

SUSTAINABILITY REPORT



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Report Preparation Instructions

This document is the second Sustainability Report (the "Report") released by Zhejiang MYbank Co., Ltd. ("MYbank", "our Bank", the "Bank", the "Company", "we"). MYbank values communication with stakeholders and expects to help them better understand the Bank's ESG performance through the Report and thus drive win-win cooperation.

Report Scope

Organizational scope: The Report covers all the business scope of MYbank.

Time range: From January 1, 2022 to December 31, 2022 (part of the contents were outside the said time range).

Reporting cycle: The Report is prepared on an annual basis.

Preparation Basis

Opinions on Strengthening the Social Responsibility of Banking Financial Institutions (2007) released by former China Banking Regulatory Commission (CSRC).

Corporate Social Responsibility Guidelines for China's Banking Financial Institutions (2009) released by China Banking Association.

GRI Sustainability Reporting Standards (2021).

Notes about Data and Information

Unless otherwise specified, all the data and information in the Report come from the internal documents of MYbank and relevant statistics, and the financial data involved in the Report are stated in RMB.

Reporting Language

The Report is prepared in both simplified Chinese and English, and the simplified Chinese version will prevail in case of any inconsistency between the two versions.

Reliability Assurance

The Company promises that the Report contains no false records, misleading statements or major omissions.

Access to the Report

The Report is released in the electronic version, which can be downloaded from the website of MYbank (www.mybank.cn).

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Data about MYbank in 2022

Inclusive micro and small finance

50 million micro and small businesses

The Bank had served over 50 million micro and small businesses through digital credit on a cumulative basis.

80%

About 80% of the customers newly acquired over the last year had never obtained operating loans from banks before.

RMB 100 billion

The Bank cooperated with 36 government financing guarantee institutions in 21 provinces (municipalities), and granted over RMB100 billion of guaranteed loans to 950,000 micro and small enterprises and agriculture-related customers.

3.06 million micro and small businesses

To ease the financial stress on micro and small businesses during the pandemic, in 2022, MYbank introduced a combination of measures, such as downgrading interest rates and providing coupons for interest rate reductions or exemptions, benefiting 3.06 million micro and small businesses in total.

Rural finance

1,230 agriculture-related counties

Contracted digital inclusive financial services covered 1,230 agriculture-related counties, representing about half of the agriculture-related counties nationwide.

1.2 million farmers

Based on the upgraded "Tomtit" satellite remote sensing technology that expands the scope of recognition to soy beans, oilseed rape, orchards and greenhouses, etc, MYbank had offered over 1.2 million planting farmers easier access to digital credit.

Top 100 Counties by Digital Operation of Agricultural Products

MYbank provided interest-free loans of corresponding periods of time for the planting farmers, breeding farmers and e-commerce operators of agricultural products on the list of "Top 100 Counties by Digital Operation of Agricultural Products" released by the Administration and Management Institute of the Ministry of Agriculture and Rural Affairs.

Micro and small green finance

6.23 million micro and small-sized enterprises

Using the "Green Finance Evaluation Model for Micro and Small Enterprises", which was upgraded from 2.0 to 3.0, MYbank provided green finance evaluation services for 6.23 million micro and small-sized enterprises.

420,000 micro and small-sized enterprises

Based on the green finance evaluation system for micro and small enterprises, MYbank provided preferential green credit to 420,000 micro and small-sized enterprises rated as "excellence".

263 green brands

MYbank provided green procurement loans with preferential interest rates to over 20,000 downstream dealers of 263 well-known green brands, including Haier, Arrow, Hello and TAILG.

RMB 385 million of green bid loans

Based on the greenness levels of the projects micro and small-size enterprises won the bid for, MYbank granted RMB385 million of green bid loans certified by People's Bank of China (hereinafter referred to as PBOC)'s green credit standards in 2022.

Science and technology innovation

6 million customers

Supporting 70-plus self-proof missions and used by more than 6 million customers, the "Lark" AI risk system enabled an average increase of RMB45,000 in credit line among the customers that successfully raised credit lines.

1,000 famous brands

The "Goose" digital supply chain financial system was connected to over 1,000 famous brands in 20 industries, over 80% of which considered the "Goose" system as favorable to their business growth.

55%

Tech talents represented over 55% of MYbank's total number of employees.

33%

MYbank's IT input grew by 33% year-on-year.

Customer service

100%

In 2022, MYbank received 34,897 pieces of improvement suggestion and complaint from customers, 100% of which were responded to and handled.

9 million person times

MYbank provided 75 issues of publicity materials and risk reminders in the forms of short videos and comics (many were adopted and publicized by regulators), popularizing financial knowledge and covering a consumer audience of over 9 million person times.

Zero fraud case

MYbank used anti-fraud technology to protect customers' asset safety, and reported zero fraud case each involving RMB500,000 or more in 2022.

Employee development

83,000 person times

MYbank organized over 500 training sessions and launched over 250 online courses, training more than 83,000 person times across the Bank.

26 project teams

26 project teams, consisting of 1,242 employees, participated in the "GIN Bell Moment" initiative. When achievements were made, employees gathered to ring the bell, summarized gains and losses from the projects and conveyed customer values as a way to boost morale and enhance cohesion.

Public welfare

550,000

micro and small businesses

Over 550,000 micro and small businesses were backed by the special employment support program, and obtained coupons for exemption of loan interests by uploading evidence like screenshots of wage distribution.

17 million female entrepreneurs

MYbank served more than 17 million female entrepreneurs that counted for above 30% of total customers of MYbank.

1,500 stores

The "Public Welfare Store Alliance" supported over 1,500 stores in 140 cities of 30 provinces nationwide.

Message from the Chairman

In June 2022, MYbank unveiled its first sustainability report (ESG report), which presented the vision of "always thoughtful for you, bring small and beautiful changes to the world", and proposed to combine the ESG philosophy with our operations to balance our business values and social values. Over the last year, in active response to national strategies, such as developing inclusive finance, accelerating rural revitalization and promoting green and low-carbon transition, we continued innovation and exploration in three core areas, i.e. inclusive micro and small finance, rural finance and micro and small green finance, and worked to give back to the society by launching the "Micro Business Support Program", "Digital Mulan Entrepreneurship Program" (hereinafter referred to as the "Mulan Program") and "Public Welfare Store Alliance", among others. While playing a role as a beneficial supplement to the financial system, we also maximized our technical and innovation strengths as a tech bank, and explored the path to ESG management with our own characteristics.

Driving the Upgrade from Inclusive Finance to Financial Health through Innovation

Since the *Circular on Advancing the Plan for the Development of Inclusive Finance (2016~2020)* was issued by the State Council in 2016, China has made significant headway in inclusive finance. According to the data released by PBOC, at the end of 2022, the balance of micro and small inclusive loans nationwide reached RMB23.8 trillion, and the number of credit-granting customers exceeded 56 million, which represented about one third of the total number of market participants in China and indicated the coverage of inclusive finance was not small. Then, how to drive better development of inclusive finance is a major issue of industry-wide concern.

Recognized by governments and regulators, the concept about "financial health" points a new direction for the practitioners of inclusive finance. "Financial health" covers balance between income and expenditure, development plans, financial resilience and financial literacy. Besides the access to financial services, the concept also highlights whether financial services are properly matched, effective and adequate and whether consumer rights are effectively protected. By moving the focus from the availability to the quality of inclusive financial services, "financial health" represents the advanced stage of inclusive finance.

Based on the said ideas, we've started to apply the concept about "financial health" to our operations. In 2022, repeated resurgences of COVID-19 dealt a heavy blow to micro and small businesses that operate offline, putting many under huge financial stress. To ease their pressure, we made all-out efforts to stabilize the supply of credit funds. Also, we stepped up fees reduction and concession and introduced measures like deferred repayment or renewal of loans to help micro and small businesses survive the crisis. In 2022, by lowering interest rates and offering coupons for reduction or exemption of loan interests, among other means, we benefited 3.06 million micro and small businesses in total. Supporting micro and small customers in time of difficulty is an effective way to help them improve financial resilience and financial health.

In July 2022, we launched the "Lark" AI risk control system, which resembles a digital customer service manager that is online 24/7. By automatically interacting with customers, receiving relatively structural materials like current accounts and bills uploaded by customers, processing non-structural information like contract texts, store photos and truck photos, and setting precise credit lines based on customer needs through multimodal analysis, the system greatly improves customer satisfaction and credit suitability.



Jin Xiaolong
Party Committee Secretary and
Chairman of MYbank

As one of the first trial application of AI technology to micro and small credit service, the "Lark" system has been used by over 6 million customers, with the average credit line increased by RMB45,000 among the customers that successfully raised credit lines. As the wave of large model technology triggered by ChatGPT, which went viral recently, indicates a huge room for the application of AI technology in the financial industry, we've pushed for more innovations. As a tech bank, leveraging technological innovation to connect micro and small customers access with more financial resources to support their development and ultimately improve their financial health, or driving ESG development through technology, is the defining feature of MYbank in its fulfillment of the ESG philosophy.

Fully protecting consumer rights is the top priority in our operations. In 2022, MYbank launched the "Sailing Program", a training move aimed to raise employees' awareness of consumer protection. Under the program, we organized 20-plus training sessions that covered 100% employees and saw all of them join the tests on consumer protection knowledge. Besides, leveraging our strength in online operation, we launched the "Instant Understanding of Finance" channel, publicized 75 issues of publicity materials in the forms of short videos and comics, and provided information to educate key groups like the old and the young about fraud prevention. These efforts benefited an audience of over 9 million and promoted the popularization of financial knowledge. As many micro and small customers found it difficult to repay loans amid the pandemic and negotiated with us about repayment of loans, we received 34,897 pieces of suggestion and complaint from customers, and acted actively to echo their appeals, with a response rate of 100% and a handling rate of 100%.

Exploring the Integration between Inclusive Finance and Green Finance

PBOC data showed China's balance of green loans in both domestic and foreign currencies totaled RMB22.03 trillion at the end of 2022, the biggest in the world. But the reality is "green finance is not inclusive while inclusive finance is not green". Currently, green finance standards are mainly applicable to big enterprises and projects instead of micro and small enterprises, which thus have no access to green financial services or preferential policies. That's a core pain point hindering the integrated development between green finance and inclusive finance.

As a tech bank focused on micro and small enterprises, we drive exploration in the area of micro and small green finance. Leveraging our large base of micro and small customers and strength in digital technology, we establish standards, rate customers, launch and promote products, and pursue openness and collaboration. In doing so, we created a new mode for delivering green financial services to micro and small enterprises.

In November 2022, *the Green Evaluation Code for Micro and Small Enterprises*, drafted jointly by Zhejiang Finance Society, Institute of Finance and Sustainability, Ant Group and MYbank, was officially released. As the first association standards in China, it's a major milestone in the path to building green finance standards for micro and small enterprises. Based on the standards, we upgraded our green evaluation model for micro and small enterprises from 2.0 to 3.0 to cover much more customers. More importantly, it validated the negative correlation between the green finance evaluation results of micro and small enterprises and credit risk, that is, a higher rating level comes with a lower credit risk. That means while driving micro and small green finance, we can reduce operation risk and increase returns, which justifies our efforts to commercialize micro and small green finance.

To actually drive micro and small green finance, we've created innovative products such as green procurement loan, green bid loan and green supply loan based on the information about procurement, bidding and goods supply by micro and small enterprises across the supply chain. In 2022, we provided green procurement loans with preferential interest rates to over 20,000 downstream dealers of 263 core green brands, distributed RMB385 million in green bid loans, and granted the first green supply loan ever.

Giving Back to the Country and Society

Since it was launched three years ago, "Micro Business Supporting Program", originated mainly by MYbank under the guidance of All-China Federation of Industry and Commerce (ACFIC), has attracted more than 120 financial institutions. With over RMB4 trillion of micro and small loans granted in total, the program has made more financial resources available to micro and small enterprises. In April 2022, ACFIC signed an agreement on comprehensive strategic cooperation with MYbank, according to which MYbank will implement "Two Programs and Six Actions", pursue openness and cooperation, and work with partners to support micro and small enterprises and promote rural prosperity.

By offering support for micro and small businesses, we contributed to employment stability. We launched the special employment support program, under which micro and small businesses can obtain coupons for exemption of interest on loans by uploading evidence like screenshots of wage distribution. In 2022, over 550,000 micro and small businesses benefited from the program. To meet the needs of franchised chain businesses for funding new stores, we launched the "Care-Free Franchising program", which attracted over 400 quality chain brands, including Auntea Jenny and Zhangliang Spicy Hotpot, and covered 350,000 micro and small businesses. While connecting micro and small businesses to funds, we also drove the creation of more jobs. As estimated by the joint project team of the Labor Relations Institute of Renmin University of China, MYbank has helped stabilize over 5 million jobs by granting loans to micro and small businesses.

To support women entrepreneurs, MYbank unveiled the "Mulan Program" in July 2020. In 2022, we provided female entrepreneurs with preferential credit support, and offered them free training courses on business startup through Mulan Channel, Mulan Live Studio and Mulan community, etc. Through Mulan Live Studio, we spread the stories about 50-plus outstanding women entrepreneurs in areas like the inheritance of intangible cultural heritage and rural revitalization. Niu Qinghua, who returned to the countryside of Mengyin County, Shandong Province to start business and assisted local poor households, and Guo Juan, who wove water-proof hemp shoes in Gansu Province and helped over 2,300 local women find jobs, among other excellent female entrepreneurs, were voted the "Most Beautiful Mulan" of 2022, inspiring more women to forge ahead with their success stories.

In addition, the "Public Welfare Store Alliance" we launched in 2021 supported over 800 additional stores in 2022 and over 1,500 stores in total, which covered 140 cities of 30 provinces across China. Supported stores include A Restaurant that offers free meals for those in difficulty, stores run by disabled people, and shared kitchens near hospitals where cancer patients and their relatives can cook. In 2022, we upgraded the program to make public welfare activities more regulated and transparent and allow access by more partners, including both institutions and individuals, to magnify the power of public welfare.

In 2022, we teamed up with tens of thousands of micro and small customers, governments, enterprises, industrial organizations, fellow financial institutions and other partners, as well as our lovely and professional employees, and finally navigated the rough waves. In 2023, as the economy picks up with the gloomy days gone, we will remain committed to "always thoughtful for you", and work with all to "bring small and beautiful changes to the world".

Company Profile

Originated by Ant Group, MYbank is one of China's first private banks approved by China Banking and Insurance Regulatory Commission, and started business on June 25, 2015. Guided by the brand philosophy of "always thoughtful for you", MYbank is committed to meeting the demands of micro and small enterprises, self-employed individuals, operating rural households and other micro and small entities for financial services.

Exploring frontier technologies, MYbank is the first bank that applies cloud computing to its core system, as well as the first bank that fully uses AI for risk control in micro and small finance, empowers rural finance with the satellite remote sensing technology and combines graph computing with supply chain finance in China.

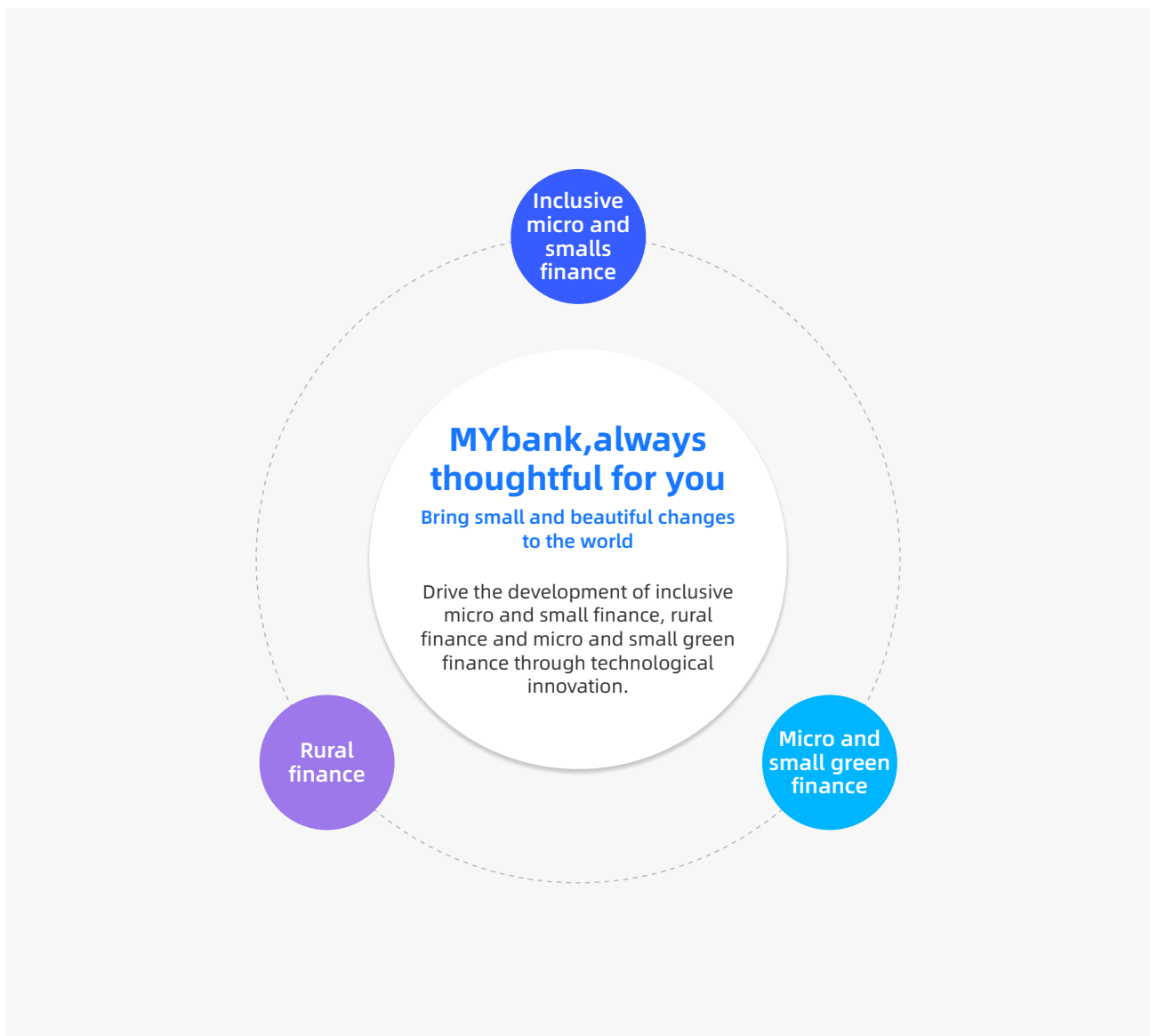
Driven by technology, MYbank has no offline outlets, and relies on the "310" contactless loan model (3-minute application, 1-second loan granting and 0 manual intervention in the whole process), which has been in operation for years, to provide micro and small businesses with fully online financial services, changing every mobile phone into a banking outlet at your fingertips.



ESG Sustainability Strategy

ESG has become a major approach for an enterprise to achieve sound and sustainable development and balance economic benefits, social benefits and environment benefits, and an indispensable part of bank governance. Fully aware of the importance of better ESG management to high-quality development, we conducted stakeholder

surveys and researches, took for reference excellent practice at home and abroad, and finally developed an ESG sustainability strategy with MYbank's characteristics, with the aim to become an Internet bank honoring the ESG philosophy.



Key ESG Issues

We identified 16 key ESG issues at the environmental, social and governance levels, made the ESG philosophy part of our overall development strategy, and based on our operating features, put in place an all-sided, effective, differentiated and brand-oriented ESG system with MYbank’s characteristics.



ESG Management Structure

With a strong focus on ESG management, our Board of Directors puts in place an ESG management structure consisting of the decision-making level, management level and execution level, to fully lead the ESG direction and forge the ESG brand of MYbank.



Communication with Stakeholders

We attach great importance to the communication with stakeholders. By refining the mechanism for information disclosure, giving play to the role of communication channels like sustainability reports and raising employees' awareness of ESG management, we work to increase dialogues and communication with governments, shareholders, customers, employees, suppliers and other stakeholders, to learn about and respond to their demands in time, build harmonious relations with stakeholders and drive sustainable development together.

Stakeholders	Main concerns	Communication channels
 Governments	<ul style="list-style-type: none"> • Corporate governance • Risk governance • Data governance • Rural finance • Technological innovation • Micro and small green finance • Green operation • Corporate social responsibility 	<ul style="list-style-type: none"> • Cooperation and communication with governments • Participation in industrial surveys by regulators • Reception of visiting governments/ regulators • Support for regulatory inspections • Daily work reports
 Shareholders	<ul style="list-style-type: none"> • Corporate governance • Risk governance • Employee development • Consumer rights • Micro and small inclusive finance • Data governance • Transparency 	<ul style="list-style-type: none"> • Information disclosure • Collaboration with external institutions • Shareholders' meetings • Targeted investor communication
 Customers	<ul style="list-style-type: none"> • Consumer rights • Risk management • Data governance • Corporate social responsibility • Compliance operation • Win-win outcomes for the industry 	<ul style="list-style-type: none"> • Product demand surveys • Satisfaction surveys • Service hotline • Data security and personal Information protection • Complaint mechanism
 Employees	<ul style="list-style-type: none"> • Employee development • Diversity and inclusiveness • Corporate governance 	<ul style="list-style-type: none"> • Democratic communication • Corporate cultural activities • Business training and technical support • Care for employee health
 Suppliers and partners	<ul style="list-style-type: none"> • Compliance operation • Technology innovation • Win-win outcomes for the industry 	<ul style="list-style-type: none"> • Partner selection, management, training and review, etc.
 Communities	<ul style="list-style-type: none"> • Diversity and inclusiveness • Corporate social responsibility 	<ul style="list-style-type: none"> • "Digital Mulan Entrepreneurship Program" • Public Welfare Store Alliance • Employee voluntary services • Charitable donations

Annual Materiality Analysis

In accordance with the new *HKEX ESG Reporting Guidelines*, MSCI-ESG rating requirements, FTSE-ESG rating requirements, *Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China*, UN SDGs and relevant regulatory policies and trends, and taking for reference the ESG issues proposed at the 20th CPC National Congress, we combined the ESG philosophy with our own development strategy and operating characteristics, conducted lots of research and analysis, and comprehensively evaluated the impact of various issues on our external stakeholders and MYbank. Finally, we identified 16 material issues closely related to MYbank, made them a major basis for report preparation, and disclosed and responded to them in this Report.



We analyzed the core material issues item by item:

Compliance operation: MYbank strengthened the ability in compliance management, advanced compliance management in all aspects, and accelerated the improvement of compliance operation and management to ensure the healthy development of MYbank.

Risk management: MYbank further built up the philosophy about comprehensive risk management that is institutionalized, based on processed and empowered by information, and put in place a management system to cope with and ease risks, so as to enhance the ability to prevent and defuse major risks.

Consumer rights: MYbank continued to advance financial education and financial consumer protection, stepped up efforts to protect the rights of financial consumers, cracked down on the behaviors infringing upon the legitimate

rights of consumers, and completed the organizational structure for the protection of consumer rights.

Micro and small inclusive finance: As a practitioner of inclusive finance dedicated to serving micro and small businesses, MYbank focused on the sustained, healthy and steady development of micro and small businesses, and leveraged technologies and resources to protect the financial health of micro and small businesses to drive their growth.

Data governance: As an explorer of Internet banking and a practitioner of inclusive finance, MYbank worked to solve the problems associated with micro and small finance by technology, to provide micro and small enterprises and entrepreneurs with efficient and convenient financial services. Also, MYbank kept improving the system for data security management and intensified the process for data security management.



01

Reinforcing the Foundation for High-Quality Development through Party Building

Upholding Party leadership, MYbank gave full play to the role of Party organizations and Party members, continued to forge the Party building brand of "remaining true to original aspiration and delivering meticulous services", and deepened the integration between Party building and business development, so as to drive the high-quality development of the Company through high-quality Party building.

Leading Operations with Party Building and Upholding Party Leadership

For MYbank, the core task in Party building is to keep the Company's development direction aligned with the strategies of the Party and the country. In 2022, the Company's Party Committee continued to strengthen the leadership of Party building, and earnestly implemented various measures about Party building, to provide strong organizational support for business development.

Bolstering Organizational Building to Ensure Full Coverages of Party Organizations and Party Work

Ensuring Full Coverage of Party Organizations at All Locations of Operation

Upholding the principle that "Party building covers all locations of operation", MYbank made sure the Party organization structure was highly aligned with the business structure. To date, the Company's Party Committee has set up 10 Party branches to ensure full coverage of Party organizations at all locations of operation.

Guiding Every Aspect of Operation with Party Building to Ensure Full Coverage of Party Work

To further improve the ability of Party affairs workers to perform duty and the ability of primary-level Party organizations in autonomous operation and give play to the role of Party organizations in leading business development, MYbank's Party Committee organized the 2022 Training for All Party Affairs Workers, Party Branch Work Experience Sharing Meeting and other activities. Also, the Party Committee required all the Party affairs workers to sign the *Letter of Commitment to Integrity and Self-Discipline*, and explored a consistent work system in which Party building covers every aspect of operation, an issue of concern in the Internet industry, to ensure the full coverage of Party work.



The 2022 Training for Party Affairs Workers

Strengthening Political Leadership and Integrating Party Building into Corporate Development

Promoting Joint Learning and Extensive Consultation and Improving Political Stance

To strengthen Party's leadership over business development and facilitate the implementation of the major decisions and plans of the CPC Central Committee and CPC Zhejiang Provincial Committee, the Company's Party Committee vigorously established and implemented the system of joint learning by Party Committee leadership and core management. Under the system, the Company's core management participate in major learning activities organized by the Company's Party Committee, while the Party Committee regularly holds meetings and takes full part in decision-making on the Company's strategies and major matters about operation and management, so that every work can progress in the right direction.

Integrating Party Building into Corporate Governance through Cross-Appointment between Party Organization Leadership and Management

The Company's Party Committee carefully selected members of Party organizations at all levels to ensure cross-appointment between Party organization leadership and the Company's management. Leaders of the Party Committee are assumed by members of senior management who are also Party members. Party branch leaders and Party group leaders are generally heads of corresponding business segments. These efforts ensured the deeper integration between Party building and corporate governance.

Being Future-Oriented and Giving Play to the Pioneering Role of Party Members

Attracting Young Talents to Boost the Vitality of Party Organizations

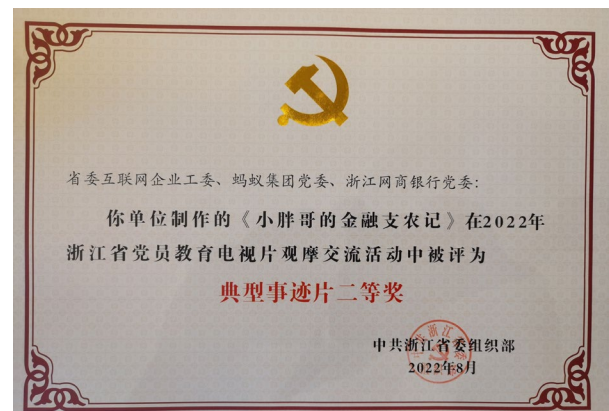
With a focus on key groups like young tech talents and senior management, the Company's Party Committee created a sound atmosphere in which Party building promotes corporate development through political leadership, exemplary practice, and innovative forms of activities. As a result, more and more young talents joined Party organizations, and the appeal and cohesiveness of Party organizations was further enhanced.

Pushing the Appointment of Party Members in Key Posts and Giving Play to the Pioneering Role of Party Members

The Company's Party Committee pushed the appointment of Party members in core posts, and encouraged Party members to innovate in respective posts and be contributors to digital economy, so as to maximize their role in guaranteeing major items and implementing major programs.

- **Major programs to serve micro and small businesses, such as the "Micro Business Aiding Program", program to support green operations by micro and small businesses, and Public Welfare Store program:** Backbone Party members serve in key posts in the frontline of operation to fulfill their responsibility.
- **The "Tomtit" project team aimed at promoting rural inclusive finance and supporting rural revitalization:** Consisting of 60-plus Party members, the project team seeks to explore the application of digital financial technologies in agriculture and rural areas and make farmers' access to funds easier through a combination of measures.

In August 2022, the *Story about Mr. Fat Who Served Rural Development through Financial Services*, a video produced by MYbank's Party Committee based on the story about the Party members in the "Tomtit" project team, was honored the second prize for typical feature videos by the Organizational Department of the CPC Zhejiang Provincial Committee in the video sharing activity for Party member education in Zhejiang Province.



The *Story about Mr. Fat Who Served Rural Development through Financial Services* was honored the second prize for typical feature videos

Intensifying Learning and Education, and Building an Ideological Consensus across the Company

In 2022, MYbank pushed the further integration between Party building and business operations. A series of learning activities were organized to ensure thorough understanding and implementation of the guiding principles of the 20th CPC National Congress as well as national policies and guidelines, so as to build ideological consensus and align the Company's development with that of the country.

Learning and Implementing the Guiding Principles of the 20th CPC National Congress

To embrace the 20th CPC National Congress, since early 2022, the Company's Party Committee has launched a series of learning activities in forms like knowledge competitions and Party branch learning meetings, where Party members learned the guiding principles of the Sixth Plenary Session of the 19th CPC Central Committee and the 15th Party Congress of Zhejiang Province. After the 20th CPC National Congress was opened, the Company's Party Committee organized Party organization leaderships and management at all levels to watch the live broadcast of the opening ceremony, and held meetings afterwards for Party members to learn the guiding principles and share their understanding. Experts from China Executive Leadership Academy Pudong and Party School of CPC Zhejiang Provincial Committee were invited to give themed Party lectures, which covered over 3,000 person times. Dingtalk Chatbot was used to push 15 special issues of learning materials to all Party members. All the diverse forms of learning were intended to make sure the guiding principles of the 20th CPC National Congress were fully publicized and implemented within the Company.

The Knowledge Competition Themed "Embracing the 20th CPC National Congress and Learning Party History"

In August 2022, the Company's Party Committee launched a knowledge competition themed "Embracing the 20th CPC National Congress and Learning Party History", which attracted participation by many Party members.

Holding the Meeting Themed "Ready to Make China Strong - Learning and Discussing the Report to the 20th CPC National Congress" among Party Members

In November 2022, the Company's Party Committee organized a meeting themed "Ready to Make China Strong - Learning and Discussing the Report to the 20th CPC National Congress" among Party Members. Representatives of Party branch secretaries, Party members, Party activists and the masses attended the meeting, at which they shared ideas about the major strategies and plans proposed in the report, such as serving real economy, common prosperity, employment first, rural revitalization, science and technology innovation and financial risk prevention, in combination with the Company's reality.



The meeting themed "Ready to Make China Strong - Learning and Discussing the Report to the 20th CPC National Congress" held among Party members



Enriching Forms of Learning and Boosting the Quality and Effectiveness of Learning

The Company's Party Committee worked to create new forms of theory learning. Through arranging Party lectures by Party Committee Secretary, holding the activity to learn the century-old history of the Party, pushing guidance on theory learning, launching "Chuxintang" offline Party lectures and organizing visits to revolutionary bases, it made learning more interesting and effective for Party members.

A Party Lecture Given by Party Committee Secretary

In July 2022, Jin Xiaolong, Party Committee Secretary and Chairman of the Company, gave a wonderful Party lecture under the theme of "Practice is the Sole Criterion for Testing Truth" to all Party members. Jin encouraged young people to carry forward the excellent traditions of the Party, adhere to their belief in major issues of principle, and be practical and realistic. Nearly 300 participants, including management members, Party members and Party activists, attended the lecture at the site.



Jin Xiaolong, Party Committee Secretary, gave a Party lecture themed "Practice is the Sole Criterion for Testing Truth"

Promoting Joint Party Building and Deepening Exchange and Cooperation

The Activity of "Learning the Century-Old History of the Party"

The Company's Party Committee launched the Party building activity of "Learning the Century-Old History of the Party" to expand the ways of thinking and draw upon the power and wisdom from the century-old history of the Party. In the activity, Pang Yi, associate professor of the School of Marxism and researcher of the Research Center for Socialism with Chinese Characteristics of Zhejiang University, was invited to give themed lectures. The activity drew about 400 Party members and employees, who were grouped and had heated discussions at the site.



The Party building activity of "Learning the Century-Old History of the Party"

Centralized Push of "Guidance on Theory Learning"

To further regulate the organizational life of Party branches, the Company's Party Committee prepared monthly "Guidance on Theory Learning" in both pictures and texts based on the major plans of the CPC Central Committee and the guiding principles of its major meetings, and pushed it to the DingTalk groups of Party branches on a monthly basis as the learning materials for organization life. In 2022, 10 issues of "Guidance on Theory Learning" were pushed and covered over 2,000 person times.

MYbank's Party Committee actively carried out Party building activities jointly with partners, with the aim to increase mutual trust and exchanges, complement each other's advantages, promote business development, create a synergic force and build a better society together.

Joint Book Donation by Tax Administration and Banks to Children in Xinjiang in Celebration of the CPC Founding Day

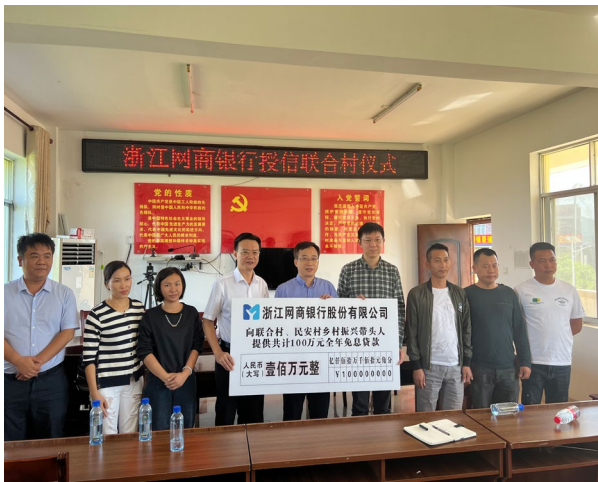
The Tax Administration of Xinjiang Uygur Autonomous Region collaborated with several banks and launched the charitable donation under the theme of "Joint Book Donation by Tax Administration and Banks in Celebration of the CPC Founding Day". As one of the participating banks, MYbank donated books, toys, and sports supplies to the children in Huoshiawati Village, Wu'erqi Township, Moyu County, Hetian. The donation saw over 40,000 textbooks and books about popular science or others and 3,800-plus pieces of clothes, toys and sports supplies in a total of 76 boxes.



