



晋商银行
Jinshang Bank

晉商銀行股份有限公司*

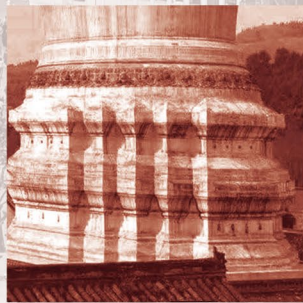
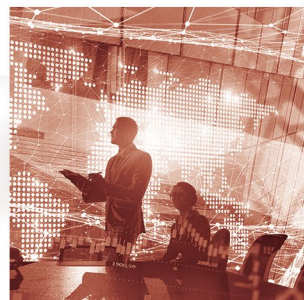
JINSHANG BANK CO., LTD.*

(A joint stock company incorporated in the
People's Republic of China with limited liability)

Stock Code: 2558

2024

Environmental, Social and Governance Report



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*Jinshang Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

Chairwoman's Statement

The year 2024 marks the 75th anniversary of the founding of New China and serves as a pivotal milestone in achieving the objectives outlined in the 14th Five-Year Plan. In this landmark year, Jinshang Bank, a city commercial bank deeply rooted in Shanxi, remained committed to its market positioning of "Serving the local economy, serving micro and small and medium enterprise, serving urban and rural residents". By embedding the concept of sustainable development across all areas of our business, we are committed to empowering Shanxi with financial resources, advancing green development through meaningful actions, and creating a brighter future with a strong sense of responsibility.

Promoting High-Quality Development with Green Finance

Guided by the "dual carbon" strategy, we are steadfast in optimizing the top-level design of green finance. We've strengthened the green finance management framework, formulated tailored industry credit policies, and deepened the management of climate risks and opportunities. We launched four innovative lines of green financial product, including "Green Loan (綠貸通)", "Green Financing (綠融通)", among others. As of the end of 2024, our balance of green loans reached RMB11.208 billion, focusing on projects in energy conservation, environmental protection, and clean energy. To further enhance our green finance capabilities, we have created a green finance project management system, incorporating green project labeling and carbon emissions accounting. Through systematic training initiatives, we are building a team of dedicated green finance professionals and laying a solid foundation for talent development. At the operational level, we have fully promoted paperless office systems, taking practical steps to reduce our carbon footprint and contribute meaningfully to the construction of ecological civilization.

Engraving the Responsibility of Serving the People into the Foundation of Finance

With a clear focus on "matters of national importance", we devote ourselves to serving the real economy and improving social livelihoods. As of the end of 2024, our total loan balance reached RMB201.414 billion, bolstering the high-quality development of the local economy. We attached great importance to the development of technology finance, launching specialized products such as "IP Pledge Financing (知識產權質押融資)" and "Loan for Specialized and

sophisticated business (專精特新貸)", with the balance of technology finance loans was RMB13.466 billion. To promote inclusive finance, we have created an "online + offline" financial service system for micro- and small enterprises (MSEs), with an inclusive MSEs loan balance of RMB11.554 billion. Our innovative MSEs products such as "QR Code MSE Loan (碼上貸)" have collectively supported over 1,800 customers. Proactively aligned with the rural revitalization strategy, we have achieved an agricultural-related loan balance of RMB37.977 billion, launched innovative products such as "Daylily Loan (黃花貸)". Meanwhile, we have invested in the aging society with a loan balance of RMB1.476 billion. With respect to the customer service, we refined our intelligent customer service system continuously, refined aging-friendly services to bridge the "digital divide", and prioritized consumer rights protection by strengthening data security and customer privacy safeguards. These initiatives aimed to provide safe, convenient, and thoughtful financial services for our customers. We adhered to the people-oriented approach, opening up avenues for talent development, strengthening employee care, and endeavor to create a better career development environment for our employees and to promote the construction of an equal, inclusive and diversified workplace.

Building Strong Governance for a Resilient Financial Leader

Under the Party leadership, we have refined our "Three Majors and One Large" (major decisions on important matters, appointments and dismissals of major leaders, decisions on major project investments, and use of large amounts of funds) decision making mechanism by integrating Party leadership with modern corporate governance practices. This ensures an efficient and scientific corporate governance framework that paves the way for the Bank's high-quality growth. We further strengthened our comprehensive risk management system. This includes establishing and refining risk management regulations to effectively prevent and address various types of risks, and strengthening digital risk management capacities to improve risk detection accuracy and achieve early and effective intervention. In parallel, we've reinforced our compliance and internal control framework, conducted compliance inspections, and strengthened the construction of compliance culture. Through stringent employee behavior oversight, anti-corruption efforts, we safeguard the Bank's stability and resilience.

As the concluding year of the 14th Five-Year Plan, 2025 carries immense importance. We will continue to carry forward the enduring spirit of Jinshang Bank, honor our original mission to serve the real economy, and uphold responsibility in promoting green transformation. We will also contribute to shared prosperity, national strategies, and a broader vision for sustainable development. By painting a vibrant future of high-quality growth with tangible actions, we aim to write a new chapter in financial services for the nation.



Party Secretary and Chairwoman of Jinshang Bank Co., Ltd.
Hao Qiang

About Jinshang Bank

Noteworthy achievements include ranking

413th in the Banker's "Top 1000 World Banks 2024" list by tier 1 capital

ranking **82**nd in the "China Top 100 Banks 2024" by core tier-one capital

ranking **31**st in the China Banking Association's "2024 Commercial Bank 'Gyro' Evaluation—Urban Commercial Banks"

Jinshang Bank Co., Ltd. (hereinafter referred to as "Jinshang Bank" or the "Bank"), headquartered in Taiyuan, Shanxi, was renamed from Taiyuan Commercial Bank on December 30, 2008 with the approval of former China Banking Regulatory Commission (CBRC). It was officially established on February 28, 2009 and listed on the Hong Kong Stock Exchange (HKEX) on July 18, 2019.

Under the correct leadership of the Party Committee and the Provincial Government of Shanxi Province, along with the guidance and assistance of regulatory authorities, Jinshang Bank has successively achieved strategic breakthroughs, including introducing strategic investors, listing on the H-share market, and so on, which position the Bank on the path of a modern commercial bank characterized by stable growth, strong performance, and effective risk management. As of the end of 2024, Jinshang Bank's total assets, deposit balance, and loan balance reached RMB376.306 billion, RMB300.863 billion, and RMB201.414 billion, respectively. The capital adequacy ratio stood at 12.84%, the core tier-one capital adequacy ratio at 10.18%, and the provision coverage ratio at 205.46%, with all key regulatory indicators meeting compliance requirements.

Since its inception, Jinshang Bank has adhered to a "customer-centric" service philosophy, achieving full physical outlet coverage across Shanxi Province's 11 prefecture-level cities. The Bank currently operates 153 outlets, a MSE financial service center, and has invested in the establishment of Qingxu Jinshang Village and Township Bank Co., Ltd. Additionally, it initiated Jinshang Consumer Finance Co., Ltd., the first consumer finance company in Shanxi Province. In addition, Jinshang Bank has steadily expanded its electronic channels to include internet banking, mobile banking, and WeChat banking, creating a seamless "integrated online and offline" financial service model.

With outstanding operational performance and high-quality financial services, Jinshang Bank has earned widespread recognition from the Party Committee and Provincial Government of Shanxi Province, as well as various sectors across society. Noteworthy achievements include ranking 413th in the Banker's "Top 1000 World Banks 2024" list by tier 1 capital, ranking 82nd in the "China Top 100 Banks 2024" by core tier-one capital, and ranking 31st in the China Banking Association's "2024 Commercial Bank 'Gyro' Evaluation—Urban Commercial Banks". Other honors include the "Most Promising Financial Institution" issued by the Beijing Financial Assets Exchange, etc.

Looking ahead, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Jinshang Bank will steadfastly promote high-quality development and continue its all-around transformation. The Bank will focus on implementing its Customer-Centric Development Strategy and Compliance-Driven Safety Approach, striving for meaningful improvements in service quality, reasonable business growth, precise risk management, and unwavering adherence to regulatory standards. With a strong commitment to excellence, Jinshang Bank aims to successfully achieve the goals outlined in its 2021–2025 strategic development plan, contributing significantly to the realization of Chinese-style modernization in Shanxi.

Awards and Honors

Most Promising Financial Institution in 2024

Beijing Financial Assets Exchange

Excellent Financial Institution in Comprehensive Business

Shanghai Commercial Paper Exchange

Active Underwriting and Distribution Financial Institution in January 2024

Underwriting and Distribution Star in January 2024

China Foreign Exchange Trade System (National Interbank Funding Center)

Best City Commercial Bank in Trade and Finance

The 14th "Golden Trade Award" for the Most Trustworthy Financial Service Provider for Chinese Economic and Trade Enterprises selection

2024 Ji'an FinTech "Star Award" for Commercial Banks

Ji'an FinTech Corporation

Banks with Potential for the Sales of Wealth Management Products

Financial Surprise Award

2024 Pioneer Award for Achieving Wealth Management Revenue Goals

The 3rd "Lianhe Zhiping Golden Toad Award"

Golden Bull Five-Star Wealth Management Award

Golden Bull Five-Star Product Award

CSI Golden Bull Awards

Top 20 Banks in Comprehensive ESG Performance

Typical Green Finance Practice Case

China Financial Media

The Most Valuable Supply Chain Finance Growth Award

The 8th China Supply Chain Annual Finance Conference

Outstanding Mortgage and Home Loan Product Award

The 3rd Retail Banking Jiefu Award

Excellent Software Testing Project Award

Global Software Testing Technology Summit (Gtest)

Iron Horse Award for Best Small and Medium-sized Bank in Asset Management

Modern Bankers

Excellent Bank in Investment Return

Excellent City Commercial Bank in Asset Management

Excellent City Commercial Bank in Wealth Management

Excellent Private Bank in Regional Service

PYSTANDARD

2024 China Digital Supply Chain Finance Ecosystem "Digital Integration and Financing for Production" Outstanding Financial Institution Award

China Supply Chain Management Strategic Center, Renmin University of China

Best Digital Marketing Award for Mobile Banking

China Financial Certification Authority (CFCA), Digital Finance Joint Promotion Year, China Electronic Banking Network

Retail Bank of the Year

The 15th Financial Golden Tripod Award

The Board's Statement

To effectively embed the concept of sustainable development, the Bank has established a top-down ESG management structure composed of the Board of Directors, senior management, Board office, and head office departments and Branches. This design ensures the accurate assessment and management of environmental and social risks and opportunities and guides the formulation of strategies to drive the Bank's high-quality growth.

The Bank strictly complies with HKEX's relevant requirements and actively promotes the integration of ESG development concepts into its Development Strategy Planning Goals for 2021-2025. In line with the concept of sustainable development, and the market positioning of "serving the local economy, serving micro and small and medium enterprise, serving urban and rural residents", the Bank remains committed to continuously improving its ESG management system.

The Board of Directors and its special committees are responsible for reviewing ESG-related proposals, including those on green finance. In 2024, they reviewed and approved the 2023 Environmental, Social and Governance Report of Jinshang Bank Co., Ltd. (《晉商銀行股份有限公司 2023 年度環境、社會及管治報告》) and the 2023 Environmental Information Disclosure Report of Jinshang Bank Co., Ltd (《晉商銀行股份有限公司 2023 年度環境信息披露報告》), which provided systematic feedback and clear requirements regarding the Bank's ESG measures.

ESG Governance




ESG Management Structure

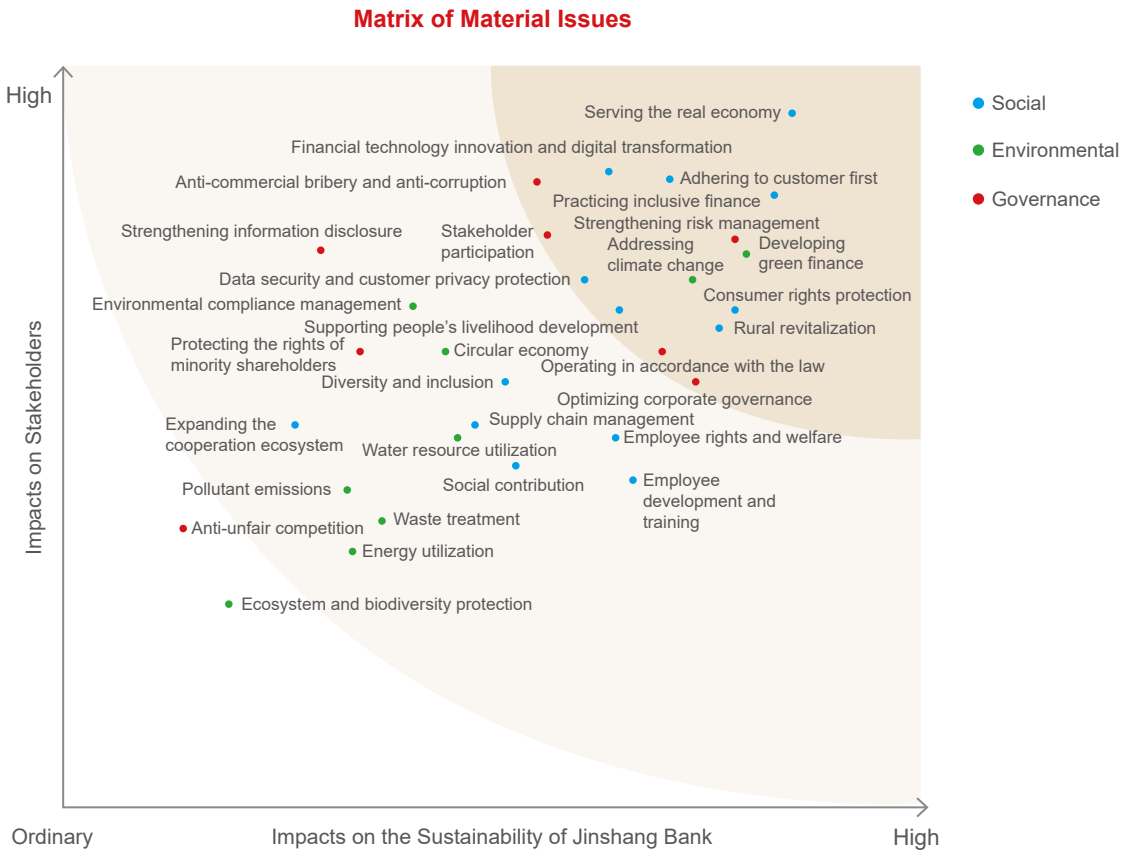
Board of Directors	<p>The Board holds ultimate responsibility for overseeing ESG management.</p> <p>The Board supervises major ESG matters, including reviewing the Bank's ESG management policies, strategies, and related objectives, as well as reviewing progress in achieving these objectives. The Board evaluates and approves significant ESG-related issues, including—but not limited to—the Bank's annual ESG report.</p> <p>A dedicated Development and Strategy Committee under the Board is tasked with setting ESG-related objectives, overseeing their implementation, reviewing key ESG matters, and submitting relevant proposals to the Board.</p>
Senior Management	<p>The Senior Management is responsible for identifying ESG issues relevant to the Bank's operations and its key stakeholders. It promotes the development of the Bank's ESG management framework, ensures alignment with ESG policies across all departments and outlets, and makes timely recommendations on ESG-related matters to the Board of Directors.</p>

Office of the Board of Directors	<p>The Board office coordinates and guides the head office Departments and Branches in executing daily ESG initiatives. It oversees the preparation and publication of the Bank's annual ESG report and provides regular updates on the progress of ESG-related work.</p>
Head Office Departments and Branches	<p>The head office Departments and Branches are tasked with implementing ESG-related policies, collecting and reporting key environmental and social responsibility indicators, and carrying out ESG-focused activities and initiatives.</p>

Assessment of Major ESG Issues

Following HKEX's "materiality" principle, the Bank assessed major ESG issues from two perspectives: the "influences on stakeholders" and the "influences on the sustainable development of Jinshang Bank", conducting the works of identifying, accessing and sorting sustainable development topics following the below process. In 2024, the Bank deepened its focus on green operations and introduced new issues such as "circular economy", "environmental compliance management", and "energy utilization". At the same time, the Bank optimized and consolidated certain issues to enhance management efficiency and improve the quality of its ESG disclosures.

Identification	Assessment	Confirmation and Reporting
<p>Based on national laws and regulations, local policies, regulatory guidelines, and the unique characteristics of the financial industry, the Bank integrates its business positioning and development plan with domestic and internationally recognized standards such as the <i>HKEX ESG Reporting Code</i> and <i>GRI Standards</i>. By conducting extensive internal and external stakeholder surveys, the Bank has initially identified 31 key ESG issues.</p> 	<p>The Bank distributed ESG issue materiality survey questionnaires to stakeholders, and has developed a comprehensive stakeholders survey results based on stakeholders' feedback and insights from sustainability experts.</p> 	<p>The Bank reviewed and validated its annual material ESG issues, ranking them using the results from stakeholder surveys, the Bank has created a materiality assessment matrix and disclosed the identified key issues in its ESG report.</p> 



Core issues

1	Serving the real economy	6	Developing green finance	11	Data security and customer privacy protection
2	Practicing inclusive finance	7	Addressing climate change	12	Anti-commercial bribery and anti-corruption
3	Adhering to customer first	8	Consumer rights protection	13	Stakeholder participation
4	Financial technology innovation and digital transformation	9	Rural revitalization	14	Operating in accordance with the law
5	Strengthening risk management	10	Supporting people's livelihood development	15	Optimizing corporate governance

Key issues

16	Diversity and inclusion	21	Employee development and training	26	Expanding the cooperation ecosystem
17	Employee rights and welfare	22	Supply chain management	27	Pollutant emissions
18	Environmental compliance management	23	Social contribution	28	Waste treatment
19	Circular economy	24	Protecting the rights of minority shareholders	29	Energy utilization
20	Strengthening information disclosure	25	Water resources utilization		

General issues

30	Ecosystem and biodiversity protection	31	Anti-unfair competition
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Communication with Stakeholders

The Bank has actively fulfilled its social responsibilities while safeguarding the fundamental rights of all stakeholders throughout its operations. Based on the unique characteristics of the financial industry and its own operational circumstances, the Bank has identified key stakeholders, including governments, regulatory bodies, shareholders and investors, customers, employees, suppliers and partners, as well as communities. To ensure effective communication with all stakeholders, the Bank has continually expanded its engagement channels, attentively listened to stakeholder concerns, and provided timely and meaningful feedback. This approach allows stakeholders to gain a comprehensive and up-to-date understanding of the Bank's efforts and performance in meeting its ESG responsibilities.

Stakeholders' Expectations and Demands and Jinshang Bank's Responses

Stakeholders	Expectations and demands	Methods of communication	Responses
 Government	Serving Shanxi's development Supporting the real economy Practicing inclusive finance Driving the energy transition Developing a low-carbon economy	Government papers and guidelines Reports on specific subjects Information distribution Work meetings	Strengthening Bank-government cooperation Serving the transformation and development of Shanxi Vigorously supporting key projects Supporting private and MSEs Assisting enterprises in transformation and upgrading Promoting green loan business
 Regulatory Bodies	Corporate Governance Compliant Operations Comprehensive risk management Information disclosure Practicing corporate responsibility	Regulatory policies Work reports Survey and inspection visits Announcements Data reports	Establishing a sound internal control system Improving the risk management system Disclosing information in a timely and high-quality manner Promoting rural revitalization
 Shareholders and Investors	Corporate strategic plans Protecting shareholders' rights and interests Industry competitiveness	Shareholders' general meetings Investor communications Investor service hotline Information disclosure	Improving corporate governance structure Enhancing investor relations management Implementing development strategies and accurate information disclosure
 Customers	Customer Rights Protection Customer Privacy Protection Data Security Fintech Applications Product Innovation	Questionnaire Customer service hotline Online surveys Digital platforms Publicity campaigns	Improving consumer protection mechanism Improving customer service quality Optimizing business processes Launched core systems Innovating financial products
 Employees	Compensation and welfare Protection of rights and interests Training and development Employee support and care	Employee Representative Congress Labor union Suggestion mailbox Feedback	Improving compensation incentives Developing the welfare system Establishing a sound training system Organizing various activities
 Suppliers and Partners	Supply chain management Responsible procurement Management of ESG risks of the supply chain	Sunshine purchase Cooperation agreements	Improving the procurement management system Strengthening communication
 Communities	Charity Climate change	Forums and sessions Visits Energy conservation and emission reduction Donations	Volunteer service Donations to schools Green offices

Leveraging the “Five Major Areas of Finance” to Drive High-Quality Development

Adhering to the guiding principles from the 20th CPC National Congress and the Central Financial Work Conference, Jinshang Bank formulated and implemented the *Action Plan of Jinshang Bank for Advancing the “Five Major Areas of Finance”* (《晉商銀行關於做好「五篇大文章」的行動方案》) (“Five Major Areas of Finance” refer to technology finance, green finance, inclusive finance, pension finance, and digital finance). This initiative focuses on comprehensively enhancing the quality and efficiency of financial services, thus injecting robust financial momentum into the high-quality economic and social development of Shanxi Province, while demonstrating new commitment and making new contributions to the Chinese-style modernization.



Technology Finance

- Positioned technology finance as a key mid-to long-term strategic development goal for the Bank, and formulated the annual development plan.
- Established the High-tech Zone Sci-Tech Sub-branch as a dedicated institution to support technology finance, focusing on fostering the growth of technology enterprises.
- Continuously enhanced the technology finance policy framework and supporting mechanisms, building a comprehensive system that integrates “governments + banks + bonding companies + insurance companies + venture capital investors + technology service intermediaries”.
- Developed innovative financial products such as “Loan for specialized and sophisticated business” and “IP Pledge Financing” to address the unique needs of technology companies.

As of the end of 2024

Jinshang Bank's balance of technology finance loans was RMB 13.466 billion	with RMB 10.565 billion directed towards high-tech enterprises
RMB 2.459 billion allocated to technology-based SMEs	RMB 3.973 billion was extended to specialized and sophisticated business
RMB 2.256 billion to national technology innovation demonstration enterprises	RMB 1.735 billion to single-category champion enterprises in manufacturing

Inclusive Finance

- Established inclusive finance goals and continued to manage inclusive finance credit plans as a separate category. Defined non-performing loan tolerance levels for inclusive MSEs loans in the performance assessments of the MSE relevant business units and branches. Optimized the due diligence exemption mechanism for inclusive finance.
- Introduced the “More Benefit (惠更好)” Inclusive Finance Online Platform to provide customers with more convenient and accessible services.
- Rolled out a range of inclusive financial products, including “QR Code MSE Loan”, “Government Procurement Quick Loan (政採快貸)”, “Entrepreneurship Guarantee Loan (創業擔保貸款)”, “Medical Insurance Loan (醫保兌)”, “Supply Chain Loan (聯鏈融)”, “Core Upstream Credit Loan (核心上游信用貸款)”, “Core Downstream Credit Loan (核心下游信用貸款)”, and “MSE Bill Pledge Loan (小微企業質票貸)”.

As of the end of 2024

the Bank's inclusive MSEs loan balance of RMB 11.554 billion
reflecting a net increase of RMB 1.722 billion since the beginning of the year
with a growth rate of 17.52%

Green Finance

- Established green finance goals and introduced a range of innovative green finance products, including “Industrial Park Loan (園區貸)”, “Farming Loan (耕保貸)”, “Green Innovation Loan (綠色創新投資)”, “Energy Management Contracting Loan (合同能源管理貸款)”, “Emission Rights Mortgage Financing (排污權抵押融資)”, “IP Pledge Financing (知識產權質押融資)”, and “Carbon Emission Rights Pledge Financing (碳排放權質押融資)”, thereby enhancing the green finance product ecosystem.
- Became eligible for the People's Bank of China's Carbon Emission Reduction Support Tool, facilitating support for key areas such as clean energy, energy conservation, environmental protection, and carbon emission reduction technologies.
- Strengthened environmental and social risk management for customers by fully integrating relevant risk control requirements into the three-phase loan review process.

As of the end of 2024

the Bank's green loan balance reached RMB 11.208 billion	Of which, RMB 3.309 billion supported the energy-saving and environmental protection industry
Of which, RMB 1.344 billion supported the clean energy industry	Of which, RMB 1.532 billion supported the clean production industry
Of which, RMB 2.549 billion supported the ecology and environment-related sector	Of which, RMB 2.461 billion supported the sustainable upgrade of infrastructure



Pension Finance

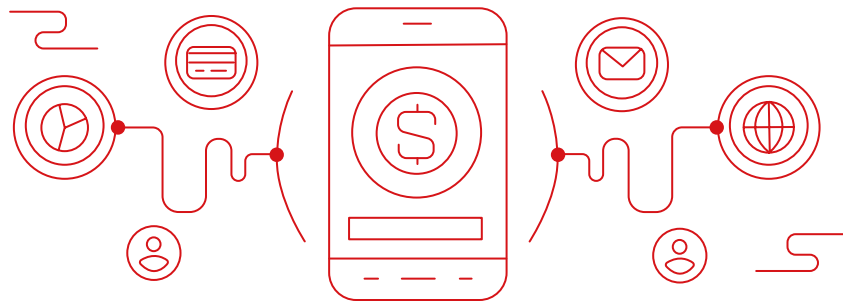
- Developed the “Medical Insurance Loan” to provide credit support for designated medical insurance institutions, effectively alleviating the financial pressures faced by elderly care service providers.
- Organized initiatives such as the “Happiness Classroom (幸福課堂)” to promote financial and health knowledge among middle-aged and elderly customers, enhancing their financial literacy and overall quality of life.
- Participated in the “All-in-One Card” initiative led by the Human Resources and Social Security Department of Shanxi Province, offering services such as social security card issuance, replacement, and promotional activities for elderly customers.
- Launched multiple pension management, insurance and fund products to enrich the supply of pension products, providing more diverse wealth management options for elderly customers.

As of the end of 2024

the Bank maintained a balance of RMB 1.476 billion in support of the elderly care industry	including RMB 501 million for various hospitals and primary healthcare services
including RMB 505 million for medicines and medical equipment industry	including RMB 470 million for the health and wellness industry
the Bank had served 758,500 customers aged 60 and above	managing total customer assets of RMB 73.516 billion

Digital Finance

- Enhanced the functionality of the Integrated Digital MSE Finance Platform, making inclusive financial services more accessible.
- Developed a green finance project management system, incorporating new functions of green business certification and carbon accounting.
- Upgraded mobile banking services, completing the rollout of Mobile Banking 6.0 and launching a WeChat Mini Program.
- Launched online loan products such as “Credit e-Loan (信e貸)” and “House e-Loan (房e貸)”, leveraging technologies like the Internet, mobile communications, biometric identification, and artificial intelligence to provide customers with convenient, fully online loan application and usage experiences.



Supporting Mechanisms for the “Five Major Areas of Finance”

To promote the development of the “Five Major Areas of Finance”, the Bank has developed supporting mechanisms regarding coordination, regular meetings, special assessments, and talent development. An all-encompassing, multi-tiered management system was developed to provide strong support for the implementation of “Five Major Areas of Finance” strategies, ensuring tangible and impactful results across all initiatives.



Coordination mechanism

The Bank has established a top-down management system that links the head office, branches and sub-branches, and integrates front, middle, and back offices. The system enables coordinative efforts across all levels to implement “Five Major Areas of Finance” strategies. The head office leadership makes decisions, while department heads and branch presidents assign dedicated personnel to implement specific tasks.

For key and challenging tasks related to the “Five Major Areas of Finance”, the leading department should report to relevant branch leaders, and select key personnel from applicable business lines to form a cross-departmental agile working group.



Assessment mechanism

Technology Finance: The Bank has explored a longer-term performance assessment system that significantly increases the weighting of technology finance-related indicators, and enhances the tolerance for non-performing loans to technology-based enterprises.

Green Finance: The assessment system comprehensively evaluates green finance products, considering factors such as business scale, account base, growth rate, product innovation, among others.

Inclusive Finance: For the assessment of the MSE relevant business units branches, the Bank has defined clear tolerances for non-performing loans to MSEs, and refined its due diligence exemption mechanism for inclusive finance initiatives.

Pension Finance: The Bank encourages all business departments, branches and sub-branches to take the lead in piloting pension finance initiatives. Priority is given to the development and expansion of pension finance, with a focus on building comparative competitive advantages and establishing unique business characteristics.

Digital Finance: The assessment is conducted on a quarterly basis, focusing on the promotion and application of key outcomes and project progress. Quarterly assessment results are summarized annually.



Regular meeting mechanism

The head office leading group has implemented a regular joint meeting mechanism with all head office departments and branches. Quarterly business promotion meetings are held, with progress reports regularly submitted to the Head Office Party Committee.

