



finance  
initiative

Principles for  
**Responsible Banking**

# Responsible Banking Progress Statement for PRB Signatories

[Xiamen Bank Co., Ltd.] 2024



# Summary template

## Xiamen Bank Co., Ltd. 2024

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p><b>Content</b> Briefly describe your bank’s sustainability strategy, and which international, regional or national frameworks and UN Sustainable Development Goals it aims to align with. Note any changes in the reporting year.</p> <p><b>Response:</b> Xiamen Bank Co., Ltd. (“Xiamen Bank” or “we”) was established in 1996 as the first urban commercial bank on the Chinese mainland with investment from the Taiwan region. We were honored as a “National Civilized Unit” in 2020. As of the end of 2024, our total assets amounted to RMB 407.795 billion with a credit rating of AAA. Our business covers deposits, loans, settlement, and foreign exchange services, with branches in Fujian Province and Chongqing Municipality. We remain focused on high-net-worth individuals, small and medium-sized enterprises (SMEs), inclusive micro and small businesses (MSBs), and Customers from both sides of Taiwan strait. In 2024, we generated</p>	<p><b>Content</b> Briefly describe the bank’s most significant impact areas and the steps taken to identify, measure and manage them—including impact analysis results, targets set (including sectors, portfolio coverage, and KPIs), actions taken, and progress against the targets. Where targets have been set, share details of the bank’s transition/action plan, and progress made. Explain how the bank addressed interlinkages between impact areas where possible.</p> <p><b>Example Progress Indicators</b> % of bank’s portfolio covered by the impact analysis and each set target Updated values of KPIs defined by bank to measure progress against targets</p> <p><b>Response:</b> Xiamen Bank’s corporate loan portfolio primarily comprises wholesale and retail, manufacturing, leasing and business services, construction, and real estate sectors. All of our corporate banking businesses are included in the impact assessment scope.</p>	<p><b>Content</b> Briefly describe how the bank works responsibly with clients and customers in relation to significant impacts, including products and services offered, internal policies and processes and engagement to implement targets/action plans/transition plans to encourage sustainable practices/economic activities. Note any changes in the reporting year.</p> <p><b>Example Progress Indicators</b> % of clients and/or customers engaged in key sectors in areas of significant impact. USD sustainable finance volume mobilized and/or as a percentage of the global or sector portfolio</p> <p><b>Response:</b> Xiamen Bank had a total green loan balance of RMB 13.07 billion (per National Financial Regulatory Administration (NFRA) criteria) as of the end of 2024, representing an increase of RMB 5 billion from the beginning of the year. We supported low-carbon transition through a range of</p>

