

# **China Construction Bank**

## **Debt Collection Policy Overview**

### **Purpose of the Policy**

In order to regulate debt collection workflow and improve the management mechanism of debt collection business, China Construction Bank (hereinafter referred to as “CCB”) has formulated specific policy on debt collection based on regulatory requirements and business needs, which includes management measures, management regulations, and operational procedures, effectively protecting the legitimate rights and interests of consumers and promote the sound and stable advancement of business.

### **Scope of Application**

The debt collection policy of CCB is applicable to all employees of CCB and its subsidiaries and apply to various personal loan businesses and products such as business loans, housing loans, consumption loans and credit cards.

### **Working Mechanism**

1. Collection methods. The collection methods of CCB are divided into two categories: manual collection and non-manual collection. The manual collection includes collection by phone calls, face-to-face contact and judicial proceedings. While non-manual collection methods consist of collection through intelligent voices, short message services, letters and emails, and overdue reminders from other internal channels (such as outlet counters, smart teller machines, ATM, mobile banking and online banking). CCB also conducts outsourced collection in line with the actual situation.

2. Repayment reminders. The Remote Intelligent Banking Center of CCB adopts the “smart + manual” approach to provide “warm and cozy” differentiated repayment reminder services to customers whose loans are about to mature, mature and overdue according to their different situations. The center provides pre-reminders for personal loans and farmers’ loans that are about to mature, and timely repayment reminders for personal loans that are mature. Besides, it offers differentiated repayment reminder services for credit card non-risk accounts overdue within 60 days, personal loans, small enterprise loans and farmers’ loans overdue within 30 days.

## **Consumer Rights and Interests Protection**

CCB emphasizes the protection of consumer rights and interests in debt collection and completely avoids violent collection and collection from third parties unrelated to the debt. It strives to create “warm and cozy” repayment reminders.

1. CCB implements the concept of equal negotiation, uses less technical terms that customers may get confused about, provides solutions from the perspective of empathy and welcomes customers to choose their solutions with warm care.
2. CCB provides repayment reminders in a regulated and orderly manner. CCB avoids initiating collection from third parties unrelated to debts and collection in the name of administrative organs and judicial authorities. No script involving threat, intimidation and fraud is allowed, so as to effectively protect customer experience.
3. CCB strengthens intelligent applications, actively expands intelligent services, and makes every effort to contact customers to reduce their cost of forgetting repayment.
4. CCB improves the operation procedures and provides collection reminders based on laws and regulations. It has established a fair, courteous and clear communication basis, reasonably arranges the time for collection reminders, strictly requires collection by means of legal compliance and strengthens supervision, assessment and management.
5. CCB respects customer privacy and processes customer personal information in accordance with the principles of lawfulness, legitimacy, necessity and integrity. Information gathering should be limited to the minimum scope to achieve the purpose of processing. Disclosure of customer information is prohibited.
6. CCB strengthens its management of outsourced collection and clarifies the working requirements and operational specifications for outsourced collection. Its policies toughen the supervision and assessment of outsourcing institutions, require strict implementation of requirements such as personal information protection, and further standardize the control of the outsourced collection process.

## **Training Requirements**

CCB continuously carries out online and offline training for post-lending managers, with training content covering collection policies, system applications, complaint management, pilot experience and classical cases. The training is organized no less than once a year to ensure that employees are familiar with relevant laws and regulations and internal

policies.

CCB provides pre-service training and in-service business training for employees engaged in repayment reminders to guarantee pre-service and in-service sustaining training. First, employees are trained in new business knowledge and new processes through pre-work meetings. Second, CCB provides special training. Targeted training is carried out for problems found in business operations. Third, CCB organizes sharing and training of excellent cases. It summarizes good service cases and conducts case sharing and training.

CCB holds an annual capability enhancement training course for personal non-performing loan collection and disposal in CCB, and carries out training in branches from policy interpretation, compliance requirements and operation key points, so as to effectively strengthen the awareness of compliant operations of branches. Tier-one branches regularly conduct training and transfer training for institutions within their jurisdiction to ensure that relevant policies and processes are properly interpreted.

The policy overview is written in simplified Chinese with English version. If there is any difference between the two versions, the simplified Chinese version shall prevail.