our branches. Unless otherwise specified, all monetary amounts are in Chinese RMB. Some content and data may also be traced back to previous years.

### Languages

The report is available in simplified Chinese and English versions. In case of any discrepancy, the simplified Chinese version shall prevail.

### Formats

The report is available in both print and electronic formats, with the electronic version accessible on our official website ([https:// www.hxb.com.cn](https://www.hxb.com.cn)).

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## Message from the President



In 2024, the People's Republic of China marked its 75th anniversary, a crucial year for achieving the objectives and tasks laid down in the 14th Five-Year Plan. Huaxia Bank made significant strides in line with the banking sector's high-quality development requirements and its own five-year development plan. The Bank carefully studied and implemented the guiding principles from the Third Plenary Session of the 20th CPC Central Committee and the Central Economic Work Conference. Adhering to the general principle of pursuing progress while ensuring stability, we fully and faithfully applied the new development philosophy on all fronts to fully support Chinese modernization. The year ended with a total operating revenue of RMB 97.146 billion, a net profit of RMB 27.676 billion, and a capital adequacy ratio of 13.44%.

**In 2024, the Bank demonstrated a strong commitment to corporate responsibility, aligning with national policies and regional development strategies.** As of year-end, our corporate loan balance in key regions like Beijing-Tianjin-Hebei, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area totaled RMB 1,526.503 billion. Focused on supporting the real economy, we increased our manufacturing loan balance by 9.31% year-on-year. We also enhanced our support for specialized SMEs, with loans to strategic emerging industries growing by 35.30%. Additionally, we advanced initiatives like "integrated onshore-offshore services," "domestic-foreign trade synergy," and "settlement + financing + treasury solutions". With 635 correspondent banks in BRI markets, we played a key role in driving high-standard opening-up.

**In 2024, the Bank made notable progress in green finance and sustainable development.** We actively seize opportunities in green finance and accelerate the creation of a comprehensive green financial ecosystem spanning loans, investment, debt financing underwriting, leasing, wealth management, and consumer finance, achieving a 12.45% year-on-year increase in green loan balances. Our climate financing reached RMB 294.495 billion, with ESG wealth management products growing to RMB 31.138 billion in assets under management and green investments accumulating RMB 26.327 billion. While continuing to serve leading traditional energy companies, we also strengthened support for clean energy R&D, investment, commercialization, and the development of a new energy system. Through these efforts, we advanced the Bank's high-quality growth while contributing to global environmental, social, and governance (ESG) sustainability.

**In 2024, the Bank remained focused on meeting public needs and fostering collaborative community development.** We expanded support for micro and small enterprises (MSEs) with an RMB 601.526 billion loan portfolio while achieving dual growth targets for both inclusive MSE lending volumes and customer numbers. Our inclusive agriculture-

related loan balance reached RMB 198.116 billion, increasing by RMB 17.351 billion year-on-year as we contributed to all-round rural vitalization. To address evolving retirement needs, we enhanced our pension ecosystem, attracting over 590,000 personal pension account openings. Beyond financial services, we allocated RMB 28.9093 million to social causes to promote inclusive development. We also protected employee rights while fostering professional growth through training programs that reached 651,861 participants annually.

**In 2024, the Bank reaffirmed its commitment to prudent operations as the foundation of sustainable development.** Through the Group-wide Refined Management Year initiative, we proactively identified and mitigated risks, thereby strengthening our group-level risk and compliance governance system. By optimizing coordination across all three lines of defense—front, middle, and back offices—and ensuring collaboration among the Head Office, branches, and sub-branches, we established a cohesive approach to risk management. Our accelerated digital transformation of risk control, coupled with a strong focus on developing a robust risk culture and maintaining strict compliance standards, yielded significant results: the non-performing loan ratio improved to 1.60%, a decrease of 7 basis points year on year, while our loan loss provision coverage ratio increased by 1.83 percentage points.

Our journey continues with unwavering determination, bolstered by a resolute call to action. In 2025, Huaxia Bank will fully implement the directives of the CPC Central Committee, regulatory authorities, and the Beijing Municipal Committee of the CPC and Municipal Government. We will steadfastly pursue progress while ensuring stability, tackling challenges head-on. By balancing innovation with prudence, we aim to achieve tangible results through focused execution. With a strong commitment, we will advance the "Five Priorities," addressing development needs and public demands with high-quality financial services, thus contributing to China's goal to build a great country and advance national rejuvenation.

Qu Gang, Deputy Party Secretary and President

# About Us



With the support of Deng Xiaoping, the chief architect of China's reform and opening-up, Huaxia Bank Co., Limited was established in October 1992 in Beijing, where its headquarters is situated. Huaxia Bank is a nationwide commercial bank and was founded as a fully owned subsidiary of Shougang Corporation (now rebranded as Shougang Group Co., Ltd.). It stands as the only joint-stock commercial bank initiated and established by a manufacturing company in China. In April 1996, Huaxia Bank completed the joint-stock transition. On September 12, 2003, the Bank was officially listed on the Shanghai Stock Exchange (stock code: 600015), making it the fifth listed bank in China. By the end of 2024, the Bank had a registered capital of RMB 15.915 billion.

Huaxia Bank fully implements the decisions, plans, and regulatory requirements outlined by the Central Committee of the Communist Party of China (CPC), the State Council, and the Beijing Municipal Committee of the CPC and Municipal Government. We driving forward "innovative, coordinated, green, and open development with shared benefits." Dedicated to serving the real economy and creating value for our customers and shareholders, we provide corporate and institutional clients with specialized, distinctive, and comprehensive financial services. These include deposits, loans, investment banking, trade finance, green finance, digital finance, and cash management solutions. We offer individual customers a wide array of financial products and services, such as deposits, loan, debit and credit cards, wealth

management, private banking, digital banking, and pension finance, to fully address their diverse financial needs. Rooted in the principles of compliance and innovation-driven development, we have consistently fostered the coordinated and stable development of financial markets, asset management, and asset custody. This commitment strengthens our capacity to better serve the real economy and meet the evolving needs of our customers.

As of the end of the reporting period, Huaxia Bank's total assets amounted to RMB 4,376.491 billion, achieving a net profit attributable to the shareholders of listed companies totaling RMB 27.676 billion. The Bank operates a network of 963 business outlets, establishing 44 Tier-1 branches and 78 Tier-2 branches in 120 cities at or above the prefectural level nationwide. Furthermore, strategically developing an institutional framework, the Bank has established its presence in developed cities while extending its reach across the entire country. Notably, the Bank has opened a branch in Hong Kong and acquired controlling stakes in one financial leasing company, one wealth management company, and two rural banks, earning recognition as a systemically important bank.

In the global ranking of the top 1,000 banks by The Banker, published in July 2024, Huaxia Bank secured the 49th position globally in terms of Tier 1 capital, maintaining its position among the top 50 global banks for three consecutive years.

## An Overview of 2024 in Data

### Economic

Total assets	Total loans	Total deposits	Net profit
RMB <b>4,376.491</b> billion	RMB <b>2,366.317</b> billion	RMB <b>2,151.370</b> billion	RMB <b>28.196</b> billion

### Environmental

Green credit balance	Balance of climate-related financing business	Balance of green leasing	E-transactions
RMB <b>302.799</b> billion	RMB <b>294.495</b> billion	RMB <b>81.130</b> billion	<b>10,502.9922</b> million

### Social

Balance of loans in support of manufacturing industry	Balance of loans for micro and small enterprises (MSEs)	Balance of agriculture-related loans	Total public welfare donations
RMB <b>256.067</b> billion	RMB <b>601.526</b> billion	RMB <b>198.116</b> billion	RMB <b>28.9093</b> million

### Governance

Proportion of independent directors in the Board of Directors	Participants in compliance training	Non-performing loan ratio	Provision coverage ratio
<b>50 %</b>	<b>125,054</b>	<b>1.60 %</b>	<b>161.89 %</b>

## Honors and Awards

### Comprehensive

#### Ministry of Finance

Rated "Excellent" for eight consecutive years in the comprehensive assessment of central non-tax revenue collection agency services

#### China Association for Public Companies

2024 Best Practices in Sustainable Development for Listed Companies and Best Practices of Board of Directors' Office Award

#### The Beijing Committee of the Communist Youth League of China

the Youth League Committee of Huaxia Bank was recognized as a 2024 "Beijing May Fourth Red Flag Youth League Committee."

#### China Financial Media

Top 20 Banks in Comprehensive ESG Performance

### Environmental

#### China Financial Media

Exemplary Case in Risk Prevention and Control (Establishing an ESG Risk Management System for Credit Operations)

#### Shanghai Stock Exchange

Recognized as an Excellent Bond Investment Institution for 2023

#### PYSTANDARD

Outstanding Wealth Management Bank and Outstanding Private Banking at the "4th Golden Reputation Awards".

#### Global Finance Magazine

The 17th "China Star" Most Innovative Private Banking Award

### Social

#### Ministry of Industry and Information Technology

"Outstanding Case in Digital Inclusive Finance" at the 6th China Digital Inclusive Finance Conference during the 2024 Small- and Medium-sized Enterprise Campaign

#### China Quality Management Association for Electronics Industry

National User Experience Innovation Exemplary Case in 2024

#### State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality

Rated "Good" in the 2023 rural vitalization assessment

### Governance

#### People's Bank of China

Second Prize of the FinTech Development Award 2023

#### China Banking Association

Outstanding Achievement Award for Banking Development Research in China (2024)

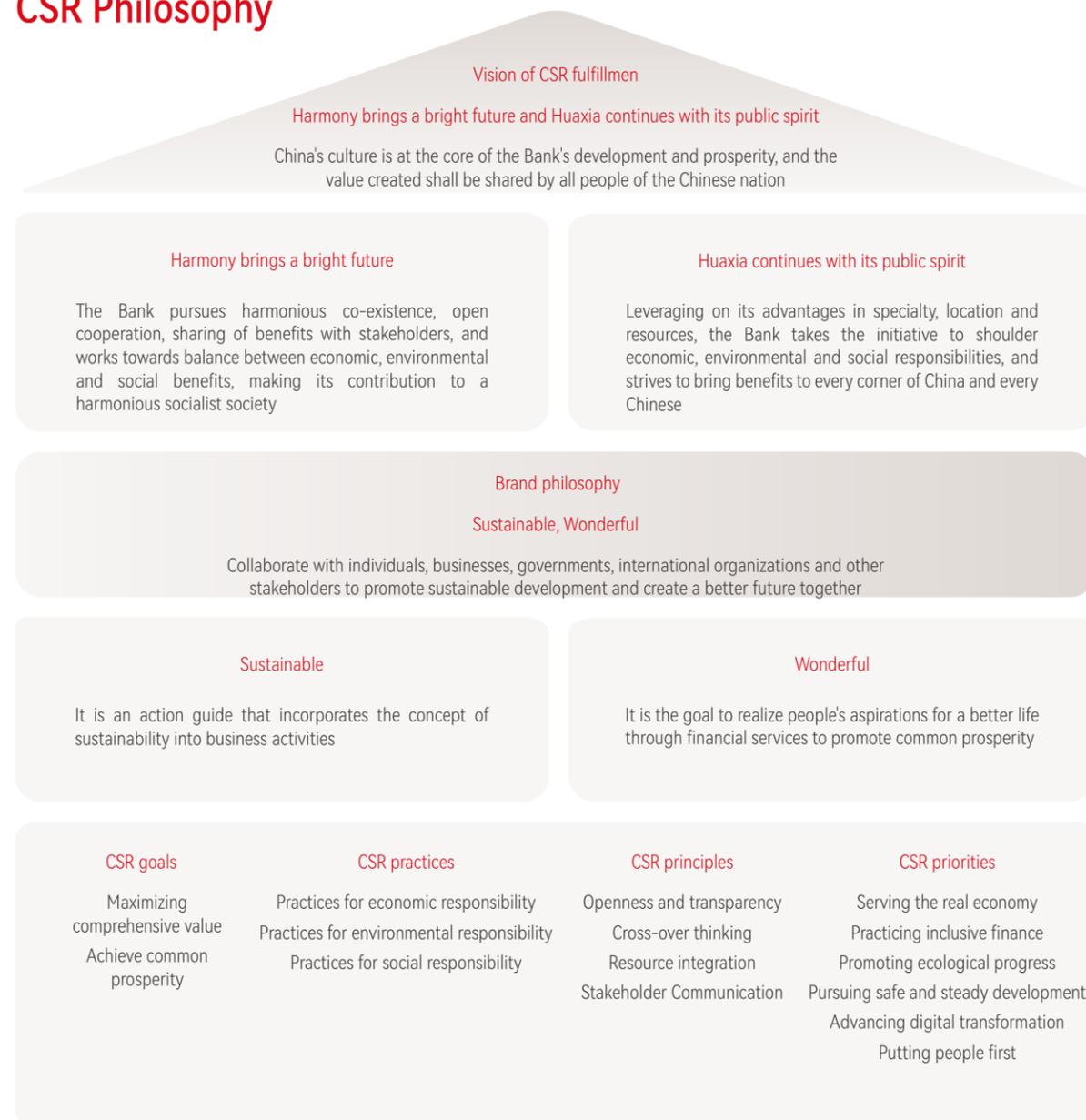
#### China Financial Certification Authority (CFCA)

"Best Digital Banking Innovation Award" at the "2024 Special Edition of the 20th Joint Promotion of Digital Finance Event"

# CSR Management

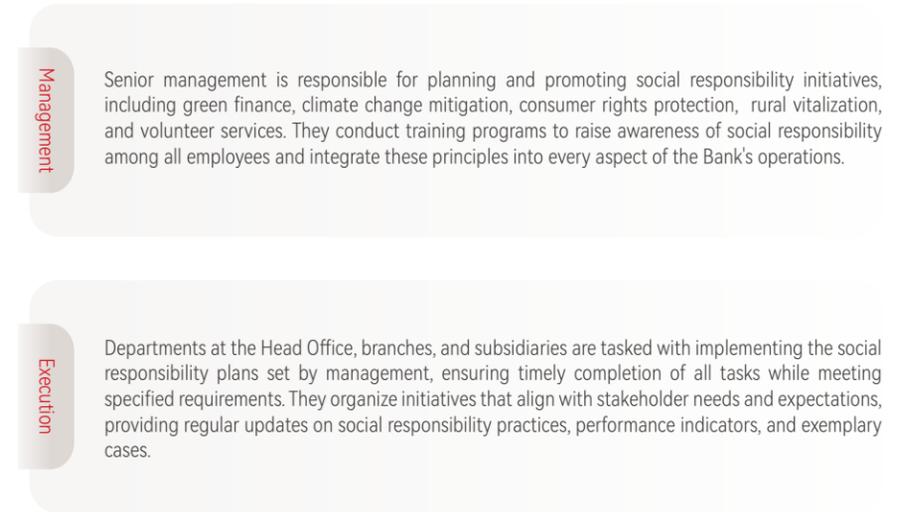
As a founding signatory to the United Nations Principles for Responsible Banking and a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), we adhere to our brand philosophy of "Sustainability for a Better Future." We integrate sustainability across all areas of our operations, enhancing our social responsibility management system. Actively engaging in CSR practices, we aim to maximize economic, social, and environmental value and work towards our vision of "Harmony brings a bright future and Huaxia continues with its public spirit."

## CSR Philosophy



## Management System

We actively implement social responsibility principles and continually optimize our management system. Our social responsibility management framework operates at three levels: decision-making, management, and execution. By tightly integrating these efforts with our business operations, we ensure both standardization and long-term sustainability.



## Materiality Analysis

We prioritize stakeholder interests by gathering topics through various methods and prioritizing their materiality based on their impacts on both external and internal stakeholders. This process helps us identify material topics relevant to Huaxia Bank and its stakeholders.



## Stakeholder Communication

Stakeholder	Core Expectations	Main Response
<b>Government</b>	<ul style="list-style-type: none"> <li>Implementing national strategies</li> <li>Serving the real economy</li> <li>Developing inclusive finance</li> <li>Advancing the "five priorities" of finance</li> <li>Supporting rural vitalization</li> <li>Paying tax in full according to laws</li> </ul>	<ul style="list-style-type: none"> <li>Serving coordinated regional development</li> <li>Supporting China's opening-up</li> <li>Supporting the growth of private micro- and small-sized enterprises</li> <li>Advancing rural vitalization</li> <li>Studying and implementing the relevant financial policies</li> <li>Proactively paying taxes in full</li> </ul>
<b>Regulatory authorities</b>	<ul style="list-style-type: none"> <li>Operational compliance</li> <li>Enforcing strict risk management</li> <li>Maintaining financial stability</li> <li>Carrying out financial knowledge popularization and education</li> </ul>	<ul style="list-style-type: none"> <li>Implementing regulatory policies</li> <li>Receiving supervision</li> <li>Strengthening risk prevention</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Safeguarding customer rights</li> <li>Accelerating product innovation</li> <li>Improving customer experience</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening the protection of consumer rights</li> <li>Enhancing financial innovation</li> <li>Providing high-quality and efficient services</li> <li>Advancing digital transformation</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Improving corporate governance</li> <li>Ensuring sustained and stable return</li> <li>Protecting shareholders' rights and interests</li> <li>Achieving transparent operation</li> </ul>	<ul style="list-style-type: none"> <li>Improving corporate governance</li> <li>Realizing stable operation</li> <li>Creating values for shareholders</li> <li>Accurate information disclosure</li> <li>Holding Shareholders' Meeting</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Protecting employees' rights and interests</li> <li>Ensuring compensation and benefits</li> <li>Improving the working environment</li> <li>Making career development plans</li> </ul>	<ul style="list-style-type: none"> <li>Protecting the basic rights and interests of employees</li> <li>Facilitating career development channels</li> <li>Providing job skills training</li> <li>Carrying out diverse cultural and sports activities</li> <li>Strengthening care for employees' physical and mental well-being</li> <li>Holding workers' congresses</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>Realizing win-win cooperation</li> <li>Committing to contract fulfillment with integrity</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening exchanges and cooperation</li> <li>Improving procurement management to be open and transparent</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Spreading financial knowledge</li> <li>Supporting community development</li> <li>Engaging in social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Publicizing financial knowledge</li> <li>Organizing community service activities</li> <li>Encouraging employees to engage in voluntary activities</li> <li>Participating in charitable activities</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Facilitating green development</li> <li>Protecting biodiversity</li> <li>Focusing on climate change</li> </ul>	<ul style="list-style-type: none"> <li>Developing green finance</li> <li>Promoting green offices</li> <li>Participating in eco-friendly public activities</li> </ul>

# Spotlight



## Advancing the "Five Priorities" of Finance

Huaxia Bank fully embraces the guiding principles from the 20th National Congress of the Communist Party of China and the Central Financial Work Conference. We deeply understand the political consciousness and people-centered philosophy of financial work, focusing on differentiated, distinctive, and specialized development paths to advance the "Five Priorities." These efforts contribute to building China into a financial powerhouse and shaping financial development with Chinese characteristics.

### Technology Finance

At the end of 2024

**RMB 159.1 billion**  
Balance of loans to tech companies

To implement the policy of the Central Committee of the Communist Party of China ("CPC") and the State Council on the reinforcement of financial support for tech companies, the Bank has established task forces, refined credit policies, and established working mechanisms. With a stronger team development, we keep enhancing product innovation and optimizing resource allocation. These efforts are all aimed at boosting technology finance.



#### Top-level design

Huaxia Bank has formulated the Huaxia Bank Action Plan for Enhancing Financial Services to tech companies and the *Huaxia Bank Roadmap for Advancing the Development of Technology Finance*. These documents integrate technology finance into the Bank's Five-Year Development Plan, with clearly defined objectives. At both the Head Office and branches, we have established dedicated service teams to develop special action plans.

#### Promoting product innovation

We have formulated the *Full-Lifecycle Product and Service Plan for tech companies*, and launched a range of tailored financial products, including "Express Tech Loan," "Inclusive Tech Loan," "Option-Based Loan," "Hybrid Investment Loan," "R&D Loan," "M&A Loan," and "Easy Digital Loan," to empower tech companies. Additionally, we have refined our financial service and product system tailored to tech companies.

#### The service system

We have formulated the *Huaxia Bank Management Measures for Technology Finance Centers, Technology Sub-branches and Technology-Specialized Sub-branches* to accelerate the construction of a dual-center framework covering the Beijing-Tianjin-Hebei region and the Guangdong-Hong Kong-Macao Greater Bay Area. At the same time, we continue to expand our network of technology and technology-specialized sub-branches in regions with a high concentration of tech companies.

#### Group-wide synergy

Through internal coordination, we offer high-quality tech companies comprehensive "debt + equity" financial services to ensure diversified financial support at every stage of their growth.

#### Credit support

We have streamlined our credit approval procedures by introducing credit approval guidelines and creating a negative list of due diligence exemptions for tech companies. Additionally, we have improved our credit rating system tailored for tech companies and prioritized credit support for technology-focused small and medium-sized enterprises ("SMEs"), high-tech enterprises, specialized and sophisticated SMEs that produce novel and unique products, National Technology Innovation Demonstration Enterprises, as well as national manufacturing single-product champion enterprises.

#### Case | Supporting the specialized and sophisticated "little giant" enterprise

Nanning Branch granted a credit limit of RMB 37.5 million to a Guangxi-based materials company to support its raw material purchases for nano calcium carbonate production. The company has been recognized as a manufacturing single-product champion enterprise, one of the Top 100 High-Tech Enterprises in Guangxi, a specialized and sophisticated "little giant" enterprise and a National High-Tech Enterprise. To further support tech companies, Nanning Branch has also introduced a fast-track approval channel for credit applications from technology sub-branches for projects of such enterprises.

#### Case | Supporting the development of the high-end chip industry

The Wuhan Branch has extended a credit limit of RMB 65.5 million to a technology company to support innovation and R&D in semiconductor light sources. This company holds independent intellectual property rights covering the entire process from chip design to packaging, with over 100 core patents, more than 50% of which are invention patents.

## Green Finance

The Bank has positioned "promoting characterized green finance" as a core strategic initiative, aligning with ESG principles to develop a comprehensive product system. We constantly drive innovation in low-carbon financial products, accelerating the establishment of a diverse green finance ecosystem spanning loans, investment, debt financing underwriting, leasing, wealth management, and consumer finance. These efforts consistently enhance the depth and scale of green finance operations.

At the end of 2024

RMB **302.799** billion

Balance of green loans

**12.45** %

Increase in green credit balance compared to the beginning of the year

### Improving the top-level design

The Bank is committed to refining its top-level green finance strategy and governance framework, creating a structured and well-integrated system. This framework follows a top-down approach, where the Board of Directors, senior management, and executive teams incorporate green finance as a key responsibility and work collectively to drive progress.

### Optimizing implementation mechanisms

Focusing on the goal of "developing green finance as a new characteristic," all levels of professional departments and branches of the Bank have worked together to come up with standardized business processes to promote the rapid development of green finance.

### Enhancing Regulatory Framework

In response to national climate change policies, we are enhancing our green financial policies and systems. We have developed the *Guiding Opinions on the Credit Business Environment and Social Risk Management for Corporate Clients* and the *Guiding Opinions on Financial Support for Biodiversity Conservation*, while refining the *Administrative Measures for Green Finance*. These efforts collectively advance the development of green industries, leveraging finance to support climate change mitigation and promote green, low-carbon development.

### Case | Supporting China's largest compressed air energy storage project

The Wuhan Branch secured World Bank refinancing for a major provincial initiative—300-megawatt compressed air energy storage (CAES) demonstration project—obtaining a credit line of RMB 1.56 billion with a 15-year term. This project is the world's largest single-unit CAES installation and achieves the highest energy storage efficiency to date. By enabling large-scale physical energy storage, the project helps to improve power quality and grid stability. The project serves as a model for integrating renewable energy into China's construction of a modern power grid.

### Case | Promoting the development of the environmental protection industry

The Guangzhou Branch extended an RMB 100 million credit facility to a Foshan-based solid waste treatment company, effectively meeting its funding needs. Specializing in household waste compression and transfer, waste-to-energy incineration (WtE), and sludge treatment, the company processes up to 5,380 tons of waste daily. With financial backing from the Bank, the company has accelerated its growth, strengthening environmental management and green development efforts in Foshan.

## Inclusive Finance

The Bank is dedicated to enhancing people's livelihoods, bolstering the real economy, and supporting national strategies. By leveraging the inherent strengths of inclusive finance and focusing on key priorities, we aim to establish a comprehensive service framework for inclusive finance—one defined by universal deployment, enriched content, intensive management, and digital innovation.

At the end of 2024

RMB **601.526** billion

Balance of MSEs loans

**404,700**

MSEs customers received loans with a credit limit of RMB 10 million or less

RMB **182.633** billion

Balance of MSEs loans with a credit limit of RMB 10 million or less

Optimizing management mode

The Bank has formulated detailed work plans to drive high-quality growth in inclusive finance. These plans outline clear business directions and implementation strategies to empower service expansion. A tailored branch management strategy has been implemented—developing region-specific business paths—while a coordinated financing mechanism for micro and small enterprises has been established to ensure prompt engagement, efficient credit disbursement, and timely outcomes.

Leveraging digital and intelligent technologies

The Bank offers digital products such as Quick Business Loans, Merchant Loans, and Market Loans, on its personal mobile banking. The "Inclusive Finance Connect" product suite has earned recognition as one of the "2024 Excellence Financial Service Cases for Small and Medium-Sized Commercial and Circulation Enterprises in China".

Driving product innovation

By harnessing big data and artificial intelligence, the Bank continuously enhances product adaptability to meet diverse financing needs. Customized "inclusive finance packages" for micro, small, and medium enterprises (MSEs) have paved a distinctive new path for tailored financial services.

Supporting the growth of sophisticated and specialized SMEs

Through performance assessments, targeted credit allocation, and preferential pricing, the Bank provides robust financial support to sophisticated and specialized SMEs. Credit access thresholds have been significantly reduced to improve loan availability for tech companies. With a dedicated credit product system, integrated financial service solutions, and pilot sub-branches offering focused support, the Bank is committed to enhancing service quality and efficiency, ensuring optimal use of funds for technology firms.

Supporting rural revitalization

By thoroughly analyzing the unique characteristics and financial needs of rural economies, we have innovatively developed a suite of credit products that comprehensively meet rural financing demands. Focusing on the entire agricultural value chain and employing strategies like supply chain finance, the Bank delivers targeted and efficient financial services to various stakeholders in the agricultural sector.

Implementing a financing coordination mechanism for MSEs

With core objectives of "precise grassroots outreach, streamlined processes, and competitive interest rates", the Bank has forged strong ties with local governments and financial regulators. A large-scale outreach initiative has been launched—visiting industrial parks, urban communities, and rural areas—to gain comprehensive insights into the operational realities and financing needs of micro, small enterprises (MSEs) and individual businesses.

**Case | Expanding the toolkit for inclusive finance**

Qingdao Branch has diversified its product offerings by launching services including Tobacco Business Loans, Market Loans, Merchant Loans, Small Micro Property Mortgage Loans, and Smart Benefit Loans. Through cross-business collaboration, the branch has actively promoted industrial digital finance and trade finance products. Its business units have organized mass marketing initiatives in "parks, circles, and chains," integrating 16 high-volume customer acquisition channels. Five projects have been successfully executed—one Small Micro Property Mortgage Loan disbursed RMB 8.9 million, and one Market Loan in an aquatic products market disbursed RMB 11.5 million. Additionally, the branch has deployed a "Settlement + Credit" model, resulting in six Merchant Loans in the Qingdao used car market, and strengthened synergies in industrial digital finance and trade loan, achieving disbursements of RMB 97.78 million (industrial finance), RMB 12.38 million (online loans), and RMB 38.85 million (digital factoring).

