

China Minsheng Bank's Policy for Collection of Credit Card Loans

The Credit Card Center of China Minsheng Bank has formulated the policy for collection of credit card loans in strict compliance with the requirements of the laws and regulations, including the *Law of the People's Republic of China on Commercial Banks*, *Measures for Supervision and Administration of Credit Card Business of Commercial Banks*, and the *Guidelines for Collection of Credit Card Loans of China Banking Association*, etc. During the process of collection of credit card loans, the Bank follows the principle of legal compliance, equal protection of the interests of both creditors and debtors, integrity and trustworthiness, public order and good morals.

I. Background

Commercial banks play an important role in promoting the steady and healthy operation of the economy and maintaining the stability of macro financial policies. Commercial banks strictly abide by business principles in their operations, operate prudently in strict accordance with relevant standards, protect the interests of credit consumers, strengthen credit management, build financial security and practice social responsibilities.

The non-performing loans generated by credit card business belong to risk asset management of commercial banks. According to relevant laws and regulations, commercial banks should establish and improve credit management systems to effectively control various risks, timely identify problems that may be detrimental to loan repayment on time in the process of post-loan management, actively contact customers for solutions, formulate credit management rules and regulations to standardize employee behavior, and carry out credit management in compliance with relevant laws and regulations.

II. Scope of Policy

In case of a cardholder fails to follow the relevant provisions of credit card contract, credit card related product contract or service agreement, and fails to repay the arrears

before the final repayment date or the repayment is overdue, the Bank will remind, notify, supervise and urge the cardholder to fulfill debt repayment responsibility, and maintain good credit records.

III. Overall Collection Strategy

The Bank shall collect loans following clear procedures and in compliance with laws and regulations, formulate loan collection plans and establish repayment channels through negotiation with reference to customer repayment ability, help cardholders to strengthen credit awareness, urge them to perform their loan repayment responsibilities and maintain their personal credit records. The Bank shall provide trainings to employees on professional ethics, business skills, law-abiding and compliance to improve their legal awareness and service quality. The Bank shall clarify the prohibited behaviors of collection, avoid violent collection, formulate punitive measures against violent collection, and develop assessment and restraint document system to ensure employees to collect in a standardized and appropriate manner.