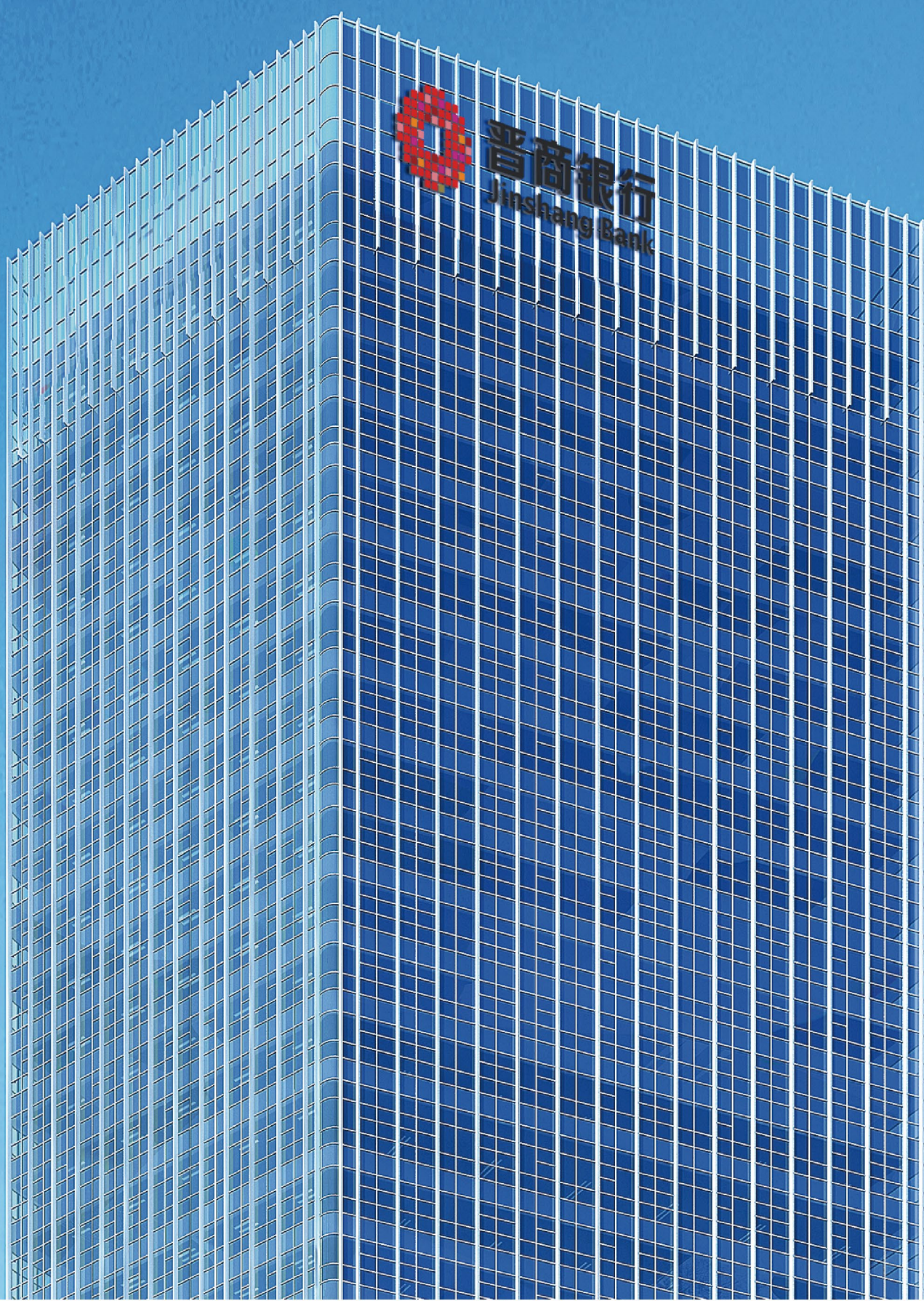
The leading department organizes monthly business promotion meetings with relevant entities to address problems and drive progress, ensuring the effective achievement of “Five Major Areas of Finance” goals.



Talent development mechanism

Enhancing Education and Training: Aligning with its talent development plan, the Bank has tailored scientific training and capacity-building programs to address the specific needs of business development within the “Five Major Areas of Finance”. This includes strengthening professional training to meet the skill-building requirements of key personnel.

Building a Strong Talent Team: The Bank has established a dedicated talent pool for the “Five Major Areas of Finance”. Moreover, it fully leverages the expertise of key talent in areas such as work plan development, policy formulation, and incentive program design. The employee grading system and training programs give priority to key talent, ensuring robust intellectual support and a strong talent pipeline to effectively implement “Five Major Areas of Finance” strategies.



01

Returning to our Fundamental Mission

Serving the Real Economy

Jinshang Bank has always upheld its fundamental purpose of serving the real economy. Anchored in its regional development strategy of “Rooted in Sanjin, serving Shanxi (紮根三晉、服務山西)”, the Bank has consistently concentrated on addressing key priorities and bridging gaps in Shanxi’s economic and social development. By fostering continuous innovation in financial products and services, Jinshang Bank remains committed to contributing to the high-quality economic development of Shanxi Province.



- Serving the Real Economy
- Developing Inclusive Finance
- Improving People's Well-Being
- Serving Rural Revitalization

Serving the Real Economy

Jinshang Bank remains steadfast in its mission to support local economic development. The Bank has aligned closely with Shanxi's resource-based economic transformation strategy, consistently advancing financial innovation and prioritizing support for strategic emerging industries, advanced manufacturing, cultural tourism, and other signature industries.

Development of Technology Finance

Jinshang Bank continued to optimize its technology finance service ecosystem by building a framework that integrates "governments + banks + guarantee companies + insurance companies + venture capital investors + technology service intermediaries". In 2024, the Bank introduced the *Action Plan of Jinshang Bank for Advancing the "Five Major Areas of Finance"* (《晉商銀行關於做好「五篇大文章」的行動方案》), designating technology finance as a medium- and long-term strategic priority. This action plan, combined with the Bank's annual development plans, continuously enhanced its technology finance policy framework and supporting mechanisms, establishing a strong foundation for the growth of the Bank's technology finance business.

Improving mechanism construction

In 2024, the Bank incorporated the growth rate of technology finance into its key strategic priorities. The Bank tracked the growth rate of technology finance across all outlets on a quarterly basis, and provided guidance. Additionally, the growth rate of technology finance of the Bank has been integrated into the performance assessment system for senior management. To further reinforce the assessment on technology finance, the Bank has introduced skill competitions and other forms of programs. These efforts ensure that the concept of technology finance is implemented consistently across the Bank.

Building on the existing assessment framework and taking into account the unique characteristics of technology-based enterprises, the Bank has further optimized its technology finance performance assessment mechanism. This includes the introduction of preferential FTP policies for technology finance loans. Different policy incentives, including interest rate discounts, have been offered for both new and renewed technology finance loans.

Optimizing Products and Services



As of the end of 2024, the Bank had supported

93 enterprises in provincial key industrial chains

The Bank continued to actively innovate its technology finance products and services. It has developed specialized offerings such as the "Loan for specialized and sophisticated business" and "IP Pledge Financing" to precisely address the unique financial needs of technology-driven companies. As of the end of 2024, the Bank's technology finance loans balance reached RMB13.466 billion. This included RMB10.565 billion in support of high-tech enterprises, RMB2.459 billion for technology-based SMEs, RMB3.973 billion for specialized and sophisticated enterprise, RMB2.256 billion for national technology innovation demonstration enterprises, and RMB1.735 billion to single-category champion enterprises in manufacturing.

Furthermore, the Bank has identified key industrial chains as a strategic focus for its technology finance efforts, providing significant support to boost the development of critical manufacturing sectors within the province. As of the end of 2024, the Bank had supported 93 enterprises in provincial key industrial chains.



Xinzhou Branch Supports Magnesium Industry Growth

A Shanxi-based state-owned high-tech enterprise, which is a nationally recognized Specialized and Sophisticated "little giant" enterprise, a provincial key enterprise in emerging industries, and a leader in China's magnesium industry, boasts significant technological, scale, and market advantages. However, its development was recently hindered by a funding shortage, missing critical project investments. In November 2024, upon learning of the company's challenges, Xinzhou Branch acted swiftly to provide customized financial support. With an in-depth analysis of the company's operations and needs, the branch opened a priority approval channel, and designed a tailored financial service plan. This resulted in the successful approval of a RMB500 million credit line, with funds quickly disbursed. So far, RMB300 million has already been allocated, enabling the company to enhance production efficiency, expand its market reach, and sustain stable growth.



Comprehensive Reform Demonstration Zone Sub-branch Drives Innovation in Shanxi Intelligent Innovation City's Technology Industry

In December 2023, the Comprehensive Reform Demonstration Zone Sub-branch signed a strategic cooperation agreement with Shanxi Intelligent Innovation City, marking a significant step toward fostering the growth of technology-driven enterprises in the region. Leveraging the strengths of both parties, the partnership aims to establish an ecosystem for venture capital incubation and seamless integration of the technology industry. Together, they are exploring new pathways to harmonize commercial banking with modern industrial systems, accelerate the convergence of the digital economy with financial technology, and drive mutual empowerment between the financial and industrial sectors. By March 2024, the Comprehensive Reform Demonstration Zone Sub-branch had become an active member of Shanxi Intelligent Innovation City's expert advisory team. The branch conducted on-site visits to a high-tech enterprise and an engineering materials manufacturing company, engaging in in-depth discussions about their strategic directions and financing needs. These efforts underscore the Bank's commitment to offering tailored financing strategies while exploring new approaches to support the advancement of technology enterprises.



Shanxi Intelligent Innovation City expert team seminar



Jinyang sub-Branch Supports High-Quality Development of Enterprises in "Shanxi Innovation Valley (晉創谷)"

In September 2024, Jinyang Sub-branch actively responded to the initiative of the Party Committee and Government of Shanxi Province by providing tailored financial solutions to enterprises operating in the "Shanxi Innovation Valley·Taiyuan". At present, the branch has issued a loan of RMB2 million to a technology enterprise, the first loan disbursed under Jinshang Bank's financial support initiative for the "Shanxi Innovation Valley". The Bank's support will surely promote the high-quality development of enterprises operating in the valley.



Jinyang sub-Branch carries out work on site

Supporting the New Urbanization Progress

The Bank actively responded to the *Notice of the State Council on Issuing the Five-Year Action Plan on Deepening the People-Centered New Urbanization Strategy* (國務院關於印發《深入實施以人爲本的新型城鎮化戰略五年行動計劃》的通知). It systematically advanced the development of people-centered urbanization, contributing to the enhancement of urban functions and the improvement of residents' quality of life, while providing strong momentum for the sustainable development of cities.

Yangquan Branch Facilitates Infrastructure Development

In 2024, the expansion and upgrading project of the Taiyuan-Jiuguan Expressway was launched, marking a significant infrastructure initiative critical to the long-term development of Yangquan City. The project's total investment in Yangquan is expected to reach nearly RMB12.9 billion. In response to the substantial capital requirements in the project's early stages, the Bank proactively engaged with relevant companies, thoroughly identified their financing needs, and successfully extended a credit line of RMB550 million. This initiative not only exemplified the Bank's commitment to supporting local infrastructure development but also provided a robust financial foundation for the smooth progression of the Taiyuan-Jiuguan Expressway expansion and upgrade. By doing so, the Bank has contributed to the advancement of transportation infrastructure in Yangquan City.

Jincheng Branch Supports New Urbanization Development

A state-owned business service enterprise, established in 2019 with a registered capital of RMB5 billion, acts as a key platform for Jincheng City to advance its new urbanization efforts. As part of a flagship initiative to expand urban space and optimize the city's layout, Jincheng Branch actively aligned with the national strategy by providing the company with a dedicated loan of RMB500 million. This loan was primarily allocated for campus relocation and the construction of supporting facilities, playing a crucial role in supporting Jincheng City's high-quality transformation and development by injecting new momentum into regional economic growth.

Supporting the Cultural Industry

The Bank is deeply embedded in the economic and social development of Shanxi, leveraging its position as a leading local financial institution. By capitalizing on the region's unique resource endowments, the Bank has consistently increased its credit supply and innovated service models, comprehensively supporting the development of Shanxi's cultural industry.

Xinzhou Branch Supports the Revitalization of Leisure Scenic Spot

The Xinzhou Yunzhonghe Wonderland RV Camp, located at Mumaqiaoxi in Xinfu District and spanning 53.37 mu, is a scenic tourist destination themed around "Nature and Comfort". The site aims to serve as a comprehensive tourist hub offering accommodation, dining, entertainment, sports, hot springs, and healthcare services. Upon learning about the project's launch, Xinzhou Branch took the initiative to provide early-stage financial services. By proactively engaging with the project construction team, the branch developed a tailored financial solution and extended financial support of up to RMB40 million. This assistance significantly accelerated project progress, contributing to the cultivation of key offerings in Xinzhou's healthcare tourism sector and driving the broader development of its cultural tourism industry.



Xinzhou Yunzhonghe Wonderland RV Camp

Xinzhou Branch Supports Ancient City Renewal Project, Unlocking New Momentum for the Cultural Tourism Industry

Xinzhou Ancient City, first built during the Eastern Han Dynasty, is a renowned historical and cultural landmark along the Sino-Russian Tea Road. Recognized as a national AAAA tourist attraction, it is celebrated as the "Key to Northern Shanxi (晉北鎖鑰)". To efficiently support the renewal of this historic site, Xinzhou Branch assembled a dedicated project service team composed of experienced business professionals. The team conducted an in-depth analysis of the project's financial requirements and addressed challenges encountered during the financing process. By establishing green channels—including streamlined loan application procedures, simplified material submission, expedited approvals, and preferential interest rates—the branch ensured comprehensive financial solutions tailored to the project's needs. Within just one month, the branch successfully granted a credit of RMB200 million, fueling the "new engine" of Xinzhou's cultural and tourism development. This financial support has played a vital role in enhancing the "new appearance" of the thousand-year-old ancient city and unleashing the "new vitality" of the region's economic growth.



Night view of Xinzhou Ancient City

Comprehensive Reform Demonstration Zone sub-Branch Explores New Financial Solutions to Education Development

In April 2024, the Comprehensive Reform Demonstration Zone sub-Branch was invited to participate in the Smart School Haizhixin Channel Product Exchange Conference. At the event, the sub-branch engaged in extensive collaboration with numerous smart campus suppliers and schools from across the province. During the conference, the sub-branch's inclusive finance head provided a detailed introduction to the Bank's "Government Procurement Quick Loan" business, designed to address the capital shortages faced by enterprises. Additionally, account managers conducted one-on-one consultations with customers, offering comprehensive financing solutions tailored to their needs. This was followed by enhanced engagement, which led to 20 loans totaling RMB13.4353 million for 7 new accounts in the education industry. This conference not only enhanced communication between the bank and participating enterprises but also established a platform for the mutual development of the education and financial sectors. It reinforced the Bank's financial support for businesses, expanded the Bank's service offerings, and fostered strong, stable partnerships between the Bank and enterprise customers.



Smart School Haizhixin Channel Product Exchange Conference

Developing Inclusive Finance

In 2024, the Bank issued the *Action Plan of Jinshang Bank for Advancing the "Five Major Areas of Finance"* (《晉商銀行關於做好「五篇大文章」的行動方案》), systematically planning its inclusive finance strategy. In addition, it developed innovative inclusive finance products and services, enhancing risk management while continuously improving the quality and efficiency of inclusive finance offerings. As of the end of 2024, the balance of inclusive MSE loans stood at RMB11.554 billion, reflecting a net increase of RMB1.722 billion, representing a growth rate of 17.52% since the beginning of the year. The number of bank accounts with outstanding inclusive MSE loans reached 5,576, showed an increase of 1,875 accounts since the beginning of the year. In addition, to further reduce financing costs for MSEs, the Bank actively leveraged policy tools, issuing a total of RMB2.801 billion MSE re-loans throughout the year. These efforts significantly enhanced the accessibility, convenience, and sustainability of financial services.

Improving the Top-level Design

Refining Systems and Mechanisms

The Bank places great emphasis on providing financial services for MSEs and has established a robust organizational structure and operational framework. At the strategic level, a dedicated working group has been formed to coordinate financing mechanisms for MSEs. This group is led by the deputy secretary of the Party Committee, the vice chairman, and the president of the head office, who collectively oversee and coordinate financing support efforts for MSEs. Additionally, the Inclusive Finance Department of the head office serves as the full-time department responsible for implementing inclusive finance initiatives. It plays a key role in advancing policies and services to effectively reach and support MSEs.

The Bank continued to enhance its inclusive finance mechanisms by establishing a dedicated exclusive MSE loan plan, implementing evaluation methods tailored for branches and business lines, improving the quality and efficiency of inclusive and MSE loan review and approval processes, and instituting a due diligence exemption mechanism. These efforts collectively improved the Bank's inclusive finance strength.

Establishing a dedicated exclusive MSE loan plan

In 2024, the Bank's inclusive MSE loan plan increased by RMB1.5 billion, targeting an annual growth rate of 15.26%, and the inclusive MSE loan plan had been achieved during the reporting period.

Implementing evaluation methods tailored for branches and business lines

In 2024, the Bank introduced management measures such as the *Inclusive Finance Assessment Measures of Jinshang Bank for 2024* (《晉商銀行 2024 年普惠金融考核辦法》), *Small Business Line Performance Assessment Measures of Jinshang Bank for 2024* (《晉商銀行 2024 年小企業業務條線績效考核辦法》), and *Small Business Line Transformation and Development Comprehensive Evaluation Assessment Measures of Jinshang Bank for 2024* (《晉商銀行 2024 年小企業業務條線轉型發展綜合評價考核辦法》). Additionally, it established "Inclusive Finance and Rural Revitalization" assessment criteria for outlets. Pilot institutions were selected to spearhead inclusive finance transformation demonstrations, supported by a comprehensive assessment system.

Improving the quality and efficiency of inclusive and MSE loan review and approval processes

The Bank optimized business processes to improve service capabilities at the grassroots level, while better managing business and operational risks related to credit assets. In 2024, the Bank introduced the *Notice on Strengthening the Time Limit Management of Inclusive Loan Review and Approval* (《關於加強普惠授信業務審查審批時效管理的通知》) to ensure timely processing, which places stricter requirements on the time limit for the review and approval of inclusive and MSE loans under the head office's authority.

To address the issue of inaccuracies in enterprise classification within current business processes, the Bank took steps to further standardize enterprise classification management, enhancing the precision of credit management.

Instituting a due diligence exemption mechanism

The Bank has developed the *Implementation Rules for Due Diligence Exemption of Inclusive Credit of Jinshang Bank* (《晉商銀行普惠信貸盡職免責工作實施細則》) and other related systems. These guidelines clearly define the responsibilities and exemption conditions for credit personnel serving MSEs as well as vulnerable groups, while also strengthening positive incentives.

Inclusive Finance Development Objectives and Measures

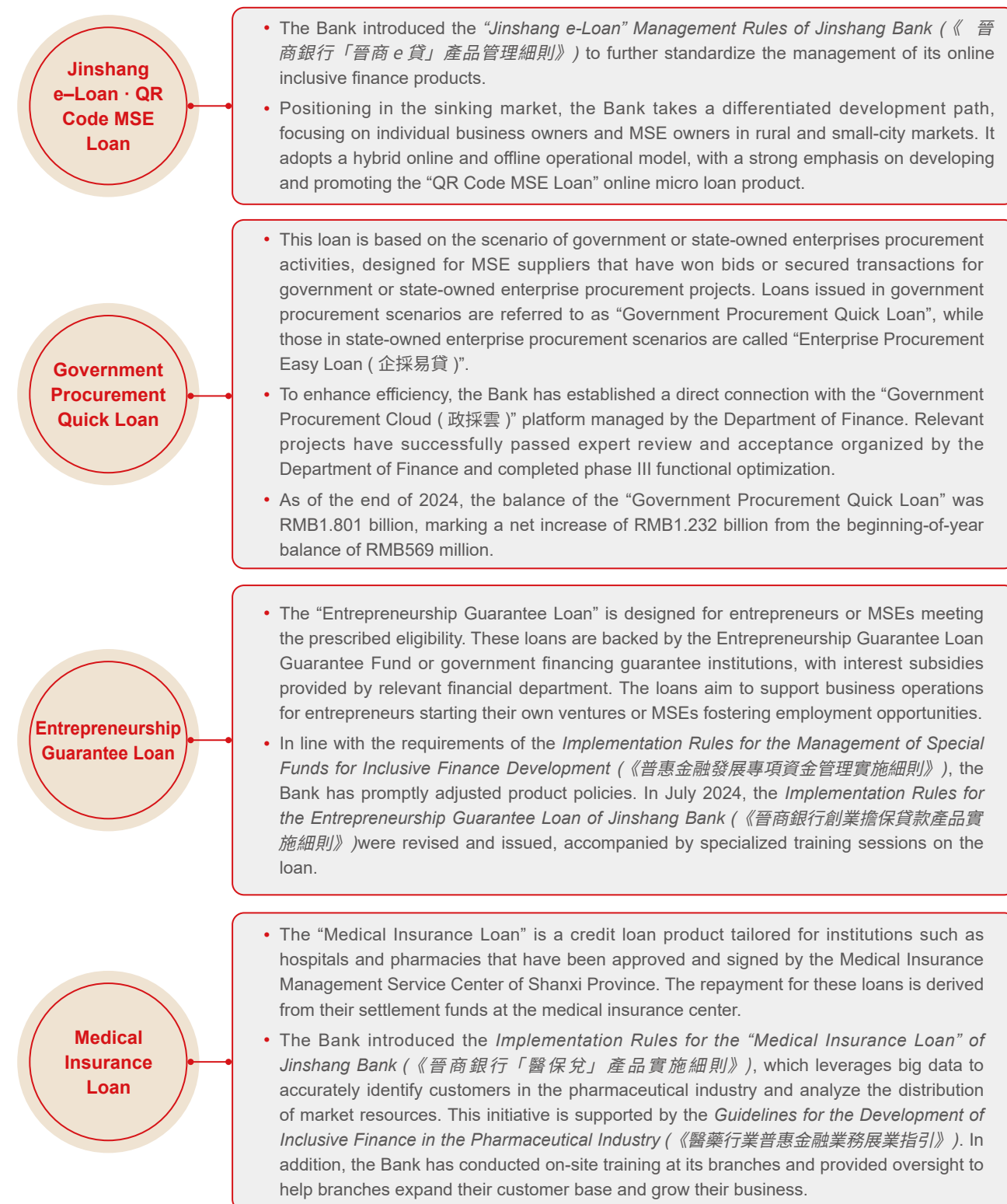
The Bank has developed an inclusive finance development plan, and established specific objectives based on key indicators such as the number of inclusive finance customers and loan balances. To ensure the effective implementation of these strategic targets, the Bank refined its action plan and introduced the *"Jinshang Bank Inclusive Finance" Credit Extension Plan* (《「晉商普惠」授信活動方案》). This plan outlined concrete measures to optimize inclusive finance services and reinforced the Bank's commitment to expanding support for inclusive finance.



Optimizing Products and Services

Innovative Product System

The Bank continued to innovate inclusive finance products and services, launching products such as “QR Code MSE Loan”, “Government Procurement Quick Loan”, “Entrepreneurship Guarantee Loan”, and “Medical Insurance Loan”. In 2024, the Bank innovatively launched the “Jinshang e-Loan (晉商 e 貸)” to continuously enrich its inclusive financial product portfolio.



Comprehensive Reform Demonstration Zone sub-Branch Establishes a Communication Channel with Enterprises

In April 2024, the Comprehensive Reform Demonstration Zone sub-Branch engaged with several sanitation enterprises at a meeting organized by the Urban Appearance and Sanitation Branch of the Shanxi Municipal Public Utilities Association. During the event, representatives from the sanitation association, bank staff, and over 20 leaders of sanitation enterprises engaged in in-depth discussions about collaboration opportunities. The primary goals were to build a robust communication platform to enhance financial support for sanitation companies, expand banking services, and establish a stable bank-enterprise relationship, collectively promoting local economic growth and financial sector development. Staying true to the “customer-centric” philosophy, the Bank designated its Xiaodian sub-Branch as the exclusive sub-branch serving the sanitation association. To cater specifically to the needs of sanitation companies, it introduced the “Sanitation Loan (環衛貸)”—an exclusive financial service plan designed to provide tailored financial solutions. Key aspects of the plan include optimizing approval processes, upgrading service linkage mechanism, reducing financing costs, and deepening bank-enterprise cooperation. These efforts aim to help sanitation companies optimize their capital structure, lower financial expenses, enhance market competitiveness, and ultimately achieve mutual benefits and sustainable development.



Successful conclusion of the meeting with sanitation companies

Jinshang Bank Supports a Forging Company in Expanding Production and Enhancing Efficiency

The forging company was established in 2007, specializing in the manufacturing of forgings, pipe fittings, rings, flanges, as well as the sales of wind power flanges and wind turbine accessories. Its primary customers include major central enterprises such as China Energy Engineering. In 2024, the Bank extended an RMB8 million “Loan for Specialized and Sophisticated Enterprises” to the company, specifically intended for the purchase of round billet raw materials needed to produce wind power flanges. The loan was structured using a “phased withdrawal + order financing” model, ensuring the security of credit funds. This tailored financing solution effectively alleviated the company’s funding pressures, enabling it to scale up production, strengthening its market competitiveness.

As of the end of 2024, the balance of “Supply Chain Loan” stood at

RMB **278** million

The Bank actively innovates financial service models for MSEs in the supply chain, and has launched a series of exclusive financial products such as “Supply Chain Loan”, “Core Upstream Credit Loan”, “Core Downstream Credit Loan”, and “MSE Bill Pledge Loan”. As of the end of 2024, the balance of “Supply Chain Loan” stood at RMB278 million, effectively helping MSEs to finance their development.

Supply Chain Loan	Core Upstream Credit Loan	Core Downstream Credit Loan	MSE Pledge Loan
Focused on core enterprises, this financing solution enables the Bank to manage the flow of capital and logistics for smaller upstream and downstream businesses. By transforming the unmanageable risks of individual enterprises into manageable risks across the entire supply chain, the Bank provides a systematic financing framework that benefits both core enterprises and their supply chain partners, ensuring smooth operational flows throughout the “chain”.	A working capital loan designed for upstream suppliers recommended by core enterprises. The primary repayment source for this loan is the unpaid accounts receivable owed by the core enterprise.	Targeted at downstream suppliers recommended by core enterprises, this loan provides funding to cover advance payments for goods procurement.	The loan is secured by electronic commercial bills held by MSEs as well as individual industrial and commercial households.

Jinshang Bank Provides RMB10 Million Working Capital Loan to a Shanxi Enterprise to Ensure Stable Operations

A Shanxi-based enterprise has built a strong and long-standing partnership with a group company as its core downstream customer. Since 2022, the two companies have signed six raw material procurement contracts, amounting to a total contract value of RMB163.584 million. This year, the partnership was set to deepen further, with plans to sign a new procurement contract worth an estimated RMB20 million. However, due to delays in recovering payments from previous contracts, the Shanxi company encountered cash flow challenges, creating pressure on its liquidity and daily operations.

After conducting comprehensive due diligence and a thorough evaluation of the company's historical cooperation record, market position, future growth potential, and current cash flow constraints, Jinshang Bank decided to extend a working capital loan of RMB10 million. This loan has effectively eased the enterprise's liquidity challenges caused by delayed receivables, stabilized its cash flow, and ensured the smooth continuation of its daily operations.

Improving Service Quality and Efficiency

Jinshang Bank places a strong emphasis on the development of inclusive finance. To better serve MSEs and individual industrial and commercial households, all outlets are staffed with dedicated inclusive finance account managers who deliver tailored financial services. The Bank has also established the "Jinshang Inclusive Finance" platform, offering integrated "online + offline" service channels. To address the diverse and growing financial needs of inclusive finance customers, the Bank has expanded its service scope, introduced innovative service models, and continuously delivered more convenient, affordable, effective, and customer-centric financial solutions.

Digitalization of Inclusive Finance

Jinshang Bank has made significant strides in advancing the digitalization of inclusive finance. Through the integration of internal and external data resources and the optimization of online business processes, the Bank has achieved rapid loan approval and disbursement, greatly enhancing both the convenience and reach of its financial services. In parallel, the Bank has strengthened the application of digital technologies, expanding access to mobile financial services. These efforts have not only made inclusive financial services more accessible but have also effectively addressed the financing needs of MSEs and farmers.

Jinshang Bank Leverages Advanced Technology to Drive Inclusive Finance

In 2024, the cumulative number of customers acquired online reached

12,918

The Bank has introduced the "Jinshang e-Loan· QR Code MSE Loan" service, harnessing cutting-edge technologies such as the Internet, mobile communications, biometrics, and artificial intelligence. By utilizing diverse data sources—including internal data, industrial and commercial records, and credit data from the People's Bank of China—the Bank has developed an anti-fraud model, a credit quota model, and a post-loan monitoring and warning model. The service integrates a seamless "online + offline" operational process, enabling online application, data access, model-driven approvals, contract signing, loan disbursement, and intelligent post-loan management. In 2024 alone, the platform successfully acquired 12,918 customers online, granting a total credit amount of RMB224 million.