The charitable donation under the theme of "Joint Book Donation by Tax Administration and Banks in Celebration of the CPC Founding Day"

Launching Joint Party Building Activities with Guangxi Financial Supervision Administration to Support Rural Talent Development

In October 2022, the Company’s Party Committee cooperated with Guangxi Financial Supervision Administration and launched joint Party building activities in Tiandong County, giving rice, oil and other necessities of life to the households receiving paired assistance in Lianhe and Min’an Villages of Tiandong County, Guangxi, providing full-year interest-free loans of up to RMB1 million to the selected leaders of rural revitalization in Lianhe and Min’an Villages, and offering training about financial and e-commerce knowledge for the villagers.



MYbank provided full-year interest-free loans of up to RMB1 million to local leaders of rural revitalization

Collaborating with the Financial Service Center of Jiangxi Financial Supervision Administration in Support of Rural Revitalization

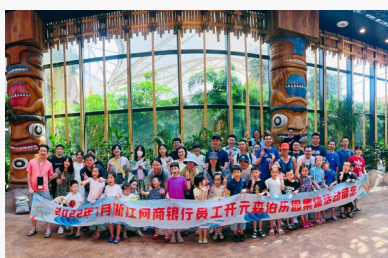
In November 2022, the Financial Service Center of Jiangxi Financial Supervision Administration collaborated with the Company’s No.1 Party Branch of Data Risk Control in Micro and Small Finance, and carried out joint Party building activities in Xigang Village, Wannian County, Jiangxi Province. The delegation of the Company visited local primary schools, where they learned about the conditions of left-behind children and donated over 540 books of various kinds to the schools. Also, they communicated carefully with the grape and paddy rice planters, owners of agricultural material shops and small merchants in the village, and learnt about their modes and efficiency of production, difficulties in operation and future plans. They hoped to better support rural revitalization through the Company’s services and products and shoulder their social responsibility.



The Financial Service Center of Jiangxi Financial Supervision Administration collaborated with MYbank on joint Party building activities

Leading Mass Group Building with Party Building to Stimulate the Vitality of the Company

The Company insisted on leading mass group building with Party building, continued to advance the building of a mass group system, and worked to create a new landscape in which Party organizations lie at the core and the trade union, League and were linked with each other to promote the relations between the Party and the mass. In 2022, the Company organized a series of activities among employees, to provide further support for employees, enrich their cultural life, fully mobilize the initiative and creativity of employees, particularly young and female employees, and create a synergic force to serve overall development.



- **Organizing Summer Leisure Activity for Employees at Senbo Park**

In July 2022, the Labor Union organized an outing for employees to Senbo Park for leisure and invited experts on children safety and first aid to provide summer safety education for parents and children. Nearly 60 employees and their family members participated in this event.



- **"Cherish Every Grain of Rice" Themed Parent-Child Activity**

In October 2022, on the occasion of World Thrift Day, the Labor Union organized a parent-child activity with the theme of "Cherish Every Grain of Rice" at a farm. 33 families, including 102 employees and their family members participated in this event. The purpose of the activity was to let the children experience the difficulty of labor, learn to respect the labor of others, and cultivate a sense of thrift from a young age.



- **"Living in the 'Net', Meeting with Ning" Themed Networking Activity**

To expand the communication and networking channels for young employees, the Labor Union and Youth League actively created a platform for communication and expansion by organizing a themed networking activity for single employees from the Company and Hangzhou Branch of Ningbo Bank. 29 employees from both sides participated in the event.

02

Shifting from Expanding the Coverage of Inclusive Finance to Improving the Financial Health of Micro and Small Customers



With the constant development of inclusive finance in China, the coverage of inclusive finance services such as account management, payment, credit, wealth management and insurance has been significantly expanded. While making financial services more accessible, there is also the need to move to a higher level, which is to improve the financial health of micro and small customers.



Liu Guiping, Former Party Committee member and Vice President of PBOC

To promote the high-quality development of inclusive finance, we need to upgrade our focus from the "availability" in the past to the "quality" at present and then to "strength" in the future, with an ideal goal of helping the targets of inclusive finance reach and maintain a status of financial health.



Financial health is an advanced form of inclusive finance, and used to measure if the financial resources needed by individuals, households or enterprises to manage daily expenditures effectively, support financial budgets, fully prepare for future growth and maintain financial control. Financial health includes four aspects, including the ability to balance income and expenditure, the ability to resist accidental impact, also known as financial resilience, the ability to plan and invest, and financial literacy.

As micro and small businesses make up a major part of real economy, promoting the financial health of micro and small businesses is of great importance to the steady and sound development of both the economy and society. For the economy, sustained and resilient micro and small business and the economic growth potential driven by them are crucial to healthy and long-term economic growth. For governments, as micro and small businesses create more than 80% of urban jobs, maintaining their financial health means securing jobs for residents. For

financial service providers, a strong focus on the financial health of micro and small customers will not only help such customers repay debts on time, make follow-up purchases and lower service cost, but also help the financial institutions refine asset quality, prevent negative impact from reputational risk and thus ensure operation safety.

As a practitioner of inclusive finance focused on micro and small businesses, MYbank values the sustained, healthy and steady development of micro and small businesses. While improving its own capabilities, the Bank also incorporates its CSR into its operating philosophy, moves the focus from the "availability" to the "quality" of financial services, and leverages technology and resources to complete the service system, strengthen proper protection of investors and further popularize financial knowledge. By doing so, the Bank aims to improve the sustainability and resilience of micro and small businesses, maintain their financial health and promote their growth.

Improving the Satisfaction with Micro and Small Financial Services

Through technologies and model innovations, MYbank keeps improving and upgrading financial services for all micro and small customers from self-employed individuals to micro and small businesses. Be it restaurants in streets or innovation-oriented micro and small tech firms, MYbank strives to provide them with targeted and appropriate financial services, offering them relief funds in time of need to improve their financial resilience and supplying them with growth funds at the stage of expansion to meet their need and enhance their financial health.

"Care-Free Franchising Program"

In August 2022, the Company unveiled a "Care-Free Franchising Program", a financial solution aimed to propel the development of chain brands and resolve the two core pain points of franchising, known as the difficulty in expansion and the difficulty in management, by providing funds and improving management. The "Care-Free Franchising Program" includes two main products:

"Care-Free Franchising Program" - Cloud Funds

- **Pain point:** Difficulty in efficient management due to a vast number of franchised stores.
- **Solution:** Allow digital upgrade via a mobile phone for brand enterprises and franchisees, and help brand enterprises manage less costly and more efficiently in group purchase with coupon, online food delivery, procurement, joint operation or other scenarios.
- **Covered scenarios:** Group purchase with coupon, online food delivery, procurement, partnership/joint operation.

"Care-Free Franchising Program" - Franchising Loans

- **Pain point:** It is generally difficult for franchisees to seek loan support from financial institutions to meet their capital needs in many scenarios such as daily purchasing, rent payment and start of stores.
- **Solution:** Introduce digital loans that neither involve risk for brand enterprises nor require guarantee for franchisees. Franchisees are helped to obtain more convenient and efficient financial services without requiring brand enterprises to assume risks and providing guarantees for them, so as to enable them to open more stores.

- **Results:** Improve loan availability and fund turnover.

网商银行无忧加盟计划，为张亮麻辣烫加盟商提供了两种适用于各种加盟经营场景的加盟商专属贷款方式，操作方便，随借随还。

借款到本人账户

灵活方便

借款付给品牌商

额度更高 利率85折

专属利率活动

— 首次使用 —

年化7.2%

本人账户 (前30天)

相当于, 前30天, 借款1万元, 每天利息仅需1.97元

— 首次使用 —

年化3.6%

品牌商账户 (前30天)

相当于, 前30天, 借款1万元, 每天利息仅需0.99元

A famous chain restaurant brand joined the "Care-Free Franchising Program"

Increasing Support for Micro and Small Businesses through Collaboration with Local Taxation Administrations

We vigorously advanced cooperation with local taxation administrations to increase coverage of our financial services. In 2022, we reached new partnership with the taxation administrations in Dalian, Qinghai, Beijing and Jilin, and held publicity activities in support of micro and small businesses together with the taxation administrations in Xinjiang and Zhejiang. By increasing our collaboration with taxation administrations, we expanded financial support for micro and small businesses across the country.

Providing Special Credit Lines to Micro and Small Businesses in Response to the "Rain for Seedlings" Program

In April 2022, the General Office of the State Taxation Administration and the General Office of the ACFIC jointly released the "Rain for Seedlings" Special Action Plan for Promoting the Development of Micro and Small Businesses in 2022, with the aim to provide micro and small businesses with favorable policies and meticulous services by bolstering their confidence, boosting innovation and resolving problems. In active response to the move, the Company, leveraging the brand of "Micro Business Supporting Program", collaborated with 32 provincial-level taxation administrations and provided special credit lines to the micro and small businesses that are honest in tax payment, so as to make loans more available to micro and small businesses and foster their development.

As at the end of December 2022, the Company had collaborated with 32 provincial-level taxation administrations and provided over RMB1.4 trillion of credit lines to micro and small businesses, delivering the benefits of inclusive finance to more micro and small businesses.

Effectively Promoting Micro and Small Businesses Development

According to the research by Tsinghua University and Sun Yat-Sen University based on MYbank's data about bank-tax administration interactions, after MYBank entered into cooperation with the tax administrations in the provinces where micro and small businesses operate, the average credit line for local micro and small businesses increased by 10.3%, and the use of credit line grew by 5.3%, with the times and amount of use both rising remarkably. While credit grew, the cost of loans fell. In the areas where bank-tax administration interactions are available, enterprises saw an average increase of 3.0% and 2.0% respectively in operating revenue and expenditure. Moreover, the additional loans resulted from bank-tax administration interactions have a notable spillover effect. That is, when upstream enterprises gain more loans under the impact of bank-tax administration interactions, they will spend more, and when downstream enterprises obtain more loans under the impact of bank-tax administration interactions, they will earn more. That suggests the bank-tax administration interaction model launched by MYbank facilitates the operation of micro and small businesses.

Tapping Industrial Features and Exploring Distinctive Services

In 2022, MYbank further tapped industrial features like industrial prosperity and seasonal cycles, and provided targeted credit services for different industries when they need funds most. For example, for industries like construction and manufacturing where micro and small customers cluster, the Bank analyzed tax receipts, upstream and downstream relationship, regional characteristics, industrial clusters and other information typical of the industries, and provided the micro and small enterprises with competitive credit lines. In addition, based on operating cycles of specific industries, the Bank offered customers temporary credit lines when they won bids or prepared supplies for peak seasons, to better meet their demands for operating funds.

As at the end of December 2022



32

Provincial-level

The Company had collaborated with 32 provincial-level taxation administrations



RMB 1.4
trillion

Provided over RMB1.4 trillion of credit lines to micro and small businesses, delivering the benefits of inclusive finance to more micro and small businesses

Serving Society-Wide Online Merchants through E-Commerce Finance

Providing e-commerce financial services since its inception, MYbank has been the most trusted bank among countless micro and small e-commerce customers. Built on years of experience, the Company has a rich array of financial products and services in place to meet the demands of e-commerce operators, and works to solve their pain points from their perspective. The fast and flexible access to financial products and services not only eases the financial pressure on e-commerce operators during "Double 11", "6.18" and other shopping carnivals, but also supports micro and small businesses that face tight cash flows because of sudden events, thus widely favored by e-commerce customers.

Increasing the Credit Line to Provide Relief for a Customer in Emergency

In 2022, a Shanghai-based e-commerce operator on Tmall.com got into trouble as its warehouse unexpectedly caught fire, which caused the buildup of goods worth over RMB50 million. The merchant applied to MYbank for increasing its credit line. After evaluation and investigation, the Bank doubled the credit line for both operating entities of the merchant and helped it survive the crisis. The merchant said it would continue to choose MYbank as their products are easy to use and the loans are fast available and can be repaid in flexible ways.

Helping a Supplier of Fresh Hippo Accelerate Turnover of Funds

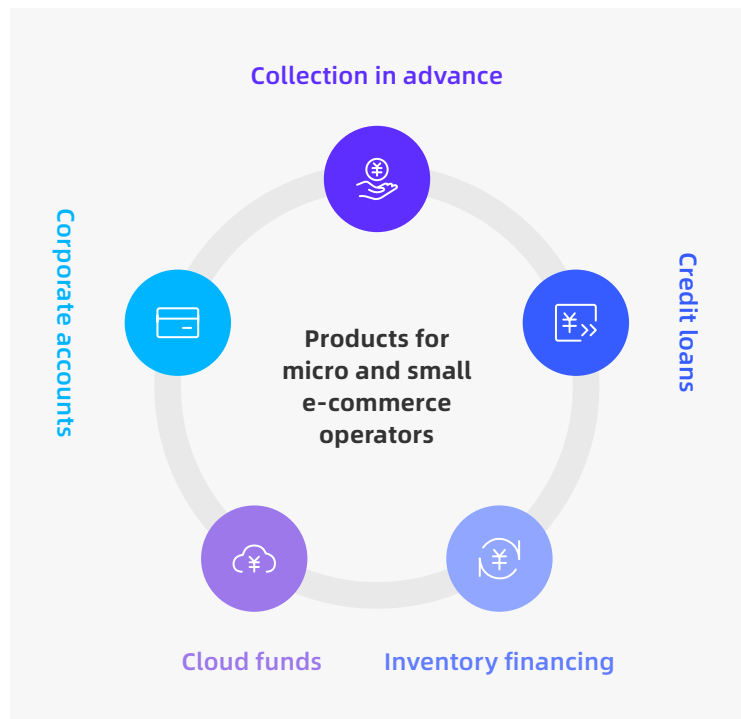
A Shanghai-based industrial company is a seafood supplier of Fresh Hippo. In 2022, affected by the pandemic, it couldn't settle bills with downstream suppliers as normal and thus faced huge pressure in operation. Using the inventory financing product, the customer obtained a loan in full from MYbank, and solved the problem about turnover of funds. As at the end of December 2022, the customer had withdrawn RMB 80 million of loans from the Bank, which became a major source of funds sustaining its operation.

As at the end of December 2022



RMB 80 million

The customer had withdrawn RMB 80 million of loans from the Bank, which became a major source of funds sustaining its operation



Promoting Micro and Small Finance by Combining Regions with Industries

To further micro and small financial services, in 2022, the Company signed an agreement on comprehensive strategic cooperation with ACFIC. According to the agreement, both sides will jointly implement the "Two Programs and Six Actions", build a financial service system supporting micro and small businesses as well as "agriculture, rural areas and farmers", and deepen the integration between digital economy and real economy.

"Two Programs": Micro Business Supporting Program and Agriculture Supporting Program.

"Six Actions": Promoting micro and small businesses, supporting rural revitalization, facilitating science and technology innovation, digital empowerment, serving employment, and public welfare practice.

As the "Two Programs and Six Actions" moved further, we made our way into different industries across the country, providing convenient services and interest exemption and reduction support for local micro and small enterprises.

Implementation of the "Micro Business Supporting Program" across the Country

In 2022, we initiated the "Digital Supply Chain Finance Supporting Micro Business Program" successively in Anhui, Fujian, Jiangxi, Binzhou of Shandong, and Hangzhou of Zhejiang as part of the "Micro Business Supporting Program". By offering a rich variety of convenient financial services for the micro and small enterprises across the supply chains of core enterprises, the program was greatly supported by local governments and federations of industry and commerce.

Implementation of the "Micro Business Supporting Program" in Anhui Province

In July 2022, pushed by the Federation of Industry and Commerce of Anhui Province, the Company collaborated with nine departments in Anhui Province, including Anhui Financial Supervision Administration and Anhui regulatory bureau of China Banking and Insurance Regulatory Commission, and launched the "Supply Chain Finance Supporting Micro Business Program of Anhui". Under the program, the Company will deepen cooperation with local leading enterprises to ease the access to funds for the micro and small enterprises in their supply chains. The program is expected to serve 1,000 core enterprises and cover 1 million micro and small businesses by granting over RMB100 billion of loans within a year, with the aim to support the micro and small enterprises along industrial chains and promote the development of real economy.

Implementation of the "Micro Business Supporting Program" in Jiangxi Province

In 2022, the Company launched the "Micro Business Supporting Program" in Jiangxi Province, planning to provide operating loans with preferential interest rates to 100,000 local leading enterprises and the micro and small businesses across their industrial chains, and granting over RMB10 billion of special loans additionally. A number of local leading enterprises, including KIJ Group, Jinko Solar, Slek, Twins Group and Zhengbang Group, have been connected to MYbank's "Goose" digital supply chain financial system.

As a dealer of KIJ Group, Huang Zhenjie relied on the RMB3 million of credit line provided by MYbank to ease its financial pressure caused by the buildup of inventories. Also, the model of borrowing and repaying at any time effectively alleviated the pressure from the turnover of funds.



MYbank supported different industries across the country through the "Micro Business Supporting Program" in 2022

Implementation of the "Micro Business Supporting Program" in Different Industries

Besides core and leading brands, an industry is also supported by large amounts of micro and small businesses as either upstream suppliers or downstream dealers. Compared to leading enterprises, micro and small businesses have more difficult access to funds. To help them address the problem, in 2022, MYbank launched the "Micro Business Supporting Program" in a range of industries, such as the bicycle and electrical vehicle industries in Jiangsu, the porcelain industry in Foshan and the food industry in Quanzhou, and advanced the implementation of detailed measures. By combining digital supply chain finance with industrial features, the move expanded the coverage of financial services among micro and small businesses in specific industries, boosted the development of industrial chains, and channeled financial resources to the "capillaries" of real economy.

The "Micro Business Supporting Program" Accelerates the Development of the Two-Wheeled Vehicle Industry

In June 2022, the Company collaborated with Jiangsu Bicycle Association and suggested the entry of the two-wheeled electric vehicle industry into the "Micro Business Supporting Program", with the aim to provide the micro

and small businesses along the supply chain with inclusive financial services and promote the digital upgrade of the industry in an all-round way. Leading manufacturers of two-wheeled electric vehicles, including Yadea, Xinri, XDAO and AIMA, responded actively by connecting to the "Goose" system. Application of the digital platform and digital tools boosted the efficiency along the supply chain, increased the availability of loans for small and medium-sized dealers to 85% on average, and promoted industrial upgrade.

The "Driver Operation Loan" in Support of Drivers

The "Driver Operation Loan" is designed to provide efficient credit services for drivers. Based on the model of logistic operators, over 3 million truck drivers were identified in 2022. In addition, the product introduced new features like the analysis of vehicle attributes, the relations between driving behaviors and credit risks, the particularity of goods transported and stability of goods, so as to provide higher credit lines for quality truck drivers. Thanks to a further optimized model, the product can identify 10 major types of vehicles with just one photo taken. As at the end of December 2022, the "Driver Operation Loan" had served more than 1 million customers by granting over RMB100 billion of credit in total.

Take a driver born in the 1980s from Chengdu, Sichuan for example. He entered the logistical industry in 2019, and it was hard work for him to make use of every minute to meet the delivery deadline particularly during transport peaks. Learning MYbank's products and services, the customer applied for RMB240,000 of "Driver Operation Loan". He said, "MYbank offers easy access to funds and allows borrowing and repayment at any time, which greatly eases the financial stress from advance payment of transport fees and distribution of workers' wages every month."



A customer of the "Driver Operation Loan" in Chengdu, Sichuan

Supporting the Steady Operation of Micro and Small Businesses in the Logistical Industry during COVID-19 Pandemic

Amid the resurgences of COVID-19 across the country in 2022, authorized by customers, the Company, leveraging invoice and tax data and data from the national public monitoring and service platform for road freight vehicles, provided logistical credit services for micro and small road transport enterprises, to ease their operating pressure and help them improve liquidity and sustain operation. Also, the Company collaborated with leading enterprises in the express delivery industry and provided "MYbank Loan" services for the operators of express delivery terminals to ensure their normal operation. As at the end of December 2022, the Company had served over 560,000 logistical operators.

The "Lark" System Flexibly Supports the Development of Micro and Small Businesses

To improve the autonomy and sense of gaining of micro and small businesses in financing, in 2022, the Company unveiled the "Lark" intelligent and interactive risk control system, an AI-based system for self-proof data supplementation by customers. Using the system, micro and small businesses can submit personalized self-proof materials based on their needs to increase credit lines. The system can identify 26 kinds of evidence like contracts, invoices and business licenses as well as 400-plus fine-grained objects like engineering vehicles, storefronts and commodities on shelves, based on which it reproduces the real operating conditions of micro and small customers and provides more precise credit evaluation. In 2022, at the 5th China Fintech Industry Summit, the "Lark" system was included in the *2022 Collection of Goldenlink Fintech Innovation Application Cases* and voted the "Case with Most Social Benefits".

As at the end of December 2022, over 6 million micro and small businesses had used the "Lark" system, with an average increase of RMB45,000 in loans among the customers successfully withdrawing credit lines. In doing so, we provided a strong financial support for the recovery and revitalization of micro and small businesses.

Special Support for Micro and Small Enterprises Focused on Science and Technology Innovation

Leveraging its strength in technology, the Company paints the portraits of micro and small enterprises focused on science and technology innovation using their tax receipts, social security data, and qualifications as high-tech or small tech enterprises, and provides the science and technology innovation enterprises rated at various levels with targeted support. As at the end of December 2022, the Company had provided RMB56.5 billion of special credit support for 300,000 "specialized and special-new enterprises", "Gazelle enterprises", high-tech enterprises and small and medium-sized tech enterprises.

Government-Backed Guarantee Adds Credit to Micro and Small Enterprises in Financing

Government-backed guarantee can effectively channel financial resources into small and medium-sized enterprises. Deepening the collaboration between banks and guarantee companies to better support small and medium-sized enterprises has long been a focus of national policies. The *Guiding Opinions on Giving Full Play to the Role of Government-Based Financing Guarantee Funds and Effectively Supporting the Development of Micro and Small Enterprises and "Agriculture, Rural Areas and Farmers"*, released by the General Office of the State Council in 2019, clearly specified that the amount guaranteed by a partner of a guarantee fund for micro and small enterprises and "agriculture, rural areas and farmers" should make up at least 80% of the total amount it guarantees, and customers each provided with a guaranteed amount of RMB5 million or below should account for a minimum of 50% of the total amount guaranteed. The *Several Measures for Increasing Support to Help Micro, Small and Medium-Sized Enterprises Overcome Difficulties*, issued by the State Council in 2022, emphasized again the role of government-based financing guarantee agencies and called for expanded coverage of services among micro, small and medium-sized enterprises and self-employed individuals.

MYbank is one of the banks partnering with the biggest number of government-based financing guarantee companies across China and serving the largest number of micro and small customers. The Bank continued to establish cooperation with nationwide government-backed guarantee agencies, and built on its technological strength as an Internet bank, provided financial services according to local industrial features to address the urgencies faced by micro and small businesses and remove the difficulties hindering their development. MYbank is now a trusted partner of government-backed guarantee companies in many parts of China.

MYbank Collaborates with Government-Backed Guarantee Companies in 21 Provinces (Municipalities)

The Company continued to expand the cooperation with government-backed guarantee companies nationwide. In 2022, the Company signed agreements with the financing guarantee companies in Jiangsu Province, Guizhou Province and Xinjiang Uygur Autonomous Region. As at the end of December 2022, the Company had established partnership with 36 government-backed financing guarantee agencies in 21 provinces (municipalities) across the country, granting over RMB100 billion of guaranteed loans to 950,000 micro and small enterprises and customers related to "agriculture, rural areas and farmers".

In 2022, the Company launched the "National Day" preferential interest coupon campaign jointly with 21 guarantee agencies in 19 provinces (municipalities), distributing over 18,000 interest exemption or reduction coupons to local micro and small enterprises and customers related to "agriculture, rural areas and farmers".

Cooperating with Liaoning Province Financing Guaranty to Help Micro and Small Businesses Overcome Difficulties

In 2022, the Company launched "Liaocai-Inclusive Guarantee-MYbank Guaranteed Loan" jointly with Liaoning Province Financing Guaranty, a product designed to support the micro and small businesses focused on wholesale, retail and life services with the demand for funds of no more than RMB1 million. The amount guaranteed in a single deal was RMB70,000 at the lowest. The service covered all the 100 counties (county-level cities and districts) in Liaoning Province, making small-amount financing guarantee services available locally.

Handled fully online and built on the "310" business model, the "Liaocai-Inclusive Guarantee-MYbank Guaranteed Loan" satisfies the need of micro and small customers for loans in smaller amounts, of shorter terms and at higher frequency, which can't be precisely met by traditional credit business. Also, it makes credit much, more available, accessible and timely to micro and small enterprises, and closes the "last mile" gap in inclusive financial services. As at the end of December 2022, "Liaocai-Inclusive Guarantee-MYbank Guaranteed Loan" had facilitated about 37,000 guaranteed loan deals that involved RMB1.306 billion in total.

Industrial Guarantee Provides Targeted Support for Micro and Small Enterprises

In 2022, the Company partnered with the financing guarantee agencies in five cities and launched industrial guarantee products and services:

-  Toy industry in Shantou
-  Electronic industry in Huizhou
-  Metal industry in Jiangmen
-  Cable and electrical industry in Zhenjiang
-  Home textile industry in Nantong

Industrial Guarantee Supports the Development of Micro and Small Toy Makers in Chenghai, Shantou

In December 2021, the Company launched the Online Financing Guaranteed Loan for Shantou’s Toy Industry, the first online financing guaranteed loan product for a prefecture-wide industry, jointly with Yuecai Inclusive Finance (Shantou) Financing Guarantee Co., Ltd. The product targets the

micro and small businesses in the creative toy industry, one of the two major featured industries in Shantou and mainly clustering in Chenghai. Leveraging its fintech resources, the Company provided automated loan services covering the whole process from loan approval and granting to guarantee to the micro and small businesses in Shantou’s toy industry based on their demands for funds, which boosted loan granting efficiency. Also, the Company introduced the flexible model which allows borrowing and repayment at any time, making loans more accessible and available, reducing the cost of funds and expanding the coverage of inclusive finance. As at the end of December 2022, the product had supported 2,842 micro and small toy makers and provided about RMB900 million of guaranteed funds in total.

As at the end of December 2022



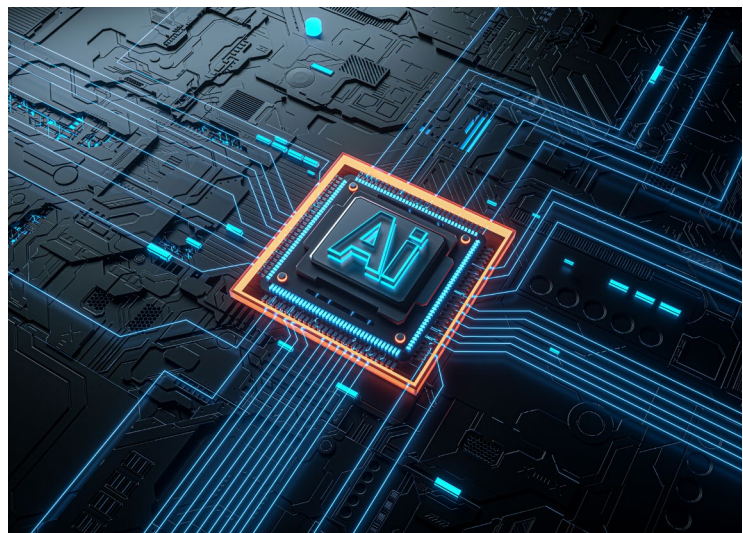
2,842

micro small toy makers
Online Financing Guaranteed Loan for Shantou’s Toy Industry had supported 2,842 micro and small toy makers



RMB 900
million

Provided about RMB900 million of guaranteed funds in total



Protecting Customers' Financial Health

Improving consumers' financial literacy and strengthening protection of financial consumers' rights are both important to enhancing financial health. MYbank pressed ahead with financial education, financial consumer protection and the improvement of financial health, fostered consumers' ability to make scientific financial decisions and choose proper financial products, and fully empowered consumers in their pursuit of financial health. Meanwhile, the Company stepped up efforts to protect the legitimate rights and interests of financial consumers to secure their financial health.

Deepening Consumer Rights Protection

Consumer rights protection is a major part of the efforts to secure customers' financial health. The Company worked to build a stronger team for consumer rights protection, designated liaison persons at all departments, defined the scope of responsibilities and responsible persons in consumer rights protection, and improved the organizational structure for consumer rights protection. In 2022, MYbank was rated A by PBOC for the protection of financial consumer rights and interests.



Organizing Special Training to Improve Employees' Ability to Protect Consumer Rights

The Company launched a "Navigation Program", a consumer protection training move, to build a consumer protection training system that features process-based modules, systematic contents and full coverage of all targets. In addition, as part of the "3.15" Consumer Rights Day activity, the activity themed "Popularizing Financial Knowledge and Defending Your Money" held in June and the activity themed "Making Financial Knowledge Accessible to Every Household in the Financial Knowledge Popularization Month to Cultivate Sensible Investors and Good Financial Netizens" held in September, the Company organized fun games about consumer protection knowledge, publicized marketing governance, and combined courses with activities to improve training matching and coverage rates. In 2022, the Company organized over 20 special training sessions on consumer rights protection, which totaled about 56 hours and

covered all employees. The consumer rights protection knowledge tests saw a participation rate of 100% and a pass rate of 99% among employees, playing a positive role in promoting learning and raising employees' understanding of consumer rights protection.

Fintech Empowers Consumer Rights Protection

The Company worked to make the control over consumer rights protection more digitalized and intelligent throughout the process. We built a model for patrol inspection of consumer rights protection after summarizing the problems about consumer rights protection identified through daily review and complaint handling. We used the automated patrol inspection tool to search for and quickly locate problems, and thus built a chain from patrol inspection of risk, early warning and risk evaluation to risk alleviation, validation and filing. We fully leveraged AI to improve the coverage and timeliness of the inspection of consumer rights protection, and make problem rectification more traceable, visible and efficient.



Strengthening Investor Suitability Management and Protecting Customers' Wealth

The Company developed the *Investor Suitability Management System*, conducted surveys and evaluation of investors' risk tolerance, and provided evaluation results to investors in a timely manner. The Company exercised strict control over the risk rating process, and established a suitable match between investors' risk tolerance and the risk levels of products or services sold as an agent. During product sales or service delivery, the Company followed the suitability match principle, according to which we sell products of different risk levels according to investors' risk tolerance and forbid sales of the products or services beyond investors' risk tolerance or against investors' will.

Actively Responding to Customer Complaints and Suggestions

The Company developed the *Detailed Rules for Handling Consumer Complaints*, which specified requirements on complaint registration, handling process, data analysis, file management and information management. The Company also established a mechanism for coordinated handling of complaints among different departments, accountability, problem tracing and rectification, and kept improving the IT system for complaint handling, to enable process-based management over complaint handling.

In addition, the Company continued to optimize channels for communication with customers based on product and service features, and publicized complaint channels through APP, mini program, official website, product or service contracts, etc. The Company made every effort to ensure no customer opinions or complaints were missed and each complaint was responded to earnestly. In 2022, the Company received 34,897 pieces of suggestions or complaints from customers, and responded to and handled 100% of them. Also, the Company regularly analyzed complaint data, urged improvement of underlying problems, and further refined products and services.

Effectively Improving Customer Experience

In 2022, the Company improved customer experience by securing service quality, optimizing experience environment and raising customers' perception of the Company's culture, with the help-seeking rate among customers falling by 7 percentage points.

Besides, the Company arranged trips for new employees to experience service throughout the chain and understand the problems troubling customers. The Company held product-focused sessions, where product managers were organized to communicate with customers and learn about their experience. Also, the Company launched "3-Hour Customer Service" and "Service by All" campaigns, where we interviewed customers offline to learn about their demands and reshape and upgrade customer experience.

In 2022



34,897
pieces

The Company received 34,897 pieces of suggestions or complaints from customers



100%

Responded to and handled 100% of suggestions or complaints from customers

During the Reporting Period, the Company organized or heard:



12

"3-Hour Customer Service" sessions



56

offline customer visits



94

pain points in customer experience

Providing Barrier-Free Financial Services

Providing everyone with equal and easy access to financial services is the key to high-quality inclusive finance. The Company stepped up support for special customer groups, carefully learnt about their demands, and leveraged tech means to provide barrier-free financial services to the people with special needs, such as disabled and elderly people, and improve their service experience.

Through analysis of nearly 8,000 online phone calls and questionnaires and 70,000 help-seeking messages, the Company's special financial service team, named "Galaxy Service Team", found that "quick access to service providers" and "low-cost solutions" were the most pressing issues for disabled merchants. In 2022, the "Galaxy Service Team" continued to support special merchants by making product easier to use and launching barrier-free same-screen guiding services, where video-based guidance is offered to assist disabled or elder users in operation in real time like their eyes and ears.

"Galaxy Service Team" Assists a Bakery in Chengdu Hiring People with Hearing Disability

Mr. Xie runs a bakery in Chengdu, where most employees suffer from hearing disorders. When the Company's "Galaxy Service Team" visited Mr. Xie, the employees with hearing disorder patiently gestured to recommend fresh bread to customers. Learning about the pressure on Mr. Xie



The "Galaxy Service Team" helped the bakery access funds to sustain operation

resulted from store decoration, distribution of employee wages and purchase of raw materials, the "Galaxy Service Team" took immediate action, helping Mr. Xie apply for a short-term interest-free loan to stabilize the operation of the bakery.