**Case | Increasing support for MSEs**

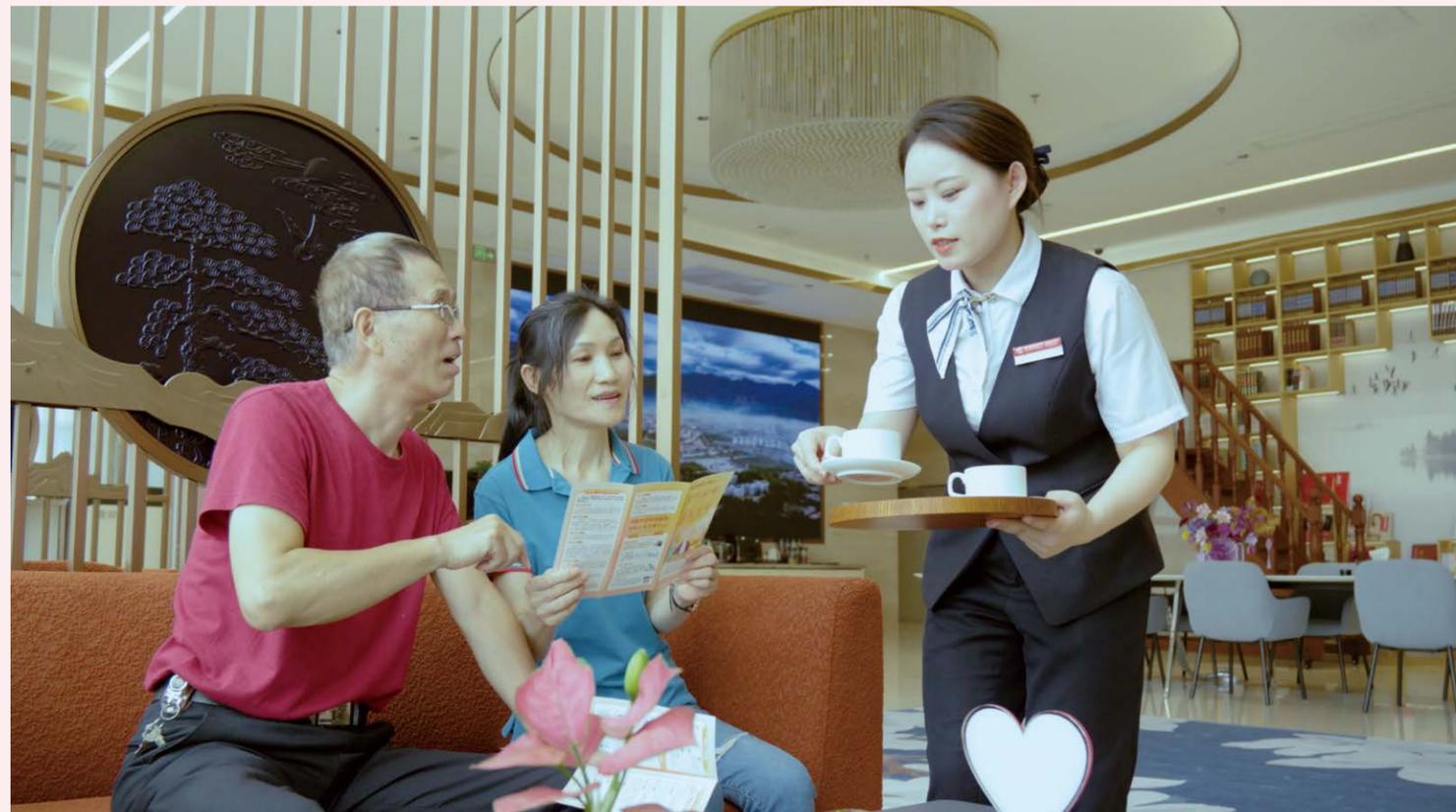
Shenzhen Branch focuses on core business district scenarios, steadily enhancing support for micro and small enterprises (MSEs) and individual businesses in specialized markets such as a clothing mall, a jewelry mall, commercial centers, and community service areas. To serve eligible small and micro customers, the branch introduced the "Market Loan" product—providing credit loans for daily operations through a fully digital process from application to repayment.

## Pension Finance

The Bank is dedicated to implementing the national strategy for addressing an aging population. Guided by the "Sustainable, Wonderful" brand philosophy, we have made pension finance a central strategic focus, accelerating its development. By directing resources toward this area, we are creating innovative digital, ecological, and tailored service models that address the diverse needs of our clients. Additionally, we are actively building a pension ecosystem and aiming to create a comprehensive, impactful approach to pension finance.

**Case | Launching the "Plateau e-Loan"**

Xining Branch has developed the "Plateau e-Loan," a product tailored to regional characteristics and the branch's operating context. Leveraging the agricultural market at the Qinghai-Tibet Plateau Agricultural Products Distribution Center —managed by a local agricultural and commercial firm that is an existing credit client—the branch collaborates with the market operator to identify and recommend high-quality merchants. This enables the provision of rental loan products to premium merchants, effectively meeting the practical financing needs of local MSEs, individual businesses, and the emerging new citizen demographic.



**Building an ecosystem for elder services**

We have launched the "Eldercare Manager," a smart pension service platform offering features like telemedicine, family care, intelligent companionship, health management, investment and wealth management, and remote banking. This comprehensive solution aims to provide smart home-based elderly care. By leveraging internal resources, collaborating with quality third-party providers, and strengthening government partnerships, we have established an integrated Government-Bank-Company (G-B-C) elderly service ecosystem. Together with various sectors of society, we are actively shaping this new ecosystem for elderly services.

**Creating a service system**

We have formulated and released the *Yiyangban VCare Toolkit for Pension Asset Allocation Service* to extend the concept of pension asset allocation to planning processes, core strategies, allocation scenarios, and implementation approaches. In addition, we are promoting a healthier pension finance environment, raising awareness about personal pensions, and offering educational tools through our mobile banking app. Initiatives like lectures, policy discussions, and expert talks help develop customers' pension planning awareness and encourage rational investment habits.

**Optimizing services**

As one of the first commercial banks to offer personal pension services, we are accelerating the development of private pensions as the third pillar and improving the customer account opening experience. We have expanded our personal pension product offerings, introducing savings options with lower minimum investment thresholds and a wider range of terms. Our commitment to delivering high-quality pension financial solutions remains strong.

**Enhancing dedicated deliveries**

We are continually improving the accessibility of our digital channels for elderly customers by developing specialized versions of mobile and online banking, enabling them to benefit from advancements in financial technology. We have also enhanced our exclusive services for elderly groups and offer "face-to-face" video services to create an "efficient and direct" service window.

**Case | Continuously enhancing services for elderly customers**

We have introduced the "Brilliant Life Card" for customers aged 55 and older, offering premium benefits like fee waivers and value-added services akin to those of gold cards. To better serve our senior clients, we developed care-oriented versions of our mobile and online banking apps, featuring larger text and voice-assisted functionalities. These enhancements focus on frequently used services such as balance inquiries, fund transfers, deposits, and bill payments, ensuring that essential information is easily readable and navigation is intuitive. We are dedicated to providing comprehensive, considerate, and user-friendly services that help seniors overcome the "digital divide."

**Case | Providing tailored financing services for customers in the elderly care industry**

Chengdu Branch has positioned smart elderly care, institutional elderly care, senior pharmaceuticals, smart wearable devices, and other key industries as marketing priorities. Through the integrated "Commercial Banking + Investment Banking + Industrial Digital Finance" marketing model, the Branch delivers end-to-end, one-stop, and comprehensive financial services, spanning cash management, fund custody, financing, and investment advisory, to empower the growing elderly care industry. In 2024, the Branch extended financing services to 11 customers in the elderly care industry, achieving a year-on-year increase of RMB 500 million in financing volume.

## Digital Finance

Focusing on the support for the development of the digital economy and the digital transformation of businesses, we have formulated the Digital Finance Action Plan to refine our digital customer management system and strengthen our intelligent operations and service capabilities, thereby contributing to the high-quality growth of the digital economy. We are committed to building a full-stack, digital finance service model.

At the end of 2024

RMB **3.612** billion

Value generated through digital products

**16,104**

Employees received digital skill training

### Business digital transformation

**Upgrading customer management.** We have upgraded treasury management functions, offering integrated financial services for enterprises, including account management, payment settlements, and centralized treasury management. Relying on an enterprise-level platform offering services to digital customers, we have built a business system to provide tailored services to customers at different levels. Through a professional business model targeting key customer segments, this platform has improved our ability to serve 5.09 million customers and increased financial assets by RMB 62.1 billion. We have also driven financial innovation with data assets, contributing to the development of the Beijing Data Infrastructure Pioneer Zone and offering data asset-backed mortgage loans.

**Improving operation and management quality and efficiency.** To improve our management processes, we've updated our digital multimedia app for lobby services. We also have diversified our Robotic Process Automation (RPA) scenarios, and launched the "Sui e Ban" remote banking brand, while offering multilingual and sign-language services. Additionally, our upgraded intelligent risk control system and the optimized "Dragon Shield" big data risk identification and early warning system allow Huaxia Bank to receive over 78.6 of risk alerts related to enterprises facing new challenges, such as overdue payments and write-offs.

**Strengthening digital finance application.** Huaxia Bank is steadily enhancing its digital technology support for business operations. We continue to improve our corporate management and control systems while accelerating the implementation of enterprise-level blueprints. To enhance customer service quality and efficacy, we actively advance AI large-model technology and application development. We have published the White Paper on the Basic Capabilities of Digital Technology to facilitate the transformation of digital innovations.

**Tapping the potential of data elements.** Huaxia Bank operates under the principle of separating data ownership, use, and management, and has launched the "Data-driven Development" cooperation project as part of our innovative efforts to explore a new model of separated data management and operation.

**Growing the digital talent pool.** We are providing comprehensive training for digital talent across the Bank, covering digital management, applications, and technology. We have established nine relevant majors, including digital planners, data analysts, and data managers. In 2024, we will conduct four unified examinations for digital talent across the Bank.

In 2024

**93,658**

Customers from key sectors of the digital economy

**1.45 %**

Increase from the end of the previous year

RMB **81.8** billion

Balance of loans invested in key sectors of the digital economy

**30.56 %**

Increase from the end of the previous year

### Supporting the development of the digital economy

**Supporting the development of the digital industry.** We are committed to the development of the digital industry, integrating into the construction of Beijing's Data Pilot Zone and driving financial innovation in data assets. Our branches in Beijing, Zhengzhou, and Chongqing have successfully implemented data asset-related collateralized loans. We focus on international settlement and trade financing, launching a comprehensive service platform for international businesses to enhance our digital financial services.

**Integrating into the transformation of traditional industries with digital technologies.** We support the development of digital industrial clusters in the automotive sector through our "Express Digital Loans for Distributors" service, which offers fully online functions such as digital model approval, online disbursement, and repayment. In the smart education sector, we promote the "Bank + School" model, connecting with smart education platforms to expand online payment and acquisition services.

### Case | Promoting industry-specific digital finance with greater efforts

The Xiamen Branch has deeply explored the commodity industry ecosystem, leveraging digital technology to develop digital supply chain financial products. Focusing on a local company's commodity supply chain, the branch launched the "Express Digital Loan for Distribution," enhancing ecosystem synergies and improving industry-specific digital finance services for the real economy.

### Case | Empowering the digital transformation of traditional industries

The Kunming Branch has launched the "Pingtai Tongbao" system for the Vegetable Trading Center in Yunnan Province to address asymmetric capital and information flows during transactions. This system enhances settlement services across various production and sales stages, providing reliable financial guarantees for both buyers and sellers.





# Development

The Bank closely aligns with China's key strategic priorities and actively supports national and regional development initiatives. We are committed to higher-standard opening-up and firmly believe that serving the real economy is the financial sector's core mission. At the same time, we seize emerging opportunities from new quality productive forces, integrate deeply into the capital's new development framework, and continue to explore innovative models and pathways for financial services.

At the end of 2024

RMB **256.067** billion  
Balance of loans to manufacturing

RMB **529.624** billion  
Balance of loans issued in the Beijing-Tianjin-Hebei region

RMB **726.525** billion  
Balance of loans issued in the Yangtze River Delta

RMB **270.354** billion  
Balance of loans for the Guangdong-Hong KongMacao Greater Bay Area

**635**  
Correspondent banks opened in BRI markets



# Contributing to Regional Development

Staying true to national and regional development strategies, the Bank actively embeds itself in the regional economic mainstream. We are constructing a new collaborative development paradigm for sub-branches led by branches in the three primary regions (Beijing-Tianjin-Hebei, Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area). This approach will foster mutual reinforcement, complementary advantages, and orderly progress toward high-quality regional development.

## Serving the capital's development

In 2024

RMB **443.2** billion

Diverse financing services offered in Beijing

About RMB **37.2** billion

Financing services provided for MSEs in Beijing

Guided by the capital's strategic urban positioning, we have issued the *2024 Work Plan for Serving the Economy in the Capital and Coordinated Development of the Beijing-Tianjin-Hebei Region*. We actively support the development of the "Four Centers" and integrate into Beijing's "Five Key Initiatives" and its evolving development framework. Through these efforts, we are dedicated to supporting high-quality growth in the capital's financial sector.

## Supporting economic development

The Bank has embedded key capital initiatives into the annual decision-making and oversight agenda of its Party Committee. Beijing's deposit and loan targets now form part of our Party Committee's strict self-governance and the Bank's core operational priorities. At the same time, we continue to enhance our investment and financing support for critical projects while increasing resource allocation to the capital. Driven by a strong sense of mission and responsibility, we remain committed to advancing the economic development of the capital.

### Empowering key enterprises

- **Supporting Beijing-based central SOEs.** We have developed a dedicated plan focusing on the establishment of and collaborative access to the treasury management system of central SOEs, and established direct "headquarters-to-headquarters" engagements with central SOEs in Beijing, offering proactive credit, medium-term working capital loans, and underwriting of medium-term notes.
- **Driving the development of municipal SOEs.** We've crafted special financial service solutions to enhance strategic partnerships and provision of services such as fund supervision, corporate digital RMB wallet opening, and foreign currency loans.

### Supporting major projects

- We have established connections with all 678 key municipal and district-level projects in Beijing—including those under the Beijing Municipal Development and Reform Commission's "3 Sets of 100" initiative.
- We have provided loan support for key district- and municipal-level projects in Beijing, including integrated transportation hubs, outlet towns, a digital port project, and a headquarters building project of an SOE.
- Actively participating in the capital's urban renewal and transformation. We've responded to capital urban renewal efforts by addressing financing needs for affordable housing and urban renewal projects, closely connecting with the financing coordination mechanism for the real estate sector.

### Supporting Beijing's development as an international consumption hub

- We have rolled out the *Work Plan for Supporting Beijing in Building an International Consumption Hub*, intensifying support for high-volume consumption sectors—such as new energy vehicles and electronics—to drive new momentum in digital, green, and health consumption.
- Creating a better payment environment. In line with the State Council's *Opinions on Further Optimizing Payment Services and Enhancing Payment Convenience*, we have deployed foreign card acceptance systems to alleviate payment challenges for foreign visitors and other groups in Beijing. Other initiatives include discounted fuel programs, mobile banking campaigns for 12306 ticket purchases, and the promotion of themed credit cards (e.g., those focusing on Shijingshan).
- Promoting credit card consumption through marketing initiatives. To boost credit card usage, we have launched innovative campaigns such as "Half-Priced Luckin Coffee" and partnered with top e-commerce platforms to offer initial card-binding discounts and shopping rebates, thus stimulating the growth of the capital's consumer market.



We have deepened our partnership with the Beijing Financial Loan Service Center to broaden coverage for MSEs in the capital.

Supporting the growth of micro and small enterprises

We have further advanced the "Shopping Basket Supply Assurance Loan" program to provide merchants with critical credit support, ensuring a reliable supply of essential goods for the community.

Supporting Beijing's livelihood improvement

Enhancing bank-government cooperation

The Bank has deepened its cooperation with municipal and district-level government agencies, promoting the implementation of digital and specialized financial services.

Supporting the capital's livelihood initiatives

We have expanded mobile payment solutions for Beijing's medical insurance system and introduced online OTC drug purchasing.

Enriching pension financial services

We have organized the "Yi Yang Ban VCare" Pension Asset Allocation salon, developing premium retirement plans for our clients with strong expertise and tailored services.

Assisting affected enterprises

The Bank has launched a dedicated "green channel" for credit applications from businesses in disaster-affected areas and allocated a special disaster relief loan quota to ensure that impacted enterprises receive priority funding. We have also offered preferential pricing to help alleviate financial strain on affected MSEs.

Supporting post-disaster reconstruction

Our post-disaster recovery efforts include issuing an emergency loan of RMB 29.99 million to a water utility in Fangshan District for water system reconstruction, extending an RMB 800 million credit line to enterprises in the same district for post-disaster reconstruction, and managing RMB 3.6 billion in special funding for flood control projects across 18 companies. Furthermore, we have established a long-term financial support mechanism aimed to empower sustained recovery with the Fangshan District government to focus on rebuilding critical infrastructure, such as roads.

Supporting disaster relief and reconstruction in Beijing

Case | Supporting key livelihood initiatives in the capital

Beijing Branch has been designated as a pilot bank for digital currency payments of non-tax revenue by the Beijing Municipal Finance Bureau. By launching a municipal non-tax revenue system and corporate digital RMB applications, the branch enabled municipal enterprises to remit RMB 1.819 billion in state-owned capital earnings using digital RMB.

Advancing technology finance

In 2024

RMB 39.1 billion

Investment and financing services provided for tech companies in Beijing

We are committed to driving technological finance by refining business models and service mechanisms while fostering greater integration between the digital and real economies. Through consistent financial support, we empower tech enterprises in Beijing, reinforcing the city's position as a global technology innovation hub and a leader in the digital economy.

Funding the International Conference on Basic Sciences

From 2023 to 2024, we allocated RMB 63.875 million in dedicated funding to support the International Conference on Basic Sciences successfully held in Beijing.

Sponsoring the Zhongguancun (ZGC) Forum

As both a "strategic partner" and "industry partner," we have provided RMB 10 million in sponsorship funding to support the ZGC Forum.

Supporting key projects

Empowering sophisticated and specialized SMEs and tech enterprises

Leveraging group-based financial services

Our Head Office has signed a master strategic cooperation agreement with a leading group company in Beijing, while our branches have established bank-enterprise cooperation agreements with its subsidiaries and affiliated firms.

Enhancing sci-tech lending solutions

Beijing Branch has introduced a dedicated evaluation system for growth-stage sci-tech companies, complemented by a scorecard model to support valuation assessments.

Broadening financial support for technology enterprises

We continue to connect with major technology platform platforms in Beijing, including science parks and intellectual property service providers, and participate in matchmaking events within key science and technology parks.

Deepening partnerships with leading tech firms

We collaborated with a Beijing-based tech company to launch the "Business Loan" project and supported a Beijing-based internet company to successfully roll out the AI digital human project.

Developing digital finance

Engaging in digital RMB pilot programs for municipal SOEs in Beijing. We implemented the *Municipal State-Owned Enterprises Digital RMB Pilot Program*, introducing "Digital RMB + Salary Subsidies" and other scenarios.

Accelerating the digital transformation of manufacturing. We introduced a digital factoring project for a supply chain financial platform and advanced initiatives such as express digital loans for inventory collateral, while providing non-recourse refactoring services.

We have participated in key projects at the Beijing International Big Data Exchange, including the "State-Owned Enterprise Data Entry" and "Pilot Program for Financial Innovation in State-Owned Enterprise Data Assets." Establishing a new model for data trusts.

## Driving cultural development

The Bank has developed a specialized financial service model for cultural and creative industries, advancing the "Time-Honored Brand Action Plan" and introducing the "Huaxia Masterpiece" product series targeting century-old brands. These initiatives offer a comprehensive financial suite—including payment and settlement, cash management, and investment and financing—to support the sustainable growth of century-old brands. By integrating financial and non-financial solutions, we contribute to establishing Beijing as a national cultural hub.

### Driving the growth of the cultural industry

- Bringing integrated financial services into cultural parks, we create a comprehensive cooperation platform to facilitate bank-enterprise cooperation and deliver tailored financial services for park-based cultural enterprises.
- We've provided credit, investment, and financing services to leading tourism enterprises, offering financial backing to a leading cultural industry company to drive the integrated development of "channels + content + IP" within the sector.

### Supporting Beijing's time-honored brands

- We have organized and invited time-honored brands to participate in a special temple fair event, "Welcoming the Year of the Dragon: A Festive Temple Fair," demonstrating our concrete support for these legacy businesses.
- In Hong Kong, we've hosted the "Beijing-Hong Kong Collaboration: Shaping the Future" campaign to assist Beijing's historic brands in expanding their global presence.

### Supporting key initiatives

- We've contributed to Beijing's Central Axis UNESCO World Heritage nomination by sponsoring Beijing TV's *Singing for the Central Axis of Beijing* program with a total investment of RMB 74 million. In recognition of our efforts, we received the "Guardian of the Central Axis" award from the Beijing Municipal Cultural Heritage Bureau and Beijing Radio & Television Station.

## Facilitating international exchanges

We continue to develop specialized cross-border financial services and actively participate in the development of the "Two Zones" and "Four Platforms" initiatives. Our efforts support Beijing's transformation into an "International Exchange Center" and contribute to high-level opening-up.

### Improving the institutional layout of the "Two Zones"

We've established the Houshayu Sub-Branch within the China (Beijing) Pilot Free Trade Zone and a sub-branch in the Daxing Airport Area of the China (Hebei) Pilot Free Trade Zone, expanding our service reach and enhancing outlet capabilities.

### Promoting Free Trade Zone development

We deliver cross-border financial services to businesses within the free trade zones, facilitating international trade and investment efficiency.

### Boosting Beijing's "Four Platforms"

At the 2024 Zhongguancun Forum, we showcased 14 projects, including the Huaxia Financial Cloud Platform. Additionally, at the 2024 China International Fair for Trade in Services (CIFTIS), we promoted key offerings such as cross-border RMB services.

## Supporting the development of the BMC

We align with the strategic blueprint and core industries of the Beijing Municipal Administrative Center (BMC), capitalizing on opportunities from the relocation of non-essential capital functions. Our comprehensive, multi-tiered financial services will drive high-quality development in the area.

### Responding to government decisions and policies

- The construction of our new Head Office Building in the BMC is progressing rapidly, with the main structure now under full development.

### Optimizing organizational distribution

- In 2024, we opened a new branch at Universal Studios Beijing. By then, we had opened six branches in the BMC.

### Empowering SOEs directly under the SASAC of Tongzhou District

- We have established financial partnerships with all first-tier SOEs directly supervised by the SASAC of Tongzhou District.
- We have assisted these enterprises in issuing bonds to secure funding, optimize their financing structure, and lower financing costs.

### Deepening cooperation and communication

- We have opened a zero-balance account for the fiscal authority of Tongzhou District, and successfully introduced municipal and district-level treasury centralized payment services for the Administrative Committee of the BMC.
- We have partnered with the Industrial Guidance Fund of the BMC to provide "Investment-Loan Linkage" financial services for tech companies in Tongzhou District.

### Strengthening financial support for key projects

- We have reinforced our strategic partnership with Tongzhou District Government to deepen our business collaboration.
- By actively supporting major projects in the BMC, we have engaged in early-stage research on key projects and state-owned enterprise reforms. In 2024, we extended nearly RMB 10 billion in new credit support to major projects of the district.

## Serving Regional Development Strategies

With a deep understanding of the government's regional development strategies, Huaxia Bank has clearly defined and consistently implemented differentiated regional development strategies. This strategy prioritizes the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area, while also driving progress in the Great Western Development Strategy and providing financial support for the growth of the Yangtze River Economic Belt.

### Coordinated development of the Beijing-Tianjin-Hebei Region

At the end of 2024

RMB **529.624** billion

Balance of loans issued in the Beijing-Tianjin-Hebei region

In 2024

RMB **86.9** billion

Total investment and financing services rendered to key projects in the coordinated development of the Beijing-Tianjin-Hebei region

In alignment with our *Action Plan for the Regional Development of the Yangtze River Delta 2021-2025*, we have made supporting this region a strategic priority. Specifically, we have established a database of key projects in the coordinated development of the Beijing-Tianjin-Hebei region and strengthened our financial services to enhance the region's economic integration.

#### Contributing to the development of Xiong'an New Area

- We've invested in the corporate bond of a major group company in Xiong'an New Area, becoming the only joint-stock bank to launch credit cooperation with the company. We've also deepened our partnership with a financial leasing company under a central SOE and other key enterprises in the area.
- We are actively engaged in the Xiong'an New Area Blockchain Laboratory, collaborating on the "Blockchain System for Fund Management of Engineering Projects" as one of three banking partners involved in this initiative.
- We have gained approval to manage housing provident fund services in Xiong'an New Area, earning commendation from the Administrative Committee for our financial contributions with a letter of appreciation.

#### Increasing support for key industry clusters

- We've completed the Express Digital Loan for Receivables project of a Tianjin-based steel company and the Express Digital Loan for Distributors project of a Hebei-based company in the steel sector.
- We've made progress in multiple projects, including the Express Digital Loan for Orders for industrial goods of a Hebei-based steel enterprise, the Express Digital Loan for Distributors of a group company in Hebei, and the Order Loan of a platform company in Hebei.

#### Promoting regional green development

- We've surveyed a wind farm in Cangzhou City and a green, low-carbon development project in a Industrial Park, Handan City. We've also participated in the World Bank's symposium on China's air pollution control initiatives.
- We've issued the first bank loan in Hebei province linked to carbon neutrality, providing financial backing for a solar-fire hydrogen storage integrated multi-energy demonstration project of a power company.
- We've invested in green bonds issued by entities in the Beijing-Tianjin-Hebei region and offered financing and leasing support for photovoltaic projects serving green leasing customers in the area.

#### Serving key enterprises in the region

- We've supported rail transit enterprises in debt financing instrument underwriting, becoming the first joint-stock bank to handle bond underwriting for a Hebei key enterprises.
- We've promoted products, such as investment-oriented loans and option loans in the Beijing-Tianjin-Hebei region, to meet businesses' comprehensive "equity + debt" financing needs.

#### Engaging in key regional projects

- We've provided loan support for a cold chain logistics distribution center in Shijiazhuang. Leveraging the People's Bank of China's re-lending policy for sci-tech innovation and technological upgrading projects, we've also financed a high-end non-woven fabric production project and an Internet of Vehicles terminal application project in Hebei Province.

#### Case | Contributing to the green development of the Beijing-Tianjin-Hebei region

Tianjin Branch continues to advance its green finance strategy through innovative product development. As part of these efforts, it has supported a Tianjin-based environmental company in issuing the first carbon-neutral bond in the waste-to-energy sector within the Beijing-Tianjin-Hebei region. This initiative has diversified funding sources for the company.

### Integration of the Yangtze River Delta region

At the end of 2024

RMB **726.525** billion

Balance of loans issued in the Yangtze River Delta

We have actively implemented the *Outline of the Integrated Regional Development of the Yangtze River Delta* and our *Action Plan for the Regional Development of the Yangtze River Delta (2021-2025)*, continuously driving growth and fostering innovation. By capitalizing on opportunities in city cluster development, major infrastructure projects, advanced manufacturing, high-tech industries, green finance, and retail business transformation, we provide comprehensive financial solutions to support the region's high-quality development.

#### Enhancing the regional integration mechanism

- **Strengthening cross-regional collaboration.** We have deepened industry research, and accelerated product and service innovation.
- **Optimizing regional innovation mechanisms.** We've expanded support for sci-tech enterprises by piloting specialized technology-finance institutions, improving financial services for technological innovation.
- **Promoting regionally integrated application of industry-specific digital finance.** Following the ecological customer account service coordination mechanism, we provide seamless cross-regional and cross-branch corporate and personal settlement account services, including account setup and post-service support.
- **Facilitating integrated operations across regional branches.** We have streamlined syndicated lending processes for Yangtze River Delta branches, eliminating the need for the Head Office to approve lead branches.

#### Upgrading services through innovation

- **Expanding the coverage of the underwriting business.** We have expanded the coverage of underwriting business by enhancing the "commercial bank + investment bank" collaboration mechanism and strengthening support for M&A transactions and syndicated loans.
- **Meeting the personalized financing needs of customers.** We've promoted investment-oriented loans, option loans, and other tailored products for tech companies. With integrated investment and lending services, we support enterprises in the entire lifecycle to meet their comprehensive equity and debt financing needs.
- **Diversifying scenarios of livelihood-related consumption finance.** We've advanced private banking product development, sales, and wealth management. We've also accelerated the establishment of a private banking center at the Shanghai Branch while expanding engagement with pension finance customers to broaden financial services and partnerships.

## Development of the Guangdong-Hong Kong-Macao Greater Bay Area

At the end of 2024

RMB **270.354** billion

Balance of loans for the Guangdong-Hong Kong-Macao Greater Bay Area

Strictly adhering to the directives of the CPC Central Committee and the State Council on enhancing financial support for the Greater Bay Area, Huaxia Bank has carried out the *Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area*, seizing opportunities for regional development. By introducing specialized financial products and services tailored to strategic industry clusters, we contribute to the Greater Bay Area's goal of becoming a world-class city cluster and a leading international bay area.



- We have refined and optimized supportive policies and differentiated management approaches tailored to local conditions. This includes strengthening resource allocation, technological empowerment, operational support, and brand promotion to enhance financial services.
- We've studied and formulated special financial service plans to facilitate key initiatives such as cross-border wealth management, Hainan QDLP (Qualified Domestic Limited Partnership) and QFLP (Qualified Foreign Limited Partnership) projects, and Hong Kong's offshore bond underwriting business.

- We have increased credit supply for local mainstream industries.
- Our multi-tiered financial service system continues to evolve, with innovations in the "commercial bank + investment bank" model to integrate loans, bill financing, and bond financing, supporting industrial transformation and integrated industrial chain development.
- In green finance, we have introduced fixed-income ESG financial products, with over 80% of funds invested in environmentally sustainable industries. Partnering with Shanghai Clearing House and Guangzhou Emissions Exchange, we've launched China's first carbon emission pledge financing digital project, successfully implementing the "Carbon Reduction Loan", benefiting multiple new energy equipment manufacturers.