Improving People's Well-Being

Jinshang Bank has consistently upheld its commitment to "Finance for the People", placing the protection of the fundamental interests of the broader population at the core of its financial mission. The Bank remains dedicated to advancing financial services that improve people's livelihoods, continuously enhancing service quality and efficiency, and effectively fostering a sense of gain, happiness, and satisfaction among its customers.

Promoting Pension Finance

In 2024, Jinshang Bank introduced the *Action Plan of Jinshang Bank for Advancing the "Five Major Areas of Finance"* (《晉商銀行關於做好「五篇大文章」的行動方案》), aiming to establish a comprehensive pension service model featuring robust functions and diversified services. The Bank continued to expand its portfolio of pension finance products, gradually building a large-scale pension financial business framework for its operations.

Upgrading Public Services for the Elderly

Jinshang Bank actively participated in the "All-in-One Card" initiative led by the Shanxi Province Human Resources and Social Security Department. Through this initiative, the Bank provided services such as social security card issuance, replacement, and promotional activities tailored for elderly customers, continuously improving service levels to better meet their needs. Currently, the Bank offered social security card services for elderly customers across multiple regions, including Taiyuan, Lvliang, Changzhi, Xinzhou, Yangquan, and Jincheng. In partnership with the Taiyuan Human Resources and Social Security Bureau, Jinshang Bank launched the "Finance + Social Security" one-stop service, a data-based online solution that greatly saves users' time. This initiative has significantly elevated the Bank's social security card service capabilities. In 2024, the Bank successfully issued 29,531 pension payments through the "Finance + Social Security" model, with a total payment amount of RMB95.5494 million.

Promoting the Development of the Elderly Care Industry

Jinshang Bank is actively involved in supporting the elderly care industry. As of the end of 2024, the Bank's total financial support for the elderly care industry reached RMB1.476 billion. This includes RMB501 million allocated to various hospitals and primary healthcare services, RMB505 million directed toward medicines and medical equipment industry, and RMB470 million invested in the health and wellness industry.

Supporting the integrated development of healthcare and related industries

To promote pilot a healthcare initiative that integrates agriculture, forestry, and cultural tourism across the three major tourism areas of the Yellow River, the Great Wall, and the Taihang Mountains, the Bank undertook targeted marketing efforts, fostering synergy and complementary development with the urban elderly care industry.



Supporting competitive elderly care bases

The Bank provided financial support to retirement destinations such as rural tourist spots, ecological tourism sites, and traditional Chinese medicine-focused destinations that cater specifically to elderly tourism and promote livable health and wellness preservation. This support contributes to a multi-level and diversified elderly care ecosystem within the province.



Cultivating leading enterprises and industrial clusters

Fostered a group of leading enterprises characterized by unique features, standardized management, high-quality services, and strong operational performance. Supported the development of branded, large-scale, and influential new elderly care service groups. Established several industrial clusters boasting long industrial chains, extensive coverage, and substantial economic and social benefits.



Supporting Pension Management

The Bank continued to develop and introduce pension finance products such as payment, treasury bonds, savings, wealth management, trust, insurance and mutual funds that are suitable for the needs of the elderly, and at the same time studied and improved relevant supporting policy support. As of the end of 2024, the Bank had issued 9 related wealth management products with a total fundraising scale of RMB3.604 billion that covered 23,903 customers.

Consumer Finance Services

In response to the government's consumption upgrade measures, the Bank has continued to exert its strength in the field of consumer credit. In line with the government's consumption policies, the Bank continuously optimized products and services, developing two major categories of product portfolios, mainly certificated mortgages and credit endorsements, which basically meet customers' financial needs in terms of food, clothing, housing and transportation. As of the end of 2024, the outstanding balance of consumer loans reached RMB4.444 billion.

Jinshang Bank's Innovative "Credit e-Loan"



"Credit e-Loan"

The Bank has actively embraced innovation in consumer finance, adapting its credit strategies, optimizing services, and exploring new business opportunities to better meet customer needs. As part of these efforts, the Bank has introduced online distribution of interest rate coupons, providing customers with a diverse range of efficient and accessible financial services. As of the end of 2024, the Bank's "Credit e-Loan" consumer loans had achieved a total scale of RMB1.428 billion.

The Bank actively expanded its credit card business, striving to unlock the consumption potential of its customers. By collaborating with a wide range of merchants, the Bank promoted consumer spending through innovative campaigns such as the "Interest-Free Installments + Cardholder Discounts" credit card promotion initiative. Cardholders who opt for installment payments at designated offline merchants can enjoy 0% interest installment shopping along with payment discounts, offering tangible financial benefits and subsidies to consumers. Additionally, the Bank continued to roll out various promotional activities, including threshold discounts at offline shopping malls, fuel discounts, car charging discounts, gas discount coupons for meeting consumption targets, and VIP lounge privileges at airports. By integrating credit card services with local lifestyle offerings, the Bank aims to create a vibrant local consumption ecosystem that leverages its advantages in local services, supporting the recovery of the local economy.

Housing Finance Services

The Bank has actively implemented the relevant measures to promote the stable and healthy development of the real estate market. On the one hand, it has supported residents' housing purchase needs within Shanxi by increasing investments in housing consumer finance and providing robust financial guarantees for homebuyers. As of the end of 2024, the Bank's personal housing mortgage loan balance was RMB24.55 billion. Additionally, in alignment with national policies, it reduced interest rates on nearly 50,000 existing mortgage loans, significantly lowering capital costs for mortgage customers. On the other hand, the Bank has strengthened its support for overdue presold real estate projects by providing comprehensive credit lines for several projects, while offering housing credit services to buyers of such homes. Through these initiatives, the Bank continued to play a vital role in supporting local finance.

Moreover, the Bank has fully implemented a digital mortgage platform enhanced by the integration of a big data model. This has enabled automation across the processes of application, approval, and loan issuance, reducing the processing time from the original 5 days to 2 days. These advancements provide customers with more convenient, efficient, and reliable financial services.

The Bank has significantly enhanced service efficiency by streamlining processes, simplifying procedures, reducing customer waiting times, and leveraging digital models to expand online service channels, reaching a broader range of urban and rural customers. By utilizing big data risk control and intelligent approval systems, the Bank has successfully lowered personal credit financing costs while ensuring the security of its assets. These efforts have contributed to higher customer satisfaction and advanced the Bank's vision of establishing itself as a premier regional boutique bank.

Customer Friendly Financial Services

In 2024, the Bank completed the approval of the prototype for the third-generation social security card integrated with the foreigner work permit card, establishing the necessary conditions for its production. This integration combines the physical and electronic social security card functionalities, offering greater convenience for foreigners working in China. Additionally, the Bank completed the upgrade of its intelligent dual-recording system. Key enhancements include the introduction of features such as certificate type (e.g., permanent residence permits) verification, alongside comprehensive optimizations in investment and wealth management processes tailored for foreigners. These efforts enhanced compliance and convenience of foreign-related financial services.

Longcheng sub-Branch Launches the "Easy Pay in Shanxi (晋善晋美 晋享支付)" Campaign to Enhance Payment Services

In response to the *Opinions of General Office of the State Council on Further Optimizing Payment Services to Facilitate Payments* (《關於進一步完善支付服務 提升支付便利性的意見》), and to embody the concept of "Payment Service for the People", Longcheng sub-Branch organized a promotional campaign called "Easy Pay in Shanxi (晋善晋美 晋享支付)" in June 2024 in Taihang Community. As part of the initiative, the branch introduced convenient payment measures to the public through banners, consultation booths, publicity stations, and by distributing brochures and coin purses. The campaign placed special emphasis on addressing the needs of elderly customers, with staff providing in-depth explanations of payment-related policies, raising awareness about bank account risk prevention and control, and guiding seniors on accessing cash payment channels to better meet their diverse cash needs. During the event, staff distributed over 20 coin purses to elderly residents and merchants. This activity significantly improved awareness and recognition of convenient payment services among the elderly population and contributed to building a safer, more efficient, and harmonious payment environment.



Longcheng Sub-branch staff assist elderly residents in understanding cash payment channels.

"We old folks don't use WeChat or Alipay, and we're not familiar with mobile payments. It's also inconvenient for us to get change in coins. Now, with this 'coin purse', our daily payment issues are solved. Jinshang Bank did a good thing!"

— A local elderly resident

Serving Rural Revitalization

Jinshang Bank actively supports the national rural revitalization strategy by continuously enhancing targeted poverty alleviation efforts, innovating financial products and service models, and promoting the quality of rural financial services and meeting the diverse and multi-level financial needs of rural revitalization, thereby solidifying the achievements of poverty alleviation. As of the end of 2024, the Bank operated 25 outlets dedicated to supporting "agriculture, rural areas, and farmers".

Improving the Top-level Design of Rural Revitalization

In response to China's rural revitalization strategy, the Bank has strengthened organizational leadership and established a dedicated leadership group for rural revitalization financial services. To guide its efforts, the Bank developed the *Implementation Plan of Jinshang Bank to Serve Rural Revitalization* (《晉商銀行服務鄉村振興實施方案》), integrating financial services for rural revitalization into its key priorities with regular progress tracking. In 2024, the Bank issued the *Notice on Key Priorities for Serving Rural Revitalization in 2024* (《關於做好2024年服務鄉村振興重點工作的通知》), outlining clear service pathways and encouraging all outlets to initiate marketing activities focusing on priority areas, ensuring that financial services were effectively delivered to support rural revitalization efforts.

Supporting the Development of the Agricultural Industry

The Bank actively supports the growth of regional specialty industries by driving innovation in financial products and services. By aligning policy objectives with market demand, the Bank has integrated deeply into local economies, promoting the transformation, upgrading, and expansion of specialized agricultural projects, specialized towns, and leading enterprises. Customized credit solutions have been provided to ensure financial services are accurate, targeted, and efficient. In 2024, the Bank's agricultural-related loan balance reached RMB37.977 billion, accounting for 18.86% of the Bank's total loan balance.



Supporting Agricultural Industrialization in Shanxi Province

The Bank actively promotes the agricultural industrialization of Shanxi Province. In response to the *Notice on the Announcement of the List of Provincial Key Leading Enterprises in Agricultural Industrialization in Shanxi Province* (《關於公佈山西省農業產業化省級重點龍頭企業名單的通知》), the Bank issued the *Notice on the Marketing for Provincial Key Leading Enterprises in Agricultural Industrialization Operations* (《關於開展農業產業化經營省級重點龍頭企業營銷工作的通知》). This initiative encourages all outlets to support key provincial enterprises as they integrate into Shanxi's characteristic and advantageous industries, helping these leading enterprises grow stronger, larger, and more competitive. As of the end of 2024, the Bank had provided support to 73 new agricultural enterprises, with a loan balance reaching RMB878 million.



Empowering the Development of Specialized Towns

To further advance the development of Shanxi's specialty industries, the Bank conducted in-depth research and analysis on the foundational status of Shanxi's specialized towns. Subsequently, it issued the *Notice on the Marketing for Specialized Towns in Shanxi* (《關於開展山西省專業鎮營銷工作的通知》) to promote the high-quality development of these towns. As of the end of 2024, the Bank's loan balance for specialized towns amounted to RMB1.211 billion.



Jinshang Bank Supports "Agriculture + Tourism" Model in Rural Revitalization

The Deputy Party Secretary of Jinshang Bank, along with the Party Secretary and President of the Longcheng Sub-branch, conducted an in-depth "Exploring Rural Communities and Local Enterprises (深入鄉村、走進企業)" field survey at an Agricultural Development Co., Ltd., a leading agricultural high-tech enterprise. Based on the enterprise's specific needs, the Bank tailored a financial service plan to provide effective support. With financial backing from Jinshang Bank, the enterprise successfully extended its industrial chain and enhanced the added value of its agricultural products. By organically integrating agricultural cultivation with park operations, the enterprise diversified its offerings to include leisure and sightseeing activities, exhibitions, and tours. This innovative approach actively fosters the development of a new "Agriculture + Tourism (農業 + 旅遊)" rural revitalization model.



Jinshang Bank visits an agricultural high-tech company



"Daylily Loans" of Datong Branch Boosts the Daylily Industry in Yunzhou District

In 2024, Datong Branch intensified its financial support for rural revitalization by actively collaborating with the Yunzhou District Rural Revitalization Bureau to address the funding needs of local agricultural enterprises. The branch introduced the "Daylily Loan (黃花貸)" for a group of farmers engaging in the daylily industry. During the reporting period, the branch issued a total of 8 Daylily Loans to 6 farmers, amounting to RMB10.35 million. This initiative effectively resolved farmers' financial challenges and provided a significant boost to the thriving development of the daylily industry in Yunzhou District.



Strengthening Bank-Guarantee Cooperation to Advance the Rural Revitalization Strategy

To address the diverse financing needs of farmers and agricultural enterprises, the Bank partnered with Shanxi Agricultural Credit Financing Guarantee Co., Ltd. to launch an agricultural guarantee loan program. As part of this initiative, the Bank issued the *Notice on Further Promoting the "Agricultural Guarantee Easy Loan"* (《關於進一步推動「農擔易貸」業務的通知》), renewed its business cooperation agreement with the guarantee firm, and reinforced collaboration with the firm at branch level. Additionally, in-depth discussions were held to explore opportunities for broader, long-term cooperation. As of the end of 2024, the Bank's Longcheng Sub-branch achieved significant progress, leading the initiative with an "Agricultural Guarantee Easy Loan" balance totaling RMB14.2205 million.

Strengthening Services for Agricultural Entities

The Bank's Rural Revitalization Card, designed for rural farmers, cooperatives, and other agricultural entities, aims to meet the practical needs of rural residents. These cards enrich the agricultural rights and benefits service system, offer a comprehensive suite of payment services, and effectively expand access to financial services for rural communities. In 2024, the Bank issued 987 Rural Revitalization Cards, bringing the total number of cards issued to 1,611.

Deepening Targeted Assistance

Since 2015, leveraging its strong local banking foundation, the Bank has undertaken assistance initiatives in several villages across Shanxi Province. Since 2021, it has launched a new round of support efforts in 5 villages in Yunzhou District, Datong City. According to local industrial bases, market demands, and the Bank's own resources, the Bank has intensified efforts in consumption-driven poverty alleviation, financial poverty relief, the integration of poverty alleviation with motivation and education. It helped identify and train local talent, establishing local talent teams that permanently contribute to the self-sufficient management and sustainable prosperity of villages.



Joint Efforts Support Education in Yunzhou District

In April 2024, the Youth League Committee of Jinshang Bank, in collaboration with the Bank's work team stationed in Yunzhou District, Datong City, organized a joint activity involving Youth League cadres and representatives of young employees. As part of the initiative, they visited Jule Central School, the only rural comprehensive school in Jule Township, Yunzhou District. The Bank donated cultural and sports supplies, along with student sports shoes, to support both teaching and extracurricular activities, enriching the school's cultural and athletic activities. This initiative represents a meaningful exploration of collaboration between the Youth League and local work teams. Beyond material support, it planted seeds of love and hope in the hearts of the children, encouraging them to courageously pursue a brighter future.



The Bank donates stationery and sports supplies to students at Jule Central School and poses for a group photo



Jincheng Branch Allocates Precision Poverty Alleviation Loans to Support Rural Revitalization in Dayang Town

In 2024, Jincheng Branch actively implemented the rural revitalization strategy spearheaded by the municipal Party committee and government. The branch proactively engaged with the Poverty Alleviation Office of Zezhou County, obtaining comprehensive lists of impoverished and at-risk households in Dayang Town. Collaborating closely with village committees, the first secretaries stationed in the villages, and local work teams, the branch conducted in-depth needs assessments, delivered policy education, and established detailed household records. As a result, During the reporting period, Jincheng Branch issued 4 new poverty alleviation micro-loans, totaling RMB200,000. These loans directly benefited the targeted households in Dayang Town, improving the income of poverty-stricken households as part of its efforts to support rural revitalization.



02

Promoting Green Development

A Vision for Ecological Harmony

The Bank actively aligns itself with the national “dual carbon” strategy, prioritizing the implementation of green development principles as a core focus. By establishing and enhancing a comprehensive green finance system, the Bank fosters innovation in green finance products and services, promotes low-carbon business operations, and vigorously drives the growth of green finance. Through these efforts, it contributes its financial strength to advancing a harmonious coexistence between humanity and nature.



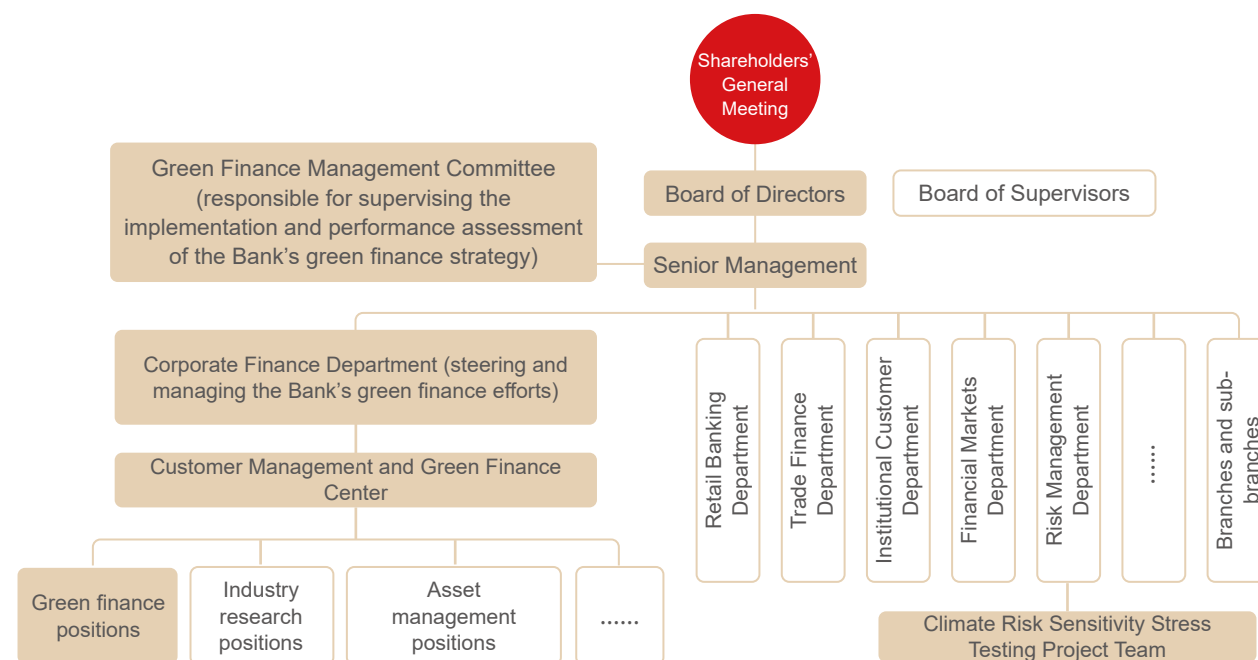
- Impact of Investment and Financing Environment
- Deepening Green Finance Practices
- Implementation of Green Operations

Impact of Investment and Financing Environment

In 2024, the Bank issued the *Action Plan of Jinshang Bank for Advancing the "Five Major Areas of Finance"* (《晉商銀行關於做好「五篇大文章」的行動方案》), laying out a comprehensive strategy for green finance development. The plan outlines key measures in areas such as green credit, transition finance, green bonds, and green supply chains, while establishing phased goals and specific tasks. Simultaneously, the Bank developed the *Green Credit Management Measures* (《綠色信貸業務管理辦法》) to provide institutional support for the standardization of green financial operations. These efforts aim to accelerate the development of a professional and distinctive green financial system.

Green Finance Management System

The Bank has established a three-tier green governance structure system comprised of "the Board of Directors, Senior Management, and Executive Management" to oversee and guide its green finance practices. At the strategic level, the Senior Management has formed a Green Finance Management Committee to steer the Bank's green finance efforts. The Corporate Finance Department at the head office serves as the lead department, responsible for coordinating the Bank's green finance activities. Additionally, the Corporate Finance Department and the Risk Management Department at the head office have established the Customer Management and Green Finance Center and the Climate Risk Sensitivity Stress Testing Project Team, respectively. The Customer Management and Green Finance Center focuses on developing green finance products for corporate customers, as well as maintaining and operating green finance systems. Meanwhile, the Climate Risk Sensitivity Stress Testing Project Team conducts quantitative research and provides system support to enhance the Bank's environmental risk management capabilities.



Green Governance Structure System of Jinshang Bank "Board of Directors - Senior Management - Executive Management"

The Bank continued to enhance its green finance assessment mechanisms within the existing framework by increasing green credit assessment scores and incorporating green credit growth as a key performance indicator. To ensure the green finance development philosophy is integrated throughout the Bank, green finance-related metrics have been embedded in the performance assessment system for senior management. Additionally, the Bank promoted green finance initiatives through labor competitions, encouraging all business units to actively engage in green finance activities.

Analysis of Climate-related Risks and Opportunities

Climate-related Risks

The Bank has established a climate risk management system to identify climate-related risks and opportunities. Based on the Bank's specific circumstances, the timeframes for these risks and opportunities are categorized as short-term (1–3 years), medium-term (3–9 years), and long-term (over 10 years).

Transition risks

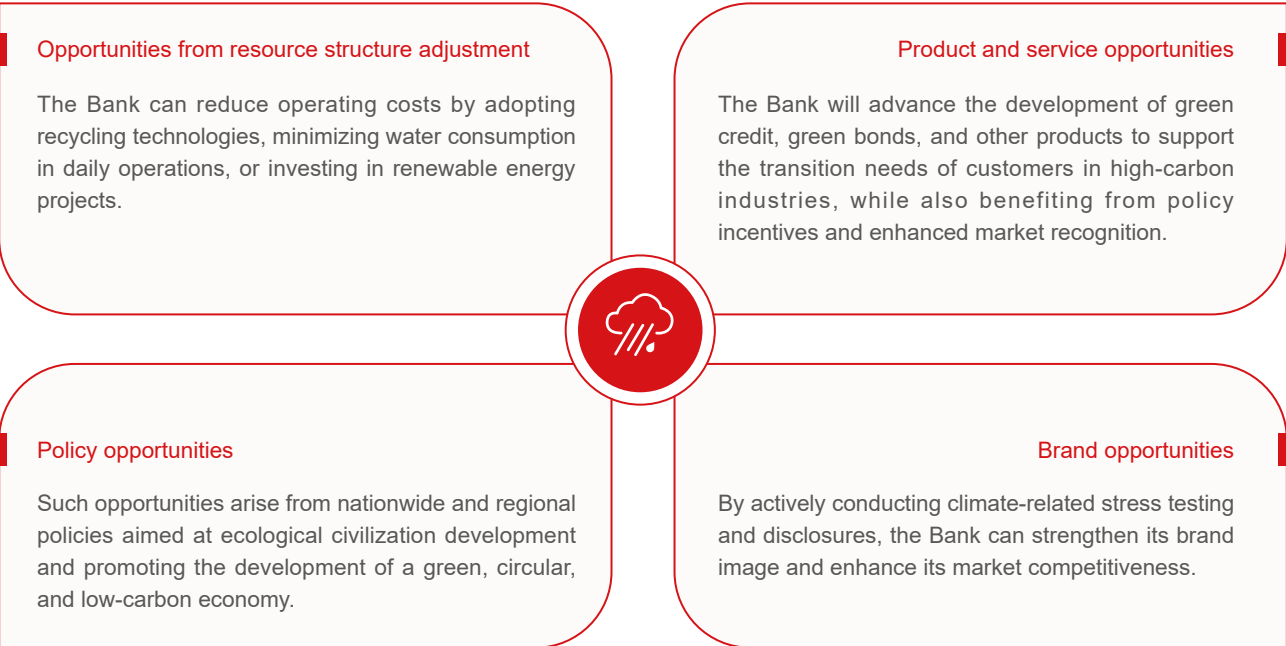
Credit risk	Overdue loans issued to the coal and coking industries have increased compared to 2023. With the implementation of stricter policies and growing market demand for low-carbon transitions, companies in these industries are likely to encounter operational challenges, raising the probability of debt defaults. In the long term, the systemic impacts of climate change on specific industries may lead to a sustained rise in credit default rates. Extreme weather events, such as floods and droughts, could directly reduce the value of collateral (e.g., real estate) or disrupt economic activities in certain regions, thereby affecting associated credit assets.
Policy risk	If domestic and international regulatory agencies continue to introduce environmental financial policies and standards, financial institutions that fail to adapt promptly and realign their business strategies may face heightened policy and regulatory risks.
Market risk	Changes in customer preferences, market prices (e.g., water, electricity, and carbon prices), and asset valuations could lead to increased operating costs for the Bank. High-carbon industry customers may experience operational or financing challenges due to industry restructuring. Meanwhile, growing attention from investors and society on carbon footprints could drive up financing costs for high-carbon industries, potentially impacting the quality of the Bank's credit assets.
Technical risk	The Bank's inability to keep pace with advancements in financial technology could lead to increased operating costs. Additionally, the Bank may face bad debt losses if its investees fail to transition to low-carbon technologies in a timely manner and are subsequently rendered non-viable.
Reputational risk	Investing in entities with environmental impact may expose the Bank to reputational risks.

Physical risks

Acute risk	In regions severely impacted by heavy rainfall, this risk could have a significant impact on the Bank, potentially increasing operating costs.
Chronic risk	Such risk arising during the investment process could negatively affect the Bank's income and may result in bad debt losses.

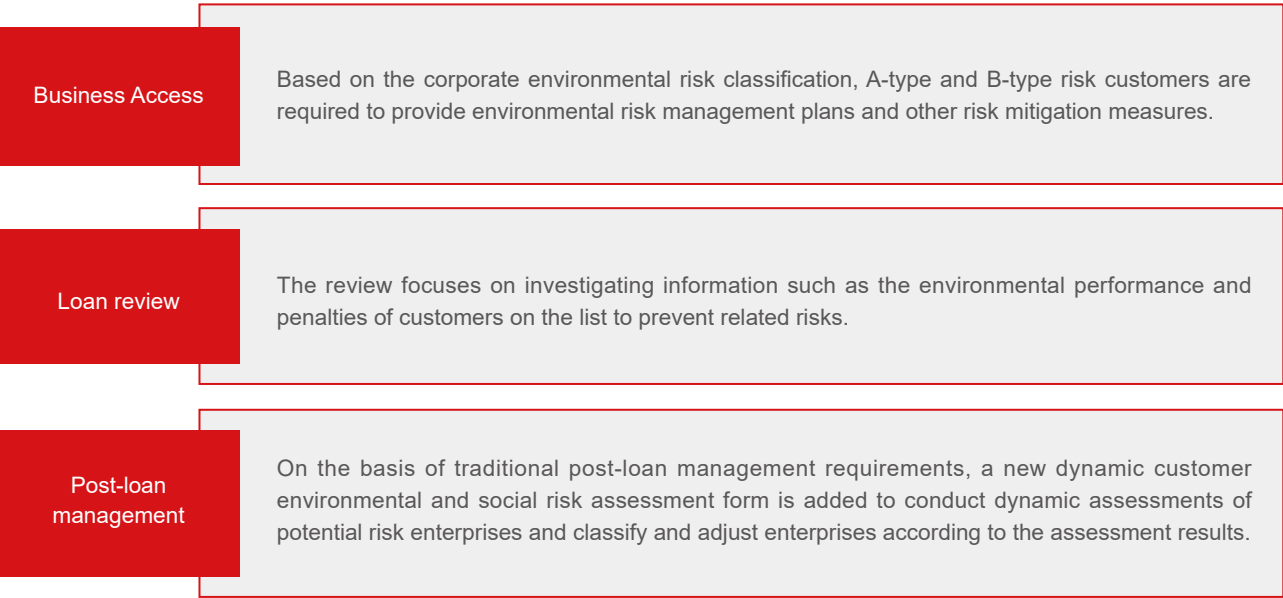
Climate-related Opportunities

Opportunities



Strengthening ESG Risk Management

In 2024, the Bank further enhanced its environmental and social risk management for customers, fully integrating relevant risk requirements into the three loan review processes. The Bank strengthened the monitoring and dynamic assessment of customers' environmental and social risks, managing existing customers with potential significant environmental and social risks through its A-type and B-type customer lists. Additionally, the Bank developed industry- and type-specific due diligence checklists and risk review lists for companies included on these lists.



Deepening Green Finance Practices

The Bank continued to enhance its innovative green finance product portfolio. Building on the successful launch of its “Green Series (綠系列)” financial products—namely Green Loans (綠貸通), Green Financing (綠融通), Green Innovative Financing (綠創融), and Green Direct Financing (綠直融)—the Bank further expanded its business lines within the green industry sector.



Green Loan

Green Loan Targets

The Bank has developed a three-year green finance development plan, setting clear goals for the scale and growth rate of green loan. To support this initiative, the Bank has enhanced its green finance service framework by establishing five key systems: a risk management system, a product innovation system, an assessment and evaluation system, a marketing management system, and a support and guarantee system.