<p>revenue of RMB 5.759 billion, 60.79% of which was generated in Xiamen, and a net profit of RMB 2.706 billion. For more details on our business performance, please see the following sections of the Annual Report: Management Discussion and Analysis – Key Performance During the Reporting Period – Balance Sheet Analysis – Loans and Advances – Industry Breakdown.</p> <p>To align with China’s dual carbon policies and advance the “five major areas” in finance (i.e., technology finance, green finance, inclusive finance, pension finance, and digital finance), we have established our <i>2024–2026 Sustainability (ESG) Strategic Plan</i> and the <i>Green Finance Work Plan of Xiamen Bank Co., Ltd.</i> Additionally, we also issued the <i>Xiamen Bank Co., Ltd. Credit Policy (2024)</i> underscoring a “Green + Dual Carbon” orientation, supported by proactive measures in product development and organizational restructuring. For more details on our strategy and action plans, please see “Climate and Environmental Impact of Investment and Financing – Xiamen Bank’s Environmental Policies and Systems (pp. 44–45)”.</p>	<p>Through impact analysis aligned with national and provincial policies, we have identified two critical impact areas: climate stability and availability, accessibility, affordability, quality of resources and services. These areas align with Sustainable Development Goal (SDG) 9: Industry, Innovation and Infrastructure. Pursuant to China’s initiative to advance the “five major areas” in finance and Fujian’s policies, we have set two targets: one for green finance and the other for technology finance. The former target primarily addresses climate stability, while the latter focuses on improving the availability, accessibility, affordability, quality of resources and services. Both targets also contribute to achieving related SDGs. The growth rates of green credit and loans to technology-based enterprises have been selected as our primary performance indicators, with 2024 year-end data as baselines. Our SMART targets are that over the next two years (through the end of 2026), the growth rates for these portfolios outpace those of other loan categories.</p> <p>To achieve these targets, we will strengthen organizational implementation, enhance institutional support, innovate products and services, and conduct climate stress testing. We have also introduced a technology finance strategy to “serve technology-based enterprises with value creation and long-term partnerships.” Both green finance and technology finance have been incorporated into our performance assessment framework. For more details on our measures, please see “Serving the Real Economy –</p>	<p>services, including green credit, carbon reduction-linked loans, green bond investments, green leasing, “Green Bill Connect” re-discounting, and digital credit cards. We have also successfully issued RMB 3.5 billion in green financial bonds to fund projects related to energy conservation, clean production, renewable energy, and green infrastructure upgrades. During the reporting period, we issued our first carbon emission reduction loan, Fujian’s first marine carbon sink pledge loan, and the province’s first batch of transition finance loans for the steel industry. We will continue to deepen innovation in green, blue, and sustainable finance. For more details, please see “Climate and Environmental Impact of Investment and Financing – Innovation in Green Products and Services (pp. 46–49)” in our <i>Sustainability Report</i>.</p> <p>Xiamen Bank’s technology finance loan balance reached RMB 11.967 billion as of the end of 2024, up RMB 3.016 billion or 33.69% from 2023 (per NFR<sup>A</sup> criteria). Technology-based enterprises are categorized into “startup,” “growth,” and “maturity” phases based on their development stages, with tailored financial products provided for each phase. These include IP pledge loans, technology credit loans, high-tech enterprise loans, and technical upgrade loans, as well as comprehensive financial packages covering standard loans, bills, settlement services, and bond issuance and underwriting. For more details, please see “Serving the Real Economy –</p>
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	Technology Finance (p. 76)” in our <i>Sustainability Report</i> .	Technology Finance (pp. 78–80)” in our <i>Sustainability Report</i> .
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<p><b>Principle 4:</b> <b>Stakeholders</b></p> <p><b>Content</b> Briefly describe how the bank consults, engages and collaborates/partners with relevant stakeholders for the purpose of implementing the Principles. This could include understanding impacts, setting ambitious targets, advocating for enabling regulatory/policy environments, and creating partnerships that contribute to addressing significant impacts. Note any changes in the reporting year.</p> <p><b>Response:</b> To support Xiamen’s application for Green Finance Innovation Pilot Zone, Xiamen Bank engaged in several research initiatives in green finance and received multiple honors. We led the development of the <i>Research Report on Cross-Strait Green Finance Cooperation</i> and participated in the <i>Research Report on the Valuation of Marine Carbon Sinks and Other Ecosystem Products</i>. Our submission on <i>Clean Power Facilities</i> was recognized as an Excellent Case at a selection event co-organized by the Xiamen Office of the National Financial Regulatory Administration and other government authorities. For more details, please see “Climate and Environmental Impact of Investment and Financing – Green Finance Research (p. 60)” in our <i>Sustainability Report</i>.</p>	<p><b>Principle 5:</b> <b>Governance &amp; Culture</b></p> <p><b>Content</b> Briefly describe the key governance structures in place (Board and Executive level) and related accountability mechanisms to implement the Principles. This could include how governance supports your bank’s management of significant impacts and risks, including target implementation and monitoring of action/transition plans. In addition, briefly describe how a culture of responsible banking is driven internally (e.g. via employee learning &amp; development). Note any changes or progress in the reporting period.</p> <p><b>Example Progress Indicators</b> Details of remuneration practices linked to sustainability targets. % of employees trained on responsible banking topics.</p> <p><b>Response:</b> Xiamen Bank has established a robust ESG governance framework featuring a three-tier structure: the Board of Directors and its specialized committee, an ESG Steering Group, and dedicated working groups. This framework integrates ESG considerations into strategic planning and major decision-making, laying a solid foundation for sustainable development goals. For more details, please see “ESG Governance Framework (p. 11)” in our <i>Sustainability Report</i>.</p>	<p><b>Principle 6:</b> <b>Transparency &amp; Accountability</b></p> <p><b>Content</b> Provide reference to additional relevant reports, if not listed as references with P1–P5. Briefly note whether/where assurance of sustainability information has been undertaken (optional).</p> <p><b>Response:</b> Xiamen Bank commissioned SynTao Green Finance Co., Ltd. to conduct an independent third-party assurance on its Sustainability Report 2024. The assurance statement can be found on page 159 of the report.  SynTao GF utilized AA1000AS v3 as the reference standard for assurance services. The type and depth of assurance conducted in this instance were categorized as “Type 2, Moderate Assurance”.</p>
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	<p>Xiamen Bank fosters an internal green finance culture through training programs and ESG-linked performance evaluations. More details can be found in our <i>Sustainability Report</i>'s "ESG Strategy – Capacity Building (p. 16)".</p> <p>We revised our <i>Comprehensive Risk Management Policy</i> to integrate ESG factors into our risk management framework, including the assessment of climate-related risks and opportunities. We also issued the <i>Xiamen Bank Co., Ltd. Credit Policy (2024)</i>. For more details, please see "Green Finance and Climate Response – Strategy (pp. 25–26) and Green Finance and Climate Response – Impact, Risk, and Opportunity Management (pp. 33–36)" in our <i>Sustainable Report</i>.</p>	
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# Supplements templates

## Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

### Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

### Links & references

<http://www.xmccb.com/upload/ew/20240830100432469.pdf>

Xiamen Bank 2024 Annual Report

<http://www.xmccb.com/upload/ew/20250506180809185.pdf>

Xiamen Bank Co., Ltd. Sustainability Report 2024

<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

### Response

Xiamen Bank Co., Ltd. ("Xiamen Bank" or "we") was established in 1996 as the first urban commercial bank on the Chinese mainland with investment from the Taiwan region. We are also the first listed urban commercial bank in Fujian Province (Stock Code: 601187.SH) and were honored as a "National Civilized Unit" in 2020. We operate under a mixed-ownership structure with investment from state-owned entities, the Taiwan region, and private enterprises. Our largest shareholder is Xiamen Jinyuan Investment Group Co., Ltd., a state-owned financial holding company wholly funded by the Xiamen Municipal Finance Bureau, with a 19.18% stake. The second-largest shareholder is Fubon Financial Holding Co., Ltd., the Taiwan region's second-largest financial group by total assets and the largest by market capitalization, with an 18.03% stake.

