



# 2025

## Sustainability Report

— HUA XIA BANK CO., Limited —

# About the Report

## Reporting Scope

**Reporting Period:** Unless otherwise stated, the report covers the period from January 1 to December 31, 2025.

**Organizational Boundary:** The report discloses the information of Hua Xia Bank Co., Limited and its subsidiaries (Huaxia Financial Leasing Co., Ltd. and Huaxia Wealth Management Co., Ltd.).

**Release Cycle:** This is an annual report. (The most recent report, the *Hua Xia Bank Co., Ltd. Social Responsibility Report 2024*, was released on April 18, 2025.)

## Preparation Basis

This report was prepared in accordance with *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* issued by the Shanghai Stock Exchange (SSE), and with reference to the *GRI Standards* issued by the Global Sustainability Standards Board (GSSB). The disclosure status of each indicator in this report can be found in the "Index" section under the "Index to the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*" and the "Index to the *Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards)*".

## Reference

In the report, "Hua Xia Bank Co., Limited and its subsidiaries" is referred to as "the Group"; "Hua Xia Bank Co., Limited" is referred to as "Hua Xia Bank" or "the Bank"; "Huaxia Financial Leasing Co., Ltd." is referred to as "Huaxia Financial Leasing"; and "Huaxia Wealth Management Co., Ltd." is referred to as "Huaxia Wealth Management".

## Data Sources

The financial data in this report are sourced from the 2025 annual financial report, audited by Ernst & Young Hua Ming LLP in accordance with domestic auditing standards. Other data are derived from the Bank's internal systems and the statistical data of our branches. Unless otherwise specified, all monetary amounts are expressed in RMB.

## Assurance of the Report

To ensure the authenticity and reliability of this report, SynTao Green Finance Co.,Ltd., a third-party agency, conducts an independent assurance of the relevant information in the report, in accordance with the requirements of AA1000 Assurance Standard v3 developed by AccountAbility, and issues an independent assurance report. For details, please refer to the "Independent Assurance Report" section.

## Languages

The report is available in simplified Chinese and English versions. In case of any discrepancy, the simplified Chinese version shall prevail.

## Formats

The report is available in both print and electronic formats, with the electronic version accessible on our official website ([www.hxb.com.cn](http://www.hxb.com.cn)).

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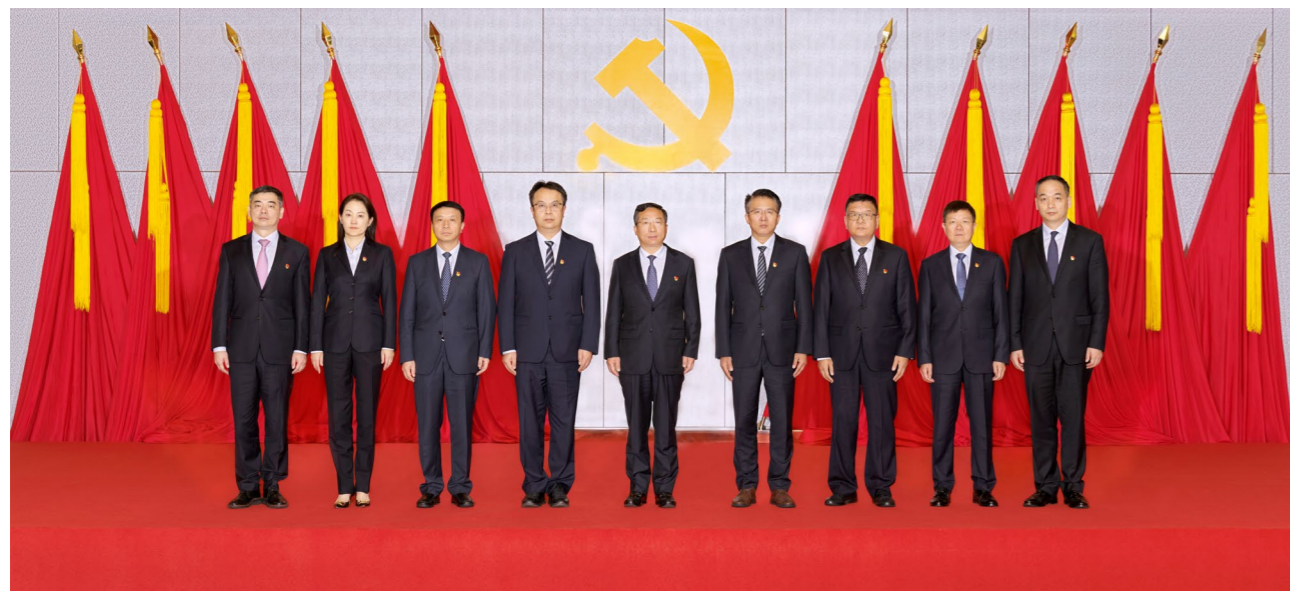
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# Preface



2025 marks the concluding year of the 14th Five-Year Plan and a pivotal year for formulating the 15th Five-Year Plan. Hua Xia Bank released its first Sustainability Report, systematically reviewing its development practices and comprehensively mapping out its future development direction. Faced with a complex and volatile external environment and increasingly fierce market competition, we have always deeply grasped the political and people-oriented nature of financial work. In the practice of serving the real economy, promoting common prosperity, and empowering green transformation, we are committed to building a new Hua Xia Bank that "upholds political integrity, creates value, and shoulders responsibility" and contributing Hua Xia Bank's strength to the high-quality development of the economy and society.

**Green mountains naturally unfold into a magnificent scroll of ecological finance.** Facing the era's proposition of building an ecological civilization and advancing green transformation, we actively responded to the call for "Building a Beautiful China," integrated the concept of green development into corporate strategy, operation and management, and cultural development, and strived to make green finance a distinctive feature of high-quality operational development. **Anchoring the direction and laying a solid foundation for green development.** In 2025, we launched the "Lighthouse Initiative" to strengthen conceptual guidance, improve institutional mechanisms, guide the Bank to intensify green finance business development, continuously build distinctive development advantages, and support the national strategy of "carbon peaking and carbon neutrality" with green finance. **Focusing on key areas and enhancing the quality and efficiency of green finance.** Centering on key sectors such as energy conservation and carbon reduction, low-carbon industrial parks, and transition finance, we innovated financial service products, enhanced the Group's comprehensive service capabilities, continued to increase support, and deepened the development of the green finance ecosystem. By the end of 2025, the balance of green finance of the Group reached RMB531.352 billion, an increase of 31.42% from the end of the previous year. Among them, the balance of green loans was RMB373.357 billion, the balance of green investment RMB45.944 billion, the balance of green leasing RMB98.579 billion, ESG wealth management products under management totaled RMB32.623 billion, and green bond underwriting scale RMB10.401 billion. Meanwhile, we continued to optimize the ESG risk management mechanism, integrated environmental, social, and governance risks into the comprehensive risk management system, enriched climate risk management tools, and built carbon neutrality demonstration outlets.

**All rivers flow to the sea, converging into a warm current of inclusive finance for people's livelihood.** Responding to the people's earnest expectations for a better life, we have always kept in mind the fundamental purpose of serving society, strived to be a pioneer in serving new quality productive forces and inclusive micro and small enterprises, fully leveraged the Bank's pivotal role in resource allocation, and continuously improved the accessibility, adaptability, and comprehensiveness of financial services. **Focusing on key areas and enhancing the supply of financial services.** We continued to improve inclusive financial services. By the end of 2025, the balance of inclusive micro and small business loans reached RMB193.611 billion, an increase of 6.01% from the end of the previous year. We built distinctive technology finance; the balance of loans to tech firms stood at RMB244.622 billion, up 53.74% year-on-year. The pension financial service system was continuously optimized, with the number of individual pension fund accounts growing 30.80% for the full year, making the Bank one of the first to connect with the Ministry of Civil Affairs system. We solidly advanced digital finance. By the end of 2025, the balance of loans to core digital economy industries reached RMB97.054 billion, an increase of 29.89% from the end of the previous year. **Centering on customer needs and safeguarding the warmth of financial services.** We optimized the governance structure for consumer rights protection, standardized marketing practices, strengthened appropriateness management, deepened financial education, continuously improved the customer complaint management mechanism, built strong defenses for data and network security, and safeguarded the bottom line of financial livelihoods. **Practicing responsibility and gathering synergy for common development.** We deepened the implementation of the "making the Bank stronger with competent employees" strategy, built a diverse, equal, and inclusive workplace ecosystem, unblocked career development channels for employees, improved training mechanisms, protected employees' legitimate rights and interests, and promoted the common growth of employees and the enterprise. We responded to urgent social needs with professional public welfare initiatives, promoted collaborative improvement of the industrial chain through responsible procurement, and supported the growth of small and medium-sized enterprises through fair cooperation, bringing the warmth of finance to more corners of society.

**Breaking new ground and forging a solid foundation for operations.** We gave full play to the dual advantages of Party leadership and corporate governance, further improved the Party's leadership mechanism, integrated Party leadership into all aspects of corporate governance, continued to advance the development of a modern corporate governance system with Chinese characteristics, and continuously transferred governance effectiveness into development momentum. **Promoting effectiveness through governance and consolidating the foundation for sound development.** In 2025, we adhered to Party building as guidance, coordinated refined management, risk prevention and control, and compliant operation, continued to optimize the boundaries of rights and responsibilities and coordination mechanisms among governance entities such as the Board of Directors and the management level, and continuously improved the internal organizational structure of headquarters and branches, laying a solid foundation for operational development. By the end of 2025, the Group's total assets reached RMB4.74 trillion, an increase of 8.25% from the end of the previous year; both the increments and growth rates of deposits and loans hit a five-year high. We actively responded to the concerns of shareholders and stakeholders, strengthened the building of a long-term value sharing and return mechanism, guided and facilitated the participation of minority shareholders in corporate governance, and attached importance to the rights and interests of minority shareholders. **Ensuring stability and building a barrier for safe development.** We continued to optimize the comprehensive risk management system, strengthened risk appetite management, upgraded digital risk control capabilities, and deepened a risk responsibility culture across the Bank. We continuously improved the compliance management system, advanced the development of a compliance officer system, and continuously enhanced the compliance capabilities of all employees.

Looking ahead, we will always follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the guiding principles of the 20th CPC National Congress and its plenary sessions, as well as the Central Economic Work Conference. We will unwaveringly focus on our core responsibilities and main businesses, continue to deepen operational reforms, and promote higher-quality, more efficient, and more sustainable development. We will integrate responsibility into strategy, translate commitment into action, and run governance through all work. We will stay on the right track while serving national strategies, convey warmth while improving people's well-being, accumulate momentum while advancing green transformation, and create value through prudent operation and development, contributing Hua Xia Bank's strength to a good start for the 15th Five-Year Plan.

Secretary of the Party Committee,  
Chairman of Hua Xia Bank:

**Yang Shujian**

Deputy Secretary of the Party  
Committee, President of Hua Xia Bank:

**Qu Gang**

Deputy Secretary of the Party  
Committee of Hua Xia Bank:

**Guo Peng**

March 27th, 2026



# About Hua Xia Bank

## About Us

With the care and support of Deng Xiaoping, the chief architect of China's reform and opening-up, Hua Xia Bank was founded in October 1992 in Beijing, where its headquarters is situated. Hua Xia Bank is a national commercial bank solely established by Shougang Corporation (now rebranded as Shougang Group Co., Ltd.). It stands as the only joint-stock commercial bank initiated and established by a manufacturing company in China. In April 1996, Hua Xia Bank completed the joint-stock transition. On 12 September 2003, the Bank was officially listed on the Shanghai Stock Exchange (stock code: 600015), making it the fifth listed bank in China. As of the end of 2025, the Bank had a registered capital of RMB15,915 million.

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank fully implements the guiding principles of the 20th CPC National Congress and the Second, Third and Fourth Plenary Sessions of the 20th CPC Central Committee, earnestly follows the work requirements of the Beijing Municipal Party Committee, Municipal Government and local Party committees and governments at all levels, strictly implements all requirements of regulatory authorities, actively upholds the political and people-oriented nature of financial work, adheres to pursuing progress while maintaining stability, focuses on its primary responsibilities and core businesses, strictly safeguards security bottom lines, and steadily advances high-quality development across the Bank. It provides corporate and institutional clients with professional, distinctive and comprehensive financial services including deposits, loans, investment banking, transaction banking, technology finance, green finance and inclusive finance. It offers individual customers diversified financial products and services covering deposits, loans, debit cards, credit cards, wealth management, private banking, electronic banking and pension finance to fully meet their comprehensive financial service needs. With compliance operation and innovative development as the core principles, the Bank continuously promotes the coordinated and steady development of financial market, asset management, asset custody and other businesses, and keeps enhancing its capacity to serve the real economy and customers.