Green Loan Results

As of the end of 2024, the green loan balance of Jinshang Bank was

RMB **11.208** billion

As of the end of 2024, the green loan balance of Jinshang Bank was RMB11.208 billion. This included RMB3.309 billion allocated to the energy-saving and environmental protection industry, RMB1.344 billion to the clean energy industry, RMB1.532 billion to the clean production industry, RMB2.549 billion to the ecology and environment-related sector, and RMB2.461 billion to the sustainable upgrade of infrastructure.

Comprehensive Reform Demonstration Zone Sub-branch Supports a Clean Production Project in Shanxi's Coal Chemical Industry

An innovation-driven coal chemical enterprise in Shanxi Province has developed a coking project with an annual output of 1.01 million tons of dry-quenching coke. The project involves a total investment of RMB1.768 billion and includes a 70,000-ton LNG unit alongside a 15+6 MW self-contained power station, capable of generating 114 million kWh annually. To support the company's green and low-carbon transformation, the Comprehensive Reform Demonstration Zone Sub-branch extended a project loan of RMB800 million. The project leverages innovative environmental technologies, including smokeless coal loading and coking, a ground dust removal station, and advanced dust prevention systems for coal yards. Notably, the project adopts a pioneering wastewater treatment process combining "Membrane Bioreactor + Reverse Osmosis (MBR+RO)", which effectively removes pollutants such as volatile phenols and sulfides. With a wastewater reuse rate exceeding 90%, the project has essentially achieved zero emissions. By integrating cutting-edge technologies with end-of-pipe treatment solutions, the project advances green and low-carbon transformation in the coal chemical industry. It also sets a replicable and scalable benchmark for driving the energy revolution in traditional coal chemical processes.



Green finance product designed for an innovation-driven coal chemical enterprise in Shanxi Province

Yangquan Branch Supports Sodium-Ion Battery Industry with Green Credit

A technology company in Shanxi, specializing in the R&D and production of sodium-ion batteries, its battery cells and packs offer significant advantages, including low cost, long lifespan, and high safety, making them highly promising for energy storage applications. However, the company initially faced considerable financing challenges due to the high technical risks. To address these challenges, the Yangquan Branch of the Bank conducted comprehensive research into the technical pathways of sodium-ion batteries and scientifically evaluated the industry's development prospects. Based on this analysis, the branch designed tailored financing solutions for the company, ensuring full risk control. Through its green approval channel, the branch quickly approved a RMB200 million "green loan" facility, of which RMB140 million was then granted. This financial support not only alleviated the company's funding pressures but also facilitated the accelerated commercialization of its technological innovations. More advanced sodium-ion batteries will consequently inject fresh momentum into the new energy industry.

Green Bonds

With growing sustainability and environmental awareness, the Bank has actively embraced the innovation and service of green finance products since the National Association of Financial Market Institutional Investors introduced sustainability-linked bonds and carbon neutral bonds. As part of its commitment to advancing green finance, the Bank made significant contributions in 2024 by supporting the issuance of two carbon neutral bonds totaling RMB90 million through distribution channels, as well as 4 sustainability-linked bonds totaling RMB80 million.

Jinshang Bank Supports Transportation Transformation through Carbon Neutral Bonds

Jinshang Bank supported a transportation company in successfully issuing carbon neutral bonds. The funds raised will be exclusively allocated to green and low-carbon projects that deliver tangible carbon emission reduction benefits, achieving a top-tier green rating of G1. Through the upgrade of existing transportation infrastructure, the project is expected to yield significant environmental benefits, including an annual reduction of 1,412.75 tons of carbon dioxide emissions, a saving of 106 tons of standard coal, and a decrease in 200 tons of nitrogen oxide emissions as well as 8.57 tons of PM10 emissions. Beyond its environmental impact, the project is set to promote the optimization of urban spatial planning, stimulate the growth of related industries, and infuse new vitality into the regional economy.

Technology-driven Green Finance

The Bank has actively advanced the digital transformation of its green finance operations, including developing a dedicated green finance project management system upon its existing credit system. In 2024, the Bank further enhanced the integration between the green finance project management system and the credit system. This includes identifying the green nature of loans before disbursement, further standardizing the green loan identification process, and ensuring the accuracy and reliability of green finance data. Additionally, the Bank has incorporated carbon accounting into the green finance system, enriched its carbon emission factor database, and implemented intelligent carbon emission accounting for project production processes. These advancements significantly enhanced digital empowerment in green finance, supporting the high-quality development of the Bank's green finance business.

Training of Green Finance Talent

The Bank places great emphasis on building a skilled green finance talent pool. It has developed and implemented specialized training programs to enhance employees' expertise and capabilities in green finance. Through regular training sessions, targeted seminars, and other initiatives, the Bank aims to cultivate a professional and highly competent team dedicated to green finance.

To strengthen organization-wide awareness of green finance, the Bank conducted an online green finance training program. The program focused on providing systematic insights into key areas such as green credit marketing strategies, carbon emission reduction tools, and the application of the green finance project management system. The program effectively improved employees' practical skills in green finance, providing robust support for the Bank's high-quality green finance development.



Implementation of Green Operations

The Bank strictly complies with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》), the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》) and other relevant laws and regulations. Upholding the principles of ecological civilization, the Bank actively incorporates green office practices into its operations and promotes a culture of environmental responsibility. As part of its commitment to sustainability, the Bank has formulated a *Green Action Plan* (《綠色行動方案》) and issued the *Green Office, Low-Carbon Life – A Call to All Employees to Build a Resource-Conserving Organization* (《「綠色辦公、低碳生活」——致全體員工共創節約型機關》). This initiative encourages all employees and leaders to proactively engage in green practices, continuously improving the efficiency of energy and resources. The Bank is committed to fostering sustainable, low-carbon, and environmentally responsible operations across all aspects of its business.

Green Travel

Employees are encouraged to adopt environmentally friendly travel methods, including using public transportation for non-urgent business trips. For official vehicle use, carpooling is mandated to ensure multiple passengers share rides, reducing environmental impact.

Energy and Water Resource Management

The Bank has implemented measures such as posting energy-saving signs near water and electricity switches in office areas and staff canteens. These efforts aim to encourage energy conservation, reduce consumption, save water, and minimize resource waste. During the reporting period, the Bank encountered no issues related to water resource availability.

In terms of emission management, as a financial institution, the Bank's operations do not generate industrial wastewater or air emissions. The Bank strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》) and other relevant regulations to ensure lawful discharge of the minimal domestic wastewater produced in office premises. In 2024, the Bank received no administrative penalties for environmental pollution.

Smart and Paperless Office

The Bank further optimized its collaborative office system, advancing the adoption of paperless and intelligent office practices. By integrating green concepts such as low-carbon development, environmental protection, energy conservation, and emission reduction, the Bank actively reduces its environmental impact at the source.

As a non-manufacturing financial services institution, the Bank operations do not involve industrial production processes. Accordingly, the Bank's environmental objectives for this year are to maintain greenhouse gas emissions, total energy consumption, total water usage, as well as wastewater, air emissions and solid waste disposal at reasonable levels. Simultaneously, the Bank have established green finance targets to provide substantial financial support for the transition to a low-carbon economy.

Civilized Dining

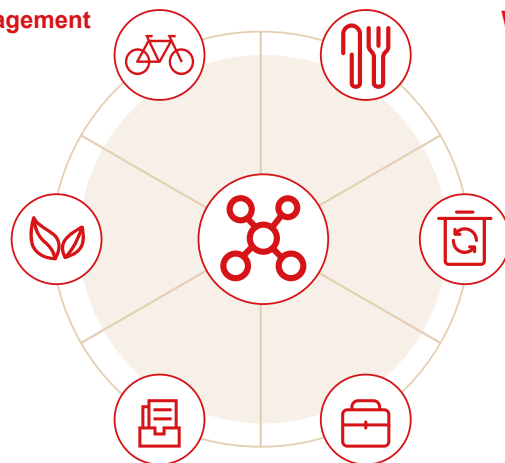
Stringent management practices have been implemented for the company's dining facilities, promoting the philosophy of "not wasting a grain of rice". These efforts aim to minimize food waste and encourage a culture of civilized dining.

Waste Classification and Recycling

The Bank is dedicated to minimizing the generation of both hazardous and non-hazardous waste. Recycling bins have been placed on every floor of the head office, ensuring proper waste classification in line with regulations. Additionally, waste recycling points have been established in office and business locations to maximize resource utilization, enhance economic value, reduce environmental pollution, and contribute to safeguarding the ecological environment.

Office Supplies Management

The Bank has implemented strict measures for managing office supplies, focusing on controlling the application process for both disposable and durable consumables. Efforts have been made to promote resource-sharing across departments to prevent duplication and waste, thereby enhancing the overall efficiency of office resource utilization.



Jinshang Bank Promotes a New Civilized Trend Through "Environmental Improvement and Energy Efficiency" Initiatives

The Bank conducted regular "Environmental Improvement and Energy Efficiency (美化環境，綠色節能)" initiatives, including joint inspections and oversight of office hygiene, environmental maintenance, and energy-saving practices. Excellent performers were awarded "Environmental Improvement and Energy Efficiency" pennants (美境節能流動紅旗). These initiatives enhanced employees' awareness of low-carbon, energy-saving practices, promoted sustainable green office methods, and encouraged individuals to contribute "micro actions" that collectively drive "big energy" for green development. In 2024, several departments and offices were honored with the "Environmental Improvement and Energy Efficiency" pennants.



"Environmental Improvement and Energy Efficiency" pennant



Comprehensive Reform Demonstration Zone Sub-branch Actively Promotes Ecological Protection of the Yellow River

The Comprehensive Reform Demonstration Zone Sub-branch actively engaged in the educational activity organized by the Youth League Committee of Shanxi Province titled "Understanding, Embracing, and Joining the Cause of High-Quality Development in the Yellow River Basin (學綠魂精神，悟傳承興替，做黃河流域高質量發展生力軍)". As part of the initiative, the branch participated in volunteer efforts to protect the ecological environment of the Yellow River. Under the theme "Green Bank in Action (綠色銀行 我在行動)", sub-branches and volunteer service teams reached out to local communities to raise awareness about environmental protection. They conducted educational sessions, cleaned up white pollution and other waste in surrounding areas, and practiced green development through tangible actions. This initiative not only heightened environmental awareness among employees but also reaffirmed the Bank's commitment to promoting sustainable development and supporting the high-quality growth of the Yellow River Basin.



Waste cleanup in surrounding areas



Voluntary tree planting



Yellow River ecological protection themed activity

03

Digital Intelligence Innovation

Delivering Exceptional Customer Service

Jinshang Bank is dedicated to embracing cutting-edge technologies to drive digital transformation. By building an intelligent, digital, and eco-friendly customer service system, the Bank significantly enhances the quality and efficiency of its financial services. This approach not only strengthens its ability to prevent and mitigate financial risks but also continuously bolsters its competitiveness for long-term sustainable development.



- Driving Digital Transformation
- Improving Service Quality
- Protecting Customer Rights
- Information, Data Security and Privacy Protection

Driving Digital Transformation

The Bank formulated the *Strategic Plan for Digital Transformation (2022-2024)* (《數字化轉型戰略規劃(2022-2024)》), continuously advancing digital transformation initiatives by establishing an online retail customer operation system and a corporate customer digital marketing system. It is committed to deepening digital innovation-driven strategies, enhancing data empowerment, and upgrading financial services through higher-level digital capabilities. Additionally, the Bank introduced policies such as the *Special Reward Program for Independent R&D of Technology Projects of Jinshang Bank* (《晉商銀行科技項目自主研發專項獎勵方案》), and the *Administrative Measures for Technology Allowances* (《科技津貼管理辦法》) to establish a sound innovation incentive mechanism. These measures encourage employees to participate in R&D and innovation, aiming to build a professional and multidisciplinary fintech talent team. In 2024, the Bank invested RMB5.9358 million in innovation and R&D and had 49 R&D personnel.

Jinshang Bank Launches “Creating a Digital and Intelligent Future (數字領航 智啓未來)” Digital Finance Special Training Program

To accelerate the development of its digital talent team, strengthen employees' digital skills, and enhance its overall digital capability ecosystem, the Bank organized a specialized digital finance training program titled “Creating a Digital and Intelligent Future” in August 2024. The program adopted a training model combining “inside and outside the Bank”, invited both external senior experts and key internal personnel to give lectures, delivering comprehensive and professional knowledge through engaging case studies, precise data insights, and in-depth explanations. More than 80 participants attended the training, which significantly enhanced their professional expertise and skills in digital finance. This initiative has reinforced the Bank's foundation for digital intelligence innovation and development.



Employees actively participate in “Creating a Digital and Intelligent Future” Digital Finance Special Training Program

Strengthening Digital Infrastructure

The Bank places a strong emphasis on digital transformation, with financial technology innovation serving as the driving force. By advancing “structure transformation, technology transformation, and data transformation”, the Bank is establishing a comprehensive technological foundation and middle office system. These efforts fortify the capacity centers of the business middle office, data middle office, and technology middle office, continuously advancing the Bank's technological competencies essential for digital transformation. The Bank is committed to strengthening technological excellence, enhancing technological empowerment, and building core capabilities in product development, scenario design, channel construction, marketing, operation, and risk management. Ultimately, the Bank has successfully integrated technology into financial processes.



Business middle office

Through a number of key projects such as the unified payment platform, centralized operating system upgrade, IT-based core system transformation, IT-based channel integration and capability center optimization, comprehensive financial service platform, wealth management middle office, etc., the Bank continued to build and improve its payment center, authorization center, customer center, transaction center and other middle office capability centers;

By consolidating and encapsulating the fundamental, cross-functional capabilities of various business lines, the Bank has developed a modular and highly reusable business middle office, which seamlessly integrates the shared capabilities across different business lines.



Data middle office

The Bank has steadily progressed in building its data center, creating data analysis and management tools, further standardizing data processes, strengthening the data foundation, continuously enhancing the model layer and summary layer, and ensuring the reliability and accuracy of its data. Additionally, it has fostered the gradual formation of a data-driven culture across the organization.

Through the establishment of a customer tagging system, the Bank has enabled more refined customer operations and progressively implemented data-driven business models, including opportunity identification, customer group management, targeted marketing, and performance tracking. These efforts have improved performance across all business lines and continue to empower the Bank's overall business development.



Jinshang Bank Launches Unified Payment Platform to Enhance Payment Management

In November 2024, Jinshang Bank successfully deployed its unified payment platform, integrating key functionalities such as intelligent routing, unified transfers, transaction status inquiries, second-generation single cancellation inquiries, second-generation single cancellations, second-generation remittances, and scheduled tasks for actively monitoring payment system statuses.

Previously, the Bank's payment system utilized multiple channels, including SuperNet, Second-Generation Large and Small Amount Transfer Platform, UnionPay, and Core, which vary in channel status, failure rates, fee collection methods, real-time transfer inquiry methods, etc. The implementation of the unified payment platform not only addressed these challenges but also laid a solid foundation for future integrations of additional channel transfer functions. This upgrade significantly reduced development complexity and workloads while streamlining payment routing rule management and channel operations.



Jinshang Bank Fully Upgrades its Centralized Operating System

In June 2024, Jinshang Bank completed the upgrade of its centralized operating system, marking a significant milestone in its digital evolution. The project encompassed a wide range of improvements, including platform modernization, partial implementation of smart authorization functions, enhanced supervisory capabilities, optimization of legacy account management, integration of dynamic authorization mechanisms, and the development of an early warning model.

With the upgrade, the counter authorization and supervision process has now been seamlessly incorporated into the new centralized operating system. This enhanced platform boosts scalability, shortens development cycles, improves responsiveness to evolving business needs, and increases personnel efficiency and reusability. Additionally, the system leverages multi-dimensional data analysis to enable more accurate intelligent authorization and supervision. The upgraded system also facilitates cross-platform integration, allowing for unified management and dynamic personnel adjustments through the integration of operation task pools. These improvements provide robust support for Jinshang Bank's business growth and ongoing digital transformation.

Application of New Technologies

In 2024, the Bank continued to explore and promote Robotic Process Automation (RPA) application scenarios, and enhanced independent research on models and algorithms in areas such as marketing, investment consulting, and risk control. The Bank provided intelligent insights to support business decision-making. Relying on independently developed algorithms, the Bank achieved innovative applications, such as time series forecasting and data analysis for position scheduling, delivering robust support for investment decisions in asset management. Moreover, the Bank integrated Artificial Intelligence Generated Content (AIGC) into domestic leading AI models. This initiative yielded remarkable results in applications like text content generation and intelligent customer service, significantly improving operational efficiency and customer service levels across the organization. As of the end of 2024, the Bank had completed the deployment of 18 financial business scenarios, significantly reducing tedious and repetitive tasks while achieving key objectives such as cost reduction, efficiency enhancement, technological empowerment, and the integration of technology with industry practices.

Strengthening Data Governance

The Bank continued to advance its data governance initiatives. It completed its data lake and the fourth phase of its data warehouse, establishing an open data management architecture that seamlessly combines its data lake and data warehouse (湖倉一體). Currently, the platform is connected to 106 systems across the Bank, offering unified data support for over 80 applications spanning six major sectors, including retail banking, corporate finance, and interbank operations. By continually optimizing its data asset management platform, the Bank has achieved full life cycle data management and provides diversified data services such as statements, indicators, and tags. Additionally, data interoperability with key business systems, such as the Qiming System and Retail View, has been realized. Simultaneously, the Bank has established unified data standards and a robust quality control mechanism to ensure the accuracy, consistency, and reliability of data—delivering dependable support for business decision-making.

Improving Service Quality

Jinshang Bank actively embraces a “customer-centric (以客戶為中心)” service philosophy, striving to broaden the reach of its financial services while consistently enhancing the customer experience across both online and offline channels. The Bank places a strong emphasis on serving vulnerable groups, continually elevates employee service standards, attentively listens to customer feedback, and remains committed to delivering convenient, efficient, and thoughtful financial services. These efforts obtained improved customer satisfaction.

Enhancing Accessibility to Financial Services

Leveraging digital technology, the Bank continued to innovate and refine service models such as mobile banking, internet banking, and mobile counters to improve the accessibility of financial services. As of the end of 2024, the total number of individual customers using online and mobile banking reached 2.6820 million, up 8.85% year on year.

As of the end of 2024, the total number of individual customers using internet and mobile banking reached

2.6820 million **8.85%** year-on-year growth

Mobile Banking

Completed Mobile Banking 6.0 Upgrade: The Bank enhanced its mobile banking platform across five key areas: service, user experience, functionality, scenarios, and technology. These upgrades expanded the scope and depth of mobile banking services, aiming to deliver a dynamic, thoughtful, and personalized financial service experience for customers.

Launched WeChat Mini Program: The Bank introduced its mobile banking WeChat Mini Program to streamline e-banking channels and further strengthen its e-banking service system.

Initiated the R&D and Upgrade of HarmonyOS-based Mobile Banking: This initiative aims to improve the customer experience, strengthen customer loyalty, tap into new market opportunities, enhance financial technology competitiveness, and align with market trends to support the growth of domestic operating systems.

Enhanced other Mobile Banking Services: A series of new features were introduced to improve functionality and user experience, including online customer service, quick payment card binding, advanced OCR recognition capabilities, streamlined SMS verification code processing, optimized transfer authentication methods, improved password keyboard design, upgrades to Unionpay QuickPass SDK and One-click Card Recommendation, as well as adjustments to non-counter transaction limits. These enhancements aim to continuously improve e-banking products and services while elevating the overall customer experience.

Internet Banking

Optimized Transfer and Remittance Services: The Bank introduced keyword search functionality and expanded the display of transfer remarks for improved usability. Additionally, a batch printing feature was added to electronic receipts for transfer and remittance transactions, enabling customers who perform frequent transfers to print receipts with a single click.

Enhanced Investment and Financial Services: The Bank significantly upgraded the personal internet banking wealth overview, adding more asset categories held by customers and implementing a more scientific and logical classification of asset types. This provides customers with a clearer, more comprehensive, accurate, and user-friendly display of their asset overview.

Improved Account Management Functionality: The Bank supports real-time password resets for internet banking login, addressing urgent customer needs and enhancing convenience.

Mobile Counter

In 2024, in line with its “Digitalization (應移盡移)” and “Integration (應融盡融)” principles, the Bank introduced a comprehensive mobile counter service with 39 offerings, including personal deposits, wealth management funds, credit cards, and personal loans. The mobile counter seamlessly integrates the lobby, traditional counters, and smart machines, achieving extensive business integration. It significantly reduces the time required for outreach activities, enables mobility in high-frequency retail banking scenarios, and allows tellers to provide services beyond the limitations of the physical counter. Additionally, the mobile counter replaces the previously used mobile marketing system.

The Bank’s handheld “Mobile Counter (移動櫃檯)” ensures improved access to financial services for individuals in remote areas, elderly customers, and those unable to visit outlets due to various inconveniences. By leveraging the mobility and convenience of this device, the Bank has effectively addressed the needs of these groups. Additionally, the mobile counter features advanced functionalities such as electronic certificates, electronic seals, electronic signatures, digital encryption, facial recognition, and OCR, promoting paperless operations and enhancing efficiency. As of the end of 2024, the Bank had successfully processed a total of 38,800 transactions using the mobile counter.

Optimizing Service Experience

Intelligent Customer Service System

The Bank has continued to enhance its customer service system by optimizing processes, expanding service boundaries, and driving transformation toward greater intelligence, personalization, and efficiency. Gradually, the customer service center is evolving into an “operation center” focused on customer management and engagement.

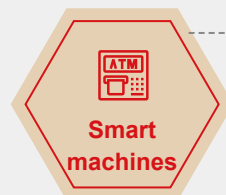
Currently, the Bank’s customer service center utilizes advanced computer-telephone integration technology, incorporating multiple service modes such as automated voice self-service, manual assistance, and intelligent robots that support voice navigation and text interactions. These capabilities enable the center to offer comprehensive financial service support, including business consultations, inquiries, business processing, feedback and suggestion collection, and complaint resolution, effectively addressing the diverse needs of customers.

Aging-friendly Services

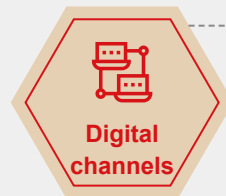
The Bank places strong emphasis on improving the service experience for vulnerable groups, particularly the elderly. It has created more aging-friendly by enhancing the accessibility of digital platforms and customer service channels, thoughtfully bridging the “digital divide” for elderly customers.



In line with its “customer-centric” service philosophy, the Bank has integrated aging-friendly principles into the site selection and construction of outlets. With a focus on meeting the needs of elderly customers, the Bank ensures a thoughtful and scientific distribution of outlets and functional arrangements. All outlets are equipped with elderly-friendly facilities such as barrier-free passages, dedicated seating, reading glasses, voice counting machines, mobile form-filling stations, wheelchairs, and medical kits to enhance accessibility and convenience. In October 2024, the Bank launched the renovation project for its first “**Silver Hair**” demonstration outlet (「銀髮」示範網點)—**Qiaotou Street Sub-branch of Jinshang Bank**. This initiative emphasized improved hardware configurations to cater to the needs of elderly customers.



The Bank has introduced an “**Elderly Assistance Edition**” mode (「長者輔助版」模式) for its smart machines, featuring a “magnifying glass” function, optimized personal account opening processes, and enhanced video and animated graphic guidance for high-frequency operations. These upgrades significantly improve the user experience for elderly customers when interacting with smart machines.



To address the unique needs of elderly customers, the Bank has completed an age-friendly transformation of its digital channels, including the portal website and mobile banking. Following the principles of simplicity, user-friendliness, and security, the Bank has launched features like “**Care Mode** (關懷模式)” and “**Elderly Mode** (長輩模式)”. Barrier-free accessibility improvements have been incorporated into routine updates and maintenance to effectively resolve challenges and pain points elderly customers face when accessing financial services online.



The Bank has added an **exclusive menu for elderly customers** on its customer service hotline, offering a higher transfer priority compared to regular customers. This ensures that elderly customers’ inquiries are addressed promptly and their transactions processed efficiently, with 7*24 support available to meet their needs at any time.



“Jinshang Operation Tips (晉運小貼士)” Enhances Services for the aging-friendly

The Bank has launched an exclusive video account, “Jinshang Operation Tips (晉運小貼士)”, to promote initiatives such as coin purse activities and specialized customer service—sign language guides. Additionally, the Bank has created the “Jinshang Operation Tips” WeChat Official Account to collect, record and share exemplary stories and best practices regarding aging-friendly services across the organization. These efforts serve as a model to inspire and improve awareness and service standards for aging-friendly services among all Bank staff. Since 2024, Jinshang Cloud Tips has posted some meaningful content concerning aging-friendly banking. “Optimizing Payment Services - Aging-friendly Services (《優化支付服務 長者友善化服務篇》)” outlines the content and methods of the Bank’s aging-friendly initiatives. “Be Young, Be Helpful (《服務在心 青春正當時》)” tells stories about how young employees at Shanyin Sub-branch assisted elderly customers in querying and sorting deposit details. These examples have sparked a movement across the Bank to continuously enhance aging-friendly services.



Yangquan Branch Actively Advocates Pension Finance

In 2024, Yangquan Branch took significant steps to enhance financial services for the elderly. Branch staff engaged directly with local communities, visiting squares near their outlets to promote awareness of anti-fraud and anti-illegal fundraising practices. They also educated elderly customers on essential topics, including deposit insurance and the eight rights of financial consumers. To further support this demographic, the Branch actively introduced the “Caring Edition” of its mobile banking platform, specially designed for elderly users. Recognizing the frequent needs of elderly customers, the Yangquan Branch upgraded its facilities to include aging-friendly amenities within its lobby. Through a range of thoughtful and responsible aging-friendly financial services and activities, the branch has effectively enhanced the elderly’s sense of security and happiness in their financial interactions.



Yangquan Branch provides elderly-friendly financial services

Listening to the Voice of Customers

In 2024, the customer satisfaction rate for manual telephone banking services reached

99.56%

The Bank places great emphasis on understanding and addressing customer needs. To ensure a comprehensive grasp of customer preferences and opinions, quarterly customer satisfaction surveys were conducted. Additionally, the Bank has officially launched the “**Your Voice Matters** (晉言晉語, 晉善晉美)” **customer feedback platform** on its WeChat Official Account, providing customers with a convenient channel to share their insights and suggestions regarding the Bank’s products, services, and overall experience.

Customer feedback is treated as a cornerstone of the Bank’s continuous improvement efforts. Drawing from the insights provided by customers, the Bank has optimized financial products, refined service processes, and formulated targeted improvement measures. These actions effectively enhance service quality, improve customer experiences, and promote the overall advancement of the Bank’s service standards. In 2024, the customer satisfaction rate for manual telephone banking services reached 99.56%.

Protecting Customer Rights

The Bank is deeply committed to consumer rights protection, strictly adhering to the *Consumer Rights and Interests Protection Law of the People's Republic of China* (《中華人民共和國消費者權益保護法》). To achieve this, it has established a robust mechanism for consumer rights protection, seamlessly integrating consumer rights protection principles into every aspect of its business operations. Through a series of proactive measures—such as enhancing internal systems, enhancing employee training, streamlining service processes, and strengthening risk prevention and control—the Bank ensures the security of customers' funds and the protection of their legitimate rights. These efforts effectively safeguard the financial well-being of customers and protect the integrity of their “money bag”.

Improving the Consumer Protection Management System

The Bank has established a robust organizational structure to protect consumer rights. At the Board level, a **Consumer Rights Protection Committee** has been formed as the key decision-making body, responsible for developing relevant plans and reviewing significant matters. At the senior management level, a **Consumer Rights Protection Committee** has been created to ensure the effective implementation of decisions made by the Board's Consumer Rights Protection Committee and to advance consumer rights protection efforts across the Bank. Additionally, a dedicated **Consumer Rights Protection Department** has been established at the head office, staffed with specialized personnel to ensure the execution of consumer rights protection initiatives at the grassroots level.

Product and Service Review Mechanism

In 2024, the Bank revised the *Implementation Rules for Consumer Rights Protection Review* (《消費者權益保護審查實施細則》) to further enhance the scrutiny of products, services, promotional materials, and related content. The scope of review encompasses various business types, including personal savings, credit card services, agency business, personal loans, and proprietary wealth management. This initiative guarantees that reviews of products and promotional materials achieve 100% coverage.

Suitability Management Mechanism

The Bank actively fulfills its obligations related to suitability management by establishing and refining a comprehensive suitability management framework. This mechanism ensures end-to-end oversight of the appropriateness of consumers' participation in business activities and their purchase of products or services.



To address the needs of elderly customers, the Bank has established a differentiated service policy that prioritizes their financial security. Under this policy, the risk level of wealth management and agency products allocated to elderly customers is strictly limited to R2 or below. Additionally, when providing audio and video recording service, the Bank issues secondary risk warnings tailored specifically for elderly customers. Enhanced video quality standards are applied to audio and video recording procedures involving elderly customers, ensuring greater scrutiny. Furthermore, the Bank conducts comprehensive inspections and evaluations of sales practices, thereby safeguarding the legitimate rights and interests of elderly customers effectively.