MYbank Honored the Title of "Love Angel" for Easing the Operating Pressure on Disabled Merchants

The legal representative of Shenzhen Zhongmei Shijia Technology Co., Ltd., a physically challenged person, applied to MYbank in writing for financing the company's store on Taobao.com. Receiving the letter, MYbank's service workers analyzed his demands and difficulties, and worked out a loan restructuring package with a lower annual interest rate to ease the financial stress on the customer. In addition, the Company applied to Ant Foundation for support, and invited Alibaba to offer special guidance to solve the customer's problems in operation. Through both internal and external collaboration, the Company finally helped the customer get financially prepared for the "Double 11" and "Double 12" shopping sprees, and supported employment for 20-plus disabled people. Shenzhen Association of the Disabled Enterpriser awarded a plaque and certificate of honor to the Company and the Company's employees.



Shenzhen Association of the Disabled Enterpriser awarded a plaque and certificate of honor to the Company and the Company's employees

Strengthening Popularization of Financial Knowledge

Popularizing financial knowledge among consumers is a major way to improve financial health. Upholding the principle of inclusiveness, public orientation, sustainability and combination of diverse forms, the Company made an effort to promote financial knowledge, interpret financial policies, reveal risks associated with financial products,

publicize the legitimate rights of financial consumers, and guide consumers to protect their rights sensibly and according to law. Leveraging online resources, the Company tailored contents of publicity based on the reading habits and living scenarios of different types of consumers. Also, the Company carried out special activities offline to expand the coverage of publicity and improve the quality and effectiveness of publicity, with a special focus on key groups.

- Expanding the Coverage of Publicity via Online Channels**

We launched the "Instant Understanding of Finance" channel, which is available on MYbank's APP, MYbank's mini program on Alipay APP and MYbank's WeChat public account, etc. Through the channel, we released 75 issues of publicity materials and risk reminders in forms like short videos and comics, some of which were adopted and publicized by regulators, covering a consumer audience of over 9 million person times and producing good publicity results.

金普月小课堂 | 你的个人信息，就是这样泄露的！

中国人民银行杭州中支 2022-09-21 17:34

发表于浙江



- Improving the Quality and Effectiveness of Publicity Offline**

We participated in the setup of "Xiaojingyin" (University-Police-Bank Alliance), an educational alliance to raise the financial literacy of college students in Hangzhou. Through the collaboration among universities, police and banks, the alliance is aimed to be a financial education brand targeting college students. The "First Lesson of School about Financial Security" was launched in lively forms like interactive lectures, anti-fraud sketch comedies and variety shows to guide college students to raise the awareness and ability of guarding against illegal financial activities.



Focusing on the Financial Health of Key Groups Including Elderly and Young Customers

Providing practical and easy-to-understand financial knowledge to elderly people is a major part of elderly-friendly financial services. To address the difficulty of elderly customers in using intelligent technologies and meet their demands for investment, the Company introduced "Financial Expert Ms. Dong", a creative IP, and developed a series of comics about financial knowledge, to explain financial knowledge from the perspective of

elderly people under themes such as "scan to pay", "illegal financial advertisement" and "e-banking transfer" closely related to them.

Targeting young people, the Company made an effort to guide them to spend and borrow money sensibly. We publicized comics themed "Illustrated Guide on Contemporary 'Anticompetitive' Consumer Behaviors" and "Anti-Fraud Lesson after College Entrance Exam", and launched live classes themed financial consumption, covering an audience of over 1 million.



Pages about financial knowledge popularization by MYbank

03

Boosting Rural Revitalization by Empowering County and Rural Finance with Digital Technology

In active response to China's strategy about rural revitalization, MYbank practiced digital inclusive finance, kept improving the ability in independent science and technology innovation, and closely collaborated with governments at all levels to promote industrial revitalization and common prosperity. Meanwhile, aligning its development with the needs of the country and society, the Bank continued to improve services for "agriculture, rural areas and farmers", facilitated the development of digital inclusive finance in rural areas and expanded the scope of financial services, becoming a beneficiary supplement to rural finance.

Expanding the Width of Digital Inclusive Financial Services in Rural Areas

According to surveys, digital credit has become a major financing channel for customers in counties and rural areas for its easy access, low threshold and flexible mode of repayment.

2022 Report on Digital Inclusive Finance Index in Chinese Counties found

Digital inclusive finance becomes the top choice for half of county residents



Among the latest loans borrowed by county residents, **credit loans** made up the biggest share, or **73.4%**, by deal number

banks, rural commercial banks, rural banks and other local financial institutions, as well as ABC, PSBC and other large financial institutions



In counties, demanded credit lines below RMB**100,000** represented **40.8%** of the total



Low interest rates and flexible mode of repayment and cycles are generally considered as the most important factors affecting decision-making, representing over **45%**



Internet loans granted by tech banks comprised the biggest share, or **57.5%**, by deal number, and followed by loans granted by urban commercial

Questionnaire survey backed by MYbank

Data source: Project team of the Rural Development Institute, Chinese Academy of Social Sciences

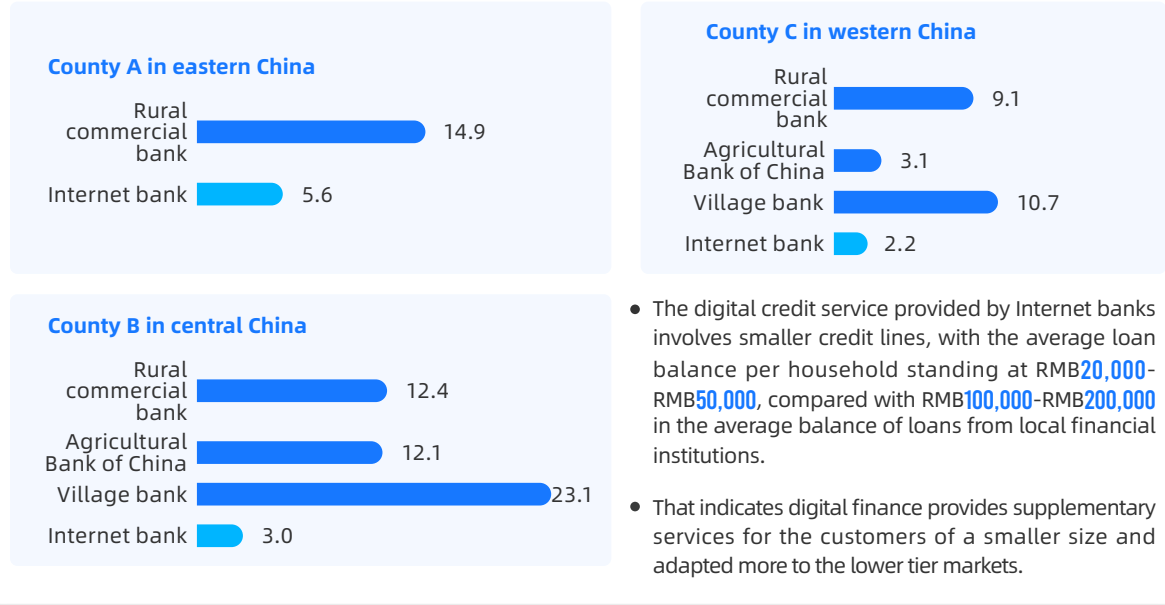
Using digital risk control technology, MYbank built a credit model exclusive to local governments, and further found a practical path for digital financial services to support rural development. The model helped better collect and utilize the data about government affairs and livelihood in rural areas, enabled more precise customer portrait painting, credit rating and credit granting by digital means, and ultimately led to an expanded coverage of digital credit in counties.

Backed by governments at all levels, regulators and enterprises, MYbank kept expanding the width and depth of micro and small finance and rural finance. As at the end of December 2022, MYbank had partnered with over 1,200 agriculture-related counties nationwide on digital inclusive finance.

2022 Report on Digital Inclusive Finance Index in Chinese Counties found

Digital finance becomes an effective supplement to county and rural finance

Survey of rural credit lines in County A (eastern China), County B (central China) and County C (western China) (Unit: RMB10,000)

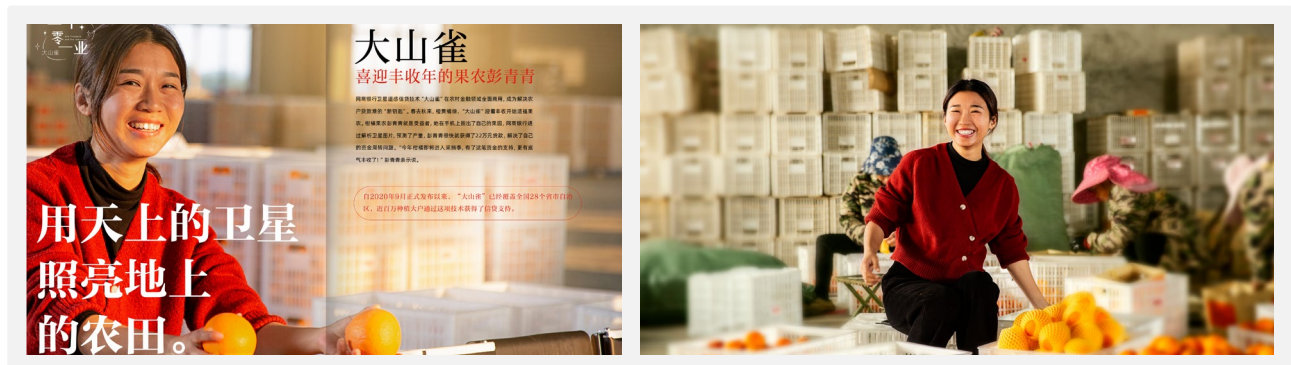


- The digital credit service provided by Internet banks involves smaller credit lines, with the average loan balance per household standing at RMB20,000-RMB50,000, compared with RMB100,000-RMB200,000 in the average balance of loans from local financial institutions.
- That indicates digital finance provides supplementary services for the customers of a smaller size and adapted more to the lower tier markets.

Data source: Project team of the Rural Development Institute, Chinese Academy of Social Sciences

Technological Innovation Improves Rural Financial Services

Due to inadequate information about agriculture production, which involves long cycles and high risks and lacks effective collaterals and guarantee, traditional financial institutions are unable to identify risks facing rural households. As the access to funds from traditional financial institutions remains difficult for rural households, agricultural development still sees the bottleneck of insufficient financing. Based on technological innovation, MYbank launched the "Tomtit" system in 2020, which applied satellite remote sensing technology to risk identification and rating in rural finance. Application of the system solved the pain point of financial institutions in serving rural households, increased the loan-obtaining rate among rural households, created more possibilities for "agriculture, rural areas and farmers" to access funds, upgraded rural finance through digital technology, lowered the threshold of rural financial services and further expanded the coverage of digital inclusive finance in rural areas. In 2022, the system introduced additional features to identify cash crops like oilseed rape, peanut, and forms like greenhouses and orchards, better serving agricultural industries and technically supporting credit services for 1.23 million planting farmers.



The "Tomtit" system helped fruit farmers

Striving to Set a Financial Benchmark for Rural Revitalization

Built on its resources in digital finance, MYbank, centering on industrial revitalization and talent revitalization, collaborates with partners in all circles of life to promote county development and rural revitalization and contribute greater to the undertakings associated with "agriculture,rural areas and farmers".

Providing Targeted Support for Top 100 Counties by Digital Operation of Agricultural Products

Industrial revitalization is fundamental to rural revitalization. In 2022, MYbank expanded the coverage of financial services under the "Agriculture Supporting Program" and provided interest-free loans of corresponding periods of time for the planting farmers, breeding farmers and e-commerce operators of agricultural products on the list of "Top 100 Counties by Digital Operation of Agricultural Products" released by the Administration and Management Institute of the Ministry of Agriculture and Rural Affairs, to support rural industrial revitalization. Besides credit loans, the Bank also provided 30-day interest-free loans in combination with agricultural solar terms, production and sales cycles, and periods with urgent need for funds, and varied such loans with provinces and stages.

Jointly Supporting Leaders of Rural Revitalization

Farmers, particularly talented ones, are the key to rural revitalization. To give full play to the demonstration role of leaders, the Company launched the "Supporting Leaders of Rural Revitalization" program, to provide full-year interest-free loans and long-term preferential interest rates to the farmer representatives who play a demonstration role in promoting rural revitalization and the modernization of agriculture and rural areas as recommended by governments of all levels.

"万企兴万村"推进乡村振兴 全国工商联与网商银行战略合作落地

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省份	县	优势产业
安徽省	砀山县 祁门县 霍山县 金寨县 长丰县 肥东县 歙县	梨、草莓、茶叶、 中药材等
福建省	安溪县 仙游县 福鼎市 龙海市 晋江市 南靖县 古田县 霞浦县 武夷山市	茶叶、果干、菌类、 海鲜等
甘肃省	岷县	黄芪、枸杞、党参等
广东省	饶平县 普宁市 化州市 高州市 开平市 惠来县	荔枝、凤梨等
广西壮族自治区	北流市 灵山县	荔枝、桂圆等
河北省	安国市 宁晋县	中药材等
河南省	夏邑县 长葛市 新郑市 新野县	红枣、花生、肉牛等
黑龙江省	五常市	大米
湖北省	仙桃市 枝江市	鲜花、水果等
湖南省	浏阳市 平江县 长沙县 吉首市 耒阳市	豆腐干、茶油、柑橘等
吉林省	抚松县	人参
江苏省	沭阳县 宜兴市 兴化市 东海县 邳州市 新沂市 昆山市 靖江市 太仓市 常熟市 高邮市 睢宁县 沛县 丰县	花卉、水果、大闸蟹等
江西省	寻乌县 南昌县	脐橙、樱桃等
辽宁省	新民市 东港市	大米、草莓等
宁夏回族自治区	中宁县	枸杞、沙棘等
山东省	栖霞市 寿光市 鄄城县 莱阳市 平邑县 滕州市 海阳市 平度市 胶州市 青州市 东阿县 荣成市 蒙阴县 新泰市 平阴县 冠县 曹县	苹果、蔬菜、花生等
山西省	临猗县	苹果、梨、桃
陕西省	武功县 宜君县 富平县 大荔县 洛川县	苹果、枣、猕猴桃等
四川省	蒲江县 都江堰市	柑橘、猕猴桃等
新疆维吾尔自治区	阿克苏市	苹果
云南省	勐海县 文山市 大理市 蒙自市	普洱茶、石榴、中草药等
浙江省	义乌市 安吉县 苍南县 海宁市 永嘉县 武义县 嘉善县 象山县 平阳县 庆元县 龙游县	茶叶、海产品、水果、 竹制品等

*县域名单来源：农业农村部管理干部学院、阿里研究院《农产品数字化百强县》

Top 100 counties by digital operation of agricultural products were granted interest-free loans by MYbank

In September 2021, MYbank signed a memorandum on strategic cooperation with China Agricultural Science and Education Foundation, according to which the Bank would provide one-year interest-free loans to "China's Top 10 Farmers" rated by the Ministry of Agriculture and Rural Affairs in the next five years to support farmers. As at March 2023, the Company had provided interest-free loans to 11 of the 20 "China's Top 10 Farmers" respectively rated in 2021 and 2022 who needed credit, and granted RMB16 million of credit in total.



"China's Top 10 Farmers" in 2022

Jointly Launching the "Agriculture Support Team" Campaign

In September 2022, MYbank collaborated with CCTV-17 and launched the "Agriculture Support Team" campaign, in which the Company teamed up with responsible enterprises, brands, agriculture-related institutions, universities, experts and scholars to build benchmark counties in rural revitalization by giving play to respective strengths and integrating each other's resources.

Through the "Agriculture Support Team" campaign, a package of measures, focused on financial support for industries, sales of agricultural products in urban markets, popularization of financial knowledge in rural areas and promotion of regional brands, were introduced to facilitate industrial development in rural areas. In 2022, China Academy of Art, Academy of Arts & Design of Tsinghua University, Hangzhou City University, industrial experts, artists and some other institutions and individuals joined the "Agriculture Support Team", actively devoting resources to support industrial revitalization in countries.



MYbank collaborated with CCTV-17 and launched the "Agriculture Support Team" campaign

China Academy of Art is Among the First to Join the "Agriculture Support Team"

Right after the "Agriculture Support Team" campaign was launched, China Academy of Art acted immediately to join the "Agriculture Support Team" and became one of its first members. The teachers and students at China Academy of Art created artworks for the top 100 counties of agricultural products and held a 3-month exhibition themed rural name cards at Hangzhou's subway stations to promote the agricultural products by digital means.



Digital Collection Platform Jingtan Joins the "Agriculture Support Team"

Under the guidance of China Agricultural Science and Education Foundation, MYbank collaborated with Jingtan, a digital collection platform, and launched the digital collection program called "County Treasure", with the aim of promoting rural revitalization by combining technology with cultural resources. In Phase I of the program, trips would be made to 10 counties to tap local industries, folk customers, history and culture, to make "county treasure" known by more people through digital collection, an innovative carrier of culture.



Launching Loan Interest Exemption or Reduction Activities Based on Agricultural Solar Terms

In 2022, MYbank carried out a series of activities, including "Promoting Ploughing in Spring", "Supporting Sowing in Summer", "Celebrating Autumn Harvest" and "Winter Storage Festival", to offer loan interest exemption or reduction for customers related to "agriculture, rural areas and farmers" in corresponding agricultural solar terms. In 2022, the Company granted over RMB5 billion of loans with no or lower interests to 150,000 farmers nationwide.

Organizing Special Credit Support Activities Themed "Celebrating Autumn Harvest"

From September 7 to October 10, 2022, MYbank provided loans with an interest-free period of 10-30 days or a 30%-12% discount on interests to qualified agriculture-related groups including major grain growers, cooperatives and family farms, while distributing red envelopes of varying amounts for use in payment, to support the high-quality development of rural households.

"Bench Classroom" Accelerates the Popularization of Knowledge about Digital and Inclusive Finance in Rural Areas

MYbank actively explored ways to popularize knowledge about digital inclusive finance in rural areas, and partnered with other sides to advance the education about financial knowledge in rural areas. While ensuring quality financial services, the Company also helped farmers improve their ability to guard against financial fraud and run startups and shared with them the latest financial services.

In 2022, MYbank collaborated with other sides and launched "Bench Classroom", a special agriculture-related training program. Targeting agriculture-related business entities, the program combined online and offline modes to popularize knowledge and training about rural finance, boost operating levels, and promote employment and entrepreneurship in rural areas. During the Harvest Festival in 2022, the Company, together with China Agricultural Science and Education Foundation, engaged the Top 10 farmers as special teachers of the "Bench Classroom", who shared their knowledge and experience with more new farmers and demonstrated the power of role models. Meanwhile, the Company collaborated with Yuan Longping High-tech Agriculture Co., Ltd. to organize agriculture-related training and publicity both online and offline. As at the end of December 2022, the "Bench Classroom" program had offered 35 courses about e-commerce and finance through MYbank's mini program and Yunshangzhinong APP, and attracted over 370,000 learners online. Also, through the program, 22 offline publicity and training sessions were organized in 15 counties in Xiangxi, Huaihua and Zhangjiajie, etc. of Hunan Province, and saw over 1,700 participants in total.



MYbank launched the "Bench Classroom", a program to train talents for counties, in collaboration with multiple parties

04

Green and Inclusive Finance Guides Low-Carbon Transition by Countless Micro and Small Enterprises

In China, driven by the carbon peaking and carbon neutrality goals, green finance develops fast with innovations emerging one after another. However, most green finance instruments are just applicable to large and medium-sized enterprises in sectors like energy, industry and transport. Large in number, micro and small businesses, mostly have the will to transit towards green operation, but lacking data about carbon emissions and carbon assets and being out of the reach of prevailing financial policies make it difficult for them to access green finance, leading to the reality that "inclusive finance is not green while green finance is not inclusive". So, micro and small green finance has long been the weak part in the industry.

Built on the customer base and technological strength formed through focused services for micro and small businesses, MYbank worked to advance the integrated development of inclusive finance and green finance. By participating in the drafting of green finance standards for micro and small enterprises, iterating green evaluation model and improving the green finance product system, the Bank turned the philosophy about green and inclusive finance into real actions, contributing to the steady, healthy and sustainable development of micro and small businesses.

Promoting the Construction of the Green Finance System

In face of the urgent demand of micro and small businesses for green transition, MYbank actively advanced and participated in the drafting and finalization of the first association standard for green finance targeting micro and small enterprises in China, to address the lack of standards for certifying green micro and small enterprises. Based on the standard, the Company leveraged its technology strength and optimized the model for assessing green micro and small enterprises, which connected data in diverse scenarios and solved the problem of costly greenness evaluation for micro and small enterprises due to the low level of digitalization across their operation chain.

Participating in the Formulation of China's First Association Standard for Micro and Small Green Finance

The Company advanced the integrated development between green finance and inclusive finance, drafted and finalized the *Specifications for Micro and Small Enterprise Greenness Assessment*, the first association standard for green finance targeting micro and small enterprises in China, jointly with several other institutions. The standard introduced new targets of green finance and methods of

recognition based on the practical experience accumulated by MYbank and other participating institutions in their services for micro and small enterprises, focused on micro and small enterprises instead of how to identify "green" projects, made clear the targets, principles, indicators and procedures in micro and small enterprise greenness evaluation, and served as a bridge between green finance and inclusive finance. Officially unveiled by Zhejiang Finance Society in November 2022, the standard is a milestone in the exploration of green finance standards for micro and small enterprises.

国内首个小微绿色金融领域的标准

通过对小微企业主体进行绿色评价，合理、高效地评价出企业在环境保护方面做出的实际贡献值

该标准由北京绿金院、蚂蚁集团、芝麻企业信用、网商银行等单位联合起草，由浙江省金融学会正式发布。

ICS 03.060
GCS ALL

团 体 标 准

T/ZJFS 008-2022

小微企业绿色评价规范

国内首个小微绿色标准下 网商银行小微绿色金融评价模型

参考团体标准

有监督的算法模型

- 小微绿色评价模型

- 生产资料
- 生产活动
- 生产环境
- 社会反馈
- 绿色业务
- 绿色运营

- 公信力
- 可拓展
- 风险Rank

The *Specifications for Micro and Small Enterprise Greenness Assessment*, the first association standard for green finance targeting micro and small enterprises in China

Upgrading the Greenness Evaluation Model for Micro and Small Enterprises

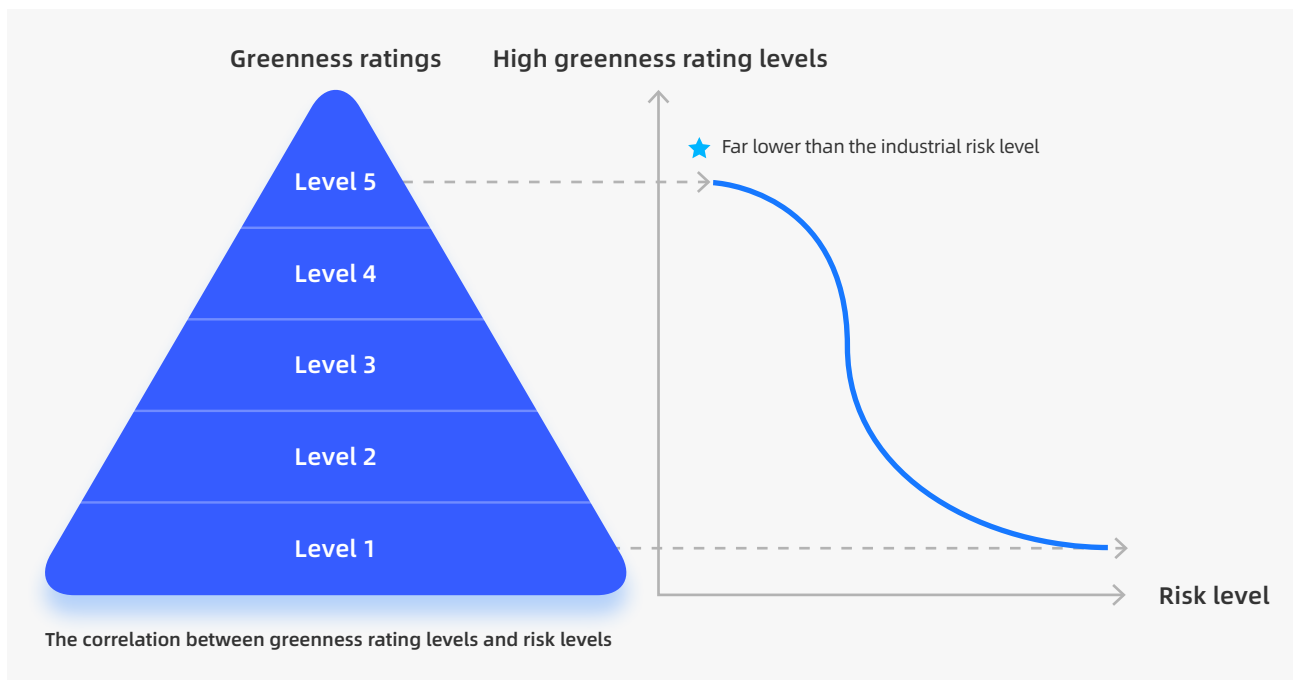
In 2022, based on the framework of the Specifications for Micro and Small Enterprise Greenness Assessment, MYbank, a technology-driven Internet bank, further upgraded its greenness evaluation model for micro and small enterprises leveraging big data, AI and other finance technologies.

In terms of the collection of green data, the Company connected green data in diverse scenarios like electronic payment, electronic collection and invoicing in Alibaba’s ecosystem, introduced external data like new energy license plates and environmental impact evaluation reports, guided customers to upload self-proof data, and, based on the operating features of micro and small enterprises and self-employed individuals as well as the availability of data, enabled automated environmental risk evaluation and monitoring.

In terms of promoting green philosophy and product integration, the Company incorporated the greenness

evaluation results of micro and small enterprises into services like "Green Operation Loan" and "Bid Loan" in the mini program dedicated to the credit businesses for micro and small customers. While signing authorization agreements online, micro and small customers can check their greenness ratings at the same time, and obtain differentiated preferential loans based on respective greenness ratings. So, the efforts facilitated the automation and increased the values of greenness evaluation for micro and small enterprises, and made the access to green finance easier for micro and small enterprises.

In addition, the Company identified the negative correlation between green operation and the risks a company faces based on massive data, that is, a higher level of greenness rating is associated with a lower level of risk. While driving green finance, the Company will pay continued attention to the deeper connection between the financial health and green operation of micro and small enterprises, help micro and small enterprises improve the resilience against risks while practicing the philosophy about green development, and promote the healthy and steady development of micro and small enterprises.



As at the end of December 2022, the Company had completed greenness evaluation for 6.23million micro and small enterprises, and offered preferential interests on loans for 420,000 micro and small enterprises, advancing the green development of micro and small enterprises while providing them with easy-to-access inclusive financial services.

网商银行：数字化金融助力小微经营者绿色转型

600⁺万 小微企业，一键获得绿色评价
评价 - 数字化的小微绿色评价模型

刻画6大 小微绿色行为 <ul style="list-style-type: none"> 生产资料 生产活动 生产环境 社会反馈 绿色业务 绿色运营 	×	累计识别 100亿条数据 <ul style="list-style-type: none"> 政策文件解读模型 合同信息识别模式 发票信息识别模型 电商订单信息识别模型 绿色经销商识别模型
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↓

42万 小微企业，享受绿色金融支持
激励 - 绿色的数字化供应链金融产品

绿色服务识别	上游供应商	绿色中标贷	参与绿色建设
绿色核心企业识别	下游经销商	绿色供货贷	自身绿色转型
绿色小微企业识别		绿色采购贷	促进绿色商品流通
绿色商品识别	下游零售商	绿色零账期	促进绿色商品流通

*数据统计时间2022年底

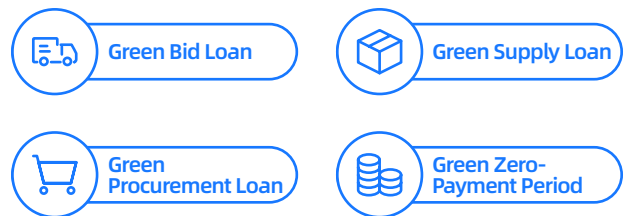
Digital finance promoted green transition by micro and small businesses

Improving Green Finance Products and Services

Built on its long-term practice in serving micro and small enterprises, MYbank created a series of green finance products for micro and small businesses, and guided them to practice green behaviors for preferential loans. Also, the Bank worked to raise the awareness of green operation among micro and small enterprises, and provided scientific and replicable solutions for micro and small customers to get green finance support.

Creating New Green Finance Products

The Company included micro and small businesses in green supply chains into the coverage of its policies about green and inclusive finance, developed a range of new green finance products based on customer needs, and formed a green and digital supply chain finance product matrix.



Green Bid Loan

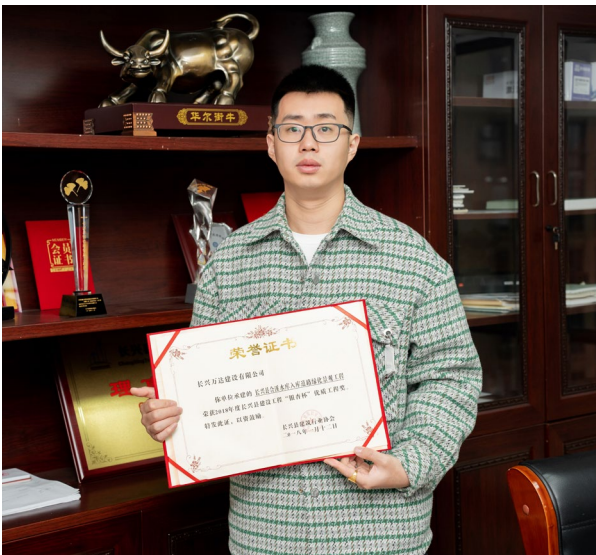
"Green Bid Loan" is a credit product targeting micro and small businesses and featuring high credit lines and wide coverage. Based on the bid winning information of micro and small businesses, the system, leveraging integrated algorithms for green loan identification and the technologies for text classification & identification and text semantic matching, can screen out the projects qualified for the Green Industry Guidance Catalogue (2019) as the projects with access to the "Green Bid Loan".

In 2022, the Company provided the "Green Bid Loan" for 1,320 green projects in sewage treatment, improvement of living environment, building of beautiful countryside and land conservation, and granted RMB385 million of loans in total.

The "Green Bid Loan" Meets the Urgent Need of a Green Enterprise

Rao Zhouyue, a post-90s college graduate majoring in architectural engineering, joined Changxing Wanda, a family business, after graduation. Established in 2008, Changxing Wanda mainly undertakes socially and environmentally sustainable projects in construction, municipal and road areas, and thus is a green enterprise.

After winning a government construction project, Rao saw difficulty in the turnover of funds in 2022. In May 2022, Rao received a call from MYbank and learnt about the "Green Bid Loan". Within just one day, he completed the process from loan application to granting, and obtained a RMB2 million loan from MYbank. With the help of the "Green Bid Loan", Rao plans to make the company bigger and stronger.



Rao's company was honored the "Gingko Cup" Quality Project Award

Green Supply Loan

The "Green Supply Loan" is a green loan with preferential interest rates provided to micro and small businesses for their supply of raw materials, equipment and project services to downstream core enterprises based on the judgement that the funds are used for green areas made with order data.

Channeling Funds into Green Industrial Chains

In 2022, the Company partnered with Yzw.cn, an industrial Internet company under China State Construction, and provided the "Green Supply Loan" service to over 10,000 micro and small suppliers in the building industry chain. This is the first practice at home in which a domestic private bank provides exclusive green loans to upstream micro and small businesses in the building industry chain, and is expected to promote the low-carbon transition of China's building industry.

Launched by China State Construction, Yzw.cn is a well-known Internet platform dedicated to the building industry. It pools over 700,000 suppliers, most of which are micro and small businesses and also including those trading green building materials. Based on its own big data about bidding and procurement and database about project supply chains, Yzw.cn can quickly identify the green building projects, green building material manufacturers and suppliers qualified for the *Green Industry Guidance Catalogue (2019)*, and thus guide the precise granting of funds. All the micro and small businesses in areas like assembled buildings, integrated houses and water conservation can apply for the "Green Supply Loan".

Shanxi Jinshi Liangyou Module Housing Co., Ltd. became the first recipient of the "Green Supply Loan". Meeting the requirements about "manufacturing of green building materials" in the *Green Industry Guidance Catalogue (2019)*, the enterprise was offered a 15% discount of interest on the loan by MYbank.

Green Procurement Loan

The "Green Procurement Loan" is a service targeting micro and small enterprises in brands' industrial chains. If a dealer purchases goods from a core enterprise certified as a green brand, the Company will offer it a discount of interest on loans. The move is to encourage micro and small dealers to purchase commodities and services from greener enterprises. As at the end of December 2022, the Company provided over 20,000 downstream dealers of 263 well-known green brands including Haier, Arrow, Hello and TALG with the "Green Procurement Loan" services.



The screenshot of the "Green Procurement Loan"

Raising the Awareness of Green Operation among Micro and Small Enterprises

Flexible Self-Proof Feature Promotes Green Operation

The feature of self-proving green operations by users has been available in MYbank's mini program for green operation. A user can use mobile phones to take photos as evidence of green operation and upload them online. After the photos are automatically identified and qualified by the algorithm, the user will gain higher greenness rating points and be awarded with gold coins. The move encourages users to pursue green operation more perceptibly and makes the access to the data about green operation by micro and small businesses easier. As at the end of December 2022, over 10,000 users submitted the evidence of green operation during the small-scale testing period.

As at the end of December 2022



10,000
users

Over 10,000 users submitted the evidence of green operation during the small-scale testing period



Green operation self-proof process - Identification of self-proof of garbage sorting

External Exchanges and Cooperation

On the path to green development, the Company continued to enlarge the "circle of friends", paying attention to the forward-looking research on green finance for micro and small enterprises, and actively sharing its experience and ideas with regulators, leading industrial peers, associations, universities and other partners, to jointly explore the mode of development for green and inclusive finance.