As of the end of 2025, Hua Xia Bank had total assets of RMB4,737.619 billion and net profit of RMB 27.751 billion. It had set up 43 tier one branches, 79 tier two branches and 943 outlets in 120 cities at prefecture level and above nationwide, establishing its presence in developed cities while extending its reach across the entire country. The Bank opened a branch in Hong Kong and acquired controlling stakes in one financial leasing company and one wealth management company, ranking among China's systemically important banks.

In the Top 1000 World Banks ranking released by *The Banker* in July 2025, Hua Xia Bank ranked 47th globally by Tier 1 capital and 57th globally by asset size.

## Honors and Awards

### General

<p><b>The Banker (UK)</b></p> <p>Ranked 47th globally in terms of Tier 1 capital in the "Top 1000 World Banks 2025" list, up two places from 2024</p>	<p><b>China Enterprise Confederation China Enterprise Directors Association</b></p> <p>Ranked 146th in the "2025 Top 500 Chinese Enterprises"</p>	<p><b>Global Finance</b></p> <p>Won the title of "Most Innovative Private Bank" at the 18th China Star Awards</p>
<p><b>China Banking Association</b></p> <p>The case <i>Practicing the Concept of "Pursuing Sustainability for Better Future": Hua Xia Bank's ESG Practices Empower High-Quality Development</i> was selected in the 2024 China Banking "Good News" Awards</p>	<p><b>China Financial Media</b></p> <p>Won the "2025 Typical ESG Practice Cases in Banking Industry" Award</p>	

### Social

<p><b>People's Bank of China</b></p> <p>Won the Third Prize of "Financial Technology Development Award" for the projects "Data Empowering Retail Business Operation of Banks" and "Industrial Digital Financial Credit Platform"</p>	<p><b>Ministry of Agriculture and Rural Affairs of the People's Republic of China</b></p> <p>The case of Huaxia Financial Leasing was selected as the "2024 Top Ten Innovative Models of Financial Support for Agriculture"</p>	<p><b>State-owned Assets Supervision and Administration Commission of the State Council</b></p> <p>The "Dual-Dimension Smart Audit, Three-Network, Data Foundation" Audit Model System won the 2025 Outstanding Achievement Award in Smart Supervision Business Model Innovation</p>
<p><b>China UnionPay</b></p> <p>Won the "Efficient Pioneer" and "Craftsmanship Cooperation Award" in customer service</p>	<p><b>State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality, State-owned Assets Supervision and Administration Commission of Tianjin People's Government, State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province</b></p> <p>The case "Promoting Comprehensive Rural Revitalization with Efforts in Key Areas and Weak Links" was selected as one of the Top Ten Cases in the <i>Beijing-Tianjin-Hebei Environment, Society and Governance (ESG) Blue Book (2025)</i></p>	<p><b>Call Center Service Quality and Operation Management Specification (CCSO) Standard Evaluation Center</b></p> <p>Won the "2025 Best Bank Service Brand"</p>
<p><b>Xinhua News Agency Brand Work Office, Xinhuanet</b></p> <p>Hua Xia Bank mobile banking App won the "National Leading Star of Mobile Banking"</p>	<p><b>China Academy of Regional Finance, National Local Finance Forum Office</b></p> <p>Won the title of "Top Ten Model Units for Elderly Financial Services"</p>	

### Environmental

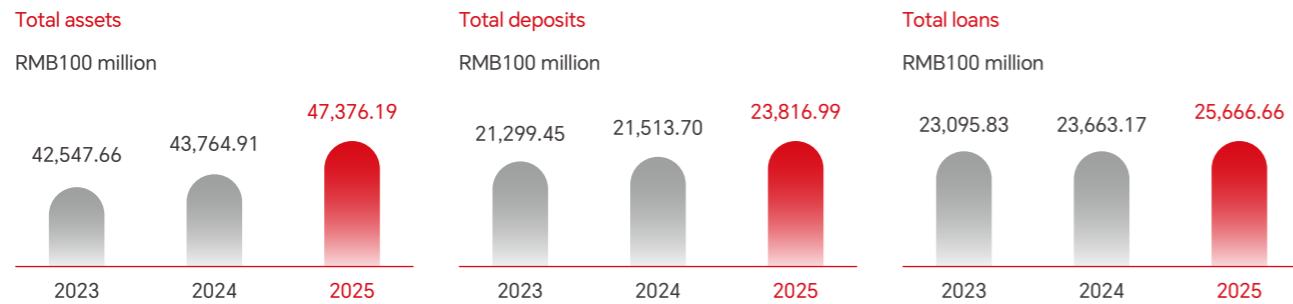
<p><b>Office of the Beijing Municipal Party Committee</b></p> <p>Won the "Beijing Service" Excellent Case Award in the green finance sector</p>	<p><b>Caillian Press</b></p> <p>Huaxia Wealth Management won the "Green Water and Golden Mountain Award · ESG Finance Research Achievement Award" at the 5th ESG Finance Summit</p>
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### Governance

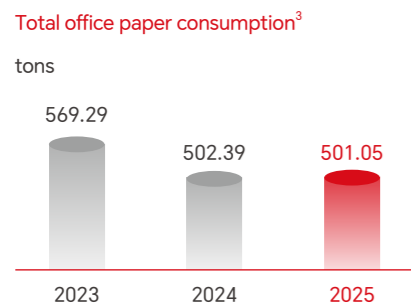
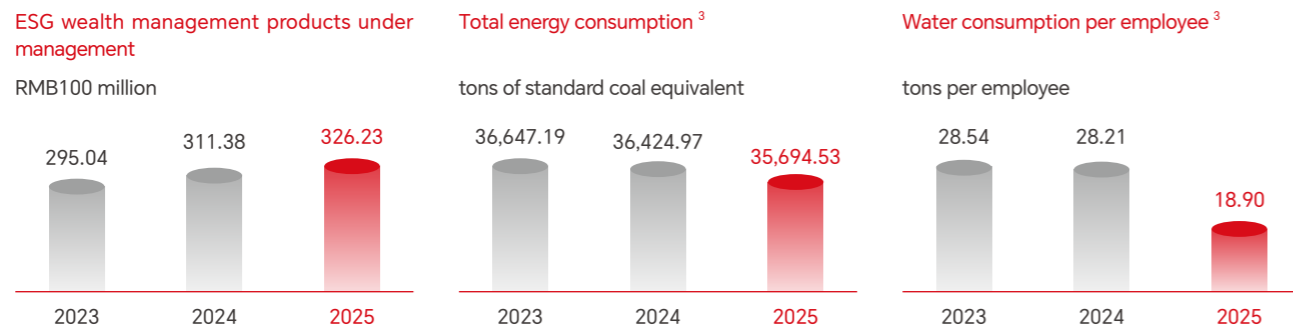
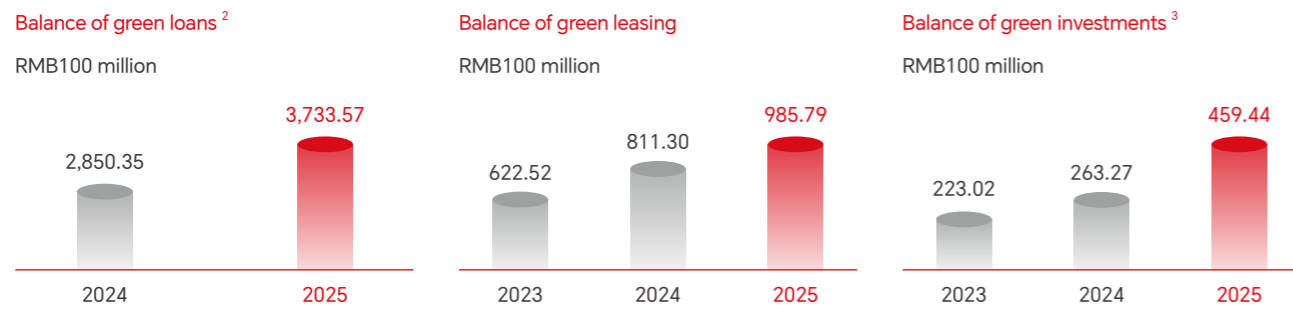
<p><b>China Association for Public Companies</b></p> <p>Won the "2025 Best Practice Case of Board of Directors of Listed Companies"</p>	<p><b>China Public Relations Association</b></p> <p>The case <i>"Taking 'Green Beautiful China' as the Main Line, Exploring Multiple Paths of Public Relations"</i> won the "2025 China Public Relations Excellent Case"</p>	<p><b>Shanghai Stock Exchange</b></p> <p>Obtained an A (Excellent) rating in the 2024-2025 Information Disclosure Work Evaluation of Shanghai-listed Companies</p>
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# 2025 Sustainable Development Highlight Performance

## Financial Performance<sup>1</sup>

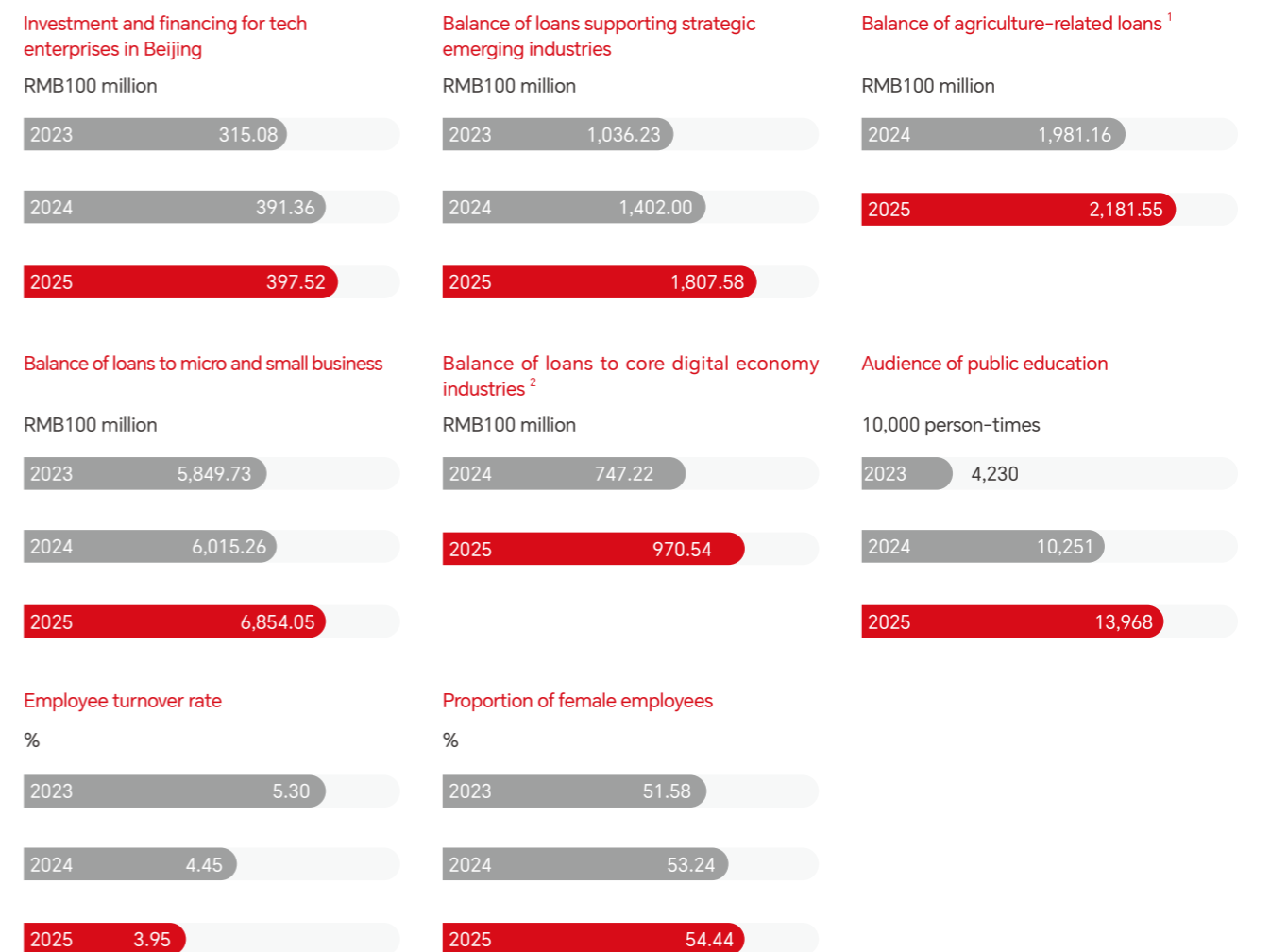


## Environmental Key Performance Indicators

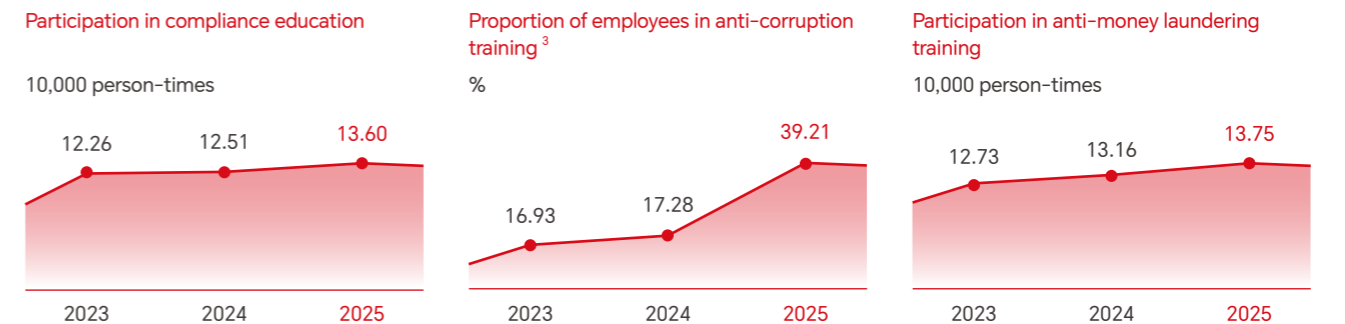


<sup>1</sup> The statistical scope for financial performance is the Group scope.  
<sup>2</sup> The 2025 statistical scope follows the *Green Finance Supported Project Catalogue (2025 Edition)* (Yin Fa [2025] No. 132) issued by the People's Bank of China, National Financial Regulatory Administration and China Securities Regulatory Commission. The 2024 data have been adjusted accordingly.  
<sup>3</sup> The statistical scope is the Group scope.