Customer Complaint Management

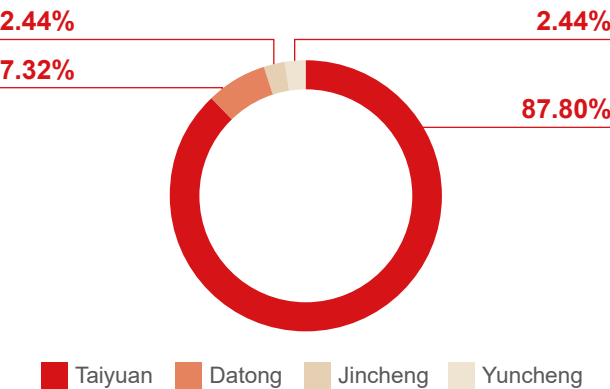
In 2024, the Bank had a total of 41 consumer complaints reported to regulatory authorities, representing a decrease of

82.55%

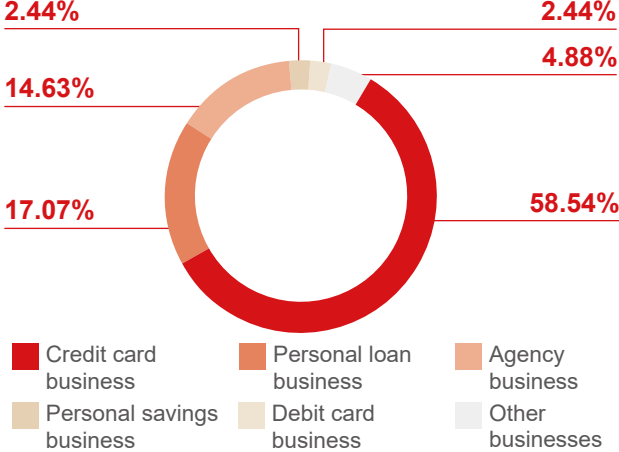
compared to 2023

In 2024, the Bank fully implemented the requirements for consumer rights protection. Building on key institutional documents such as the *Implementation Rules for Handling Consumer Complaints* (《消費投訴處理實施細則》), the *Emergency Plan for Handling Major Consumer Complaints* (《重大消費投訴處理應急預案》), and the *Guidelines for the Diversified Resolution of Financial Disputes* (《金融糾紛多元化解工作指引》), the Bank has developed the *Implementation Plan for Continuing the Complaint Reduction Campaign* (《關於接續開展投訴壓降攻堅戰的實施方案》), and the *Work Plan for the Special Governance of Key Institutions and Key Areas Related to Consumer Complaints in 2024* (《關於2024年消費投訴重點機構和重點領域專項治理的工作方案》). These initiatives provide a strong institutional foundation to support the effective handling and reduction of consumer complaints. In addition, the Bank has established comprehensive complaint channels, including offline service outlets, the official website, mobile banking, and WeChat banking. Moreover, the Bank introduced more than ten mechanisms and measures, including complaint analysis and consultation, supervision and notification, rapid response, diversified resolution, President Reception Day, rewards & penalties, and strict accountability. The Bank requires proactive prevention of conflicts and disputes, effective handling of work orders and initial complaints, and rigorous closed-loop complaint management, traceability and rectification afterward. These initiatives aim to significantly reduce the complaint rate and demonstrate the Bank's commitment to improving customer satisfaction and advancing consumer protection governance effectively. In 2024, the Bank had a total of 41 consumer complaints reported to regulatory authorities, representing a decrease of 82.55% compared to 2023.

The proportion of consumer complaints categorized by region



The proportion of consumer complaints categorized by business type



Responsible Marketing

The Bank strictly adheres to the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), the *Notice on Further Enhancing Regulation of Financial Marketing* (《關於進一步規範金融營銷宣傳行為的通知》), as well as other relevant laws, regulations, and regulatory directives. To ensure compliance, the Bank has established a comprehensive framework, including the *Implementation Rules for Financial Marketing and Promotion Management* (《金融營銷宣傳管理實施細則》), the *Notice on Further Standardizing Employee Marketing Behaviors* (《關於進一步規範員工營銷行為的通知》), the *Notice on Re-standardizing Employee Marketing Behaviors* (《關於再次規範員工營銷行為的通知》), the *Notice on Further Standardizing the Conduct of Agency Sales* (《關於進一步規範代銷業務開展的通知》), and the *Notice on Standardizing Personal Deposit Marketing and Promotion Behaviors* (《關於規範個人存款營銷宣傳行為的通知》). These policies require employees to strengthen their awareness of service quality, regulate marketing language, enhance personal information protection, and uphold standardized practices during daily marketing activities, thereby reinforcing the professionalism and compliance of account managers.

In 2024, the Bank remained committed to improving compliance in marketing risk management. It conducted supervision and inspections, launching a comprehensive review of the marketing behaviors and service standards within its retail banking operations. This includes a particular focus on identifying noncompliance of online and offline marketing practices, such as unauthorized printing of promotional materials or product information cards, making unlawful profit promises to customers via electronic platforms like WeChat, exaggerating product revenue or features, and neglecting the obligation to inform customers of product risks. To address problems found, the Bank has implemented corrective actions, investigated root causes, and established a long-term rectification mechanism. Additionally, it assigned responsibilities to relevant personnel and imposed penalties, such as performance scoring and accountability measures, for serious violations. These efforts effectively enhanced service quality across grassroots outlets and eradicated improper marketing practices.

Marketing Compliance Training of the Retail Banking Department

In 2024, the Bank systematically developed a multi-level training framework centered on compliance marketing. It successfully launched five core programs include: “Excellent Retail Banking Navigator (卓越零售领航者)” Capacity Enhancement Training Program, “Advanced Journey for Wealth Management Experts (理财精英进阶之旅)” Capacity Enhancement Training Program, “Compliance Empowerment for Wealth Management Experts (合规赋能·理财精英)” Wealth Management Manager Compliance Training Program, Specialized Training Program for Compliance Improvement in Key Business Lines, and “Wealth Management (财富管理)” Micro Compulsory Professional Courses for Newly Transferred Wealth Management Managers. The five initiatives focus on preventing improper marketing practices, standardizing marketing techniques, and using case studies to support proactive risk mitigation. Through in-depth business case analysis, they address key compliance risk points in marketing and work to eliminate any form of misleading sales practices or false advertising. Simultaneously, the Bank successfully conducted specialized training on consumer rights protection, employing a step-by-step, comprehensive training mechanism to ensure complete coverage across all employee levels. This approach effectively strengthened employees' compliance awareness and laid a solid foundation for high-quality business development.

Consumer Rights Protection Training

The Bank has fully embraced a “people-centered” development philosophy, focusing on strengthening awareness and enhancing capabilities in consumer rights protection. In 2024, the Bank organized comprehensive training sessions covering various aspects of consumer rights protection, including supervision and evaluation, review processes, compliance in financial marketing and program, complaint handling strategies, key consumer complaint institutions, and special governance in critical areas. Training participants included Bank leaders, department heads from the head office and branches, consumer protection liaison officers, personnel specializing in consumer rights protection, sub-branch tellers, and other front-line staff. A total of 10 specialized consumer rights protection training sessions were successfully conducted.

Popularization of Financial Knowledge

The Bank places great emphasis on the dissemination and education of consumer financial knowledge, organizing targeted and innovative outreach initiatives in schools, communities, enterprises, rural areas, business districts, and other locations. These efforts have created a multidimensional publicity framework that includes outlet material distribution, online campaigns, and push notifications via WeChat. In 2024, all 153 outlets, including community sub-branches, successfully carried out financial knowledge awareness activities. With the participation of over 4,000 employees, the Bank achieved full coverage of both online and offline initiatives, effectively enhancing consumer financial literacy.

Jinshang Bank Builds “Banking in Your Community (晋商·晋邻)” Brand Under “Six-pronged Integration and Sharing (六联六共)” Party Leadership

Upholding the principle of “Finance for the People”, Jinshang Bank, in collaboration with the Organization Department of the Taiyuan Municipal Party Committee, launched a grid-based Party-building initiative under the “Six-pronged Integration and Sharing” working model. This project has become an integral part of the Bank's commitment to fulfilling its social responsibilities. The initiative encompasses various activities, including Party-building partnerships, elderly care services, charitable support for students, and regular public welfare programs, aiming to deliver convenient, continuous, and high-quality “financial + non-financial” services to community residents. As of the end of 2024, the Bank's 45 outlets in Taiyuan had signed the Party-building Partnership Agreement with 55 street-level Party Committees within the city. Under the agreement, the Bank continued to provide services such as financial literacy promotion, health seminars, and medical consultations to elderly residents. These efforts are steadily contributing to the development of the “Banking in Your Community” service brand.

Longcheng Sub-branch Launches “Enjoy the Summer Vacation, Little Bankers (乐享暑假, 小小银行家)” Themed Educational Activity

In August 2024, Longcheng Sub-branch organized the “Enjoy the Summer Vacation, Little Bankers” educational initiative within a local community. During the event, students were guided by bank staff to learn about the origins of currency, the historical development of the RMB, and techniques for distinguishing the authenticity of banknotes. In addition, the staff introduced simple financial management methods and used real-life cases to raise awareness about identifying and preventing telecommunications fraud. Through these engaging lessons, seeds of financial literacy and security were sown in the hearts of the young participants. This summer-themed activity not only enriched the students' vacation experience but also equipped them with valuable skills to recognize and avoid financial fraud while fostering correct financial management concepts.



Staff demonstrate techniques to prevent telecommunications fraud to participating students

Longshan Street Sub-branch Hosts Financial Literacy Event for Veterans

On August 1, in celebration of the Army Day, the Party Branch of Longshan Street Sub-branch, in cooperation with the Nanjie Village Committee, organized a community financial literacy event titled “Inheriting the Red Gene and Upholding the Spirit of Soldiers (传承红色基因, 永葆军人本色)”. The event aimed to strengthen awareness of telecommunications and internet fraud prevention among veterans. During the event, the Deputy President of Longshan Street Sub-branch led the veterans in viewing the latest video series, “Don't Be a Tool for Telecom Fraud (不做电信诈骗工具人)”, released by the National Anti-Fraud Center. These videos used plain and accessible language to explain common methods of telecommunications and internet fraud. Veterans were reminded to safeguard their personal information, avoid transferring money to strangers, and refrain from renting, lending, or selling their bank cards. The event significantly enhanced the veterans' awareness of fraud risks while equipping them with practical prevention strategies, reinforcing their ability to identify and combat fraudulent activities.



Financial literacy event site - “Inheriting the Red Gene and Upholding the Spirit of Soldiers”

Popularization of Financial Knowledge Among the Elderly

The Bank continued to enhance financial education for the elderly by actively organizing specialized initiatives such as “A Long Journey of Financial Literacy (普及金融知識萬里行)”, “Taking on New Missions: Consumer Protection in County Areas (擔當新使命 消保縣域行)”, and the “Financial Education in Five Areas” program. In 2024, the Bank enhanced its efforts to promote financial education at the grassroots level. By collaborating closely with regulatory agencies and public security departments, the Bank continued its mission to educate and empower the elderly to identify and prevent fraud. Leveraging online and offline channels, as well as financial education bases as key platforms and daily publicity as a focal point, the Bank adopted diverse approaches, such as financial knowledge workshops and interactive Q&A sessions. Using clear, accessible language and engaging real-life examples, these initiatives focused on sharing essential financial knowledge, common telecommunications fraud tactics and prevention tips, and aging-friendly banking services. These efforts seek to enhance financial literacy among senior citizens, while strengthening their ability to detect and prevent financial risks effectively.

Yangquan Branch Promotes Financial Education at Senior University

In September 2024, Yangquan Branch joined forces with the Publicity Department of the Yangquan Municipal Party Committee, Yangquan Branch of the People's Bank of China, Yangquan Branch of the National Financial Regulatory Administration, and Yangquan Radio and Television Station to host a centralized publicity event titled “Finance for the People: Safeguarding Rights and Preventing Risks (金融為民譜新篇，守護權益防風險)” at Yangquan Senior University. To help more elderly individuals develop correct investment concepts, the Bank's internal trainers used treasury bond knowledge as a starting point to explain the fundamentals of savings treasury bonds in detail. The goal was to enhance public awareness of risk prevention and safeguard their financial well-being. The event also featured an engaging quiz, fostering interactive exchanges that created a warm and lively atmosphere. The initiative was met with unanimous praise from the elderly participants in attendance.



“Finance for the People: Safeguarding Rights and Preventing Risks” event

Longcheng Sub-branch Launches “Financial Consumer Protection Around You (金融消保在身邊、保障權益防風險)” Themed Publicity Campaign

On March 15, to celebrate the World Consumer Rights Day, Longcheng Sub-branch joined hands with Shuangta West Street to host a themed publicity campaign focused on “Financial Consumer Protection Around You: Protecting Rights and Preventing Risks”. During the event, sub-branch staff delivered engaging financial knowledge lectures, incorporating real-life cases and detailed risk analyses. Key topics included the eight rights of financial consumers, methods to identify and prevent fraudulent activities, illegal fundraising schemes, and strategies for resolving financial consumer disputes. Recognizing the vulnerabilities of the elderly—such as limited financial literacy and increased susceptibility to scams—the lectures included vivid case studies specifically designed to address issues like pension fraud. The campaign drew widespread praise from attendees.



“Financial Consumer Protection Around You: Protecting Rights and Preventing Risks” event

Information, Data Security and Privacy Protection

The Bank strictly complies with the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》), the *Measures for the Administration of Data Security of Banking and Insurance Institutions* (《銀行保險機構數據安全管理辦法》), as well as other relevant national laws, regulations, and regulatory requirements. Moreover, it continued to enhance its information security management system and strengthened its data protection capabilities. In 2024, the Bank's information systems operated reliably and securely, with no major incidents involving information security breaches or privacy leaks.

Improving the Management Framework

The Bank places high importance on information security. It has established and improved a comprehensive information security management framework by formulating a series of policies including the *Network Security Management Measures* (《網絡安全管理辦法》), *Data Security Management Measures* (《數據安全管理辦法》), and *Information Security Management Review Measures* (《信息安全審計管理辦法》). These documents clearly define security responsibilities and aim to enhance the Bank's information security safeguards effectively.

Adhere to the principle of “who supervises is responsible; who operates is responsible; who uses is responsible”, the Bank assigns network security responsibilities to managers, maintainers and users, and has optimized its information security management structure and accountability framework. A Network and Information Security Leadership Group, chaired by the Party Committee Secretary and Chairman as chief decision-makers, drives the oversight and coordination of major network security initiatives. Under the leadership group, the Information Technology Management Committee is tasked with the comprehensive management of network security and digital transformation endeavors. Relevant functional departments and dedicated personnel handle the coordination, implementation, and daily supervision of the Bank's information security efforts. Responsibility is distributed across all employees, with clear accountabilities at every level, coordinated action, and steady progress. These measures provide strong organizational support for information security initiatives. Furthermore, the Bank incorporates information security management into the performance evaluation metrics of its departments and branches, reinforcing the sense of responsibility among all employees, thereby improving the Bank's overall security posture and compliance.

Information Security Measures

The Bank places a high priority on information security protection and has established a comprehensive, multi-layered technical protection system. By deploying network and information security equipment, software, and services tailored to specific needs, the Bank ensures robust security measures, including protection, monitoring, early warning, third-party management, disaster response and recovery, security traceability, and other assurance functions. This system creates a reliable, controllable, and traceable technical protection environment, safeguarding information security comprehensively and around the clock. These efforts provide a solid foundation for the stable and secure operation of the Bank's business activities.

Security monitoring and defense

Conducting Regular Security System Testing: The testing aims to strengthen the Bank's early warning, monitoring, and proactive defense capabilities. Efforts were made to comprehensively enhance terminal security management and control strategies, and accelerate the installation of security management software. The status of terminal information security was reported periodically. Moreover, special technology inspections and risk evaluations were conducted across the Bank on a regular basis, complemented by continuous optimization of security strategies and monitoring indicators.

Enhancing Security Vulnerability Management: The Bank emphasized improving its ability to analyze security equipment logs and implemented closed-loop management of asset security risks to complement existing protective measures. In 2024, the Bank participated in two network attack and defense drills organized by the local regulator.

Conducting Data Security Assessments and Inspections: Identify the system in the implementation of effective data protection measures including requirements analysis, development, testing, production, and monitoring. Customer information protection management has been strengthened, with ongoing monitoring of risks and potential vulnerabilities related to sensitive information and privacy protection of customers. In addition, in accordance with regulatory authority requirements, the Bank has registered its mobile app and accounts on new media platforms.

Third-party management

The Bank has established the *Information Technology Outsourcing Risk Management Measures* (《信息科技外包風險管理辦法》), which clearly outline the organizational structure and division of responsibilities for managing outsourcing risks. Other requirements of the Measures include implementing hierarchical and categorized management of outsourcing providers; conducting due diligence on key outsourcing providers; and establishing strict agreements with outsourced data recipients involved in data processing activities. These agreements define critical aspects such as the purpose, method, scope, scale, permitted storage duration, and restrictions on re-transferring data to third parties. These efforts aim to ensure stringent protection of customer privacy and information security, preventing incidents of data leakage.

Data breach response

The Bank has developed the *Special Emergency Plan for Data Leakage* (《數據洩露專項應急預案》), which outlines a comprehensive set of measures to be implemented in response to major data leakage incidents. The plan also standardizes operational procedures to be followed once the emergency plan is activated.

Backup of key information systems and hardware equipment

A "Three Centers in Two Cities" disaster recovery architecture has been established in Taiyuan and Beijing. This architecture utilizes multiple data copies deployed across the same city and different locations, coupled with an effective monitoring and operation-maintenance mechanism. These measures ensure seamless disaster recovery switching, improve disaster recovery capabilities, and guarantee uninterrupted business continuity.

Information security audit

The Bank conducted comprehensive audits in areas such as information technology, business continuity, and payment security. These audits focused on key aspects including major IT projects, critical outsourcing, and information security, aiming to further enhance the role of information technology in supporting the Bank's overall business management.

Information security team building

The Bank has established a dedicated professional team to support network and information security management. It also developed specialized training programs, which have significantly enhanced professional expertise and technical capabilities in this area.



Jinshang Bank Implements a Financial Data Security Project Using Quantum-Resistant Cryptography

Quantum computing, with its immense computational power, has the potential to break most existing encryption technologies in a very short time. This poses a significant challenge to the traditional public key cryptography systems widely utilized today, posing a threat to information security in industries such as finance.

As a trailblazer in financial digitalization, the Bank has undertaken in-depth research on advanced anti-quantum technologies, leveraging both domestic and international developments in this field. By exploring Post-Quantum Cryptography (PQC) as an effective strategy for mitigating quantum security risks, the Bank has successfully integrated PQC technology into various financial scenarios. Beyond its application in electronic agreement signing, PQC technology has been innovatively extended to other financial scenarios, providing robust support for the Bank's digital transformation and intelligent development efforts.

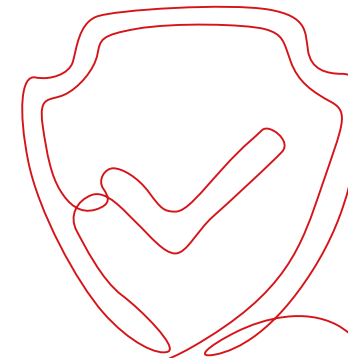
Enhancing Risk Management for Emerging Technologies

In 2024, the Bank introduced the *Measures for the Management of New Information System Technologies of Jinshang Bank* (《晉商銀行信息系統新技術管理辦法》) to streamline the management of emerging technologies. This initiative established standardized procedures, defined principles for technology assessment and access, and set clear guidelines for execution at each stage of the technology lifecycle. These stages include research, evaluation and access, application, operation and maintenance management, and phase-out of new technologies. By effectively managing the risks associated with introducing new technologies, the Bank ensures the security, stability, and compliance of its information systems. The Measures are applicable to the entire lifecycle of the Bank's software development projects.

Customer Privacy Protection

The Bank places great emphasis on safeguarding the personal information of financial consumers, treating it as a fundamental and long-term responsibility to be carried out diligently. To standardize the security management of personal information throughout its lifecycle, the Bank has developed the *Measures for the Security Management of Personal Customer Financial Information* (《個人客戶金融信息安全管理辦法》) and the *Personal Financial Information Incident Emergency Plan* (《個人金融信息事件應急預案》). These documents clearly define management requirements for customer information during its collection, transmission, storage, usage, correction, deletion, and destruction, ensuring all processes comply with legal and regulatory standards. Additionally, in alignment with the *Financial Mobile Application Software Security Management Specification* (《移動金融客戶端應用軟件安全管理規範》) and the *Regulations on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications* (《常見類型移動互聯網應用程序必要個人信息範圍規定》), the Bank conducted thorough testing, certification, and filing for customer application software—including mobile banking, direct banking, and corporate mobile banking applications—prioritizing enhanced personal information protection measures.

To further strengthen personal information protection capabilities, the Bank implemented the *Work Plan of Jinshang Bank for the Regular Protection of Financial Consumer Personal Information* (《晉商銀行金融消費者個人信息保護常態化工作方案》), undertaking a comprehensive review and addressing challenges or vulnerabilities in its personal information protection processes. This effort promotes institutionalization and regularization of governance outcomes while continuously mitigating risks. Moreover, personal information protection has been incorporated into key projects for on-site inspections of consumer rights protection. Quarterly inspections were conducted to identify issues, analyze root causes, and ensure timely corrections. These actions guaranteed the implementation of robust personal information protection measures, consistently improving the Bank's ability to safeguard the personal information of financial consumers. By laying a strong foundation in information security, the Bank ensures that customers can confidently enjoy financial services.



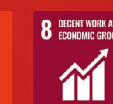


04

People-oriented Philosophy

Empowering Employees to Grow

The Bank adheres to a “people-oriented” employment philosophy that respects and safeguards the rights and interests of employees while fostering their professional growth, care for and support employees. By creating an open, inclusive, healthy, and supportive work environment, the Bank seeks to unlock the potential of its diverse talent pool and achieve shared growth between individual employees and the organization.



- Talent Acquisition and Retention
- Promoting Talent Development
- Employee Care

Talent Acquisition and Retention

The Bank is dedicated to building a sound and effective employment mechanism. By offering competitive compensation, benefits, and career development opportunities, the Bank enhances employees' sense of identity, belonging, and satisfaction, ultimately improving talent retention.

Promoting Equal Employment and Diversity

In 2024, the Bank had employed a total of

4,373 individuals

including

97 new employees

with a labor contract coverage rate of

100%

The Bank strictly complies with the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Trade Union Law of the People's Republic of China* (《中華人民共和國工會法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), and other relevant laws and regulations. Internally, it has formulated the *Administrative Measures for Staff Employment of Jinshang Bank* (《晉商銀行員工招聘管理辦法》), the *Procedures for the Selection and Appointment of Management Personnel of Jinshang Bank* (《晉商銀行管理人員選拔聘任工作規程》), and other policies to ensure professional and market-oriented employment practices.

The Bank emphasizes position-based hiring, fosters a diverse and inclusive workplace, and firmly opposes all forms of discrimination based on gender, age, ethnicity, nationality, marital status, religious beliefs, or other factors. All these ensure fair and equal opportunities for job seekers. The Bank strictly complies with the *Provisions on Prohibition of Child Labour* (《禁止使用童工規定》) and other relevant laws and regulations. During the recruitment process, the Bank rigorously verify applicants' age to eliminate any possibility of child labor. Should any violation occur, the Bank will initiate an investigation procedure and, upon confirmation, immediately revoke the candidate's employment eligibility. Furthermore, in accordance with the *Labor Contract Management Measures of Jinshang Bank* (《晉商銀行勞動合同管理辦法》) and *Employee Resignation Management of Jinshang Bank* (《晉商銀行員工離職管理辦法》), we fully respect employees' freedom of employment and resignation intention. The Bank resolutely opposes and prohibits any form of forced labor practices. The Bank places great emphasis on protecting employees' legitimate rights and interests, as well as addressing their reasonable expectations in areas such as employment, promotion, remuneration, benefits, working hours, equal opportunities, and diversity. Additionally, the Bank actively promotes compliant labor relations to ensure full adherence to applicable laws and regulations.

To strengthen its talent base, the Bank continued to diversify its recruitment channels and actively pursues cross-disciplinary and cross-industry talent acquisition. In 2024, the Bank had employed a total of 4,373 individuals, including 97 new employees, with a labor contract coverage rate of 100%.

Expanding Diversified Recruitment Channels

- “Dreaming with Jinshang Bank (青春動力，逐夢晉商)” Campus Recruitment targeting 2024 graduates.
- In alignment with the directive of the Party Committee and Government of Shanxi Province regarding attracting high-end talent, the Bank actively participated in the “Discover Shanxi, Empower Your Future (人到山西好風光)” talent introduction campaign, organized by the Organization Department of the Party Committee of Shanxi Province, recruited exceptional graduates from prestigious universities, including Peking University, Tsinghua University, Renmin University of China, Shanghai University of Finance and Economics, and Fudan University.
- To support the Bank's overall business development, social recruitment efforts were carried out across head office departments and branch networks.
- Adhering to the philosophy of “Maximizing Talent Potential”, the Bank encourages internal competition to inspire employees to pursue self-improvement, fostering personal growth while injecting new energy and vitality into the organization.

Enhancing the Compensation and Benefits System

The Bank adheres to the core principle of “value distribution based on value creation” and is committed to continuously refining a scientific, standardized, and market-oriented compensation management system. This ensures that compensation is paid in full and on time while upholding the principle of equal pay for equal work, regardless of gender. Employee compensation consists of fixed salaries, variable pay, allowances and subsidies, and other components.

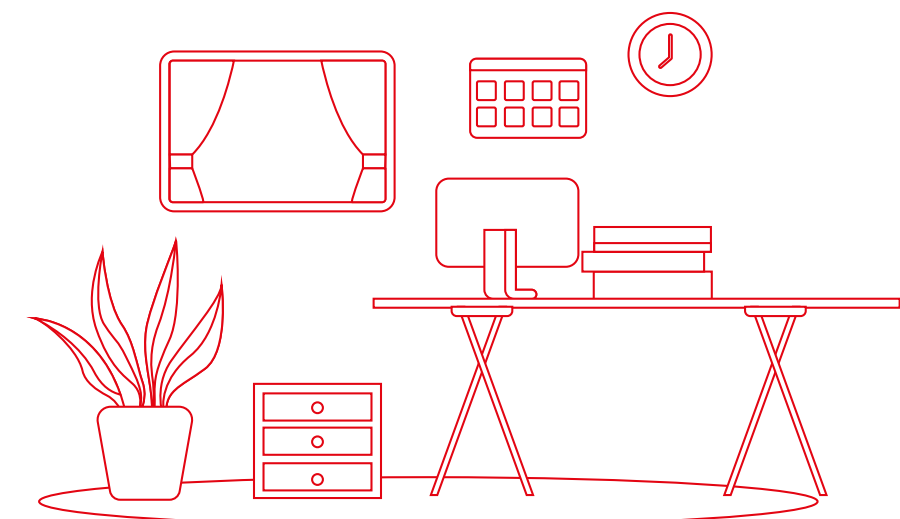
To reinforce performance-driven incentives, the Bank has established a comprehensive performance assessment management system that covers both managers and employees across the head office and all outlets. This system fully integrates the requirements for safe development, regulatory compliance, risk management, and sustainable growth. By clearly distinguishing rewards and punishments and encouraging accountability, the Bank promotes a culture of taking responsibility and driving development while rewarding outstanding contributions and addressing underperformance.

Linking Senior Management Compensation to Sustainability Indicators:

The Bank ties the variable pay of senior executives to their performance assessment results. Assessment indicators cover operational compliance, risk management, core management, development & transformation, among others. Core management indicators evaluate areas such as scale, value, and social responsibility, with value creation metrics integrated into senior management' performance assessments. Development and transformation indicators focus on digital finance, green finance, technology finance, pension finance, inclusive finance, incorporates the “Five major areas of finance” and ESG-related indicators into the transformation agenda.

The Bank strictly complies with all legal requirements by providing full coverage for social insurance benefits, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and contributions to a housing provident fund. Additionally, the Bank has continued to expand and optimize employee benefit programs, introducing initiatives such as an enterprise annuity plan and a supplementary medical plan, which have further enhanced employees' sense of belonging and job satisfaction.

The Bank places great importance on employees' right to take regular vacations and enforces a paid annual leave system in accordance with national regulations. For employees unable to take their annual leave due to work demands, or with unused leave remaining at the end of the year, the Bank compensates them financially for the balance of unused leave. Moreover, the Bank offers maternity leave, parental care leave, bereavement leave, marriage leave, family visit leave, childcare leave, and caregiver leave. To further support young families, the Bank provides monthly childcare allowances to employees with children under three years old. These comprehensive policies demonstrate the Bank's commitment to safeguarding employee rights and promoting their well-being.



Promoting Talent Development

The Bank places a strong emphasis on talent development, fostering mutual growth between employees and the organization by offering diversified career development paths and a comprehensive training system.