Exchanges and Sharing

In January 2022, the Lingyi Think Tank Digital Economy Annual Conference was held in Shanghai. Hu Yihao, Deputy General Manager of MYbank's Department of Micro and Small Green Finance, delivered a speech themed "Digital Technology Promotes Carbon Neutrality and Exploration in New Modes of Green Finance", in which he shared the Company's ideas and practice about developing green finance for micro and small enterprises.



Hu Yihao, head of MYbank's micro and small green finance business, shared MYbank's practice and ideas about micro and small green finance

In March 2023, the Green Finance Forum was held in Hangzhou. Representatives from financial institutions, such as the Agricultural Development Bank of China, SPD Bank, Industrial Bank and MYbank, and green industrial chain enterprises as well as experts at green finance had heated discussions about green finance for micro and small businesses. At the meeting, Li Feng, General Manager of MYbank's Cash Management Department,

shared the Company's exploration in promoting the green transition by micro and small businesses through digital finance, which was viewed as a new template of green finance.



Li Feng, General Manager of MYbank's Cash Management Department, shared digital finance facilitated micro and small green development

Research and Cooperation

In 2022, the Company continued to build its ability in green finance research. The Company conducted joint research with the Institute of Finance and Sustainability to explore the role of supply chain finance products in the integrated development between green finance and inclusive finance; the Company collaborated with China National Institute of Standardization, and launched a platform for green commodity data assets to further standardize and define green communities and support financial institutions in developing green finance; the Company partnered with the Guanghua School of Management of Peking University, which included MYbank's green finance business targeting micro and small enterprises into its teaching cases to better publicize the philosophy about green and inclusive finance.

Release a research report jointly with the Institute of Finance and Sustainability

- Jointly release *Creating New Supply Chain Finance Products and Services in Support of the Integrated Development of Green Finance and Inclusive Finance and Policy Suggestions*
- Analyze the importance and inevitability of the integration between green finance and inclusive finance from the perspective of supply chain finance products and services, and summarize the experience in supporting the integrated development of green finance and inclusive finance through supply chain finance, so as to offer reference for the integrated development of green finance and inclusive finance in China

Launch a platform for green commodity data assets jointly with China National Institute of Standardization

- Tap, integrate, analyze and evaluate green commodity certification standards at state and industrial levels and data about certified commodities
- Used to certify and validate the green commodities involved in the green finance business of various financial institutions, with Phase I project covering green food, energy-efficient products, water-saving products, new energy vehicles and leading brands, and expected to involve 190,000 pieces of data

MYbank's practice in green and inclusive finance was included into the teaching cases of the Guanghua School of Management of Peking University

- Introduce the Company's brand advantages, technology advantages, risk control advantages and product advantages in green finance targeting micro and small businesses, as well as the Company's practice in green and inclusive finance
- Introduce the Company's challenges and bottlenecks arising from its green finance practice and innovation process

Practicing Low-Carbon Operation

Echoing China's carbon peaking and carbon neutrality goals, the Company practiced the philosophy about low-carbon development and took a package of measures to promote green office, in an effort to be a pioneer in speeding up the carbon peaking and carbon neutrality goals. In addition, the annual greenhouse gas emissions are calculated in accordance with applicable laws, regulations and standards, including the ISO14064-1:2018 Specifications with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emission and Removals, ISO14064-3:2019 Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements and 2006 IPCC Guidelines for National Greenhouse Gas Inventory. During the Reporting Period, the Company saw a sharp drop in greenhouse gas emissions, with Scope 1 and Scope 2 greenhouse gas emissions totaling 375.61 tons of CO₂ equivalent.

Low-carbon operation of office spaces: In 2021, MYbank moved into Metaspaces, where green electricity is used to reduce the greenhouse gas emissions generated from electricity use in offices. Also, a chain of measures are introduced to enable flexible control of air-conditioners and energy consumption in the park and thus lower carbon emissions, such as strictly controlling the on/off time of facilities and equipment, turning off lights in offices and televisions in conference rooms when nobody is there, and controlling the starting time of lights and fans in underground parking spaces.

Encouraging green traveling by employees: The Company encouraged car sharing on the "Huanxing" platform to improve travelling efficiency and reduce carbon emissions from commuting. In 2022, through car sharing on the "Huanxing" platform, the Company's employees saw reductions of 146,406.39 km in travelling distance and 5.86 tons in carbon emissions.

05

Constant Technological Innovations Drive Upgrade of Micro and Small Finance Services

As the world ushers into the era of digital economy, digital technology becomes a new driver of economic development. As an Internet-based financial institution, driving development through technology is the primary, only and best choice for MYbank. Fully embracing digitalization and dedicated to digital finance for micro and small enterprises, MYbank leverages frontier technology to address problems, create values and power high-quality development.

Continued Technological Innovations

Since 2019, MYbank has launched the "Tomtit", "Goose" and "Lark" systems, to solve the problems in micro and small finance by technological means.

The "Lark" Intelligent and Interactive Risk Control System

To MYbank, the "Lark" system is a landmark innovation in the area of customer interaction and credit risk control. Launched in 2022, the system creatively applied technologies like computer vision, dynamic enterprise profile and human-machine interaction to micro and small credit services. Resembling an all-day AI credit specialist in the mobile phone, the system allows users to submit application materials on their own for its identification and approval before withdrawing the credit. The "Lark" system combines coverage, depth and accessibility of services, which could not be achieved simultaneously for micro and small credit services before, and makes expert-grade

personalized online credit services involving RMB10 million or above available to micro and small enterprises.

Breakthroughs in AI technologies represented by ChatGPT have attracted industry-wide attention. As Bill Gates, founder of Microsoft, said, breakthroughs in AGI were as disruptive as PC, Internet and smart phones. Complete restructuring in many industries, including some segments in the financial industry, in the next five years to a decade is foreseeable. The "Lark" system is among the first trials of applying AI technologies to micro and small digital credit. ChatGPT exhibits the shocking capability of large-scale AI models, and shows the tremendous potential of applying AI to the financial industry. We are trying to introduce large-scale AI models in real business to explore the upgrade of financial services for micro and small enterprises.

Features of the "Lark" system

In November 2022, the 5th China Fintech Industry Summit 2022, sponsored by China Academy of Information and Communications Technology, was held in Suzhou, at which the "Lark" system was rated as the "Goldenlink Case with Most Social Benefits".



The "Lark" system was rated as the "Goldenlink Case with Most Social Benefits"

The "Lark" system is backed by the holographic intelligent risk control technology that MYbank works consistently to explore, which consists of four intelligent capabilities.

Perceptual Intelligence

Enabling the risk control system to identify and understand the operating assets, behaviors and environment of micro and small enterprises is fundamental to personalized risk control. Using multi-mode recognition and validation technologies, the "Lark" system has been able to support the recognition of more than 26 physical certificates, such as contracts, invoices and business licenses, and more than 400 industry-specific objects, with the accuracy of recognition in customized scenarios above 95%, helping maximize the values of hidden assets.

Cognitive Intelligence

Based on the graph computing technology, the "Lark" system generates the biggest-ever dynamic enterprise profile in the industry. Empowered by the automated mining technology, the system enables dynamic updates from multiple perspectives to ensure the accuracy and

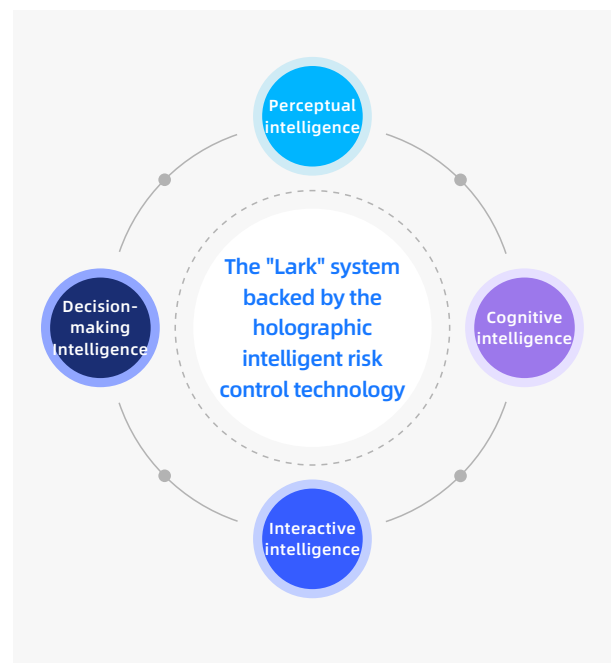
timeliness of information. On such a basis, the Company further explores the building of industrial profile, and introduces industrial experts to build a knowledge base, so as to deepen the understanding of an enterprise's operation from the industrial perspective and provide more perspectives for credit decision-making.

Interactive Intelligence

The "Lark" system uses the information about the industry where a user is located, the user's portrait, dialogues with the user and submitted materials to generate unscripted replies. Only in this way can it drive deeper conversation with the user and match the user with proper credit services.

Decision-Making Intelligence

The "Lark" system enables the automation of complex decision-making for credit risk control in the real sense. The conceptual diagram for risk control and decision-making involves thousands of decision-making factors, which are to be further detailed based on industries. During the process of identifying the factors used to judge industrial risks, the "credit withdrawal assistant" of the "Lark" system is 80% or more consistent with human judgement.

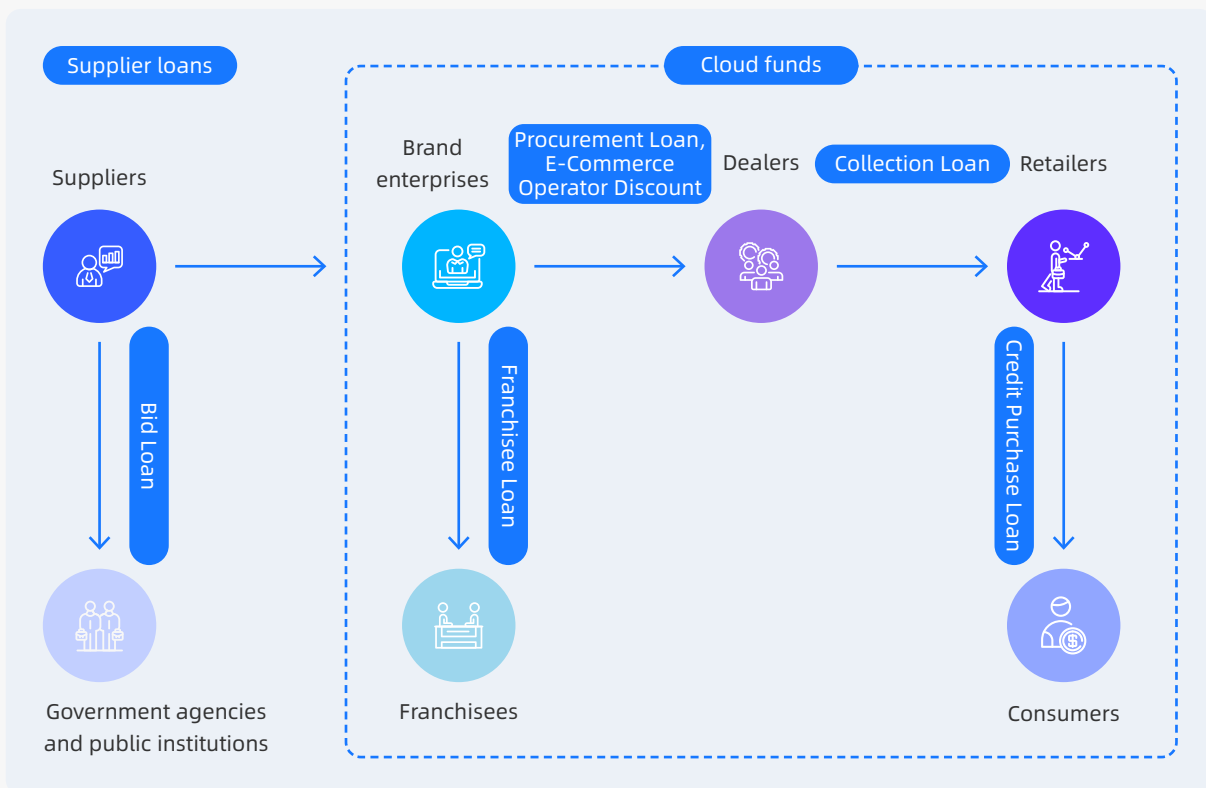


The "Goose" Digital Supply Chain Finance System

The Company commits to drive the coverage of supply chain finance from "arteries" to "capillaries" and its expansion from lines to networks. Leveraging the digital supply chain finance mode and following the financial needs of micro and small enterprises, the Company, from a medium-to-long-term perspective, explores differentiated and customized whole-lifecycle financial services for quality growth-type micro and small enterprises to help

them overcome difficulties. To achieve the goal, in 2021, MYbank launched the "Goose" digital supply chain finance system, which includes a package of digital finance products like Bid Loan, Procurement Loan, Franchisee Loan, Collection Loan, Credit Purchase Loan, Cloud Funds and E-Commerce Operator Discount, with the aim to meet the financial needs of the upstream and downstream micro, small and medium-sized enterprises in the supply chains of core brands for collecting money for goods supply, ordering goods and collecting money for product distribution, etc.

Product matrix



The product matrix of the "Goose" system

The "Goose" system further penetrated into more industries to provide strong support for core enterprises. As at the end of December 2022, over 1,000 brands in 20 industries were connected to the "Goose" system, and more than 80% of them considered the system as conducive to their business growth.

The "Goose" system further penetrated into more industries

The "Goose" system marks a major shift of supply chain finance from the 1+N mode to the 1+N² mode, in which "1" represents the core enterprise, "N" suppliers and dealers, and "N²" the upstream and downstream micro and small enterprises. Furthermore, the system makes each micro or small enterprise a new center, taps more micro and small enterprises behind it, and provides them with digital financial services and continues to serve its upstream and downstream, so that the financial flow can reach micro and small enterprises. In 2022, driven by the 1+N² philosophy, MYbank technically upgraded the "Goose" system in three ways:

The core capabilities of the "Goose" system

Improving the Availability of Loans

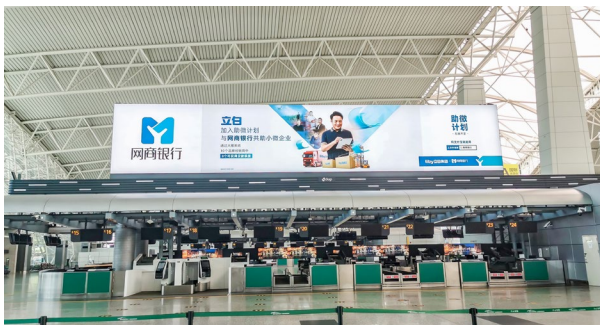
With the "Goose" system, dealers can open accounts via Alipay or MYbank's APP instead of visiting offline outlets, which saves the trouble of applying for loans in different places. Relying on the "Goose" system, the upstream and downstream micro and small partners of core enterprises see the availability of loans increase from 30% to 80%. The benefits are particularly felt by the micro and small enterprises in 3rd, 4th and 5th-tier cities and central and western areas where financial services are less accessible.

Facilitating Fund Management for Brand Enterprises

Through the "Goose" system, the Company provides digital solutions that integrate funds collection, management and payment for brand enterprises, which boosts the HR efficiency in funds management. It enables one person to handle funds exchanges with 1,000 franchisees, compared with 10 in the past, through intelligent pooling of funds.

Precisely Matching Credit Lines for Micro and Small Enterprises

As traditional supply chain finance relies on the credit of core enterprises and typically can only satisfy the financial interests of dealers in a single chain, the potential of supply chains is not really tapped. With the "Goose" system, the Company establishes industrial relations graphs with brand partners, and reproduces the portraits of micro and small businesses in the supply chain network from the horizontal (across different supply chains) and vertical (in different parts of a supply chain) perspectives. In that way, additional financial interests can be satisfied for the same downstream dealer of different core enterprises.



The "Goose" system cooperative enterprise used its public interest advertisement to publicize the "Micro Business Supporting Program" to the public

In June 2022, the "Goose" system was honored one of "Top 10 Cases in Asia-Pacific" in the 1st Supply Chain Tech Leaders appraisal by IDC, a world-famous consultancy.



IDC announced the award for the "Goose" system

Lee Kum Kee Achieves Win-Win Outcomes with Dealers by Connecting to the "Goose" System

Lee Kum Kee is one of the first FMCG brands connected to the "Goose" system. The period from December to Spring Festival is the selling season for the brand, as well as the peak time for dealers to use funds. In 2021, Lee Kum Kee collaborated with MYbank to offer dealers loans with an interest-free period of two months. In just two weeks, the amounts of orders from dealers increased by nearly RMB100 million. In the Spring Festival of 2022, Lee Kum Kee continued the cooperation mode and input more resources, with RMB3.6 million of interest subsidy provided by both sides. Registered dealers tripled from the previous year, and the amounts of procurement funded by credit loans from MYbank increased by RMB267 million, which effectively solved the problem that dealers were not covered by traditional supply chain finance.

The eve of the Spring Festival is the busiest time for Zhang Zhijian, a dealer of Lee Kum Kee, when he has to prepare adequate goods and is thus under tight financial stress. MYbank provided an interest-free procurement loan totaling RMB500,000 to Zhang, easing the capital turnover pressure on him.

The "Tomtit" System

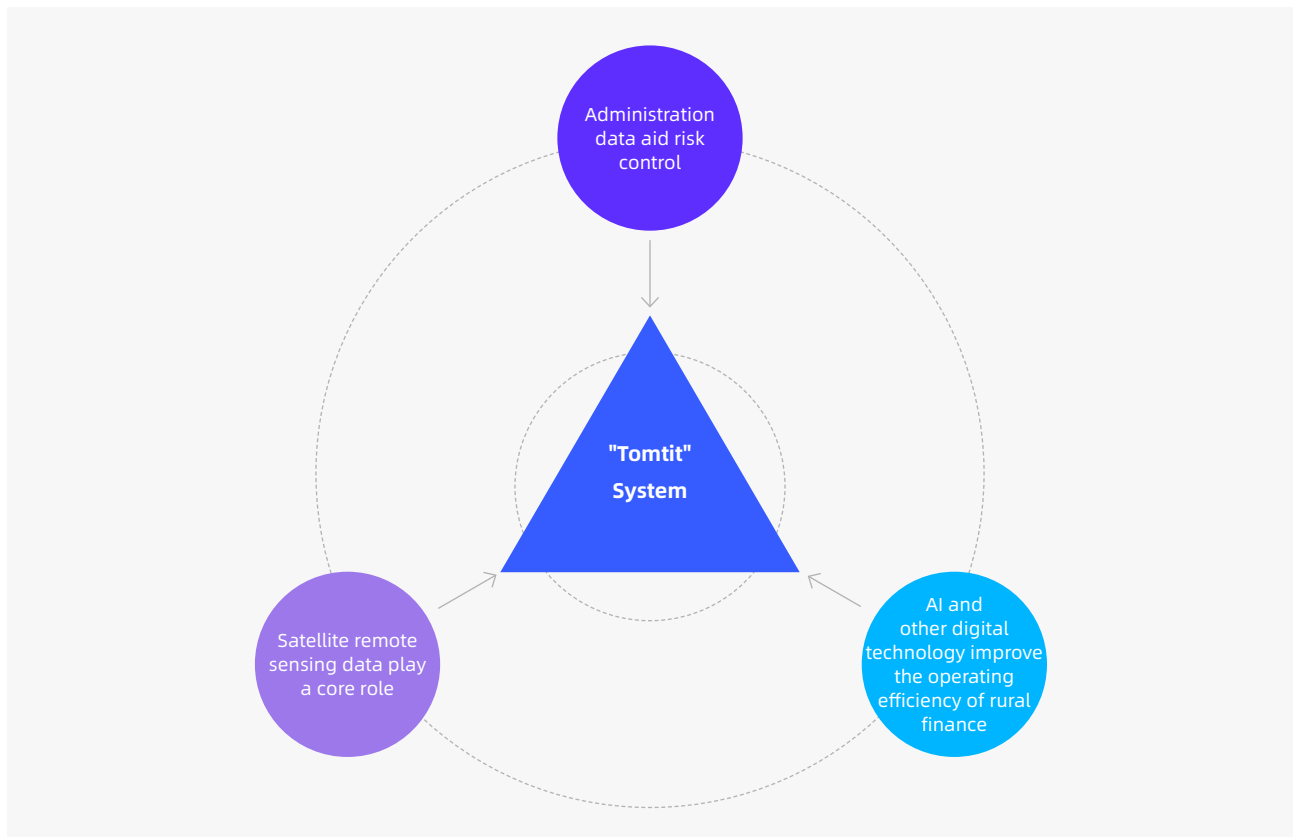
In 2022, the "Tomtit" satellite remote sensing improved in the recognition of cash crops. Based on the original technology, the "Tomtit" system targeted the lack of precise data in agricultural scenarios, improved the existing technological system at both horizontal (development and recognition of new crops and agricultural facilities) and vertical (building of a digital agriculture system) levels, to promote the further development of "agriculture, rural areas and farmers".

Satellite Remote Sensing Data Play a Core Role

Precise recognition to obtain "alternative" credit data. Using satellite remote sensing images with the spectral

recognition feature, the system can precisely recognize crops like paddy rice, corn, wheat and apples. Farmers circle their land plots on mobile phones, and then MYbank will know how their crops grow. In combination with factors like weather, geographical locations and industrial prosperity, the Bank will use dozens of risk control models to predict production and output values, and thus provide farmers with precise credit and loan support.

Reproduction and tracing to learn about farmers' sustained planting behaviors. Satellite remote sensing data over the last two years are available. More valid information, such as the stability and rules of planting, and operation conditions in the same area and by the same customer, can be input in the credit risk control model, which will be helpful to learning about the sustained planting behaviors of farmers.



Administration Data Aid Risk Control

Besides satellite remote sensing data, the Company also introduced administration data properly through collaboration with the government departments in agriculture-related counties, to make decisions on loans more accurately.

Cross validation helps credit rating on farmers. After farmers' identities are confirmed, satellite remote sensing will be activated to cover the farmers' land plots. Both satellite remote sensing images and the information uploaded by farmers or provided by governments will be used for cross validation, so as to further control credit risk.

Eliminating potential risks related to data safety and privacy protection. During the service process, the Company highlights protection of customers' privacy, and uses a separate data storage platform on Alibaba Cloud to process data, so as to ensure data safety and assure farmers of enjoying the convenient service without worrying about privacy leakage.

Digital Technology Improves the Operating Efficiency of Rural Finance

The "Tomtit" system introduces the satellite remote sensing technology into risk models, but involves no additional loan application operation from farmers. In the system, processes for the application, granting and withdrawal of loans are the same as those under the "310" mode. In addition, the system mainly provides credit loans with a maximum term of one year, which can be borrowed,

repaid and withdrawn at any time, with interests charged on a daily basis and without any commissions for advance repayment. Empowered by AI and other digital technologies, the Company provides farmers with more accessible services and more precise loan credit and prices.

Recognition of Additional Cash Crops and Agricultural Facilities

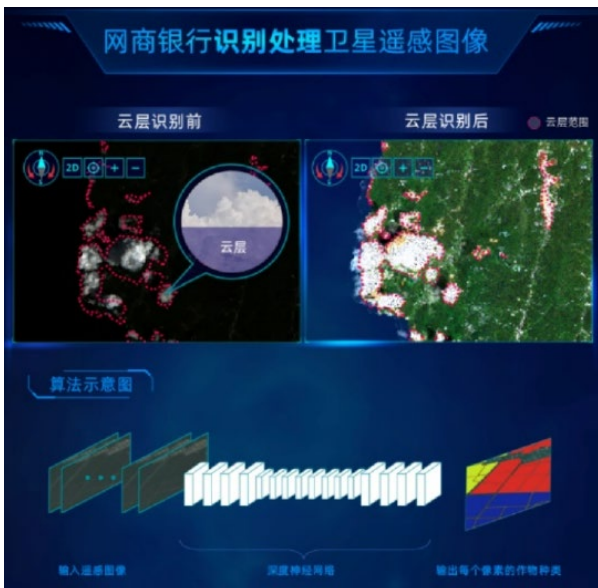
In 2022, the Company independently developed the technology to recognize several more highly lucrative cash crops and agricultural facilities, including fruit trees (apples, oranges and kiwi fruit, etc.), oil crops (oilseed rape and peanuts, etc.) and greenhouses (plastic greenhouses, etc.), to precisely reproduce farmers' assets, planting conditions and income through precise recognition of object categories. As at the end of December 2022, the categories of recognizable objects increased from three to seven in number, covering soybeans, oilseed rape, orchards and greenhouses.

In addition, using both remote sensing images and camera pictures, the Company built a model for recognizing fine-grained crops, and input images, geographical locations, time and other information in the model to recognize crops by integrating multi-mode features. It is expected to recognize 60 more fine-grained crops (such as Red Fuji apples and Golden Delicious apples, segmented categories of apples) in the future, with a precision rate of more than 95%.

The model for fine-grained crops recognition using both remote sensing images and camera pictures under the "Tomtit" system

Focusing on the Building of a Digital Agriculture System

To promote the building of a digital agriculture system, in 2022, a series of models for pan-agriculture scenarios, such as the prediction of crop growth, recognition of harvesting progress, meteorological disaster index and production estimates, were established under the "Tomtit" system.




Processed photos of MYbank's satellite remote sensing images

Innovation in Basic Capabilities

The "Yitian" One-Stop Service Choreography Platform

The "Yitian" platform provides users with visual service choreography solutions driven by business models, enabling changes of business logic as needed and









offering configuration as code to support the efficient and fast development of business processes. In addition, the "Yitian" platform generates data mapping models by abstracting lots of data processing steps, including parameter processing, passing of field values and conversion of data types, in business code development, and offers visual configuration capability. As at the end of December 2022, the platform had supported efficiency improvements in six fields by providing 500+ choreography services.



Technological base of MYbank

Connection with **six** fields and **500+** choreography services

Corporate online banking	Intelligent services	Marketing gateway
Dealing	OA	Telephone marketing

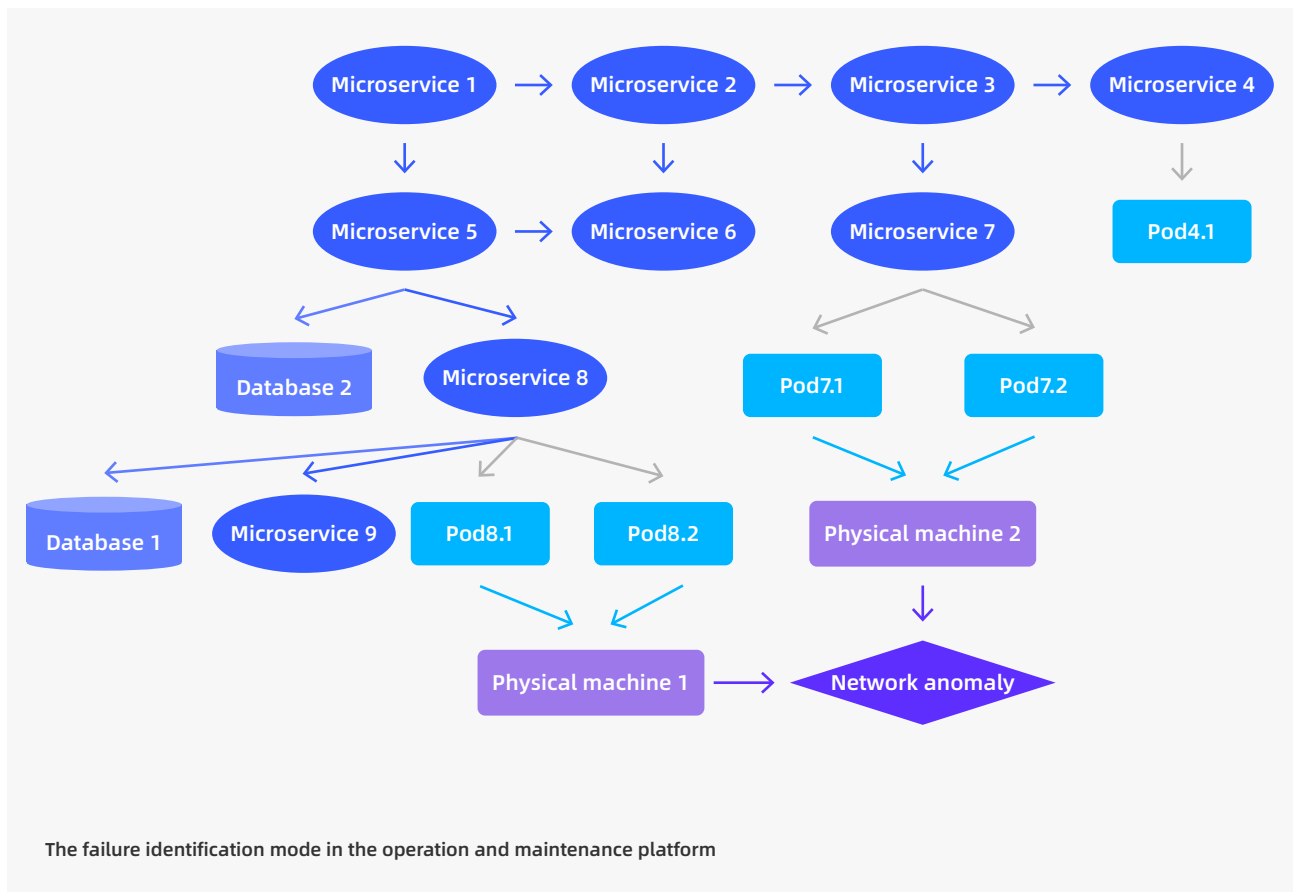
			
FX marketing	Corporate center	Message boxes	Integration of new and old online banking
			
Batch capital	Uniform checkout counter	Bill service	...

"Yitian" one-stop service choreography platform supports MYbank in improving management efficiency

Digital and Intelligent Operation and Maintenance

The Company used a distributed cloud native architecture to decompose application services into hundreds of micro services, with each micro service deployed in hundreds of container instances. When some micro services are abnormal, the operation and maintenance platform will receive massive anomaly warning information, posing a challenge to operation and maintenance. So, the operation and maintenance platform introduced a root

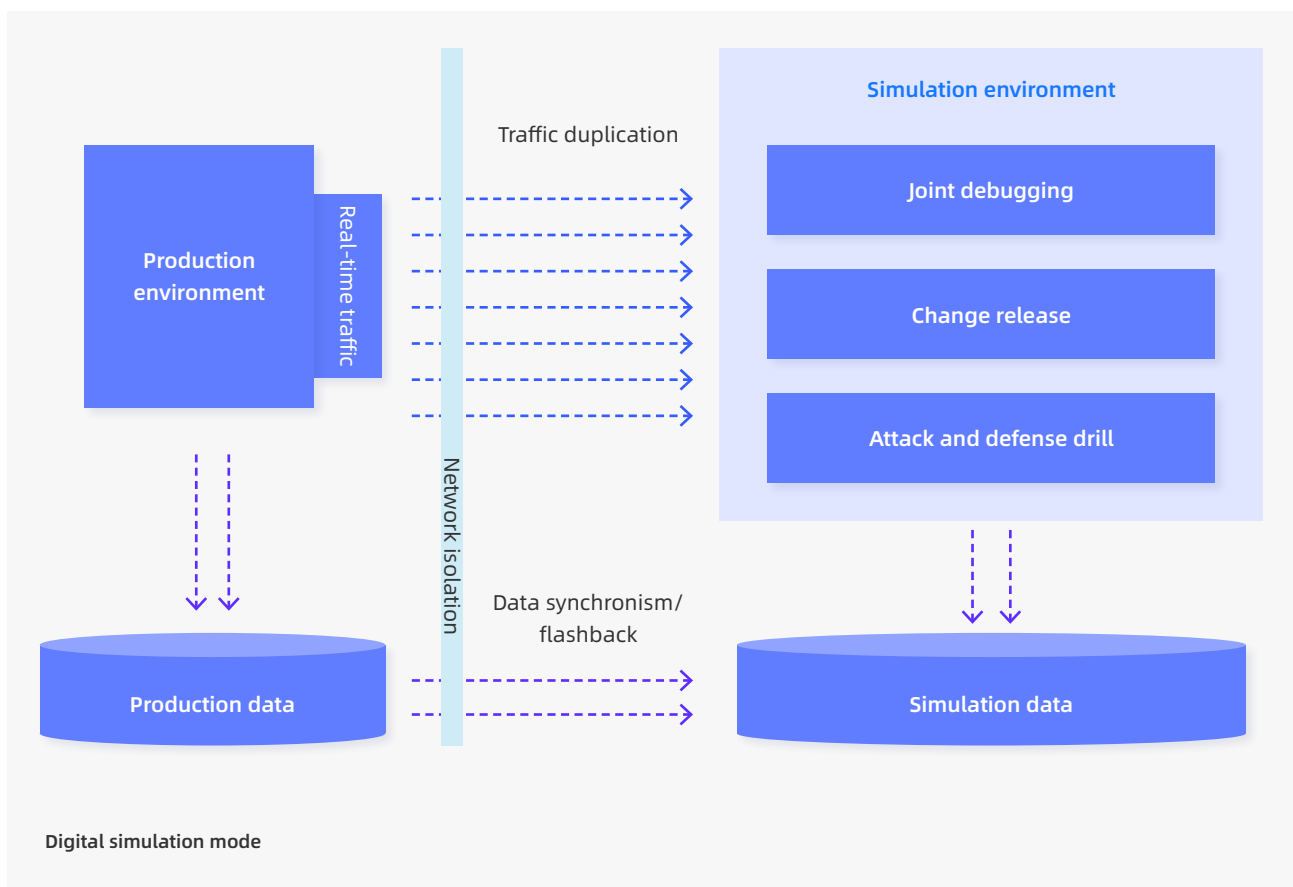
cause localization system based on failure propagation. First, it leverages the calling relations between underlying metadata about applications, machine rooms and equipment and service chain links to generate an intuitive failure propagation map with the anomalies in the huge online system. Then, it obtains the ranks by importance on each node through the importance ranking algorithm. Last, it pushes suspected root causes to operation and maintenance engineers to assist them in quickly restoring system anomalies. The platform covers failure scenarios of infrastructures like networks, machines and databases.