- Hong Kong Branch has secured an insurance intermediary license, and piloted private wealth services.
- We have enabled a one-stop financial service platform for investment, transactions, financing, bond underwriting, wealth management, and asset management, enabling mainland enterprises to expand internationally, mitigate overseas risks, and enhance global competitiveness.

### Case | Financial services for the development of the new energy vehicle sector in the Greater Bay Area

To support the new energy vehicle (NEV) sector, we've designed a comprehensive digital financial service solution for a new energy vehicle brand under an automobile group in Guangzhou. By introducing the "Digital Government Procurement Loan," we've facilitated end-to-end financial services across the entire industry chain, efficiently addressing the procurement financing needs of downstream dealers.

## The Great Western Development Strategy

Actively responding to the Great Western Development Strategy, we provide investment banking solutions to clients in the region, facilitating financial market access. We contribute to the development of the Chengdu-Chongqing economic circle with a full suite of financial services, including bond underwriting, syndicated loans, standardized bond investments, non-standardized asset investments, and industry fund matchmaking.

### Case | Supporting infrastructure construction in the western region

Kunming Branch, leveraging its strategic position as a "radiation center," focuses on funding infrastructure projects in Yunnan, including railways, highways, ports, logistics, and urban transportation. By utilizing a diverse range of financial products, the branch has supported major transportation projects in Zhaotong, Chuxiong, Yuxi, and Honghe. In collaboration with Huaxia Financial Leasing, it issued a RMB 1 billion financial lease for a highway project.



## Development of the Yangtze River Economic Belt

In line with the *Opinions on Policy Measures for Further Promoting High-Quality Development of the Yangtze River Economic Belt*, we provide financial support for key areas such as infrastructure, industrial transformation, and ecological conservation, driving green, low-carbon, and high-quality development in the Yangtze River Economic Belt.

### Case | Improving the ecological environment

Nanchang Branch has granted a RMB 10 million loan to a new energy development company in Ji'an City for solar energy infrastructure construction and operations. The project helps reduce pollution from energy production and enhances environmental quality in the Yangtze River Economic Belt.

# Spotlight

## Charting a New Era: A Decade of Coordinated Development of the Beijing-Tianjin-Hebei Region

As a financial institution under the Beijing Municipal Government, Huaxia Bank has actively supported the coordinated development of the Beijing-Tianjin-Hebei region. Over the past decade, we have strengthened our role as a key financial service provider in the region, aligning our efforts with major initiatives to drive integrated growth. Our commitment to delivering financial solutions has led to significant achievements.



### In 2014

Our Head Office set up a work group to promote the coordinated development of the Beijing-Tianjin-Hebei region, supported by corresponding task forces set up by branches in the three areas. The work group released the "Beijing-Tianjin-Hebei Coordinated Development Card," the first bank card dedicated to regional integration, issuing 103,800 cards in the first year.

### In 2016

The Bank joined the World Bank's program under the Beijing-Tianjin-Hebei Air Pollution Prevention and Control Financing Innovation Project. This initiative allowed us to finance projects focused on energy efficiency, renewable energy, and pollution control in the region.

### In 2018

The Head Office set up the Office for Coordinating the Coordinated Development of the Beijing-Tianjin-Hebei Region, supported by the *Work Plan on the Coordinated Development of the Beijing-Tianjin-Hebei Region* to deliver integrated financial solutions across the region.

### In 2020

We formulated the *Implementation Plan on Supporting Xiong'an New Area in Developing Innovative Financial Services*. We launched Chain Link Xiong'an, a blockchain-based supply chain finance product, marking the first SME order-based financing project using blockchain technology in the area.

### In 2022

We sponsored the Beijing 2022 Winter Olympics and issued commemorative theme credit cards. We also relocated our Head Office to the BMC, achieving land acquisition and construction commencement within the year while vigorously supporting the development of the BMC.

### In 2015

The Bank supported energy conservation, emission reduction, and clean energy projects in the region by establishing the "Blue Skies and Clear Waters" investment-directed asset management plan. Over 1.58 million ETC cards were issued across Beijing, Tianjin, and Hebei.

### In 2017

We established "a major financial service provider for the Beijing-Tianjin-Hebei region" as one of six corporate strategies for the 2017-2020 planning period. The Head Office set up the Cultural & Creative Industries Center and the Beijing Cultural Finance Division to deliver tailored financial services to local cultural and creative enterprises through innovative credit management solutions.

### In 2019

We have begun to annually update our Plan on Serving the Capital Economy and the Coordinated Development of the Beijing-Tianjin-Hebei Region, outlining clear goals and actions of the year. We held a headquarter-to-headquarter signing ceremony titled "Contributing to Economic Development in Beijing and Regional Coordination," establishing strategic agreements with nine SOEs under the Beijing SASAC, and signed specialized agreements with five more SOEs at a SOE cooperation conference.

### In 2021

We formulated the *Action Plan for the Development of the Beijing-Tianjin-Hebei Region 2021-2025*, enhancing our position as "a major financial service provider for the Beijing-Tianjin-Hebei region." We outlined nine priority tasks for the 14th Five-Year Plan period, focusing on industry upgrades and supporting the "2+4+N" strategic cooperation zones, while contributing to transportation infrastructure for the Beijing 2022 Winter Olympics.

### In 2023

We launched the *Collaborative Marketing Roadmap for the Beijing-Tianjin-Hebei Region* to enhance financial support for key sectors in the coordinated development of the area. To bolster financial backing for the construction of the BMC, we introduced the *Work Plan for the Development of the BMC*. Additionally, we signed strategic cooperation agreements with the Tongzhou District government and China Beijing Green Exchange, along with a long-term Memorandum of Understanding with the Green Development Institute of BMC. During the inaugural joint meeting of the State-Owned Assets Supervision and Administration Commission for Beijing, Tianjin, and Hebei, we also signed a strategic cooperation agreement with Tianjin Infrastructure Investment Group and China Xiong'an Group.



## Adhering to a holistic and coordinated approach

Through five key measures—establishing competent organizations, aligning with development strategies, strengthening policy support, ensuring effective implementation, and fostering bank-government cooperation—the Bank effectively supports the Beijing-Tianjin-Hebei coordinated development strategy, providing strong financial backing for the region.

### Strengthening policy support

We have introduced multiple policies to enhance support for the Beijing-Tianjin-Hebei region since 2014, focusing on business authorization, credit approvals, and other key areas. Since 2019, we have begun to roll out Beijing-Tianjin-Hebei Coordinated Development Work Plan each year, outlining clear objectives and concrete measures.

### Establishing competent organizations

In August 2014, Huaxia Bank formed a Beijing-Tianjin-Hebei Coordination Task Force. In December 2018, we established the Beijing-Tianjin-Hebei Coordinated Development Coordination Office to oversee the implementation of key policies and decisions.

### Promoting bank-government cooperation

We have established a collaboration mechanism with government departments across the region and signed strategic cooperation agreements with the Tianjin Municipal People's Government, Tongzhou District People's Government of Beijing Municipality, Binhai New Area People's Government of Tianjin Municipality, and Miyun District People's Government of Beijing Municipality.

### Facilitating the implementation of initiatives

We have prioritized capital city economic development as a key oversight area for our Head Office Party Committee, conducting monthly follow-ups and quarterly reports. Regular promotion meetings are held to help address challenges in the region's coordinated development.

### Following the development strategy

From 2017 to 2020, positioning ourselves as a leading financial service provider for the Beijing-Tianjin-Hebei region is one of our six core strategic goals. During the 14th Five-Year Plan period, we have fully integrated support for the region's coordinated development into our long-term plans.

## Boosting high-quality coordinated development

By optimizing our institutional presence and resource allocation, we are expanding financial service coverage and driving the construction of key projects, significantly contributing to the coordinated development of the Beijing-Tianjin-Hebei region.

### Expanding the coverage of regional financial services

- In Xiong'an New Area, we established Anxin Sub-branch, the first banking institution in the area after its founding, in August 2017. In 2020, we launched the Xiong'an Branch (Hebei) and Beijing Municipal Administrative Center (BMC) Branch.
- In September 2020, Huaxia Wealth Management became the first Beijing-registered wealth management subsidiary of a joint-stock bank based in Tongzhou District, Beijing.
- We've established Tianjin Free Trade Zone Sub-branch, Beijing International Business Services Area Sub-branch, and Beijing High-End Industries Area Sub-branch.

### Strengthening support for key projects

- Since 2016, we've provided over RMB 520 billion in investments and financing for key projects in the Beijing-Tianjin-Hebei region, facilitating their construction.

### Case | Supporting the first RMB 1 billion debt financing project for the coordinated development of the Beijing-Tianjin-Hebei region

In 2020, as the sole lead underwriter, the Bank independently underwrote and fully invested in the first RMB 1 billion debt financing project for the coordinated development of the Beijing-Tianjin-Hebei region for the integration and upgrading of the regional economy.

### Case | Supporting key projects in the Beijing-Tianjin-Hebei region

A Hebei-based agricultural logistics park project was selected as one of the Top 10 Projects for the Coordinated Development of the Beijing-Tianjin-Hebei Region (2014-2024), recognized as the region's largest non-staple food project. In 2017, the Bank provided an operating property loan, followed by a technological upgrade loan in 2024 for its "Smart Cold Chain Industrial Park Project," enhancing supply chain stability and agricultural growth.

## Serving key sectors

Aligned with the "Five Priorities" of finance in the region, we have pushed for the launch of several regional projects, generating significant environmental and social benefits for coordinated development.

### Technology finance

We have developed a specialized "1+16+N" system for the Zhongguancun Management Department and, in 2023, launched a dedicated program targeting specialized, high-end, and innovation-driven micro and small enterprises (MSEs).

### Green finance

We support multiple photovoltaic and wind power projects and have sponsored the Beijing Municipal Administrative Center Green Development Forum. In 2016, we collaborated with the World Bank on the Innovative Financing for Air Pollution Control in Jing-Jin-Ji Project.

### Inclusive finance

We have enhanced support for SMEs and initiated loan renewals without requiring principal repayment. In 2023, we launched the exclusive "Food Supply Assurance Loan," a digital inclusive finance product.

### Pension finance

Selected as the exclusive pilot bank for long-term care insurance in Beijing, we provide financial services for elderly residents in Shijingshan District. In 2022, we introduced the "Huaxia Yi Yang" pension product.

### Digital finance

We actively engage in major data infrastructure projects in Beijing, and have launched the "Beijing Medical Insurance Mobile Payment Project." We have also implemented a municipal-level digital RMB non-tax payment system to enable customers to make non-tax payments using digital RMB. In 2023, we introduced our industrial digital finance brand, "Digital Wing Pass."

## Speeding up the development of the BMC and Xiong'an New Area

Anchored in the planning and construction of the BMC and Xiong'an New Area, we have propelled their development through credit support and strengthened bank-enterprise collaboration, driving the coordinated growth and economic prosperity of the Beijing-Tianjin-Hebei region.

### Supporting the BMC's development

In 2022, we signed a custody agreement with the BMC Industrial Fund and provided credit support for the inaugural Community Hub project, establishing a model for future initiatives.

### Participating in the development of Xiong'an New Area

We actively engage with key construction entities, signing a strategic cooperation agreement with a Xiong'an-based group and investing in its first bond issuance. Additionally, we provide a Bank-Lease Loan to a financial leasing company, fully supporting the growth of central SOEs' subsidiaries in the region.



## Building up soft power

We spare no effort in supporting major events in the Beijing-Tianjin-Hebei area. As a sponsor of the Beijing 2022 Winter Olympics, we issued commemorative credit cards. Leveraging the construction of facilities for the Games, we provided financing solutions to Zhangjiakou-based companies involved in public transportation, roads, bridges, and highway maintenance, enhancing local infrastructure. We also sponsored the Miyun Eco Marathon in 2021 and 2023, boosting the economic vitality of Miyun District, Beijing.

### Case | The Beijing 2022 Winter Olympics

In December 2019, we became a Diamond Partner of "Experience Beijing" Winter Sport Events, facilitating venue infrastructure development for the Olympics and supporting the capital in hosting this prestigious event. Our integrated financial services contributed to the growth of the ice and snow industry and promoted ice and snow sports in China, enhancing the development of the capital's sports and cultural sectors.

### Case | Huaxia Bank Miyun Eco Marathon

In May 2021, we launched our partnership with marathon events by hosting the inaugural Huaxia Bank Miyun Eco Marathon under the theme "Ecological Miyun, Happy Miyun Eco Marathon."

In May 2023, the Huaxia Bank Miyun Eco Marathon featured multiple competitions, including a full marathon, half marathon, and mini marathon, attracting 10,000 participants. As the title sponsor, we contributed RMB 10 million, significantly boosting local economic development. We also set up a marketing booth at the "Miyun Eco Marathon Market" to promote consumption in dining, accommodation, cultural tourism, and related sectors.

# Supporting Key Sectors of the Economy

The Bank is dedicated to implementing national development strategies by prioritizing the transformation and upgrading of traditional industries and the promotion of advanced manufacturing in our policies. We have continuously strengthened and optimized financial support in key sectors, ensuring that financial services effectively serve the real economy. This approach aims to enhance the competitiveness and innovation capacity of vital industries, thereby driving high-quality economic development.

## Facilitating the transformation and upgrading of traditional enterprises

At the end of 2024

RMB **256.067** billion  
Balance of loans to manufacturing

We have made the transformation and upgrading of traditional industries a priority. By refining credit policies, optimizing resource allocation, and enhancing service quality and efficiency, we focus on supporting key areas such as equipment upgrading, technological innovation, production capacity optimization, industry consolidation and restructuring, and the transition to green and low-carbon development. Leveraging our dual strengths in commercial and investment banking, we are committed to driving the high-quality development of traditional enterprises.

Bolstering the industrial and supply chains

- The Bank is committed to driving breakthroughs in core technologies and advancing the industrialization of critical innovations. We support the development and application of the first set of major technical equipment, the initial use of key new materials, and the localization of critical components.
- We continuously enhance supply chain financial services, with a particular focus on leading enterprises that anchor industry chains. By supporting leading enterprises' initiatives to stabilize and strengthen supply chains, fostering integration across industries, and promoting national demonstrations for supply chain innovation, we facilitate collaborative growth among businesses of all sizes across the value chain.

Strengthening policy research

- Drawing on in-depth research into manufacturing industry policies, market dynamics, and development trends, we have formulated and issued approval guidelines for key sectors, including new energy vehicles, 5G, photovoltaic manufacturing, pharmaceuticals, and construction machinery. These guidelines help our operational units deliver targeted financial services, enhancing our ability to support manufacturing clients in their transformation and upgrading efforts.

Enhancing product innovation

- We have developed option loans and investment-linked loan products, encouraging our branches to adopt these new offerings. This initiative strengthens our ability to provide integrated financial services through a combination of debt and equity solutions.
- By leveraging a diverse range of financial products and services—including fixed asset loans, M&A loans, syndicated loans, bill pools, commercial acceptance bill discounts, confirmed warehouse financing, factoring, accounts receivable pledges, guarantees, cash management, and financial market solutions—we effectively address the financial needs of manufacturing enterprises. These services support businesses in expanding production capacity, upgrading and modernizing technology, managing liquidity, participating in project bidding, facilitating asset restructuring, and optimizing group settlements.

Enhancing resource allocation

- We align our strategies with national policy directives and leverage the People's Bank of China's re-lending programs for equipment upgrades and technological innovation to support tech companies in product R&D and equipment modernization.



### Case | Advancing technological upgrades of a new materials company

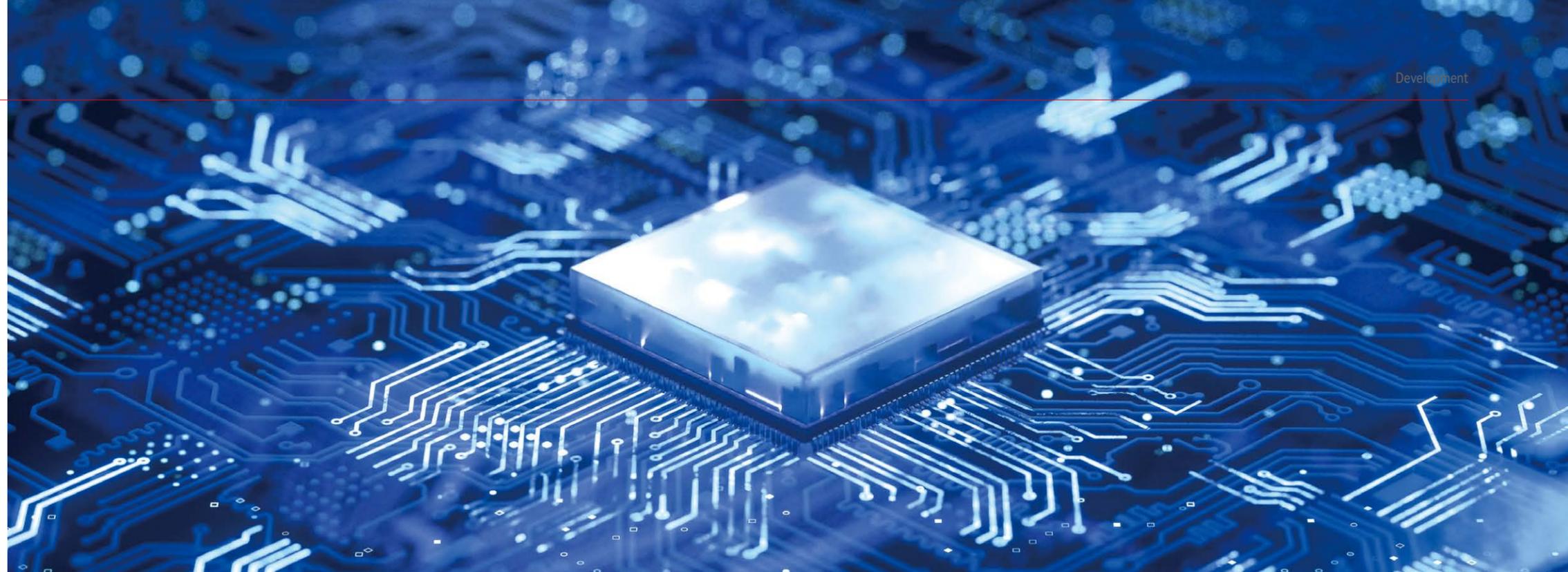
Hefei Branch has supported the People's Bank of China's first re-lending program for equipment renewal and technological transformation by issuing a general fixed-asset loan of RMB 75 million to a new materials company. The funding is designated for the workshop renovation, helping the company reduce energy consumption and enhance product performance.

### Case | Supporting the green transformation of the Baijiu industry

Chengdu Branch has successfully implemented a wastewater treatment center project for a Baijiu company. The project treats high-concentration organic industrial wastewater to make it comply with Class A urban discharge standards. The purified biogas is converted into biomethane that meets national standards, enabling the efficient utilization of green energy.

## Supporting advanced manufacturing

In alignment with China's strategy to strengthen its manufacturing and quality leadership, we have established a dedicated approval mechanism for manufacturing loans. We focus on key enterprises in critical sectors, expanding medium- and long-term financing while providing specialized financial services to the advanced and high-tech manufacturing industries.



### Identifying key service priorities

- In our *Credit, Investment, and Financing Policy for 2024*, we have designated manufacturing and tech companies as priority sectors. While ensuring effective risk management, we have increased loan allocations to the manufacturing industry.
- We are committed to advancing the transformation and upgrading of traditional manufacturing while fostering advanced manufacturing clusters that drive collaborative innovation, talent concentration, cost efficiency, and productivity gains to achieve economies of scale and competitive edge. Our strategy prioritizes the development of "high-end industries" and "high-end industrial sectors", with a focus on aviation, spacecraft and equipment manufacturing, high-end machinery, pharmaceuticals and medical devices, electronics and communication equipment, as well as new energy and environmental protection equipment.

### Driving the ecosystem-based transition of customers

- We have selected pilot enterprises and institutions to develop and analyze ecosystem maps. By focusing on high-quality core enterprises in the manufacturing sector, we leverage supply chain finance, industry-specific digital finance, and cash management platforms to drive high-quality growth for ecosystem participants.
- To drive the creation of new quality productive forces, we have developed comprehensive ecosystem solutions for 13 key industries including new energy, artificial intelligence, robotics, computer manufacturing, and integrated circuits, covering 174 sub-sectors across the entire industry chain.

### Enhancing operational mechanisms

- We have implemented a parallel workflow for marketing and risk control. Using the "iron triangle" model—which integrates credit approval, business departments, and operational units—we embed risk management at the early stages of project assessment. This proactive approach enhances risk control and significantly improves project execution efficiency.
- We have introduced a differentiated approval and authorization framework for manufacturing loans. In addition to the bank-wide unified authorization system, we have raised the baseline authorization levels for branches in the Yangtze River Delta region, a key hub for advanced manufacturing. This adjustment ensures comprehensive coverage of major credit products and aligns authorization levels with regional economic needs.

### Ensuring resource support

- We offer internal fund transfer pricing (FTP) discounts for manufacturing loans. Clients on the "industry + client" white list receive 30 basis points off at the Head Office level and 20 basis points off at the branch level for newly issued manufacturing loans. Additionally, an extra 5 basis points FTP discount is provided for newly issued medium- and long-term loans in the manufacturing sector.

### Case | Supporting the transformation and upgrading of the traditional automobile sector

The Huzhou Sub-Branch under the Hangzhou Branch extended a RMB 100 million credit line to a Zhejiang-based automobile company. Addressing the company's needs for flexible financing and timely payments, the sub-branch facilitated financing through a mix of solutions.

### Case | Accelerating growth in the automotive parts sector

To support the financing needs of regional advanced manufacturing enterprises, Wenzhou Branch has approved a credit line of RMB 200 million for a domestic supplier of parts for commercial vehicles. This initiative helps the company improve the quality and efficiency of its products.

### Case | Advancing high-quality growth in emerging manufacturing industries

Focusing on the financing needs of manufacturing enterprises, Changzhou Branch has provided a working capital loan of RMB 80 million to a digital energy company. This initiative enhances the company's market competitiveness.

## Developing New Quality Productive Forces

The Bank actively implements national strategic initiatives and follows the directives of the Beijing Municipal Party Committee, Municipal Government, and regulatory authorities. With a focus on enhancing the quality and efficiency of financial services for the real economy, we prioritize key areas such as supporting specialized and sophisticated SMEs. Also, we have strengthened financial services for clients in strategic emerging industries and continuously innovate financial service models to create seamless connections between the industrial and financial sectors, driving the accelerated development of new quality productive forces.

- At the Head Office level, we have established a Technology Finance Leadership Group, led by senior bank executives. The group consists of department heads from Corporate Business, Inclusive Finance, Planning and Finance, and Credit Approval. Similarly, Technology Finance Working Groups have been set up at the branch level.

Establishing specialized leadership and working groups

Strengthening policy guidance

- We have conducted in-depth research at branches in Beijing, Shenzhen, and Hefei, as well as among select industry peers. Based on the insights gathered, we have developed and released the *Management Measures for Technology Finance Centers, Technology Sub-branches, and Technology-focused Sub-branches (Trial)*. This initiative aims to establish a comprehensive, bank-wide organizational framework for technology finance and enhance branch-level expertise in serving tech companies.

Accelerating team building

Enhancing resource allocation

- We continue to introduce exclusive financial products for technology companies, including option loans, investment-linked loans, and R&D loans, further enhancing financial services for specialized and sophisticated SMEs and tech companies. By refining a comprehensive lifecycle financial services system—encompassing traditional credit, equity investment, and bond financing—we provide integrated financial solutions tailored to the evolving needs of tech companies.

Enhancing product innovation

- In our *Credit, Investment and Financing Policy for 2024*, we have identified China's self-reliance and strength in science and technology as a key service focus. By leveraging the "commercial banking + investment banking" model, we aim to deliver comprehensive financial solutions to high-quality tech companies.
- We have introduced the *Action Plan for Enhancing Financial Services to Technology Companies* and the *Work Plan for Promoting Technology Finance*. These plans establish clear frameworks for operational mechanisms, marketing strategies, resource allocation, performance incentives, product innovation, risk control, and team development to better support tech companies.
- We have developed the *Credit Approval Guidelines for Specialized and Sophisticated SMEs* and the *Credit Approval Guidelines for Technology Companies*, outlining key marketing priorities, approval criteria, and tailored credit strategies for these businesses.

- Strengthening loan pricing support. We continue to offer preferential FTP pricing policies for loans to specialized and sophisticated SMEs. For newly issued loans, we provide FTP pricing discounts of 30 BP for national-level "little giants" and 20 BP for provincial-level specialized and sophisticated SMEs. Additionally, we offer further discounts for projects under the People's Bank of China's re-lending program for technological innovation.
- Streamlining business processes and improving approval efficiency. We have incorporated specialized and sophisticated SMEs, high-tech MSEs, and technology-based MSEs into the "fast-track credit approval channel". Additionally, we have developed an online scoring model tailored for specialized and sophisticated SMEs and granted dedicated credit approval authority to branches for these clients.



### Case | Supporting the photovoltaic industry in developing new quality productive forces

Hangzhou Branch conducted an in-depth assessment of a leading energy company and developed a tailored financial solution to meet its specific needs. By providing a diversified portfolio of financial products, the branch extended RMB 4.76 billion in credit support, delivering strong financial momentum to drive the steady growth of this domestic photovoltaic industry leader.

### Case | Empowering specialized and sophisticated SMEs

Changzhou Branch, in collaboration with the Changzhou Municipal Bureau of Industry and Information Technology, hosted a dedicated salon event titled "Empowering Technology, Thriving with Innovation" for specialized and sophisticated SMEs. Additionally, the branch organized the "Embarking on a New Journey of Intelligent Manufacturing with Inclusive Finance" customer salon event. National and provincial-level specialized and sophisticated SMEs were invited to a coordination meeting focused on facilitating MSE financing. Through these initiatives, the branch is supporting Changzhou's efforts to develop new quality productive forces.



## Contributing to Opening-Up

Huaxia Bank fully implements the Party Central Committee's directives to advance higher-standard financial sector opening-up and actively aligns with national strategies for global integration. By addressing the needs of both domestic and international clients, we continuously enhance the quality and efficiency of cross-border financial services. We provide strong financial support for enterprises participating in the Belt and Road Initiative (BRI) and those expanding internationally, while steadily promoting the internationalization of the RMB.

### Cross-border financial services

In 2024

RMB **123.086** billion

RMB cross-border payments

USD **60.049** billion

Cross-border payments and receipts

We have steadfastly implemented policies aimed at stabilizing foreign trade and investment by establishing a robust "settlement + financing" product ecosystem. Our integrated financial services for enterprises encompass efficient international settlement services, international and domestic trade financing, cross-border guarantee-backed financing, credit enhancement services, and tailored comprehensive solutions. At the same time, we have advanced the development of digital financial services to enhance product accessibility and utilization.

#### Case | Supporting overseas operations with financial services

Capitalizing on Hong Kong's advantages as an international financial hub, Hong Kong Branch provides financial services to the Overseas Capital Management Center of Central SOEs Headquartered in Beijing, facilitating efficient fund allocation and enhancing the overseas capital management capabilities of large central SOEs. As of the end of 2024, the branch has established comprehensive business partnerships with more than 30 central SOEs, with a total credit commitment exceeding HKD 12 billion.

#### Case | Empowering shipbuilding with cross-border guarantee solutions

Capitalizing on growth in the shipbuilding sector, the Nanjing Branch expanded its cross-border guarantee offerings, issuing USD 371 million in prepayment guarantees for vessel construction to five clients, including a major Jiangsu shipyard. This set a new benchmark in prepayment guarantees for vessel construction.

#### Case | Assisting enterprises in strengthening their defense against exchange rate risks

Leveraging the promotion of risk neutrality, Hefei Branch analyzed exchange rate fluctuation trends and shared case studies on exchange rate risk management. To address the practical challenges faced by an agricultural technology company in Anhui in foreign exchange transactions, the branch proposed tailored solutions and established a green channel for exchange rate risk hedging. Through RMB and foreign exchange swap products, we help clients hedge risks and preserve capital value.

## Supporting the Belt and Road development

We have enhanced the promotion and application of import-export trade financing and cross-border guarantee products. By offering solutions such as export credit insurance financing, international factoring, and cross-border guarantees, we provide financial support to enterprises expanding globally and those participating in the BRI.

#### Case | Empowering Hainan Free Trade Port enterprises to go global

Haikou Branch has actively engaged in cross-border securities investment, asset transfers, and derivative trading. It has invested in various asset securitization projects, including green electricity fee collection rights, green corporate bonds, land contract fee securitization, talent apartment REITs, and overseas bonds. These efforts exemplify the branch's commitment to establishing a Hainan model for supporting enterprises in their global expansion.