## Social Key Performance Indicators



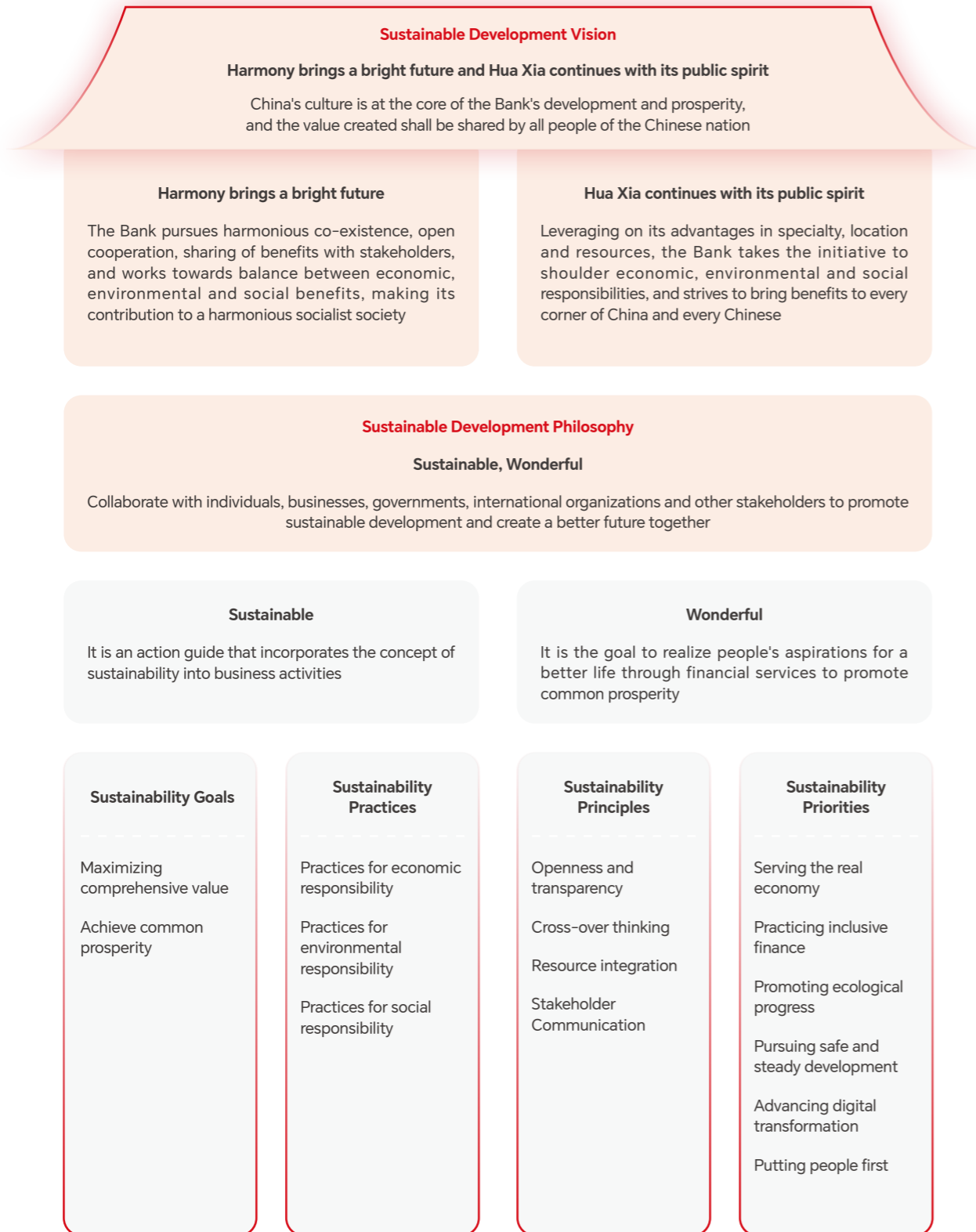
## Governance Key Performance Indicators



<sup>1</sup> The statistical scope for agriculture-related loans complies with the agriculture-related loan statistical system of the People's Bank of China.  
<sup>2</sup> The 2025 statistical scope follows the *Statistical System of Digital Economy Industry Loans (Trial)* (Yin Tiao Fa [2025] No. 3) issued by the People's Bank of China. The 2024 data have been adjusted accordingly.  
<sup>3</sup> The statistical scope is the Group scope, covering contract staff and dispatched staff of the Head Office, domestic and overseas branches and subsidiaries.

# Sustainable Development Management

## Sustainable Development Philosophy



## Sustainable Development Governance Structure

The Bank has established a three-tier governance structure for sustainable development, comprising the decision-making, management, and implementation levels, with clearly defined roles and responsibilities. This structure ensures that strategic decisions regarding sustainable development are communicated accurately and implemented effectively.

### The Board of Directors and Special Committees

The Board of Directors holds ultimate responsibility for the Bank's sustainable development strategy, policies, and objectives.

#### The Board of Directors and Special Committees

#### Sustainable Development Responsibilities

**Strategy and Sustainable Development Committee**

Chaired by the Chairman of the Board, this committee is responsible for formulating development strategies for sustainability issues such as green finance and inclusive finance, and reviewing the sustainability issue objectives and reports formulated by the senior management.

**Risk Compliance and Consumer Rights Protection Committee**

Chaired by the President, this committee is responsible for formulating the Bank's risk tolerance and risk management policies, formulating consumer rights protection strategies, policies and objectives, supervising and inspecting the implementation of consumer rights protection work, and guiding and urging the establishment of the consumer rights protection system.

**Audit Committee**

Chaired by Independent Director, this committee is responsible for supervising and evaluating internal and external audit functions, as well as the effectiveness of internal controls. It ensures the internal audit department fulfills its role as the third line of defense and drives the remediation of findings from sustainability-related audits.

**Nomination and Remuneration Assessment Committee**

Chaired by Independent Director, this committee is responsible for establishing the criteria and procedures for the selection of Directors and members of senior management, and for considering initiatives to promote diversity within the Board.



## Senior Management and Relevant Committees

### Senior Management and Relevant Committees

Committee/Group	Sustainable Development Responsibilities
Green Finance Management Committee	Responsible for coordinating green finance strategy implementation, reviewing and approving green finance development plans, work programs, and implementation strategies.
Digital Finance Management Committee	Responsible for coordinating the Bank's digital finance work, organizing the implementation of major strategic initiatives and key tasks, advancing digital transformation driven by data and technology, strengthening support for the digital economy, and fostering business synergies through technological empowerment.
Risk Management and Internal Control Committee	Responsible for reviewing key risk management and internal control frameworks, policies, and procedures.
Credit Investment and Financing Policy Committee	Responsible for studying and implementing national industrial policies, reviewing the Bank's annual credit and investment financing policies, along with sector-specific and regional strategies.
Information Technology Management Committee	Responsible for reviewing IT strategy, reports of major project progress, and business continuity drill plans, approving the overall IT architecture and project initiation, and serving as the Information Security Leading Group.
Data Governance Committee	Responsible for reviewing data governance policies and monitoring performance in data quality, security, accountability, and sharing.
Central Procurement Committee	Responsible for reviewing and approving centralized procurement-related systems, approving the centralized procurement catalog, annual procurement plans, and budgets, approving centralized procurement project initiation, and reviewing reports on centralized procurement results.
Consumer Rights Protection Working (Affairs) Committee	Responsible for ensuring the effective implementation of consumer rights protection goals and policies.
Agriculture-Related and Rural Revitalization Work Leading Group	Responsible for making decisions on key matters concerning agriculture-related and rural revitalization efforts and coordinating their management and development across the Bank.
Technology Finance Leading Group	Responsible for driving the Bank's initiatives in technology finance.
Inclusive Finance Work Leading Group	Responsible for coordinating the management and growth of inclusive finance and formulating and promoting relevant incentive policies across the Bank.
Pension Finance Leading Group	Responsible for overseeing the day-to-day advancement of pension finance initiatives across the Bank.
Anti-Money Laundering Leading Group	Responsible for coordinating the Bank's AML management work and studying strategies, policies, and procedures for managing money laundering risks.

Senior management is responsible for implementing the Board of Directors' resolutions on sustainable development, setting annual management targets and work plans, and coordinating the overall advancement of sustainable development initiatives.

## Head Office Departments, Branches and Subsidiaries

### Head Office Departments, Branches and Subsidiaries

Entity	Sustainable Development Responsibilities
Head Office Board of Directors' Office	Responsible for leading the Bank's ESG affairs management, providing daily support to the Board of Directors and the Strategy and Sustainable Development Committee on ESG matters, and coordinating the Bank's sustainability disclosures.
Head Office Departments	Responsible for driving the implementation of sustainability initiatives in line with their respective functions, carrying out ESG data collection and risk management, and undertaking the centralized management and operational execution of various sustainability issues.
Branches and Subsidiaries	Responsible for implementing sustainable development management policies within their respective institutions, carrying out localized sustainable development practices, and ensuring the effective implementation of the Bank's sustainable development deployment.

Departments at the Head Office, branches, and subsidiaries are the implementing entities of the Bank's sustainable development work, responsible for integrating sustainable development requirements into daily operations, business activities, and internal management.

## Double Materiality Assessment of Sustainability Issues

In compliance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the Bank conducted its inaugural double materiality assessment of sustainability issues in 2025. This process systematically identified sustainability issues relevant to the Bank's daily operations and business development, and evaluated the significance of each issue based on both its impact materiality and financial materiality.

### The Bank's Double Materiality Assessment Process for Sustainability Issues



### Step 1: Background Analysis and Stakeholder Research

1

The Bank has identified six major stakeholder groups by studying national strategies and plans, regulatory requirements, industry development trends, and peer benchmarking to understand its business activities and the external operating environment. The Bank values engagement with different stakeholder groups to understand their concerns regarding the Bank's business activities and sustainable development management. For specific information on stakeholder communication, please refer to the "Stakeholder Engagement" section under "Sustainable Development Management".



**Step 2:**  
**Issue Identification**

2

Taking the 21 issues set forth in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* as the foundation, the Bank has identified 15 sustainability issues by integrating factors such as national policy guidance, disclosure standards, industry characteristics, internal management practice, peer benchmarking, and stakeholder input.