Digital Simulation

With the popularization of distributed and cloud native system architectures in the financial industry, large-scale distributed systems need to be further upgraded in R&D efficiency and stability to adapt to the fast iteration of services in finance Internet. Simulation environment is an independent environment highly mirrored to production, in which replicated production data and traffic are replayed and services are fully regressed before production and release. That effectively reduces the risks associated with production and release, and largely secures the stability

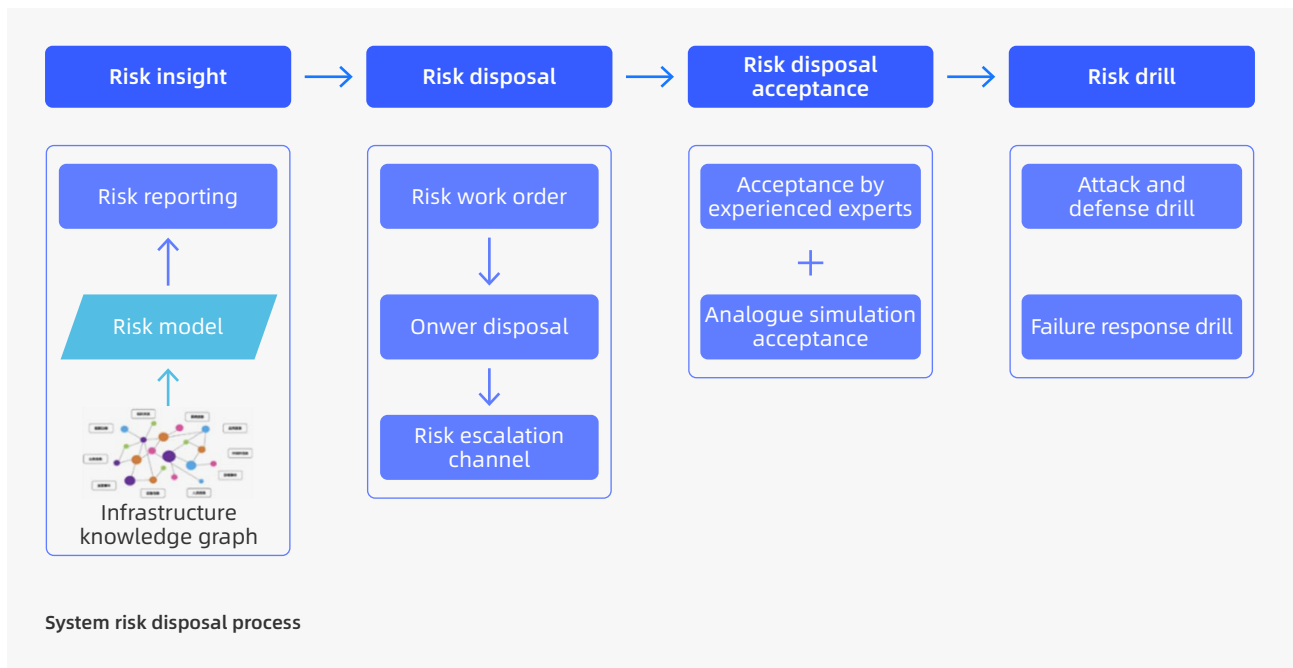
and continuity of the financial businesses of banks and other institutions. Meanwhile, the replay of production traffic and data lowers the cost of testing scenario and data simulation, and greatly improves product R&D and iteration efficiency. Besides, in terms of infrastructure architecture evolution, refinement of highly available products and improvements of failure response efficiency, simulation environment can be a perfect drill ground, in which new technology can be fully validated based on the replication of production scenes, and thus drives the improvement of technical risk ability.



System Safety

In 2020, the Company started to build an infrastructure knowledge graph, including cloud computing models (IAAS, PAAS and SAAS), business attributes and other information into the graph to build a uniform infrastructure knowledge base. In 2022, based on the infrastructure knowledge graph as well as historical failures, expert experience and architecture standards, MYbank built a core risk model for its technical architecture, which can automatically gain insight into the potential risks in its infrastructure and business architecture by digital and intelligent means. Then, by disposing of the potential risks, accepting the disposal results and carrying out post-event

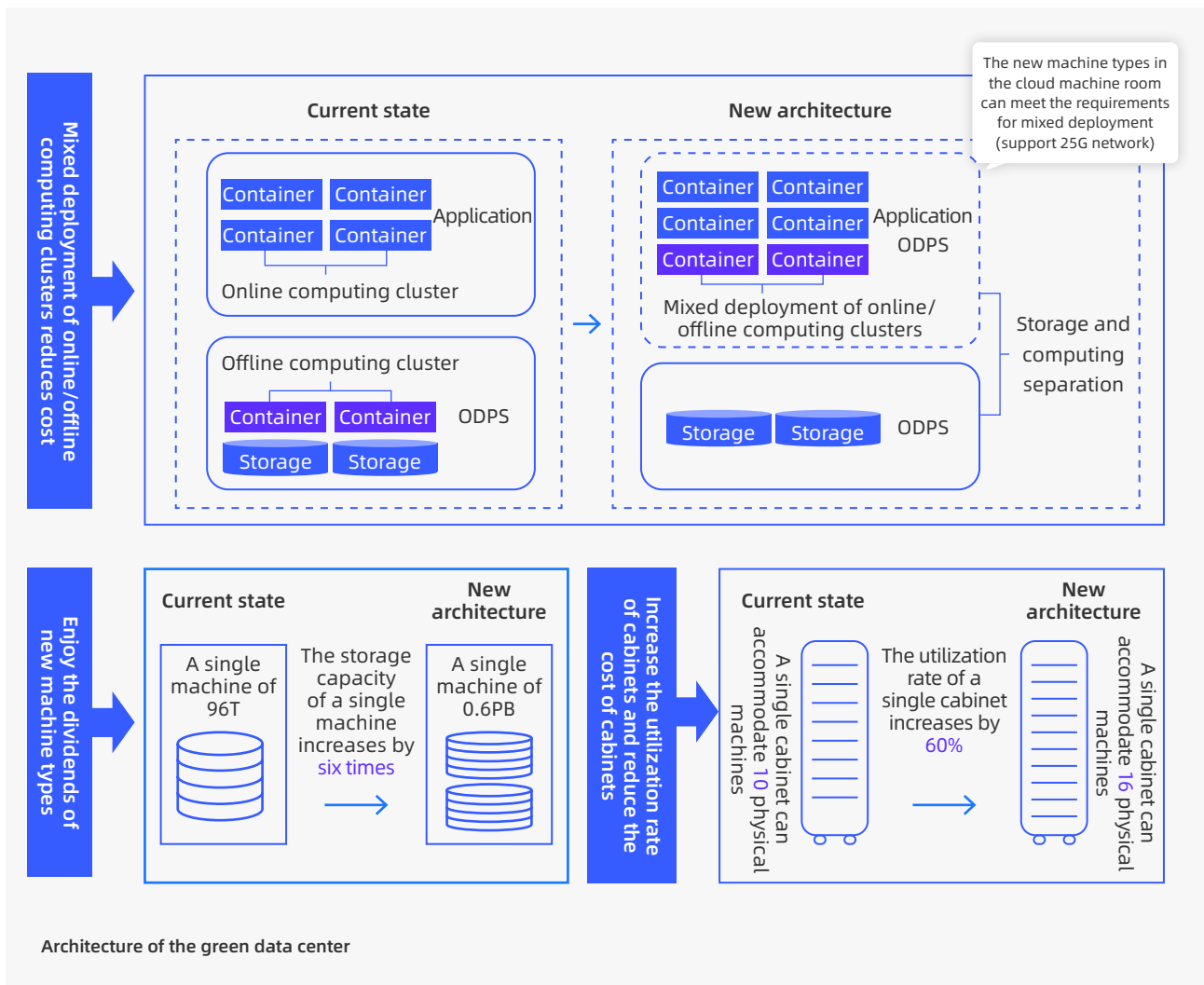
chaos engineering drills, the Company developed a set of standardized risk control processes from risk insight and risk disposal to risk disposal acceptance and risk drills. Digital risk control has now become one of the major means for the Company to guarantee safe production, and automatically mined and pushed the governance of 20-plus types of risks. Through risk drills, the Company gradually improved the capability of no manual intervention in core businesses, increased emergency response personnel’s familiarity with the processes and tools, reduced the time of emergency response, and thus prevented the amplification of production risk events.



Green Data Center

Infrastructures are fundamental to safe and steady operations. To meet the demand for sustained operation, the Company has pushed for the upgrade of the data center since 2021, and successively built and put into operation four new machine rooms. The upgrade of infrastructures brought the dividends of technology, while

largely lowering the costs for the purchase of machines and lease of machine rooms. Meanwhile, through large-scale application of cloud native technologies, such as the mixed deployment of online and offline computing resources, the efficiency of resources utilization increased significantly, with the utilization of CPU resources more than doubled.



Improving the Intelligent and Digital Risk Control System

Leveraging technologies like cloud computing, big data, AI, satellite remote sensing, blockchain and privacy computing, relying on the digital and intelligent risk management system built on scenarios, models and strategies, MYbank established a credit risk management system that covers the whole process from access and credit granting to loan monitoring and post-loan management, and served micro and small enterprises and operating rural households, enabling large-scale, low-cost and high-efficiency inclusive financial services.

Optimizing Digital Risk Control Models

The Company actively explored new models and new technologies to support inclusive financial services, and used tech means to establish an efficient mode for differentiated risk compliance management. Based on available technology, the Company has built three major risk models, including the fraud identification model, credit risk model and operation portrait model.

In 2022, further optimization of the Bank includes:

In terms of the building of customers' debt repayment capability, targeting problems including mixed data, small coverage and traceability difficulty, the Company proposed to use the multi-source transaction graph model and small-sample transfer learning to change sample imbalance and accurately identify merchants' operating revenue from multiple channels.

In terms of industrial graph building and refined risk management, the Company integrated expert experience and external fragmented information, and used natural language processing and large-scale graph learning to cover more quality and qualified enterprises on a large scale.

In terms of the recognition of micro and small enterprises and risk management, it capitalized on technologies such as storefront photo recognition, identification of satellite business circle scopes and analysis of complex graph networks to build models by tapping merchants' location semantics, employee relations, brand qualification, operation identity and other factors, and breakthroughs were achieved in in the field of credit recognition.



Fraud identification model

It's used to identify identity theft in loan application, and to identify false transactions in online and offline collections to prevent loan fraud risk.



Credit risk model

It is used to predict customer behaviors before, during and after loans. By precisely quantifying the default probability by customers, it judges the possibility of repayment, which is made the basis for decisions on the credit lines and interest rates offered for the customers.



Operation portrait model

It is used to judge the current operating conditions and predict the future operating conditions of customers before and during loans. Based on different transaction trends, differentiated modules for the prediction model are designed using machine learning.

Three major risk models

Extracting Unstructured Data

By reproducing customers' operations through unstructured data, such as certificates, storefront photos, survey questionnaires, remote sensing and truck movements, the Company intelligently integrated multi-mode fragmented information, and reproduced credit risk and demand for loans through human-computer interactions. Also, the Company combined operating data about invoicing, social security, corporate insurance

and electricity consumption with business and products, and built a system for the management of micro and small customers by industries using semantic understanding and knowledge graph recognition capabilities. In 2022, the Company recognized 43 million categories of primary products of micro and small enterprises and 19 million quality production enterprises, and upgraded the risk management system based on enterprises' primary products, operation modes and holographic portrait of operation quality.

In 2022



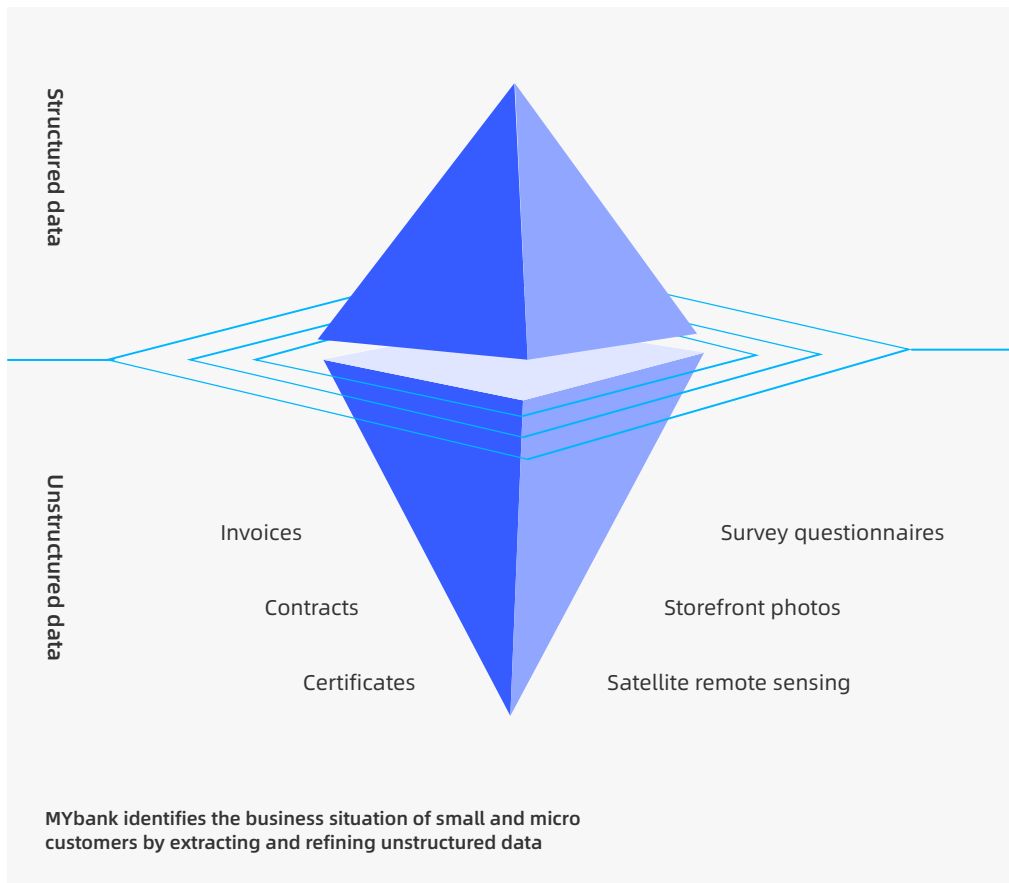
43
million

The Company recognized 43 million categories of primary products of micro and small enterprises



19
million

The Company recognized 19 million quality production enterprises

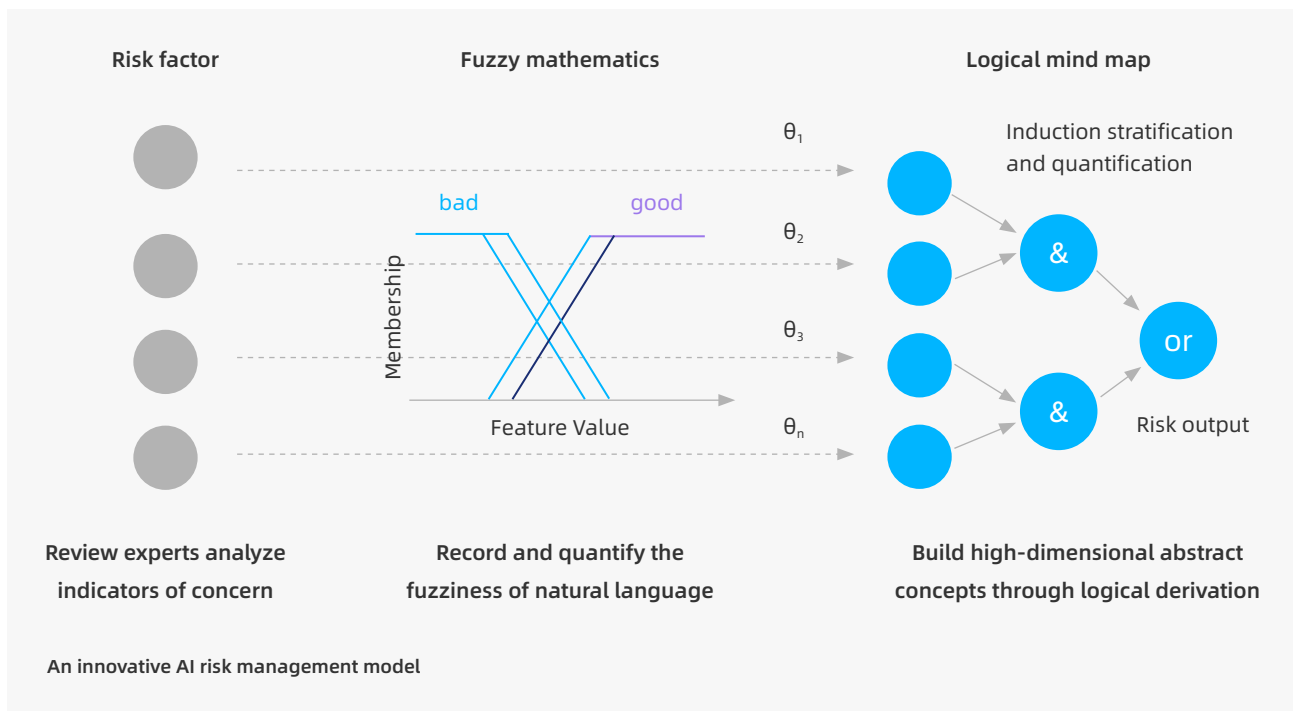


Upgrading the Recognition of Industrial Chains

It constantly enriched industrial knowledge and lists, and realized identification of operation relations and knowledge mounting through the cognitive ability of knowledge graph. Thus, the Company realized 6-tier industrial chain connection, and built an industrial stratification model (for example, the Company recognized 1.2 million customers in the auto manufacturing industry, including 300,000 prioritized ones). Meanwhile, the Company conducted predictive judgment for risks involving large amounts of funds, and greatly expanded the boundaries for recognizing quality industries.

Establishing an Innovative Risk Management Model Based on Human-Computer Interaction

The Company classified features using the experience of review experts, simulated the module-based rating idea adopted in manual review, and depicted risks from nine perspectives, including negative impact, revenue, liability and historical credit performance. For grey-belt customers as classified by the model, the Company will combine manual review and model decisions to train the model in return to development and evolution of artificial intelligence in the field of auxiliary credit risk control.



Preventing Fraud Risk in Real Time

Leveraging its strength as a digital bank, the Company built a system that covers the whole cycle from perception and recognition to control, service and crackdown, to effectively protect users' fund safety and prevent risks associated with account theft and fraud. Also, the Company used the fraud identification model to identify identity theft in loan application and false transactions and prevent fraud risk.

Applying technology to risk identification. Based on big data and machine learning algorithm, the Company used eight modules, nearly 1,000 factors and a 5-level decision-making system to precisely rate risks involved in every behavior in real time.

Applying technology to risk control. Based on real-time risk rating, differentiated hierarchical control products and text expressions, such as safety reminder, identity authentication, risk due diligence, safety assistant, intelligent outbound calls, transaction interception and account control, were produced dynamically, to strengthen fund protection while ensuring users' payment experience.

The Company used an advanced general framework for financial anti-fraud systems to manage fraud risk before, during and after events, and constantly reinforced underlying infrastructures.



Intelligently Identifying Money Laundering Risk

Building innovation on legacy and keeping up with the time, the Company gave further play to its strength in talents, technology, expertise and practice, advanced technological innovation and practical exploration in the anti-money laundering area, and realized the application of big data, graph computing, KYC intelligent engine and other innovative technologies to anti-money laundering practice.

Tech means to assist anti-money laundering

- Built the institutional risk assessment (IRA) for money laundering risk, and took the lead to apply intelligent algorithm, cloud computing, big data and other tech means to IRA, so as to advance digital and intelligent evaluation.
- Explored the new model for business risk evaluation from both dynamic and static perspectives, covering the full life cycle of businesses (products) and making business risk evaluation more accurate and scientific.
- Deployed the uniform customer information authentication and management center, and leveraged optical character recognition (OCR) and intelligent engine for identity authentication to build diversified customer identity authentication and validation capability.
- Improved graph computing capability to help analyze suspicious gangs of money laundering, which enhanced the identification efficiency by 12.5 times and increased the employee productivity ratio by 69.73%.
- On the basis of the offline monitoring model, it added two dimensions (near-line and real-time) for comprehensive analysis and risk measurement of customer behavior and transaction models, and explored a more timely and accurate money laundering risk prevention and control system.



Building a Network Security Protection System

For banks' information system, online and scenario-based services mean greater exposure to external attacks. As the potential gains of attacking digitalized financial business increase, the security threats to digital banks mount. As the contradiction between safety and efficiency grows, it becomes increasingly difficult for the original network isolation technology and management system to ensure security as needed in fast business expansion. In the face

of the challenges, MYbank highlights network security risk, upholds the philosophy of building safe, trusted, independent and controllable network, maintains high-concurrency and highly stable operation with zero material security events, and puts in place a mature network security defense system. Moreover, the Company leverages its technical strength and increases input in network security research to drive high-quality development. In 2022, the Company saw no material information leakage events.

Measures to Prevent Material Information Leakage



Improving the defense system

- Based on trusted chips, the Company established trusted operating systems, trusted computing environment, trusted applications, trusted network access and trusted cryptographic computing level by level to build a trusted safety defense system, transfer the trusted protection capability from trusted chips to applications, and realize trusted protection of application operations.



Protecting data safety

- To efficiently cope with the risks and challenges linked to high-level data security in the process of digitalization, the Company designed and implemented a multi-leveled active immune trusted protection system, and took technical measures to ensure data collection, processing, access and use to be implemented as expected, avoid unexpected known or unknown data security risks, and make sure data were effectively protected and legally used.



Strengthening response capability

- The Company established and improved attack and defense teams and the attack-and-defense drill system, and organized internal and external attack-and-defense drills periodically to continuously examine and improve the effectiveness of the secure and credible defense system.
- The Company further explored and built the capability and mechanism to cope with the security threats facing digitalized banking services in the future, so as to secure the development of digital banking.

Releasing the *White Paper on Trusted Defense-in-Depth by Digital Banks*

In November 2022, the *White Paper on Trusted Defense-in-Depth by Digital Banks*, prepared by the Company and the Frontier Institute of Regulation and Supervision Technology, was unveiled at the 2022 Financial Street Forum. The book put forward "trusted defense-in-depth", a concept about digital security, for the first time, and provided a detailed path of implementation.

"Trusted defense-in-depth" is a new security defense system, and an application service with cryptology as the base, trusted chips at the root and trusted software base at the core. Opened to the Internet, the service ensures all the resources and behaviors that applications depend upon are expected and trusted in start and operation. Unlike the traditional strategy of passive interception and blocking of attacks, the trusted defense-in-depth system is obviously advantageous in case of hard-to-predict high-level unknown threats linked to 0Day, social engineering, and software and hardware supply chains. On one hand, using a white-list control strategy, the system, based on

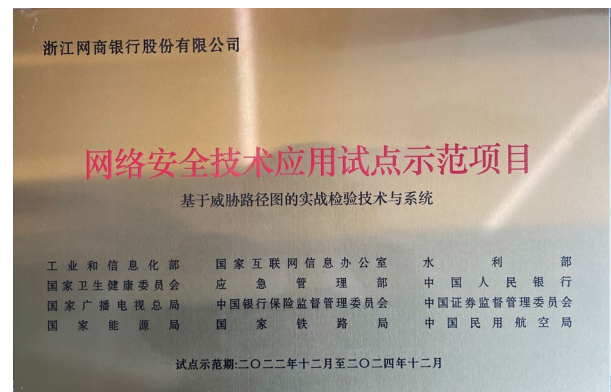
business code and traffic data, clearly defines the expected trusted behaviors that the system depends on in operation, making unexpected behaviors impossible. On the other hand, it can deploy multiple layers of defense targeting hardware, firmware, system and applications to increase the depth of defense and make attackers unable to achieve the purpose of attack or be founded and stopped before the purpose of attack is achieved.

Shortlisted for the Appraisal of Pilot Demonstration Projects for the Application of Network Security Technology

In 2022, the "field test technology and system based on the threat path", first proposed by MYbank, was shortlisted for the appraisal of pilot demonstration projects for the application of network security technology organized by 12 ministries, including the Ministry of Industry and Information Technology and the PBOC.



The framework of the trusted defense-in-depth system for digital banks



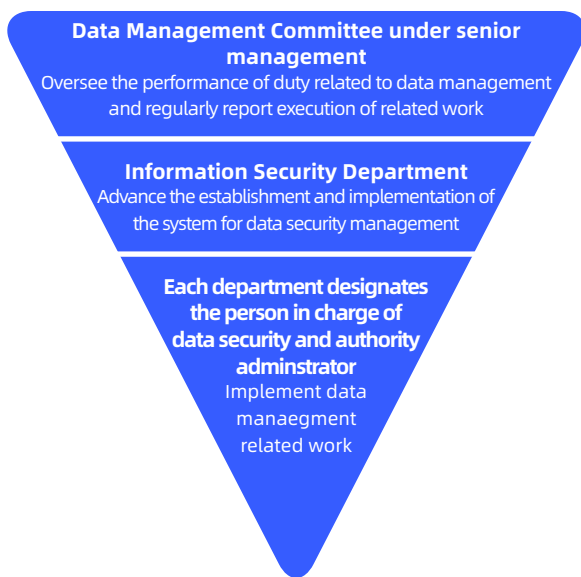
Pilot demonstration project for the application of network security technology

Protecting Privacy and Information Security

MYbank developed privacy policies and corresponding mechanism, established a system for the protection of personal information security, and formulated data security related strategies and plans, to include data security into corporate governance and put in place a top-to-bottom and coordinated data security governance system.

Reinforcing Data Security Management

Defining the Organizational System for Data Security Governance



Improving the System for Data Security Management

In line with national laws, regulations and regulatory requirements as well as industrial standards and best practice, the Company formulated 10 data security related policies, including the *General Principles for Data Security Management* and *Implementation Measures for Cyber and Information Security Accountability*, which formed a relatively complete data security policy system to support data security management.

Strengthening Process-based Data Security Management

The Company put in place rigorous processes for data output review and approval, including the evaluation of the date, size, purpose and scope of data output, the basic information about recipients of personal financial information and their intent to use, to prevent the leakage of personal financial information. Besides, all terminals are provided with monitoring devices like CloudShell, a tech means intended to avoid information leakage. In daily processing of personal financial information, printing complete personal financial information in debugging information or log files is not allowed, so as to avoid unauthorized leakage of personal financial information.

Process management mechanisms are in place for every critical part of the data lifecycle, including data input, output, authorization, downloading and inquiry. Relevant operation is based on adequate risk evaluation by relevant departments. The technological perception capability is also used to identify unauthorized data operation against rules in time.

At the stage of access control, data identification, classification and grading are used to control data transmission, storage, backup, processing and display, and data encryption and labelling, access control, internal view authorization, block display and output control are used to protect data confidentiality and completeness. Meanwhile, a database audit system is deployed to find abnormal data access in real time to avoid data leakage.

At the stage of transmission, https, symmetry, asymmetry or other encryption means are used to encrypt transmission channels or data fields. Meanwhile, signature technology is used to validate the completeness of transmitted data, so as to ensure they are not illegally modified in the transmission process.

At the stage of storage, personal financial information of C3 (user authentication information), such as bank card password and online payment password, is encrypted and stored; personal financial information of other categories, such as payment account, ID card number and the sample data and template of personal biometric information, is stored separately at different locations.

At the stage of use, technical means are used to protect personal financial information from being copied or leaked without authorization during the display or search process. Main personal financial information, including bank card numbers, mobile phone numbers, certificate identification labels or other identification labels or any of them combined, shall be identified and shielded before displayed.

Intensifying Privacy Protection Management

The Company established a system for personal information security protection, formulated privacy policies, authorization protocols and corresponding mechanisms and product processes in accordance with the *Personal Information Protection Law, Data Security Law and other applicable laws*, regulations and regulatory requirements, defined the principles and security management requirements that shall be followed when collecting, storing, using, sharing or disclosing personal information. Also, the Company obtained the authoritative certificates from BSI, including ISO/IEC 27701:2019.

Strict management of data by grades and categories. Based on the *Financial Data Security—Guidelines for Data Security Classification*, the Company developed the *Provisions on Classified and Graded Data Management* to specify the standards for data classification and grading, improved the capability to label the data of different categories and grades in different environments, and further conducted differentiated data security management to avoid data leakage.

Advanced data encryption mechanism. The Company developed detailed rules for credit risk information security and made data available but invisible by clearly defining sensitive customer information, developing data classification and grading standards and isolating role-based authority and based on technologies like trusted computing, cryptographic computing, cryptographic integration and de-labeling, to exercise comprehensive and differentiated management of data inflows, access, computing and outflows. Also, all data access operation can be monitored, traced and warned against, making the data security and privacy protection capability of the Credit Risk Management Department meet both business development and regulatory, legal and technical ethical requirements.



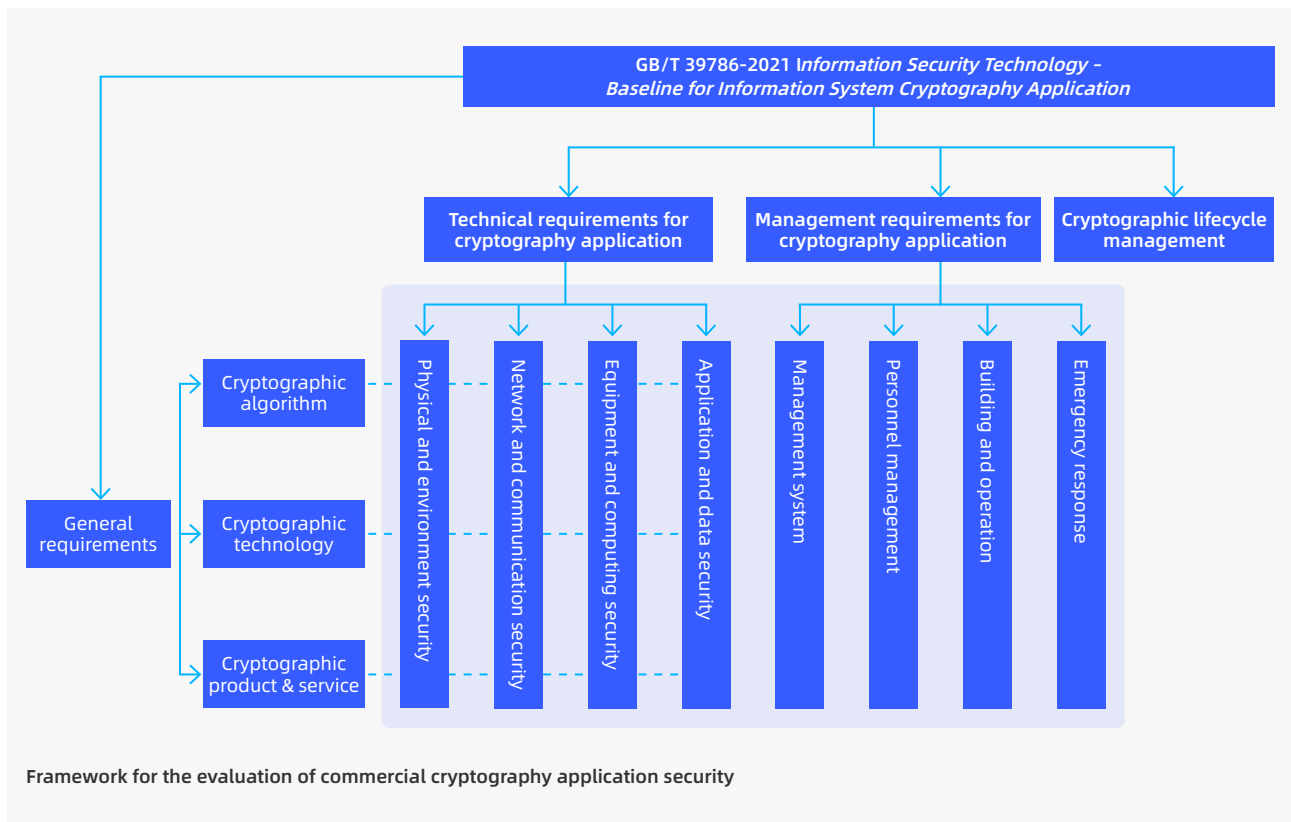
The privacy information management certificate awarded by BSI

Optimizing Privacy protection technology

The Company collaborated with Ant Group on privacy computing to ensure privacy data security, and thus realize the sharing of data under the control of providers, promote the formation of financial services more suitable for digital economy and serve the development of real economy.