Xiamen Bank's business scope includes accepting public deposits; issuing short-, medium-, and long-term loans; processing domestic settlements; handling bill discounting; issuing financial bonds; acting as an agent for the issuance, cashing, and underwriting of government bonds; trading government bonds; engaging in interbank lending; providing guarantees and related services; acting as an agent for collections, payments, and insurance services; offering safe deposit box services; processing entrusted loans for local fiscal revolving credit funds; and providing foreign exchange (FX) services, such as deposits, loans, remittances, currency exchange, interbank lending, international settlements, sales, bill acceptance and discounting, credit investigations, consultancy, and attestation services. We may also conduct other businesses as approved by financial regulatory authorities.

As of the end of 2024, Xiamen Bank's total assets reached RMB 407.795 billion, with all key financial indicators compliant with regulatory requirements and an AAA entity credit rating. We operate 123 modern branches across Fujian Province and Chongqing Municipality, employing approximately 3,800 staff. With one subsidiary, Fujian Haixi Financial Leasing Co., Ltd., and two licensed specialized institutions, the Xiamen Free Trade Zone Capital Operation Center and Wealth Management Center, we are one of the region's most comprehensively licensed urban commercial banks.

Xiamen Bank remains focused on four key client segments: high-net-worth individuals, small and medium-sized enterprises (SMEs), inclusive micro and small businesses (MSBs), and Customers from both sides of Taiwan strait, while steadily enhancing our professional capabilities across retail banking, corporate banking, cross-strait finance, and treasury operations.

As of 2024, our total loans and advances amounted to RMB 205.455 billion, including corporate loans and advances of RMB 122.090 billion and personal loans and advances of RMB 70.457 billion. We continue to prioritize key areas such as inclusive MSB loans, green credit, and technology finance loans. Our total liabilities grew 4.24% year-on-year to RMB 375.426 billion, with a total deposit of RMB 214.156 billion, up 3.17% from the previous year.

In 2024, our revenue increased 2.79% year-on-year to RMB 5.759 billion. Total profit rose 3.54% year-on-year to RMB 2.735 billion, with net profit at RMB 2.706 billion.

Xiamen Bank's operations primarily span Xiamen and other parts of Fujian Province as well as in Chongqing Municipality. In 2024, 60.79% of our revenue was generated in Xiamen, with the remaining 39.21% from other regions.

#### Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

#### Links & references

Xiamen Bank Co., Ltd. Sustainability Report 2024

<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

#### Response

Xiamen Bank prioritizes ESG management and practices. In 2023, we formulated the *Green Finance Work Plan of Xiamen Bank Co., Ltd.*, which outlines key tasks, strengthens organizational and management mechanisms, enhances ESG-related credit and risk management, and diversifies green finance offerings to drive low-carbon operations. In April 2024, we issued the *Notice on the Establishment of the Environmental, Social, and Governance (ESG) Promotion Leading Group*, further enhancing our ESG governance structure to coordinate and advance related initiatives. In June 2024, the Board of Directors approved the *2024–2026 Sustainability (ESG) Strategic Plan*, embedding the concept of sustainable development into our overall strategy and daily operations. This plan is designed to strengthen green finance development, social responsibility fulfillment, and corporate governance, while continuously enhancing our innovation capacity, risk resilience, and value creation capability.



## Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target- setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

### Links & references

Xiamen Bank 2024 Annual Report

<http://www.xmccb.com/upload/ew/20250506180809185.pdf>

### Response

#### (I) Scope

As of 2024, Xiamen Bank's total loans and advances amounted to RMB 205.455 billion, including corporate loans and advances of RMB 122.090 billion and personal loans and advances of RMB 70.457 billion. In 2024, 60.79% of our revenue was generated in Xiamen, with the remaining 39.21% from other regions.

#### (II) Portfolio Composition

The industry breakdown of our corporate loans and advances is as follows: 14.56% in wholesale and retail trade; 11.34% in manufacturing; 11.03% in leasing and business services; 6.56% in construction; 4.39% in real estate; 2.56% in accommodation and catering; 2.17% in water conservancy, environment and public facilities management; 1.44% in electricity, heat, gas and water production and supply; 1.40% in transportation, storage and postal services; and 3.98% in other industries.

#### (III) Policy Background

In addressing sustainability-related challenges and priorities, Xiamen Bank has thoroughly studied and implemented Xi Jinping's ecological civilization thought, actively contributed to China's dual carbon strategy, and proactively responded to the national calls for green finance development and ecological protection. By integrating green development concepts into our overall strategy and daily operations, we have continuously advanced green finance, supported the green, low-carbon, and circular economy, and implemented low-carbon operations and green office practices. These efforts contribute to building an eco-friendly society and achieving the vision of a beautiful China with lucid waters and lush mountains.

Green finance is positioned as a key strategic priority throughout Xiamen Bank. From top-level design to execution, we continuously channel financial resources toward the green, low-carbon, and circular economy, as well as other eco-friendly and sustainable sectors. With green development as our guide, we have strictly followed green finance policies such as the *Green Credit Guidelines*, *Special System for Green Loans*, *Statistical System for Green Financing*, and *Green Finance Guidelines for Banking and Insurance Industries*, rigorously carried out the *Implementation Rules on Green Credit Performance Evaluation for Banking Financial Institutions (Legal Persons) in Fujian Province (Trial)*,

and actively studied and responded to regulations like the *Action Plan of Xiamen City for Environmental, Social and Governance (ESG) Development (2025–2027)*.