## Contributing to RMB internationalization

Firmly supporting policies and initiatives for RMB internationalization, we actively promote trade and investment facilitation while adhering to the principle of local currency priority and aligning with major trends. We have advanced digital financial services by launching cross-border RMB remittance features for corporate mobile banking, expanding the application scenarios for RMB internationalization. These efforts enhance the convenience of cross-border RMB settlements for domestic and international clients while offering a more diversified range of currency options.

#### Case | Expediting the internationalization of RMB

Shanghai Branch has established a comprehensive RMB settlement service framework covering all products and processes in cross-border financial scenarios. To support business needs such as trade facilitation settlement, cross-border cash pool utilization by multinational companies, cross-border financing, cross-border guarantees, and direct investment, the branch has developed RMB facilitation settlement, bilateral local currency settlement, cross-border financing, and cross-border guarantee services. These initiatives enhance the overall satisfaction of foreign-related corporate clients with cross-border RMB settlement services.

#### Case | Facilitating payment for foreign nationals

To address payment difficulties faced by foreigners in China, Suzhou Branch has launched a payment service optimization campaign. The branch has proactively distributed informational materials, including the *Payment Guide for Foreigners in China* and the *Account Service Guide for Foreigners in China*, introducing various payment methods available in the country. Through multiple initiatives, the branch has worked to eliminate payment service bottlenecks for foreign customers.



As of the end of 2024

**635**

Correspondent banks opened in BRI markets

**1,200**

Correspondent banks set up

Covering

**306** cities

In **99** countries and regions



# Environmental

To advance green development, the Bank has deepened its green finance strategy and introduced an action plan to strengthen support for green and low-carbon transformation. We have made progress and innovations in green finance services and mechanisms, integrated service offerings, international cooperation, biodiversity protection, and ESG risk management—further enhancing the impact of our "Green Growth for a Better China" brand.

At the end of 2024

**RMB 302.799 billion**  
Balance of green loans

**RMB 294.495 billion**  
Balance of climate finance services

**RMB 31.138 billion**  
AUM of ESG wealth management products

**10,502,992,200**  
Electronic transactions completed



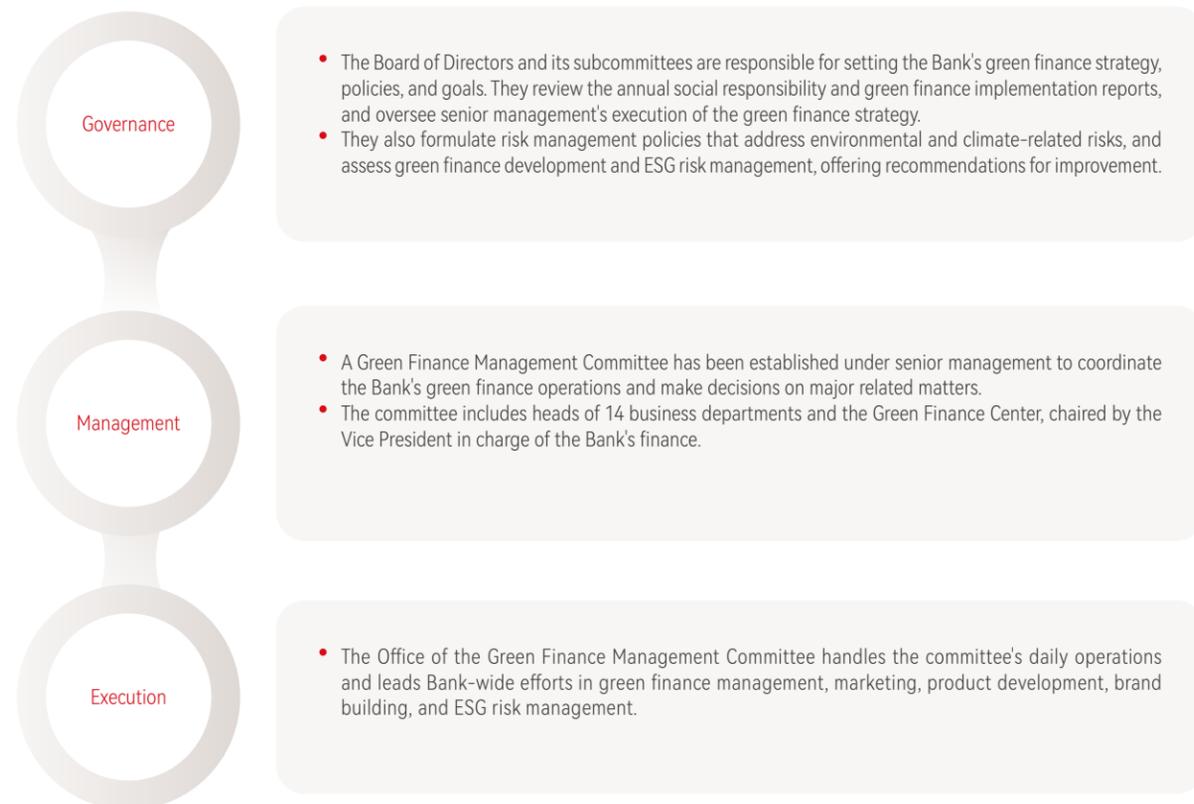
## Improving Top-Level Design

The Bank continues to strengthen top-level design for green finance by setting goals, defining a green transition roadmap, and refining policy frameworks—laying a strong foundation for the sector's rapid development.

## Green finance management structure

The Bank has improved its green finance governance structure and enhanced the coordinating role of the Green Finance Management Committee, thus boosting management quality and efficiency while advancing its commitment to green and sustainable development.

### Green finance management structure



## Development mechanism for green finance

Guided by the goal of "striving to develop green finance as a new hallmark," the Bank integrates green finance with carbon peaking and carbon neutrality efforts, implementing the directives of the Board and the Green Finance Management Committee. We continue to refine work mechanisms, standardize business processes, strengthen cross-departmental collaboration, and expand international cooperation—seizing opportunities in green and low-carbon development while supporting steady, sustainable business growth.



## The policy system for green finance

Developing green finance is essential to advancing ecological progress and achieving high-quality development. In support of China's goals for carbon peaking and carbon neutrality, we are refining green finance policies, enhancing ESG risk management, actively engaging with domestic and global initiatives, and improving the quality and efficiency of green finance—contributing financial strength to the broader transition toward a green economy and society.

### External policies

- In January 2024 • the CPC Central Committee and the State Council issued the *Opinions on Comprehensively Promoting the Development of a "Beautiful China"*.
- In February 2024 • the National Development and Reform Commission (NDRC) released the *Catalogue of Industries for Green and Low-carbon Transition (2024 Edition)*.
- In February 2024 • the Ministry of Industry and Information Technology (MIIT) and six other departments issued the *Guidelines on Accelerating the Green Transformation of the Manufacturing Sector*.
- In April 2024 • the People's Bank of China (PBOC) and six other departments jointly released the *Guidelines on Strengthening Financial Support for Green and Low-Carbon Development*.
- In May 2024 • the National Financial Regulatory Administration (NFRA) published the *Guidelines on Advancing the "Five Priorities" of Finance in the Banking and Insurance Industries*.
- In July 2024 • the CPC Central Committee and the State Council issued the *Notice on Accelerating the Comprehensive Green Transition of Economic and Social Development*.
- In August 2024 • the People's Bank of China (PBOC) and seven other departments released the *Guidelines on Further Improving Financial Support for Green, Low-Carbon, and High-Quality Development of the Yangtze River Economic Belt*.
- In October 2024 • the PBOC and three other departments issued the *Opinions on Leveraging Green Finance to Support the Beautiful China Initiative*.

### Internal management standards

Aligned with the *2021–2025 Huaxia Bank Development Plan* and the goal of "building a new distinctive strength in green finance," the Bank improves its long-term development mechanism for green finance and strengthens the ESG risk management system to boost risk control capabilities. We also refine credit and investment policies, define future service directions, and increase credit support. Efforts are made to streamline approvals and issue industry guidelines for key green and high-carbon sectors. The Bank also improves incentive and restraint mechanisms, enhances business processes, resource allocation, and performance evaluation, as well as intensifies audit and supervision to ensure compliance and legitimacy in green finance operations.

# Addressing Climate Change

The Bank places high importance on climate change by improving its climate governance mechanism and actively identifying, assessing, and managing the risks and opportunities it brings. Climate-related risk management is embedded into the Bank's risk preference system, and climate stress testing is conducted to help reduce environmental impact and generate long-term value for both the environment and society.

## Identification and assessment of climate risks and opportunities

The Bank prioritizes environment-related risk management and incorporates ESG risks—including climate risks—into its overall risk preference system. We closely monitor short-, medium-, and long-term environmental and climate risks and opportunities, using financial technology to identify, assess, and manage ESG risks.

### Environmental and climate risks identified

Physical risks		
Acute risks		
<p><b>Extreme weather such as floods, typhoons, blizzard and extreme heat</b></p>	<p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>Climate change increases the frequency of extreme weather, causing physical damage to assets like homes, farmland, and infrastructure in affected areas. This leads to asset depreciation, disrupted production, and higher customer default risk.</li> </ul> <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Extreme weather may raise temperatures and reduce water availability, leading to higher energy use and insufficient water pressure for daily operations. In southern coastal areas, frequent typhoons and heavy rain may cause seawater intrusion, disrupting branch operations and services.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Short-term/medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decline in asset quality</li> <li>Decreased income</li> <li>Increased costs for disaster resilience and related operations</li> </ul>
Chronic risks		
<p><b>Rise in average temperature</b></p>	<p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>Rising global temperatures drive up energy consumption, especially for cooling. Temperature-sensitive sectors like cold chain logistics and fresh produce face rising costs, increasing default risks.</li> </ul> <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Higher temperatures may increase the Bank's energy use, operational and maintenance expenses, and reduce effective business hours—affecting operational continuity.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decline in asset quality</li> <li>Decreased income</li> <li>Increased operating and maintenance costs</li> </ul>

Physical risks		
<p><b>Sea level rise</b></p>	<p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>Sea level rise may damage coastal real estate and infrastructure, lowering asset values and disrupting customer operations—raising default risks. It may also prompt resident and business relocation, reducing deposit sources in coastal branches.</li> </ul> <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Offices, branches, and back-office facilities like data centers may also be affected by sea level rise, with equipment at risk of erosion or corrosion, disrupting operations and raising maintenance costs.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decline in asset quality</li> <li>Decreased income</li> <li>Increased operating and maintenance costs</li> </ul>
Transition risks		
Policy risks		
<p><b>New environmental policies</b></p>	<p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>If customers fail to keep up with climate-related policy changes or implement proper responses, they may face declining revenue, rising costs, and reduced profitability—raising their risk of default.</li> </ul> <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>New government climate policies may require banks to incorporate climate factors more actively. Failure to respond adequately may raise management costs and hinder achievement of sustainability targets.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Short-term/ long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decline in asset quality</li> <li>Decreased income</li> </ul>
Regulatory risks		
<p><b>Stricter regulatory requirements</b></p>	<p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>If the Bank fails to properly assess the environmental compliance of borrowers, pollution incidents could result in legal and credit risks.</li> </ul> <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Tighter regulatory requirements—such as climate risk disclosure and assessment—may expose the Bank to compliance risks if it does not promptly adjust operational and management processes.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Short-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decline in asset quality</li> <li>Decreased income</li> </ul>

Transition risks	
<b>Technology risks</b>	
<p><b>Transition to low-carbon technology</b></p> <p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>The rise of clean technologies may erode the competitiveness of high-emission firms, raising transformation costs and credit risks for high-carbon industries. Clients in low-carbon tech R&amp;D may also default if innovations fail to yield returns.</li> </ul> <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Fintech and digital transformation can reduce resource use and emissions. If the Bank fails to adopt the latest technologies for digital transformation and energy saving and emissions reduction in time, it may face rising operational costs.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decline in asset quality</li> <li>Increased operating costs</li> </ul>
<b>Market risks</b>	
<p><b>Carbon price volatility, customer preferences and investment behavior</b></p> <p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>Rising carbon prices and reduced free quotas may weaken enterprise profitability or cause asset depreciation, increasing default risk.</li> <li>At the Bank level, falling demand for high-carbon industry products—especially fossil fuels—may lead to sharp price volatility. If the Bank fails to meet shifting demand with suitable green products, it risks customer loss and reduced business volume.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decreased market share</li> <li>Decreased income</li> <li>Reduced profit</li> </ul>
<b>Reputation risks</b>	
<p><b>Negative public opinion</b></p> <p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>If financed or invested clients persistently pollute or emit high levels of greenhouse gases, the Bank may be implicated, leading to negative media coverage, reputation damage, investor divestment, customer loss, and even litigation.</li> </ul> <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Environmental harm or delayed climate action during Bank operations may trigger negative reactions from the public, media, and stakeholders, damaging the Bank's reputation.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decline in asset quality</li> <li>Reputation damage</li> </ul>

Environmental and climate opportunities identified	
<b>Green products and services</b>	
<ul style="list-style-type: none"> <li>The Bank can meet diverse customer needs, expand market share, and increase revenue by offering financial products and services aligned with low-carbon goals—such as carbon-neutral finance and climate risk management.</li> <li>Ongoing innovation in green finance products and services improves the adaptability and effectiveness of the financial service system.</li> <li>Green development and low-carbon transition create new business opportunities. As market demand grows in areas like clean energy, environmental protection, clean production, ecological restoration, green infrastructure upgrades, and transition finance, the Bank gains access to broader market space and new income sources.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Improve asset quality</li> <li>Increase in operating income</li> </ul>
<b>Resource efficiency and energy source</b>	
<ul style="list-style-type: none"> <li>In daily operations, the Bank reduces electricity and water use through energy-efficient upgrades, employee behavior management, and circular technologies—lowering operating costs.</li> <li>Where feasible, the Bank replaces fossil fuels with renewables by installing distributed photovoltaics and purchasing green electricity, supporting a shift to clean, low-carbon energy.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decrease in operating costs</li> <li>Enhance social image</li> </ul>
<b>Application of low-carbon technology</b>	
<ul style="list-style-type: none"> <li>By adopting green, low-carbon technologies such as digital platforms, smart buildings, and green data centers, the Bank can reduce carbon emissions and operating costs, strengthening its sustainability.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Decrease in operating costs</li> <li>Enhance social image</li> </ul>
<b>Climate data service</b>	
<ul style="list-style-type: none"> <li>The Bank supports customers in understanding and managing climate risks by offering climate data analysis and technical solutions such as risk assessments, sustainability consulting, and advanced environmental data tools.</li> </ul>	<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>Medium-term / long-term</li> </ul> <p><b>Potential financial impact on the Bank</b></p> <ul style="list-style-type: none"> <li>Increase in operating income</li> <li>Enhance social image</li> </ul>

## Response to climate risks

While strengthening our climate risk management system, we identify key transmission risks and takes action based on impact analyses aligned with the current operations and financing and investment distribution.

Risks	Businesses involved	Impacts	Measures
<b>Credit risks</b>	Financing and investment business	<ul style="list-style-type: none"> <li>The low-carbon transition of high-emission industries may lead to rising costs and declining profits, increasing default risk and putting pressure on the Bank's asset quality and structural adjustment.</li> </ul>	<ul style="list-style-type: none"> <li>We actively support energy-saving, environmental protection, and clean energy industries; promote low-carbon transformation in transport and building sectors; and expand green and transition finance supply.</li> <li>We also strengthen credit and investment management for high-energy, high-emission sectors. With a focus on the impact of low-carbon transition on industrial operations, we adjust industry and customer structures and proactively mitigate risks of phased-out enterprises during carbon peaking and neutrality efforts.</li> </ul>
<b>Market-related risks</b>	Industries in the carbon emission rights trading market	<ul style="list-style-type: none"> <li>Failure to develop green products in time may result in customer loss and declining product and service demand.</li> <li>Rising carbon prices and fewer free quotas may reduce customer profitability or cause asset devaluation.</li> </ul>	<ul style="list-style-type: none"> <li>We timely develop products and services that meet the low-carbon and environmental protection needs of customers and consumers.</li> </ul>
<b>Operational risks</b>	The Group	<ul style="list-style-type: none"> <li>Extreme weather may lead to water/power outages, office damage, casualties, and transport disruptions, causing business interruptions and asset losses.</li> </ul>	<ul style="list-style-type: none"> <li>We improve end-to-end business continuity management, establish response plans for emergencies and disasters, optimize reporting procedures, and strengthen Group-wide coordination. Regular emergency drills are conducted to enhance response capacity.</li> <li>We choose premises that meet national technical standards and requirements for natural disaster prevention. We prepare in advance to protect staff, customers, and key assets such as equipment and cash.</li> <li>Under a "three centers in two places" structure, we ensure full disaster recovery coverage for key systems and continuously update the setup to maintain long-term effectiveness.</li> <li>We mitigate operational risks through strategic insurance coverage, including Property All Risks Insurance and Machinery Breakdown Insurance, to effectively reduce potential losses from risk events.</li> </ul>
<b>Liquidity risk</b>	The Group	<ul style="list-style-type: none"> <li>Insufficient liquidity may constrain both customer operations and the Bank's own business.</li> </ul>	<ul style="list-style-type: none"> <li>We closely monitor and assess climate-related risk impacts, integrate them into liquidity management, and strengthen risk prevention and control.</li> </ul>
<b>Reputation risks</b>	Based on the Source of Reputation Events	<ul style="list-style-type: none"> <li>Negative environmental impacts in operations and business management may trigger public, media, or stakeholder criticism, damaging the Bank's reputation.</li> </ul>	<ul style="list-style-type: none"> <li>We reinforce corporate culture and brand building, foster a positive public image, embrace public oversight, and ensure timely, accurate disclosure.</li> <li>We also conduct regular risk reviews and respond to reputational issues proactively, comprehensively, and effectively to eliminate or minimize damage.</li> </ul>
<b>Compliance risks</b>	The Group	<ul style="list-style-type: none"> <li>Failure to track and implement national green and environmental policies may lead to additional costs, operational disruption, fines, or lawsuits.</li> </ul>	<ul style="list-style-type: none"> <li>We stay updated on green and environmental policy developments, enabling timely implementation of responsive measures.</li> <li>We execute all financial transactions according to relevant regulations and properly handle reputational, compliance, and legal dispute risks.</li> </ul>

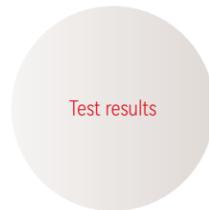
## Climate risk stress tests

In 2024, we developed climate risk stress test scenarios aligned with the internationally recognized Network of Central Banks and Supervisors for Greening the Financial System (NGFS). We also expanded test coverage to key industries and conducted our first physical risk stress test. Climate risk analysis has become more scientific, systematic, and actionable, and is now integrated into risk identification and monitoring.

## Climate transition risk stress tests



Three scenarios, mild, moderate, and severe in terms of carbon price and free carbon quotas in China from 2025 to 2030, are designed. Three high-carbon industries, thermal power, steel, and cement, are selected for tests of carbon emission rights price. The EEIO model is utilized to batch process carbon emissions of undisclosed enterprises.



Thermal power faces significantly more pressure under the severe scenario than steel and cement. However, these industries represent a small share of the Bank's loan portfolio, so the decline in their asset quality has limited impact on the overall default rate.



We are adjusting industry and customer structures in high-carbon sectors such as thermal power, steel, and cement to proactively prevent forced downsizing or exit during the carbon peaking and neutrality process, while supporting these clients in their green and low-carbon transition.



## Climate physical risk stress tests

- The Bank applies the natural disaster risk assessment model from the United Nations International Strategy for Disaster Reduction (UNISDR) to evaluate how extreme climate events may affect risk exposure related to real estate collateral. Using 2023 as the base year, the assessment covers projections for 2030 and 2050.

### Three scenarios

Scenario design

#### Net Zero 2050

Global warming is limited to 1.5°C through strict climate policies and technological innovation, achieving net zero emissions by 2050.

#### Delayed Transition

If annual emissions do not decrease until 2030, strong policies are needed to limit climate warming to below 2°C, with limited negative emissions.

#### Current Policies

Existing climate policies remain in effect, but the implementation has not been effectively strengthened.

Test results

- Loans with medium-to-high physical risk exposure in real estate collateral make up a small share overall, resulting in minimal impact on the Bank's capital adequacy. Among disaster types, floods pose a more significant threat to collateral value than typhoons or landslides.

Measures

- For projects in high-risk areas, catastrophe insurance is recommended for long-term loans or older properties. Customers are encouraged to adopt climate adaptation measures to strengthen their disaster resilience.



## Protecting Biodiversity

The Bank has been actively advancing its green and sustainable development strategy. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we reaffirm our commitment to green finance as emphasized in the 19th CPC National Congress Report. Upholding a green, ecology-centered development approach, we aim to promote harmonious coexistence between humans and nature and fulfill our social responsibility in biodiversity conservation.

### Institutional guidance

In 2024, to strengthen financial support for biodiversity protection, avoid, reduce, restore, and compensate for biodiversity impacts from financing activities, and manage financial risks arising from biodiversity loss, the Bank formulated and issued the *Huaxia Bank Guidelines on Financial Support to Biodiversity*. This aligns with the *Opinions on Leveraging Green Finance to Support the Beautiful China Initiative* jointly issued by the PBOC and three other departments. It also reflects our commitment to the *Global Joint Initiative on the Partnership of Biodiversity and Finance (PBF)* and the *Joint Declaration by Banking and Financial Institutions in Support of Biodiversity Conservation* at COP15. The Guidelines reinforce our capability and determination at the institutional level to support biodiversity protection.

### Goals

Focusing on ecosystem protection and restoration, sustainable use of biological resources, and pollution control, the Bank will expand its biodiversity-related financial offerings. We aim to enhance our support capacity, mitigate biodiversity risks associated with economic activities supported by us, and improve transparency and capacity building in biodiversity-related finance.

### Scope of key support

The Bank has developed its *Scope of Biodiversity-Friendly Investment and Financing Activities* based on the People's Bank of China's green loan classification, alongside relevant national and provincial strategies, laws, regulations, and action plans for biodiversity protection. Key references include the *UN Convention on Biological Diversity (CBD)*, the *China Biodiversity Conservation Strategy and Action Plan (2011–2030)*, and the *Green Bond Principles (GBP)* issued by the International Capital Market Association (ICMA), which guide environmental disclosures for biodiversity-related projects. Qualifying activities mainly include: conservation of terrestrial, river, and marine ecosystems; habitat protection; establishment of nature reserves; natural infrastructure development; afforestation and reforestation; and the sustainable development of forestry, agriculture, and fisheries.

### Biodiversity-sensitive sectors list (trial)

The Bank has compiled a *Biodiversity-Sensitive Sectors List (Trial)*, identifying industries that significantly impact ecosystem services, carry high biodiversity risk, or heavily depend on ecosystem functions. To enhance full-process risk management in lending to these sectors, the Bank focuses on resource dependencies—such as surface and groundwater use—and ecological impacts, including GHG emissions and pollution of water, air, and soil. For highly sensitive sectors, biodiversity risk mitigation measures are clearly defined and applied.

### Risk management processes

The Bank is committed to managing biodiversity risks associated with investment and financing by proactively identifying, evaluating, and addressing them, while also preventing financial risks caused by biodiversity loss. We continue to enhance assessment methods, tools, and systems for evaluating biodiversity impacts. This includes analyzing the sensitivity of the project's economic sector, ecological vulnerability of its location, and the client's dependencies and impacts on biodiversity, using standardized tools. We assess whether clients have prepared mitigation plans based on ecological impact assessments and evaluate post-implementation effects on biodiversity. These efforts aim to maximize the avoidance, reduction, restoration, and compensation of biodiversity-related impacts from financial activities.

Case | Green loans for biodiversity protection

Huzhou sub-branch of Hangzhou Branch granted a loan of RMB 200 million and RMB 30 million respectively to a travel company and a cultural tourism enterprise. The loans support biodiversity conservation through biological protection, maintenance, and operations of a national wetland park and the Moganshan International Tourist Resort.



Case | Ecosystem carbon sink loan

Nanjing Branch issued a carbon sink loan of RMB 100 million to support a laver farming project on mudflats. By leveraging the future income rights from carbon reduction and sequestration generated through laver cultivation, the project integrates "finance", "marine ecological product value realization", and "carbon sink" elements. The carbon sink value was successfully used as collateral, opening a green finance channel for monetizing marine ecological resources. To date, the project has reduced and sequestered 85,700 tons of carbon.



Case | Forestry resources protection

Nanning Branch granted a biodiversity loan of RMB 28 million to a group in Guangxi Province, assisting the said group in exploring forest resource cultivation.

## Developing Green Financial Products

Aligned with the goal of "striving to develop green finance as a new hallmark," we continue to expand green financial resource supply and diversify green financial services. Based on the analysis of financing characteristics of green projects in different fields, we have established a product system including green loans, green leasing, green investment, and underwriting of green debt financing instruments, in the four fields of energy efficiency financing, clean energy financing, environmental protection financing, and green equipment supply chain.

### Green loans

At the end of 2024

RMB **302.799** billion  
Balance of green loans

Equivalent to  
**1,037,200** tons  
Standard coal saved

**2,582,800** tons  
Carbon dioxide emissions reduced

**7,835,900** tons  
Water saved

In line with China's green development strategy, we continue to broaden our green loan offerings and increase the volume of green credit issued.

Case | Assisting the construction of a distributed photovoltaic project

Upon learning about a new 100MW distributed photovoltaic project by an asset management company, Hangzhou Branch applied preferential green credit policies—such as the PBOC's carbon reduction support tool and fast-track approval channels—to extend a total loan of RMB 300 million, including RMB 100 million in the first round. The financing provides the company with low-cost, long-term development capital. The project is expected to generate 3 TWh of green power over its lifetime, save approximately 40,000 tons of standard coal annually, and reduce emissions of carbon dioxide and sulfur dioxide by around 110,000 tons.





## Green bonds

At the end of 2024

RMB **6.898** billion

Balance of green credit bonds investment

In pursuit of innovation, we keep expanding financing channels for green real enterprises through green bond products and facilitate the implementation of various green bond projects. We have raised RMB 10 billion for 80 green-industry projects through green bonds.

### Case | Supporting the optimization of the transportation structure

Xi'an Branch invested RMB 200 million in green bonds to support the construction of Metro Line 8. The line links multiple city sectors, forming a one-hour rapid transit loop in Xi'an's central area. It is expected to ease traffic congestion, improve the transport structure, and reduce travel-related carbon emissions.

## Green leasing

At the end of 2024

RMB **81.130** billion

Balance of green leasing

We are committed to green development and continue expanding green leasing services, with strong support for environmental infrastructure and air, water, and soil pollution control. Focusing on green energy sectors like wind and solar power, we actively explore innovative areas such as energy storage, green shipbuilding, and charging infrastructure to drive business growth through green initiatives.

### Green business ecosystem

#### Urban livelihood

In cooperation with leading enterprises, we support the development of urban water, electricity, gas, and heating supply, as well as rail transit—promoting green travel, clean energy substitution, and eco-friendly urban waste treatment.

#### Transportation

We've expanded into the new energy vehicle and ship markets, partnering with BAIC, BYD, and others to support industrial upgrading. A new energy fleet has been developed—including bulk cargo ships, oil tankers, gas carriers, and offshore engineering vessels—to drive the transition from traditional to green intelligent manufacturing.

#### Wind power installation

While scaling up onshore wind turbine hoisting capacity, we actively invest in building vessels across the offshore wind power chain, such as installation, crane, and cable-laying ships.

#### Energy storage business

We've launched innovative leasing products for both user and grid sides, helping MSMEs reduce power costs, ensuring stable grid operations, and unlocking the environmental and economic value of clean energy.

### Case | Developing household PV leasing business

Huaxia Financial Leasing continues to enhance its "product + region" strategy by building an extensive marketing network and collaborating with over 2,000 agents, effectively boosting both upstream and downstream segments of the industry chain. To date, over RMB 52 billion has been invested in household PV projects, with operations spanning 24 provinces and total installed capacity nearly reaching 15 GW—accounting for 10% of the national total. A total of 520,000 installed power stations have generated over 27.8 TWh of clean electricity, saving 11.43 million tons of standard coal and achieving over 28.5 million tons of carbon dioxide equivalent (CO<sub>2</sub>e) reductions.

## Green wealth management

At the end of 2024

RMB **31.138** billion  
AUM of ESG wealth management products

Following the principles of ESG investing, Huaxia Wealth Management sets high standards and strict requirements to accelerate the transformation of ESG research results into strategies. A diversified ESG strategy matrix—featuring screening and thematic approaches—has been established to build a specialized, refined, stable, and high-quality full-spectrum ESG product system.