**The Bank's Sustainability Issues List**

Dimension	Issue	Alignment with the <i>Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)</i>
1 Environmental	Climate Change Tackling	Climate change tackling, Ecosystem and biodiversity protection, Due diligence, Communications with stakeholders
2 Environmental	Green Finance	Climate change tackling, Ecosystem and biodiversity protection, Due diligence, Communications with stakeholders
3 Environmental	Green Operations	Pollutant discharge, Waste disposal, Environmental compliance management, Energy usage, Usage of water resources, Circular economy, Ecosystem and biodiversity protection, Communications with stakeholders
4 Social	Technology Finance	Innovation-driven, Communications with stakeholders
5 Social	Inclusive Finance	Rural revitalization, Safety and quality of products and services, Communications with stakeholders
6 Social	Pension Finance	Communications with stakeholders
7 Social	Digital Finance	Innovation-driven, Ethics of science and technology, Communications with stakeholders
8 Social	Consumer Rights Protection	Safety and quality of products and services, Data security and customer privacy protection, Due diligence, Communications with stakeholders
9 Social	Cybersecurity and Data Security	Safety and quality of products and services, Data security and customer privacy protection, Communications with stakeholders
10 Social	Employees	Employees, Due diligence, Communications with stakeholders
11 Social	Supply Chain Management	Supply chain security, Equal treatment for small and medium-sized enterprises, Due diligence, Communications with stakeholders
12 Social	Public Welfare and Charity	Contributions to the society, Communications with stakeholders
13 Governance	Corporate Governance	Communications with stakeholders
14 Governance	Financial Risk Management	Communications with stakeholders
15 Governance	Integrity and Compliance Operation	Anti-commercial bribery and anti-corruption, Anti-unfair competition, Communications with stakeholders

**Step 3:**  
**Impacts, Risks and Opportunities Analysis**

3

Based on the identified sustainability issues, the Bank proceeded to further identify and evaluate the associated impacts, risks, and opportunities for each issue, while specifying the time horizon over which these impacts are expected to occur. This assessment serves as a foundation for the double materiality analysis.

<b>Impacts Analysis</b>	Refers to the actual or potential, positive or negative impacts of the Bank's performance across various sustainability issues on the economy, society, and the environment.
<b>Risk and Opportunity Analysis</b>	Refers to environmental, social or governance factors that may have a negative or positive impact on the Bank's business model, strategy, objectives, and ability to create value.
<b>Time Horizon of Impact</b>	As defined in the <i>Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE-Compilation of Sustainable Development Reports</i> , the short term refers to the period within one year (inclusive) after the end of the reporting period, i.e., 2026; the medium term refers to the period between one year and five years (inclusive) after the end of the reporting period, i.e., 2027-2031; and the long term refers to the period beyond five years after the end of the reporting period, i.e., after 2031.

**Analysis of the Bank's Impacts, Risks and Opportunities Concerning Sustainability Issues**

Climate Change Tackling	Time Horizon of Impact		
	Short-term	Medium-term	Long-term
<b>Impacts Analysis</b>	<b>Risks Analysis</b>	<b>Opportunities Analysis</b>	
<p><b>Positive:</b> Strengthening climate risk management, advancing green operations, and increasing green finance investment boost the Bank's capacity to address climate change, contribute to greenhouse gas (GHG) emission reductions, and support the national "Dual Carbon" goals.</p> <p><b>Negative:</b> Continued capital allocation to high-carbon industries or projects may indirectly elevate GHG emissions; stricter climate-related credit policies could create operational challenges for certain clients.</p>	<p>Pursuing green finance and green operations to address climate change may raise operating costs related to personnel, technology, and infrastructure.</p> <p>Clients in high-carbon sectors may face transition-related pressures, potentially impacting their profitability and solvency, thereby increasing credit risk exposure.</p>	<p>Differentiated and dynamically adjusted credit policies for nationally regulated or high-risk industries help manage sector exposure and mitigate risk of asset quality deterioration.</p> <p>Seizing climate-related market opportunities by supporting climate adaptation and mitigation projects can broaden the customer base and diversify revenue streams.</p> <p>Strengthening climate risk management capabilities- including identification, assessment, response, and monitoring- enhances the Bank's long-term operational resilience.</p>	

**Green Finance** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Expanding green finance product development and investment strengthens financing support for green and low-carbon industries, directing capital toward sectors such as energy conservation, environmental protection, and clean energy. This helps customers reduce their environmental footprint and supports comprehensive green transition in all economic and social sectors.</p>	<p>As carbon market and emission reduction policies become more stringent, rising transition costs may strain customers' operations, increasing credit risk exposure.</p>	<p>Growing market demand for green finance creates opportunities to build a diverse portfolio of green loans, bonds, and leasing solutions, enhancing brand value, competitiveness, and revenue streams.</p>

**Green Operations** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Energy-saving retrofits and green office initiatives improve resource efficiency and reduce operational GHG emissions. Environmental activities raise public awareness of green lifestyles and foster a greater sense of environmental consciousness throughout society.</p> <p><b>Negative:</b> Ineffective implementation of energy-saving measures or green management could result in resource waste.</p>	<p>Investing in energy-efficient equipment, eco-friendly products, and emission reduction retrofits may increase operational costs.</p>	<p>Green operations promote the efficient use of paper, water, and energy, reducing operation costs.</p> <p>Organizing environmental activities enhances the Bank's reputation as a responsible corporate citizen.</p>

**Technology Finance** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Providing financial support to technology enterprises accelerates the commercialization of research, drives industrial upgrading, strengthens national innovation capacity, and fuels high-quality economic growth.</p>	<p>Small and medium-sized tech firms face high uncertainty and volatility, which could increase credit risk and the non-performing loan ratio.</p>	<p>Driven by national policies supporting technological innovation, the technology innovation sector offers broad development prospects. The Bank can leverage policy benefits to continuously expand the scale of its technology finance business.</p> <p>Technology enterprises have significant growth potential and develop at a rapid pace. Expanding the technology finance business may generate comprehensive returns.</p>

**Inclusive Finance** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Innovating inclusive finance products and services enhances access to financial services for micro and small businesses and farmers, supporting rural revitalization, promoting high-quality inclusive finance, and fostering social equity and shared growth.</p>	<p>Inclusive finance clients are primarily characterized by small-ticket loans and a highly granular customer segment with limited risk resilience. Any weakening in borrowers' debt-service capacity could lead to an increase in loan delinquencies and a subsequent rise in the non-performing loan ratio.</p>	<p>Strengthening support for the inclusive finance sector helps enhance brand visibility and social recognition, building a positive corporate image.</p> <p>Expanding the coverage of financial services helps attract a broader customer base, thereby driving business growth.</p>

**Pension Finance** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Tailoring financial services to the needs of aging populations and supporting the pension sector strengthens the social security system.</p>	<p>Inadequacies in pension finance product offerings and service capabilities may lead to a decline in customer experience and client attrition, thereby exerting pressure on revenue growth.</p>	<p>National demand for pension finance is growing rapidly, propelling the pension industry into a phase of accelerated development and providing vast market space for expanding new business areas.</p> <p>Pension finance products are characterized by long return realization cycles and high capital stability, which facilitates the enhanced efficiency of fund utilization.</p>

**Digital Finance** Time Horizon of Impact Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Developing digital finance supports both digital industrialization and industrial digitization, empowering the growth of new quality productive forces. It helps enhance total factor productivity in traditional industries and promotes the deep integration of the digital economy with the real economy. Furthermore, the deployment of advanced and efficient digital technologies accelerates digital transformation. By elevating smart operations and intelligent risk control, the Bank aims to optimize service quality, efficiency, and customer experience, ultimately contributing to a financial system that is highly adapted to the evolving digital economy.</p>	<p>Uncertainties surrounding development trajectories and business models of emerging technologies may result in challenges for related investments to yield expected economic returns in the short term, thereby exerting pressure on capital tie-up and capital consumption.</p> <p>In the process of empowering industrial digitalization through financial digitalization, the Bank needs to accelerate the expansion of multi-sector industrial digital ecosystems and enhance the depth and breadth of retail digital scenarios. This may entail upward pressure on operating costs arising from sustained technology and business investments.</p>	<p>Innovative business models and technology can lower service costs, boost operational efficiency, and refine cost structures and management performance.</p> <p>Building a robust digital service system helps broaden customer reach, address diverse financial needs, and drive business growth.</p> <p>Deepening engagement in digital economy finance across industries helps strengthen competitiveness, expand the project pipeline and business opportunities, and enable a differentiated market position.</p>

**Consumer Rights Protection** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Strengthening consumer rights protection mechanisms, safeguarding legitimate rights, and standardizing personal information handling help foster a fair, just, and secure financial market environment.</p> <p><b>Negative:</b> Overly cumbersome complaint handling procedures or untimely responses may trigger excessive assertion of rights by consumers, leading to a wastage of social resources such as dispute resolution costs.</p>	<p>Strengthening consumer protection requires additional human and financial resources, which may increase management and operational costs.</p>	<p>Enhancing customer service and experience helps build customer trust, improve brand image, and strengthen market competitive advantages.</p> <p>Effective consumer protection helps reduce complaints, financial claims, and compliance risks, further improving operational stability and lowering costs.</p>

**Cybersecurity and Data Security** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Refining network and data security mechanisms help prevent security incidents such as data tampering, destruction, leakage, and unauthorized use, thereby safeguarding financial stability, and public interests.</p> <p><b>Negative:</b> Large-scale security incidents could trigger systemic risks, affecting social and economic stability.</p>	<p>Building, maintaining, and upgrading network and data security systems require significant investment in both human and financial resources, thus increasing operational costs.</p> <p>Any breaches in network and data security may result in regulatory sanctions or lawsuits, potentially leading to higher non-operating expenditures and administrative overheads.</p>	<p>Comprehensive network and data security infrastructure and management system help ensure business continuity and system stability.</p> <p>Strong network and data security management practices can attract customers and enterprises that prioritize data security.</p>

**Employees** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> By generating employment opportunities, fostering diverse and inclusive recruitment, and safeguarding labor rights, the Bank contributes to social stability and injects momentum into positive economic growth. Furthermore, enhancing training programs and career development pathways, alongside robust incentive mechanisms, unlocks employee potential and creativity, providing a solid talent foundation for financial innovation and high-quality development.</p>	<p>Continuously expanding diverse recruitment channels and attracting high-quality talent may lead to increased expenditures on recruitment, training, and compensation and benefits, thereby heightening operating cost pressures.</p> <p>Talent shortages in critical positions could hinder operations and growth.</p>	<p>Through improved employee development mechanism, incentive system, and training programs, the Bank consistently stimulates employees' motivation and initiative, elevates their professional capabilities and productivity, and drives product and service innovation. This approach helps address diverse customer needs, thereby strengthening competitive advantages and generating greater value.</p>

**Supply Chain Management** Time Horizon of Impact Medium-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Transparent and equitable supplier admission criteria and procurement processes support small and medium-sized enterprises. Mandating ESG practices for suppliers encourages sustainable transformation and stable growth across the upstream and downstream value chain. Digitalizing procurement reduces resource consumption, delivering positive environmental outcomes.</p> <p><b>Negative:</b> Excessive dependence on a limited supplier base may result in supply chain concentration risks, potentially causing service disruptions or imbalanced bargaining power, which could adversely affect public service capabilities.</p>	<p>Implementing enhanced supply chain management measures demands additional investment in personnel, technology, and management resources, potentially raising administrative and technology-related expenses.</p>	<p>Encouraging suppliers to improve their ESG performance bolsters their capacity to manage ESG-related risks, contributing to greater stability across the supply chain.</p>

**Public Welfare and Charity** Time Horizon of Impact Short-term Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> Through charitable donations, volunteer activities, and other initiatives, the Bank actively supports public welfare, enhances social well-being, and ensures the fruits of financial development are more broadly and effectively shared with the public.</p>	<p>Inappropriate management of charitable donations or volunteer services may affect public trust and recognition, damaging the Bank's reputation and potentially incurring additional crisis communication and remediation costs.</p>	<p>Engaging in and diversifying charitable activities help build a responsible brand image, enhance brand influence, and drive customer acquisition and revenue growth.</p>

**Corporate Governance** Time Horizon of Impact Medium-term Long-term

Impacts Analysis	Risks Analysis	Opportunities Analysis
<p><b>Positive:</b> The Bank's ongoing efforts to strengthen its governance mechanisms, advance group-wide and refined management, enhance operational efficiency, reinforce stakeholder communication, and protect investor rights contribute to the stability of financial markets.</p>	<p>Weaknesses in corporate governance mechanisms regarding division of responsibilities, decision-making processes, or supervision and execution may undermine the effectiveness of strategy implementation, diminish management efficiency and risk prevention capabilities, thereby affecting operational stability and long-term value creation.</p>	<p>Strong corporate governance can enhance the scientific nature of decision-making and execution efficiency, ensure that business activities are conducted in a standardized manner, help build investor trust, and improve market competitiveness and stable development capabilities.</p>

**Financial Risk Management** Time Horizon of Impact Short-term Medium-term Long-term

**Impacts Analysis**

**Positive:** Strengthening the coordination of enterprise risk management and refining the mechanisms for transmitting risk preferences contribute to financial system stability, thus providing a strong foundation for healthy economic and social development.

**Negative:** An overly prudent or conservative approach to risk management could constrain the depth of support extended to the real economy.