In response to national financial policies, we place a high priority on technology finance in accordance with the requirements of the *Guiding Opinions of the General Office of the State Council on Advancing the “Five Major Areas” in Finance* (i.e., technology finance, green finance, inclusive finance, pension finance, and digital finance) and the *Implementation Plan for High-Quality Development of Technology Finance in Banking and Insurance Industries*. We have proactively aligned our practices with key national policy documents, including the *Guiding Opinions on Financial Support for Scientific and Technological Innovation*, the *Notice on Strengthening Full-Cycle Financial Services for Technology-Based Enterprises*, and the *Action Plan for Advancing Technology Finance*. To this end, we have established a dedicated database of technology enterprises, launched exclusive financial products tailored to tech companies, and formulated internal policies such as the *Special Management Measures for High-Tech Loans*, the *Implementation Rules on Due Diligence Exemption for Credit for Technology-Based Enterprises*, and the *Notice on Tolerance for Non-Performing Loan Ratios for Technology-Based Enterprises*. These efforts have developed a comprehensive financial service system that spans the entire lifecycle of technology enterprises. Additionally, in response to the *Action Plan of Xiamen City for the Innovative Development of Technology Finance (2025–2027)*, we have deepened cooperation with government science and technology departments, industrial parks, and other stakeholders. By fully leveraging fiscal and monetary incentive policies and optimizing risk-sharing mechanisms, we provide targeted support for tech industries such as artificial intelligence, integrated circuits, and biopharmaceuticals.

#### **(IV) Performance Measurement**

Using the third edition of the UNEP FI Impact Analysis Tool and our 2024 data, we have identified the following key impact areas: availability, accessibility, affordability, quality of resources and services; circular economy; climate stability; biodiversity & healthy ecosystems. These impact areas align with the following Sustainable Development Goals (SDGs): SDG 3 (Good Health and Well-being), SDG 9 (Industry, Innovation and Infrastructure), and SDG 11 (Sustainable Cities and Communities).

Based on the top three impact area of the impact analysis, we prioritize climate stability and the availability, accessibility, affordability, quality of resources and services in setting our targets. Contributions to the SDGs have also been taken into consideration.

#### **Targets, Target Implementation, and Action Plans/Transition plans**

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

#### **Links & references**

Xiamen Bank Co., Ltd. Sustainability Report 2024  
<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

#### **Response**

In alignment with national policies and Fujian’s provincial policies, we have set two targets: green finance and technology finance. The former primarily addresses climate stability, while the latter

focuses on improving the availability, accessibility, affordability, quality of resources and services. Both contribute to achieving related SDGs. The growth rates of green credit and technology finance loans have been selected as our primary performance indicators, with 2024 year-end data as baselines. As of December 31, 2024, Xiamen Bank's green credit balance stood at RMB 12 billion (per PBOC criteria), representing a growth rate of 61.96%. The balance of technology finance loans was RMB 11.967 billion, with a growth rate of 33.69%.

Our SMART targets are that over the next two years (by the end of 2026), the growth rates of both green credit and technology finance loans outpace those of other loan categories. Green finance primarily contributes to climate stability, while technology finance supports SDG 9 (Industry, Innovation and Infrastructure) as well as contribution to availability, accessibility, affordability, quality of resources and services.

To achieve these targets, we will strengthen organizational implementation, enhance institutional support, innovate products and services, and conduct climate stress testing. We have also introduced a technology finance strategy to “serve technology-based enterprises with value creation and long-term partnerships”. Both green finance and technology finance have been incorporated into our performance assessment framework.

#### Green Finance Initiatives:

##### (1) Organizational Framework

Xiamen Bank has enhanced the top-level design of its green finance and climate change response framework by establishing a three-tier governance structure consisting of the Board of Directors, executive management, and dedicated functional departments, ensuring systematic management of green finance and climate-related matters.

##### (2) Institutional Development

Xiamen Bank has established and continues to refine its sustainability (ESG) governance framework. Guided by our comprehensive risk management policy and Risk Appetite Statement, and underpinned by key documents such as the Green Finance Work Plan, Credit Policy, and Guidelines on Green Finance Risk Management, this framework focuses on investment and financing activities, sector-specific policies, customer ESG risk management, green operations, and performance assessment. Meanwhile, we have strengthened mechanisms for acute risk response.

The *Xiamen Bank Co., Ltd. Credit Policy* has established a clear orientation of “Green + Dual Carbon” and implements a credit strategy centered on “supporting the real economy, promoting inclusive finance, fostering dual innovation, advancing green development, prioritizing local prioritization, and diversification.” It provides guidance across sectors, clients, and products, and categorizes credit into three types: encouraged, restricted, and prohibited. It defines special credit policies for key sectors.

To promote the sound development of green finance and effectively manage environmental, social, and governance (ESG) risks associated with investment and financing clients, we have issued the *Green Finance Risk Management Guidelines of Xiamen Bank Co., Ltd.* The document supports six key sectors: energy conservation and environmental protection, cleaner production, clean energy, ecological and environmental services, green infrastructure upgrades, and green services. It calls for the orderly phase-out of legacy business involving high energy consumption, high emissions, or low efficiency, in line with national policy requirements. It also prohibits engagement with enterprises designated by national or provincial authorities for backward capacity elimination, or those that fail to meet environmental and safety standards with no prospect of rectification.