### Case | ESG green financial products launched

In 2024

RMB **1.68** billion  
ESG non-standard asset creation

In 2024, Huaxia Wealth Management issued ESG green financial products, with over 80% of funds allocated to green-related industries. The company expands green assets, low-carbon transition assets, and sustainable assets to provide financial support for the green economy.

### Case | Participating in the voluntary GHG emission reduction market

**5**

ESG products issued

About RMB **1** billion  
Issuing scale

In July 2024, Huaxia Wealth Management successfully registered and opened a trading account on China's national voluntary GHG emission reduction platform. The company obtained registration and trading rights for China Certified Emission Reduction (CCER) credits, laying a strong foundation for achieving institutional carbon neutrality and innovating in green, low-carbon investment.

### Case | ESG investment and development research report released

In December 2024, Huaxia Wealth Management and The Chinese University of Hong Kong (Shenzhen) jointly released the *2024 Annual Report on ESG Investing in China's Asset Management Industry*, highlighting the latest progress in driving sustainable economic and social development.



## Deepening Green Finance Cooperation

The Bank is deepening green finance cooperation with international institutions such as the World Bank, Agence Française de Développement, and the Asian Development Bank, introducing long-term external funding to provide targeted financial support for China's green industries. These efforts support the achievement of carbon peaking and carbon neutrality goals and promote high-quality, green economic and social development. In 2024, we launched in cooperation with the *Asian Development Bank the Promoting Industrial Park Green and Low-Carbon Development Project*, introducing the equivalent of USD 200 million to support low-carbon transition and climate-resilient investments in industrial parks across China.

### Case | Participating in a series of seminars on financial sustainability

In October 2024, Huaxia Bank participated in a series of Sino-German sustainable finance and climate investment seminars in Germany and Belgium. We held multiple discussions with officials and experts from the German Climate Policy of Federal Foreign Office, European Commission's Directorate-Generals for Climate Action and Economic and Financial Affairs, the Association of German Banks, and DZ Bank. These exchanges enhanced mutual understanding of sustainable finance frameworks, standards, and global initiatives, and advanced cooperation between China, Germany, and the EU in sustainable development and climate finance.

### Case | Attending the Energy Storage Partnership Forum Meeting

In November 2024, Huaxia Bank joined the Energy Storage Partnership Stakeholder Forum and Partner Meeting in Morocco, co-hosted by the World Bank and the Moroccan Agency for Renewable Energy (Masen). We were invited to deliver a speech on "Huaxia Bank's Contribution to the Development of the Energy Storage Industry," presenting our renewable energy and battery storage initiatives, analyzing industry challenges, and sharing insights. We also explored the feasibility and financing models of new energy storage projects with financial institutions from Saudi Arabia, Morocco, and others, from perspectives including banking, insurance, and investment funds.

### Case | Hosting a green finance forum

In November 2024, the Bank participated in the Beijing Municipal Administrative Center Green Development Forum and hosted a parallel forum themed "Green Finance Injects New Momentum into Urban Development". In the parallel forum, we invited leading experts from regulators, the industry, academia, and international financial institutions, to exchange insights on various topics, including the latest green finance policies, transition finance system development, practices of multilateral international financial institutions, commercial banks' green finance innovations, practices of green bonds and transition bonds, China's carbon market development, and sustainability risk management for financial institutions. These discussions further strengthened Huaxia Bank's influence in green finance.



# Advocating Green Operations

Committed to green operations, the Bank continues to standardize practices across its business and actively promotes initiatives such as green office practices, sustainable procurement, eco-friendly travel, and the development of green data centers. These efforts aim to reduce our carbon footprint and move steadily toward carbon neutrality in daily operations.

## Green office

Guided by the principle of environmental responsibility, we have introduced the *Huaxia Bank Energy Conservation and Low Carbon Guidelines*. These guidelines support low-carbon practices across the Bank, encourage sustainable behavior among employees, and help advance our broader goal of green development.

In 2024

**1,098,200** tons

Total office water consumption across the Bank

**219,053,800** kWh

Total office electricity consumption across the Bank

**586,915.27** liters

Total fuel consumption of official vehicles across the Bank

**502.39** tons

Total office paper consumption across the Bank

**36,400** tons of standard coal

Total energy consumption

**2,700** tCO<sub>2e</sub>

Direct GHG emissions<sup>①</sup>(Scope 1)

**141,700** tCO<sub>2e</sub>

Indirect GHG emissions<sup>②</sup>(Scope 2)

**900** tCO<sub>2e</sub>

Value chain GHG emissions<sup>③</sup> (Scope3)

**145,300** tCO<sub>2e</sub>

Total GHG emissions<sup>④</sup>

① Direct GHG emissions: Emissions generated by sources that are controlled or owned by an enterprise.  
 ② Indirect GHG emissions: Emissions generated by the consumption of purchased electricity, steam, heating, or cooling.  
 ③ Value chain GHG emissions: Indirect emissions produced across the Bank's value chain, including both upstream and downstream activities.  
 ④ Carbon emission accounting boundary: The Bank's carbon accounting covers the head office, all branches, and subsidiaries. It currently tracks only carbon dioxide emissions and does not include other types of greenhouse gases.  
 Emissions from natural gas, gasoline, diesel, liquefied petroleum gas, coal, and heat are calculated using default emission factors outlined in the *Requirements of the Greenhouse Gas Emission Accounting and Reporting—Public Building Operation Units (Enterprises) (Trial Implementation)*, issued by the National Development and Reform Commission. For electricity-related emissions, the factors used by institutions in mainland China are based on the *Announcement on the Release of the 2022 Electricity CO<sub>2</sub> Emission Factors*, jointly issued in 2024 by the Ministry of Ecology and Environment and the National Bureau of Statistics. For institutions in Hong Kong, emission factors are taken from *Emissions Factors 2023: Annual GHG Emission Factors for World Countries from Electricity and Heat Generation (English version)*.



### Case | Green new headquarters

The building materials used in the Bank's new headquarters meet low-VOC green standards and have earned WELL Platinum certification. The facility is equipped with a smart energy management system and a centralized solar power system to improve energy efficiency and reduce overall consumption. Seasonal landscaping has been thoughtfully arranged to create a pleasant and dynamic environment, offering employees a workspace that is energy-efficient, functional, and comfortable.

- Energy Saving**

We continue to upgrade and optimize equipment across our offices. LED lighting has been installed throughout work areas, and employees are encouraged to turn off lights when leaving. Air conditioning use is optimized by setting upper and lower temperature limits to lower energy consumption. In addition, centralized printing has been promoted to reduce both the number of printers and the use of printing supplies.
- Green travel**

A strict review and registration system is in place to manage the responsible use of official vehicles. Employees are encouraged to opt for low-impact commuting options such as public transportation, walking, or cycling.
- Waste sorting**

Waste sorting facilities have been set up across all office and business locations. Employees are guided to follow proper sorting practices, and awareness is promoted through signage and banners in common areas.
- Reduction of food waste**

The "Clean Plate Campaign" has been introduced to promote mindful consumption. Staff restaurants follow a meal-on-demand policy, and employees are encouraged to avoid food waste both at work and in their personal lives.

## Green data centers

Following a green development approach focused on efficiency, low carbon, and circular use, we are actively implementing national standards for building green data centers. We continue to upgrade and optimize data center infrastructure to minimize environmental impact.

**Improving IT efficiency.** We continue to promote the construction of our private cloud infrastructure, with more than 5,000 cloud nodes and over 30,000 cloud hosts now in operation. Currently, over 90% of the Bank's systems run on cloud platforms, significantly increasing equipment utilization.



**Upgrading hardware.** We prioritize the purchase of green, energy-efficient IT equipment to support energy-saving goals across our data centers. Outdated and energy-intensive devices are being phased out. In 2024 alone, nearly 240 units were decommissioned, resulting in an estimated savings of 500,000 kWh of electricity.

**Participating in green electricity trading.** To improve energy efficiency, the Nanfaxin Data Center maintains a power usage effectiveness (PUE) coefficient of 1.3. We also entrust outsourcing suppliers to participate in green certificate trading, carbon trading, and other initiatives to offset carbon emissions, and have indirectly achieved the 100% use of green electricity.

### In-depth cooperation with leasing suppliers of data centers

In 2024, the Bank's Centrin Data Center upgraded its cooling system and improved energy conversion. Distributed photovoltaic systems, waste heat recovery, and other energy-saving technologies were installed and put into operation, bringing the park's average Power Usage Effectiveness (PUE) below 1.4 for the year. At the GDS Nanfaxin Data Center, the supplier adopted a range of advanced energy-saving

technologies listed in the *National Catalogue of Recommended Industrial Energy-saving Technologies*. Daily operations and maintenance were optimized to improve efficiency, with real-time control of equipment settings based on actual load conditions. An intelligent lighting system was also implemented to further reduce carbon emissions.

## Green procurement

We have developed over ten internal systems, including the *Administrative Measures for Centralized Procurement*, the *Administrative Measures for Tendering, Bidding, and Procurement*, and the *Implementation Rules of E-commerce Platforms Procurement Management*. These frameworks aim to strengthen centralized procurement by promoting "openness, fairness, justice, green, digital intelligence, and economy". Supplier management has also been reinforced. Environmental protection, social responsibility, and other ESG-related criteria have been added as key conditions for supplier admission, encouraging suppliers to take part in advancing green development.

### Optimizing the online procurement platform

Following the concept of green procurement, we continue to refine the end-to-end design of our procurement platform, ensuring transparency through system-based tracking and records.

We have optimized the e-commerce management and agreement mall modules to make ordering standard items and shortlisted products more efficient.

We hold centralized procurement committee meetings and project review meetings online to reduce paper consumption.

New features such as online supplier onboarding and one-click risk monitoring have been developed to enhance supplier qualification reviews and strengthen risk control.

## Eco-friendly activities

We participate in green public welfare activities, encourage green travel, and promote sustainable living habits, contributing to a harmonious relationship between people and nature.

### Case | Green Power Hike

In January 2024, the Hong Kong branch donated to a local volunteer organization and participated in the Green Power Hike organized by the group. The event aimed to provide participants with a green hiking experience, encourage public awareness of Hong Kong's natural ecology, and promote Leave No Trace hiking. Four employees represented the branch in the 25 km challenge, completing the course in six hours and earning the Green Merit Award.



### Case | Green public welfare activities

In March 2024, under the guidance of the Shenzhen Office of the National Financial Regulatory Administration, the Shenzhen branch hosted the launch ceremony of the Learn-from-Lei Feng Volunteer Service Month themed "Protecting Mangroves with the Strength of Shenzhen's Financial Industry" and the "Migratory Bird Protection Campaign" activity. Focusing on safeguarding migratory birds and maintaining the ecological balance of mangrove habitats, the initiative aimed to raise public awareness of bird conservation and explore new models for long-term protection efforts.



### Case | "Love Farm" building

In 2024, the Bank carried out the "Jinghua Volunteer" tree planting activity at the "Love Farm" in Miyun. Employees and their families took part in parent-child activities and fruit picking, creating meaningful moments through hands-on participation. The farm, a "model shared farm" co-developed by the Bank and Liuheyu Village, has been recognized by the State-owned Assets Supervision and Administration Commission of Beijing, the Beijing Municipal Commission of Rural Affairs, and local authorities for its positive impact.





# Social

Huaxia Bank embraces a people-centered approach. We understand that finance is more than just numbers — it is about people, and improving the quality, and efficacy of financial services. This means protecting customer rights and interests, fostering a highland for talent development, and supporting initiatives that contribute to social well-being. By working hand in hand with communities and partners, we strive to build a more "sustainable and better" society.

In 2024

RMB **28.9093** million  
Total public welfare donations

At the end of 2024

RMB **111.22** billion  
Customer credit balance

**38,306**  
Total workers

**8,280**  
Employee training sessions held



# Improving the People's Well-being

Driven by the goal of supporting people's aspirations for a better life, Huaxia Bank continues to expand investment in key areas that impact everyday living. We remain committed to supporting agriculture, rural development, and farmers, while advancing comprehensive rural vitalization. Our goal is to make financial services more accessible, offering quality products that genuinely improve the financial well-being and satisfaction of our customers.

## Supporting rural vitalization

At the end of 2024

RMB **198.116** billion

Balance of agriculture-related loans

To align with the directives of the Party Central Committee and the State Council on advancing rural vitalization, we formulated the *2024 Implementation Plan for Promoting Comprehensive Rural Vitalization*. This plan strengthens financial mechanisms for rural development and delivers targeted initiatives designed to bring tangible, lasting improvements.

### Deepening organizational leadership

**Improving our organizational structure.** We have established a leadership group and a specialized task force to guide our rural vitalization efforts.

**Strengthening high-level coordination and strategic planning.** We uphold the leadership of the Party Committee in driving rural vitalization and integrate it into the Party's key agenda. Our commitment is clear: to maintain consistent support, sustained effort, and stable mechanisms in our assistance work. We ensure that all of the related responsibilities, policies, support, and oversight remain in place to provide comprehensive support to the regions we serve.

**Continuing to emphasize theoretical learning.** Regular study sessions are held across leadership levels, focusing on key policy documents related to rural development. These sessions aim to deepen political awareness, improve understanding, and enhance execution.

**Promoting communication and exchanges through discussions.** This includes visits with village leaders, community interactions, and field research on local industries. These efforts help build a stronger platform for industrial cooperation and ensure that our support measures are effectively implemented.

### Achieving key objectives

- We work to achieve our goals for agricultural and inclusive agricultural lending, as well as credit supervision in areas lifted out of poverty. Annual credit and investment policies have been more closely managed, with policy targets clearly embedded into our operational plans.
- Our efforts to advance east-west collaboration and targeted support in Beijing have remained a priority. By concentrating resources where they are most needed, we have supported development in key partner regions such as Inner Mongolia, Xinjiang, Qinghai, Xizang, Zhangjiakou and Chengde in Hebei, and areas connected to the South-to-North Water Diversion Project.
- We have stepped up our efforts to support economically disadvantaged villages in Beijing by introducing tailored assistance plans aimed at boosting local income. Through these efforts, we have helped communities develop industries that align with their unique needs and resources. This approach has strengthened the progress already made in reducing economic hardship and has allowed us to meet our annual income support goals.
- We have allocated additional credit resources toward the development of beautiful rural villages, deepening our collaboration with national initiatives and actively contributing to Beijing's rural vitalization efforts. By identifying and supporting high-quality projects, we aim to foster green, livable communities that support everyday life, work, and tourism. We have encouraged our branches to implement village-wide credit solutions through new product designs and flexible guarantee models that respond to local needs.



Nanning Branch launches a donation campaign to support rural vitalization efforts

Implementing diverse assistance

**Promoting industrial assistance.** We have enhanced agriculture-focused financial products. Our efforts include increasing the issuance of loans and investing in rural vitalization-themed bonds. To further support rural vitalization, we have leveraged asset-backed securities products. To broaden financial support, we have also utilized asset-backed securities as a tool to channel resources toward rural development. We have supported the construction of the "two bases" in Inner Mongolia and assisted in constructing national-level modern agricultural industrial parks. In the Xinjiang region, we have boosted the development of key industries such as ecological tourism, characteristic agriculture and animal husbandry, and textile and clothing. In Qinghai, we have supported the development of the "Yushu Yak" brand.

**Strengthening our efforts in employment assistance.** In our online and offline recruitment activities, priority has been given to candidates from rural backgrounds, individuals lifted out of poverty, those at risk of falling back into poverty, and college graduates from supported rural areas when qualifications are equal. Our support extends to employment for farmers in cooperative regions such as Inner Mongolia, Xinjiang, Qinghai, Xizang, Changzhi in Shanxi province, and Zhangjiakou and Chengde in Hebei province. Guided by an industry-driven employment approach, we have helped industrial projects in these regions absorb more rural labor and support individuals transitioning out of poverty. Additionally, we have supported key branches in creating public welfare job opportunities to help those with limited work capacity find employment close to home.

**Consolidating consumption assistance.** We coordinate targeted procurement for corporate cafeterias and trade unions. The Head Office has continued to routinely purchase agricultural and sideline products from Beijing's key assistance areas and the Beijing Consumption Assistance Innovation Center, encouraging branches to expand their direct sourcing efforts. Party branches at all levels have been encouraged to organize themed Party Day activities at innovation centers and in economically disadvantaged villages, promoting the idea of "buying instead of helping" and "purchasing instead of donating" as a practical way to support local economies. We have also actively participated in the "Colorful Western Products in Beijing" campaign, helping expand market access for distinctive, high-quality products from assisted regions. These efforts contribute to steady income growth for farmers and support the long-term development of sustainable rural industries.

**Remaining committed to public welfare assistance.** With a focus on key partner regions such as Inner Mongolia, Qinghai, and Xinjiang, we have actively carried out assistance work in education, culture, and healthcare, forming a long-term assistance model. Branches across the bank have launched ongoing public welfare initiatives aimed at improving basic living conditions in supported areas. At the same time, we continue to monitor and build on projects initiated during the poverty alleviation phase, strengthening dynamic oversight to ensure that support remains effective and responsive to local needs.

Conducting regional collaboration

**Engaging in the Beijing-Tianjin-Hebei counterpart assistance program.** Efforts were directed toward consolidating and expanding the achievements of poverty alleviation in the supported regions. At the same time, we worked to ensure efficient support for rural vitalization and contributed to the long-term improvement and sustainability of the local ecological environment.

**Continuing to strengthen regional cooperation.** This included the careful coordination of counterpart collaboration for the South-to-North Water Diversion Project, as well as partnerships in the Beijing-Shenyang and Beijing-Changchun regions. We also remained committed to support initiatives in Badong County, Hubei Province. These efforts have helped expand credit access for businesses in the assisted areas, with a particular focus on sectors such as electronic information, biomedicine, and renewable energy.

Strengthening mechanism guarantees

- We have continued to strengthen the assessment of rural vitalization work by linking it with both Party building and performance. Rural vitalization efforts have been included in the comprehensive task list for strict Party governance and inspections.
- We have clarified the roles of lead departments responsible for various assistance initiatives. A monthly reporting system was introduced to track the progress of rural vitalization efforts and gather supporting materials. This mechanism helps ensure timely insights into implementation and allows for the prompt resolution of challenges as they arise.
- We have implemented differentiated credit resource allocation policies for agricultural loans. Dedicated credit plans were developed for general agricultural and inclusive agricultural loans. For inclusive agricultural loans, we applied an internal fund transfer pricing discount of 80 basis points (BP), while credit services in key national rural vitalization assistance counties received a 20 BP discount.

Case | Supporting rural vitalization in the Hotan region

In August 2024, Urumqi Branch continued to deepen its partnership with the Hotan region by donating RMB 2 million to support local development. Of this amount, RMB 1.5 million was directed toward education-focused rural vitalization projects. These efforts aimed to improve school facilities and establish scholarships and grants, advancing the dual goals of fostering both "aspiration and intelligence support."

Additionally, RMB 300,000 was allocated to support local Party infrastructure, provide job training, and create public service roles under rural vitalization efforts. Another RMB 200,000 went toward building the Yiliqi Township demonstration project, continuing to serve as a key link between Beijing enterprises and development work in Xinjiang.



Promoting pension finance

To align with the overarching requirements of building a robust system and enhancing welfare, we are increasing investment in pension finance resources. We are actively expanding our pension finance services to help drive the development of the silver economy.

Strengthening organizational leadership

- At the Head Office level, a pension finance leadership group led by the bank president has been established. Each first-level branch has established a working group, led by the respective branch president.
- Pension finance has been incorporated into the 2021-2025 Huaxia Bank Development Plan, clearly outlining the overall strategy, quantitative goals, and practical steps to guide its progress.

Building a business platform

- We have established cooperation and communication mechanisms with government departments, industry associations, and other organizations to share information, coordinate resources, and create more opportunities to grow our pension finance services.
- We have improved the coordination of social pension service resources and enhanced information sharing across industries. Our value-added services for pension clients continue to evolve, forming a pension value-added service system with Huaxia Bank's unique characteristics.

Optimizing credit policy

- We have clearly defined the objectives and policy orientation for pension finance in our 2024 Credit and Investment Policy, emphasizing the level of policy support for the pension finance business.
- We have strengthened credit approval support by introducing credit approval guidelines for industries within the pension finance sector, such as pharmaceutical manufacturing and medical devices. Projects in the pension finance field on the emergency business list are given priority through a green channel.

Enriching the product system

- We have launched the "Huaxia Yiyang" pension financial business series to provide a full range of services for clients in the pension sector. This includes collection and payment accounts, cash settlement, capital preservation and growth tools, as well as both on- and off-balance-sheet financing options.
- We have created a one-stop pension financial product supermarket. It features savings products with low entry points and flexible terms. We have also continued to expand our offerings for individuals, including pension target funds, wealth management products, insurance plans, and time deposits tailored for retirement.



## Promoting consumer finance

At the end of 2024

RMB **111.22** billion  
Consumer credit balance

RMB **543.683** billion  
The balance of personal loans  
(excluding credit cards)

RMB **98.347** million  
Credit amount for the "New  
Citizen Elite Loan"



Scan to watch the 2024 Beijing  
Mid-autumn & National Day  
Lantern Garden Party

We adhere to a "dual-engine" approach, driving both new and traditional consumption. Guided by the "Five New Directions"—new market positioning, product innovation, service experience, marketing channels, and brand development—we have continued to deliver quality financial services that benefit a wide range of households.

### Developing beneficial consumer activities

- We have upgraded the Huacai Life app by working with major e-commerce platforms and well-known brands to launch campaigns offering payment discounts.
- To support the growing "night economy," we have teamed up with popular dining merchants to create themed dining events and promotions.
- We have also tapped into travel-related consumption by running marketing activities tied to tourism scenarios and customer travel behavior.
- In response to national efforts around trade-in programs and old home renovations, we introduced a dedicated installment plan for home improvement spending.
- During the 2024 Beijing Mid-Autumn Festival and National Day Lantern Festival, we rolled out a nationwide promotion under the "Splendid China, Great Beautiful Huaxia Tourism Season" campaign, offering consumption-based discounts.

### Innovating in regional consumption

- We have launched the "Wonderful Shijingshan, Turn Stone into Gold" themed credit card, with 32,000 new cards issued in the same year.
- We have linked travel service consumption scenarios by offering promotions such as fuel discounts and limited-time deals across Beijing.

### Focusing on youth consumption

- We have collaborated with Luckin Coffee to issue the Huaxia-Luckin co-branded credit card, which includes a perk of "up to 100 free drinks a year."
- To capture the growth in outbound travel, especially among younger customers, we issued the Luckin VISA credit card, designed for use abroad.

### Cultivating new types of consumption

- We have launched a co-branded dual card product with the KPL Kings Dream Team, combining bot "Debit Card + Credit Card." This card offers benefits across spending, payments, and wealth management, fully meeting the diverse needs of users.

### Promoting green consumption

- We have launched the Huaxia-Xinbai Environmental Co-branded Credit Card under the theme "Green Consumption, Better Life," offering five key benefits: "trade-in" vouchers for department stores, "low-carbon living" rewards, dining discounts, appliance vouchers, and "Benefit Life" payment discounts.

## Providing Quality Service

Huaxia Bank has always prioritized a customer-centric approach. We continuously enhance our service ability, transform and upgrade our outlets, and implement elderly-friendly initiatives. Besides, we refine our customer service ecosystem, and provide attentive, intelligent, and high-quality customer services.

## Upgrading service channels

At the end of 2024

**803**  
Self-service bank branches

**3,989**  
Intelligent teller machines

**215,635**  
Small denomination cash packs  
issued<sup>①</sup>

With the concept of "Simplicity + Intelligence + Scenarios", we promote the standardization, intelligence, and scenario-based construction of our outlets. To optimize the overall layout, we drive an intelligent transformation, and upgrade existing services and facilities to provide customers with a smarter and more convenient financial service experience.

### Intelligent transformation

We have optimized the customer service features of the "Hall Manager" system and deepened the interactive scenarios with smart screens. By leveraging multi-dimensional customer data, we update customer profiles and refine service chains to enhance our ability to accurately identify customers and provide diversified financial services. We actively expanded the services and features of self-service terminals to improve the accessibility and convenience of financial services. Additionally, we enriched the business features of intelligent teller machines to enable the complete self-service processing of high-frequency personal banking business, thereby creating a streamlined one-stop service experience.

### Elderly-friendly transformation

We have promoted the standardized and normalized management of elderly-friendly services by establishing "green channels" in our business outlets for the elderly and introducing a dedicated service queue with priority calling for elderly customers. Additionally, our outlets were equipped with no fewer than six types of elderly-friendly facilities and clearly marked courtesy seating. We have ensured that courtesy seats make up at least 20% of the total seats in the waiting area.

### Layout optimization

We adhere to expanding the coverage of our financial services and filling service gaps by continually growing our outlet network in key economic hubs such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta region, and Guangdong-Hong Kong-Macao Greater Bay Area. At the same time, we have optimized our outlet distribution in Northeast China and Central and Western China. Throughout the year, 12 new outlets were established, and 35 were relocated, renamed, or transformed.

① Small denomination cash pack: By placing a certain denomination of RMB cash into specific small denomination cash packs, we facilitate cash exchange services for customers. This service aims to meet the public's demand for cash exchange and help business entities maintain adequate change for transactions.

## Optimizing customer service

We have optimized financial service channels, enhanced customer experience, and expanded service offerings. Besides, we improved operational efficiency and quality, boosted customer satisfaction and earned their trust through exceptional services.

### Improving service management

- We have compiled the *Business Outlet Standardized Service Manual (2024 Edition)* to strengthen the standardized management of services at our business outlets.
- We have compiled the best practices for services in physical outlets and shared them across the Bank to foster a courteous and standardized service image.
- We have developed the *Bilingual (Chinese-English) Guide to Courteous Service Expressions at Business Outlets* to standardize courteous English-language service.

### Streamlining service procedures

- We have optimized the procedures for opening corporate accounts by integrating cutting-edge technologies such as automatic image recognition, facial recognition, and Robotic Process Automation ("RPA"). By introducing preliminary account review and pre-recording, online gathering and verification of corporate information required for account opening, and online verification of account-related services, we significantly reduced the time customers spend at the counter.
- We have enhanced account opening procedures by upgrading online verification for non-resident IDs and enabling international bank card acceptance at cash self-service machines. We also introduced the *Account Service Guide for Foreign Nationals in China* to assist international customers with banking procedures.

### Providing diverse services

- We provide contactless financial services, launching Mobile Banking app 6.0 to expand video service scenarios.
- We provide sign language video services to improve the experience of customers with disabilities and other special needs.
- We offer services in multiple languages such as English and Japanese to enhance convenience for international customers.

### Developing digital services

- We strengthen data self-service applications and enhance the use of and support for operational data. By continuously improving the ECIF platform and the data governance system, we have promoted omnichannel sharing of customer information.
- We advance the application of digital technological achievements by coordinating the Bank-wide building and application of the RPA system. Moreover, we actively expand the innovative operation of AI and other technologies in customer service at outlets.
- We have accelerated the Bank-wide promotion of digital confirmation, with full-scale promotion starting in January 2024, to comprehensively improve the quality and efficiency of the confirmation process.

### Improving elderly-friendly services

- We enhanced the convenience and security of smart devices for elderly users through features such as video-assisted verification, outbound risk alerts, and one-click calling.
- We introduced an elderly-friendly mode for "Huacai Life" app, which features a streamlined interface, simplified functions, and enlarged, clearer text. It prioritizes core services such as bill inquiries, repayment, card management, and customer service hotlines.
- The intelligent voice system of our credit card center's customer service hotline can automatically identify elderly customers and directly transfer them to human representatives.

### Strengthening product innovation

- For entrepreneurs of businesses that use specialized and sophisticated technologies to produce novel and unique products, we launched the "Hui Xin" service to create a novel service model featuring "Wealth + Fund + Expertise". This mode provides one-stop services covering wealth management, financing, professional consultation, and other needs for personal development, family business management, and enterprise development.
- For customers in Beijing, we introduced the third-generation social security card, which integrates features such as social security, healthcare, transportation, cultural tourism, subsidy collection, and financial services into a single card.
- For customers with needs for USD savings, we launched "Hui Xiang Ying", an online deposit service with differentiated USD pricing.
- For personal loan and credit card customers, we launched "Huan Kuan Bao" deposit service series tailored to different repayment cycles, which combines personal structural deposits with flexible-term deposit products.

### Upgrading rewards system

- We upgraded our end-to-end customer loyalty points system. Besides, we continuously optimized the customer value growth system driven by both "Energy Points" and "Premium Value", enhanced the personalized services on the "Energy Stop" points platform for personal customers, and upgraded the new interactive experience of "Little Dragon's Treasure Hunt" activity. We also launched exclusive payroll customer benefits under "Vitality Salary Days", offering half-price redemptions on popular rewards and lucky draws for wealth management product purchases.
- The Huaxia UP Credit Card is designed to cater to the diverse financial needs of young customers in areas such as employment, housing, education, and healthcare. It offers multiple special benefits including high cashback, repayment subsidies, and installment discounts.