**Risks Analysis**

Should risk management mechanisms fail to adequately identify risks, particularly emerging risks, it may lead to a failure in addressing and mitigating potential threats in a timely and effective manner. This could subsequently trigger fluctuations in asset quality and exert pressure on capital adequacy.

**Opportunities Analysis**

Advancing risk management capabilities enables the Bank to more effectively navigate macroeconomic volatility and market uncertainty, reinforce operational resilience, enhance asset quality and capital efficiency, and thereby support sustainable business growth and greater earnings stability.

**Integrity and Compliance Operation** Time Horizon of Impact Short-term Medium-term Long-term

**Impacts Analysis**

**Positive:** Robust compliance framework, strengthened internal controls, and high ethical standards contribute to orderly financial markets, greater transparency and resilience in the financial system, and enhanced public confidence in the industry.

**Negative:** Serious compliance failures stemming from inadequate management could trigger financial risk contagion, adversely affecting economic and social stability.

**Risks Analysis**

Significant misconduct may result in reputational damage, undermining business development and profitability.

**Opportunities Analysis**

Enhancing compliance systems and employee conduct management, while rigorously preventing major criminal cases, can effectively reduce governance and compliance costs.

Demonstrated strong compliance helps build a transparent and credible corporate image, foster trust among investors, customers, and other stakeholders, and support steady business growth and sustained profitability.

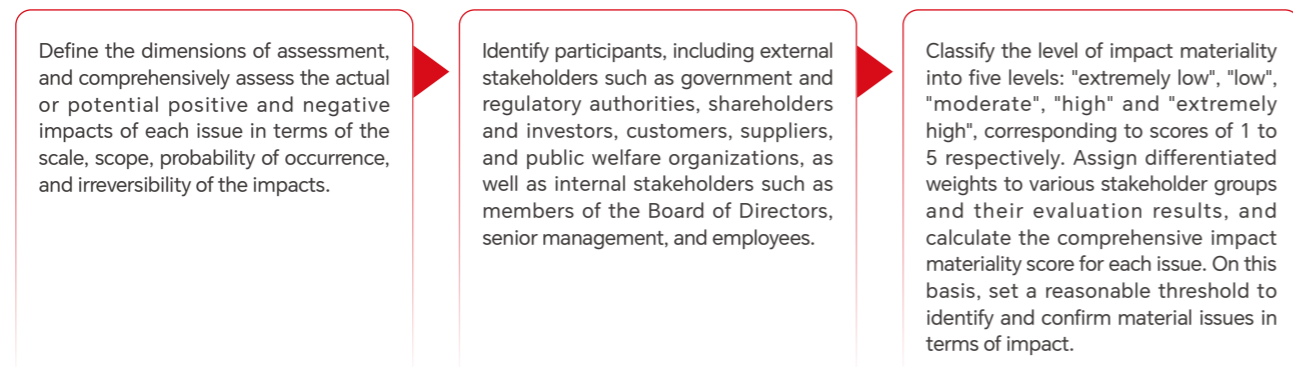
**Step 4: Assessment and Confirmation of Issue Materiality**

4

Based on a systematic analysis of the impacts, risks and opportunities associated with its sustainability issues, the Bank developed an online survey to invite stakeholder participation in a comprehensive assessment of these issues from both an impact materiality and a financial materiality perspective.

A total of 1,875 valid responses were collected, ensuring the scientific rigor and objectivity of the findings. Participating stakeholders spanned a broad and diverse range of groups, including government and regulatory authorities, shareholders and investors, customers, suppliers, public welfare organizations, members of the Board of Directors and senior management, and employees. The assessment results provide a well-rounded perspective on the materiality of sustainability issues to the Bank, serving as a robust foundation for the Bank's double materiality analysis and subsequent strategic decision-making.

**Impact Materiality Assessment Process**



**Financial Materiality Assessment Process**



The Bank integrated the results of impact materiality assessment and financial materiality assessment to form a double materiality matrix for sustainability issues. The results show that among the 15 sustainability issues identified by the Bank, five issues, namely Green Finance, Technology Finance, Inclusive Finance, Digital Finance, and Consumer Rights Protection, are material from both impact and financial perspectives, while the other ten issues are material only from an impact perspective.

**2025 Double Materiality Matrix of the Bank's Sustainability Issues**



The Bank structured its reporting framework and determined key disclosure priorities based on the outcomes of the double materiality assessment. For the five issues identified as financially material, the Bank performed analysis and made disclosures following the "Governance", "Strategy", "Impacts, Risks and Opportunities Analysis", and "Indicators and Targets" framework, in accordance with regulatory requirements. Recognizing the close correlation and synergies between Green Finance and Climate Change Tackling, the Bank presented these two issues under a combined disclosure, while keeping the conclusions of the double materiality assessment unchanged.

# Stakeholder Engagement

Drawing on its specific business and operational characteristics, the Bank identified six primary stakeholder groups. To address the distinct needs of these groups, it developed a set of tailored communication policies, including the *Hua Xia Bank Information Disclosure Management Measures*, the *Hua Xia Bank Investor Relations Work Measures*, the *Hua Xia Bank Employee Representative Congress Management Measures*, the *Hua Xia Bank Customer Complaint Management Measures*, the *Hua Xia Bank Customer Service Supervision Management Measures (Trial)*, the *Hua Xia Bank Supplier Evaluation Implementation Rules*, and the *Hua Xia Bank Centralized Procurement Supplier Concentration Management Measures*. Through a variety of channels, the Bank established regularized communication and timely response mechanisms, ensuring that stakeholder perspectives and concerns were carefully heard and actively addressed. These efforts have consistently strengthened the effectiveness of stakeholder engagement. In 2025, the implementation of these measures was carried out successfully.

Stakeholder Group	Communication Frequency and Methods	Communication Topics and Outcomes	Stakeholder Group	Communication Frequency and Methods	Communication Topics and Outcomes
<b>Government and Regulatory Authorities</b> 	<b>Regular:</b> Regular reporting, regular submission of statistical statements, etc.  <b>Ad-hoc:</b> Thematic briefings, meetings and seminars, regulatory inspections, policy consultations, policy briefings, industry seminars, etc.	Implement policy guidance, provide timely feedback on issues and suggestions encountered during policy implementation, timely communicate operational status to ensure regulatory authorities stay informed of the latest developments; promptly obtain policy directions from government and regulatory authorities to optimize business strategies.	<b>Suppliers</b> 	<b>Regular:</b> Annual performance reviews, exchanges on concentration management, and on-site visits.  <b>Ad-hoc:</b> Phone calls, emails, online and in-person meetings, and bidding events.	Engage with suppliers on their operational performance, product and service quality, and sustainability practices to ensure fair and transparent procurement processes and promote supply chain sustainability.
<b>Shareholders and Investors</b> 	<b>Regular:</b> Periodic reports, annual general meetings of shareholders, and results briefings for the annual, interim, and quarterly periods, etc.  <b>Ad-hoc:</b> Daily investor receptions, institutional strategy sessions, interim announcements, on-demand general meetings of shareholders, Q&A on the "SSE E-Interaction" platform, and responses to the investor relations hotline and emails, etc.	Actively engage with the market on matters of interest, deepen and broaden investor outreach, communicate the Bank's sustainable development value, and maintain strong, positive relationships with investors.	<b>Employees</b> 	<b>Regular:</b> Performance feedback communications.  <b>Ad-hoc:</b> Internal forums, digital HR platform communications, employee representative congresses, sports and cultural activities, Labor Union group meetings, employee forums, and channels for grievance and reporting.	Facilitate dialogue on HR management and matters concerning employees' interest, fully protect employee rights, and strengthen organizational unity.
<b>Customers</b> 	<b>Regular:</b> Periodic reports, information disclosures, and customer satisfaction surveys, etc.  <b>Ad-hoc:</b> Multi-channel online and in-person customer service channels, including customer service hotline, Hua Xia Bank mobile banking App, "Splendid Life" App, email, field visits, and dedicated complaint channels, etc.	Share information on products, services, and innovations with diverse customer segments. Address customer needs promptly and effectively, protect their legitimate rights, and continuously enhance customer satisfaction.	<b>Public Welfare Organizations</b> 	<b>Ad-hoc:</b> Phone calls, emails, online and in-person meetings, field visits, targeted assistance programs, educational support, aid for vulnerable groups, environmental initiatives, and other charitable activities.	Engage volunteers in philanthropic and charitable initiatives, deepen community ties, and contribute to harmonious community development.





Special Feature

# Channeling Financial Resources to Boost the Beijing-Tianjin-Hebei Region and Building a New Landscape for Coordinated Development

As a financial institution under the administration of the Beijing municipal government, Hua Xia Bank closely followed the spirit of the 2025 Capital High-Quality Economic and Social Development Conference and the annual work tasks of Beijing, Tianjin and Hebei governments. The Bank formulated the *Hua Xia Bank 2025 Work Plan for Serving the Capital Economy and the Coordinated Development of the Beijing-Tianjin-Hebei Region*, focusing on the construction of the Capital's "Four Centers" functions, the "Five Key Initiatives" development strategy, and the key areas of Beijing-Tianjin-Hebei coordinated development. The plan sets out annual work objectives and specific implementation measures, demonstrating the Bank's deep integration into the national strategy of capital development and Beijing-Tianjin-Hebei coordinated development.

## Serving High-Quality Development of the Capital

The Bank has always prioritized serving the development of the capital, fulfilling its responsibility as a state-owned financial enterprise in the capital. In 2025, in accordance with the work requirements of the Beijing Municipal Party Committee and Government, and closely focusing on the construction of the capital's "Four Centers" functions, the Bank launched the "Jinghua Action". By mobilizing various resources, it is committed to building a "home field advantage" in the capital region and ensuring the successful conclusion of the 14th Five-Year Plan regional planning and the smooth commencement of the 15th Five-Year Plan. During the reporting period, the Bank provided a total of RMB509.230 billion<sup>1</sup> in various investment and financing services to the Beijing region, representing an increase of 14.89% over the end of the previous year.

## Focusing on Key Customer Groups and Expanding Comprehensive Financial Services

In 2025, the Bank held the "Hua Xia Bank Conference on Serving High-Quality Development of State-Owned Enterprises in the Capital", at which it signed cooperation agreements with 16 state-owned enterprises in the capital. Through diversified cooperation and collaborative development models such as project matching, industrial synergy, and digital empowerment, the Bank established a development and cooperation mechanism featuring "industry-finance integration, complementary advantages, and win-win cooperation", helping state-owned enterprises in the capital play a greater role in serving national strategies and fulfilling the Capital's functional positioning.



Hua Xia Bank Conference on Serving High-Quality Development of State-Owned Enterprises in the Capital

The Bank proactively engaged with key enterprises, including central government-owned enterprises in Beijing and regional industry leaders, by forming dedicated service teams and scaling up financial support. This effort resulted in full service coverage for 37 state-owned enterprises in the capital, with support further extended to their subsidiaries and projects outside Beijing. By the end of 2025, the financing balance provided to these 37 state-owned enterprises in the capital had grown by 47.25% over the previous year-end.

<sup>1</sup> The statistical scope is the Group scope.

### Case

#### Beijing Branch and Hong Kong Branch: Helping State-Owned Enterprises in the Capital Broaden Financing Channels

In 2025, guided by the "Jinghua Action", the Bank focused on the business needs of a major state-owned group in Beijing, deepening its comprehensive financial services across credit support and treasury management. As the sole joint-stock commercial bank involved, the Bank facilitated the completion of two bond tranches totaling USD950 million— the first overseas bond issuance by a Beijing municipal enterprise in nearly three years. Working in synergy across borders, Hong Kong Branch leveraged the Group's cross-border synergy and delivered end-to-end support, including offshore bond underwriting and hedging of proceeds, effectively broadening the client's overseas financing access. This initiative reflects the commitment of municipal state-owned financial institutions to support the global expansion of state-owned enterprises in the capital and to innovate cross-border financial service models.

In 2025, Shijiazhuang Branch provided a RMB240 million acquisition loan to a subsidiary of a Beijing-based company specializing in green and environmentally friendly building materials manufacturing, supporting its accelerated business development and market expansion.



## Supporting Project Development to Fuel New Drivers for the Capital's Growth

The Bank actively engaged with and supported key projects at both the municipal and district levels in Beijing by prioritizing resource allocation, expediting approvals, and ensuring targeted credit disbursement. In 2025, it provided credit support of RMB7.720 billion and loan disbursements of RMB2.181 billion for key municipal and district-level projects in Beijing, including the "300 key municipal-level projects"<sup>1</sup>.