### (3) Product Management

In active support of China's dual carbon strategy, Xiamen Bank has deepened its focus on key green industries and sectors, continuously exploring practical approaches to innovating a diversified range of green financial products to meet market demand. Our current offerings include green credit, green bond investments, "Green Bill Connect" re-discounting, carbon-neutral fund distribution, and digital credit cards. We have also successfully issued RMB 3.5 billion in green financial bonds to fund projects related to energy conservation, clean energy, and green infrastructure upgrades. In 2024, we expanded our green credit offerings to photovoltaic loans, carbon emission rights pledge loans, and energy-saving and emission-reduction loans. During the reporting period, we issued our first carbon emission reduction loan, Fujian's first marine carbon sink pledge loan, and the province's first batch of transition finance loans for the steel industry.

In 2024, we developed a green finance management system through digital upgrades. This system enables smart identification of green assets, calculation of environmental benefits, carbon emission accounting, and reporting to regulatory. Integrated with our business and management analysis systems, the platform significantly improves processing efficiency, reduces operational risk, and enhances risk control capabilities.

#### Technology Finance Initiatives:

##### (1) Organizational Framework

At the head office level, Xiamen Bank established a Technology Finance Task Force led by the President, with corresponding task forces at each branch led by general managers to coordinate technology finance initiatives. The Green Finance (Technology Finance) Department holds monthly meetings to track the progress of technology finance strategies.

##### (2) Institutional Development

In 2024, guided by the Central Economic Work Conference, the national 14th Five-Year Plan, and our own development strategy, we formulated the *Xiamen Bank Co., Ltd. Credit Policy*. To better meet the financial needs of innovation-driven strategic emerging industries, we strengthened policy and resource support for high-tech firms and SRDI enterprises that demonstrate clear advantages in technology, capital, management, and talent, and show strong growth potential. We also prioritized support for corporate clients characterized by high technology, rapid growth, and high added value.

We have also continued to strengthen data-driven practices and technology empowerment, introducing innovative credit risk management tools to enhance full-lifecycle credit risk oversight. A dedicated team was established to independently develop, monitor, and refine big data risk control models. We intensified efforts to collect, analyze, and apply risk-related information, thereby improving predictive accuracy and enhancing the support of big data-driven risk control tools for credit operations. Additionally, we independently developed a variety of application and behavioral scoring models to support the iteration of pre-loan and during-loan risk strategies, continuously strengthening our intelligent risk management capabilities.

##### (3) Product Management

Xiamen Bank has established a diverse financial product and service system tailored to technology-based enterprises' full lifecycle. Using tools such as credit support, financial leasing, bond issuance, underwriting, and investment, we have built a comprehensive service network that precisely addresses the funding needs of technology innovation. This approach effectively facilitates R&D, equipment upgrades, and industry chain collaboration, fueling the growth of technology enterprises and contributing to the high-quality development of the real economy.

Technology-based enterprises are categorized into "startup," "growth," and "maturity" phases

based on their development stages, with tailored financial products provided for each phase.

### Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

#### Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

#### Links & references

Xiamen Bank Co., Ltd.CSR Report 2023

<http://www.xmccb.com/upload/ew/20240530103844357.pdf>

Xiamen Bank Co., Ltd. Sustainability Report 2024

<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

#### Response

**Xiamen Bank remains committed to working closely with clients to support improvements in their ESG performance.**

We have introduced the *Implementation Rules for ESG Risk Assessment of Corporate Credit Clients*, which enables full-lifecycle (pre-loan, during-loan, and post-loan) ESG risk monitoring by focusing on the key drivers of ESG performance. This initiative helps us gain deeper insight into the risks and opportunities within our clients' ESG profiles. The rating system also assists our clients in identifying their ESG key advantage and areas for improvement, empowering them to develop more targeted sustainability strategies.

Additionally, our business contract templates have included ESG-related commitments and declarations articles, along with defined default scenarios and corresponding remedies, encouraging clients to enhance their ESG performance.

Looking ahead, Xiamen Bank will continue to refine its ESG evaluation model and risk assessment process. For example, we plan to incorporate natural disaster risk models developed by the United Nations Office for Disaster Risk Reduction (UNISDR), integrating physical climate risks into client assessments and encouraging more proactive risk management.

### Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,\* and which SDGs or impact areas your bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

\* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

### Links & references

Xiamen Bank Co., Ltd. Sustainability Report 2024

<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

### Response

Green Finance Initiatives:

#### (1) Green Credit

As of the end of 2024, Xiamen Bank had a total green loan balance of RMB 13.07 billion (per National Financial Regulatory Administration criteria), representing an increase of RMB 4.988 billion from the beginning of the year. The number of green loan clients increased by 221, or 88.40%, to 471.

In 2024, we launched our first batch of retail green products, including the Energy Conservation and Emission Reduction Loan, Green Lifestyle Loan, and Instant Auto E-Loan. In line with the Green and Low-Carbon Transition Industry Guidance Catalogue (2024 Edition) and the State Council's 2024–2025 Energy Conservation and Carbon Reduction Action Plan, we prioritized resource recycling and reuse. After screening enterprises in this sector, we provided loans to selected high-quality manufacturing and processing companies engaged in the recycling and utilization of waste materials. As of December 31, green loans supporting waste material recycling and reuse exceeded RMB 400 million.