## Promoting the application of the e-CNY

Huaxia Bank actively fulfills its responsibilities and missions as a state-owned financial enterprise under Beijing's jurisdiction and diligently implements the relevant requirements of the CPC Beijing Municipal Committee for the pilot program of the e-CNY. We continuously enhance our system development and e-CNY service capabilities to contribute to Beijing's establishment as a global benchmark city for the digital economy.

We completed the establishment of e-CNY corporate wallets for first-tier enterprises (those directly under the State-owned Assets Supervision and Administration Commission of the State Council) and all second-tier enterprises (the subsidiaries or branches of the first-tier enterprises) in Beijing. Additionally, we encouraged our employees to open e-CNY personal wallets, laying a foundation for scenarios where salaries and subsidies are paid in e-CNY. We also enabled salary payments via e-CNY through three channels: Counter services, corporate online banking, and Fang Xin Guan Jia.

In January 2024, Huaxia Bank became the first banking partner to successfully roll out bank card registration in digital wallets, streamlining the procedures for customers' digital wallet top-up transactions and enhancing the customer experience.

### Enriching the application scenarios of e-CNY

We explored the application of e-CNY in corporate fund sweeping and launched a product portfolio that combines fund sweeping with automatic transfer-back in e-CNY. This allows the automatic sweeping of e-CNY from subsidiaries' digital wallets into the Group's account, ensuring a seamless experience for customers throughout the fund sweeping process.

In June 2024, Huaxia Bank became qualified for the Beijing State-owned Assets Supervision and Administration Commission's program for using e-CNY to pay corporate profits (local non-tax revenue), facilitating the use of e-CNY to pay state capital income.

## Strengthening Consumer Rights and Interests Protection

Huaxia Bank places significant emphasis on safeguarding customer rights and interests. In line with the requirements set by the National Financial Regulatory Administration and industry associations, we have continued to refine our consumer protection framework. This effort has been embedded into our overall corporate governance, ensuring that customer protection is considered at every level of decision-making.

### Improving the consumer protection system

Huaxia Bank strictly follows all applicable Chinese laws, regulations, and relevant regulatory requirements, including the *Civil Code*, the *Law on the Protection of Consumer Rights and Interests*, the *Personal Information Protection Law*, the *Advertising Law*, and the *Measures for the Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions*. We have made consumer rights protection a key part of our business strategy and continue to improve the systems and processes that support it. With a range of measures in place, we oversee the full process to ensure every financial consumer is treated fairly, ethically, and with respect throughout our operations.



Huaxia Bank meeting on promoting the protection of consumer rights and interests

#### Strengthening the top-level design of consumer protection

The President's Office Meeting, Standing Committee of the Party Committee, Board Specialized Committees, and Board of Directors have reviewed and deliberated four specialized reports: the 2023 Consumer Protection Implementation Report, 2024 Work Plan, and Study & Implementation Reports on Regulatory Consumer Protection Circulars. These senior decision-making bodies guide and oversee the Bank's consumer protection efforts across five main areas: strengthening policies, improving how we handle complaints, increasing awareness and implementation of consumer protection, reinforcing internal oversight, and supporting the development of related systems.

#### Enhancing ex-ante consumer protection reviews

We have continuously improved our ex-ante consumer protection reviews, making sure that relevant departments follow through on review recommendations. This review system is closely integrated with our daily operations, management routines, and business innovation, ensuring it runs smoothly across the bank. Each review includes professional evaluations of policies, business guidelines, pricing models, contract language, and marketing materials, with consumer protection principles built into every layer. This forward-looking process helps identify and address risks early on.

#### Enhancing root cause analysis and remediation of consumer protection issues

To strengthen oversight of issue tracking and corrective actions, we have conducted one-on-one guidance sessions with 40 domestic Tier-1 branches. We also launched the *Consumer Protection Management Enhancement Plan*, outlining eleven targeted measures, from clearer accountability to focused improvements in high-risk areas. Key priorities include system upgrades, stronger data protection, and more consistent standards in marketing and service delivery.

#### Enhancing training and guidance

We have strengthened internal staff training across the bank to ensure full coverage across all roles and levels. Through a series of focused sessions and assessments, we aim to deepen employees' understanding of regulatory requirements, internal policies, and consumer protection practices. The training is structured around clear themes, with tailored content based on role and responsibility. Key areas of focus include: recurring issues identified in Head Office compliance reviews, branch-level operational priorities supported by case studies, and guidance on handling complaints. Training is directed at Head Office consumer protection specialists, branch managers, and frontline staff involved in complaint resolution. Furthermore, we have implemented specialized programs for retail lending staff and new employees to build consumer protection knowledge and skills across business lines.

#### Enhancing closed-loop "Voice of Customer" management

We place great importance on the customer experience, continuously improving how we respond to feedback and market needs. At the same time, we work to build greater awareness of consumer protection across the organization. Leveraging insights from the "Voice of Customer" program, we refine our products, services, and internal processes. When complaints arise, we conduct thorough root-cause analysis and implement corrective actions to prevent recurrence. Our efforts are supported by regular customer satisfaction surveys. The results are not only collected—they are analyzed, discussed, and translated into actionable steps to improve the way we operate. These initiatives often involve collaboration across departments, ensuring that improvements are both targeted and sustainable, helping us strengthen both the customer experience and our brand reputation.

#### Enhancing the service oversight system

We uphold a customer-centric service philosophy by integrating efforts across the front, middle, and back offices to resolve issues more effectively. Leveraging "Voice of Customer" insights, we drive improvements in systems, processes, and service capabilities. We maintain a scientific, dynamic, and rigorous monitoring framework. Each month, we track corrective actions, process updates, and service upgrades, making sure consumer protection, operational standards, and customer experience are integrated into all business areas. This proactive and structured approach helps us identify risks early, apply timely and long-term solutions, fine-tune our services, and steadily improve the customer experience at every touchpoint.

## Safeguarding customer personal information

We strictly follow regulatory requirements for protecting personal financial information, while also working to raise employee awareness and ensure proper handling of customer data. All use of customer information is carried out in line with legal standards to safeguard their financial data.

### Building an organizational structure for data security

We have established a "pyramid" structure for data security, built around three key levels: "decision-making, coordination and management, and execution." This framework helps ensure that our data security efforts are well-organized, consistent, and sustainable. The Data Information Department leads the coordination of data security across the Bank, while the Information Technology Department serves as the core technical unit, responsible for building and maintaining data protection systems.

### Improving data security policies

The Bank has established and updated a series of data security policies, including the *Administrative Measures for Data Security*, *Implementation Rules for Data Security Management*, *Implementation Rules for Production Data Management of Information Systems*, and *Implementation Rules for Network and Data Security Risk Assessments in Third-Party Collaborations*. Moreover, we have further improved how data is classified and graded, and strengthened security management throughout the entire data lifecycle. Controls over production data within our information systems have been reinforced. At the same time, we have standardized risk assessments related to data security in third-party collaborations and set clear management requirements for data handling, transfer security, and related processes. These efforts have helped build a stronger foundation for protecting personal information.

### Ensuring more secure personal information gathering

Huaxia Bank has established the *Personal Information Protection Policy* to guide the collection, storage, and use of personal data. We strictly follow the principles of "business necessity" and "minimum authorization." We actively participate in compliance evaluations for mobile financial applications, and all customer-facing apps have obtained the required certifications. In 2024, we carried out two rounds of privacy compliance audits to align with personal privacy protection standards. Any discrepancies identified—such as inconsistencies between actual data practices and stated privacy policies—were promptly corrected to ensure robust safeguards for customer information.

### Strengthening technological means for personal information protection

We have deployed an email data loss prevention (DLP) system that scans outgoing messages for sensitive content, including ID numbers and bank card details. Our real-time API monitoring tools help detect and block unauthorized access, while our desktop control system monitors data distribution. This includes logging USB transfers, scanning files for sensitive keywords, and enabling full traceability of file movements.

## Combating telecom and online fraud

Guided by the principle of "precise analysis, meticulous execution, and targeted intervention," we have built an end-to-end fraud prevention system covering stages before, during, and after a transaction. Our upgraded transaction monitoring models now allow for real-time detection of suspicious accounts and high-risk transactions. These efforts are supported by an integrated anti-fraud platform capable of intercepting fraudulent activities across multiple channels. Through the anti-fraud task force platform of the People's Bank of China, we have further improved the accuracy of blocking transactions linked to suspected fraudulent accounts. We have continued to strengthen our capabilities in accurately identifying and preventing fraud-related risks, fully upholding our responsibility for targeted governance. These measures help maintain normal business operations and protect essential financial services for the public. We adjust payment limits for non-counter transactions based on each customer's risk level and real payment needs. To make it easier for customers to raise their limits in different regions, we've improved the application process. We also send SMS alerts when limits are set by the system and have made it easier to understand how to remove these limits through our mobile banking app and other channels. These steps help us provide better, faster service.

As part of our core responsibility, we have fully implemented measures to combat telecom and online fraud in line with the Anti-Fraud Law. We combine wide-reaching public education with targeted outreach, using diverse communication methods and expanding our channels to deliver clear, effective messages. We organize anti-fraud activities for government bodies, rural communities, schools, businesses, and other groups. Educational videos and graphics are shared through our official website, social media, and video platforms, supported by tailored awareness campaigns. By encouraging public involvement, we've helped build a collaborative fraud prevention network that promotes a "whole-society" approach, strengthening overall awareness and resilience against scams.

We have introduced a new risk control feature called "Huo Yan" on our mobile banking app, designed to block abnormal transactions in real time. For elderly customers making unusually large transfers, the system triggers a dual intervention that combines AI-powered phone alerts with manual staff reminders to help prevent potential fraud.

Enhancing the protection of elderly customers' accounts

We have introduced the "Security Guardian" feature on our mobile banking app, which allows children supporting elderly parents to monitor their parents' accounts after mutual consent. This helps prevent overseas scam transactions. In 2024, we stopped 21,350 suspicious transfers and protected 4,861 customers.

### Case | Implementing the "Whole-Society Anti-Fraud Mobilization" initiative

Fuzhou Branch has conducted regular anti-fraud campaigns to help prevent telecom and online scams. Its efforts include targeted initiatives such as the "Whole-Society Anti-Fraud in Action" awareness month, special programs to protect elderly residents, intergenerational activities that educate both seniors and youth, and campus-based awareness events. Together, these campaigns have reached more than 160,000 people across various community groups.



# 金融为民谱新篇 守护权益防风险



## Case | Pioneering new approaches to anti-fraud awareness

Qingdao Branch has co-produced *Shou Hu* (Guardian), the city's first music video focused on consumer protection, and collaborated with a local television station to host a financial rights program. During the broadcast, branch executives appeared alongside a well-known Qingdao TV host to discuss how to protect seniors from telecom fraud, highlighting Huaxia Bank's innovative approaches and progress in consumer protection. The program aired on local news as well as China Central Television's digital platforms, drawing strong public interest and engagement.

## Case | Sharing insights on the "Comprehensive Reading of the General Provisions of the Civil Code" program

Financial experts from the Bank were invited by BRTV to join the program *Comprehensive Reading of the General Provisions of the Civil Code*, in an episode titled "Case Studies: Guarding Against AI-Powered Scams." The panel explored common high-tech fraud methods, analyzed real-life AI deepfake cases, and shared practical tips for prevention. Our experts also demonstrated how banking professionals detect fraud and guide customers through protective measures.



## Case | Launching a multi-stakeholder financial education campaign

In September 2024, the Bank partnered with *Plan B*, a program on the Financial Channel of Beijing Radio and TV Station (BRTV), to launch the "New Mission: Consumer Protection County Tour" initiative. The initiative brought together police officers, psychologists, and bank representatives to help rural communities better understand and guard against financial scams. Police shared real-life fraud cases and demonstrated how to spot and respond to scam tactics. Psychologists explained how fraudsters manipulate emotions and pointed out common psychological traps. Bank staff offered practical advice on telecom fraud prevention, and legal rights protection, and answered personal financial questions. Through this collaboration, rural residents gained the knowledge to use financial services securely and avoid scams.

## Case | Blending anti-fraud education with folk culture

Taiyuan Branch partnered with 16 local organizations to provide financial and anti-fraud education at a lively open-air market. Interactive games on scam prevention allowed participants to learn risk management skills through hands-on experience. The event also blended traditional paper-cutting and sugar painting with financial literacy, highlighting Shanxi's Jin merchant heritage and its long-standing values of honesty and integrity in business.



## Customer complaint management

In 2024

**99.68 %**

Customer satisfaction of 95577 customer service center

**100 %**

Settlement rate of complaints lodged through 95577 customer service center

**1,311,773**

95577 call-backs

We continue to strengthen our complaint management and redress systems by refining our processes and improving root-cause correction mechanisms. These efforts reflect our ongoing commitment to consumer protection and ensure that valid financial complaints are resolved in a timely manner. We are working to improve dispute resolution across multiple channels and are exploring more effective mediation options. By integrating with financial consumer protection platforms and linking referred cases directly into our enterprise ticketing system, we've created a closed-loop management approach that improves both response speed and resolution quality. We have enhanced oversight of complaints received through the remote banking, while expanding scenarios where issues can be resolved directly—boosting our rate of first-contact resolution. We have established a long-term management mechanism for complaint resolution specialists, and conducted targeted training programs in both complaint handling and professional development. Furthermore, We've also built specialist teams with stronger expertise, which has led to better overall efficiency and a more positive customer

experience. As a result, the average resolution time has dropped to under three days. Leveraging our knowledge management platform, we have developed the "Complaint Resolution Knowledge Cloud" module to share innovative solutions and outstanding cases to raise service standards and support a high-efficiency service ecosystem across the Bank.

During the reporting period, the Bank received 226,200 customer complaints and successfully handled 100% of customer complaints within 15 days. We conducted in-depth complaint analysis in areas with high volumes, such as credit card repayment negotiations, personal loan repayments, and debt collection, by addressing both immediate issues and underlying causes. Our approach aims to resolve problems at the source and apply long-term, systematic improvements. We also carried out targeted oversight in key business areas that directly impact the customer experience. These efforts focused on strengthening service management in weaker areas, addressing common pain points, and protecting the legitimate rights and interests of financial consumers.

Improved efficiency and quality of the credit Card Center in handling customer complaints

**The center has expanded complaint resolution channels to support more flexible and diverse ways of handling disputes.** A multi-tier intake system has been established, offering both online and in-person options. Customers can submit complaints through phone, email, mobile client and WeChat official account, or by visiting physical service counters—making the process more accessible and convenient.

**We have strengthened coordinated management to support the "Immediate Response to Complaints" initiative.** Guided by the Party Committee, we established a clear accountability system that assigns responsibilities across departments and designated personnel. This structure reinforces our core commitment to delivering fast and effective complaint response services in Beijing, while also ensuring all procedures, from registration and dispatch to resolution and follow-up, are standardized and well-managed. Our team maintains 24/7 readiness, ensuring that complaints are acknowledged within 10 minutes and resolved within one day. This mechanism has also enabled the development of a notification system that helps us identify service gaps and operational issues, allowing us to make continuous improvements and enhance overall customer satisfaction.



## Financial knowledge promotion and education

In 2024

RMB **6.97** million

Investment in financial education for the public

**21,325** sessions

Financial education for the public

**102,510,000**

Total participants in financial education for the public

We are committed to improving financial awareness through ongoing education and outreach. As part of this effort, we launched a group-wide lecture series titled "Advancing Integrity Building and Practicing Financial Culture with Chinese Characteristics." The series is open to all employees and encourages a strong culture of integrity across the Bank. To better serve the public, we also encourage our branches and sub-branches to connect with local communities through both online and offline campaigns. These activities focus on key groups such as the elderly, new residents, and people with disabilities, helping them better understand financial products, consumer rights, and investment basics. Across our national branch network, we have organized events like the Bank President's Lecture on Customer Protection and Bank President's Reception Day. We've also set up dedicated financial education zones and hosted themed sessions such as Mini-Lectures on Government Bonds, turning our commitment to "finance for the people" into real actions.

### Anti-Counterfeit Currency Publicity Month

Under the theme "Cash Payments: More Convenience, Greater Safety," we carried out practical, multi-level initiatives to raise awareness about counterfeit currency. The campaign promoted the use of small change wallets and provided information on handling damaged or unfit banknotes. Through online + offline, centralized publicity initiatives with local characteristics, we strengthened public awareness of counterfeit risks and helped improve their ability to recognize and guard against currency fraud.

### "Financial Consumer Rights Protection Education and Publicity Month" Activities

During the World Consumer Rights Day (March 15) period, we intensified our education and outreach efforts to protect financial consumers' rights and interests. We promoted key initiatives such as the Financial Literacy Outreach Program and Financial Education Awareness Month. Through both online and offline campaigns, we helped the public better understand financial products, improve their financial literacy, and strengthen their awareness of financial risks.

### Case | Pension finance promotion

With support from a local volunteer association, Wenzhou Branch launched the "Happy Neighborhoods, Warm Sunset Years" volunteer initiative. The event included free health check-ups by medical professionals and introduced the Bank's latest developments in pension-related financial services.



### Case | Promoting financial knowledge in ethnic minority communities

Hohhot Branch's rural vitalization task force extended financial education to counties with large ethnic minority populations. In Kulun Town, the team delivered customized programs to around 1,000 Mongolian villagers, covering topics such as agricultural loan policies, personal credit systems, and dispute resolution options for financial consumers.

### Case | Promoting financial knowledge among youth

Shenzhen Branch, partnering with local media, launched the "Spread Financial Knowledge as Junior Financial Reporters" initiative. About 50 primary and secondary school students were recruited as "Junior Financial Reporters" and took part in a series of workshops designed to help young people understand and stay alert to financial safety issues.

### Promoting our efforts in optimizing payment services

With our business outlets as key channels, we actively promoted the Bank's policies aimed at improving payment services. We shared updates on these improvements through new media platforms such as our official WeChat accounts, and published related articles across mainstream media, including Xinhua Net, People's Daily Online, Financial Times, and Beijing Youth Daily. These articles also appeared on the websites of industry associations like the Hubei and Guangdong Banking Associations. The content highlighted our efforts under the "Enhancing Payment Services for Greater Convenience" initiative, showcasing the tangible results achieved.

### Case | Financial knowledge publicity in old revolutionary base areas

Chongqing Branch organized a "Financial Knowledge Mobile Exhibition" tour in former revolutionary base areas, offering on-site financial consultations, distributing educational materials, and conducting one-on-one sessions to help residents strengthen their awareness of fraud risks and improve their financial safety skills.



# Engaging in Social Welfare

We strongly support the development of public welfare initiatives, focusing on charity, volunteer services, and humanitarian aid. By harnessing the potential of finance for social good, we encourage all sectors of society to uphold the principles of volunteerism and become active contributors in this new era.

## Public welfare donations

In 2024

RMB **28.9093** million

Total public welfare donations

We provide essential resources to children and underprivileged communities, support the development of education, and contribute to inclusive growth in urban and rural areas.

### Case | Supporting the International Congress of Basic Science

Huaxia Bank donated RMB 12 million to the Tsinghua University Education Foundation to support the International Congress of Basic Science. The congress, themed "Advancing Science for Humanity", focused on global collaboration in three basic sciences i.e. mathematics, theoretical physics, and theoretical computing & information sciences. Its goal was to promote international scientific exchange, advance basic research, create a platform for leading scientists, attract top scientists to China, and enhance the country's innovation capabilities.

### Case | Making charitable donation to school

Huaxia Bank, in collaboration with the Beijing Municipal Committee of the Communist Youth League and the Beijing Youth Development Foundation, organized the "Spring Rain Initiative: Nourishing Young Minds Across Xinjiang with the Gift of Knowledge" charity donation campaign. We donated desks, books, school bags, love bookmarks, and other supplies to Arel Primary School in Hotan City, Xinjiang. We have donated school bags to six schools in Dorbod Banner, Ulanqab. Since 2022, we have launched the "Delivering Love to Schools" initiative for three consecutive years to provide charitable donations to more than 3,000 teachers and students across five schools.

### Case | Exploring new models of common prosperity

Huaxia Wealth Management focuses on children's education and well-being, building a distinctive "finance + welfare" brand that deeply integrates welfare concepts with financial services. In partnership with the China Children and Teenagers' Fund, we launched the "Building Dreams for Children" themed wealth management product, with all excess returns donated to support the care, development, and education of children and adolescents. This initiative explores diverse welfare collaboration models based on the principles of "common prosperity" and "third distribution."



Huaxia Bank Hohhot Branch donated RMB 1 million to Chahar Right Rear Banner in Ulanqab City

## Charity activities

In 2024

**1,896**

Volunteer activities conducted

**21,062**

Employee volunteers

**18,785.50**

Total volunteer service hours

We organize public welfare programs and volunteer activities focused on elderly care assistance and public education, demonstrating our commitment to social welfare and spreading Huaxia Bank's warmth in communities.

### Case | Exploring a new model for common prosperity-caring for children with special needs

Dalian Branch partnered with the Dalian Youth Development Service Center and Dalian Youth Development Foundation to organize the "Lighting Up Starry Skies, Huaxia Bank's Love for Children with Special Needs" volunteer event at Dalian Dongxin Special Children Service Center.



### Case | Building "Love Stations"

The Shaoxing Branch has been running the "Love Station" service for years. In addition to providing rest areas and cool shelters for outdoor workers like sanitation staff and couriers, they also offer free bread and mineral water for workers.



Urumqi Branch's rural work team distributed school supplies to students in need



Changzhou Branch carried out "one-to-one" paired assistance and educational support activities.

Case | Caring for left-behind children

The Zhengzhou Branch in partnership with the Henan Charity Federation launched the "Huaxia Branch Takes You to See the World" public welfare event. Through this program, left-behind children were invited to participate in an educational tour of Mount Song and Songyang Academy, providing them with meaningful opportunities for learning and personal growth.

Targeted assistance

We conduct special assistance projects in key areas to stimulate local economies, support industrial growth, and promote job creation and income improvements.

Case | Multiple measures for targeted assistance

The Haikou Branch has excelled in grassroots party building. The branch undertakes projects such as improving local living conditions and supporting rural consumption. Utilizing regional resources, we adopted a development model combining "village collectives + farmers + company." This approach promotes local industries, including egg-laying chicken and yellow cattle farming. We also carry out outreach activities, visiting key households to establish personalized assistance. Our branch's consistent and effective work has been awarded the highest rating, "Excellent," for four consecutive years in Hainan Province's targeted poverty alleviation assessments.



Case | Conducting on-site research for targeted assistance

In May 2024, the Shenyang Branch conducted an in-depth field visit to Nanping'an Village, Haertao Town, Zhangwu County, its designated assistance site. The team toured local businesses such as the Haertao Bazaar, community cooperatives, and an online agricultural product live-streaming platform. By engaging directly with local residents, the team gained insights into daily life, market conditions, and specific community needs. Based on these findings, the branch developed a procurement plan for local agricultural products, leading to total purchases exceeding RMB 80,000 for the year. In August, the branch donated RMB 95,000 to support village infrastructure projects, including the construction of new public toilets and roads.



Disaster relief

We actively respond to regional natural disasters, including floods, droughts, and earthquakes, by ensuring prompt financial support and assisting in reconstruction efforts to help affected communities recover quickly.

Case | Providing urgent assistance to disaster-stricken communities

Since July 2024, severe weather triggered sudden flooding in Zhashui County, Shangluo City, Shaanxi Province. Donggou Village, Caoping Town, which is under targeted assistance, experienced a total disruption of water, electricity, and communication, leading to an urgent shortage of essential supplies for residents' daily life and recovery efforts, leading to an urgent shortage of essential supplies for residents' daily life and recovery efforts. Upon learning of the disaster, the Xi'an Branch responded immediately, convening a special meeting to coordinate

emergency relief efforts. We promptly allocated dedicated relief funds and gathered disaster relief supplies valued at over RMB 20,000. Despite heavily damaged roads and challenging travel conditions, our team delivered relief materials directly to affected areas. Our staff also visited key monitored households and households receiving the Five Guarantees, providing personal assistance and reassurance to villagers during this difficult time.



Case | Supporting emergency disaster relief

In 2024, Wenchang City was severely affected by Typhoon "Yagi." Following instructions from the Hainan provincial government, the Haikou Branch immediately assembled a team composed of party members and traveled to Fengpo Town in Wenchang to evaluate the situation. The team swiftly purchased essential items, including mineral water and milk worth RMB 20,000, and delivered them to the town government on the same day, promptly meeting the urgent needs of the residents.

# Caring for Employee Growth

We uphold a "people-oriented" corporate philosophy, recognizing talent as the primary driver of our high-quality development. We are committed to strengthening our talent strategy, protecting employee rights, supporting career growth, and promoting employee well-being. By creating a supportive and motivating work environment, we work hand in hand with our employees to build a strong foundation for talent development.

## Safeguarding employees' rights

We strictly comply with the *Labour Law* and the *Labor Contract Law*, and other relevant Chinese laws and regulations. We continually strengthen our internal policies to prevent any form of child or forced labor. Our policies promote equal employment opportunities and equal pay for equal work, eliminate discrimination, protect the rights of female employees, and firmly prohibit any violations of human rights.

### Incentive and restraint mechanism

We have refined a performance-based incentive system that rewards employee contributions and achievements, motivating our team members to excel in their work.

### Democratic management system

In accordance with our *Management Measures for the Employee Congress*, we fully support the role of the employee congress in democratic management and supervision. Through this, we safeguard our employees' rights to information, participation, expression, and oversight.

### Salary and benefits system

We maintain reasonable working hours and ensure full and timely wage payments. All employees receive statutory holidays and paid leave, and any form of forced labor is strictly prohibited. We sign labor contracts in compliance with the law and provide complete social insurance coverage to protect employees' rights and interests.

# Promoting equality and diversity in recruitment

At the end of 2024

**38,306**

Total workforce

**53.24 %**

Percentage of female employees

**1,899**

Ethnic minorities

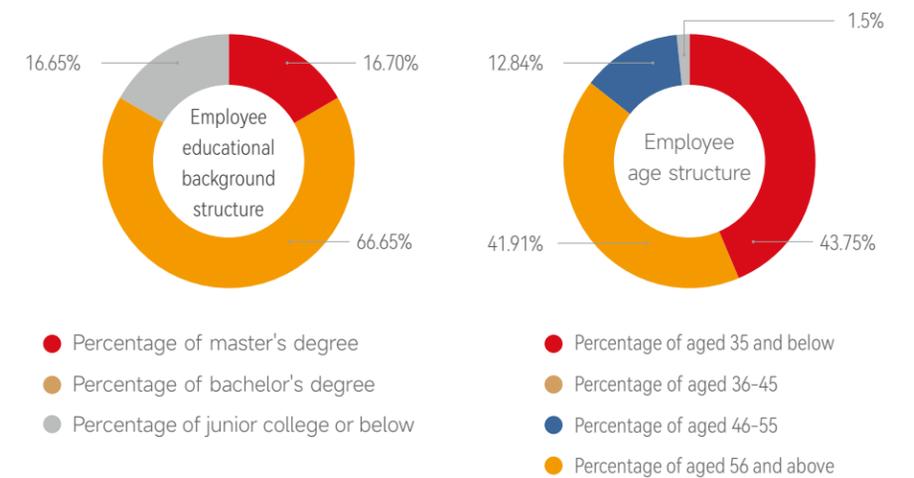
**100 %**

Labor contract signing rate

**100 %**

Social insurance coverage rate

We uphold the principles of openness, fairness, and impartiality in employee recruitment. Through various channels, including social recruitment and campus hiring, we actively attract talented candidates while ensuring the timeliness, effectiveness, and transparency of recruitment information. Our recruitment practices prohibit discrimination based on gender, ethnicity, or any other factors, ensuring our hiring process is fair, transparent, and unbiased. We leverage technology and digital tools to streamline hiring practices, protect candidate privacy, and enhance applicants' overall experience. We also place particular emphasis on recruiting recent graduates, bringing in diverse talent with varied skills and perspectives.



The Head Office convenes the second Employees' Congress

In 2024

**139**

Workers' congresses held

**7,221**

Participants in total

**271**

Staff meetings held

**5,458**

Grassroots employees attended

## Empowering employee career development

At the end of 2024

**8,280** sessions

Employee training program

**651,861**

Participants in total

**2,539** sessions

Training sessions on CSR

**256,812**

Participants in total

**129**

Training sessions on environmental protection

**14,461**

Participants in total

We are committed to providing a supportive environment for employees' career growth, helping them build their capabilities while contributing to our business goals. We ensure that all employees have equal opportunities for career advancement and clear pathways to promotion. Through customized management practices and structured training programs, we offer targeted career guidance and professional development. This enables employees to achieve personal growth, fulfill their potential, and contribute effectively to corporate success.