### Case

#### Beijing Municipal Administrative Center Branch: Supporting the Construction of the "Beiyuan Community Center" Project in the Beijing Municipal Administrative Center

The "Beiyuan Community Center" project integrates community services, public transport hubs, institutional elderly care, Grade A office space, and commercial facilities. It serves as a demonstration project for the development of the public service system in the Beijing Municipal Administrative Center. To meet the project's funding needs, the Bank tailored a comprehensive financial services solution covering the full project lifecycle and value chain, enabling rapid loan disbursement. Additionally, it provided comprehensive settlement and fund management services to the project's general contractor and subcontractors, establishing a project-centered financial services ecosystem and achieving effective closed-loop management of project funds.

<sup>1</sup> The "300 key municipal-level projects" refer to three categories of key projects in the Beijing Municipal Key Projects Plan, specifically: 100 major technological innovation and modern industrial projects, 100 major infrastructure projects, and 100 major livelihood improvement projects.

### Stimulating Consumption Vitality to Shape a New Vision for International Consumption Center City

In line with the policy direction of closely integrating livelihood improvements with consumption growth and rolling out targeted initiatives to boost consumption, the Bank actively supported Beijing's development as an international consumption center city. By focusing on expanding consumption scenarios, fostering innovative consumption models, and improving the overall consumption environment, the Bank played a comprehensive role in elevating and broadening consumption to better serve people's needs.

<p><b>Supporting Key Projects</b></p>	<p>Injected financial momentum into consumption landmarks and infrastructure projects such as Dingdian Park, the "Wanli" commercial and entertainment complex, and the Universal Beijing Resort North Hub, sparking new growth in cultural tourism consumption.</p>
<p><b>Supporting Cultural Consumption</b></p>	<p>Implemented the "Time-Honored Brand Action Plan", with dedicated loans to support the renovation and upgrading of time-honored brands, and organized cross-sector activities such as intangible cultural heritage experiences and salons to support the preservation and innovative development of these heritage brands.</p>
<p><b>Promoting Scenario Integration</b></p>	<p>Focused on key scenarios including commercial districts, cultural tourism, and travel, the Bank launched campaigns such as "Beautiful Hua Xia, Half-Price Food Delights", "Beautiful Hua Xia, Exploring Beijing", "Beautiful Hua Xia, East of the Forbidden City", and "Ride the Subway for One Cent". These initiatives attracted a total of 51,000 participations. Through a bank-enterprise partnership with the National Stadium (Bird's Nest) Culture and Tourism Company, the Bank created a dedicated consumption scenario for concerts, engaging 1.58 million participations. Additionally, in collaboration with the King Pro League, the Bank hosted the annual finals at the Bird's Nest, leveraging the "ticket stub economy" to create new highlights in cultural and sports consumption in the capital.</p>



### Serving Key Sectors to Forge a New High Ground for High-Quality Development

Concentrating on key sectors including technology finance and initiatives to enhance people's livelihoods, the Bank channels financial resources to drive the capital's high-quality development through dedicated service frameworks and specialized product offerings.

<p><b>Serving the Construction of Beijing as an International Center for Science and Technology Innovation</b></p>	<p>Established a "1+23" technology finance service system, setting up a Technology Finance Center in the Beijing region to coordinate 23 specialized technology finance sub-branches in providing targeted services. Strengthened product application and innovation, actively invested in technology innovation enterprise bonds, medium-term notes and other products, and facilitated the implementation of the first "R&amp;D Loan" business. Deepened government-bank cooperation by jointly organizing events such as matchmaking meetings on industry-finance integration for specialized, refined, differential, and innovative enterprises to enhance engagement with technology innovation enterprises.</p>
<p><b>Serving Beijing's Development as a Model City for the Global Digital Economy</b></p>	<p>Focusing on key sectors such as automotive and energy, the Bank rolled out several industrial digital finance initiatives and served 320 clients during the reporting period.</p> <p>The Bank advanced its e-CNY infrastructure by optimizing system functionality, enhancing features such as corporate wallet top-ups, limit adjustments, whitelist management, and payroll distribution to improve the ease of e-CNY usage. It also actively promoted e-CNY payroll services in the Beijing region, supporting municipal state-owned enterprises in completing profit remittances via the digital currency.</p>
<p><b>Serving the Capital's High-Level Opening Up</b></p>	<p>Leveraged trade finance products to meet the cross-border financial service needs of enterprises in the Beijing Pilot Free Trade Zone, facilitating cross-border RMB and foreign exchange transactions.</p> <p>Hong Kong Branch maintained close collaboration with Beijing-based enterprises in Hong Kong, established partnerships with multiple municipal-level state-owned enterprises in Beijing, and engaged with their overseas affiliates. With services covering the key overseas operations of these enterprises, the Branch served as a solid financial backbone for Beijing-based enterprises "going global".</p>
<p><b>Enhancing People's Well-Being in the Capital</b></p>	<p>Strengthened engagement with the Beijing Loan Service Center and actively integrated into the financing coordination mechanism for micro and small businesses, providing them with full-lifecycle financial services. Established social security-bank service counter to streamline the application process for minors' social security cards, and contributed to the issuance of Beijing's third-generation social security cards.</p> <p>Supported the development of a multi-tiered healthcare security system by promoting the expansion of mobile medical payment services. Since its launch, the service has been adopted by 278 designated hospitals and pharmacies in Beijing, processing over RMB118 million in payments and serving residents more than 3.49 million person-times in the capital. Actively promoted the "Beijing Universal Health Insurance" program, serving 53,000 insured residents in Beijing.</p>
<p><b>Supporting the Development of the Silver Economy in the Capital</b></p>	<p>The Bank participated in the 11th Beijing International Aging Industry Expo, showcasing its one-stop financial solutions covering pension reserves, late-life security, and quality-of-life enhancement. It also conducted the "Elderly VCare" asset allocation awareness campaign, providing customers with thoughtful guidance on quality retirement planning.</p>

## Serving the Coordinated Development of the Beijing-Tianjin-Hebei Region

Promoting the Development of the "Two Wings" and Supporting the Creation of a New Frontier for High-Quality Development

The Bank is fully committed to advancing the national strategy for the coordinated development of the Beijing-Tianjin-Hebei region. In alignment with the priority work initiatives of the Beijing, Tianjin, and Hebei governments, it has been steadily reinforcing its role as the lead bank for financial services in the region, effectively supporting regional economic growth and the delivery of key projects. In 2025, the Bank provided RMB113.016 billion<sup>1</sup> in investment and financing services to key projects and enterprises supporting the coordinated development of the Beijing-Tianjin-Hebei region, marking a 30.01% increase over the previous year.

The Bank steadily advanced the construction and relocation of its headquarters building, and leveraged the headquarters relocation as an opportunity to increase support for green infrastructure in the Beijing Municipal Administrative Center.

The Bank provided efficient services to key enterprises in the Beijing Municipal Administrative Center. Since 2020, the financing balance and new financing extended to district-level enterprises have consistently ranked among the top among local financial institutions.

The Bank provided robust support to relocated central enterprises in the Xiong'an New Area by developing tailored financial solutions for each relocated enterprise. During the reporting period, loans issued in the Xiong'an New Area increased by 23.33% over the previous year.

Promoting Industrial Synergy and Serving the Development of Key Projects

Focused on core enterprises in sectors such as steel and transportation in the Beijing-Tianjin-Hebei region, the Bank provided supply chain financial services, delivering integrated financial solutions to clients within the industrial ecosystem of these core enterprises.

Supported key "vegetable basket" projects, including the Hebei Shouheng Agricultural and Sideline Products Logistics Park and the Shijiazhuang Dahe Cold Chain Logistics Distribution Center. Contributed to the integrated transportation network in the Beijing-Tianjin-Hebei region by extending credit support to projects such as the Tianjin-Weifang-Suqian High-Speed Railway and the G95 Capital Regional Ring Expressway during the reporting period, achieving the first drawdown for these projects. Additionally, the Bank provided a range of services—including credit facilities, bond investments, and financing leases—to multiple expressway and urban road development projects, as well as shipping enterprises, across the Beijing-Tianjin-Hebei region.

### Case

#### Accelerating Integrated Transportation in the Beijing-Tianjin-Hebei Region with Financial Support

The Tianjin-Weifang-Suqian High-Speed Railway is a key component of the "Eight Vertical and Eight Horizontal" high-speed railway network under the national medium- and long-term railway network plan. The Bank precisely aligned with the project's financing needs, efficiently completed the credit approval process, extended credit support to the project, and achieved the first drawdown during the reporting period. This project will help optimize the transportation layout in the Beijing-Tianjin-Hebei region, accelerate the development of a modern integrated transportation system, and enhance the overall competitiveness and driving capacity of the Beijing-Tianjin-Hebei urban cluster.

<sup>1</sup> The statistical scope is the Group scope.

### Case

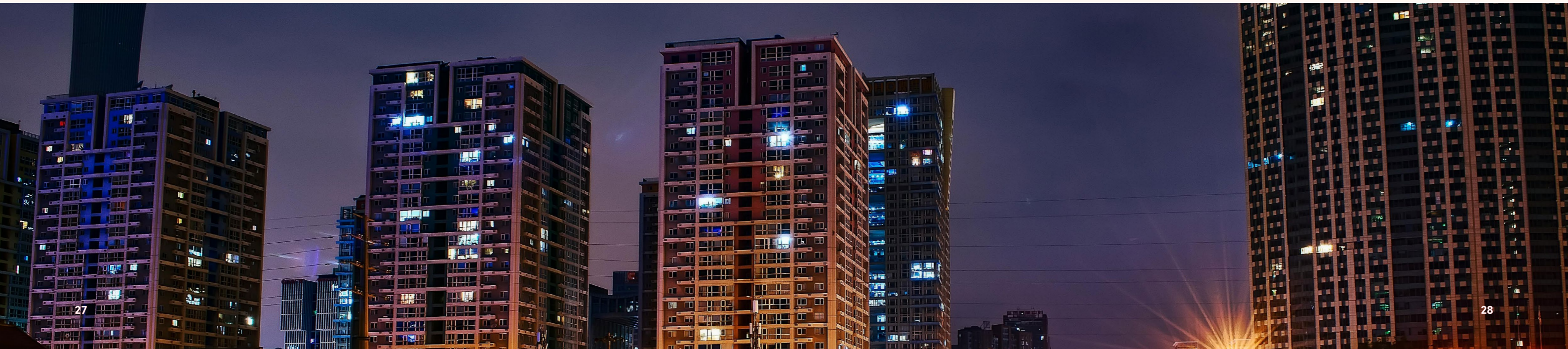
#### Deep Engagement in the Beijing Green Development Forum to Support Green Growth in the Beijing-Tianjin-Hebei Region

In September 2025, the Bank participated in the inaugural Beijing Green Development Forum. As an active practitioner and key promoter of green finance, and a long-term partner of the Forum, the Bank organized the parallel session titled "Industrial Transformation and Green Finance Practices Under the Dual Carbon Goals". During the closing ceremony, President Qu Gang delivered a keynote speech entitled *Turning Green into Gold: Hua Xia Bank's Innovation and Practice in Green Finance*. He presented the Bank's strategic positioning, product innovation, international collaboration, biodiversity conservation efforts, and ESG risk management practices in green finance. He also proposed policy recommendations, including strengthening the coordination of monetary and fiscal policies, accelerating the development of carbon markets and environmental rights trading markets, enhancing environmental information disclosure and ESG risk management, and fostering greater synergy among financial institutions, all aimed at supporting the Beijing-Tianjin-Hebei region in becoming a green development hub.

By the end of 2025, the balance of green loans of the Bank's branches in the Beijing-Tianjin-Hebei region had increased by 29.41% over the previous year. The Bank's "China Renewable Energy and Battery Storage Promotion Project", implemented in partnership with the World Bank, has supported the construction of a 110MW/240MWh vanadium-lithium hybrid grid-side independent energy storage power station in Xingtai, Hebei. Huaxia Financial Leasing has provided financial services such as photovoltaic and new energy power station financing leases to enterprises across the Beijing-Tianjin-Hebei region.



Opening Ceremony of the 2025 Beijing Green Development Forum.