Also in 2024, Xiamen Bank introduced carbon reduction-linked loans, in which the carbon reduction volume serves as a quantifiable target. Loan interest rates are adjusted based on clients' performance against these targets, thereby encouraging their emission reduction and ESG factors improvement. Since being included in the scope of the CERF in 2023, we have issued a total of RMB 303 million in low-cost loans, supporting 41 projects in key carbon reduction sectors. These loans are expected to help reduce carbon dioxide emissions by over 70,000 tonnes annually.

#### (2) Green Bonds

In September 2024, we issued the 24 Xiamen Bank Green Bond 01, with a total amount of RMB 1.5 billion and a coupon rate of 2.05%. All proceeds were allocated to projects under the Green Bond Endorsed Projects Catalogue (2021), funding energy-saving and environmental protection initiatives. As of the end of 2024, we had cumulatively issued RMB 3.5 billion in green financial bonds.

#### (3) Green Investment

Xiamen Bank has continued to expand its investment in green bonds, allocating an increasing amount of assets to support the upgrading of green industries. As end of December 2024, we held RMB 1.06 billion in green bonds, with investments covering a wide range of sectors including clean energy, energy conservation, and environmental protection.

#### (4) “Green Bill Connect” Re-discounting

Through its “Green Bill Connect” program, Xiamen Bank provides convenient and low-cost bill financing services to green enterprises, offering both dedicated re-discount quotas and preferential interest rates. In 2024, with the support of the Xiamen and Chongqing branches of the People's Bank of



China, we completed 111 “Green Bill Connect” transactions totaling RMB 474 million. These transactions effectively fulfilled the re-discounting needs of green enterprises.

#### (5) Green Leasing

Our subsidiary, Haixi Financial Leasing, has leveraged the advantages of financial leasing to support the transformation and upgrading of traditional industries as well as other key sectors, diversifying its portfolio of transition finance and green finance services. The company has also identified the leasing of photovoltaic and wind power equipment as one of its strategic priorities. As of the end of December 2024, Haixi Financial Leasing held 91 active green leasing projects with a total green leasing balance of RMB 1.696 billion—an increase of RMB 904 million, or 114%, compared to the beginning of the year. In 2024, it completed 61 new green leasing transactions, with a total disbursement of RMB 1.313 billion.

Haixi Financial Leasing has launched renewable energy equipment leasing such as distributed photovoltaic for commercial and industrial use, completing 38 transactions totaling RMB 277 million for micro, small, and medium enterprises (MSMEs). The company also made significant progress in the large-scale renewable energy equipment leasing market in 2024, completing 15 transactions totaling RMB 657 million. These included its first wind power project, first energy storage project, and first renewable energy vehicle procurement project.

#### (6) Green Consumption

In 2024, Xiamen Bank launched the Green Lifestyle Loan to promote green consumption. Preferential interest rates were offered to customers purchasing renewable energy vehicles, green buildings, and eco-friendly home furnishings, encouraging the public to adopt green and sustainable consumption practices. We also introduced the Instant Auto E-Loan to further encourage the purchase of renewable energy vehicles. This product allows buyers to apply for loans via mobile phones and enjoy preferential interest rates. During 2024, we issued 31 green mortgage loans totaling RMB 24.045 million, with a green financing balance of RMB 23.529 million as of year-end.

#### (7) Other Product Innovations

In October 2023, Xiamen Bank launched its first sustainability-linked syndicated loan. Acting as joint lead arranger, we partnered with Mizuho Bank, China Trust Commercial Bank, and over ten other banks to provide syndicated financing for Zhangzhou CHIMEI Chemical Co., Ltd.’s new polycarbonate (PC) project with an annual capacity of 180,000 tonnes. Totaling RMB 2 billion, this loan is structured with interest rates linked to the borrower’s sustainability performance targets and aims to incentivize active sustainability improvement.

#### Technology Finance Initiatives:

##### (1) Technology-Based Enterprises

Xiamen Bank has established a diverse financial product and service system tailored to technology-based enterprises’ full lifecycle. Using tools such as credit support, financial leasing, bond issuance, underwriting, and investment, we have built a comprehensive service network that precisely addresses the funding needs of technology innovation. This approach effectively facilitates R&D, equipment upgrades, and industry chain collaboration, fueling the growth of technology enterprises and contributing to the high-quality development of the real economy.

Technology-based enterprises are categorized into “startup,” “growth,” and “maturity” phases based on their development stages, with tailored financial products provided for each phase.

Startup stage: Products offering collateral-free loans, such as Intellectual Property Pledge Loan, Technology Credit Loan, and Technology Loan.

Growth stage: Basic credit products like fixed asset and working capital loans; customized High-Tech Loan programs for SRDI enterprises, high-tech firms, and “technological little giants,” featuring flexible credit types and limits based on enterprise development, creditworthiness, and IP assets. For companies needing capital expansion or technical upgrades, project application guidance is provided to help access Technology Upgrade Loans.

Maturity stage: Comprehensive financial packages covering standard loans, bills, settlement services, bond issuance and underwriting, and IPO advisory.

## (2) “Tech Bill Connect” Discounting

Leveraging its regional strengths, Xiamen Bank offers fast, convenient funding through bill discounting. This shortens the financing process while providing preferential rates and discount quotas, contributing to the development of regional technology enterprises. Supported by the Xiamen and Chongqing branches of the People’s Bank of China, we utilized structured monetary policy tools to offer discounting services for technology enterprises at below-market rates. In 2024, we completed 333 “Tech Bill Connect” transactions, totaling RMB 1.04 billion.

