

China Minsheng Bank's Policy for Collecting Retail Loans

China Minsheng Bank strictly abides by the *Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers*, the *Law of the People's Republic of China on Commercial Banks*, the *General Provisions for Loans*, and other relevant laws and regulations, and has formulated the *Administrative Measures on Collecting and Recovering Retail Credit and Disposing Non-Performing Assets*, which clearly specified the procedures and management requirements for collecting loans from overdue customers and established a sound system and a supervision and restraint mechanism.

I. Background

The policy was formulated to resolutely implement the relevant provisions of national laws, regulations and regulatory rules concerning the methods, time arrangements and targets of loan collection, and the protection of personal information, regulate the collection procedures of retail credit in accordance with principles of legal compliance, classification-based collection and loss reduction, and protect consumers' legitimate rights and interests, so as to safeguard the healthy development of retail credit business of the Bank.

II. Main Contents

Through task division according to specialty and coordinated implementation, China Minsheng Bank takes targeted measures for loan collection based on assessments on customers' overdue status and credit risk status. Specifically, the Bank adopts multi-level management in accordance with the segmentations of overdue customers and loan repayment risk levels, and applies different collection methods and intensities such as SMS, telephone, letter, on-site and outsourced collection. The Bank also clearly defines the management regulations of loan collection in terms of responsibilities, procedures, requirements, operation models, training and evaluation.

III. General Collection Strategy

Under the premise of fully protecting consumer rights and interests and the security of customer information, China Minsheng Bank classifies collections in a refined manner and takes differentiated collection measures accordingly. Meanwhile, the Bank strictly regulates behaviors of collection personnel, supervises and restrains the operations of outsourced collection companies, strengthens the evaluation management of institutions and personnel, smooths the channels for borrowers' negotiation and complaints, and comprehensively intensifies the protection of consumer rights and interests and continuously optimizes the whole-process management in collections, so as to enhance the quality and efficiency of loan collection and service capabilities of the Bank, while fully protecting consumers' legitimate rights and interests.