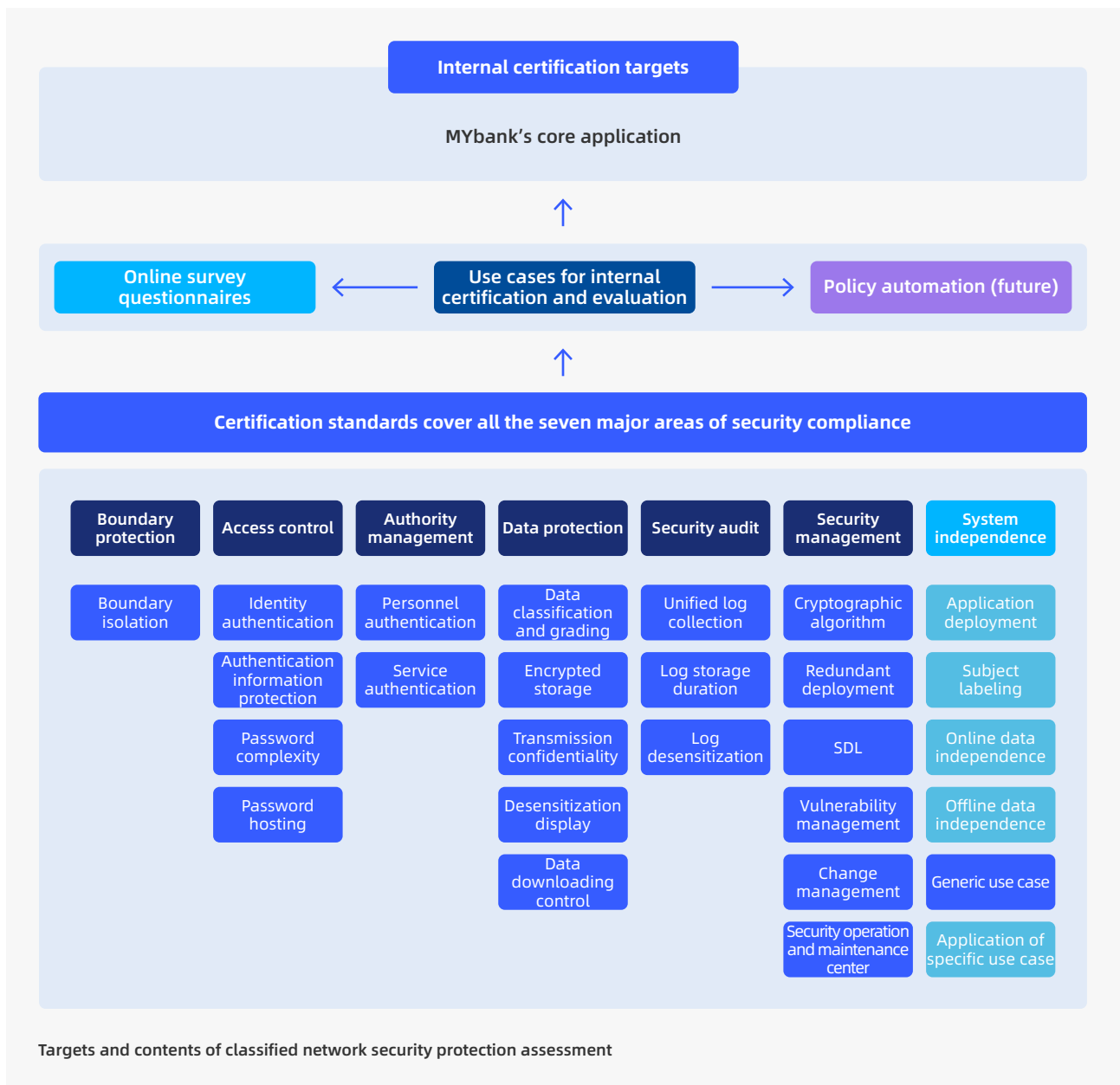
The Company vigorously carried out security evaluation of the commercial cryptography application in the network systems

of relevant security protection levels. In 2022, the Company saw cryptography evaluation cover four major information systems, including the core business system, back office management system, business channel system, and comprehensive front-end system, passed Level 3 certification for the security of commercial cryptography application by Zhejiang Provincial Cryptography Administration, and completed filing at Zhejiang Provincial Cryptography Administration.



To further improve the capability in information security protection, the Company assessed the basic platform system in accordance with the national standards specified in the *Management Measures for Classified Protection of Information Security*, to identify the gap between assessed targets and classified protection standards and potential

security hazards in time, and pave the way for security problem rectification in the next step. In 2022, MYbank's basic platform system passed Level 4 information security protection assessment by Zhejiang Provincial Public Security Department, and became the first Level 4 information security protection system of the Company.



Organizing Privacy Protection Training

The Company carried out periodic information security training among all employees, with the aim to raise their awareness of security through constant publicity of the knowledge about information security. The Company offered information security training for new employees, so as to help them establish correct awareness of information security and understand security systems and requirements. Also, the Company publicized information security among the employees to resign, so as to reduce the probability of behaviors against rules and related risks. In 2022, the Company organized 18 training sessions about information security and privacy protection.

In June 2022, the Company organized four lectures, under the themes like the Utilization of Personal Financial Information and Rights Protection and Fintech Innovation and Consumer Rights Protection, as part of the "Rights Protection Joint Action Publicity Month", to raise the awareness of privacy protection across the Bank. In December 2022, the Company organized a livestreamed training themed "Overview of the Personal Information Protection Law Over the Past Year and Its Interpretation" among all employees, which reviewed the typical cases related to the Personal Information Protection Law over the past year and changes of relevant legislations, and

publicized the key points about personal information protection in combination with the Company's practice.

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何颖 华东政法大学经济法学院副教授、硕士生导师、
华东政法大学互联网金融法律研究中心主任

第一讲 《金融科技创新与消费者保护》 2022/06/09 19:00-20:30	第二讲 《网络营销中的金融消费者权益保护》 2022/06/14 19:00-20:30
第三讲 《个人金融信息的利用与权益保护》 2022/06/21 19:00-20:30	第四讲 《平台金融业务中的投资者适当性管理》 2022/06/28 19:00-20:30

MYbank "Rights Protection Joint Action Publicity Month"

Exploring the Application of e-CNY

With the steady expansion of pilot scope of e-CNY in 2022 and under the guidance of the PBOC and the governments of the pilot regions, MYbank actively expanded the application of e-CNY, and promoted the steady and healthy development of e-CNY by exploring the scheme for combination with credit products, supporting Alipay to join the e-CNY acceptance network, and developing the marketing platform for consumption vouchers related to e-CNY.

"MYbank Loan" + e-CNY

The Company responded actively to the PBOC's call for launching pilot projects that combine e-CNY with micro and small credit. In November 2022, by applying e-CNY to "MYbank Loan", a product targeting micro and small

enterprises, the Company enabled the use of e-CNY for loan granting, repayment and fund monitoring. Next, in combination with e-CNY's smart contracting feature, the Company will further explore the application of e-CNY to inclusive loans for micro and small businesses.

Developing Solutions for Joining e-CNY Acceptance Network

Under the guidance of the PBOC, it, as an e-CNY operator, took the lead in supporting Alipay to join the e-CNY acceptance network as the first payment platform, and supported Taobao.com to use e-CNY.



The e-CNY wallet on Alipay

Unveiling the "Offline Payment" Solution

The Company vigorously advanced the application of e-CNY, and assisted the PBOC in exploring both software and hardware e-CNY wallets. In March 2022, the Company released the "Offline Payment" solution jointly with Alipay and Honor. Built on the features of e-CNY, the solution offers a secure and trusted technical environment for storage, computing and communication, and ensures consumers to safely use mobile payment in an environment with poor or even no access to the Internet.



The launch event for "Offline Payment" solution for e-CNY

Supporting Inclusive Consumption Stimulus Policies

The Company promoted the application of e-CNY. In 2022, the Company launched the e-CNY marketing platform jointly with other sides to support the government's use of e-CNY to implement inclusive consumption stimulus policies. Thanks to MYbank's large customer base, the move attracted extensive user participation and produced good results. The platform has by far been successfully implemented in Hangzhou, Wenzhou and Shaoxing, etc.




Screenshots of e-CNY promotion on Alipay

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06

Putting People First and Fully Supporting Employee Development



Employees are the primary driver of an enterprise's innovation and development. Being human oriented, MYbank has always observed all the applicable laws and regulations, and worked to build a fair and just workplace and protect employees' legitimate rights and interests. With a focus on talent development, the Company has put in place a multi-dimensional training system for multiple business lines and established a complete incentive system to grow with employees. Also, the Company cares about employees' physical and mental health, listens to them, enhances humanistic care and helps them achieve work-life balance, so as to enhance their sense of belonging, create a sound atmosphere in which employees are respected, understood and cared about, and achieve common development with employees.

Upholding Equal Employment and Protecting Employees' Rights

MYbank prioritizes talent management in its development strategy and respects employees' basic needs for a nice working environment. By building a complete employment system, providing competitive salaries and improving the workplace code of conduct and talent training system, the Company works to protect employees' legitimate rights and promote their sound development.

Upholding Equal Employment

The Company strictly abides by the *Labor Law of the People's Republic of China, Provisions on Prohibition of Child Labour* and other applicable laws and regulations, and formulates relevant management measures regarding employment and employees' remuneration and welfare to protect employees' legitimate rights and drive their growth.

Recruiting Excellent Talents

In 2022, the Company recruited 210 new employees, including 99 females and 111 males.



- Females 111
- Males 99

Upholding Equal Employment

Recruiting employees according to laws and rules. Upholding the principle of "fairness, justice and openness", the Company, based on actual needs, seeks the employees with the ability, experience and expertise most suitable for its jobs. The Company makes sure the employment process and decisions are in line with laws and rules, highlights and secures equal access to jobs for both candidates and employees, ensures employment is independent of gender, age, ethnic group, region, religion, physical condition and other factors, and resolutely forbids the employment of child labor and forced or compulsory labor in any form. In 2022, the Company saw no events related to employment of child labor or forced labor. As at the end of December 2022, the Company had 1,579 regular employees, including 566 females and 71 employees of ethnic groups, with a labor contract signature rate of 100%.



- Males 64.15%
- Females 35.85%



- Males 66.86%
- Females 33.14%

Percentage of management staff



Percentage of female management staff



Valuing high-tech talents. Technological innovation is the key to realizing customer values and solving social issues. We remain committed to investing in technological innovation, introducing high-tech talents focused on cutting-edge algorithms, intelligence, data and risk control while ensuring the steady increase of employee numbers. As at the end of December 2022, the employees with master's degree and above made up 51% of the total, up 3 percentage points year-on-year, and tech talents comprised more than 55%.

Percentage of employees with master's degree and above



Regulating Workplace Behaviors

Dedicated to creating a working environment featuring honesty, integrity, mutual respect and trust, the Company formulated the *Code of Business Conduct* and *Employee Discipline System*, which advocate the building of mutually respectful and friendly relations among employees and between the Company and various stakeholders, and clearly forbid any harassing behavior that will make anyone feel scary or offended. In event of any workplace harassing behavior, the Company will give Category I punishment for the severest case, dismiss the employee concerned and will never hire him/her again. Furthermore, the Company continued to publicize anti-discrimination and anti-workplace harassment through various integrity training sessions, set up diverse reporting channels and established a privacy protection mechanism, to protect the reporters' personal information and make sure every workplace harassment or discrimination event is handled fairly and seriously. During the Reporting Period, the Company saw no events related to discrimination or workplace harassment.

Protecting Employees' Rights

Remuneration Mechanism

In strict accordance with local labor policies, the Company pays social insurance fees on time and in accurate and full amounts. The Company rewards employees with competitive and fair pays based on their values, ability and performance in their respective posts, so as to attract and retain talents.

In addition, the Company implements the policy of deferred payment and recourse of performance-based salaries for employees in key posts as part of the remuneration distribution mechanism, and deducts salaries according to relevant measures for the employees who are disciplined or punished in other ways for violation of rules or dereliction of duty, so as to maximize the motivating or restricting roles of such policies.

Employee Welfare

The Company keeps improving the welfare plan for employees, which covers employee holidays, commercial insurance, physical examinations for employees and their parents, supports for physical and mental health and assistance for employees in difficulty. In the office buildings with concentration of employees, the Company provides cafeterias, free gyms and other sports facilities such as basketball courts, badminton courts, squash courts, ping-pong tables and billiard tables for employees, to create a vibrant workplace atmosphere. Besides, employees of middle or lower level can apply for interest-free housing loans. In 2022, the Company covered all employees with social insurance, upgraded multiple items of welfare, and introduced more policies to meet employees' needs.

Housing subsidies

Housing subsidies: Provide monthly housing subsidies for the employees with 3 years of seniority or below to ease the living pressure on young employees.

Full-pay leaves

Full-pay sick leaves: Short-term sick leaves or family care leaves (a maximum of 5 working days allowed for each employee per year)
Full-pay parental leaves: Full-pay leaves for the employees with children below 3 years old (a maximum of 10 working days allowed for each employee per year), designed to enable employees to take better care of their children while working hard.

Financial relief

"Dandelion Mutual Assistance Program": The employees who join the program can receive a maximum of RMB200,000 for themselves and RMB50,000 for their spouses or children as relief funds if they or their spouses or children suffer cancer or die. In 2022, RMB200,000 was provided under the program to help the employees in difficulty pull through.
"Rainbow Program": Provide the employees whose families suffer sudden accidents or those in extreme financial difficulties with RMB50,000 of relief funds.

Unlocking the Potential for Innovation and Helping Employees Grow

Improving the Path to Development

Valuing talent development, the Company works to create an environment for everyone to grow, improves the multi-dimensional system for talent cultivation that covers management staff, specialists and new employees, and trains talents by providing employees with promotion and job transfer or rotation opportunities, so as to build an Internet fintech organization with countless excellent talents.

A comprehensive talent cultivation system: For members of management, the Company develops the management concept of responsible person, makes leadership and teambuilding ability a core basis for appointing senior officials, and continues to review and improve their management competence through training sessions and comprehensive leadership evaluation. For grass-roots employees, the Company continues to improve professional capabilities through the combination of online and offline professional knowledge training and professional skills training. For all employees, managers at all levels and HR team guide them to set performance objectives and review and improve performance, so as to unleash their potential and help them grow.

A complete employee promotion mechanism: The Company exercises fair and transparent employee promotion management based on diverse career pathways and qualification standards for different ranks. To invigorate the organization, select talents and build a talent echelon, the Company organizes a promotion

campaign for the Bank every year in line with the process of nomination, review, decision-making and publicity, with the aim to select the employees who practice the Company's cultural values and are competent for targeted ranks.

A complete career development mechanism: The Company offers job transfer or rotation opportunities based on employees' willingness and qualifications, with the aim to cultivate interdisciplinary talents while promoting internal exchanges and stimulating the vitality of innovation.

Organizing Multi-dimensional Training

Guided by the values of "Ideal, Action, Persistence and Transcending", the Company set up special training programs respectively for new employees, new members of management and talents in different professional fields, and combined compulsory online courses, offline training, MYbank Cloud Classroom, livestreamed courses and interactive learning in both pictures and texts to build a talent echelon that drives business development. Meanwhile, the Company encourages employees to join work-related qualification tests and certifications, to create a sound learning atmosphere and build a learning organization for talent cultivation and development. In 2022, the Company organized over 500 training sessions, launched over 250 online courses, and trained more than 83,000 person times in total across the Bank.

Online Platform Promotes Flexible Learning by Employees

The Company launched MYbank Cloud Classroom, a featured online learning platform where everyone can learn and share, to provide pragmatic training. As at the end of December 2022, MYbank Cloud Classroom offered over 200 courses in total, covering products, operation, business lines, operating management, data intelligence, risk management, compliance, design, among other areas. By pushing quality lessons every Wednesday, it helped more and more employees join daily professional learning, and contributed to the building of an enterprising organization where everyone learns and shares. In 2022, the main data on the training of the Bank's employees are as follows:

Employee Training Data



573 Sessions

Total number of training sessions (online and offline)

83,515 Person times

Total number of trained employees

100%

Percentage of trained employees

Providing Special Training Programs Based on Employee Types

The Company developed special courses respectively for college graduates, new employees, new members of management and reserve talents.

Training for New Employees

- **For new employees recruited from the campus**

The Company organizes "One Lesson about MYbank", to publicize knowledge about business, technology and risks and helps the new employees recruited from the campus master basic knowledge about MYbank and quickly adapt to the new environment and contents of work.



- **For new employees recruited from the society**

The Company organizes "Meet-and-Greet for New Employees" to introduce MYbank's culture and business profile and offer an opportunity for new employees to exchange with members of management face-to-face.

Each department organizes "Night Talks for New Employees", where senior employees introduce the positioning of respective departments face-to-face.



Training for New Members of Management

- **For new members of management**

The Company organizes "MYbank Management Training", to help trainees quickly understand what is expected of them by teambuilding, recruitment and dismissal, completion of team assignments and other means.



- **For backbone talents**

The Company sets up the "Shimmering Light" business training camp for backbone talents in areas of business, risk control and technology. With a duration of six months, the business training camp offers theory learning and thinking training under five themes, namely user and industry insight, product design and operation growth, business model design, business innovation and leadership, to improve the business thinking and operational awareness of core talents and train future-oriented leading talents with comprehensive operating perspectives for the Internet banking sector.



Providing Training Courses in Different Areas

In combination with business lines, the Company offers courses in different areas like technology, business and products to help talents grow.

Training in the Technology Area

- **"Young Technological Talents" and "MYbank's Technology Lesson" Programs**

Targeting new employees in the technology area, the program is designed to publicize corporate culture, business layout, technological blueprint and future plans, offer them an opportunity to exchange face-to-face with technical managers, and help them merge into the team.



- **"Architecture Creation Camp" Program**

The program is designed to improve architects' professional ability and macro-perspective thinking.



- **"This is Technology" Program**

Internal and external guests are invited to share knowledge about frontier technology and practical experience, so as to inspire employees to think and discuss and create a learning atmosphere for the growth of technical professionals.



Training in Business and Product Areas

- **"This is User Demand" Program**

Under the program, business talents are encouraged to gain insight into customer demand through customer surveys and interviews, so as to create innovative products that are valuable to customers; they are required to "understand customers' business", "learn about customers' life" and "make friends with customers", so as to further improve the understanding of micro and small business customers and rural customers, build relevant capabilities, and promote the cycle from customer insight to business innovation. The training is held on a bimonthly basis.



- **"These are Quality Products" Program**

Targeting product talents, the program is designed to inspire the thinking, aesthetics and curiosity about products, and help them analyze quality products from perspectives like product functions and experience, product design, product logic, operating philosophy, competitive products and industrial ecosystem. The training is held on a bimonthly basis.



Unlocking Employees' Potential

The Company keeps improving the talent motivation strategy in line with its philosophy, highlights the necessity and rationality of motivation, and works to invigorate talents at different levels and in different posts and builds a motivation mechanism typical of MYbank.

Annual Award - "Dujiangyan Award"

The "Dujiangyan Award" is the highest honor awarded by MYbank annually. Since its launch in 2019, the award has kept motivating employees to move forward. Six sub-awards, respectively for putting customer first, embracing responsibility, acting with one heart, innovation, openness

& win-win cooperation, and sustainable development, are set under the award. In 2022, the "Micro and Small Enterprise Green Rating 3.0" project team and "Public Welfare Store Alliance" project team were honored the "Dujiangyan Award for Sustainable Development", as a way to commend their efforts in promoting green and inclusive finance and fulfilling social responsibility, which motivates employees to contribute to the society in an innovative way.



Awarding Ceremony of the "Dujiangyan Award" in 2022



Teams honored the "Dujiangyan Award for Sustainable Development" in 2022

Project Team Motivation - GIN Bell Moment

"GIN Bell Moment" is an activity held irregularly to offer real-time motivation based on business progress. When achievements are made, employees gather to ring the bell, summarize gains and losses from the projects and convey customer values as a way to boost morale. In 2022, 26 project teams consisting of 1,242 employees participated in the activity, facilitating business development and enhancing team cohesion.



Project teams participated in the "GIN Bell Moment" activity

Individual Motivation - GIN Glittering Light

The "GIN Glittering Light" activity is a daily form of motivation in which employees praise and motivate each other. Through an online motivation platform, employees can nominate each other for awards, which helps increase the emotional ties among employees and spread corporate culture.

The activity is held on a quarterly basis, involving four perspectives of nomination for awards, namely being pragmatic and putting customers first, teamwork and shouldering responsibility, seeking growth and building capabilities, meeting challenges and honoring missions. In 2022, 189 employees, or 12% of the total, were nominated for the "GIN Glittering Light" award, which not only aroused employees' enthusiasm for work, but also drove the high-quality development of the Company through role models.



Employees nominated for the "GIN Glittering Light" award in 2022

In 2022



189
employees

189 employees, were nominated for the "GIN Glittering Light" award



12%

12% of employees were nominated for the "GIN Glittering Light" award

Protecting Employees' Health and Creating a Safe Workplace

Health and safety are fundamental to employees. The Company puts in place an emergency response mechanism and carries out emergency response training, to ensure efficient and orderly response to extreme weather, sudden injuries, severe diseases or other emergencies and protect employees' health and safety.

Valuing Employees' Health

Providing complete medical insurance to employees. In line with the *Regulations on Occupational Health Management at Workplaces* and other applicable laws and regulations, the Company makes AEDs available in offices, and provides a package of medical insurance, including personal insurance, accident insurance, critical illness insurance, supplementary medical insurance and million dollar medical insurance, as well as supplemental medical insurance and million dollar medical insurance for employees' children to reduce the worries of families.

Further popularizing health knowledge. The Company popularizes health knowledge among employees through daily publicity and regular lectures on the "ihealth" platform, offers employees assistance when they seek medical treatment for severe illness, and provides employees with annual physical examinations and report interpretation services.

Organizing first aid knowledge training. To train "protectors of life", the Company launched a public welfare society named "First Aid Pioneer", and established a set of high-standard first aid training courses, to popularize first aid knowledge in both theories and practice among all employees. As at the end of December 2022, over 100 training sessions were organized in total.

Caring about employees' mental health. The Company provides a 24/7 hotline for employees to make an appointment with psychological consultants for chatting on phone or face-to-face, a way to ease their mental pressure and maintain their mental health.

Protecting Employees' Safety

The Company works to create a safe, clean and comfortable working environment for employees, and has developed *the Code of Business Conduct*, which clearly forbids the use of violence of any degree at workplaces. Unless otherwise permitted, smoking at workplaces is forbidden as that will cause others to smoke passively or even trigger a fire and endanger employees' life safety, and drinking or being drunken at workplaces is forbidden, too. At workplaces or in activities, employees are not allowed to hold or use any illicit drugs, controlled tools, dangerous items or other items that may affect the Company's normal working orders.



Caring about Employees and Building Vibrant Workplaces

The Company pays attention to employees' feelings, actively communicates with employees, and constantly rectifies the problems existing in operation and management according to employees' feedback, so as to create an open and harmonious workplace environment. The Company respects and cares about female employees, and works to raise female employees' sense of safety, sense of belonging and sense of happiness. The Company advocates alternating work with rest, and endeavors to create vibrant workplaces through cultural and sports activities.

Listening to Employees

Improving Employee Satisfaction

Job satisfaction surveys. To learn about how employees at different stages of career feel about work, including the sense of happiness, sense of belonging, cultural atmosphere and personal growth and their confusions, the Company conducts monthly online surveys among employees who have worked at the Company for less than six months, and quarterly online surveys among employees who have worked for one year, three years and five years, respectively. On a quarterly basis, the results of satisfaction surveys are reported to the Company's management through a data platform, to enable the Company to understand the working state of employees at different stages of career and help them better grow and merge into the Company.

Satisfaction surveys among all employees. The Company conducts satisfaction surveys among all employees on a quarterly basis, which cover park safety, spatial environment (office facilities), catering and commercial facilities (life facilities), service enthusiasm and efficiency, emergency response, and cultural atmosphere, and generates overall satisfaction assessment. In 2022, the Company rectified problems related to the utilization of office space and the cooling & ventilation system reported by employees in surveys, and set up the administrative reporting station to enrich the channels to collect employees' suggestions. In 2022, the overall employee satisfaction was 91.48%, with the satisfaction rates in park safety, service enthusiasm and efficiency, and emergency response all above 95%.

Promoting Communication and Exchanges among Employees

- **Annual Strategy Communication Meeting**

The Company organizes an annual strategy communication meeting either online or offline at the beginning of each

year, where leaders of various business lines convey to employees the strategic plans, tactics, objectives and paths for the next year to boost their confidence and morale. In January 2023, the Company held the strategy communication meeting themed "CY2023 MYBank", with about 320 participants at the site and 1,263 viewers of the live stream or playback.



- **MYbank Night Talks**

Both internal and external experts and scholars are invited to discuss hot issues related to Internet, technology and innovation to inspire employees to think, expand horizon and unlock the potential to innovate. In 2022, six "MYbank Night Talk" sessions were held, under themes of ESG, Common Prosperity in Zhejiang, Inspirations of the Transformation and Innovation of Digital Tech Enterprises, the Next Decade for Knowledge Engineering, Cognitive Intelligence-Fintech 4.0, and Industrial Research on Web 3.0, etc.

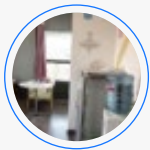


Caring about Female Employees

Caring about Pregnant and Lactating Female Employees

The Company attaches great importance to the physical and mental health of female employees. By providing facilities particularly for female employees, setting up organizations empowering female employees, organizing Women’s Day activities and taking other steps, the Company supports female employees in maximizing their potential in work while helping them find a free and balanced state and release positive energy at both workplaces and homes.

Measures to support pregnant female employees



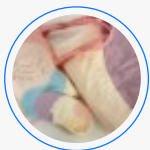
Provide lactation rooms for lactating female employees to make sure they have private spaces during working hours.



Provide rest rooms in working areas for pregnant female employees to meet their needs for rest during the special period.



Reserve dining areas exclusive to pregnant female employees to shorten their time of waiting.



Distribute radiation-proof clothes and caring packages for pregnant female employees.

"Mulan Hui" Empowers Female Employees

Organized in forms of themed workshops, sharing meetings and salons, "Mulan Hui" is a program aimed to empower the Company’s female leaders and female employees. In 2022, five "Mulan Hui" activities were organized under themes of "Management Starts from Self-Perception", "Gallup Strength Finder", "Self-Pleasing Ball", "Emotion Management" and "How to Become Prettier".



A "Mulan Hui" activity in 2022

Women’s Day Activity

In March 2022, the Company organized a Women’s Day activity themed "The Unique You", in which every female employee was given a tote bag and a red rose from Ganzi Public Welfare Women’s Employment Center, Sichuan as gifts, to show care for female employees and spread the power of love.



A Women’s Day activity

Enriching Cultural and Sports Activities

Guided by the philosophy of "working happily and living earnestly", the Company organized a variety of activities to help employees pursue their hobbies, strike work-life balance and feel happier in work.

Organizing Top 10 Singers Competition to Create a Vibrant Workplace Atmosphere

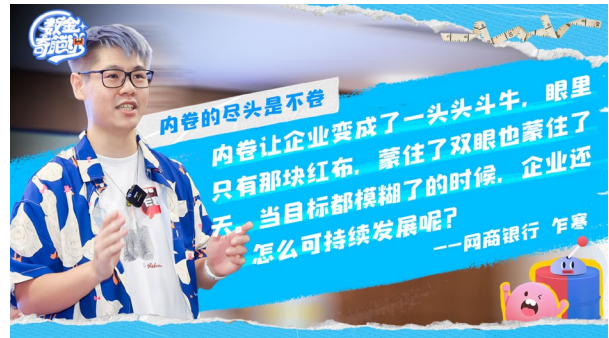
The Company's music lovers launched the "Top 10 Singers Competition" among all employees, which attracted 54 employees in 2022. Besides, fans teams were set up to cheer up for the participants of respective departments, encourage more employees to participate and create a cultural atmosphere where everyone works happily.



The Top 10 Singers Competition

Holding Debate Competitions to Create a Cultural Atmosphere Where Truth Is Valued

The Company held debate competitions, which are popular on the Internet, centering on issues frequently discussed by employees in daily work. Through collision of thoughts in free debates, the Company intends to create a culture of simplicity and openness, truthfulness and pragmatism.



A debater's poster for a debate competition at MYbank

07

Working with One Heart to Build a Better Home

While focusing on serving micro and small businesses and "agriculture, farmers and rural areas" and putting forth effort to develop inclusive finance, MYbank kept working to create the maximum social value, expanded the coverage of services for micro and small businesses in cooperation with like-minded partners, and leveraged its resource advantages to carry out innovative public benefit programs to actively give back to the country and society.

Supporting Micro and Small Enterprises and Promoting Employment

Micro and small business owners involve the employment and livelihood of billions of people. The core business of MYbank is to provide credit support and financial services to micro and small business owners, which indirectly contributes to job creation. To support micro and small business owners more effectively and promote employment, MYbank launched a variety of special actions and measures to help stabilize employment in all respects.

Special Actions to Stabilize Employment at Micro and Small Businesses

In 2021, to respond to the "Micro Businesses Support Program" initiated by the ACFIC, the Company, together with over 20 banks, rolled out the first employment support measure for the Program, which is to support micro and small businesses continuing operations by cutting fees, making profit concessions, etc. so as to stabilize employment and create jobs. In 2022, the Company continued to work with local federations of industry and commerce of provinces in this Program. The Company set up an online activity front on Alipay. Every month, micro and small enterprises can go to Alipay and search "employment support". After confirming the number of employees and uploading relevant supporting materials such as screenshots of payroll credit, micro and small enterprises can obtain special support including the free-interest coupon on a 30-day RMB10,000 loan at most. As at the end of December 2022, over 550,000 micro and small enterprises obtained such special employment support.

In June 2022, with the support of the Shanghai Federation of Industry and Commerce, the Company launched the employment support action with a number of financial institutions, continuing to issue interest-free coupons on 30-day loans to micro and small enterprises and self-employed individuals in Shanghai. Through the action, the Company

extended more than 11 million interest-free loan limit and supported nearly 10,000 people getting back to work, effectively stabilizing the job market.

Creating Jobs through "Care-Free Franchising Program"

Supporting the Chain Milk-tea Brand "Auntea Jenny" Opening New Stores and Creating more than 10,000 Jobs

Auntea Jenny is a new-type tea drink brand. In 2022, the Company assisted through "Care-Free Franchising Program" in Auntea Jenny's efficient expansion from 3,500 stores to 6,000 stores. The expansion created more jobs. Assuming an average of 5 new jobs per store, the support provided by MYbank using the service of "Care-Free Franchising Program" played an important role in facilitating the creation of more than 10,000 jobs by Auntea Jenny in a year and also indirectly made contributions to stabilizing the city's economic development and boosting employment.



MYBank's interest-free coupon for employment support



The cooperation between Auntea Jenny and MYbank through "Care-Free Franchising Program" accelerated Auntea Jenny's business expansion and created jobs

Effectively Helping Stabilize Employment through Financial Services for Micro and Small Businesses

The joint research group of the Research Institute of Labor Relations of Renmin University of China has estimated the role of digital credit in stabilizing employment using the production function approach. The basic logic of the estimation is that the production of enterprises and self-employed individuals needs the coordination of capital and labor, and the mode of combination of the two is depicted by the Cobb-Douglas production function. Enterprises automatically optimizes the ratio between capital and labor. When micro and small business owners hit a capital bottleneck, they have to downsize their business scales, causing the number of employees to decrease. MYbank's loans can replenish enterprises' capital, avoid employee decrease and event allow enterprises to hire more people, thus stabilizing employment. When the optimal ratio between two factors is realized, labor and capital will be in a linear relation.

The optimal ratio between capital amount and number of employees for micro and small businesses owners estimated based on questionnaires is for Micro and Small Enterprises, the number of employees corresponding to every RMB10,000 of capital is 0.2, and for self-employed individuals, the ratio is 0.04. That means granting a 1-year RMB100,000 loan balance to a micro and small enterprises can help secure two jobs in average, and granting a 1-year RMB500,000 loan balance to a self-employed individual can help secure two jobs in average. The reason for the difference is micro and small businesses and self-employed individuals have different production functions. micro and small enterprises have greater production scale elasticity. With adequate capital, they can obtain greater profit by increasing the number of employees and expanding production and

services. Self-employed individuals generally have a fixed business scope, and most of their labor forces that participate in operating activities are limited to family members. Even if their capital increases, they are less likely to hire extra labor. By multiplying the two coefficients by the credit balances to micro and small enterprises and self-employed individuals respectively, we can obtain the benchmark results of the number of jobs secured.

The number of jobs secured by MYbank is estimated using the production function approach by micro and small enterprises and self-employed individuals:

$$Employees_i = \alpha + \beta Capital_i + \gamma X + \epsilon_i$$

in which, Employees means the number of employees (including himself or herself) that the business owner i had as at the end of June 2022, and Capital means the total capital (RMB10,000) that the business owner i invested in his or her business. X is a set of control variables including industry characteristics, regional characteristics, fixed capital and the business owner's personal characteristics. Coefficient β is the number of jobs corresponding to one unit of capital. The total number of jobs secured by MYbank through loan granting is obtained after multiplying the capital-employment coefficient of a single business owner by the loan balance of MYbank as at the end of June 2022.

According to the foregoing estimation, the benchmark results show that MYbank helped stabilize employment of 2.844 million people at micro and small enterprises and 2.403 million people at self-employed individuals. In total, MYbank helped stabilize employment of 5.247 million people at the foregoing two types of businesses.



2.844

million people

MYbank helped stabilize employment of 2.844 million people at micro and small enterprises



2.403

million people

MYbank helped stabilize employment of 2.403 million people at self-employed individuals



5.247

million people

In total, MYbank helped stabilize employment of 5.247 million people at the foregoing two types of businesses

Supporting Common Prosperity

Common prosperity is an important task in the new era. Promoting common prosperity is a systematic project that requires participation of various parties. MYbank has actively responded to the national strategy of common prosperity. In particular, MYbank has taken various measures to contribute to Zhejiang's building of a demonstration area of common prosperity. MYbank has pushed for balanced development and expansion of inclusive finance in lower-tier regions and helped reduce regional gap, urban-rural gap and income gap. In 2021, the CPC Central Committee and the State Council issued the *Opinions on Supporting Zhejiang's High-quality Development and Building of a Demonstration Area of Common Prosperity*. MYbank actively responded to the call and supported Zhejiang's building of a demonstration area of common prosperity with scientific and technological power.

Supporting Great-Leap-Forward Development of 26 Counties

Since June 2018, the Company has leveraged its advantages in data technology and Fintech to launch digital inclusive finance business in counties across Zhejiang Province. Through cooperation with county governments, the Company has provided digital inclusive finance services in counties, further improved the value of big data-based risk control in serving farmer households, and efficiently expanded the coverage of financing services for agriculture-related businesses. As at the end of December 2022, MYbank's digital inclusive finance business for counties entered into an agreement with and reached 8 out of 26 counties in Zhejiang Province. In the Lishui City reform area of rural revitalization through inclusive finance services, MYbank has developed relevant cooperation with four districts and counties including Liandu, Yunhe, Qingyuan and Jingning and has provided a cumulative total of RMB21.4 billion credit loans to more than 60,000 customers. In 2022, MYbank served 29,000 customers.