# Environmental

Support United Nations Sustainable Development Goals (SDGs)

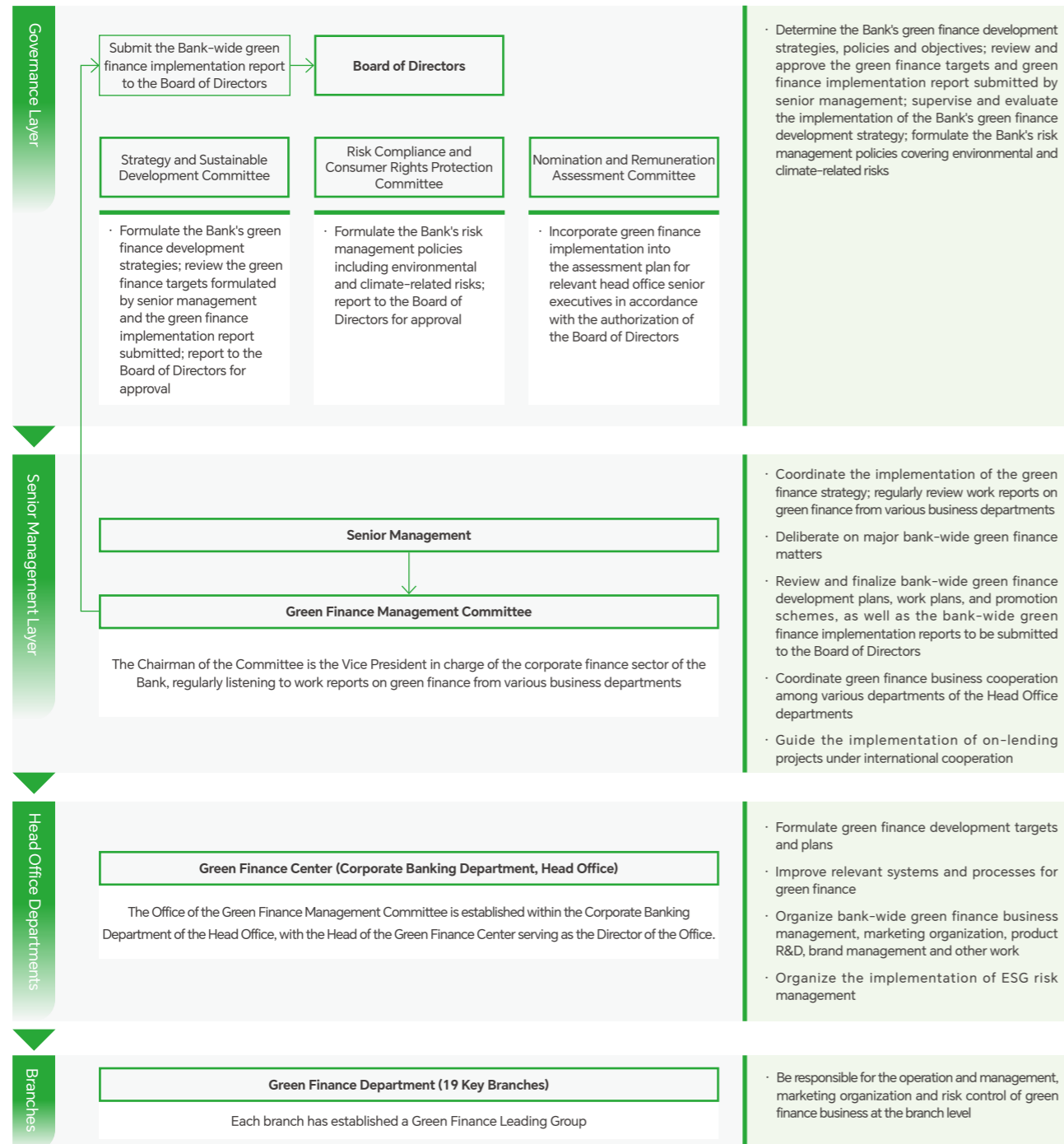


# Green Finance and Climate Change Tackling

Hua Xia Bank takes "deepening the green finance strategy and actively adapting to the green and low-carbon development trend under the goals of carbon peaking and carbon neutrality" as its bank-wide strategy. The Bank fully identifies risks and opportunities related to green finance and climate change tackling, integrates environmental, social and governance risks as a standalone risk category into its comprehensive risk management system. By continuously increasing the supply of green financial resources, the Bank leverages its financial strengths to safeguard ecological progress and provide a green foundation for high-quality development.

## Governance

### Governance Structure of the Bank for Green Finance and Climate Change Tackling



## Board of Directors

The Board of Directors and its special committees are responsible for formulating the Bank's green finance development strategies, policies and objectives, and supervising their implementation. They review and approve green finance objectives formulated and green finance reports submitted by the senior management, supervise the senior management in implementing the green finance strategy and controlling environmental and climate-related risks, formulate risk management policies covering environmental and climate-related risks, evaluate the development of green finance and the management of environmental and climate-related risks, and put forward improvement suggestions.

### Board of Directors and Strategy and Sustainable Development Committee

Reviewed and approved the *2024 Annual Green Finance Implementation Report of Hua Xia Bank* and the *Hua Xia Bank 2024 Annual Plan Implementation Evaluation Report*. The Board of Directors reviewed and approved the *Report on Hua Xia Bank 2024 Operating Performance and 2025 Business Plan*, supervised the senior management in carrying out green finance-related work, reviewed the green loan growth target, and put forward plans and requirements for all green finance work.

### Board of Directors and Risk Compliance and Consumer Rights Protection Committee

Reviewed and approved the *2024 Annual Risk Management Report of Hua Xia Bank*, the *2024 Annual Risk Appetite Implementation Evaluation Report of Hua Xia Bank*, the *Risk Appetite Statement of Hua Xia Bank* and the *2025 Annual Risk Management Strategy of Hua Xia Bank*, and supervised the senior management in risk management and control, risk appetite and risk management strategies covering environmental and climate aspects.

### Board of Directors and Nomination and Remuneration Assessment Committee

Reviewed and approved the *Proposal on the 2024 Annual Assessment Results of Head Office Senior Executives*, incorporated green finance indicators into the assessment framework, and monitored the senior management's performance against these indicators.

## Senior Management

The Bank has established a Green Finance Management Committee under the senior management, which is responsible for coordinating the implementation of the green finance strategy, hearing regular work reports on green finance from various business departments, studying major bank-wide green finance matters, approving the Bank-wide green finance development plan, work plan and promotion plan, and submitting the Bank-wide green finance implementation report to the Board of Directors.

The senior management attaches great importance to green finance and reviews the Bank-wide green finance implementation report through the President's Office Meeting and meetings of the Green Finance Management Committee. In 2025, it reviewed and approved the *2024 Annual Green Finance Implementation Report of Hua Xia Bank*.

## Execution Level

The Bank has established a Green Finance Center in the Corporate Banking Department at the head office, which takes the lead in bank-wide green finance work and organizes green finance business management, ESG risk management, market development, product research and development management, business cooperation with international financial organizations and foreign governments, and loan and grant management. Various functional departments carry out work in accordance with their functional divisions, including implementing policies and systems, strengthening product innovation, improving incentive and restraint mechanisms, and enhancing compliance management requirements. Subsidiaries leverage their own resource endowments and business advantages to actively develop their distinctive green businesses, expand service channels in the green sector, enrich service models, and implement green development-related work and plans.

Branches have established Green Finance Leading Groups, with 19 key green finance branches and strengthened their staffing. Some branches have established specialized green finance sub-branches, building an all-around and multi-level green finance service system.

# Strategy

## Risk and Opportunity Analysis and Financial Impact Analysis

### Analysis of the Bank's Green Finance and Climate Change-Related Risks and Financial Impacts

#### Acute Risks

Risk Description	Current Impact	
Extreme weather events including droughts, heatwaves, typhoons and floods, are occurring with increasing frequency and intensity.	<p><b>Impact on the Bank</b></p> <p>It may result in short-term operational disruptions and infrastructure damage at branches in the southeast coastal regions, North China and other areas due to floods and typhoons; high temperatures in Central China and South China drive up electricity use.</p> <p>It may inflict severe physical damage on tangible assets in disaster affected areas, leading to asset impairment and disrupted operations, thereby increasing customer default risks.</p>	<p><b>Financial Impact on the Bank</b></p> <p>Extreme weather results in temporary operational interruptions and property losses; rising electricity consumption increases operating costs.</p> <p>Asset quality has not been affected by extreme weather events.</p>

#### Expected Impact

Time Horizon of Impact <sup>1</sup>	Impact on the Bank	Financial Impact on the Bank
Short-term	<p>Accelerated depreciation of collateral and potential value erosion may lead to increased disposal costs.</p> <p>Localized impacts may damage customers' means of production and business premises, resulting in higher operating costs, operational interruptions and property losses.</p> <p>Severe physical damage to tangible assets in disaster-affected areas leads to asset impairment and constrained production, raising customer default risks and increasing the Bank's non-performing loans.</p>	<p>This may increase recovery and restoration expenditures, impacting short-term financial performance.</p> <p>Asset quality deteriorates.</p> <p>Operating income declines.</p>
Medium-term	<p>The increase in extreme weather events brings frequent operational disruption risks and rising operating costs.</p> <p>Severe physical losses to tangible assets in disaster-affected areas, manifested as asset impairment and restricted production activities, will increase customer default risks and lead to a rise in the Bank's non-performing loans.</p>	<p>This may lead to increased infrastructure repair costs and affect financial stability.</p> <p>Asset quality deteriorates.</p> <p>Operating income declines.</p>
Long-term	<p>High-frequency extreme weather events will affect overall operational stability.</p>	<p>This may result in fluctuations in finances and operating income, and increase the possibility of asset quality downgrade.</p>

#### Key Response and Management Initiatives

Optimize business continuity management and extreme weather emergency protocols, enhance disaster recovery planning, and boost climate adaptability.

Improve and continuously iterate disaster recovery coverage based on the "two locations, three centers" architecture.

Increase investment in infrastructure and procure property damage insurance to mitigate acute risks.

Enhance climate risk assessment and adopt differentiated management for customers in regions with high physical climate risks.

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#### Chronic Risks

Risk Description	Current Impact	
Changing precipitation patterns contribute to a continuous rise in sea levels.	<p><b>Impact on the Bank</b></p> <p>Changes in precipitation patterns affect customers in agriculture and water-dependent industries in certain regions, thereby impacting their repayment capacity.</p> <p>Physical risks to infrastructure, real estate, and related assets in low-lying coastal areas increase.</p>	<p><b>Financial Impact on the Bank</b></p> <p>Financing demand is increasing in areas like water resource management and water-saving facilities, with investment and financing allocation leaning toward these sectors.</p> <p>As of 2025, asset quality in industries such as agriculture, water-dependent enterprises, and infrastructure and real estate in low-lying regions remains unaffected by such changes.</p>

#### Expected Impact

Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	<p>It places operational pressure on certain agricultural and water-dependent customers.</p>	<p>Credit customers may incur losses, and loan demand from customers in waterdependent industries may rise, affecting shortterm financial performance</p>
Medium-term	<p>Water scarcity may heighten commercial operational risks and undermine customers' repayment capacity.</p> <p>Collateral may suffer damage or value erosion, which could increase disposal costs accordingly.</p>	<p>Loan default risks may increase, which will affect medium-term financial stability.</p>
Long-term	<p>Long-term precipitation changes may intensify regional rainfall inequality and drive structural shifts in the spatial allocation of water resources (both surplus and deficit).</p> <p>Collateral damage or value depreciation may occur, leading to higher disposal costs and necessitating adjustments to the Bank's lending practices and business models in the affected regions.</p> <p>Sea level rise may disrupt the operations of the Bank's business outlets and customers in low-lying coastal areas.</p>	<p>This may necessitate the relocation of business outlets, resulting in increased financial expenditures. Furthermore, loan recovery may become more challenging for enterprises with high water dependency that lack adequate adaptation measures. The impairment of collateral value could undermine customers' debt-servicing capacity, increasing the risk of asset quality migration.</p>

#### Key Response and Management Initiatives

Adjust the physical locations of business outlets.

Increase green finance support for local climate adaptation projects and enhance green financing for water conservation and management initiatives to help enterprises improve water use efficiency.

Policy Factors		
Risk Description	Current Impact	
The price of GHG emission allowances rises.	<b>Impact on the Bank</b>	<b>Financial Impact on the Bank</b>
Disclosure requirements for greenhouse gas emissions become increasingly stringent.	Operating costs and compliance requirements for customers in high-carbon industries have increased. Such enterprises will face increased carbon emission costs and decarbonization transformation costs, which may impact their creditworthiness and profitability.	No impact on asset quality arising from such factors has occurred in the current year.
New policies related to climate and the environment are introduced.		
Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	If enterprises fail to timely follow policy developments related to climate and the environment or to formulate corresponding measures, they may face declining revenue, rising costs and lower profits, which will affect the repayment capacity of high-carbon industry customers and may further impact the Bank's credit granting policies and strategies.	increases; enterprises in such sectors face greater transformation pressure, which affects their repayment capacity. Rising carbon reduction and transformation costs reduce corporate profits, which may impact the Bank's credit granting decisions.
Medium-term	Sustained increases in carbon allowance prices and mounting industry transformation pressure, coupled with enterprises' failure to timely respond to new national or local climate and environmental policies, pose significant challenges to the profit models of high-carbon industries, potentially exposing traditional high-carbon sectors to transition risks.	Shifts in customer structure. Lending supporting the transition of high-carbon industries increases. Higher costs for enterprises in traditional high-carbon industries raise the risk of loan quality deterioration. Increased probability of downward asset quality migration.
Long-term		
Key Response and Management Initiatives		
Continuously monitor policy developments in national green and environmental sectors, and anticipate policy change trends.		
Strengthen carbon emission management, increase financial support for green transition projects in high-carbon industries, and optimize the asset portfolio structure.		
Improve the climate-related information disclosure system and enhance compliance response capabilities.		