## (3) Financial Leasing

In alignment with China’s strategy to build a greater power in science and technology, Xiamen Bank focuses on equipment upgrade in key industries, driving technological innovation in the manufacturing sector through financial leasing services. By the end of 2024, we had directly served 114 high-tech enterprises, technology-based SMEs, and SRDI enterprises, with a cumulative leasing volume of RMB 4.362 billion.

Under a manufacturer/dealer leasing model, we have partnered with these manufacturers to provide their downstream clients with financing solutions for equipment procurement. This has helped core producers expand their production and sales. As of year-end 2024, we had issued RMB 1.834 billion under this model, indirectly supporting high-tech firms, technology-based SMEs, and SRDI enterprises, and facilitating the coordinated development across the industry chain.

## (4) Bond Issuance

In August 2024, Xiamen Bank issued the 24 Xiamen Bank 01 bond, raising RMB 1.5 billion at a coupon rate of 2.05%. The proceeds primarily supported credit for technological innovation initiatives. In line with the Working Guidance of the CPC Central Committee and the State Council to Support Fujian in Exploring New Pathways for Promoting Integrated Development between the Two Sides of the Straits and Build a Demonstration Zone for Integrated Cross-Straits Development, part of the funds will be allocated to credit support for technological innovation initiatives launched by Taiwan-invested enterprises in Fujian, contributing to the development of provinces’ cross-strait integration demonstration zones. In 2024, we also helped non-financial corporate clients issue two technological innovation bills, totaling RMB 1.2 billion.

## (5) Bond Underwriting

In September 2024, Xiamen Bank acted as lead underwriter for the 24 Jinyuan Investment MTN002 technological innovation bills, underwriting RMB 154 million out of the total RMB 500 million issuance. The proceeds were primarily used to replace the issuer’s own capital allocated to equity investments in technological innovation within the past year. In December 2024, we acted as lead underwriter for the 24 Jinyuan Investment MTN005A/B technological innovation bills, underwriting RMB 253 million out of the total RMB 700 million issuance. The proceeds were also primarily used to



replace the issuer's own capital allocated to equity investments in technological innovation within the past year.

(6) Credit Bond Investment

As of December 2024, Xiamen Bank's Treasury Operations Center held RMB 720 million in non-financial corporate credit bonds specifically supporting technological innovation. Through our financial market operations, we contribute to industrial upgrades and high-quality economic development.

## Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

### Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

### Links & references

Xiamen Bank Co., Ltd. Sustainability Report 2024  
<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

### Response

Xiamen Bank prioritizes the expectations and concerns of its stakeholders and is committed to improving its long-term communication mechanisms. We have established diversified engagement channels tailored to different stakeholder groups and adjusted our management practices based on their feedback. Stakeholder communication remains an essential part of our social responsibility and sustainability strategy, with the goal of creating long-term shared value.

Xiamen Bank also remains focused on advancing green finance research to support business development and promote innovation through collaboration with industry peers. As a governing member of the Green Finance Committee of the China Society for Finance and Banking, we actively work with government agencies and regulatory authorities to adopt leading green finance concepts, tools, and methodologies, thereby continuously driving green product innovation. We led the development of the *Research Report on Cross-Strait Green Finance Cooperation* and participated in the *Research Report on the Valuation of Marine Carbon Sinks and Other Ecosystem Products*. As a vice-chair member of the Fujian Solar Photovoltaic Chamber of Commerce, we participated in several industry exchange events, including the 2024 Fujian (Xiamen) Green Energy Industry Expo.

In 2024, Xiamen Bank received the Best Green Finance Small and Medium-Sized Bank award at the 6th "Tie Ma: Small and Medium-Sized Bank Awards" hosted by Modern Bankers magazine. Our case titled *Dual Policy Support from Central and Local Governments: Xiamen Bank Assists Taiwan-Invested Enterprises in Building Clean Power Facilities* was recognized as one of the Xiamen Green Finance Reform Excellent Cases, a selection event co-organized by the Office of the Financial Committee of the CPC Xiamen Municipal Committee, the Xiamen Branch of the People's Bank of China, the Xiamen Office of the National Financial Regulatory Administration (NFRA), and the Xiamen Office of the China Securities Regulatory Commission. Additionally, in the 2024 green finance development assessment organized by the NFRA's Xiamen office, we earned a score above 90 and were ranked in the top tier of banks operating in Xiamen.

## Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

### Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

### Links & references

Xiamen Bank Co., Ltd. Sustainability Report 2024

<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

### Response

Xiamen Bank has established a robust ESG governance framework featuring a three-tier structure: the Board of Directors and its specialized committee, an ESG Steering Group, and dedicated working groups. This framework integrates ESG considerations into strategic planning and major decision-making, laying a solid foundation for sustainable development goals.

**Board of Directors:** As the highest decision-making authority on ESG matters, the Board oversees the formulation and implementation of our ESG strategy, making decisions and providing guidance on significant ESG issues.

**Strategy and ESG Committee:** This committee is responsible for researching and formulating all development strategies, including ESG-related strategies and management policies. It regularly reviews these strategies and offers recommendations accordingly, supervises and assesses the implementation of ESG strategies, evaluates external investment policies, and provides major investment proposals.