Supporting Industry Development through Supply Chain Finance Solutions

With a focus on core enterprises of industrial chains, based on the transaction relationship

between core enterprises and downstream dealers, MYbank has integrated all types of information including information flow and capital flow and developed the digital supply chain financial product, "Procurement Loan". The product does not need guarantee by core enterprises, is approved and granted online, and adopts the Pay-As-You-Go model. It provides convenient, efficient and credible digital supply chain financial services to micro and small businesses. In promoting Zhejiang's building of a demonstration area of common prosperity, as at the end of December 2022, the Company's Procurement Loan business served a total of 413,000 micro and small enterprises and self-employed individuals in Zhejiang and injected over RMB542,381 million funds in total, which provided strong support to the development of micro, small and medium-sized enterprises in Zhejiang.

MYbank established cooperation with 114 core enterprises in Zhejiang through Procurement Loan business, including Zhejiang Changxing Tianneng Power Co., Ltd., Zhejiang Chaowei Energy&Power Co.,Ltd. and Zhejiang WahHaha Food&Beverage Marketing Co., Ltd. MYbank extended a whole credit limit of over RMB8,476 million and injected more than RMB16,159 million funds to 28,000 dealers in the downstream sections of the core enterprises.

As at the end of
December 2022



413,000

The Company's Procurement Loan business served a total of 413,000 micro and small enterprises and self-employed individuals in Zhejiang



542,381
RMB million

Injected over RMB542,381 million funds in total, which provided strong support to the development of micro, small and medium-sized enterprises in Zhejiang

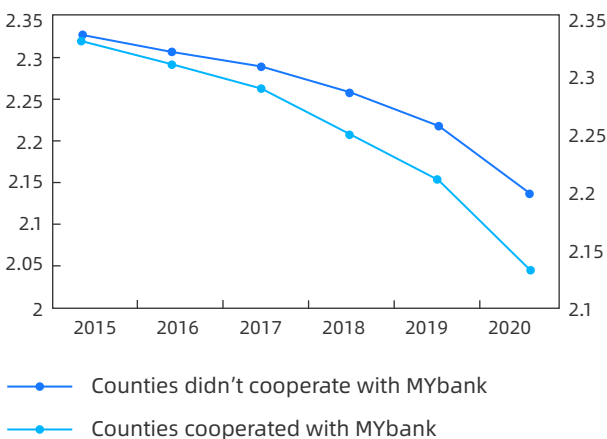
Effectively Narrowing the Income Gap through Digital Inclusive Finance in Counties

The research group of the Academy of Financial Research, Zhejiang University, studied the rural finance business of MYbank and found that the development of digital inclusive finance business in counties can help close the urban-rural income gap and regional income gap within counties, thus accelerating the realization of common prosperity.

Closing up the urban-rural income gap. By comparing The counties with which MYbank has cooperated in digital inclusive finance business and the counties with which MYbank has not developed such cooperation, it's found that the reduction rate of urban-rural gap in partner counties is slightly faster than that in non-partner counties.

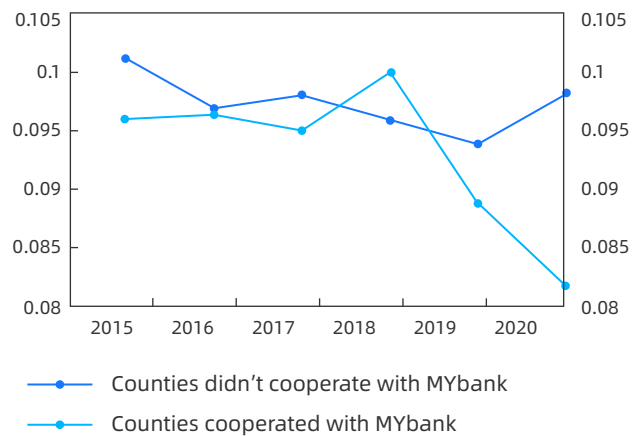
According to the research,

- The urban-rural income gap in the counties that didn't have a cooperation relationship with MYbank decreased by 0.19 from 2.33 in 2015 to 2.14 in 2020.
- The urban-rural income gap in the counties that cooperated with MYbank decreased by 0.20 from 2.33 in 2015 to 2.13 in 2020, and the decreasing speed clearly increased in 2018, which is consistent with the time point when MYbank developed comprehensive strategic cooperation with the first batch of counties.



MYbank helped narrow the urban-rural income gap in the counties that it partnered up with

Accelerating the closing speed of regional income gap. The regional income gap in the counties that didn't have a cooperation relationship with MYbank was closing slowly on the whole between 2015 and 2019, and in 2020, it clearly widened. The regional income gap in the counties that cooperated with MYbank was generally on the rise before 2019, but it started to quickly close up in 2019. The time point when the regional income gap in the partner counties is highly consistent with the time point when MYbank and those counties began cooperation.



MYbank helped narrow the regional income gap in the counties that it partnered up with

According to the analysis, the reduction in the urban-rural income gap and regional income gap in the counties that MYbank cooperated with has, to some extent, reflected the positive impact of MYbank's digital inclusive finance business in counties.

Advancing the "Micro Business Support Program" under the Guidance of the ACFIC

The high-quality development of inclusive finance cannot be achieved without the efforts of relevant institutions. With an open mind and seeking win-win results, MYbank has reached cooperation with government departments, industry organizations, interbank financial institutions, research institutes, etc. to use financial resources to support stable, healthy and sustainable development of micro and small businesses.

As a bridge and bond that connects the Party and the government with people in non-public sectors of the economy and an assistant to the government in managing and serving non-public sectors of the economy, the ACFIC plays a vital role in promoting the development of micro and small enterprises. Since 2020, under the guidance of ACFIC, MYbank, as a major bank initiator, has advanced the "Micro Business Support Program" over the past three years. Over the past three years, more than 120 financial institutions have joined the program and granted a total of more than RMB4 trillion to micro and small businesses. Through this program, financial resources have been allocated to micro and small businesses more precisely and efficiently. In April 2022, further responding to the "Micro Business Support Program", the Company signed a comprehensive strategic cooperation agreement with ACFIC to jointly build a financial service system in support of micro and small businesses and "agriculture, farmers and rural areas", promote deep integration of the digital economy and the real economy, and support micro and small enterprises and rural revitalization.



The screenshot shows the homepage of the All-China Federation of Industry and Commerce (ACFIC). The header includes the ACFIC logo and name in Chinese and English, along with the slogan "政治建会 团结立会 服务兴会 改革强会". A navigation menu contains links for Home, Introduction, Party's Care, Non-public Dynamic, Chamber Construction, Local Federation, File Information, Belt and Road, and Enterprise Service. The main content area features a news article titled "全国工商联与网商银行签署全面战略合作协议 实施“两计划、六行动” 助力小微助力三农" (All-China Federation of Industry and Commerce and Netcom Bank Sign Comprehensive Strategic Cooperation Agreement, Implement "Two Plans, Six Actions" to Support Micro and Small Enterprises and Agriculture, Farmers and Rural Areas). The article is dated 2022-04-06 and is sourced from the Economic Service Department. The text of the article states: "为深入贯彻习近平新时代中国特色社会主义思想,全面落实党中央、国务院关于支持中小微企业健康发展、发展普惠金融、做好三农工作等决策部署,近期全国工商联与网商银行签署了全面战略合作协议,旨在共同构建支持小微、支持三农的金融服务体系,推进数字经济与实体经济深度融合,助力小微企业、助力乡村振兴,促进非公有制经济健康发展和非公有制经济人士健康成长。"

Cooperation with ACFIC to implement Micro Business Support Program

Supporting Women Starting a Business through "Mulan Program"

It's found in the joint survey by MYbank and Peking University that the overall financing capability of women is weaker than that of men and female business owners are more in need of support and help. More and more women-led farmers' cooperatives, large households specialized in planting or breeding, large processing households, large service providing households, agritainment farms, rural e-commerce, live streaming, etc., are emerging in counties and villages and providing energy to the society and economy. Female micro and small business owners are one of the major customer groups of MYbank. Providing continuous inclusive finance support to female business owners is considered a bound duty by the Company. Based on its advantage in digital resources, MYbank launched the "Mulan Program" in July 2020, which provides financial support and operating assistance to female business owners and helps women gain more entrepreneurial opportunities in the fields of the digital economy such as rural e-commerce, cross-border e-commerce, social group economy and new media. In 2022, the Company upgraded the "Mulan Program", enhancing female entrepreneurs' operating capability in all respects while providing financial support to help them go farther. To date, MYbank served more than 17 million female entrepreneurs, counting for above 30% of total customers of MYbank.



Providing financial privileges

- The Company provides a RMB10 billion interest-free credit limit to support women starting micro and small businesses. In 2022, the "Mulan Program" had provided interest-free credit to female entrepreneurs, and offered outstanding female entrepreneurs, namely, "The Most Beautiful Mulan", the privilege to enjoy year-round free interests on loans up to RMB200,000.



Creating role models

- The Company brought together the excellent entrepreneurial stories of 23 outstanding female entrepreneurs of MYbank that were selected from female entrepreneurs recommended by the government and media, the Company's own customer base, etc., and improved the influence of female entrepreneurs in cooperation with media and other communication resources.
- On Women's Day, the Company, together with six female KOLs, shared the entrepreneurial stories and secrets of success of women via channels like Red Book, which attracted more than 2.5 million viewers. Meanwhile, the entrepreneurial story of the intangible cultural heritage inheritor Ning Manli was commended by the Women's Federation of Guizhou Province.
- During the June 18th big promotion period, the Company and Alibaba Digital Country jointly developed the entrepreneurial story of the Most Beautiful Mulan in the Countryside, Qin Zhen, which was reported by eight provincial and municipal media. And together with "1688", the Company told the story of the SKA business, which had more than 8 million views.



Supporting business operation by women

- The Company organized female entrepreneurship themed activities and provided free entrepreneurship training courses to female business owners via Mulan Channel, Mulan Livestreaming Room, Mulan Social Group, etc. to support business operation by women.
- The Company launched "Mulan Entrepreneurship Channel" on Alipay. In 2022, more than 500 million users learned about "Mulan Program" via Alipay, and more than 25 million users visited Mulan Entrepreneurship Channel, collecting the interest-free privilege and/or sharing women's entrepreneurial stories.
- At Alipay's "Mulan Livestreaming Room", there are entrepreneurial stories of more than 50 outstanding women from various industries and areas including inheritance of intangible cultural heritage, rural revitalization, etc., which were viewed by more than 3 million users.
- The Company held "Mulan Lectures" from time to time, which invites lecturers to live-stream entrepreneurship and employment courses facing female entrepreneurs free of charge.

The Most Beautiful Mulan Niu Qinghua - A Torchbearer for the Olympic Winter Games Beijing 2022 and Model Worker of Shandong Province

After marriage, Niu Qinghua has stayed behind, reclaiming land, raising hogs and tending peach trees all by herself. Niu Qinghua got to know e-commerce and opened a Taobao shop through the training class held under the rural poverty alleviation policy and the county-level, municipal-level and even national-level training of new types of professional farmers. From learning how to use the computer to selling agricultural produce from her own fields such as apples and peaches to establishing Mengyin County Mengliangyeyuan Agricultural and Sideline Products Co., Ltd. and Agricultural County Operating Department and Fruit Cooperative, she expanded her Taobao shop step by step. After becoming a success in business, Niu Qinghua actively helped 16 poor households in her village by offering them a job. She also offers jobs to college students during the summer holidays and encourages young people to return to their hometown and start a business.

In 2022, Niu Qinghua became the Most Beautiful Mulan. "Mulan Program" offered her a RMB200,000 year-round interest-free loan. She said she would use the financial support to help more villagers in her hometown.

The Most Beautiful Mulan Guo Juan - An Intangible Cultural Heritage Inheritor and a Leader in Getting Rid of Poverty and Becoming Better Off

After graduation, Guo Juan married into a family in Dashan, Gansu. She learned how to make hemp shoes from her mother-in-law from scratch. After making "waterproof hemp shoes", she became a sensation. After becoming a mother, sympathetic to the difficult situations faced by left-behind mothers in the local mountainous area, she provided free training to them. With her help, the left-behind mothers got income and even made pocket money by using their spare time to make shoe soles and uppers. In five years, Guo Juan and her company trained a total of more than 8,000 women. She also built 18 poverty alleviation workshops in remote areas in Gansu Province, which helped more than 2,300 women return to work.

In 2022, Guo Juan was named "The Most Beautiful Mulan" and the "Mulan Program" offered her a RMB200,000 year-round interest-free loan. She will provide training and jobs to more women in rural areas and help them find their value for life.



The Most Beautiful Mulan Niu Qinghua

Practicing Social Welfare for a Better Future

MYbank has actively practiced corporate social responsibility, encouraged employees to participate in public welfare activities, and sent warmth and care to micro and small businesses and vulnerable groups.

The Public Welfare Store Alliance Spreads Kindness Farther

In May 2021, the Company initiated and established the Public Welfare Store Alliance. Facing stores that have been long engaged in public welfare and focusing on their pain points such as cost sharing and store front renovation, the Company provides, through the Public Welfare Store Alliance, public welfare support funds, free equipment upgrading, etc. to alleviate stores' public welfare cost, so as to encourage more people and more stores to participate in public welfare programs and extend kindness to more people. In its second year of establishment, the Public Welfare Store Alliance provided more support to the public welfare stores in the Alliance by means of co-branding, etc. The Beijing-based century-old restaurant Zi Guang Yuan and Hangzhou's century-old traditional Chinese medicine store Fang Hui Chun Tang are among the first brands that joined the Alliance. The Public Welfare Store Alliance seeks like-minded partners by setting entry criteria.

As at the end of December 2022, the Public Welfare Store Alliance supported a total of more than 1,500 public welfare stores, of which more than 800 were newly added in 2022. The public welfare stores are scattered in 140 cities across 30 provinces in China and they provide support to vulnerable groups including elderly people, people with disabilities, sanitation workers, family members of patients with serious diseases, etc, and bring tangible benefits to those good-hearted stores.



The public welfare stores poster

As at the end of December 2022



1,500

The Public Welfare Store Alliance supported a total of more than 1,500 public welfare stores



800

More than 800 were newly added in 2022

▶ Sending out 10,000 Free "K Set Meals" with KFC

In 2022, under the guidance of the Office of the CPC Kunming Municipal Cyberspace Affairs Commission and the Kunming Urban Administration Bureau, MYbank and Kunming KFC and others jointly held the "warm winter" public welfare activity themed by "Public Welfare K Set Meals Warm up the City". The activity is one of the series online public welfare activities of "Yunnan · Kunming Cyber Culture Festival". During the public welfare activity, 10,000 free breakfast meals were provided to sanitation workers across Kunming City.

During the activity, from 6 a.m. to 8 a.m. every morning, sanitation workers in Kunming could get a free breakfast meal at any of the 25 KFC restaurants in Kunming after giving the code words "K set meal". The set meal contains a bowl of chicken porridge with pickled vegetables and bamboo shoots and a deep-fried dough stick. The activity aimed to warm up the stomachs of those "city wakeners" on cold winter mornings.



A sanitation worker enjoyed "K set meal" in a KFC restaurant in Kunming

▶ Zi Guang Yuan Joins the Public Welfare Store Alliance and Provides Free Breakfast to Sanitation Workers

In September 2022, the Beijing-based century-old restaurant "Zi Guang Yuan" announced that it joined MYbank's Public Welfare Store Alliance. From 5:30 a.m. to 7:30 a.m. every morning, 27 stores of Zi Guang Yuan each provide 20 free breakfast meals to sanitation workers. The

breakfast contains soybean milk, deep-fried dough cakes, steamed buns with vegetable stuffing, boiled eggs and pickles, to ensure that sanitation workers can eat well.



Zi Guang Yuan joined the Public Welfare Store Alliance

▶ Weiguang Library, a Public Welfare Store in Henan

Weiguang Library was originally a free book reading corner in a small village supermarket. The owner of this public welfare store is a woman named Li Cuili from Anyang, Henan. To ensure children in rural areas have access to good books, she purchased books and built a rural library at her own expenses. She has been doing this for 15 years and has spent more than RMB400,000. After her store joined the Public Welfare Store Alliance, the Company provided financial support and more children in rural areas fell in love with books. In 2021, Li Cuili's story became a trending topic on Weibo. More than 100 million netizens across China witnessed and gave a thumbs up to her public welfare cause. In 2022, Li Cuili was elected deputy to the National People's Congress.



Li Cuili and her public welfare store

"Anti-cancer Kitchen Support Program"

In 2022, the Company and the Amity Foundation jointly launched the "Anti-cancer Kitchen Support Program". The Company offered RMB1 million support funds to provide software and hardware support policies including rent subsidies, water, electricity and gas rate subsidies and "Anti-cancer Meal Guide", etc. to benchmarking anti-cancer kitchens in ten provinces across the country, provide anti-cancer kitchens for cooking to family members of patients with serious diseases at a low price or free of charge. Throughout the year, the program helped more than 50,000 family members of patients with serious diseases. Besides, the Company caused more social forces to pay attention to and help public welfare stores by planning public welfare activities, interviewing public welfare stories and cooperating with more charity brands in donations, etc.

The Public Welfare Store Alliance and Share Menu Donate Rice to Anti-cancer Dormitories

Established in 2007, Share Menu is a featured franchised sushi brand of Hangzhou Joy Time Restaurant Management Co., Ltd. Share Menu now has 1,000 franchised stores. Besides business operation, Share Menu has made earnest efforts to promote public good, organizing charity sale of sushi DIY, donating set meals to children in remote mountainous areas, delivering afternoon tea to medical workers, etc.

In 2022, Share Menu became a partner of the Public Welfare Store Alliance. The two jointly launched the anti-cancer dormitory rice donation, which benefited Hefei Halfway House for Mask Angels, Nanjing Ruize Service Center for People with Disabilities, Xi'an Xinyu Charity Home, Jinan Anti-cancer Kitchen, Qingdao Chunyu Center for People with Disabilities and the free A set meals restaurant in Hangzhou, Liu Chuan Noodle Restaurant. A total of 8 tons of rice was donated and for some public welfare stores, the donated rice they received is enough for them to use for a year.



Nanjing Ruize Service Center for People with Disabilities received the rice donation (up), Xi'an Xinyu Charity Home received the rice donation (down)

"Paint 100 Stores" tells the stories of micro and small businesses

Since June 2021, the Company has posted "MYbank's Friends - Paint 100 Stores" series short humanistic documentaries on Douyin, using a brush to depict different trades on the streets and exploring bright spots in numerous ordinary store owners in the big world. The series short documentaries cover 360 trades including restaurants, book stores, craft shops, barbershops, etc. and showcase amazing stories of Chinese stores.

As at the end of December 2022, 168 videos were posted under the program, of which 18 had over 100,000 likes or over 1 million views. The videos depicted more than a dozen of industries including catering, clothing, beauty, tourism, manufacturing, etc. By telling stories about their operations, those characteristic stores received broader exposure and attracted more attention and obtained message support from many small businesses and users.



The platform of "MYbank's Friends - Paint 100 Stores" on Douyin

Fulfilling Supplier Management Responsibilities

MYbank attaches great importance to maintaining a sound cooperation relationship with suppliers. MYbank has formulated supplier management policies and regulations including *Procurement Management Measures* and *Outsourcing Management Measures* and in line with the principles of "openness, fairness, justice and competition", MYbank has regulated the access review process and dynamic management process of partners, improved the level of partner management, and standardized full-lifecycle management of suppliers from entry to exit of the supplier base.

In 2022, we continued to promote responsible procurement. We paid attention to partners' performance in business reputation, standard management, etc., required all partners to sign the *Good Faith Agreement*, and prevented unfair competition and corruption. Regarding partners involved in violation of integrity, we adopted the blacklist system and will never cooperate with them.

We strengthened the efforts to identify and comprehensively prevent relevant risks of partners such as operational risk, ethical risk and contractual risk. For high-risk suppliers, we quoted risk disclosure information based on our own system data and required review & approval and internal control filing by relevant personnel. We held training among procurement related personnel and conducted anti-corruption and integrity propaganda among partners. As at the end of 2022, there was no incident of exit of the supplier base due to violation of code of business conduct.



08

Working Diligently to Improve the Level of Compliant Operation Management

MYbank continued to promote the modern management system featuring complete regulations, standard operation and clearly defined hierarchical rights and powers strictly according to relevant laws and regulations such as the *Company Law of the People's Republic of China* and kept improving the operating efficiency of the Company. MYbank realized common development with stakeholders and contributed its bit to the building of a high-quality society.

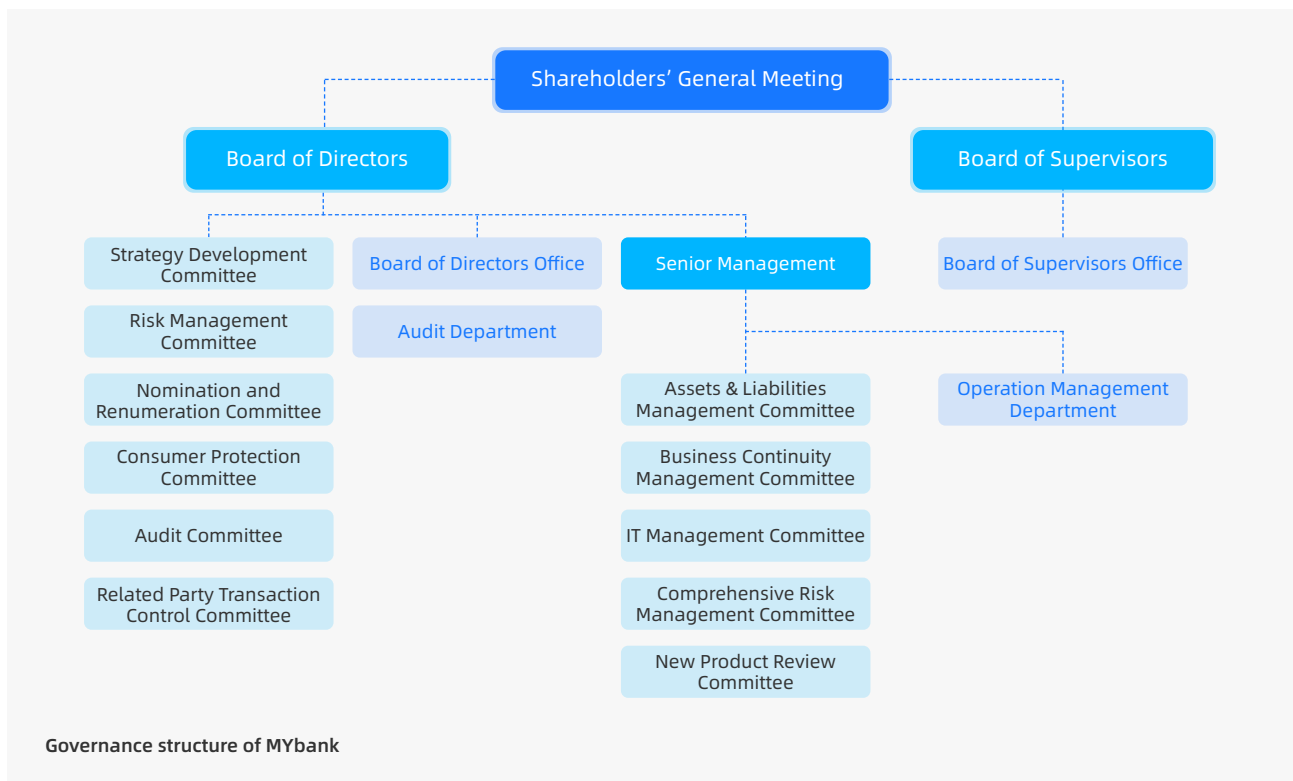
Improving Corporate Governance

MYbank has always unified strengthening the leadership of the Party and improving corporate governance and kept refining the governance structure comprising the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Management. The Company has attached great importance to protecting the legitimate rights and interests of minority shareholders and stakeholders, disclosed information with the right quality and at the right time, built a transparent and fair governance environment, further improved the level of standard operation of the Company, and strengthened corporate governance capability.

Improving Governance Level

The Company strictly follows the *Company Law of the People's Republic of China*, the *Corporate Governance Code of Banking and Insurance Institutions*, the *Corporate Governance Guidelines for Commercial Banks* and relevant laws and regulations and regulatory requirements as well as the *Articles of Association* and is committed to refining the corporate governance structure, improving the independence, diversity and professionalism of the Board of Directors, giving full play to the roles of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Management, and forming a supervision and restraint mechanism featuring efficient operation and effective check-and-balance.

The Board of Directors is the decision-making body of important matters of the Company. The Board of Directors of the Company makes decisions according to the *Articles of Association* and the authorization by the Shareholders' General Meeting, strengthens communication and contacts with the operation layer, pays close attention to global issues, and fulfills social responsibilities while protecting the Company's and shareholders' rights and interests. The Board of Directors has 6 special committees, namely, Strategy Development Committee, Risk Management Committee, Nomination and Remuneration Committee, Consumer Protection Committee, Audit Committee and Related Party Transaction Control Committee. The division of labor of the special committees is clear-cut, each one being charged with specific responsibilities. They actively



play their roles in discussion and decision-making and have ensured effective and orderly operation of the Board of Directors. In 2022, the Board of Directors held 5 meetings, reviewed and approved 74 proposals, and discussed 1 ESG topic.

The Company attaches great importance to the diversity of members of the Board of Directors and the number and professional independent opinions of independent directors. When evaluating a director candidate and making recommendations to the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors takes into full account the director candidate's gender, age, culture, educational background, professional experience, skills, knowledge and term of service. As at the end of December 2022, of the 11 directors of the Company, there were 4 independent directors and 1 female director, all of whom are senior experts in economics, law, accounting, etc. and have rich working experience in the financial industry, investment industry and technology industry. They provided professional and comprehensive support to the work of the Board of Directors.

Improving Minority Shareholder Protection Mechanism

According to relevant laws and regulations and the *Articles of Association*, the Company has fully supported minority shareholders' expression by implementing such rules of procedure as vote avoidance by interested parties and approval by a two-thirds vote regarding major issues. The Company has also strengthened the initiative and timeliness of information disclosure to ensure minority shareholders'

right to know. All chairs of the Audit Committee, the Related Party Transaction Control Committee, the Nomination and Remuneration Committee and the Consumer Protection Committee are held by independent directors, and members of some important committees are mainly independent directors. Meanwhile, independent directors give professional independent opinions on appointment of senior management members, major related party transactions, directors' remuneration, etc., fully safeguarding the legitimate rights and interests of minority shareholders.

Timely Information Disclosure with Quality

MYbank has kept improving the authenticity, accuracy, completeness and timeliness of information disclosure and has built a sound communication bridge with investors and regulators. Meanwhile, the Company has maintained continuity and consistency of information disclosure, disclosed information that affects the decision-making by investors and other stakeholders strictly according to regulatory provisions, helped create a more transparent and fairer governance environment, and displayed a good image of the Company.

Besides, to continuously practice the ESG concept and increase stakeholders' knowledge of the Company's sustainability work, the Company has released a sustainability report on its own initiative for two years straight since 2021, which has detailed the Company's measures and achievements in ESG and driven the Company's sustainable development capability to improve further.

Consolidating the Foundation of Risk Control

Upholding the risk management code of "steady innovation", MYbank has kept improving the comprehensive risk management system, optimized risk management procedures, strengthened risk management capability building, and steadily increased the breadth and depth of comprehensive risk management.

Optimizing the Risk Management System

MYbank kept in step with national strategies, adhered to its founding mission of serving micro and small businesses, and upheld the principle of stable operation. While practicing the mission of "providing financial credit services to every honest micro and small business that accompany them in their growth", MYbank controlled risks within an acceptable range and strove to realize sustainable development.

The Board of Directors of the Company defined the risk property and risk level that they are willing to bear based on annual risk appetite and took them as the basis for business decision-making. On the basis of the risk appetite approved by the Board of Directors, the Senior Management transmitted the risk appetite to business and operating activities across MYbank through measures like quota breakdown and business evaluation, and ensured no risk overruns occur through online monitoring.

In 2022, the Company organized and held 5 meetings of the Comprehensive Risk Management Committee of the Senior Management and 1 interim meeting. The meetings studied and interpreted the latest regulatory requirements, discussed current risk situations in and outside the Company, and reviewed important risk management measures. The meetings ensured timely, comprehensive and effective performance of risk management duties of the Senior Management.

Refining the "Three Lines of Defense" Mechanism

MYbank has clearly specified the responsible departments of risk management and established the "three lines of defense" management mechanism. Business lines take the direct responsibility of risk management, the responsible department of risk management is responsible for formulating policies and procedures and monitoring and managing risks, and the internal audit department is responsible for independent oversight through auditing.

MYbank has striven to build a risk culture featuring "compliance, steadiness, rationality, honesty, responsibility, all staff and full process". In 2022, MYbank issued the *Accountability Management Measures, the Employee Code of Conduct*, etc., strengthened professional integrity, and made sure that risk management played an effective role by giving sufficient authorization and data, information and resource guarantee to risk management departments.

Refining Risk Management Procedures

The Company has formulated clear, scientific and applicable risk management policies and procedures that cover comprehensive risk management, new product risk assessment and various risks including credit risk, market risk, liquidity risk, operational risk, compliance risk, money laundering risk, legal risk, reputation risk, model risk, IT risk, banking book interest rate risk, emergency response, etc. to ensure business development and risk control objectives are consistent.

In 2022, by fully leveraging Fintech advantages, the Company made risk management more digital and intelligent and continued to promote building of the risk management platforms. The Company launched five specific risk management systems for market risk, institutional risk, operational risk, model risk and agency business risk respectively, with which the Company basically realized online control of all important risk areas, laying a solid foundation for the development of a more agile and effective comprehensive risk management system.

To address the prominent model risk problem in internet business, the Company developed and launched a model risk management platform, and by changing the "three broad axes" (graying, monitoring and emergency response), which ensured the credibility of the chains launched. It has realized transparent decision-making with AI interpretability technology. It has ensured consistency in user experience and protection of vulnerable groups of models and fairness of results through fairness evaluation.

Strengthening the Building of the Professional Team for Risk Management

MYbank continued to strengthen capability building of the risk team and further improved the professional team capacity for comprehensive risk management. In 2022, the Company designed and organized a variety of learning and training activities. Throughout the year, the Company held 2 all staff meetings and 6 sharing and learning meetings of risk departments, which included topics like market risk, model risk, science and technology ethics, ChatGPT, etc. For new employees, the Company developed "A Lesson about Risks" series courses to help new employees who are not in risk-related positions understand the Company's overall risk management system and the job responsibilities of risk teams and also help new employees in risk teams establish a holistic view of risk management, thus quickly improving the synergy efficiency between risk teams.

Strengthening Internal Control and Compliance

Under the guidance of regulators and based on the focuses of daily work of departments, MYbank fully fulfilled compliance risk management responsibilities, carried out internal control and compliance management construction activities, and effectively completed all the construction tasks of internal control and compliance management.

Strengthening Compliance Governance Capability

MYbank has earnestly implemented the requirements specified in the *Compliance Risk Management Measures of Commercial Banks*, established the compliance risk management system comprising the Board of Directors, the Board of Supervisors, the Management and compliance departments and effectively advanced efficient implementation of compliance management work through a complete set of internal compliance policies

and procedures including compliance meeting system, compliance reporting system, compliance risk identification mechanism, compliance accountability mechanism and compliance evaluation mechanism. In 2022, MYbank continued to improve the level of compliance governance by building the compliance mechanism for internet loan business, strengthening the foundation of standardized management of payment channels, intensifying proactive risk monitoring and inspection of governance work, and earnestly putting in place regulatory opinions.

Application of Compliance Management Technology

Development compliance portal website. Offering specific columns on compliance management consulting, interpretation of regulatory policies, operations through business synergy, compliance culture interaction, etc., the portal website has realized the functions of efficient transmission and implementation of regulatory policies, synergy of compliance management operations, promotion of compliance culture, etc. and has become a very helpful vehicle to improve digital compliance management capability.

Business compliance self-evaluation platform. The platform has realized automated business compliance self-evaluation, closed-loop process management and standard trace leaving through digital means such as portraits of important business nodes, automatic association with business production systems, etc. During the Reporting Period, the platform was launched in various business scenarios, portrayed 27 business process nodes, associated with 5 business production systems, and covered 4 business segments, namely, internal control, credit risk management, customer rights and cash management. The platform helped further standardize the Company's compliance management.



MYbank Compliance Management Application Platform

Compliance Training and Compliance Culture Building

Holding the integrity compliance awareness week. In 2022, MYbank held "Integrity Compliance Week" series cultural activities. The Company carried out themed education and fun publicity campaigns on compliance requirements such as case control and management of behaviors of banking employees in various forms including online publicity, offline activities, training, etc. to further enhance employees' awareness of integrity compliance.

Establishing the tracking and implementation mechanism of regulatory policies. By holding periodical, timely and visual chart summarization, display and transmission activities on the implementation of important regulatory policies, MYbank enabled employees to timely learn about key regulatory policies and requirements and their implementation, strengthened employees' compliance awareness, and created a compliance management atmosphere.



The 1st "Integrity Compliance Week" of MYbank

Consolidating Anti-corruption Management Layer by Layer

Anti-corruption Management Structure and Institutional Guarantee

Management structure: establishing the Integrity Department and setting integrity posts

- They are responsible for developing policies and regulations on anti-corruption and anti-commercial bribery and holding relevant publicity and training activities of the policies and regulations.
- They are also responsible for accepting and investigating into tip-offs about corruption and commercial bribery incidents.