Clear Career Development Pathways

The Bank has provided clear career development pathways for employees and established a **dual-channel career development system for professional and management tracks**. By formulating and optimizing the *Administrative Measures for Tiered Employee Career Development of Jinshang Bank* (《晉商銀行員工專業序列發展管理辦法》), the Bank ensures alignment between employees' individual characteristics and career trajectories. In 2024, the Bank conducted a professional level assessment, evaluating and appointing 407 employees within their career tracks.

Talent Team Building

The Bank is committed to building a "learning bank" by developing a hierarchical and categorized talent training system. Guided by the philosophy of "Party leadership, business alignment, pragmatism & efficiency, and service-oriented operations", the Bank delivers a range of training programs aimed at cultivating management experts, professional specialists, and business leaders. These initiatives empower employee growth while driving organizational development. In 2024, the Bank had conducted over 1,400 employee training sessions, with participation reached 842,000 person-times attendees. The total accumulated training hours exceeded 290,000 hours, resulting in average training hours per employee reached 66.41. The training coverage rate reached 100%. The total training investment amounted to RMB7.4780 million.

In 2024, the Bank had conducted over **1,400** employee training sessions

With participation reached **842,000** person-times

The total accumulated training hours exceeded **290,000** hours

Average training hours per employee reached **66.41**

The training coverage of employees reached **100%**

The total training investment amounted to **RMB 7.4780** million

Leadership Training

The Bank has continued to prioritize the development of its management team, focusing on essential areas such as Party-building theory, corporate culture, integrity education, business management, risk management, and compliance management. These efforts aim to enhance leadership capabilities and improve the overall management skills of the management team.

Leadership Training

- In 2024, the Bank held two training sessions for middle and senior management personnel to study and implement the guiding principles from the Third Plenary Session of the 20th CPC Central Committee. These sessions focused on interpreting the guiding principles from the plenary session and fostering the establishment and practice of correct perspectives on power, political achievements, and career responsibilities. The training aimed to transform ideological awareness into actions, driving the Bank's Party building and business growth.
- For the first time, the Bank launched dedicated training programs for new sub-branch presidents, providing multi-dimensional, diverse, and comprehensive empowerment training. A total of 29 new sub-branch presidents received the training.



"Goose Flock (群雁計劃)" New Sub-branch President Training Program

To comprehensively enhance the leadership skills and professional capabilities of newly appointed sub-branch presidents, the Bank launched the "Goose Flock" New Sub-branch President Training Program in April 2024. This intensive three-day, three-night leadership training program covered 29 sub-branch presidents from across the Bank's network. The program featured a series of lectures delivered by renowned experts from both inside and outside the Bank. With a diversified course structure and hands-on practical components, the training aimed to strengthen political acumen, enhance business expertise, and expand management perspectives, providing a significant boost to the career development of new sub-branch leaders. The training also incorporated specialized sub-branch visits and peer experience-sharing sessions. Trainees had the opportunity to visit exemplary sub-branches, observe advanced management practices and innovative service models, and engage in knowledge exchange. This immersive approach further broadened the strategic vision and overall awareness of the participants, building a solid foundation for the high-quality development of their sub-branches.



Group photo of attendees of the "Goose Flock" Program

Professional and Technical Personnel Training

In line with its development strategy, business growth objectives, and talent development needs, the Bank provides training on professional theories, regulations, operational standards, and business skills. These programs are designed to enhance the competence and proficiency of professional and technical personnel in their respective roles.

Creating high-quality training programs across core lines

- The Bank has developed targeted high-quality training projects for key lines such as corporate finance, retail banking, SME finance, operations, credit risk management, and technology, tailored to actual needs. Training programs last a minimum of three months and include: Comprehensive Account Manager Training Class, "Government Procurement Quick Loan (政採快貸)" and "Medical Insurance Loan (醫保貸)" On-site Workshop, "Advanced Journey for Wealth Management Experts (財精英進階之旅)" Capacity Enhancement Training Program, "Digital Navigation and Intelligent Future (數字領航智啟未來)" Training Program, "Leadership Empowerment (群英齊聚 集結賦能)" Operation Supervisor Growth Program, Industry Research Class, etc.

Strengthening skills through competitions

- The Bank organized the "Striving for Excellence (晉益求精)" Employee Skills Competition, incorporating diverse competition events and forms.
- All levels of the Bank and various lines of business are conducting various forms of position training, skill competitions, and intensive training, striving to achieve full participation and competition among all employees.

“Leadership Empowerment” Operation Supervisor Growth Program

In September 2024, to strengthen the development of the operations supervisor talent pipeline, enhance professional skills and comprehensive service capabilities, explore innovative management approaches, and better align with the talent needs of a digitally transforming operations landscape, the Bank launched the second session of the “Leadership Empowerment” Operation Supervisor Growth Program. This program adopted a hybrid “online + offline” learning model tailored to meet the diverse needs of participants at varying levels. The program was conducted in two phases: “Leadership Cultivation—Operation Supervisor Skills Building (育英計劃—營運主管能力培養)” and “Leadership Improvement—Operation Supervisor Skills Improvement (領英計劃—營運主管進階提升)”.

Throughout the training, instructors skillfully blended practical case studies with theoretical knowledge to deepen participants’ understanding. Branch operations managers also shared valuable insights and experiences on key topics such as hall service management, risk management, and team building. Participants engaged in face-to-face discussions, group activities, and presentations, fostering dynamic exchanges of ideas. A total of over 140 trainees from 14 branches of the Bank participated in this comprehensive program. It successfully provided practical guidance for day-to-day business management and risk control while also advancing the Bank’s broader talent development objectives.



Group photo of attendees of the “Leadership Empowerment” Operation Supervisor Growth Program

New Employee Training

The Bank is committed to cultivating a new force who align with its corporate culture, quickly adapt to their workplace roles, demonstrate passion and vitality, and adopt a high-efficiency and rigorous work style. To achieve this, the Bank provides training in corporate culture, industry norms, and professional ethics, along with professional skills and practical job training. This comprehensive approach ensures that new hires—including both campus recruits and experienced hires—are guided to cultivate “four key attributes”—attitude, skills, competencies, and contributions.

“Young Goose” Training Program

- The “Young Goose” Training Program is designed to significantly enhance the overall professional competencies of new employees through introducing regulations and rules regarding ideals and beliefs, fundamental knowledge of commercial banking, ethics and integrity in practice, legal compliance, information security and confidentiality management, human resources and other relevant rules and regulations. This training program provides new hires with a solid foundation as they transition into their workplace roles. In 2024, more than 80 campus recruits successfully completed the program.

Internship training

- The Bank deepened collaboration with academic institutions. In 2024, the Bank invited professors from Shanxi University of Finance and Economics and Taiyuan University of Technology to deliver three expert lectures.
- The Bank offered internship training opportunities to college students, which included targeted and high-quality positions focused on research projects, market analysis, development planning, and industry analysis. A total of 11 master’s students from Shanxi University of Finance and Economics were included in the internship training.

“Young Goose (雛雁計劃)” Training Program for New Employees

To comprehensively enhance the overall capabilities of new employees and help them quickly integrate into the corporate culture and work environment, the Bank organized the “Young Goose (雛雁計劃)” Training Program at the “Influencing the Future” Campus of the Yangqu County Party School. This training program emphasizes a balanced combination of theoretical learning and practical application, aiming to develop the comprehensive skills of new employees in a variety of areas, including corporate culture, professional ethics, business expertise, and teamwork. By inviting experts and scholars, the program incorporates diverse learning methods such as scenario simulations, team-building activities, and case analysis. This provides new employees with an intuitive understanding of work processes and job expectations, laying a solid foundation for their future career development.



Group photo of employees participating in the “Young Goose” New Employee Training Program

Supporting Employees in Obtaining Professional Qualifications

The Bank has established a robust re-education training mechanism, requiring each business line to develop detailed continuing education training and assessment methods tailored to their specific business characteristics. This initiative promotes a transition from a traditional certification system—focused on major business lines such as corporate finance, retail banking, SME finance, operations, and credit risk management—towards a comprehensive certification framework covering all professional and technical positions. Each business line actively encourages employees who have obtained job-related or professional/technical qualifications to participate in continuing education, ensuring they complete the required training hours and assessments on time. Employees who fail to pass the continuing education assessments will have their qualification certificates revoked and will be required to re-train and re-certify for their job qualifications.

The Bank has established clear guidelines and standards for reimbursing learning-related expenses. Employees who obtain professional or technical qualifications listed in the national professional qualification catalog—relevant to the Bank’s business operations and job responsibilities—or participate in examinations organized by industry associations or authoritative organizations (such as AFP, CFP, PMP, ACCA, CMA, CFA, etc.), and successfully pass these examinations, are eligible for full reimbursement. This reimbursement includes registration fees, costs for official designated teaching materials, and related training expenses.

Employee Care

The Bank places a strong emphasis on the physical and mental well-being of its employees, fostering a safe and supportive workplace environment. Through a variety of multi-level and diverse care initiatives, the Bank ensures that employees feel genuinely valued and respected, promoting their overall health and career development.

Employee Communication and Participation

The Bank attaches great importance to employee communication and democratic management. It regularly holds Employee Representative Congress and Trade Union Committee meetings, providing accessible channels for employees to share suggestions and feedback. In doing so, the Bank respects and safeguards employees' rights to information, participation, expression, and oversight. In March 2024, the Bank held the 6th Meeting of the 2nd Employee Representative Congress and the 2nd Meeting of the 2nd Trade Union Committee. During the meeting, participating representatives engaged attentively as they reviewed and approved eight sets of regulations, including the *Report on the Implementation of Proposals Submitted at the 3rd Meeting of the 2nd Employee Representative Congress and the Collection of Proposals, Opinions, and Suggestions from the Sixth Meeting of the 2nd Employee Representative Congress* (《關於晉商銀行二屆三次職代會提案辦理落實情況和二屆六次職代會提案和意見建議徵集情況的報告》), the *Management Measures for the Human Resources Pool of Jinshang Bank* (《晉商銀行人力資源池管理辦法》), among others. The meeting actively solicited input from employees, collecting a total of 18 proposals as well as opinions and suggestions from representatives. These contributions covered key areas such as business management, human resources, logistics support, corporate culture, and employee rights.

Occupational Health and Safety

The Bank places great emphasis on the health and safety of employees. It continually enhances its scientific and robust health and safety management system by embedding the principles of workplace safety across all employees, processes, and activities, safeguarding their career development. In 2024, the Bank had reported zero work-related fatalities and 137 lost days due to work injuries, and had invested RMB1.72 million in work-related injury insurance, achieving 100% insurance coverage.

0 work-related fatalities **137** lost days due to work injuries

Ensuring Workplace Safety

In 2024, the Bank had conducted **277** emergency drills of various types.

The Bank strictly complies with the *Law of the People's Republic of China on Work Safety* (《中華人民共和國安全生產法》) and has established a robust safety management system and continually improved a comprehensive risk prevention and emergency response mechanism. By conducting regular workplace safety inspections, it quickly identifies and eliminates potential hazards, creating a safe and comfortable working environment for employees. The Bank also provides employees with training sessions, knowledge-sharing lectures, and emergency drills. These efforts ensure employees are well-equipped with essential safety knowledge and enhance their overall safety awareness. In 2024, the Bank had conducted 277 emergency drills of various types.

Promoting Employee Physical and Mental Well-Being

The Bank actively encourages employees to maintain both their physical and mental health. In 2024, the Bank organized three large-scale health lectures, covering topics such as "Hyperuricemia and Gout (高尿酸血症和痛風)", "Prevention and Treatment of Cervical and Lumbar Spondylosis (頸腰椎病的防治健康)", and "Emotional and Sleep Health (情緒與睡眠健康)". These lectures provided employees with scientific health information and practical methods for daily self-care, significantly improving their health management awareness.



"Treatment of Acute Myocardial Infarction (急性心梗救治)" Health Lecture

In December 2024, the Bank organized a health lecture on "Treatment of Acute Myocardial Infarction" for all employees. This initiative aimed to raise awareness about the prevention and treatment of acute myocardial infarction, promote first aid knowledge, enhance public health, and contribute to reducing the incidence and mortality rates of this condition. The event featured senior medical experts and renowned cardiovascular physicians, who delivered on-site lectures emphasizing the importance of the "golden window" for the treatment of acute myocardial infarction. They also demonstrated essential first aid techniques, including cardiopulmonary resuscitation (CPR). Participants had the opportunity to engage in hands-on simulation exercises, learning and mastering key first aid procedures under the guidance of professional medical staff. Additionally, the event included health consultations and free clinic sessions, where the expert team provided personalized health advice, answered employees' questions, and helped them assess their health conditions. This enabled participants to better understand their well-being and develop practical plans for maintaining a healthy lifestyle.

In 2024, the Bank conducted **28** group counseling sessions

The Bank has consistently prioritized the mental health and well-being of its employees. Since 2020, it has implemented the Employee Assistance Program and was recognized as an "Employee Mental Health Consultation Base" by the Shanxi Federation of Trade Unions. Through this initiative, the Bank regularly offers a wide range of mental health services, including mental health surveys, psychological group counseling sessions, and individual counseling services. These efforts aim to guide employees in cultivating a positive mindset while providing comprehensive mental health support from multiple dimensions. In 2024, the Bank conducted 28 counseling sessions, 39 one-on-one psychological coaching activities, 150 one-on-one listening services, and 20 individual consultations.



Jinshang Bank's employees Grassroots Psychological Care Activity

Caring for Employees

The Bank is dedicated to fostering a supportive and compassionate working environment to enhance employees' overall happiness, sense of belonging, and team cohesion.

Caring for Female Employees

The Bank is committed to safeguarding the rights and well-being of female employees. By adhering to national laws, regulations, and policy requirements, the Bank strictly enforces maternity leave, breastfeeding leave, childcare leave, and other leave entitlements for female employees. To provide comprehensive support, maternal and childcare facilities and equipment are installed in office spaces. Additionally, the Bank has organized specialized training programs focused on women and hosted themed activities, such as Women's Day events, to promote the personal and professional growth of female employees.

Jinshang Bank organized "Forever Young (我與晉商共芳華)" Themed Event for Women's Day

In celebration of International Women's Day 2024, the Bank organized a special event titled "Forever Young" for its female employees. As part of the event, female employees across the Bank participated in creating unique handmade bouquets, immersing themselves in the artistic allure of floral arrangements and fostering a deeper appreciation for aesthetic beauty. This activity not only enriched the cultural lives of female employees but also strengthened team cohesion, bringing fresh energy to the development of a warm and dynamic corporate culture.



"Forever Young" creative handicraft workshop

Jinshang Bank Builds "Mommy's House (媽咪小屋)" for Female Employees

To actively support the "Warm Bank" initiative, Jinshang Bank has thoughtfully introduced the "Mommy's House" to safeguard the rights and welfare of female employees. Open daily from 9 AM to 7 PM, the "Mommy's House" offers a range of services tailored to meet the unique needs of female staff. With dedicated spaces such as breastfeeding rooms, emergency nursing stations, and other thoughtfully planned functional areas, it provides a private, hygienic, comfortable, and safe environment. This initiative addresses the essential living needs of female employees during pregnancy preparation, pregnancy, and breastfeeding, ensuring their well-being and convenience.



A Mommy's House

Supporting Employees in Need

Jinshang Bank has developed the *Guiding Opinions on Establishing the Employee Mutual Aid Fund of Jinshang Bank and Further Improving Assistance and Relief for Needy Employees* (《關於建立晉商銀行職工互助金及進一步做好困難職工幫扶救助工作的指導意見》), as well as a long-term mechanism for assisting employees in need. In addition, it has created an employee mutual aid fund with clearly defined assistance programs, funding standards, and application procedures, ensuring the relief work is both systematic and compliant. These measures have effectively improved the basic living conditions of employees facing difficulties, while fostering a harmonious and stable workplace environment that contributes to the Bank's sustainable development. In 2024, the Bank assisted 58 needy existing and retired employees, with a total investment of RMB176,000.



Bank leaders visit employees in need

Enriching Employees' Lives

Jinshang Bank is committed to enhancing the quality of life of its employees. It strives to foster a balanced work-life environment and regularly organizes a variety of cultural and sports activities to help employees effectively manage work-related stress. Moreover, the Bank places great importance on caring for retired employees, ensuring that the emotional connection between retirees.



Jinshang Bank organized celebration activity for retired employees on the Double Ninth Festival 「攜手重陽 情系晉商」 in September 2024

Jinshang Bank Hosts "Celebrating 15 Years of Dedication, Embracing a New Chapter Together (砥礪十五載 奮進繪新篇)" Fun Sports Meeting

In September 2024, Jinshang Bank organized the "Celebrating 15 Years of Dedication, Embracing a New Chapter Together" employee fun sports meeting at the Shanxi Comprehensive Reform Demonstration Zone Gymnasium. The event featured four competitive games and four fun activities, bringing together 16 teams from the head office, branches, and Jinshang Consumer Finance Company. Over 400 athletes joined the sports meeting, while more than 300 executives, employees, and their family members enthusiastically cheered them on. After intense competition, Longcheng Sub-branch secured the championship, followed by the head office and Jinyang Sub-branch, which earned the runner-up and third-place titles, respectively. This vibrant event not only enriched the cultural and recreational lives of employees but also significantly strengthened team cohesion. It showcased the fighting spirit and sportsmanship of Jinshang Bank's executives and employees.



"Celebrating 15 Years of Dedication, Embracing a New Chapter Together" Employee Fun Sports Meeting concludes successfully

05

Value Co-creation

Laying the Foundation for Long-term Development

The Bank actively explores and advances a financial development model with Chinese characteristics, fostering the organic integration of Party leadership and corporate governance. It is committed to continuously refining modern corporate governance practices by enhancing the governance system, optimizing operational mechanisms, and strengthening its governance capacity.



- Guidance of Party Building
- Corporate Governance
- Risk Management
- Compliance and Business Ethics
- Contribution to Social Welfare

Guidance of Party Building

The Bank remains committed to strengthening the organic integration of Party leadership and corporate governance, prioritizing comprehensive and strict governance of the Party in its core agenda. It has refined the “bidirectional entry and cross appointment (雙向進入、交叉任職)” leadership system, ensuring that major business matters are studied and discussed by the Party Committee in advance. By integrating Party leadership into all aspects of corporate governance, the Bank ensures the Party Committee effectively fulfills its leadership role in “setting the direction, managing the overall situation, and ensuring implementation (把方向、管大局、保落實)”, while steadfastly adhering to the path of financial development with Chinese characteristics.

The Committee convened

31

meetings

The Bank issued the *Key Work Points for Strict Party Governance of the CPC Jinshang Bank Committee in 2024* (《中共晉商銀行委員會 2024 年從嚴治黨工作要點》) and fully implemented the responsibility system for Party-building initiatives. It introduced the *Responsibility List of the Party Committee Secretary for Implementing Comprehensive and Strict Party Governance as the “Principal Responsible Person”* (《黨委書記落實全面從嚴治黨“第一責任人”履責清單》) and the *List of Business and Party Building Responsibilities of Leadership Team Members* (《領導班子成員“一崗雙責”責任清單》), guiding Party members and executives at all levels to conscientiously fulfill their business and party building responsibilities—ensuring detailed implementation of Party governance responsibilities across the Bank.

In 2024, the Party Committee rigorously adhered to the “First Agenda” system, continuously enhancing the scientific level of decision-making. Over the year, the Committee convened 31 meetings, reviewed and studied 360 major business management issues, and promptly communicated the decisions and directives of the Party Committee and Government of Shanxi Province. It strengthened guidance and supervised implementation through its comprehensive work mechanisms, ensuring accurate, timely, and resolute execution of the decisions and arrangements made by the Central Party Central Committee and the Provincial Party Committee of Shanxi.

The Bank developed and issued the *Theoretical Learning Plan for the Party Committee Theory Study Center Group and Leadership of Jinshang Bank for 2024* (《晉商銀行 2024 年黨委理論學習中心組和幹部理論學習計劃》) and the *Work Plan of the CPC Jinshang Bank Committee on Studying and Publicizing the Guiding Principles from the Third Plenary Session of the 20th CPC Central Committee* (《中共晉商銀行委員會關於學習宣傳黨的二十屆三中全會精神的工作方案》). Additionally, it revised the *Learning System of the Party Committee Theory Study Center Group of Jinshang Bank* (《晉商銀行黨委理論學習中心組學習制度》) to more clearly define the guiding principles, content, format, and requirements for learning. Secretary practice training sessions were carried out for the theoretical learning center groups at each Party Committee (or General Party Branch), ensuring a continuous improvement in the quality and effectiveness of learning.

In 2024, the Party Committee Theoretical Study Center Group conducted 18 concentrated study sessions and 9 specialized seminars. These efforts consistently enhanced the ideological and political theory levels of Party members and executives, so that they acquire a deep understanding of the decisive significance of establishing Comrade Xi Jinping’s core position on the Party Central Committee and in the Party as a whole and establishing the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; be more conscious of the need to maintain political commitment, think in terms of the general picture, follow the core leadership of the CPC Central Committee, and act in accordance with its requirements; be confidence in the path, theory, system and culture of socialism with Chinese characteristics; and uphold General Secretary Xi Jinping’s core position on the CPC Central Committee and in the Party as a whole, and upholding the Central Committee’s authority and its centralized, unified leadership. Furthermore, the Bank has prioritized the study and implementation of the guiding principles from the Third Plenary Session of the 20th CPC Central Committee as a key political task. Special work plans were formulated, and grassroots propaganda initiatives titled “100 People, 100 Lectures” were organized. Members of Party Committees at all levels actively engaged with grassroots teams, delivering lectures that guided executives and employees in unifying their thoughts and actions. These activities created a strong momentum for studying, publicizing, and implementing the guiding principles from the Third Plenary Session.



Party Committee Party Discipline Education Class



2024 Annual Meeting on Comprehensive and Strict Party Governance & Party Conduct and Clean Government Construction



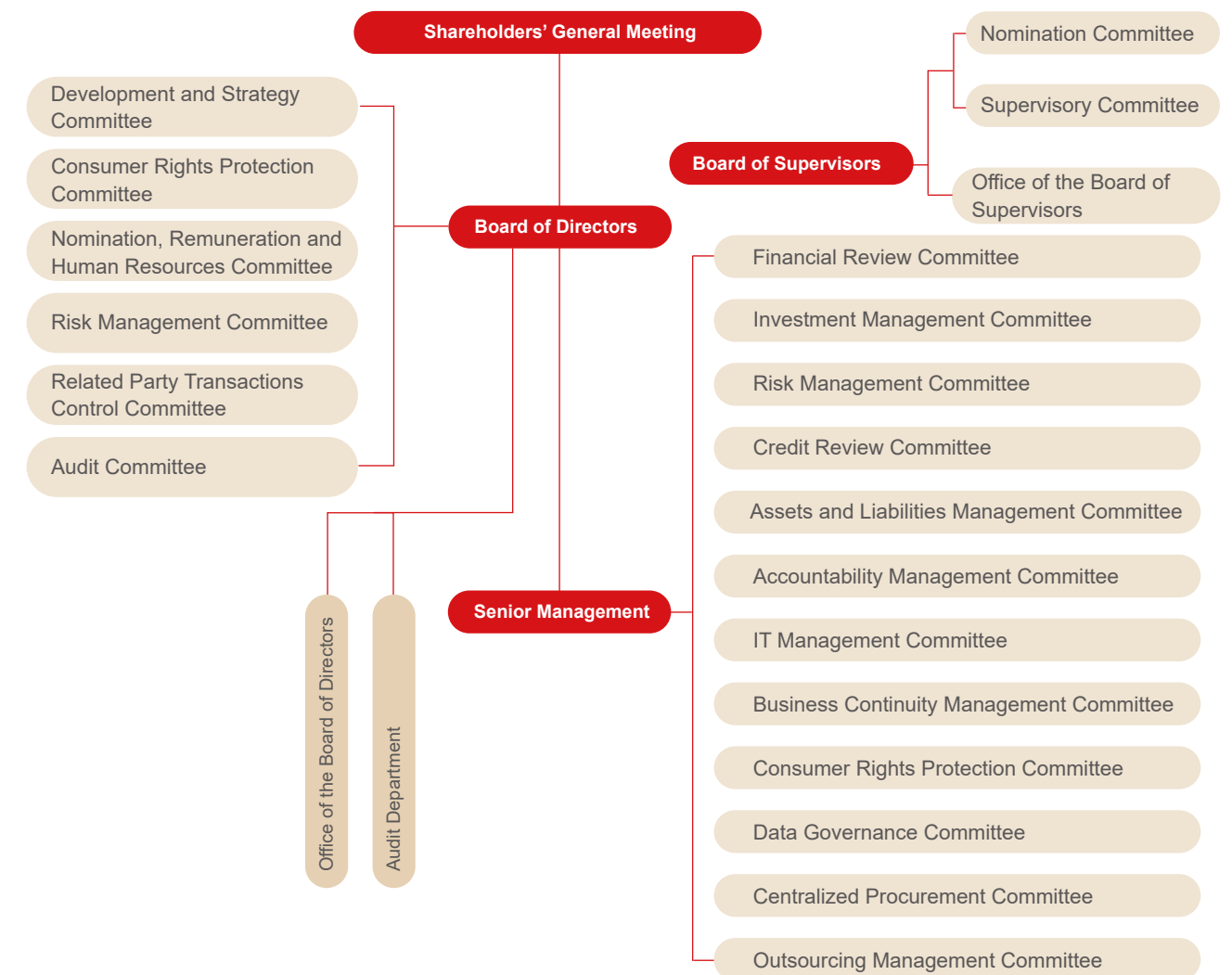
2024 Training Course for Improving the Political Capabilities of Outstanding Party Members and Party Workers

Corporate Governance

The Bank continuously optimizes its corporate governance system to achieve greater scientific rigor, stability, and effectiveness in operations, thus building solid foundation for long-term sustainable development.

Corporate Governance Structure

The Bank strictly complies with the *Company Law of the People’s Republic of China* (《中華人民共和國公司法》), the *Law of the People’s Republic of China on Commercial Banks* (《中華人民共和國商業銀行法》), the *Corporate Governance Guidelines for Banking and Insurance Institutions* (《銀行保險機構公司治理準則》), as well as other applicable laws, regulations, and the governance requirements of the HKEX. Taking into account its industry characteristics and internal practices, the Bank has steadily refined its governance system and established a “Three Committees and One Senior Management” corporate governance structure comprised of the Shareholders’ General Meeting, Board of Directors, Board of Supervisors, and Senior Management. Each entity operates independently within its clearly defined responsibilities while actively coordinating with the others, ensuring an effective system of checks and balances. Guided by the *Articles of Association of Jinshang Bank* (《晉商銀行公司章程》), the Bank has developed a modern governance mechanism with Chinese characteristics, fostering steady and robust corporate growth.



Jinshang Bank’s “Three Committees and One Senior Management” Corporate Governance Structure

Construction of the Board of Directors

The Bank continued to improve its Board of Directors. Measures include formulating the *Rules of Procedure for Board Meetings* (《董事會議事規則》), improving the operating system of the Board and its special committees, optimizing the core responsibilities of the Board in decision-making, supervision, and governance, and enhancing its independence, scientific approach, and operational efficiency. These efforts have laid a solid foundation for the Bank's high-quality development. The Board has established several special committees, including the Development Strategy Committee, the Nomination, Remuneration, and Human Resources Committee, the Audit Committee, the Risk Management Committee, the Related Party Transactions Control Committee, and the Consumer Rights Protection Committee. Directors serving on these committees strictly adhere to the relevant provisions of the *Hong Kong Listing Rules* (《香港聯合交易所有限公司證券上市規則》), conduct in-depth research within their areas of responsibility, and contribute targeted, constructive recommendations to improve and enhance the Bank's corporate governance system.

Diversity and Professionalism of the Board

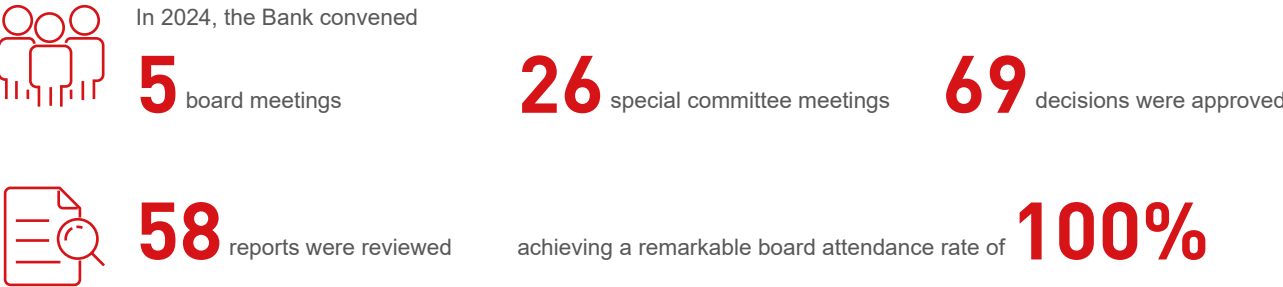
The Bank recognizes the critical role of diversity in corporate development and has actively worked to build a diverse Board of Directors. To this end, the Bank has formulated the *Board of Directors Diversity Policy* (《董事會多元化政策》), which outlines effective measures to achieve and maintain diversity within the Board. This policy incorporates key considerations such as gender, age, cultural and educational background, professional experience, skills, knowledge, and tenure, ensuring a well-balanced blend of workplace expertise and professional capabilities in the nomination and appointment of directors. As of the end of 2024, the Bank's Board of Directors comprised 13 members, including 2 female directors. Each director brings a wealth of experience and unique perspectives, with expertise spanning areas such as economics and finance, banking management, financial accounting, and science and technology information.