### Management training

Through the Party School, we continuously strengthen the training of middle and senior management. These programs are designed according to management levels and job functions, aligning closely with market trends and practical business needs. We organize specialized training for middle-level managers, rotational training for deputy middle-level managers, and development programs for young and middle-aged cadres. These initiatives aim to build stronger leadership teams and continuously improve the ideological and political literacy, party spirit, and comprehensive management abilities of managers at all levels.

### Specialized skills training

Aligned with the Bank's overall development strategy, operational transformation, and core professional skills required across different sectors, we prioritize training in key business areas, including digitization, corporate finance, retail finance, financial markets, risk management, and operations management. We design specialized training programs that directly address practical challenges and critical issues encountered during business growth, continuously strengthening employees' professional and innovative capabilities.

### New employee onboarding training

We also provide standardized onboarding training for all new employees across the Group. Using a variety of innovative training methods, including centralized courses, simulation exercises, and mentorship support, we equip new hires with essential knowledge about Huaxia Bank's history, business operations, and key skills. This helps new employees quickly adjust to their roles, smoothly transitioning from students into confident banking professionals.

### Digital training

We have launched the Hua Xia College, a digital knowledge repository platform. The platform delivers personalized learning content based on each employee's specific role and learning pace, enabling them to respond swiftly to market changes and meet evolving business needs. Our integrated training system combines features such as knowledge management, training courses, live streaming, online exams, and self-learning tools. Accessible through both internal and external networks, it effectively supports the diverse learning needs of all employees.



Shenyang Branch conducts employee training



Guangzhou Branch holds a business skills competition

### Case | "Huaxia Bank's History Through Young Voices, Dreams in Flight" Themed Event

In September 2024, the headquarters hosted the "Huaxia Bank's History Through Young Voices, Dreams in Flight" themed event, which featured two key segments i.e. "Youth Learning Huaxia Bank's History: Practical Training" and "Youth Learning Huaxia Bank's History: Challenge Competition". The Practical Training session included a detailed overview of the Bank's significant milestones, important events, and accomplishments. External experts experienced in exhibition narration were invited to guide and train young employees, building a skilled team of historical narrators. The Challenge Competition included three interactive segments—"Youth Voices: Telling Huaxia Bank's Story", "Quest for Wisdom: Historical Puzzle Challenge" and "Youth Elegance: I Am the Chief Youth Narrator." Additionally, the event included an online public vote. At the end of the competition, awards were given to one "Most Popular Narrator," one "Best Team," and five "Five-Star Narrators." All participants received official certification as "Young Bank History Narrators."

### Case | Employee skills competition

In September 2024, the Changchun Branch held its 13th "Skills, Elegance and Development" themed competition. Fourteen teams participated, including operations managers, tellers, and lobby managers. The event aimed to enhance lobby service skills and was divided into three segments: lobby marketing examples, effectively handling complaints from special customer groups and addressing consumer rights protection, and preventing telecom fraud. Through this competition, the branch sought to strengthen the professional knowledge and service quality of its lobby staff.

## Improving employee well-being

In 2024

**289**

Employees in need helped

**RMB 282,000**

Medical subsidies distributed

**RMB 705,700**

Living allowances distributed

**RMB 11,000**

Disaster relief disbursed

**676**

Sports competitions and activities organized

At the end of 2024

**818**

Homes of Employees built in total

including

**194**

Model Homes of Employees

**593**

Qualified Homes of Employees

We prioritize the physical and mental well-being of our employees by improving the Home of Employees, organizing a variety of cultural and recreational activities, and creating a supportive and inclusive workplace. Special attention is given to female employees, retirees, and those experiencing difficulties, enhancing their sense of belonging and overall well-being.

### Safeguarding employee health

Our corporate health insurance providers have also expanded on-site seminars and wellness services to branch offices, raising employees' awareness of health issues.

### Building Home of Employees

We revised the *Model Worker Selection and Management Measures*, carried out model worker selection, inspected 8 branch model worker innovation studios, and reviewed 23 new qualified Home of Employees.

### Engaging activities

We organized various activities to support employees' well-being and cultural development, such as health workshops, academic seminars, and networking events for young professionals. Additionally, we held a Youth Fun Sports Day specifically for headquarters employees.

### Employee care and support

On occasions such as China's Youth Day and International Women's Day, we facilitated discussions between senior management and young and female employees, actively listening to their feedback and addressing their concerns. We regularly support model workers, employees facing difficulties, and those working during holidays. Furthermore, we visit retired employees, improve medical reimbursement policies, and organize cultural events, ensuring their comfort and peace of mind.

### Case | Improving the building of Home of Employees

The Harbin Branch has continuously advanced the building of qualified and model Homes of Employees. We relocated the headquarters' Home of Employees to better utilize previously idle branch properties. As part of this relocation, we created cultural walls to promote closer collaboration among the Party, trade union, and youth groups. We also established a yoga room, specifically catering to female employees, which is now operational. By 2024, all sub-branches had established their own Homes of Employees, including seven qualified and two model locations.

### Case | Organizing the 2nd Football Tournament for Beijing-based Units

In May 2024, the Bank organized the 2nd Football Tournament for Beijing-based units, bringing together 120 employees from the headquarters, Beijing Branch, and other affiliated institutions. Over the course of 17 competitive matches, the Beijing Branch claimed the championship, reflecting the strong sense of teamwork and cooperation among participants.



### Case | Women's Day Health Check and Themed Event

The Hohhot Branch hosted the "Fragrant Women's Day, Dream of Beautiful Women in Huaxia Bank" themed event for International Women's Day. A well-known orthopedic specialist was invited to the staff center to provide medical consultations and health advice. The expert performed on-site bone density screenings and provided tailored guidance, especially for employees with long desk hours, raising awareness around bone health and preventive care.



### Case | Hosting a variety of unique cultural and sports activities

The Chengdu Branch has developed a variety of cultural and sports activities tailored to employee interests. Building on the popularity of its traditional Tai Chi class, the branch has made it a regular offering and introduced street dance sessions, giving employees space to express their creativity and personal style. To raise the quality of programs, professional instructors were brought in to lead calligraphy and art classes. The branch also supported its subsidiaries in purchasing fitness services, encouraging wider participation in physical wellness. In addition, the branch took part in basketball and football tournaments organized by the Sichuan Provincial Financial Trade Union, and was recognized with the "Best Elegance Award" at the 2024 Sichuan Financial Sector Employee Basketball Competition.



Huaxia Cup Badminton Invitation Tournament organized by Hong Kong Branch



"Lantern DIY" Lantern Festival Themed Event organized by Nanjing Branch



College Application Guidance Seminar for Employees' Children organized by Shijiazhuang Branch



# Governance

Huaxia Bank firmly adheres to the centralized and unified leadership of the Party Central Committee over financial work, and continuously improves its corporate governance mechanisms. We uphold compliance with laws and regulations as the foundation for our operations and development. Our efforts for stronger risk prevention capabilities and better risk management in key areas solidify the foundation for stable and prudent operations.

In 2024

**3,277**

Training sessions on compliance

**3,280**

Training sessions on anti-money laundering

**241**

Legal training sessions





## Upholding the Party Leadership

Following the principles of Xi Jinping Thought on Socialism with Chinese Characteristics, we have thoroughly studied and implemented the directives from the 20th CPC National Congress and the Third Plenary Session of the 20th CPC Central Committee. We adhere to the overall requirements for Party building in the new era and the Party's organizational line. While exercising full and rigorous Party self-governance, we have established a comprehensive framework that includes strengthening organizational, accountability, and institutional systems, integrating Party leadership with corporate governance, and developing a high-caliber cadre of officials. We also conduct rigorous Party discipline education to support high-quality development.

### Strengthening the Party's overall leadership

While upholding and strengthening the centralized, unified leadership of the CPC Central Committee, we have actively implemented the Party building directives from the Beijing Municipal Committee of the CPC and the Party Committee of the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (SASAC of Beijing Municipality). Guided by the Party's political construction as our fundamental principle, we have systematically strengthened our capacities in political judgment, comprehension, and execution.

#### Upholding the Party Committee's leadership

- **Firmly integrating Party leadership into corporate governance.** We strictly implement the "two-way entry and cross-appointment" leadership mechanism. Party building requirements are incorporated into our *Articles of Association*, affirming the Party Committee's role in our governance structure. We have established guidelines for equity investments and management of subsidiaries, mandating that all subsidiaries form Party organizations and revise their governing documents accordingly.
- **Developing the Party Committee's pre-deliberation mechanism.** We have revised the Party Committee's rules of procedure and developed the *Party Committee Guidelines for Prior Review and Discussion of Major Matters*. These improvements enhance decision-making processes for "major policy determinations, key personnel assignments, significant investment projects, and substantial capital allocations", enabling the Party Committee to effectively guide strategic direction and oversee operations.
- **Actively facilitating the operations of the Shareholders' Meeting, Board of Directors, Board of Supervisors, and senior management.** Through collaborative efforts, these entities have established a governance structure with well-defined roles, transparent authority, and strong checks and balances, ensuring the effective execution of the Party Committee's resolutions.

#### Strengthening the organizational system

- **Enhancing organizational coverage.** Party committees have been set up for all Tier-1 branches, and general or Party branches for all Tier-2 branches, achieving comprehensive coverage of Party organizations and activities.
- **Strengthening systemic support.** Building on Huaxia Bank's Party School, we have developed a training framework for Party affairs and conducted various training programs and exercises.

#### Optimizing management systems

- **Work system of the Party Committee.** The Party Committee's working regulations and implementation guidelines for decision-making on "major policy decisions, key personnel placements, significant investment initiatives, and large capital allocations" have been improved. Additionally, we have strengthened the correspondent bank system and guidelines for Party affairs disclosure, implementing standardized pre-deliberation processes for major decision.
- **Leadership system and mechanism for Party building.** The Party Committee's leadership framework has been reinforced, incorporating the Party Committee's leading group for rigorous Party self-governance (Party building) along with its office, Organization Department, Publicity Department, and United Front Work Department. These bodies follow a strict meeting schedule to systematically promote initiatives related to Party self-governance (Party building).
- **The "1+1+N" system for ideological work.** We have implemented the "1+1+N" system for ideological and publicity work, focusing on consultation, situation reporting, risk management, and supervision. We enhance source-level prevention of public opinion and reputational risks while conducting risk investigations on ideological security.

#### Fulfilling the primary responsibility

- **Responsibility for exercising full and rigorous Party self-governance.** We've established annual task plans and accountability lists for exercising full and rigorous Party self-governance targeting the Party Committee (including primary-level Party organizations), secretaries, and leadership team members, subjecting them to inspections and assessments linked to performance evaluations.
- **Responsibility for primary-level Party building.** We've implemented a supervision mechanism for primary-level Party building and conduct annual inspections of primary-level Party committees, strengthening oversight and standardizing inspection practices.
- **Responsibility for improving the integrity of Party conduct and Party building.** We have launched a comprehensive integrity education program, including disciplinary warnings and special rectification efforts, to implement the central Party leadership's eight-point decision on improving conduct. Through regular anti-corruption education, we enhance self-discipline and oversight of leading officials, or the "key few."

#### Supporting the development of the executive team

- **Strengthening institutional governance.** We've strengthened institutional governance by upgrading key policy documents, including the *Executive Personnel Management Regulations*, *Executive Promotion Guidelines*, *Executive Selection and Appointment Procedures*, and *Staff Private Overseas Travel Policy*, thereby standardizing all dimensions of executive governance.
- **Focusing on personnel selection and appointment.** We have enhanced comprehensive analyses and assessments of all leadership teams and managerial personnel. A multi-channel selection system, including internal nominations, public recruitment, competitive internal placements, and open merit-based selections, has been put in place to ensure scientific and effective appointments. This structured approach fosters a highly professional leadership team.
- **Supporting personnel development.** Through the *Talent Pool Development Plan*, we have established a dual-track recommendation system that integrates bottom-up and top-down approaches. This framework has successfully identified and selected managerial and specialist talent, creating a pool of over 4,500 qualified professionals and enhancing the Bank's leadership pipeline to support long-term organizational capability building.

## Persevering with full and rigorous Party self-governance

In 2024

20

Editions of educational column articles on improving Party conduct and upholding integrity

2

Training sessions on anti-corruption

9,000

Participants involved

While advancing development through Party building, we have made significant strides in exercising full and rigorous Party self-governance. We have established a comprehensive framework that includes "strengthening organizational, accountability, and institutional systems; integrating Party leadership with corporate governance and integrating Party building with business development; developing a high-caliber, professional cadre of officials."

### Increasing efforts to build integrity and improve conduct

- We rigorously implement the central Party leadership's eight-point decision on improving conduct and its associated regulations, closely monitoring key areas to strengthen Party conduct and integrity. Additionally, we consistently conduct daily integrity education and share warning education content through platforms such as the Party conduct and integrity education column.
- We have implemented the 2024 Special Action Plan for Deepening the Development of a Clean Financial Culture, aiming to advance full and rigorous Party self-governance across all fronts, with a focus on key annual tasks to enhance Party conduct and building integrity.
- We have enacted the Measures to Further Tackle Pointless Formalities and Ease Burdens on Primary-Level Organizations.

### Implementing the work system for exercising full and rigorous Party self-governance

- We are dedicated to advancing the work system for exercising full and rigorous Party self-governance (Party building), ensuring that Party organizations at all levels develop and execute their annual task plans while requiring Party committee members to fulfill their assigned responsibilities.
- We have optimized the meeting mechanisms for the Party Committee's leading group on self-governance and its office. At the same time, we have strengthened coordination across oversight forms and further standardized the evaluation of responsibility fulfillment by primary-level Party committees.

### Case | Organizing Party building events

The Lanzhou Branch organized a Party Day event themed "Study Party History, Understand Party Discipline, and Strengthen Party Spirit." Through studying the history of the Party's disciplinary construction, Party members gained a deeper understanding of the importance of adhering to Party discipline.



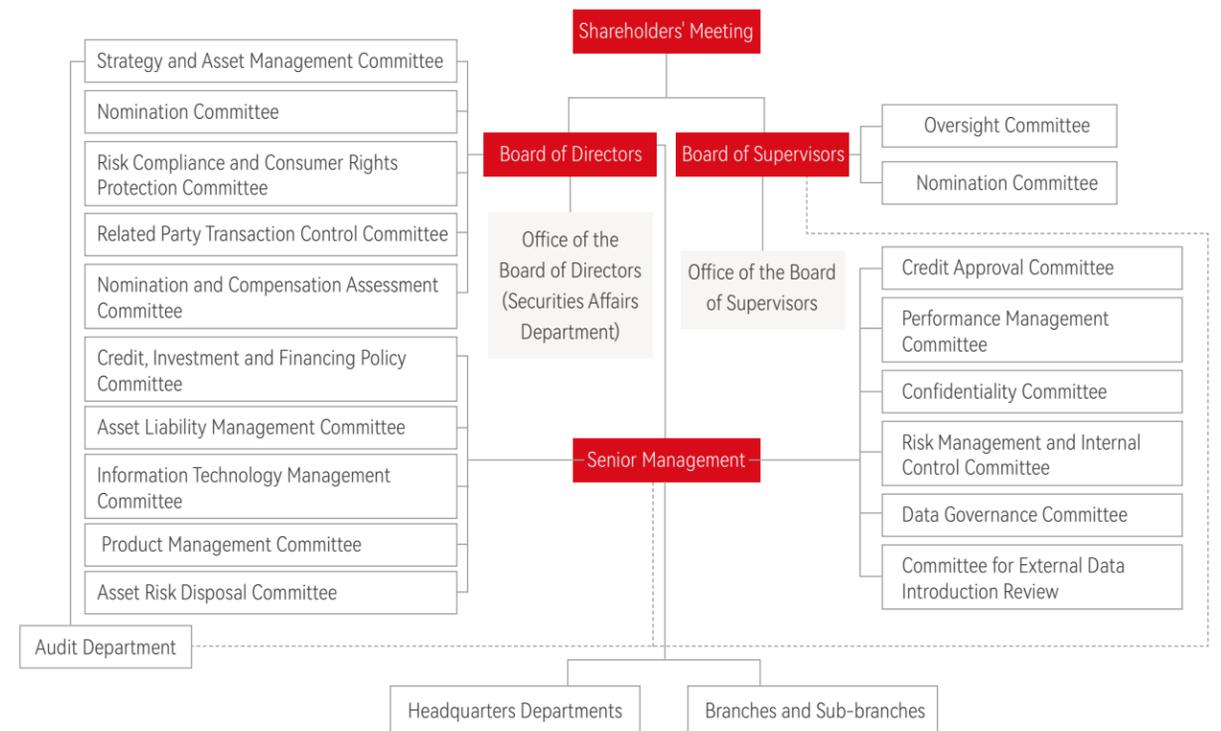
Hohhot Branch organizes a Party Day event

## Improving Corporate Governance

We strictly comply with Chinese laws and regulations such as the *Company Law*, the *Law on Commercial Banks*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, the *Corporate Governance Rules of Banking and Insurance Institutions*, and the *Work Guidelines for the Supervisory Board of Commercial Banks*. In doing so, we continuously enhance our corporate governance framework, with a strong focus on refining our Articles of Association and the rules of procedure governing the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors. We emphasize the foundational, guiding, and leading role of the Articles of Association in the corporate governance system. The Articles take effect upon approval by the National Financial Regulatory Administration, while revisions to the procedural rules of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and specialized committees come into force simultaneously. To further strengthen corporate governance, we optimize our governance structure, advance Group-wide and refined management practices, enhance investor communication, and improve information disclosure. Centered on the goal of continuously enhancing governance capabilities and effectiveness, we remain committed to exploring best practices in corporate governance, thereby driving sustainable improvements in governance quality and efficiency.

### Governance structure

We have established a comprehensive governance framework comprising the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and the senior management. In this structure, the statutory role of the Party organization is fully integrated, with clearly defined responsibilities for the Party Committee and the governance bodies. Each entity performs its designated functions effectively, ensuring coordinated and efficient operations. To maintain stability and continuity in governance, we oversee the orderly re-election of the Board of Directors and the Board of Supervisors. The Ninth Board of Directors and the Ninth Board of Supervisors were elected at the Shareholders' Meeting and the Workers' Congress following which the Board of Directors appointed the senior management team in accordance with governance procedures.



At the end of 2024



In 2024



The Party Committee plays a leading role in setting the direction, managing the overall situation, and promoting implementation. It focuses on the political direction, the Party building leadership team, basic policies, and major decisions to effectively assume responsibility for strict self-supervision and self-governance. It deliberates and discusses major operational and management matters before making decisions.

The Shareholders' Meeting effectively serves as the decision-making authority. The Bank's shareholding structure is clear and stable, with shareholders compliant with laws and regulations. Major shareholders actively support the Bank's operations and development, fulfilling their responsibilities and obligations. Small and medium-sized shareholders participate in the decision-making process by attending the Shareholders' Meeting and other channels, collectively maintaining our stable development foundations.

The Board of Directors focuses on strategy setting, decision-making, and risk prevention, continuing to exercise strategic leadership and scientific decision-making. It has established effective risk management mechanisms, as well as reasonable incentive and constraint systems, while actively fulfilling its social responsibilities and safeguarding the lawful rights and interests of stakeholders.

The Board of Supervisors performs its supervisory functions, conducting inspections aligned with supervisory goals while considering the Bank's overall business. It fulfills its statutory supervisory duties objectively and impartially, in a scientific and effective manner. We focus on supervision and inspection in areas such as strategic management, financial activities, risk management, internal control, and the performance of duties by the Board of Directors and senior management, all in the best interests of the Bank and its shareholders, to protect stakeholders' lawful rights and interests.

The senior management concentrates on operations, implementation, and management. It conducts activities strictly according to the Articles of Association and under the authorization of the Board of Directors. The senior management diligently implements the resolutions of the Shareholders' Meeting and the Board of Directors, proactively accepts the supervision of the Board of Supervisors, and leads staff at all levels to complete the year's operational and developmental tasks.

Improving compliance fulfillment of the Board

- Building on the foundation of the annual board meeting plan mechanism, we have established a compliance support system to enhance the Board of Directors' ability to fulfill its duties. We regularly review newly issued or revised laws, regulations, and regulatory requirements related to the compliance obligations of listed banks' boards of directors. Through self-assessments, we compare these regulations with the board's actual performance, identify any unimplemented requirements, and develop targeted action plans. We then oversee their execution to ensure that the Board of Directors continuously, comprehensively, and effectively fulfills its ultimate responsibilities in corporate governance and operational management.

Optimizing the structure of specialized committees

- We continuously optimize the structure and responsibilities of special committees. Based on the appointment of new directors and their professional backgrounds, we adjust the composition of each committee to enhance its decision-making support function and improve governance effectiveness.
- We have established a dedicated support mechanism for special committees by assigning corresponding functional departments to each committee. These departments attend all committee meetings, take the lead in implementing resolutions and recommendations, and contribute to enhancing the operational model of the special committees.

Leveraging the role of independent directors

- We continuously enhance the performance platform for independent directors by establishing a dedicated meeting mechanism. Regular meetings are held between independent directors and senior management, as well as annual meetings with auditors, ensuring effective oversight of potential major conflicts of interest. Independent directors provide objective opinions on relevant matters in accordance with regulatory requirements.
- We organize independent directors to participate in specialized research initiatives, focusing on strategic execution, operational management, risk control, and key regulatory concerns. We carefully implement the requests and recommendations proposed by independent directors to ensure effective governance oversight.



## Group management

We fully leverage existing institutions and licenses, strengthening the management model through comprehensive refinement and advancing strategic execution as a key driver. By optimizing resource allocation and enhancing operational efficiency, we improve the integration and coordination of financial resources, ensuring the group's steady and sustainable development.

### Enhancing governance structure

- We have strengthened unified and effective Group-wide control while maintaining the independent legal entity status and corporate governance structure of each institution within the Group, ensuring modern governance across the entire organization.

### Improving operational mechanisms

- We have established Group-wide management systems, including the *Equity Investment Management Measures* and the *Equity Investment and Subsidiary Management Implementation Rules*.
- Within the framework of Group-wide management, we provide guidance on the management of subsidiary institutions based on departmental responsibilities. Major matters are reviewed, deliberated, and collectively decided by the authorized decision-making bodies.
- We have implemented term-based appointments, contractual management mechanisms, and a professional executive system to strengthen Group-wide oversight and support functions, promoting integrated management to enhance operational synergy.

### Enhancing management coordination

- We support subsidiary institutions in refining market operation mechanisms based on customer needs and their unique characteristics, enabling distinctive and differentiated development.

### Unleashing the efficiency of the Group-wide operations

- We implement financial supply-side structural reforms by facilitating the transformation of rural banks through strategic acquisitions and the establishment of new branches within the Group.

## Refined management

With value creation at its core, we continuously enhance refined management and drive the implementation of annual plans. We focus on streamlining business management, cost management, and capital management to achieve stable growth, an optimized structure, and higher quality and efficiency. By deepening internal potential exploration and expanding external opportunities, we remain fully committed to advancing high-quality development.

### Optimizing profit framework

- Implementing refined management of interest spreads. Incentive mechanisms for interest spread improvement have been strengthened, including special incentives and the bank-wide "1 Basis Point (BP) Action" to enhance interest spreads, with performance incorporated into branch assessments. Liability costs are strictly controlled, with resource allocation favoring low-cost deposits, while high-cost deposits are subject to quota management. Internal and external pricing policies have been adjusted multiple times to reinforce price guidance. Additionally, we mitigate the decline in asset yields by optimizing resource allocation, enforcing strict approval for low-priced loans, enhancing the collection of overdue interest, and ensuring full recovery of receivables.
- We have implemented a strict management plan for intermediate business income to accelerate the development of high-value products.

### Improving customer growth quality and efficiency

- We have strengthened the assessment of customer acquisition and engagement, promoted scenario-based customer inflow and activation, and transformed customer expansion strategies to drive effective customer growth.
- We have implemented a dual-standard assessment model based on performance and customer service volume for relationship managers, strengthening their effectiveness in customer management.
- We have strengthened collaborative assessment mechanisms to enhance comprehensive customer service capabilities and expand revenue channels.
- We have incorporated "individual production efficiency" into branch performance assessments, enhancing branch and personnel effectiveness by focusing on per capita deposits and per capita profits.

### Strengthening operational scheduling

- Fully implementing an operational scheduling mechanism. A comprehensive system of over 100 indicators—covering scale, structure, efficiency, products, and customers—has been established, encompassing the head office, business lines, branches, and subsidiaries to enhance engagement and proactiveness across all levels. Process control is reinforced through a structured approach of weekly scheduling, monthly summaries, and quarterly adjustments.

### Adhering to light capital and asset operations

- Promoting internally sustainable capital development. We integrate new capital regulatory requirements into marketing, risk management, approval processes, and operations. Structural adjustments are intensified to support the growth of light capital and asset businesses, with strengthened return requirements for high-consumption assets to enhance value contribution. Additionally, we have established a multidimensional capital efficiency evaluation mechanism, improved the economic capital management system, and enhanced the quality and effectiveness of capital utilization.
- Enhancing internal potential exploration. We have developed 44 targeted initiatives across six key areas—structure, efficiency, quality, capital, customers, and personnel—to drive continuous value optimization and maximize internal potential.

### Conducting strict cost control

- We have implemented proportional control of expenditures and incorporated it into performance assessments to align with cost reduction and efficiency enhancement requirements.
- We have implemented strict controls on large expenditures, enforced rigorous budget management, and strengthened project approval processes and standardization measures.
- We have strengthened input-output assessments, defined benchmarking requirements, and promoted the application of post-evaluation results to achieve closed-loop management.

## Protection of investor rights

We have continuously strengthened investor relations management, rigorously implemented our *Investor Relations Working Regulations*, and leveraged multiple channels and methods to enhance interaction and communication with investors and analysts.



- We hold shareholder meetings and performance briefings, actively participate in online and offline research activities, and respond diligently to inquiries via the SSE E-interactive platform, investor hotlines, and emails. We proactively communicate the Bank's core values and strengths to the capital market, enhancing market understanding and fostering constructive interactions.
- We have participated in the 2024 investor rights knowledge quiz competition, *Here Come Shareholders*, to promote awareness of investor rights protection and strengthen investors' understanding of rational investment.

In strict compliance with laws, regulations, regulatory requirements, and internal policies, we standardize daily information disclosure to ensure the timely and effective transmission, consolidation, and release of significant information, safeguarding investors' right to be informed. We uphold principles of timeliness, fairness, and transparency, ensuring that all disclosed information is accurate, complete, and truthful to protect investors' interests. During the reporting period, we enhanced proactive information disclosure, optimized the structure and content of periodic reports, and continuously improved the voluntary information disclosure index system to increase transparency and engagement. Additionally, we published an annual report infographic to meet market demand for visualized periodic reports, improving readability and usability. Over the year, we successfully prepared and disclosed four periodic reports and 49 interim announcements, providing investors with timely updates on key matters such as resolutions from the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors, as well as changes in senior management, performance updates, related transactions, and profit distribution. We also reinforced the management of insider information by maintaining strict confidentiality protocols and ensuring proper registration of insiders.

## Strengthening Risk Management

The Bank has enhanced comprehensive risk management by refining its risk appetite transmission mechanism, improving foresight in risk control, and strengthening its ability to address various risks. We have established a three-line defense system for risk management, characterized by clearly defined responsibilities, streamlined and efficient processes, and comprehensive oversight, ensuring the prevention of systemic financial risks.

### Risk management organizational structure

The Bank's Board of Directors holds ultimate accountability for overall risk management, while the Board of Supervisors is responsible for oversight. Senior management assumes responsibility for implementing comprehensive risk management. To facilitate effective deliberation and decision-making on major risk matters, we have established specialized committees, including the Risk Management and Internal Control Committee, the Credit, Investment, and Financing Policy Committee, the Credit Approval Committee, and the Asset Risk Disposal Committee.

In daily risk management operations, the Bank has established a "Three Lines of Defense" framework, comprising business departments, risk and compliance management departments, and the audit department. These entities work in a coordinated and collaborative manner to ensure the effective implementation of comprehensive risk management.

Each business department, functioning as the first line of defense in risk management, bears direct responsibility for identifying and managing risks.

Departments specializing in risk and compliance management, such as the Risk Management Department, the Credit Approval Department, the Special Asset Management Department, the Planning and Finance Department, and the Legal and Compliance Department, serve as the second line of defense. They are responsible for formulating policies and procedures, as well as monitoring and managing risks.

The Audit Department, as the third line of defense, is responsible for auditing the performance of both business departments and risk management functions.

Branches have established their own Risk Management and Internal Control Committee, Risk Management Department, and specialized risk management units to ensure the effective coordination and execution of risk and internal control management responsibilities.



## Comprehensive risk management

We have further reinforced comprehensive and coordinated risk management by continuously enhancing the Group-wide risk management system and advancing the quantitative transmission of risk preferences. At the same time, we have strengthened oversight in critical risk areas, accelerated the transition to digital risk management, and fostered a strong risk culture to ensure stable and sound operations.