Policies and regulations: formulating the *Code of Business Conduct*, the *Employee Discipline Regulations* and relevant document regulations

- The policies and regulations require employees to observe laws and regulations, regulatory provisions and the Company's internal management regulations.
- The policies and regulations have specified employee integrity requirements in management of conflicts of interest, handling of gifts, participation in external activities organized by third parties, etc.
- Any employee conduct in violation of laws, ethics or public policy such as corruption and commercial bribery will be investigated and held accountable.

Improving Whistle-blowing Channels and the Whistle-blower Protection Mechanism

The Company has released its whistle-blowing channels to all employees, partners and the

social public. Employees' corrupt practices can be reported via various channels including telephone, email, the applet on Alipay, etc. The Integrity Department will verify the received clue about an employee's corrupt practice, and if it's found to be true, the Integrity Department will handle the situation according to the *Employee Discipline Regulations*. MYbank attaches great importance to protection of whistle-blowers. MYbank strictly keeps confidential the identity of the whistle-blower and the information he or she has provided and forbids attacks or retaliations in any form against the whistle-blower or the person who cooperates with the investigation or provides information or other assistance.

Holding Anti-corruption Training

The Company continued to strengthen training on anti-corruption and anti-commercial bribery. On the basis of new employee orientation training and online integrity training, the Company held training among the management, Party member representatives and key business departments and stressed the Company's management regulations on corruption and malpractices based on the Company's policies and typical cases in and outside the Company. Every year, the Company organizes the "Code of Business Conduct Certification" learning and exam facing all employees that include the Company's anti-corruption and anti-commercial bribery work requirements. The participation rate and the passing rate of testees are both 100%. In 2022, the Company held a total of 8 anti-corruption and anti-commercial bribery training sessions, which had 2,379 participants. During the Reporting Period, the Company was not involved in any corruption or commercial bribery lawsuit.

In 2022



8

The Company held a total of 8 anti-corruption



2,379 participants

Anti-corruption and anti-commercial bribery training sessions had 2,379 participants



0

During the Reporting Period, the Company was not involved in any corruption or commercial bribery lawsuit

Holding Integrity Training among the Management of the Company

In May 2022, the Integrity Department of the Company held the sharing meeting on typical cases of commercial corrupt practices among the management of the Company. Using typical cases of commercial corrupt practices in external institutions, the Integrity Department reiterated the management requirements of regulators and the Company on anti-corruption and anti-commercial bribery and asked management personnel to strengthen education and management of their departments' employees. More than 30 people including Chairman of the Board of Directors, the management and heads of tier-1 departments attended the meeting.



The integrity training

Strengthening Anti-corruption Publicity

The Company continued to conduct online and offline combined anti-corruption and anti-commercial bribery publicity and promote a culture of "integrity".

Online publicity

Based on the "24 solar terms", the Company publicized

- regulatory requirements and the Company's regulations among all employees. In 2022, the Company carried out a total of 24 publicity pushes, covering 37,000 audience.

Regarding the new *Professional Ethics and Code of Conduct of Banking Practitioners* issued by the China Banking Association in 2022, the Company held seven sessions of publicity activities.

Offline publicity

The Company placed 256 publicity tags of integrity culture

- in the office space to further enhance the awareness of regulators' and the Company's management requirements on employee conduct.

The Company organized and held the "Integrity Compliance Week" campaign, under which the Company held 43 publicity and offline fun activities, which attracted a total of 46,700 audience.

Strengthening Money Laundering Risk Management

In 2022, in line with the principle of being "risk-based", the Company earnestly fulfilled its legal obligations and social responsibility in anti-money laundering. The Company continuously pushed forward the optimization and improvement of money laundering risk governance structure and internal control system, actively implemented the money laundering risk assessment mechanism (IRA) and further intensified its efforts to crack down upon money laundering and terrorist financing. It made full use of technology, data and talent resources to innovate anti-money laundering methods and application practices, constantly improve the quality and efficiency of work, and actively respond to the money laundering risk under the digital industry. It also incorporated the ESG concept into the full money laundering risk management process, actively empowering the Company's long-term sustainable development.

Earnestly Fulfilling Anti-money Laundering Obligations

Strengthening top-level design. The Company has formulated the system of internal control policies and regulations with the *Anti-money Laundering Management Measures* as its general principles, specific anti-money laundering regulations on customer identification and safekeeping of ID data and transaction records, money laundering risk assessment and classification management, reporting of large-sum transactions and suspicious transactions, etc. as its support, with business process management and operating procedures embedded into anti-money laundering management requirements. In 2022, according to the latest laws and regulations and business realities, the Company completed the revision and updating of important rules such as the *Anti-money Laundering Management Measures* to conform to regulatory requirement changes and the latest business management needs.

Refining the governance structure. The Company has included money laundering risk management into corporate governance and the comprehensive risk management system, clearly defined the decision-making, supervision and implementation responsibilities of the Board of Directors, the Board of Supervisors and the Senior Management in anti-money laundering management, effectively promoted close cooperation among the three lines of defense. With those efforts, the Company has established a money laundering risk management featuring a sound organization, a complete structure, clearly defined responsibilities, and effective operation, constantly providing compliance support for the Company's steady development.

Improving the internal control mechanism. The Company put forth effort to strengthen mechanism, process and system building and promoted deep integration of money laundering risk control with business operation and development. The Company refined customer identification and due diligence means, conducted customer ID information governance of joint operations, and contributed to the building of a healthy interbank ecosystem. The Company fully applied technologies like intelligent algorithm model, graph processing, cloud computing, etc. in anti-money laundering scenarios, improved the identification and analysis quality of suspicious transactions, and output high-value intelligence and clues to regulators and public security organs. The Company optimized the business/product money laundering risk assessment indicator system and upgraded the assessment system and operating procedures, which helped improve the quality and efficiency of risk control. The Company strengthened internal supervision and refined management, advanced inspections and audits in an orderly manner and independently developed an intelligent anti-money laundering self-inspection system, taking a solid step in proactive money laundering risk management and preventive treatment.

Actively Exploring Innovative Anti-money Laundering Practices

Relying on abundant underlying data and information, the Company extended and built internet data sets, and worked out more scientific and effective risk management solutions through artificial intelligence and machine learning. First, the Company established a risk response and case prevention system and gradually formed a closed-loop management chain that collects risk models,

extends list mining, deploys scenario-based response, and deepens case prevention, which played a positive role in action. Second, the Company upgraded money laundering risk assessment methods. By linking institutional risk self-assessment to customer risk assessment, business risk assessment and partner risk assessment, the Company built a three-in-one assessment model that combines macro and micro indicators, comprehensive and special assessments, and qualitative and quantitative analysis to facilitate optimal allocation of money laundering risk management resources. Third, the Company refined the customer identity authentication system. With "real name, real person and real evidence" as the starting point and objective, the Company further refined the ID information collection chain and built a unified, independent customer identity authentication center and an ID information storage center. With those efforts, the authenticity, completeness and effectiveness of customer information improved significantly. Fourth, the Company applied graph processing in money laundering risk identification, and made the identification of gang customers with risks more efficient by more than ten times, helped quickly sense and deeply dive into money laundering risk, effectively prevented and precisely cracked down on money laundering crimes, and safeguarded economic and financial security.

Actively Holding Anti-money Laundering Education, Publicity and Training

Internally, the Company continued to strengthen anti-money laundering duty performance capability building among employees. Facing different positions such as management, employees in anti-money laundering related positions, employees of business departments, new employees, etc., the Company held multi-dimensional anti-money laundering training. The contents of the training included interpretation of regulatory policies, the change trend of money laundering risk, anti-money laundering operations, business risk control, anti-money laundering data security and confidentiality, etc. In 2022, the Company held a total of 25 anti-money laundering training sessions, which had more than 3,600 attendees. The training covered all dead angles and all relevant personnel, all of whom passed the training. The training

helped further improve employees' money laundering risk awareness and business skills.



Employees' anti-money laundering training

Externally, the Company actively spread anti-money laundering related financial knowledge. Centering around regulatory requirements and hot social issues, the Company, by making full use of the mode of launching content matrixes via various online and offline channels, carried out publicity activities facing employees and the social public that have novel topics and rich contents and are close to business and customer realities. Throughout 2022, a total of more than 10 such activities were held, which had more than 2.2 million audiences. In 2022, together with Ant Group, the Company held the anti-money laundering knowledge lecture "Let's Talk about Anti-money Laundering" facing more than 50 media and creatively used the online answer contest "Question Planet" to popularize anti-money laundering knowledge. Those activities increased the anti-money laundering understanding and awareness of the public, further drove the public to resist money laundering crime, strengthen self-protection, and actively fulfilled corporate social responsibility.



Anti-money laundering publicity

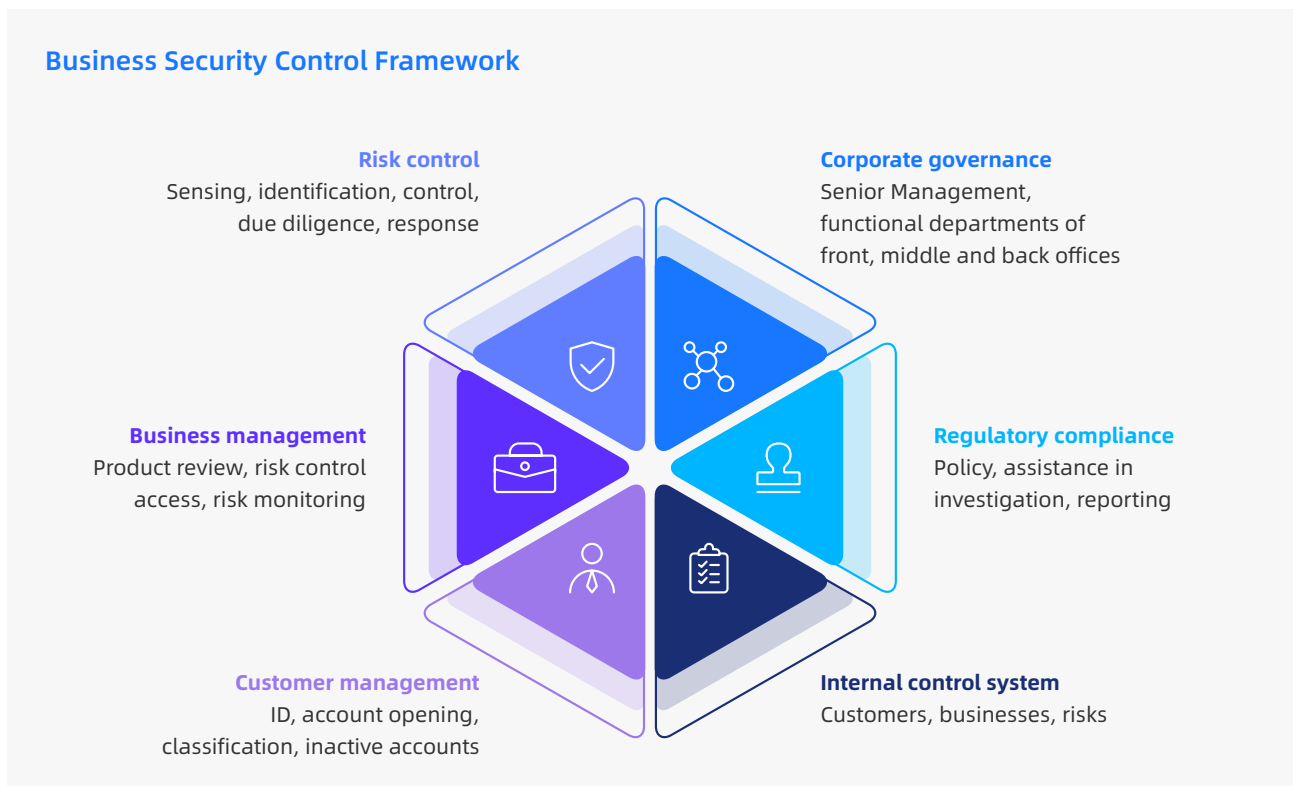
Remaining Committed to Sustainable Development in the area of Anti-money Laundering

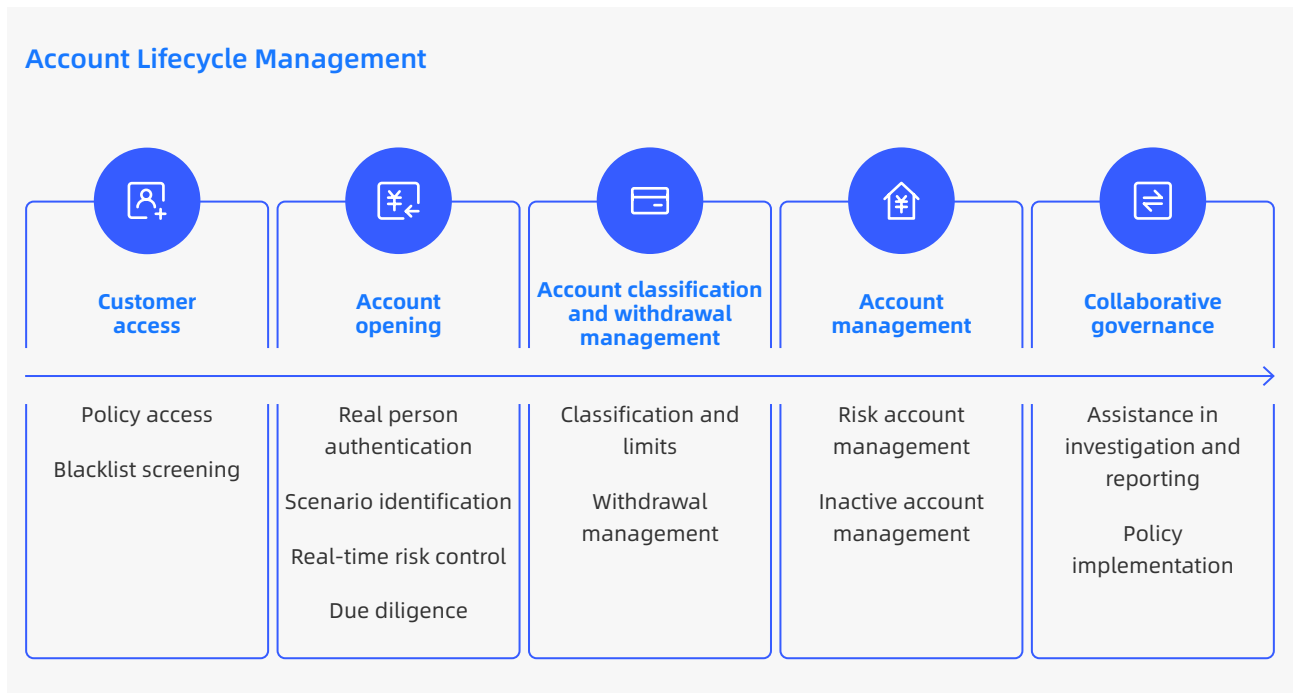
Adhering to ESG and sustainable development concepts, the Company fully integrated advanced technologies (such as cloud computing, big data and artificial intelligence) and money laundering risk management tools, consistently advanced the exploration and practice of internal and external public opinion information monitoring, money laundering risk case database building and other projects, promoted joint prevention and control in respect of money laundering risk management with partners through science and technology sharing, committed itself to reducing

money laundering risk transmission or diffusion within and across industries and stepped up the overall anti-money laundering measures and risk control of the financial ecosystem. At the same time, the Company launched the "Analysis and Consultation Workshop" for suspicious transactions on a pilot basis, and established a mechanism for rapid transfer of intelligence clues to regulators and public security organs, significantly improving the timeliness of case crackdown and the conclusion rate of money laundering cases, further helping to recover stolen money and losses, safeguarding the funds of customers and the public, and maintaining national financial security and social stability.

Strengthening Anti-fraud to Fully Protect Customers' Property

With the progress of scientific and technological development and the internet, many lawbreakers have taken advantage of weak points and used media like telephone, QQ, WeChat and email to commit crimes, posing safety threats to the property of the public. Seeing it as its own duty to safeguard customers' property, the Company took severe measures against telecommunications fraud. Meanwhile, the Company leveraged the forces of "Tech for Social Good" and promptly took such measures as screening, interception, suspension, warning, dissuasion, etc. via anti-fraud models to prevent customers from being tricked.





Including Anti-fraud as a Product Responsibility

The Company installed real-time anti-fraud identification and control measures in the full chains of user login, payment and loan drawdown to promptly dissuade users who are likely to be swindled with such measures as interception of transaction, outbound calls, anti-fraud examination, pop-up windows, etc. In 2022, zero fraud case involving a large sum of RMB500,000 or above occurred. The Company educated customers with a transaction amount of over RMB100,000 on anti-fraud knowledge on a daily basis. 99% of the customers being swindled were promptly dissuaded in the transaction process or their transactions were intercepted. Meanwhile, the Company continued to optimize the customer relations and limit lifting procedures after control and effectively improved customer experience.

Continuing to Carry out Anti-fraud Publicity



Pre-lending anti-fraud prompts

Continuing to carry out anti-fraud publicity

Anti-fraud Knowledge Goes to Campuses

In 2022, under the guidance of the People's Bank of China Hangzhou Center, etc., the Company went to Hangzhou Vocational & Technical College and actively popularized common sense about anti-fraud.



The anti-fraud session of the financial literacy campaign of MYbank in Hangzhou Vocational & Technical College

Protecting Intellectual Property

Establishing an Intellectual Property Management System

The Company has established an intellectual property management system according to the national standard *Corporate Intellectual Property Management Regulation*(GB/T 29490-2013), which includes a series of measures such as management regulations, patent reward policy, implementation plan of strategic planning, etc., and periodically holds training of legal knowledge about intellectual property such as patents and know-how among employees.

Making an all-round arrangement for intellectual property rights around innovation

As innovation investment is rising and in order to protect innovation and form sustainable competitiveness, the Company has carried out scientific planning and arrangement around innovation in intellectual property rights (such as patents and trademarks), made patent layout at home and abroad in the aspects of artificial intelligence, intelligent computing, privacy computing, blockchain, information security and risk control, and formed a high-value patent portfolio, so as to secure the business development of the Company.

Appendix 1 ESG Awards

Award	Granted by	Date
Demonstration Enterprise Award of CSR Practices of Leading Brands of Hangzhou at the 2021 Hangzhou Entrepreneur Leaders' Summit	Hangzhou Daily	January 2022
Outstanding Inclusive Finance Award	JRJ.com	January 2022
2021 Innovation Results of Digital Inclusive Finance of China - MYbank "Goose" Digital Supply Chain Finance System	Organizing Committee of China Digital Inclusive Finance Conference	January 2022
2021 Innovation Results of Digital Inclusive Finance of China - MYbank "Tomtit" Satellite Remote Sensing Risk Control System	Organizing Committee of China Digital Inclusive Finance Conference	January 2022
Supply Chain Financial Service Bank of the Year of the "Excellent Institution Awards"	jiemian.com	January 2022
2022 Science and Technology Awards of the Chinese Institute of Electronics - First Prize of Scientific and Technological Progress Award (Intelligent Analysis Technique and Large-scale Complex Heterogeneous Graph Data and Its Scale Application)	Chinese Institute of Electronics	February 2022
One of the first cases of reform and innovation in green finance of Guangzhou	Guangzhou Green Finance Association	June 2022
2022 Anxin Awards: "E-commerce Financial Service Platform of the Year" - MYbank	jiemian.com	July 2022
Second Prize of "Strong Network Cup" National Cybersecurity Challenge	Cyberspace Administration of China, People's Government of Henan Province	August 2022
"Wangding Cup" Cybersecurity Contest	The Ministry of Public Security of the People's Republic of China	August 2022
2022 "Innovation China" Fintech Innovation Results Award - "Goose" system	China Association for Science and Technology, China Institute of Communications	September 2022
2022 "Innovation China" Fintech Innovation Results Award - "Lark" system	China Association for Science and Technology, China Institute of Communications	September 2022
Typical Case of "Financial Support for Comprehensive Implementation of Rural Revitalization" - MYbank	Research Center for Rural Economy of the Ministry of Agriculture and Rural Affairs, China Economic Information Service	November 2022
First Prize of "Financial Cryptography" National Cryptography Contest	The People's Bank of China, State Cryptography Administration	November 2022
2022 Digital Reform Data Application Innovation Contest of Banking and Insurance Industries of Zhejiang - Banking Institutions - Second Prize of Group Award	Zhejiang Working Committee of Chinese Financial Workers' Union	November 2022
IDC Future Intelligent Leaders - "Lark" system	International Data Corporation (IDC)	November 2022
2022 (The 2 nd) "Jin Xin Tong" Innovative Fintech Application "Most Socially Beneficial Case" - "Lark" system	China Academy of Information and Communications Technology	November 2022
IDC Digital Supply Chain Leader in Asia Pacific - "Goose" system	International Data Corporation (IDC)	December 2022
2022 Global Digital Trade Expo Pioneer Award - "Goose" system	Global Digital Trade Expo	December 2022

Appendix 2 ESG Performance

Economic performance

Indicator	Unit	As at the end of 2022/2022
Total assets	RMB hundred million	4,410.89
Operating income	RMB hundred million	156.86
Net profit	RMB hundred million	35.38
Shareholders' equity	RMB hundred million	214.97
Capital adequacy ratio	%	11.50
Allowance to NPLs ratio	%	257.39

Environmental performance

Energy consumption and greenhouse gas (GHG) emissions ¹

Indicator	Unit	As at the end of 2021/2021	As at the end of 2022/2022
Natural gas consumption	Ten thousand m ³	0.88	4.39
Total consumption of purchased electricity	MWh	1,760.75	4,451.10
Total consumption of purchased heat	GJ	0	0
Power consumption of rent data centers	MWh	31,460	50,392
GHG emissions			
Scope 1 GHG emissions ²	ton carbon dioxide equivalent	57.08	252.58
Scope 2 GHG emissions ³	ton carbon dioxide equivalent	659.62	123.03

Waste management

Indicator	Unit	As at the end of 2021/2021	As at the end of 2022/2022
Non-hazardous waste ⁴	ton	512.40	393.57
Household waste	ton	281.77	210.63
Kitchen waste	ton	230.63	182.94

Note: 1.The statistical scope of environmental benefit is the office of MYbank.

2.Scope 1 emissions refer to direct GHG emissions, including emissions from stationary combustion sources and mobile combustion sources and escape emissions. Because MYbank does not own vehicles, there are no direct GHG emissions from mobile combustion sources.

3.Scope 2 emissions refer to indirect GHG emissions of energy, including purchased electricity and purchased heat.

4.Household waste and kitchen waste were disposed of reasonably by professional institutions.

Social performance

Employees hired

Indicator	Unit	As at the end of 2021/2021	As at the end of 2022/2022
Total number of employees who signed a labor contract with the Company	Person	1,533	1,579
Number of new male employees	Person	368	111
Number of new female employees	Person	196	99
Number of foreign employees	Person	4	4
Number of employees from Hong Kong, Macao or Taiwan	Person	3	3
Number of ethnic minority employees	Person	69	71
Number of employees with disabilities	Person	0	0
Number of employees by gender			
Number of male employees	Person	1,025	1,013
Number of female employees	Person	508	566
Proportion of female employees	%	33.14	35.85
Number of employees by age			
Number of employees aged 35 or younger	Person	1,280	1,256
Number of employees aged between 36 and 55	Person	253	323
Number of employees aged 56 or older	Person	0	0
Number of employees by educational background			
Number of employees with a master's degree or above	Person	728	798
Number of employees with a bachelor's degree	Person	769	741
Number of employees with a degree below bachelor's degree	Person	36	40

Employee rights and welfare

Indicator	Unit	As at the end of 2021/2021	As at the end of 2022/2022
Labor contract signing rate	%	100	100
Social insurance coverage	%	100	100
Employee health checkup coverage*	%	100	100
Number of labor discrimination incidents	No.	0	0
Number of employees who died on the job	Person	0	0
Proportion of employees who died on the job	%	0	0
Number of working days lost due to work-related injuries	Day	0	0
Amount of assistance to employees	RMB ten thousand	20.50	20.00
Number of assistance provision times to employees	Person	3	2

* The Company offered free health checkup to all employees.

Employee development and training

Indicator	Unit	As at the end of 2021/2021	As at the end of 2022/2022
Employee training coverage	%	100	100
Total expenditure of employee training	RMB ten thousand	77.55	73.35
Total number of employee training sessions	Session	400	573
Number of training attendees	person-times	89,000	83,515

Appendix 3 Contribution to United Nations Sustainable Development Goals (SDGs)

The 17 UN SDGs, with a focus on the development issues in the economy, environment and society, have put forward the common challenges faced by humanity about poverty, inequality, climate change, environmental degradation, prosperity and peace and justice and drawn a beautiful blueprint for the sustainable development of mankind. Upholding its sense of social responsibility as a financial institution, MYbank associated its own development with the UN SDGs and constantly deepened duty performance methods and the responsibility management system to contribute to the realization of corresponding SDGs by 2030.

We supported the following SDGs through cutting-edge products and technical services

1: No poverty
 2: Zero hunger
 7: Affordable and clean energy
 9: Industry, innovation and infrastructure
 11: Sustainable cities and communities
 12: Responsible consumption and production
 13: Climate action

We supported the following SDGs through sound corporate management

5: Gender equality
 8: Decent work and economic growth
 10: Reduced inequalities
 12: Responsible consumption and production
 13: Climate action
 16: Peace, justice and strong institutions

We supported the following SDGs through active communication with stakeholders

3: Good health and well-being
 4: Quality education
 11: Sustainable cities and communities
 17: Partnerships for the Goals

Appendix 4 GRI Standards for Sustainability Reporting

GRI Indicators	Interpretations	Section
GRI 2 General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	Report Preparation Instructions Company Profile
2-2	Entities included in the organization's sustainability reporting	Report Preparation Instructions
2-3	Reporting period, frequency and contact point	Report Preparation Instructions
2-4	Restatements of information	N/A
2-5	External assurance	N/A
Activities and workers		
2-6	Activities, value chain and other business relationships	Company Profile
2-7	Employees	Putting People First and Fully Supporting Employee Development
2-8	Workers who are not employees	N/A
Governance		
2-9	Governance structure and composition	Improving Corporate Governance
2-10	Nomination and selection of the highest governance body	Improving Corporate Governance
2-11	Chair of the highest governance body	Improving Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Improving Corporate Governance ESG management structure
2-13	Delegation of responsibility for managing impacts	Improving Corporate Governance ESG management structure
2-14	Role of the highest governance body in sustainability reporting	ESG Sustainability Strategy
2-15	Conflicts of interest	Strengthening Internal Control and Compliance
2-16	Communication of critical concerns	Improving Corporate Governance
2-17	Collective knowledge of the highest governance body	ESG Sustainability Strategy
2-18	Evaluation of the performance of the highest governance body	See the 2022 annual report
2-19	Remuneration policies	See the 2022 annual report

GRI Indicators	Interpretations	Section
2-20	Process to determine remuneration	See the 2022 annual report
2-21	Annual total compensation ratio	See the 2022 annual report
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	ESG Sustainability Strategy
2-23	Policy commitments	Message from the Chairman Company Profile
2-24	Embedding policy commitments	Message from the Chairman Company Profile
2-25	Processes to remediate negative impacts	Consolidating the Foundation of Risk Control
2-26	Mechanisms for seeking advice and raising concerns	Protecting Customers' Financial Health Strengthening Internal Control and Compliance
2-27	Compliance with laws and regulations	Working Diligently to Improve the Level of Compliant Operation Management
2-28	Membership associations	N/A
Stakeholder Involvement		
2-29	Approach to stakeholder engagement	Communication with Stakeholders
2-30	Collective bargaining agreements	N/A
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	Annual Materiality Analysis
3-2	List of material topics	Annual Materiality Analysis
3-3	Management of material topics	Annual Materiality Analysis
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	Economic performance
201-2	Financial implications and other risks and opportunities due to climate change	Promoting the construction of the Green Finance System
201-3	Defined benefit plan obligations and other retirement plans	Upholding Equal Employment and Protecting Employees' Rights
201-4	Financial assistance received from government	N/A

GRI Indicators	Interpretations	Section
GRI 202 Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Undisclosed
202-2	Proportion of senior management hired from the local community	Undisclosed
GRI 203 Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Working with One Heart to Build a Better Home Boosting Rural Revitalization by Empowering County and Rural Finance with Digital Technology Shifting from Expanding the Coverage of Inclusive Finance to Improving the Financial Health of Micro and Small Customers
203-2	Significant indirect economic impacts	Working with One Heart to Build a Better Home Boosting Rural Revitalization by Empowering County and Rural Finance with Digital Technology Shifting from Expanding the Coverage of Inclusive Finance to Improving the Financial Health of Micro and Small Customers
GRI 204 Procurement Practices 2016		
204-1	Procurement Practices	Undisclosed
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Strengthening Internal Control and Compliance
205-2	Communication and training about anti-corruption policies and procedures	Strengthening Internal Control and Compliance
205-3	Confirmed incidents of corruption and actions taken	N/A
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
GRI 207 Tax 2019		
207-1	Approach to tax	See the 2022 annual report
207-2	Tax governance, control, and risk management	See the 2022 annual report
207-3	Stakeholder engagement and management of concerns related to tax	See the 2022 annual report
207-4	Country-by-country reporting	N/A
GRI 301 Materials 2016		
301-1	Materials used by weight or volume	Environmental performance

GRI Indicators	Interpretations	Section
301-2	Recycled input materials used	Undisclosed
301-3	Reclaimed products and their packaging materials	Undisclosed
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Environmental performance
302-2	Energy consumption outside of the organization	Environmental performance
302-3	Energy intensity	Environmental performance
302-4	Reduction of energy consumption	Practicing Low-Carbon Operation
302-5	Reductions in energy requirements of products and services	Practicing Low-Carbon Operation
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	N/A
303-2	Management of water discharge-related impacts	Undisclosed
303-3	Water withdrawal	Undisclosed
303-4	Water discharge	Environmental performance
303-5	Water consumption	Environmental performance
GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products and services on biodiversity	N/A
304-3	Habitats protected or restored	N/A
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmental performance
305-2	Energy indirect (Scope 2) GHG emissions	Environmental performance
305-3	Other indirect (Scope 3) GHG emissions	Undisclosed
305-4	GHG emissions intensity	Environmental performance
305-5	Reduction of GHG emissions	Practicing Low-Carbon Operation

GRI Indicators	Interpretations	Section
305-6	Emissions of ozone-depleting substances (ODS)	Undisclosed
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Undisclosed
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	Environmental performance
306-2	Management of significant waste-related impacts	Undisclosed
306-3	Waste generated	Environmental performance
306-4	Waste diverted from disposal	Undisclosed
306-5	Waste directed to disposal	Undisclosed
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Undisclosed
308-2	Negative environmental impacts in the supply chain and actions taken	N/A
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	Upholding Equal Employment and Protecting Employees' Rights
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Putting People First and Fully Supporting Employee Development
401-3	Parental leave	Upholding Equal Employment and Protecting Employees' Rights
GRI 402 Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	N/A
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Protecting Employees' Health and Creating a Safe Workplace
403-2	Hazard identification, risk assessment, and incident investigation	Protecting Employees' Health and Creating a Safe Workplace
403-3	Occupational health services	Protecting Employees' Health and Creating a Safe Workplace
403-4	Worker participation, consultation, and communication on occupational health and safety	Protecting Employees' Health and Creating a Safe Workplace
403-5	Worker training on occupational health and safety	Protecting Employees' Health and Creating a Safe Workplace
403-6	Promotion of worker health	Protecting Employees' Health and Creating a Safe Workplace

GRI Indicators	Interpretations	Section
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Protecting Employees' Health and Creating a Safe Workplace
403-8	Workers covered by an occupational health and safety management system	Protecting Employees' Health and Creating a Safe Workplace
403-9	Work-related injuries	Social performance
403-10	Work-related ill health	Protecting Employees' Health and Creating a Safe Workplace
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	Unlocking the Potential for Innovation and Helping Employees Grow
404-2	Programs for upgrading employee skills and transition assistance programs	Unlocking the Potential for Innovation and Helping Employees Grow
404-3	Percentage of employees receiving regular performance and career development reviews	Undisclosed
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Improving Corporate Governance Upholding Equal Employment and Protecting Employees' Rights
405-2	Ratio of basic salary and remuneration of women to men	Undisclosed
GRI 406 Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	N/A
GRI 407 Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	N/A
GRI 409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
GRI 410 Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	N/A
GRI 411 Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	N/A

GRI Indicators	Interpretations	Section
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Working with One Heart to Build a Better Home
413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Fulfilling Supplier Management Responsibilities
414-2	Negative social impacts in the supply chain and actions taken	Fulfilling Supplier Management Responsibilities
GRI 415 Public Policy 2016		
415-1	Political contributions	N/A
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Protecting Privacy and Information Security Protecting Customers' Financial Health
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	N/A
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A
GRI 418 Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

Appendix 5 Feedback Form

Dear readers,

Hello! Thank you for taking time to read Zhejiang MYbank Co., Ltd 2022 Sustainability Report. In order to provide you and other stakeholders with more valuable information and continuously improve our environmental, social and governance work, we hope you would give us your suggestions regarding this report. You may send us your feedback in any of the following ways:

Address: 9F, Building D & 3F-8F, Building E, Alibaba Center, 556 Xixi Road, Gudang Street, Xihu District, Hangzhou City, Zhejiang Province

Zip Code: 310013

Tel.: 0571-28122705

Website: www.mybank.cn

1. Please identify yourself with one of the following options:

- Shareholder or investor Customer Employee Government or regulator
 Supplier or partner Community Public or media Others

2. What's your overall impression of this report?

- Excellent Good Acceptable

3. Do you think this report has fully reflected MYbank's environmental, social and governance performance?

- Yes Acceptable No

4. Do you think the information, data and indicators disclosed in this report are clear, accurate and complete?

- Yes Acceptable No

5. Do you think the content arrangement and format design of this report are well organized, easy to understand and convenient to read?

- Yes Acceptable No

6. Do you have other suggestions on the preparation of this report or MYbank's environmental, social and governance work?

Thank you very much for your support and help to MYbank.



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