Board Independence

The Bank places high importance on maintaining the independence of its Board of Directors. To uphold this independence, the Bank's *Articles of Association* specify that independent directors may hold such roles in no more than five domestic or international companies simultaneously, and no more than two commercial banks. Additionally, at least one independent director must possess professional qualifications or expertise in accounting and related financial management. To ensure the objectivity and professionalism of its operations, the chairpersons of all special committees within the Bank are independent directors. This structure reinforces the independent and professional functioning of these committees. As of the end of 2024, the Bank's Board of Directors included a total of 5 independent directors, representing about 38% of the Board's composition.

Directors' Performance of Duties

The Bank maintains a comprehensive director performance file, which systematically records and evaluates key aspects of directors' activities, including their attendance at meetings, contributions and opinions, participation in training programs, and research endeavors. This serves as an essential foundation for the annual performance assessment of directors. In 2024, the Bank convened 5 board meetings and 26 special committee meetings. During these sessions, 69 decisions were approved and 58 reports were reviewed, achieving a remarkable board attendance rate of 100%.



Special Committees of the Board of Directors

Performance of Duties



Five committee meetings were convened to review 10 agenda items, including the *Proposal on the 2024 Financial Budget of Jinshang Bank Co., Ltd.* (《關於晉商銀行股份有限公司 2024 年度財務預算的議案》), and to deliberate 8 additional items, such as the *2023 Capital Adequacy Ratio Management and Internal Capital Adequacy Assessment Report of Jinshang Bank Co., Ltd.* (《晉商銀行股份有限公司 2023 年度資本充足率管理及內部資本充足評估報告》).



Five committee meetings were held to review 12 items, including the *Proposal on Nominating Mr. Wu Canming as a Candidate for Director of the Sixth Board of Directors of Jinshang Bank Co., Ltd.* (《關於提名武燦明先生為晉商銀行股份有限公司第六屆董事會董事候選人的議案》), and to deliberate 1 item—the *Report on the Clawbacks and Malus of Employee Performance-Based Compensation of Jinshang Bank in 2023* (《晉商銀行 2023 年度員工績效薪酬追索扣回情況報告》).



Four committee meetings were conducted to review 9 items, such as the *Proposal on the 2023 Financial Statement Report of Jinshang Bank Co., Ltd.* (《關於晉商銀行股份有限公司 2023 年度財務決算報告的議案》), and to deliberate on 20 items, including the *2023 Audit Report on the Asset Management Business of Jinshang Bank Co., Ltd.* (《晉商銀行股份有限公司 2023 年度資產管理業務審計報告》).



Five committee meetings were organized to review 21 items, including the *Proposal on the 2024 Risk Preference Statement of Jinshang Bank Co., Ltd.* (《關於晉商銀行股份有限公司 2024 年度風險偏好陳述書的議案》), and to deliberate 21 other items, such as the *2023 Reputation Risk Management Report of Jinshang Bank Co., Ltd.* (《晉商銀行股份有限公司 2023 年度聲譽風險管理報告》).



Five committee meetings were also convened to review 11 items, including the *Proposal on the 2024 Related-Party Credit Business of Jinshang Bank Co., Ltd.* (《關於晉商銀行股份有限公司 2024 年度關聯交易授信業務的議案》), and to deliberate 1 item—the *2023 Related-Party Transaction Report of Jinshang Bank Co., Ltd.* (《晉商銀行股份有限公司 2023 年度關聯交易報告》).



Two committee meetings were held to review three 3 items, including the *Proposal on the Guiding Opinions on Consumer Rights Protection of Jinshang Bank Co., Ltd. for 2024* (《關於晉商銀行股份有限公司 2024 年度消費者權益保護工作指導意見的議案》), and to deliberate four 4 items, such as the *Report on the Progress of Consumer Rights Protection of Jinshang Bank Co., Ltd. for 2023* (《晉商銀行股份有限公司 2023 年度消費者權益保護工作開展情況報告》).

Construction of Board of Supervisors

In line with regulatory requirements and industry best practices, the Bank continued to leverage the supervisory strengths of its Board of Supervisors, structured as “one body with two wings”. The Bank formulated the *Rules of Procedure for the Board of Supervisors* (《監事會議事規則》), which clearly define its supervisory role across core areas such as corporate governance, performance oversight, financial management, internal control, and compliance. As of the end of 2024, the Board of Supervisors consisted of 9 supervisors and convened 5 meetings during the reporting period. These meetings reviewed and discussed a total of 81 proposals covering key matters such as major business decisions, risk management, internal control, and more. Additionally, the Board of Supervisors conducted inquiries with 40 heads of relevant functional departments and provided over 90 supervisory opinions. These efforts have effectively contributed to the enhancement of the Bank’s governance standards.

Investor Rights Protection

The Bank is committed to safeguarding the legitimate rights and interests of investors by enhancing the protection of shareholder rights, optimizing communication channels, and strengthening information disclosure, ultimately driving the Bank’s long-term value growth.

Protecting the Rights and Interests of Minority Shareholders

The Bank provides a secure, cost-effective, and convenient platform for minority shareholders to participate in decision-making processes, ensuring their rights to information, participation, and oversight on critical matters such as the nomination and election of directors and supervisors, as well as the review of financial reports. In 2024, the Bank held two shareholders’ meetings, both of which saw active participation and voting from minority shareholders, effectively safeguarding their legitimate rights and interests.

Investor Relations Management

The Bank places a strong emphasis on investor relations management. To this end, it has developed and implemented the *Work Plan of Jinshang Bank on Improving the Market Value Management Mechanism* (《晉商銀行關於完善市值管理機制的工作方案》) and established an effective communication framework to engage with investors. During the reporting period, the Bank actively and promptly gathered investors’ feedback and suggestions regarding its operations and management through various channels, including telephone hotlines and emails. Simultaneously, the Bank enhanced positive publicity efforts and leveraged multiple channels for promotion to share favorable information, strengthening investor confidence in it.

Information Disclosure

The Bank strictly complies with regulatory requirements, consistently enhancing disclosure quality, while ensuring that information is disclosed in a timely and standardized manner. In 2024, the Bank fulfilled its information disclosure obligations through the HKEX’s website, its own official website, and the *China Securities Journal*. Over the year, the Bank disclosed a total of 42 documents, including periodic reports, interim announcements, and corporate governance documents. In the evaluation of information disclosure by China Financial Media Co., Ltd., the Bank was included in the “**2024 Top 20 Banks in Comprehensive ESG Performance**” and obtained an ESG rating of AA.

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AA



Risk Management

The Bank upholds the principle of comprehensive and prudent risk management, continuously refining its risk management framework and establishing a robust system that spans the entire risk lifecycle. This approach effectively mitigates and addresses various risks, ensuring the stable operation and sustainable growth of the enterprise.

Risk Management System

Risk Management Organizational Structure

The Bank adheres to the principle of “the Party manages risks”, and has formulated and implemented the *Risk Management Measures of Jinshang Bank Group* (《晉商銀行集團風險管理辦法》) and the *Risk Management System and Basic Principles of Jinshang Bank* (《晉商銀行風險管理體系和基本原則》). A comprehensive risk management framework has been established, encompassing all outlets, business lines, and processes. This framework designates ultimate responsibility to the Board of Directors, provides effective oversight by the Board of Supervisors, ensures direct leadership from senior management, and fosters close collaboration among all departments. To strengthen risk control, the Bank has appointed risk directors in key business lines to coordinate risk management efforts. Risk managers have been deployed within major business departments to oversee risk control during business development, while risk management leaders have been placed in each branch to ensure risk management at the frontline. These measures reinforce financial stability and safeguard financial security across the organization.

The Bank has also implemented a clear two-way risk reporting mechanism, through which comprehensive risk management updates are regularly provided to the Board of Directors and senior management. Moreover, a major event risk reporting mechanism has been established, requiring outlets to directly report significant risks or incidents to the outlet-level President and simultaneously to the Risk Management Department at the head office. This ensures timely communication and effective resolution of critical issues.

Risk Management Framework

The Bank has consistently enhanced its risk management framework by formulating and rigorously implementing key policies, including the *Risk Management System and Basic Principles* (《風險管理體系和基本原則》), *Market Risk Management Policies and Procedures* (《市場風險管理政策、程序》), *Liquidity Risk Management Measures* (《流動性風險管理辦法》), *Strategic Risk Management Measures* (《戰略風險管理辦法》), and *Reputation Risk Management Measures* (《聲譽風險管理辦法》). In 2024, the Bank revised five critical policies and systems, such as the *New Business/ New Product Risk Assessment Management Measures* (《新業務/新產品風險評估管理辦法》), the *Financial Asset Risk Classification Measures* (《金融資產風險分類辦法》), and the *Risk Preference Management Measures* (《風險偏好管理辦法》). These revisions have strengthened the institutional foundation necessary for the comprehensive improvement of the Bank’s risk control capabilities.

Risk Appetite

The Bank has developed the *2024 Risk Appetite Statement* (《2024年風險偏好陳述書》), which adopts a prudent and robust overall risk appetite, emphasizing the balance between capital, risk, and return, while ensuring alignment with the principles of safety, profitability, and liquidity.

To guide organizational operations, the Bank has introduced the *Risk Appetite Management Measures of Jinshang Bank* (《晉商銀行風險偏好管理辦法》). Risk appetite serves as a foundational directive, fully integrated into the performance appraisal system, creating a close link between risk control, strategic planning, and capital planning across the Bank. This approach ensures that business operations are conducted in an orderly manner under a unified risk appetite framework, leveraging its “baton effect” to steer consistent decision-making across the organization. The Bank has also prioritized the monitoring of risk appetite by analyzing key indicators during their implementation to assess alignment with predefined targets. A comprehensive assessment of risk appetite execution is conducted every six months, with corrective actions such as reminders, adjustments, or refinements implemented as needed.

“Three Lines of Defense” Mechanism for Risk Management

The Bank has implemented a comprehensive “three-line defense” mechanism for risk management: First Line of Defense: **Business departments** serves as the first line of defense, taking direct responsibility for the risk control of their respective business operations. Second Line of Defense: **The middle-office departments, such as the Risk Management Department**, provide overall oversight and control of risk management. Their responsibilities include monitoring, assessing, and issuing warnings related to credit risk, liquidity risk, market risk, and operational risk across various business lines. They also oversee and evaluate the risk management practices of outlets. Third Line of Defense: **The back-office departments, including the Audit Department**. They are responsible for internal control, supervision, and conducting audits to ensure that both the front and middle offices are effectively performing their risk management responsibilities.

Enhancing Digital Risk Control Capabilities

The Bank has advanced the digital transformation of its risk control systems by leveraging modern technologies such as big data and artificial intelligence. It has established comprehensive digital risk management systems, including a credit management system, integrated risk management system, impairment valuation system, and financial asset risk management system. Upgrades to various risk control systems have also been implemented, improving online functionality. These enhancements enable technology-driven risk identification, monitoring, measurement, and prevention.

Strengthening Risk Culture Development

the Bank conducted
57 risk management training sessions

The Bank has compiled the *Risk Line Training Materials of Jinshang Bank - Comprehensive Risk Management* (《晉商銀行風險條線培訓教材——全面風險管理》). Through a mix of online and offline training programs, the Bank has provided in-depth training covering key topics such as transaction fundamentals, industry classification and research, financial asset risk classification, and various systems and methodologies. These programs target risk management and business lines, effectively reinforcing staff awareness of risk identification and prevention. This initiative supports the development of a compliant, stable, standardized, and professional talent pool. In 2024, the Bank conducted 57 risk management training sessions.

Compliance and Business Ethics

The Bank strictly adheres to national laws, regulations, and regulatory requirements, continuously enhancing its compliance and internal control management systems. It ensures that all business activities are conducted in a legal and compliant manner, fostering a corporate image rooted in integrity, transparency, and reliability.

Improving the Internal Control System

Strengthening the Policy Foundation

The Bank remains committed to the principle of “prudent compliance and operation (審慎合規、穩健經營)”, continuously optimizing its internal control and compliance rules and regulations system across all levels. In 2024, the Bank strictly adhered to the requirements outlined in the *Notice on Organizing and Carrying Out Special Rectifications in “Talent Selection and Employment, Equity Structure Streamlining, and System Development* (《關於組織開展「選人用人、股權理順、制度建設」專項整治的通知》) ” and actively undertook focused rectification efforts in “system construction”. Based on findings from provincial Party Committee inspections and cross-inspections conducted by the National Financial Regulatory Administration, the Bank identified problems in internal management and system design, using methods like problem tracing and resolution, comprehensive system assessments, compliance reviews, system learning, and inspections. Furthermore, the Bank conduct timely analysis on the soundness and applicability of internal rules, and comprehensively review the robustness and operability of internal systems in accordance with the latest regulatory policies, and systematically advanced the regular abolition, revision, and optimization of its mechanisms. In 2024, the Bank had established or revised 327 sets of regulations and abolished 311 outdated ones.

Strengthening Employee Behavior Management

The Bank rigorously adheres to regulatory requirements while tailoring its systems to practical operational needs. It has comprehensively revised key policies, such as the *Employee Behavior Management Measures* (《員工行為管理辦法》) and the *Code of Conduct for Practitioners* (《從業人員行為守則》). These updates clearly define the roles and responsibilities of specific departments in managing employee behavior, systematically categorize various types of violations, and enhance the standardization and operability of employee behavior management, providing a robust foundation for the Bank’s stable and compliant operations.

To strengthen oversight, the Bank developed an employee behavior investigation plan, implementing diverse forms of monitoring and inspection on all employees on both quarterly and targeted bases. Particular attention is given to identifying abnormalities in employees’ work, financial activities, and personal lives, reinforcing professional behavior management, and encouraging employees to uphold high ethical standards. In 2024, the Bank conducted a thorough investigation into more than 20 types of abnormal behaviors—including improper fund transactions between employees and customers, unlawful credit card usage, consumer loans directed toward restricted areas, and employees holding personal business loans. These efforts utilized methods such as employee self-inspection, internal investigations, and technology-driven investigations, ensuring full coverage across the workforce. Additionally, the Bank introduced individual-specific rectification measures to address abnormal behaviors, effectively preventing and mitigating financial crime risks.

Deepening Compliance Inspections and Problem Rectification

The Bank places a strong emphasis on risk management and compliance governance, focusing on problems identified in key risk domains during regulatory inspections. Comprehensive compliance inspections were conducted across all business lines and outlets to proactively address and prevent risks. Measures include on-site inspections, reporting typical issues, interviewing key personnel, and conducting strict compliance assessments. In terms of noncompliance punishment, the Bank enforced the general requirements of “regular investigation, quick rectification, system improvement, and stronger governance” in accordance with applicable laws, regulations, and internal systems. Tasks related to various issues were carefully broken down and assigned, while entities at all levels were guided, encouraged, and urged to adopt a problem-oriented approach. This involved thoroughly identifying deficiencies, addressing gaps and shortcomings, and implementing rectification measures in a systematic, phased manner, with high standards and strict requirements. These efforts have helped further strengthen the Bank’s compliance culture and governance foundation.

Strengthening the Quality and Effectiveness of Accountability

The Bank emphasizes the importance of enforcing penalties for violations, strengthening accountability to foster a compliance culture where employees “dare not to, are unable to and have no desire to violate” and leverages the deterrent effect of a robust punishment mechanism. In 2024, the Bank had held individuals accountable for violations across various areas, including non-performing loan processing, economic penalties related to write-offs, employee behavior management, case handling, and illegal business practices.

Cultivating a Compliance Culture

The Bank has continued to advance the development of a strong compliance culture by integrating compliance principles into every facet of its operations and management. Through multi-level and multi-dimensional awareness campaigns and training initiatives, the Bank has successfully strengthened compliance awareness across all employees.

Compliance Culture Measures

Promoting the learning of regulations through multiple channels

The Bank encouraged all departments and outlets to conduct comprehensive learning of regulations via the **Zhiniao platform** (知鳥平台), **centralized training programs**, **external training sessions**, and other methods. The learning focused on key policies such as the Management Measures for the *Prevention of Control of Criminal Risks Involving Financial Institutions* (《金融機構涉刑案件風險防控管理辦法》), the *Management Measures for Risk Prevention and Control of Criminal Cases* (《涉刑案件風險防控管理辦法》), the *Management Measures for Criminal Cases* (《涉刑案件管理辦法》), the *Code of Conduct for Practitioners* (《從業人員行為守則》), and the *Management Measures for Practitioner Behavior* (《從業人員行為管理辦法》), among others. Detailed analysis and discussions were conducted to effectively enhance the compliance awareness and execution capabilities of all staff across the Bank's operations.

Additionally, the Bank implemented quarterly tests to closely monitor employees' progress in learning these policies. The testing encompasses various roles across the Bank's middle and back-office functions. In 2024, the training and testing had covered areas such as personal loans, compliance, and operations, with a cumulative participation of over 7,400 employees.

Organizing compliance competitions

The Bank thoroughly implemented the head office's directives for building a "learning bank". Centered on the key objectives of empowerment through competition, skill enhancement, and efficiency improvement, it organized all employees to participate in the "Pursuing Excellence in the Cloud (晉益求精在雲端)" online quiz initiative. The quiz featured questions on essential laws and regulations, key regulatory policies, relevant departmental systems, and daily work practices, fostering a culture where employees "learn by doing and do by learning".

Pushing compliance subject information

Compliance information was disseminated through the "Jinshang Bank Compliance View (晉商銀行合規視角)" WeChat Official Account and the Compliance Platform, covering topics such as laws and regulations, policy interpretations, risk alerts, typical cases, and regulatory penalties. These efforts aim to consistently promote management requirements across all levels of the Bank while instilling compliance concepts. In 2024, the Bank had published a total of 233 compliance subject information pieces.

Conducting diversified compliance publicity activities

The Bank facilitated a variety of compliance activities across its outlets, including the "Compliance Learning Lantern Riddles (學合規, 猜燈謎)" event hosted by Bingzhou Sub-branch, a prison-based warning education initiative led by Datong Branch, the "Compliance Discussion (合規大討論)" organized by Yuncheng Branch, compliance lectures conducted by Changzhi Branch, and the creation of a "Compliance Culture Wall (合規文化牆)" by Shuozhou Branch.



Compliance Culture Wall

Carrying out warning education activities

The Bank actively advanced the normalization and long-term impact of warning education. It organized warning education conferences and Party discipline education sessions for all executives. Additionally, the Bank launched the "Integrity Lecture (清風講堂)", offering training courses on banking, finance, and discipline inspection and supervision for discipline inspection leaders and personnel from relevant supervisory departments. Various outlets educated and guided Party members and leaders by holding warning education conferences, organizing visits to anti-corruption education bases, and attending court trials to strengthen their ideological resilience against corruption.

Anti-Commercial Bribery and Anti-Corruption

The Bank places great emphasis on the establishment and improvement of its anti-corruption framework, developing and implementing a series of policy documents, including the *Measures for the Disciplinary Inspection Department in Disciplinary Review* (《紀檢機構紀律審查工作辦法》) and the *Code of Conduct for Employee Integrity* (《員工廉潔從業行為守則》), and establishes and improves a long-term anti-corruption mechanism to effectively prevent disciplinary violations and illegal activities such as bribery, embezzlement, extortion, and fraud. During the reporting period, the Bank continued to deepen its efforts in Party discipline education by establishing a robust discipline education mechanism that integrates regular and concentrated learning. It has carried out comprehensive initiatives to address "unethical practices and corruption behaviors affecting the masses" and has advanced targeted rectification measures to tackle "outstanding issues in bidding and tendering within infrastructure projects". Notably, no corruption-related lawsuits were reported throughout the year, underscoring the Bank's success in building a strong defense against integrity risks.

To foster a clean and honest working environment, the Bank compiled and distributed a *Warning Book* (《警示錄》) to mid-level management, senior executives, and key personnel in critical roles to reinforce its warning education efforts. In 2024, the Bank conducted 45 anti-corruption training times, reaching over 10,000 participant attendances and accumulating a total of 180 training hours. These initiatives significantly enhanced employees' anti-corruption awareness and strengthened their ability to perform their duties with integrity. This solid disciplinary foundation has provided strong support for the Bank's high-quality development.



Number of management personnel receiving anti-corruption training

158

Training coverage rate of

100%



Number of employees receiving anti-corruption training

4,329

Training coverage rate of

99%



"Clean Jinshang Bank Culture Promotion Month (清廉晉商文化宣傳月)" Event

In May 2024, Jinshang Bank hosted the Clean Jinshang Bank Culture Promotion Month, convened a comprehensive integrity promotion meeting, and selected the first batch of "Integrity Demonstration Units". Discipline education was further reinforced through the "Clean Jinshang Bank" WeChat Official Account, fostering a strong atmosphere of learning, understanding, and adhering to integrity standards. These initiatives gradually solidified the ideological foundation where employees "dare not to, are unable to and have no desire to involve in corruption".

Whistleblowing and Whistleblower Protection

Jinshang Bank places great emphasis on the role of public supervision and has established comprehensive mechanisms to support whistleblowing and protect whistleblowers. To this end, the Bank has developed policies such as the *Jinshang Bank Petition Work Methods* (《晉商銀行信訪工作辦法》) and the *Jinshang Bank Discipline Inspection Organization Petition Report Work Methods* (《晉商銀行紀檢機構信訪舉報工作辦法》), continuously refining its discipline inspection and supervision petition reporting framework. To provide a convenient and efficient feedback channel for employees and external stakeholders, the Bank has established five distinct reporting methods, including letters, in-person visits, telephone hotlines, online submissions, and email reports. These measures aim to ensure that reporters' legal rights and interests are fully protected. The Bank adheres to a process of unified acceptance, centralized management, and standardized handling of internal reports, significantly enhancing the quality and efficiency of petition reporting. Furthermore, the Bank strictly safeguards the confidentiality of reporters' personal information to prevent any form of retaliation.

Supply Chain Management

Jinshang Bank has established and continuously refined a centralized procurement system. At its core are the *Centralized Procurement Management Measures* (《集中採購管理辦法》), supported by complementary systems such as the *Decentralized Procurement Management Measures* (《分散採購管理辦法》), *E-commerce Platform Procurement Management Measures* (《電商平台採購管理辦法》), *Business Office Premises Purchase and Leasing Procurement Implementation Rules* (《營業辦公用房購置及租賃採購實施細則》), and *Centralized Procurement Supplier Management Implementation Rules* (《集中採購供應商管理實施細則》). Together, these policies provide robust institutional support for the orderly implementation of the Bank's centralized procurement processes. Additionally, the Bank introduced the *Centralized Procurement Supervision and Management Measures* (《集中採購監督管理辦法》), fostering a fair and impartial procurement environment through mechanisms such as conflict-of-interest avoidance, on-site supervision of key project bidding evaluations.

The Bank has established a comprehensive supplier management process covering the entire lifecycle, including supplier selection and qualification, performance evaluation, as well as retention and elimination. For assessment, the Bank has implemented an evaluation system with key performance indicators (KPIs) covering quality, compliance, and risk control. Additionally, ESG-related metrics—such as environmental protection, green procurement, and anti-corruption—have been incorporated. Through a dynamic management mechanism, the Bank continuously optimizes its supplier structure to ensure compliance and sustainability across the supply chain.

The Bank strengthens environmental and social risk management for suppliers. On the environmental front, in strict compliance with the *Centralized Procurement Management Measures*, the Bank requires that the design, manufacturing, packaging, and transportation of procured goods, as well as engineering and services, adhere to national environmental standards, with priority given to energy-efficient and eco-friendly products. On the social front, the Bank places great importance on supplier integrity and self-discipline. To this end, the Bank request suppliers to sign the *Integrity and Self-Discipline Acknowledgment* (《晉商銀行廉潔自律告知書》), explicitly requiring suppliers to comply with relevant laws, regulations, and the Bank's integrity standards. This approach fosters a fair, transparent, and honest business cooperation environment. In 2024, the Bank engaged with 106 suppliers. During the reporting period, the Bank organized one ESG training session for its suppliers and conducted a comprehensive and rigorous review of all partners, achieving a 100% supplier review coverage rate. These measures ensure that every supplier adheres to the Bank's standards and regulatory requirements.

Anti-Money Laundering (AML)

Jinshang Bank rigorously complies with national laws and regulations, including the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), the *Administrative Rules for the Reporting by Financial Institutions of Large-Value and Suspicious Transactions* (《《金融機構大額交易和可疑交易報告管理辦法》》), the *Guidelines for Money Laundering and Terrorist Financing Risk Assessment and Customer Classification Management for Financial Institutions* (《金融機構洗錢和恐怖融資風險評估及客戶分類管理指引》), and the *Guidelines on the Management of Conduct of Practitioners in Banking Financial Institutions* (《銀行業金融機構從業人員行為管理指引》), continuously enhancing its AML framework. The Bank has revised and refined key policies, including the *Anti-money Laundering Management Measures of Jinshang Bank* (《晉商銀行反洗錢管理辦法》), the *Anti-Money Laundering and Counter Terrorist Financing Risk Assessment Measures of Jinshang Bank* (《晉商銀行業務洗錢和恐怖融資風險評估辦法》), the *Customer Money Laundering Risk Grading and List Management Procedures of Jinshang Bank* (《晉商銀行客戶洗錢風險等級劃分及名單管理操作規程》), and the *Implementation Rules of Jinshang Bank for Large and Suspicious Transaction Reporting* (《晉商銀行大額交易和可疑交易報告實施細則》). These updates serve to further optimize the Bank's AML systems and strengthen its operational mechanisms and prevent various risk events including extortion, fraud, money laundering, and terrorist financing.

Intelligent AML Transaction Monitoring

The Bank has revamped its risk assessment indicators for customers, products, and institutions, while evaluating and optimizing monitoring models for activities such as online gambling and underground banking. It has enhanced its early-warning, linkage verification, and data validation mechanisms, incorporating machine learning technology to intelligently predict the likelihood of suspicious behavior in early-warning cases. These advancements have significantly improved the efficiency of identifying suspicious activities and strengthened the Bank's ability to uncover high-value criminal leads.

AML Publicity and Training

Jinshang Bank regularly conducts AML publicity and training programs for all employees, with targeted sessions for directors, senior management, business lines, and front-line operators. The training covers a wide range of topics, including emerging trends in domestic and international AML regulations, significant updates to AML laws, key areas requiring focused attention, revisions to AML-related systems, inspection-related matters, system optimization, and associated operational procedures. These initiatives aim to effectively enhance employee capabilities in AML performance. In 2024, the Bank had conducted 66 AML training sessions, reaching a total of 9,116 participants.

In 2024, the Bank had conducted 66 AML training times with a total of 9,116 participants

AML Training

To meet regulatory requirements and strengthen the Bank's AML capabilities and compliance awareness, a series of special training sessions were organized to provide robust support for developing a comprehensive and effective AML system.

A dedicated learning session was conducted for directors, senior management, and members of the AML leadership team at the head office. The session focused on the interpretation of newly revised legislations, including the *Anti-Money Laundering Law of the People's Republic of China* (《中國人民共和國反洗錢法》) and the *Measures for the Administration of Beneficial Owner Information* (《受益所有人信息管理辦法》), as well as other regulatory requirements and policies. The training provided an in-depth analysis of high-risk areas and key management priorities in AML efforts, effectively enhancing the leadership's understanding of regulations, as well as their decision-making capabilities.

A targeted training program was delivered to over 300 participants, including department heads and outlet leaders. The sessions emphasized risk identification, verification of beneficial owner information, and the construction of robust internal control systems. Through case studies, scenario-based exercises, and other practical methods, participants were better equipped to strengthen their execution and operational capabilities in AML practices.

Taxation

The Bank adheres strictly to the *Law of the People's Republic of China on the Administration of Tax Collection* (《中華人民共和國稅收徵收管理法》), the *Law of the People's Republic of China on Enterprise Income Tax* (《中華人民共和國企業所得稅法》), the *Provisional Regulations of the People's Republic of China on Value-Added Tax* (《中華人民共和國增值稅暫行條例》), and other relevant laws and regulations. To ensure compliance, the Bank has formulated the *Tax Management Measures of Jinshang Bank Co., Ltd.* (《晉商銀行股份有限公司稅務管理辦法》) and established a robust tax management system characterized by “unified leadership, hierarchical management, and a combination of aggregate and territorial taxation.” The Bank has continuously optimized its tax risk management mechanisms, enabling effective identification and resolution of tax-related risks. Additionally, it has employed subsequent tax monitoring and assessment processes to evaluate and analyze overall tax activities, thereby strengthening its tax expertise and professional practices in tax management.