### Optimizing the risk management structure

Focused on key areas such as retail finance, special asset reforms, and post-loan management, we have implemented a new round of adjustments to the risk management organizational structure, aiming to establish a well-defined, orderly, and comprehensive risk management framework.

### Improving the risk preference transmission mechanism

We adhere to the guiding principle of "pursuing progress while ensuring stability and promoting stability through progress" in our business development. Our approach maintains an overall "prudent and stable" risk preference while following the principle of risk-return trade-off. At the same time, we aim for a "moderate to above-average" return expectation, ensuring a firm commitment to preventing systemic risks.

### Strengthening the management of risk warning and correction processes

We have continuously enhanced our end-to-end capabilities for identifying, measuring, monitoring, reporting, and controlling individual risks. A well-functioning operational mechanism, characterized by "dynamic monitoring, process management, and timely corrective actions," has been established. All risk indicators consistently operate within regulatory requirements and predefined risk preference boundaries.

### Deepening the cultivation of a risk-aware culture

We have improved the evaluation methods for comprehensive risk management at the branch level and the professional assessment framework for Chief Risk Officers, continuously optimizing incentive and constraint mechanisms. Additionally, we have strengthened the professional training system for risk management by conducting training on comprehensive risk concepts and typical cases for commercial banks, offering online "biweekly topic" training on approval guidelines for key industries, and organizing the "Boshi 365, Approval Skills Enhancement" labor competition. These initiatives further enhance employees' risk awareness and professional capabilities.

### Accelerating the digital transformation of risk control

We successfully launched the first phase of the special asset management system, and later it will enable daily management of corporate special assets, customer profiling, asset tracking, and automated account monitoring. We also upgraded our risk measurement models, completing the annual calibration of the internal credit risk assessment model for non-retail businesses. Based on the actual risk performance of different customer groups, we adopted a phased approach to iteratively enhance the internal assessment model for retail businesses, improving its applicability. Additionally, we optimized the market risk and counterparty credit risk management system, ensuring the smooth implementation of risk measurement under the new regulatory framework.

## Cybersecurity and data security management

In 2024

7

Cybersecurity training sessions

30,000+

Participants in total

133

Emergency drills for information security

With a strong sense of responsibility—being accountable, taking charge, and fulfilling our duties—we rigorously implement the cybersecurity responsibility system. By enhancing protective measures and strengthening security monitoring, we continuously reinforce our cybersecurity foundation, ensuring the secure and stable operation of our network and critical information systems. As a result, no cybersecurity incidents occurred throughout the year.

### Cybersecurity and information security governance system

**Defining the primary cybersecurity responsibilities of Party Committees at all levels.** Huaxia Bank has issued the *Measures for the Accountability of Cybersecurity by Party Committees at All Levels*, clearly stipulating that Party Committees at each level bear the primary responsibility for cybersecurity. Heads of the Party Committees are the first to be held responsible when problems occur in their field of responsibility, while designated cybersecurity supervisors assume direct responsibility.

**Fulfilling cybersecurity responsibilities.** The senior management ensures full implementation of national policies and regulatory requirements, while also reviewing and assessing cybersecurity reports. The Information Technology Management Committee oversees cybersecurity and information management functions, coordinating and executing various cybersecurity tasks.

**Enhancing the cybersecurity policy framework.** We have established 24 cybersecurity-related policies, including the Technology Security and Risk Management Strategy and the Administrative Measures for Technology Security, to standardize and guide the Bank's cybersecurity management. To ensure effective accountability, cybersecurity performance has been incorporated into the performance assessments of all branches and departments, reinforcing responsibility at every level.

**Strengthening data security control.** We have fully implemented regulatory requirements and enhanced our data security management system. To improve coverage and accuracy, we have conducted data classification and grading. Focusing on critical and sensitive data, we have carried out security assessments and specialized risk investigations, organized self-inspections and targeted audits, optimized emergency response plans, and conducted drills. These efforts continuously strengthen our data security protection capabilities.

**Strengthening the cybersecurity team.** We have established dedicated departments to enhance the Bank's overall cybersecurity management and strengthen security oversight in information system applications. Each branch has appointed full-time information security officers, while departments at the Head Office, branches, and sub-branches have designated part-time information security officers. Through a variety of cybersecurity training sessions—including in-person lectures, video conferences, and livestreams—we have improved employees' awareness of cybersecurity risk prevention and data security protection.

### Enhancing capabilities of cybersecurity and information security management capabilities

**Optimizing the cybersecurity protection systems.** We have enhanced our enterprise-level integrated defense system, covering three centers across two locations, establishing a multi-layered defense line from the perimeter to the core. By strengthening security protections and traceability capabilities, we ensure the effective safeguarding of the Bank's systems.

**Conducting specialized cybersecurity drills.** To mitigate cybersecurity risks and vulnerabilities, we have conducted comprehensive crowd sourced security testing across the Bank's systems. This initiative identifies weaknesses and drives improvements, reinforcing the foundation for secure system operations.

**Ensuring cybersecurity.** We have ensured robust cybersecurity protection during critical periods, achieving zero cybersecurity incidents.

# Adhering to Compliance

Recognizing the political significance and public-serving nature of financial work, we strictly adhere to lawful and compliant operations. We continuously strengthen awareness of internal controls and risk prevention, enhancing oversight in key areas such as employee misconduct, anti-money laundering, and intellectual property protection. By maintaining rigorous safeguards against major incidents and risks, we secure safe and stable operations and development.

## Improvement of Compliance management system

In 2024

**3,277**

Training sessions on compliance

**125,054**

Participants in training sessions on compliance

We actively enhance the compliance management system, strengthening its foundation to safeguard stable operations and sustainable development.

**Advancing the transformation of system management**  
We fully implement a Group-wide refined management strategy, continuously conducting policy formulation, compliance reviews, and systematic sampling and re-inspections. This ensures the seamless integration of external regulatory requirements with business development in deployment, planning, and execution.

**Enhancing supervision and inspection**  
We continuously refine our supervision and inspection mechanism, implementing a framework of "dynamic monitoring, process control, and timely correction." By identifying key inspection needs, we drive rectification and standardization, with a focus on internal control weaknesses and prominent risk areas. Compliance inspections in critical internal control domains are also conducted to ensure ongoing improvements in the quality and effectiveness of oversight.

**Improving the quality and effectiveness of rectification**  
We have established a comprehensive rectification mechanism that addresses issues at their root and ensures long-term effectiveness. By embedding rectification into regular operations and deepening its impact, we drive sustained improvements. Additionally, we have strengthened technological support for rectification efforts, ensuring that all business activities remain legally compliant and aligned with our core mission.

**Strengthening accountability for credit risk**  
We have developed and revised policies on credit due diligence, the appeals system, and result identification standards to enhance the applicability and operability of the credit due diligence framework. By shifting due diligence to an earlier stage and improving its timeliness, we maximize its role in risk warning and staff education, reinforcing a strong culture of compliance and adherence to regulations.

**Strengthening a culture of rigorous governance and discipline**  
We have established an "accountability matrix" that aligns disciplinary actions with the severity of violations, maintaining strict oversight and a zero-tolerance approach to misconduct. Additionally, we conduct periodic reviews of accountability cases to verify outcomes and make necessary adjustments, reinforcing a culture of strong governance and discipline across the Bank.



Holding the "Compliance First" knowledge competition

## Tight employee management

In 2024

**421**

Lectures and training sessions on anti-financial crimes organized

**33,090**

Participants in total

**241**

Legal training sessions held

**36,121**

Participants in total

We have developed robust processes for managing employee conduct, including proactive investigations into unusual behaviors. Additionally, we conduct regular business ethics training through diverse formats and tailored content to strengthen ethical awareness and compliance.

**Employee behavior management**  
We promptly release updates on operational risk information, conduct self-assessments of employee behavior, and emphasize the analysis and rectification of identified issues. This ensures the effective implementation of professional ethics and behavioral standards across the organization.

**Compliance and legal training**  
Through videos, livestreaming, and in-person sessions, we provide training on anti-money laundering and credit due diligence. We strive to foster a compliance culture where "everyone embraces, proactively upholds, and meaningfully adheres to regulations," while actively fulfilling our social responsibility to promote legal awareness.

**Investigation of abnormal behavior**  
We have intensified efforts to detect and investigate abnormal employee behavior, mapped external information sources for monitoring such activities, and developed a management manual for handling irregular conduct. Additionally, we proactively examine potential illegal financial activities related to credit, settlement, and other financial services.

**Case | Organizing a compliance awareness and risk prevention event**

In June 2024, 62 leaders and employees from the Shenyang Branch visited a prison in Fushun for an on-site warning education session. They toured production workshops, kitchens, and prison cells, watched documentaries featuring real-life cases of corruption, and observed inmate labor rehabilitation up close. This "zero-distance" exposure to life behind bars—surrounded by high walls and electric fences—served as a powerful reminder of legal and ethical boundaries. The experience deepened their awareness of compliance, reinforced their sense of discipline, and strengthened their commitment to upholding the law.

## Prevention and control of case, operational, and legal risks

We have strengthened risk prevention and control measures across various types of cases, enabling us to mitigate operational risks, resolve conflicts more effectively, and enhance our ability to manage legal risks.

### Strengthening operational risk management

- We have implemented new regulations for operational risk and capital management, established a robust governance framework, and developed a three-tier operational risk management system comprising policies, procedures, and implementation guidelines.
- Guided by a risk appetite framework, we have strengthened end-to-end management of operational risks, including identification, assessment, monitoring, early warning, and reporting.
- We have continuously upgraded system functionalities by implementing three key tools: operational risk and control self-assessment, key risk indicator monitoring, and loss data collection. Additionally, we have successfully refined historical loss data management, significantly improving data quality.
- By proactively managing operational risks, we have kept them within acceptable thresholds and successfully achieved our "prudent" risk appetite target.

### Preventing and controlling criminal case risks

- We have revised policies on case risk prevention and employee abnormal behavior management, establishing a comprehensive, end-to-end risk prevention and control system.
- All employees are required to sign the *Case Prevention Target Responsibility Agreement*, reinforcing accountability and ensuring strict adherence to case risk prevention and control responsibilities.
- We have expanded and refined methods for detecting abnormal employee behavior, enhanced monitoring models for identifying unusual account transactions, and conducted targeted risk assessments in key areas to effectively uncover and mitigate potential case risks.
- We have established a reward mechanism for case interception, encouraging employees to proactively identify and report case-related clues. Additionally, we have strengthened case warning education by using real-life cases to reinforce vigilance, caution, and adherence to ethical boundaries, effectively mitigating case risks.

### Improving legal risk management

- We continuously provide proactive guidance on legal risk prevention and control. This includes promptly issuing interpretations of the new Company Law and the Supreme Court's judicial explanations on the Contract Section of the Civil Code, along with risk advisory documents to strengthen legal risk management in business transactions.
- We have strengthened civil litigation management by establishing and refining mechanisms for supervising major litigation cases and ensuring closed-loop rectification of identified issues. To proactively mitigate potential risks, we conducted our first comprehensive risk assessment of civil legal disputes. Additionally, we reviewed risk issues related to standard contracts in key business areas, enhancing the quality and effectiveness of legal risk management for standardized contracts.
- We are steadily optimizing the legal affairs management system by developing mobile approval functionalities to enhance operational efficiency and support the digital transformation of business management.
- We have successfully fulfilled all tasks assigned by the SASAC of Beijing Municipality to strengthen law-based governance, achieving outstanding evaluation results.

In 2024

**3,280**

AML training sessions held

**131,562**

Participants in total

## Anti-money laundering efforts

We have continuously enhanced our internal anti-money laundering (AML) control systems, strengthening the assessment and monitoring of money laundering risks. Additionally, we have optimized AML system functionalities and actively conducted training and awareness programs, significantly improving the overall quality and effectiveness of our AML efforts.

### Improving the AML internal control system

We have revised the *Self-Assessment Management Measures for Institutional Money Laundering and Terrorist Financing Risks*, the *Assessment and Categorized Management Measures for Product Money Laundering and Terrorist Financing Risks*, and other AML internal control policies. These updates enhance Group-wide AML risk management and reinforce the foundation of our AML framework.

### Strengthening money laundering risk assessment

We have continuously refined the money laundering risk assessment models for both customers and products, expanded the assessment indicator system, and optimized system functionalities. These enhancements improve the accuracy of assessment results, standardize processes, and enhance overall operational effectiveness.

### Enhancing monitoring and early warning capabilities

We have designed and developed transaction monitoring models tailored to new business types, evaluated and optimized existing models, and improved the accuracy of risk alerts and identification. Additionally, we have enhanced AML system functionalities, strengthening its support for money laundering risk management.

### Strengthening risk information transmission and risk prevention

We closely monitor internal and external risks, issue timely risk alerts, and disseminate money laundering risk information across the Bank and its affiliated institutions to enhance our overall risk prevention capabilities.

### AML training and awareness campaigns

We conduct targeted AML training for directors, supervisors, senior management, AML officers, and new employees to enhance their compliance capabilities and risk awareness. Additionally, we actively promote AML awareness among the public by leveraging various platforms, including bank branches, community outreach programs, and online channels. Through these efforts, we foster a strong culture of "Money laundering prevention is everyone's responsibility."

### Case | Conducting anti-money laundering awareness campaigns

In 2024, the Shijiazhuang Branch conducted five large-scale anti-money laundering (AML) awareness campaigns. Following the principles of "engaging the public, diversifying approaches, and emphasizing practical impact," the branch organized quarterly initiatives focused on 12 key themes, including "Understanding Anti-Money Laundering to Safeguard Your Finances," "Protecting Personal Information to Prevent Fraud, Combat Gambling, and Fight Money Laundering," and "Vigilance Against Money Laundering Traps to Defend Your Rights." These efforts aimed to educate the public on AML laws and regulations, highlight the risks associated with money laundering and related crimes, and foster a strong societal commitment to combating money laundering and its upstream offenses.



Chengdu Branch launches an anti-money laundering awareness campaign



2024 Huaxia Bank AML Practical Training Camp

**Case | Launching the "Anti-money Laundering Knowledge on Campus" initiative**

The Xiamen Branch developed specialized anti-money laundering (AML) lectures and printed educational materials to raise awareness among teachers and students. Through engaging real-life case studies and interactive Q&A sessions, participants gained a comprehensive understanding of AML laws and regulations, learned to identify money laundering activities, and acquired essential AML techniques. In 2024, the branch organized 38 awareness events, reaching over 23,000 participants.



## IPR protection

In compliance with intellectual property laws and regulations in China, including the *Trademark Law*, *Copyright Law*, and *Patent Law*, we have strengthened intellectual property rights(IPR) management, reinforced rights protection, and mitigated compliance risks.

Administrative policies

- Adhering to the principles of unified management, division of labor and cooperation, and effective protection, we have established an organizational framework where the designated management department collaborates with specialized intellectual property management units, ensuring comprehensive protection of intellectual property rights.
- We have formulated the *Measures for the Use of Others' Intellectual Property Rights* to standardize the use of third-party intellectual property and mitigate the risk of infringement.
- We have implemented policies for software asset management and the assessment of licensed software usage. To ensure compliance, we conduct regular audits and monthly inspections. Additionally, we provide training and examinations, incorporating the results into employees' performance evaluations.

Protection measures

- We prioritize the timely protection of intellectual property generated through business operations and financial technology development, supporting both brand growth and technological advancement.
- We strengthen intellectual property maintenance and monitoring to mitigate the risk of third-party infringement on the Bank's intellectual property rights.
- We provide strong support through dedicated personnel, funding, and professional services. By organizing IP awareness campaigns, training sessions, and assessments, we enhance intellectual property protection awareness and strengthen risk management capabilities.

# Appendixes

## CSR Performance

### Economic

Index	Unit	2022	2023	2024
Total assets	RMB billion	3,900.167	4,254.766	4,376.491
Revenue	RMB billion	93.808	93.207	97.146
Total profit	RMB billion	33.583	35.439	35.879
Net profit	RMB billion	25.490	26.845	28.196
Total deposits	RMB billion	2,063.874	2,129.945	2,151.370
Total loans	RMB billion	2,272.973	2,309.583	2,366.317
Balance of loans to MSEs	RMB billion	565.470	584.973	601.526
Balance of loans in support of strategic emerging industries	RMB billion	104.587	103.623	140.200
Balance of loans in support of manufacturing industry	RMB billion	212.827	234.265	256.067
Balance of agriculture-related loans	RMB billion	271.538	180.765	198.116
CAR	%	13.27	12.23	13.44
Provision coverage ratio	%	159.88	160.06	161.89
ROA	%	0.67	0.66	0.65
ROE	%	9.00	8.71	8.84
NPL ratio	%	1.75	1.67	1.60

### Environmental

Index	Unit	2022	2023	2024
Balance of green loans	RMB billion	247.035	269.273	302.799
Increase of green loans from the beginning of the year	RMB billion	38.558	22.238	33.526
CO <sub>2</sub> equivalent reduced by green loans	10,000 tons	278.59	260.84	258.28
Balance of climate-related financing business	RMB billion	252.145	265.105	294.495
Balance of green investment business	RMB billion	21.111	22.302	26.327
AUM of ESG wealth management products	RMB billion	28.969	29.504	31.138
Number of e-transactions	million	4,052.5904	6,303.2853	10,502.9922

### Social

Index	Unit	2022	2023	2024
Number of outlets	-	987	982	963
Number of rural outlets	-	109	108	104
Number of online corporate banking transactions	10,000	2,661.08	2,947.60	3,051.95
Number of online personal banking transactions	10,000	1,597.29	1,661.75	1,778.09
95577 call-backs	-	580,710	1,104,592	1,311,773
Customer satisfaction rate for 95577 customer service center	%	99.63	99.65	99.68
Employee training sessions	time	6,913	7,829	8,280
Participants of employee training	headcount	640,050	622,620	651,861
Total workforce	headcount	39,938	40,293	38,306
Percentage of female employees	%	51.39	51.57	53.24
Total charitable donations	RMB million	21.3853	70.5793	28.9093

### Governance

Index	Unit	2022	2023	2024
Directors in the Board	headcount	17	16	10
Supervisors	headcount	9	9	9
Shareholders' Meetings held	time	3	1	2
Board meetings held	time	14	8	12
Meetings of the Board of Supervisors held	time	8	4	7
Compliance training	time	3,624	3,329	3,277
Participants of compliance training	headcount	118,533	122,641	125,054
Training on anti-money laundering	time	3,734	3,996	3,280
Participants of training on anti-money laundering	headcount	137,755	127,291	131,562
Training on anti-financial crimes	time	496	429	421
Participants of training anti-financial crimes	headcount	32,573	33,872	33,090
Legal training	time	200	228	241
Participants of legal training	headcount	39,741	42,472	36,121
Emergency drills for information system	time	97	125	133

## UN SDGs

In September 2015, the United Nations Sustainable Development Summit adopted the 2030 Agenda for Sustainable Development. The agenda covers 17 Sustainable Development Goals (SDGs), charting a shared course toward peace and prosperity for both humanity and the Earth across current and future generations. Focusing on the vision of building a modern financial group that is large and strong with stable and excellent performance, the Bank evaluates from two dimensions of materiality and importance, distinguishes 9 core goals and 8 related goals, and devotes resources to core targets to realize sustainable development goals.



In July 2019, we joined the UN Environment Programme Finance Initiative (UNEP FI); and in September, we became one of the first banks globally to sign the Principles for Responsible Banking (PRB), led by UNEP FI. Since then, we have strictly adhered to various requirements and continuously integrated the PRB into our operations, contributing to the UN Sustainable Development Goals (SDGs). In 2024, we issued our inaugural standalone PRB Self-assessment Report.



Since 2020, we have consistently compiled and disclosed our PRB implementation progress, demonstrating to capital markets and the public our ongoing commitment to sustainable, high-quality development as a responsible bank.

We actively participate in PRB-related working meetings organized by UNEP FI and regulators, where we share our practical achievements and experience in implementing the Principles for Responsible Banking with UNEP FI, regulators, and fellow financial institutions.

## GRI Content Index

### Global Reporting Initiative(GRI) GRI Sustainability Reporting Standards (GRI Standards) 2021 Reporting Index

GRI standard	Disclosure item	Page/ Remarks
GRI 1: Foundation 2021		
GRI 2: General disclosures 2021		
2-1	Organizational details	P4
2-2	Entities included in the organization's sustainability reporting	P1
2-3	Reporting period, frequency and contact point	P1
2-4	Restatements of information	-
2-5	External assurance	P128-129
2-6	Activities, value chain and other business relationships	P4
2-7	Employees	P92-97
2-9	Governance structure and composition	P103
2-10	Nomination and selection of the highest governance body	P2-3
2-11	Chair of the highest governance body	P4
2-12	Role of the highest governance body in overseeing the management of impacts	P8
2-13	Delegation of responsibility for managing impacts	P8
2-14	Role of the highest governance body in sustainability reporting	P9
2-15	Conflicts of interest	P11
2-16	Communication of critical concerns	P8
2-17	Collective knowledge of highest governance body	P8
2-19	Remuneration policies	P2-4
2-20	Process for determining remuneration	-
2-22	Statement on sustainable development strategy	P11
2-23	Policy commitments	P92

GRI standard	Disclosure item	Page/ Remarks
2-24	Embedding policy commitments	P8
2-25	Process for correcting negative impacts	P8
2-26	Mechanisms for seeking advice and raising concerns	P9
2-27	Compliance with laws and regulations	P11
2-28	Membership associations	P8
2-29	Approach to stakeholder engagement	P8
2-30	Collective bargaining agreements	P2-4
<b>GRI 3: Material Topics</b>		
3-1	Process to determine material topics	P10
3-2	List of material topics	P10
3-3	Management of material topics	P10
<b>Economic</b>		
<b>GRI 201: Economic Performance</b>		
201-1	Direct economic value generated and distributed	P5
201-2	Financial implications and other risks and opportunities due to climate change	P50-53
201-3	Defined benefit plan obligations and other retirement plans	P92
<b>GRI 203: Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	P22-24
203-2	Significant indirect economic impacts	P22-24
<b>GRI 205: Anti-corruption</b>		
205-2	Communication and training about anti-corruption policies and procedures	P113
<b>GRI 207: Tax 2019</b>		
207-3	Stakeholder engagement and management of concerns related	P11
<b>Environmental</b>		
<b>GRI 302: Energy</b>		
302-1	Energy consumption within the organization	P66

GRI standard	Disclosure item	Page/ Remarks
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### Independent Assurance Report



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#### 独立鉴证报告

安永华明(2025)专字第70013365\_A01号  
华夏银行股份有限公司

#### 华夏银行股份有限公司董事会:

我们接受委托,对华夏银行股份有限公司(以下简称“华夏银行”或“贵行”)编制的《华夏银行股份有限公司2024年社会责任报告》(简称“《社会责任报告》”)中选定的2024年度绩效信息发表有限保证鉴证意见。

#### 一、绩效信息

本报告就以下选定的2024年度绩效信息实施了有限保证鉴证程序:

- 支持制造业贷款余额(亿元)
- 支持战略性新兴产业贷款余额(亿元)
- 跨境人民币收付金额(亿元)
- 涉农贷款余额(亿元)
- 小微企业贷款余额(亿元)
- 绿色贷款余额(亿元)
- 营业机构数量(个)
- 农村营业网点数量(个)
- 公司网银动账交易笔数(万笔)
- 个人网银动账交易笔数(万笔)
- 电子交易笔数(万笔)
- 95577客户回访数量(人次)
- 95577投诉解决率(%)
- 本行从业人数(人)
- 女性员工比例(%)
- 员工参与培训人次(人次)
- 员工培训项目数(期)
- 反洗钱内容培训次数(次)
- 反洗钱内容培训覆盖人次(人次)
- 法律培训次数(次)
- 法律培训覆盖人次(人次)
- 温室气体排放总量(万吨二氧化碳当量)
- 温室气体排放量(范围一)(万吨二氧化碳当量)
- 温室气体排放量(范围二)(万吨二氧化碳当量)
- 温室气体排放量(范围三)(万吨二氧化碳当量)
- 公益捐赠总额(万元)



我们的鉴证工作仅限于《社会责任报告》中选用的2024年度的绩效信息,《社会责任报告》所披露的其他信息、2023年及以前年度信息均不在我们的工作范围内。

#### 二、华夏银行选用的标准

贵行编制《社会责任报告》绩效信息所采用的标准列于本报告“附录:绩效信息编制基础”(简称“编制基础”)中。



独立鉴证报告（续）

安永华明（2025）专字第70013365\_A01号  
华夏银行股份有限公司

三、华夏银行的责任

选用适当的编制基础，并按照编制基础的要求编制《社会责任报告》中的 2024 年度绩效信息是贵行管理层的责任。这种责任包括设计、执行和维护与编制绩效信息相关的内部控制，在编制绩效信息的过程中做出准确的记录和合理的估计，以使该等内容不存在由于舞弊或错误而导致的重大错报。

四、我们的责任

我们的责任是根据我们所执行的程序对《社会责任报告》中的 2024 年度绩效信息发表有限保证鉴证结论。我们按照国际审计与鉴证准则理事会发布的《国际鉴证业务准则第 3000 号（修订）——历史财务信息审计或审阅以外的鉴证业务》（简称“ISAE3000”）的规定执行了鉴证工作。ISAE3000 要求我们计划和实施鉴证工作，以对我们是否注意到为了使《社会责任报告》中的 2024 年度绩效信息依据编制基础进行编制而需要作出重大修改发表结论。鉴证程序的性质、时间和范围的选择基于我们的判断，包括对由于舞弊或错误而导致重大错报风险的评估。我们相信获取的证据充分、适当，为形成有限保证鉴证结论提供了基础。

五、我们的独立性和质量管理

我们遵守国际会计师职业道德准则理事会颁布的国际会计师职业道德守则中对独立性和其他道德的要求。我们的团队具备此次鉴证任务所需的资质和经验。本事务所遵循《国际质量管理准则第 1 号——会计师事务所对执行财务报表审计或审阅、其他鉴证或相关服务业务实施的质量管理》，设计、实施和运行质量管理体系，包括与遵守职业道德要求、专业标准和适用的法律和法规要求相关的书面政策或程序。

六、鉴证工作程序

有限保证鉴证所实施的程序的性质和时间与合理保证鉴证不同，且范围较小。因此，有限保证鉴证业务的保证程度远低于合理保证鉴证。我们没有执行合理保证的其他鉴证中通常实施的程序，因而不发表合理保证鉴证意见。虽然在设计鉴证程序的性质和范围时，我们考虑了管理层相关内部控制的有效性，但我们并非对内部控制进行鉴证。我们的鉴证工作不包括与信息系统中数据汇总或计算相关的控制测试或其他程序。有限保证鉴证程序包括询问负责编制《社会责任报告》的核心人员，实施分析性复核以及其他适当的程序。

在我们的工作范围内，我们仅在华夏银行总行层面开展工作，工作内容包括：

- 1) 与相关人员进行访谈，了解华夏银行的业务及报告流程；
- 2) 与关键人员进行访谈，了解报告期内绩效信息的收集、核对和报告流程；
- 3) 检查计算标准是否已根据“附录：绩效信息编制基础”中所述的方法准确应用；
- 4) 实施分析程序，并询问管理层以获取针对所识别的重大差异的解释；
- 5) 对基础信息实施抽样检查，以检查数据的准确性；
- 6) 我们认为必要的其他程序。



独立鉴证报告（续）

安永华明（2025）专字第70013365\_A01号  
华夏银行股份有限公司

七、结论

根据我们所实施的鉴证工作，我们未发现《社会责任报告》中所选定的 2024 年度绩效信息在所有重大方面存在与编制基础的要求不符合的情况。

八、报告的使用

本鉴证报告仅向贵行董事会出具，而无其他目的。我们不会就本报告的内容向任何其他人士承担任何责任。

安永华明会计师事务所（特殊普通合伙）

安永华明会计师事务所（特殊普通合伙）  
中国 北京  
2025 年 4 月 16 日



## Feedback Form

Thank you for reading our Social Responsibility Report 2024. To provide you/stakeholders with more valuable information and to improve our CSR practices, we sincerely invite you to leave your feedback and suggestions on this report via the following contact methods.

**Tel:** 010-85237056

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**Email:** zhshzr@hxb.com.cn

**Postal code:** 100005

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**What kind of stakeholders do you belong to?**

- The Government    Regulatory authority    Shareholder and investor    Customer    Employee  
 Partner    The Environment    Community    Media    Other ( )

**Do you think the Report completely covers your expectation of Huaxia Bank?**

- Yes    No, what else would you like to know ( )

**What do you think of the readability in terms of the content arrangement and layout design of the Report?**

- Good    Average    Bad

**What other comments and suggestions do you have on our social responsibility work and our report?**

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S U S T A I N A B L E , W O N D E R F U L

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