**ESG Steering Group:** This group coordinates the advancement of ESG strategic planning, including setting plans and targets for green finance and other ESG issues, which it submits to the Board for approval. It also manages the deployment, coordination, and execution of our ESG strategy, and reports periodically to the Board on ESG progress, including green finance activities.

Chaired by the President, the ESG Steering Group comprises senior leaders responsible for business operations and administration, along with the Board Secretary, Chief Risk Officer, and Chief Information Officer.

**Working Groups:** Within the ESG Steering Group, there are three working groups focused on green finance, social responsibility, and corporate governance. The Green Finance and Social Responsibility Groups are led by senior leaders responsible for related business areas, while the Corporate Governance Group is chaired by the Board Secretary. Members include personnel from relevant headquarters departments and subsidiaries.

Each working group defines key ESG performance indicators, submits them to the Steering Group for review, and continuously monitors progress. They also hold regular meetings to coordinate efforts and advance their respective initiatives.

**Promoting a culture of responsible banking:**

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

## Links &amp; references

Xiamen Bank Co., Ltd. Sustainability Report 2024

<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

**Response**

Xiamen Bank actively enhances ESG governance and employee capacity through both external engagement and internal training. In August 2024, several directors, supervisors, and senior executives engaged in in-depth meeting with the Ant Group, the topics includes ESG, inclusive finance, and green finance. In December 2024, external ESG experts were invited to provide specialized training on ESG trends, disclosure requirements, carbon data measurement, PRB, and sustainable finance to staff across the head office, branches, and subsidiaries. This training laid a solid foundation for coordinated ESG efforts. Additionally, our key staff visited peer institutions in 2024 to share our experiences and practices in ESG management and climate risk oversight.

Green finance requirements are fully integrated into our performance assessment system. At the head office level, the *Green Finance Guidelines for Banking and Insurance Industries* are embedded into each department's strategic objectives, and progress is reflected in departmental performance assessments. At the branch level, green finance is incorporated as a component of social responsibility performance metrics. Furthermore, we provide ongoing online and on-site green finance training to employees across all organizational levels, continuously strengthening their green finance expertise.

**Risk and due diligence processes and policies**

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

## Links &amp; references

Xiamen Bank Co., Ltd. Sustainability Report 2024

<http://www.xmccb.com/upload/ew/20250512181835299.pdf>

**Response**

Xiamen Bank has established and continues to refine its sustainability (ESG) governance framework. Guided by our comprehensive risk management policy and *Risk Appetite Statement*, and underpinned by key documents such as the *Green Finance Work Plan*, *Credit Policy*, and *Guidelines on Green Finance Risk Management*, this framework focuses on investment and financing activities, sector-specific policies, customer ESG risk management, green operations, and performance assessment. Meanwhile, we have strengthened mechanisms for acute risk response. In 2025, we will incorporate climate-related risk preferences into the general statement and the sections addressing traditional risks with high climate relevance in our Risk Appetite Statement.

In line with the requirements of the *Green Finance Guidelines for Banking and Insurance Industries* and *Green and Low-Carbon Transition Industry Guidance Catalogue (2024)* as well as our own *Financial Work Plan*, we issued the *Implementation Rules for ESG Risk Assessment of Corporate*

*Credit Clients* in August 2023, which were updated in May 2024. These rules define the responsibilities of each department, outline the ESG assessment model and classification system, and detail the ESG rating process, differentiated credit strategies, post-loan management, and early warning mechanisms. Together, they enable full-lifecycle (pre-loan, during-loan, and post-loan) ESG risk monitoring. In 2024, we classified ESG risks for over 10,000 corporate credit clients via ESG assessment system, effectively enhancing our ESG risk identification capability.

Depending on a client's maturity and business type, we apply either a general ESG risk assessment model or a specialized model for newly established enterprises. Corporate credit clients are classified into three categories: Category A (high ESG risk), Category B (medium ESG risk), and Category C (low ESG risk). Each classification is valid for no more than one year. For newly established firms with limited operational data, the evaluation process is streamlined accordingly.

#### Technology Finance Risk Management

In 2024, guided by the Central Economic Work Conference, the national 14th Five-Year Plan, and our own development strategy, we formulated the *Xiamen Bank Co., Ltd. Credit Policy (2024)*. To better meet the financial needs of innovation-driven strategic emerging industries, we strengthened policy and resource support for high-tech firms and SRDI enterprises that demonstrate clear advantages in technology, capital, management, and talent, and show strong growth potential. We also prioritized support for corporate clients characterized by high technology, rapid growth, and high added value. At the same time, we introduced innovative credit risk management tools to enhance full-lifecycle credit risk oversight. A dedicated team was established to independently develop, monitor, and refine big data risk control models. We intensified efforts to collect, analyze, and apply risk-related information, thereby improving predictive accuracy and enhancing the support of big data-driven risk control tools for credit operations. Additionally, we independently developed a variety of application and behavioral scoring models to support the iteration of pre-loan and during-loan risk strategies, continuously strengthening our intelligent risk management capabilities.

## Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

### **Response:**

Xiamen Bank commissioned SynTao Green Finance Co., Ltd. to conduct an independent third-party assurance on its Sustainability Report 2024. The assurance statement can be found on page 159 of the report.

SynTao GF utilized AA1000AS v3 as the reference standard for assurance services. The type and depth of assurance conducted in this instance were categorized as "Type 2, Moderate Assurance".