Intellectual Property Protection

The Bank strictly adheres to the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), the *Commercial Bank Law of the People's Republic of China* (《中華人民共和國商業銀行法》), the *Computer Software Copyright Registration Measures* (《計算機軟件著作權登記辦法》), and other applicable laws, regulations, and regulatory requirements. To ensure compliance, the Bank has established and implemented the *Intellectual Property Management Measures of Jinshang Bank* (《晉商銀行知識產權管理辦法》), which define clear processes and standards for ownership determination, application maintenance, usage authorization, and risk prevention and control. These measures strengthen the management and protection of intellectual property rights and enhancing the enterprise's core competitiveness.

Contribution to Social Welfare

The Bank has thoroughly studied and implemented General Secretary Xi Jinping's important insights on promoting the Lei Feng spirit. Guided by the volunteer service principles of "Dedication, Friendship, Mutual Assistance, and Progress", the Bank actively embraced and practiced the Lei Feng spirit. Over 3,000 young volunteers from the Bank registered on the China Volunteer Network, forming youth volunteer service teams under the Youth League Committees of 14 branches. These teams have won honors like the **"Moral Model of Courage" at the Ninth Moral Models of Shanxi Province Selection, and the "Excellent Volunteer Team" at the Sixth Moral Models of Provincial Government Agencies Selection**. In 2024, the Bank's charitable donations and other donations reached RMB166,400. Additionally, 48 employee volunteer activities were organized, contributing a combined total of 1,440 volunteer service hours, with an average of 4 hours per person. These initiatives positively impacted 20,000 people.



Donating to Share Love

The Bank actively embraced its social responsibilities by organizing impactful charitable initiatives, including the "Long-lasting Love Charity Day (久久公益節)" and "Sharing Warmth and Love (送溫暖、獻愛心)" donation campaigns across all branches. Through thorough mobilization by Party Committees and Party General Branches, Party members, leaders, and employees enthusiastically participated in the activities, demonstrating their collective commitment to social welfare. These efforts resulted in a total of RMB166,400 in donations, reflecting the Bank's dedication to promoting the traditional virtues of unity, mutual assistance, and care for the less fortunate. The campaigns inspired a strong sense of compassion and community, fostering a culture of giving back to society and spreading the power of love.



Xinzhou Branch Supports Students during Exams

In June 2024, Xinzhou Branch organized a charity initiative aimed at assisting students taking the college entrance examination. Dedicated charity service stations were set up at multiple examination sites across the city, offering free mineral water and exam supplies to both candidates and their parents. This thoughtful effort provided essential convenience and support for students. The activity exemplified Jinshang Bank's commitment to practicing its social responsibility of "Finance for the People," demonstrating its dedication to serving society and addressing people's needs. By showing care for students and their families, the branch reinforced the Bank's role as a responsible enterprise that values people's well-being.



Xinzhou Branch distributes summer heat relief supplies to parents during the charity exam assistance event



Bingzhou Sub-branch Organizes Free Blood Donation

In September 2024, the Youth League Committee and Trade Union of Bingzhou Sub-branch, in collaboration with the Taiyuan Blood Center, jointly launched the "Love China, Donate Blood (愛我中華 獻我熱血)" campaign. At the event, leaders and employees from the Sub-branch arrived early at the blood donation site. Under the guidance of medical staff, participants carefully filled out registration forms, measured their blood pressure, and underwent blood testing. After passing the physical examination and test, they rolled up their sleeves and lined up for blood collection, cooperating seamlessly with the medical team. Each drop of donated blood carried warmth, converged into hope, and supported the continuation of life. By participating in this blood donation initiative, the branch not only demonstrated its strong sense of social responsibility but also expressed deep respect and care for life itself.

Appendixes

About this Report

This report is the sixth annual Environmental, Social and Governance Report (hereinafter referred to as "this report" or "ESG Report") issued by Jinshang Bank Co., Ltd. (hereinafter referred to as "Jinshang Bank" or "the Bank") after listing. This report truly and objectively describes the corporate social responsibility fulfilment activities of the Jinshang Bank and its subsidiaries in 2024, and focuses on disclosing the environmental, social and governance information.

Reporting Period

This report is an annual report covering the period from January 1, 2024, to December 31, 2024 (the "Reporting Period"), with some information exceeding the Reporting Period.

Reporting Scope

This report is primarily about the Jinshang Bank and its subsidiaries, including the head office, 14 branches with their sub-branches and Qingxu Jinshang Village and Township bank, unless otherwise specified.

Reporting Language

This report is available in both traditional Chinese and English versions. For any inconsistency in this report, the traditional Chinese version shall prevail.

Reporting Guidelines

Appendix C2 - Environmental, Social and Governance Reporting Guide (《環境、社會及管治報告指引》) of the Main Board Listing Rules (《主板上市規則》) issued by the Hong Kong Stock Exchange

The Guidelines on Green Finance for the Banking and Insurance Industries (《銀行業保險業綠色金融指引》) issued by the former CBIRC

Sustainability Reporting Standards (2021 edition) (《可持續發展報告指南 2021 版》) issued by Global Reporting Initiative (GRI)

Basis of Data

The financial data in this report comes from the annual report 2024 the Bank after audit. In case of any inconsistency between the data contained in this report and that in the annual report, the annual report shall prevail. Other statistical data cover the head office, 14 branches with their sub-branches and Qingxu Jinshang Village and Township bank, unless otherwise specified.

Unless otherwise stated, amounts referred to in this report are in RMB.

Reporting Principles

Materiality: The threshold at which ESG issues determined by the Board will have a significant impact on investors and other stakeholders that they should be reported.

Quantitative: Key performance indicators in respect of historical data need to be measurable. The Issuers should set targets (which be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative explaining its purpose, impacts, and giving comparative data where appropriate.

Balance: The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by the report reader.

Consistency: The issuers should use consistent methodologies to allow for meaningful comparisons of ESG data over time.

Independent Assurance of the Third Party

To ensure the authenticity and reliability of this report, KPMG Huazhen LLP is engaged to provide limited assurance on the selected key data as disclosed in this report and produce an independent assurance report of the third part.

Issuance

This report is available in electronic version. The electronic version of this report can be downloaded from the official website of Jinshang Bank (<http://www.jsbank.com>) and the website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>).

ESG Performance Table

Economic performance

Indicator	Unit	2024	2023	2022
Operating income	RMB100 million	57.91	58.02	52.60
Net profits	RMB100 million	17.50	20.01	18.35
Total assets	RMB100 million	3,763.06	3,613.05	3,364.20
Deposit balance	RMB100 million	3,008.63	2,810.82	2,484.34
Loan balance	RMB100 million	2,014.14	1,914.36	1,860.52
Basic earnings per share	RMB	0.30	0.34	0.31
Return on average total assets	%	0.47	0.57	0.57
Return on average equity	%	6.88	8.31	8.07
Non-performing loan ratio	%	1.77	1.78	1.80
Provision coverage rate	%	205.46	198.71	177.04
Capital adequacy ratio	%	12.84	13.17	12.40

Social performance

Workforce composition

Indicator		Unit	2024	2023	2022
Total employees ¹ (Regular employees)		person	4,373	4,429	4,402
By gender	Male	person	2,028	2,037	2,008
	Female	person	2,345	2,392	2,394
	Percentage of male employees	%	46.38	45.99	45.62
	Percentage of female employees	%	53.62	54.01	54.38
By age	>50	person	443	443	464
	40 to 50	person	590	532	412
	30 to 40	person	2,546	2,536	2,299
	20 to 30	person	794	918	1,227

Note1: The statistical caliber for the total number of employees is the total number of formal employees and dispatched workers who have signed labor contracted with the Jinshang Bank and its subsidiaries, including the head office, 14 branches with their sub-branches and Qingxu Jinshang Village and Township bank. In 2024, all employees of the Bank were full-time staff, with no part-time personnel.

Indicator		Unit	2024	2023	2022
By education	Master and above	person	988	912	873
	Bachelor	person	2,959	3,013	3,016
	Others	person	426	504	513
By region	Taiyuan	person	2,619	2,686	2,731
	Lvliang	person	175	176	179
	Yuncheng	person	166	162	152
	Linfen	person	191	201	188
	Shuozhou	person	197	193	191
	Datong	person	189	191	189
	Xinzhou	person	195	187	178
	Changzhi	person	164	164	160
	Jinzhong	person	153	149	145
	Jincheng	person	176	174	152
	Yangquan	person	107	105	91
	Qingxu	person	41	41	46
Number of new employees		person	97	195	93
Number of disabled employees		person	15	13	12
Veterans employees		person	109	/	/
Number of dispatch workers		person	21	/	/
Percentage of dispatch workers		%	0.48	/	/

Employee trainings

Indicator		Unit	2024	2023	2022
Number of training attendees ¹		10 thousand person	84.20	60.03	114.50
The training coverage of employees ²		%	100	95	94
Total accumulated training hours of employees		10 thousand hour	29.79	25.94	43.88
Number of AML training		time	66	93	104
Total training investment ³		RMB10 thousand	747.80	1,325.83	568.07

Note1: The statistical caliber for the 2024 data covers the Jinshang Bank and its subsidiaries, including the head office, 14 branches with their sub-branches and Qingxu Jinshang Village and Township bank; for 2023 and 2022, the statistical caliber covers the head office, 14 branches and Qingxu Jinshang Village and Township bank.

Note2: According to *How to Prepare an ESG Report Appendix III: Reporting Guidance on Social KPIs* (《如何編備環境、社會及管治報告 附錄三：社會關鍵績效指標匯報指引》) issued by The Stock Exchange of Hong Kong Ltd., the training coverage of various types of employees = the number of employees trained by the category/the total number of employees trained.

Note3: In 2024, the Jinshang Bank promoted online training and reduced the number of on-site training sessions, resulting a decrease in total expense of employee training as compared to 2023.

Employee employment

Indicator		Unit	2024	2023	2022
Employee turnover rate		%	1.87	2.33	2.81
By gender	Male	%	1.49	0.86	1.45
	Female	%	2.19	1.47	1.36
By age	>50	%	0.00	0.05	0.02
	40 to 50	%	1.36	0.11	0.20
	30 to 40	%	1.71	1.33	1.53
	20 to 30	%	3.79	0.84	1.07
	Employees of the head office	%	0.64	0.23	0.20
By region	Employees of branch offices withinTaiyuan	%	1.58	0.93	1.29
	Employees of branch offices outside Taiyuan	%	2.74	1.17	1.32

Employees’ rights & benefits

Indicator		Unit	2024	2023	2022
Labor contract coverage rate		%	100	100	100
Social security coverage rate		%	100	100	100
Number of work-related fatalities		person	0	0	1
Lost days due to work injury		day	137	24	30

Note: The above statistics in 2024 are based on Jinshang Bank and its subsidiaries, including the head office, 14 branches with their sub-branches and Qingxu Jinshang Village and Township bank; for 2023 and 2022, the the statistical caliber covers the head office, 14 branches and Qingxu Jinshang Village and Township bank.

Customer service performance

Indicator	Unit	2024	2023	2022
Customer’s complaints accepted ¹	case	41	280	348
Resolution rate	%	100	100	100

Note1: The 2024 customer complaint accepted statistics have been recalibrated to align with the reporting standards mandated by the Financial Consumer Protection Bureau of the National Financial Regulatory Administration.

Supplier performance

Indicator	Unit	2024	2023	2022
Total suppliers ¹	number	106	163	151
Number of suppliers in Shanxi Province	number	35	54	62
Number of suppliers out of Shanxi Province	number	71	109	89

Note 1: The total suppliers refer to the number of the cooperative suppliers during the Reporting Period.

Social contribution performance

Indicator	Unit	2024	2023	2022
Balance of agricultural-related loan ¹	RMB100 million	379.77	368.34	/
Balance of MSEs loan	RMB100 million	660.46	521.18	628.90
Balance of inclusive MSEs loan	RMB100 million	115.54	98.32	75.33
Balance of green loan	RMB100 million	112.08	95.43	90.82
The number of outlets	number	153	153	154
Substitution rate of e-banking transactions	%	87.36	88.90	89.16
Number of mobile banking transactions	10,000 transactions	1,396.74	1,082.13	1,470.50
Number of internet banking transactions during the reporting period	10,000 transactions	299.07	374.98	375.95
Charitable donations and other donations	RMB10 thousand	16.64	18.27	9.90
Volunteer service hours	hour	1,440	1,360	245.50

Note 1: The statistical caliber for balance of agriculture-related loans in 2024 and 2023 has been updated in accordance with the 2024 Financial Statistical System issued by the People's Bank of China. The balance of agriculture-related loans of 2022 is detailed in the *Jinshang Bank Co., Ltd. 2022 Environmental, Social and Governance Report*.

Environmental performance¹

Indicator	Unit	2024	2023	2022
Total greenhouse gas emissions (Scope 1 and Scope 2) ²	tCO ₂ e	9,476.23	9,452.95	8,500.86
Greenhouse gas emissions per unit area (Scope 1 and Scope 2)	tCO ₂ e/m ²	0.05	0.05	0.04
——Scope 1 (Direct) greenhouse gas emissions	tCO ₂ e	158.76	172.39	222.48
——Scope 1 (Direct) greenhouse gas emissions per unit area	tCO ₂ e/m ²	0.00081	0.00086	0.00109
——Scope 2 (Indirect) greenhouse gas emissions	tCO ₂ e	9,317.47	9,280.56	8,278.39
——Scope 2 (Indirect) greenhouse gas emissions per unit area	tCO ₂ e/m ²	0.05	0.05	0.04
Total energy consumption ²	kWh	22,189,378.86	20,971,098.27	19,282,621.25
Energy consumption unit area	kWh/m ²	112.52	104.81	94.56
——Total direct energy consumption	kWh	731,975.97	794,697.33	989,625.02
——Total indirect energy consumption	kWh	21,457,402.89	20,176,400.94	18,292,996.23
Natural gas consumption	m ³	47,187.39	51,026.43	49,083.86
Diesel consumption ³	L	622.89	153.68	1,702.79
Gasoline consumption ⁴	L	24,643.41	27,598.86	50,508.22
Total office electricity consumption	kWh	11,124,077.63	12,214,009.61	10,428,786.99
Total office water consumption	m ³	99,436.26	102,322.66	98,156.04
Water consumption per person	m ³	22.74	23.10	22.30
Nitrogen oxides emissions	t	0.07	0.10	0.14
Sulfur dioxide emissions	t	0.0007	0.0009	0.0021
Carbon monoxide emissions	t	1.00	1.32	1.89
Particulate matter emissions	t	0.004	0.004	0.005
Total hazardous wastes ⁵	pc.	1,242	1,290	724
Total non-hazardous electronic wastes	pc.	1,601	1,636	449
Total non-hazardous wastes ⁶	t	1,733.70	1,776.54	1,563.89
Paper consumption	Pack	26,992	24,507	23,108
Hazardous wastes per person	pc./person	0.28	0.29	0.16

Indicator	Unit	2024	2023	2022
Non-hazardous electronic wastes per person	pc./person	0.37	0.37	0.10
Non-hazardous wastes per person	t/person	0.40	0.40	0.10
Office wastes	t	1,603.55	1,633.48	1,445.43
Kitchen wastes	L	236,671.50	281,547.80	217,509.19
Office consumable wastes	t	4.44	6.81	5.27

- Note:
- The environmental performance statistics cover the Jinshang Bank and its subsidiaries, including the head office, 14 branches with their sub-branches and Qingxu Jinshang Village and Township bank. In 2024, the Bank implemented group-wide environmental performance management, conducting retrospective tracking of 2023 and 2022 energy and greenhouse gas data. The scope of environmental data collection has been expanded compared to previous years to include subordinate institutions under branch offices. Accordingly, the disclosed environmental performance data for 2023 and 2022 have been updated based on the new statistical framework.
 - In 2024, the data on greenhouse gas emissions was calculated based on the *How to prepare an ESG Report Appendix 2:Reporting Guidance on Environmental KPIs* (《如何準備環境、社會及管治報告 附錄二：環境關鍵績效指標匯報指引》) issued by HKEX, the *Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines for Public Building Operation Enterprises (Trial)* (《公共建築運營企業溫室氣體排放核算方法和報告指南(試行)》) issued by the National Development and Reform Commission, and the *Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factors* (《关于发布2022年电力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment; the data on energy consumption was calculated based on the conversion coefficients provided in the PRC National Standard *General rules for calculation of the comprehensive energy consumption (GB/T 2589-2020)* (《综合能耗计算通则》(GB/T2589-2020)) , covering purchased electricity, district heating, natural gas, facility diesel usage, and official vehicle fuel consumption. Historical data has been accordingly adjusted due to the adjustments in accounting methodologies and emission factors.
 - In 2024, the Bank increased the usage frequency of diesel backup generators and related equipment, resulting in higher diesel consumption compared to 2023.
 - Gasoline consumption is primarily attributed to official vehicle usage. Over the past three years, the Bank has strengthened the management of its official vehicle fleet, resulting in a year-on-year decrease in gasoline consumption.
 - The hazardous wastes generated by the Bank's operations primarily includes used lead-acid batteries and waste fluorescent tubes, all of which are disposed of by licensed professional waste management companies.
 - The non-hazardous waste generated by the Bank's operations includes office paper consumption, municipal solid waste, food waste, and non-hazardous office supplies waste, all of which are properly disposed of by third-party providers in full compliance with applicable regulations.

Independence Assurance Report



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Independent Practitioner’s Limited Assurance Report

KPMG Huazhen Tong Zi No. 2500209

To the Board of Directors of Jinshang Bank Co., Ltd.:

Report on selected information in Jinshang Bank Co., Ltd. (hereafter referred to as the “Jinshang Bank”)'s 2024 Environmental, Social and Governance (“ESG”) Report (hereafter referred to as the “ESG Report”) as of and for the year ended 31 December 2024. This English version is a translation, should there be inconsistency between the English edition and the Simplified Chinese edition, the Simplified Chinese edition shall prevail.

Conclusion

We have performed a limited assurance engagement on the following performance information in Jinshang Bank’s ESG Report as of and for the year ended 31 December 2024 (hereafter referred to as “the assured performance information”):

The assured performance information	Point in time or period subject to assurance
Total office electricity consumption (kWh) ¹	For the year ended 31 December 2024
Total office water consumption (m³) ¹	For the year ended 31 December 2024
Total employees (person)	As of 31 December 2024
Percentage of female employees (%)	As of 31 December 2024
Total training investment (RMB10 thousand)	For the year ended 31 December 2024
The number of outlets (number)	As of 31 December 2024
Number of internet banking transactions during the Reporting period (10,000 transactions)	For the year ended 31 December 2024
Resolution rate of customer complaints (%)	For the year ended 31 December 2024
Number of compliance subject information (pieces)	For the year ended 31 December 2024
Balance of green loans (RMB100 million)	As of 31 December 2024

Note 1: The assurance scopes for corresponding performance information for the year ended 31 December 2024 are solely at the head office level of Jinshang Bank.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Jinshang Bank’s assured performance information as of and for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with basis set out in the appendix to this report.



Our conclusion on the assured performance information does not extend to any other information that accompanies or contains the assured performance information and our assurance report (hereafter referred to as “other information”). We have not performed any procedures as part of this engagement with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the “Our responsibilities” section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Restriction on use

This report is made solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.

Responsibilities for the assured performance information

The directors of Jinshang Bank are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured performance information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured performance information and appropriately referring to or describing the criteria used; and
- preparing the assured performance information in accordance with the basis attached to this report.

Those charged with governance are responsible for the oversight of the reporting process for Jinshang Bank’s assured performance information



Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured performance information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the directors of Jinshang Bank.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured performance information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured performance information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In addition, we do not conduct our work to express an opinion on the effectiveness of Jinshang Bank’s internal controls. Within our work scope, the assurance procedures were implemented at the head office of Jinshang Bank. In carrying out our engagement, we performed the procedures including:

- 1) Interviewing with relevant departments of Jinshang Bank engaged to provide the assured performance information;
- 2) Implementing analytical procedures on the assured performance information;
- 3) Conducting sampling inspection on the assured performance information; and
- 4) Performing recalculation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



KPMG Huazhen LLP

Beijing, China

29 April 2025

Appendix: Criteria

The following standards are prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance (ESG) Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Total office electricity consumption (kWh): The total office electricity consumption disclosed in the ESG Report refers to the total electricity consumption of Jinshang Bank and its subsidiaries in 2024, and the data includes the head office of Jinshang Bank, 14 branches and the subordinate institutions, and Qingxu Jinshang village bank.

Total office water consumption (m³): The total office water consumption disclosed in the ESG Report refers to the total water consumption of Jinshang Bank and its subsidiaries in 2024, and the data includes the head office of Jinshang Bank, 14 branches and the subordinate institutions, and Qingxu Jinshang village bank.

Total employees (person): The total number of employees disclosed in the ESG Report refers to the total number of official employees who have signed labor contracts with Jinshang Bank and its subsidiaries, as well as labor dispatch workers as of December 31, 2024, and the data includes the head office of Jinshang Bank, 14 branches and the subordinate institutions, and Qingxu Jinshang village bank.

Percentage of female employees (%): The percentage of female employees disclosed in the ESG Report = the number of female employees / the number of employees, who have signed labor contracts with Jinshang Bank and its subsidiaries, as well as labor dispatch workers as of December 31, 2024, and the data includes the head office of Jinshang Bank, 14 branches and the subordinate institutions, and Qingxu Jinshang village bank.

Total training investment (RMB 10 thousand): The total training investment disclosed in ESG Report refers to all expenses related to the training project of Jinshang Bank and its subsidiaries in 2024, including training fees, rent for online training platforms, purchase of course fees, lecture fees for offline external teachers, meals, accommodation, transportation fees for trainees to participate in the training.

Total number of outlets(number): The total number of branches disclosed in the ESG Report refers to all branches of Jinshang Bank that have obtained financial licenses, including those that have already obtained licenses but have not yet started operating as of December 31, 2024.

Number of internet banking transactions during the report period (10,000 transactions): The number of internet banking transactions during the reporting period disclosed in the ESG Report refers to the successful transactions of Jinshang Bank and Qingxu Jinshang village bank on personal and corporate internet bank at the Personal Computer in 2024.

Resolution rate of customer complaints (%): The resolution rate of customer complaints disclosed in the ESG Report refers to the ratio of complaints handled by Jinshang Bank to the total number of complaints in 2024. The total number of complaints mentioned above includes all complaint channels, including complaints transferred by the Shanxi Regulatory Bureau of National Financial Regulatory Administration as well as complaints received within the Bank.

Number of compliance subject information (pieces): The number of compliance subject articles disclosed in the ESG Report refers to the compliance subject articles published by Jinshang Bank, in order to popularize the management requirements and deliver the compliance concept to all the staff of the Bank. The total number of compliance subject articles mentioned above includes articles published on Wechat official account of Jinshang Bank, Jinshang Bank compliance perspective and an internal platform named department garden.

Balance of green loans (RMB 100 million): The balance of green loan disclosed in ESG Report refers to the balance on the green loan balance sheet of Jinshang Bank as of December 31, 2024. The green loans issued by Jinshang Bank refer to loans that can serve as borrowers according to national regulations, in order to support economic activities such as environmental improvement, climate change response, and resource conservation and efficient utilization. These loans are used to invest in areas such as energy conservation and environmental protection, clean production, clean energy, ecological environment, infrastructure green upgrading, and green services. Please refer to the "Green Industry Guidance Catalogue (2019 Edition)" for specific scope.

HKEX ESG Reporting Guide Index

Aspect, general disclosure and KPIs	Description	Disclosure chapter
A. Environment		
Aspect A1: Emissions		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air ¹ and greenhouse gas emissions ² , discharges into water and land, and generation of hazardous and non-hazardous waste ³	Implementation of Green Operations
KPI A1.1	The types of emissions and respective emissions data	Appendixes ESG Performance Table
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (calculated as per unit produced or facility)	Appendixes ESG Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (calculated as per unit produced or facility)	Appendixes ESG Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (calculated as per unit produced or facility)	Appendixes ESG Performance Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Impact of Investment and Financing Environment; Implementation of Green Operations
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Impact of Investment and Financing Environment; Implementation of Green Operations; Appendixes ESG Performance Table
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources ³ , including energy, water and other raw materials	Implementation of Green Operations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity (calculated as per unit produced or facility)	Appendixes ESG Performance Table
KPI A2.2	Water consumption in total and intensity (calculated as per unit produced or facility)	Appendixes ESG Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Impact of Investment and Financing Environment; Implementation of Green Operations
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Implementation of Green Operations
KPI A2.5	Total packaging material (in tonnes) used for finished products and, where appropriate, with reference to per unit produced	As the Bank is in the financial industry, its main products and services do not involve packaging materials, so this content is not disclosed

Aspect, general disclosure and KPIs	Description	Disclosure chapter
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer’s significant impacts on the environment and natural resources	Impact of Investment and Financing Environment; Deepening Green Finance Practices; Implementation of Green Operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Impact of Investment and Financing Environment; Deepening Green Finance Practices; Implementation of Green Operations
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Impact of Investment and Financing Environment
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Impact of Investment and Financing Environment
B. Society		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Talent Acquisition and Retention
KPI B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region	Appendixes ESG Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Appendixes ESG Performance Table
Aspect B2: Health and Safety		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Employee Care
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Appendixes ESG Performance Table
KPI B2.2	Lost days due to work injury	Employee Care; Appendixes ESG Performance Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Employee Care

Aspect, general disclosure and KPIs	Description	Disclosure chapter
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training Activities ⁵	Promoting Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Jinshang Bank utilizes Ping An Zhiniao Platform for conducting online training programs, and the platform lacks statistical features to categorize data by gender and employee demographics. The Bank plans to disclose detailed information in the future
KPI B3.2	The average training hours completed per employee by gender and employee category	Jinshang Bank utilizes Ping An Zhiniao Platform for conducting online training programs, and the platform lacks statistical features to categorize data by gender and employee demographics. The Bank plans to disclose detailed information in the future
Aspect B4: Labour Standards		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Talent Acquisition and Retention
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Talent Acquisition and Retention
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Talent Acquisition and Retention
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Compliance and Business Ethics
KPI B5.1	Number of suppliers by geographical region	Compliance and Business Ethics; Appendixes ESG Performance Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Compliance and Business Ethics
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Compliance and Business Ethics
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Compliance and Business Ethics

Aspect, general disclosure and KPIs	Description	Disclosure chapter
Aspect B6: Product Responsibility		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Improving Service Quality; Protecting Customer Rights; Information, Data Security and Privacy Protection
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Bank is in the financial industry and this indicator is not applicable.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Improving Service Quality; Protecting Customer Rights
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Compliance and Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures	The Bank is in the financial industry and this indicator is not applicable.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Protecting Customer Rights; Information, Data Security and Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Compliance and Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	Compliance and Business Ethics
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored	Compliance and Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff	Compliance and Business Ethics
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Serving Rural Revitalization; Contribution to Social Welfare
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Serving Rural Revitalization; Contribution to Social Welfare
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Serving Rural Revitalization; Contribution to Social Welfare; Appendixes ESG Performance Table

Note:

1. Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.

2. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

3. Hazardous wastes refer to substances defined by national regulations.

4. Resources can be used in production, in storage, transportation, in buildings, electronic equipment, etc.

5. Training refers to vocational training, including internal and external courses paid by the employer.

Reader Feedback

Thank you for reading the 2024 Environmental, Social and Governance Report of Jinshang Bank Co., Ltd. For the purpose of improving our ESG management, we hope that you can share with us your valuable comments and suggestions by completing the feedback form and sending it to us via any of the following ways.

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Address: No. 59 Changfeng Street, Xiaodian District, Taiyuan, Shanxi Province

Post code: 030000

Tel: (86)0351-7812583

1. Which kind of stakeholder are you:

- ☐ Government ☐ Regulator ☐ Shareholders and investors ☐ Customer ☐ Employee
- ☐ Vendor ☐ Partner ☐ Community ☐ Others

2. Your general evaluation on this report:

- ☐ Poor ☐ Average ☐ Good ☐ Excellent

3. Your evaluation on Jinshang Bank in performing responsibilities for economic development:

- ☐ Poor ☐ Average ☐ Good ☐ Excellent

4. Your evaluation on Jinshang Bank in performing responsibilities for the environment:

- ☐ Poor ☐ Average ☐ Good ☐ Excellent

5. Your evaluation on Jinshang Bank in performing responsibilities for social progress:

- ☐ Poor ☐ Average ☐ Good ☐ Excellent

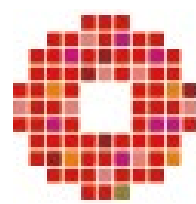
6. Do you think the information disclosed in this report is complete:

- ☐ No ☐ Average ☐ Yes

7. Do you think this report is clearly stated and easy to understand:

- ☐ No ☐ Average ☐ Yes

8. Do you have any other comments or suggestions on the improvement and development of Jinshang Bank for performing social responsibilities and on this report:



晋商银行
Jinshang Bank