Regulatory Factors		
Risk Description	Current Impact	
Regulatory authorities have strengthened requirements for banks' climate risk management (e.g., disclosure requirements, risk assessment procedures), leading to increased compliance costs.	<b>Impact on the Bank</b>	<b>Financial Impact on the Bank</b>
	Failure to timely align risk management frameworks and business processes with the "Dual Carbon" transition, or to anticipate the phase-out of laggard enterprises, may adversely impact certain business segments. Banks are required to strengthen climate risk management and conduct stress tests and investment and financing carbon accounting.	No risks or financial losses arising from supervision and regulation occurred in the current year.
Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	Regulatory policies may introduce new requirements, necessitating banks to adjust their operation and management processes.	Regulatory compliance needs and climate risk stress tests may result in additional increases in operating costs.
Medium-term	The bank is required to enhance its green finance compliance reviews and optimize business strategies.	
Long-term		
Key Response and Management Initiatives		
Proactively track climate-related regulatory developments, conduct regular stress testing and scenario analysis, and strengthen green finance compliance management.		
Market-related Factors		
Risk Description	Current Impact	
Market demand for products in high-carbon industries contracts.	<b>Impact on the Bank</b>	<b>Financial Impact on the Bank</b>
Prices of products in specific industries (especially bulk fossil fuels) face sharp volatility.	The market competitiveness of products in high-carbon industries is declining, undermining their operating performance. If the Bank's green finance products and services fail to align with market demand, it may face customer attrition and declining demand for its offerings.	As of the end of the reporting period, no market-related risks induced by climate change have materialized.
Climate change gives rise to uncertainty in the financial and capital markets.		
Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	Some customers may experience declining profitability due to contracting market demand, which could adversely affect the Bank's asset quality.	Decrease in operating income.
Medium-term	Climate change may exacerbate price volatility of related products, introducing new uncertainties.	Weakened asset quality.
Long-term		
Key Response and Management Initiatives		
Establish a dynamic market risk monitoring system to track market trends in high-carbon industries and changes in demand for green industries.		
Optimize the investment and financing portfolio to mitigate the impact of capital market uncertainties.		

Technological Factors		
Risk Description	Current Impact	
<p>Low-emission alternatives to existing products and services.</p> <p>Costs of transitioning to low-emission technologies.</p> <p>Unsuccessful investments in new technologies.</p>	<p><b>Impact on the Bank</b></p> <p>Mounting technological transition pressure and rising costs in high-carbon industries may increase customers' credit risks, thereby elevating the risk of asset quality deterioration for the Bank.</p> <p>Enterprises' technological transformation costs may impact their current-period profit and loss, thereby affecting their current financial decisions.</p> <p>Emerging low-carbon technology sectors carry high uncertainty, increasing the difficulty of customer screening and assessment</p>	<p><b>Financial Impact on the Bank</b></p> <p>As of the end of the reporting period, no financial losses have arisen from technological factors.</p>
Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	The accelerated iteration of low-carbon technologies may expose some early-stage investment projects to the risk of technological obsolescence; the difficulty of risk identification for low-carbon technology projects may hinder business expansion.	<p>Decrease in operating income.</p> <p>Weakened asset quality.</p> <p>Increase in operating costs.</p>
Medium-term	Mounting technological transition pressures and rising costs for enterprises in high-carbon industries; for certain enterprises, actual returns from low-carbon product transitions may fall short of expectations, leading to a decline in asset quality.	
Long-term	Mounting technological transition pressure and rising costs for enterprises in high-carbon industries; some enterprises will experience asset quality deterioration due to failed transformations. Enterprises' failed adoption of emerging low-carbon technologies will lead to increased financial costs.	
Key Response and Management Initiatives		
<p>Increase financial support for projects adopting mature technologies to mitigate investment and financing risks.</p> <p>Enhance professional expertise to strengthen risk assessment and management capabilities.</p> <p>Proactively optimize industry and customer structures to preemptively mitigate the risks associated with the phase-out of laggard enterprises during the low-carbon transition.</p>		

Reputational Factors		
Risk Description	Current Impact	
<p>Spreading of negative sentiment among stakeholders.</p> <p>Delays in the Bank's own climate actions may trigger negative assessments and damage the Bank's reputation and brand image.</p>	<p><b>Impact on the Bank</b></p> <p>Public attention to climate responsibility is rising, and negative public opinion involving corporate clients may impact the Bank's reputation. For example, if the Bank holds excessive loans to high-carbon related industries or provides insufficient lending support to low-carbon related industries, it may affect stakeholders' assessment of the Bank and exert a negative impact on its reputation.</p>	<p><b>Financial Impact on the Bank</b></p> <p>As of the end of the reporting period, no negative publicity related to climate issues has materialized.</p>
Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	If enterprises trigger public opinion incidents due to high emissions and high pollution, the negative impact may spill over to the Bank.	Negative public opinion involving clients may impair their earnings, leading to weakened asset quality.
Medium-term	Public attention to the Bank's climate actions is increasing, requiring enhanced communication and information disclosure to prevent the spread of negative assessments.	Negative public opinion targeting the Bank may lead to customer attrition and hinder business growth.
Long-term	In the future, if the Bank holds excessive loans to high-carbon related industries or provides insufficient lending support to low-carbon related industries, it may affect stakeholders' assessment of the Bank and exert a negative impact on its reputation.	Increased investment in public opinion response and brand building will add pressure to financial expenditures.
Key Response and Management Initiatives		
<p>Improve the ESG risk management system for credit granting businesses, and monitor negative public opinion involving enterprises.</p> <p>Enhance the transparency of climate risk information, and strengthen engagement with stakeholders.</p> <p>Conduct regular screenings for potential reputational risks to proactively prevent and respond to public relations incidents, thereby eliminating or minimizing reputational damage.</p>		



Analysis of the Bank's Green Finance and Climate Change-Related Opportunities and Financial Impacts

Green Products and Services		
Opportunity Description	Current Impact	
Design and provide financial products and services that meet the needs of low-carbon transition, and deliver climate-adaptive financial services.	<b>Impact on the Bank</b> Enhance the characteristics of green finance, innovate green financial products, increase investment in green finance, and strengthen the Bank's market position in the field of green finance.	<b>Financial Impact on the Bank</b> Growth in customer base. Increase in operating income.
Expected Impact		
Time Horizon of Impact <sup>1</sup>	Impact on the Bank	Financial Impact on the Bank
Short-term	Promote the characteristics of green finance, innovate green financial products, increase investment in green finance, and enhance the Bank's green finance brand image.	Growth in customer base. Increase in operating income. Improvement in asset quality.
Medium-term		Expansion of market share and growth in customer base. Increase in operating income. Improvement in asset quality.
Long-term		Growth in customer base. Increase in operating income. Improvement in asset quality.
Key Response and Management Initiatives		
Strengthen the development and promotion of green financial products, expand the green customer base, and bolster brand image.		



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Resource Efficiency and Energy Sources		
Opportunity Description	Current Impact	
Energy-saving transformation Energy-saving management Adoption of renewable energy	<b>Impact on the Bank</b> In daily operations, the Bank reduces electricity and water consumption through measures such as energy-saving transformation and employee behavior management, thereby lowering operating costs.  Some branches replace fossil fuels by constructing distributed photovoltaic (PV) systems and purchasing green electricity, making the Bank's own energy use clean and low-carbon.	<b>Financial Impact on the Bank</b> Reduced operating costs
Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	Proactively promote green office practices and strengthen the development of green data centers. In daily operations, reduce electricity and water consumption through measures such as energy-saving transformation and employee behavior management, thereby lowering operating costs. Some branches replace fossil energy by constructing distributed PV systems and purchasing green electricity, making the Bank's own energy use clean and low-carbon.	Reduction in operating costs. Elevated corporate reputation and social image.
Medium-term	Reduce electricity and water consumption through measures such as energy-saving transformation and employee behavior management, thereby lowering operating costs. Some branches replace fossil fuels by constructing distributed PV systems and purchasing green electricity, making the Bank's own energy use clean and low-carbon.	
Long-term	Sustained implementation of energy-saving and low-carbon technology operations. Increased proportion of renewable energy use.	
Key Response and Management Initiatives		
Continuously advance energy-saving transformation and green infrastructure construction. Optimize green energy procurement and usage plans, and expand the scope of renewable energy application.		

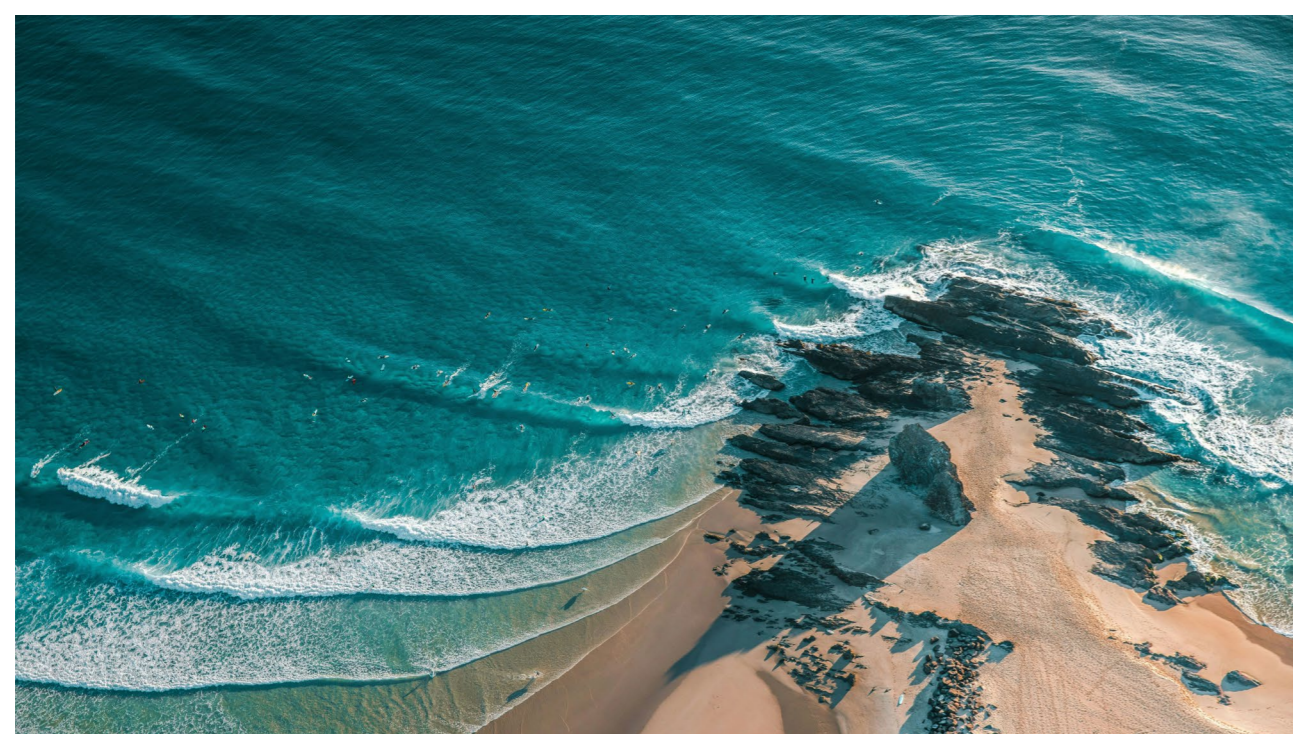
Market Opportunities

Opportunity Description	Current Impact	
Climate adaptation and mitigation efforts create new market opportunities.	<b>Impact on the Bank</b> The "Dual Carbon" goals have generated substantial financing demand for renewable energy, energy conservation, and industrial low-carbon transitions, creating opportunities for the Bank to expand its business scope and customer base, thereby increasing operating income.  The construction of climate-resilient infrastructure brings new market opportunities and diversifies the Bank's revenue streams.	<b>Financial Impact on the Bank</b> Increase in operating income.

Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	The "Dual Carbon" goals have generated substantial financing demand for renewable energy, energy conservation, and industrial low-carbon transitions; meanwhile, the construction of climate-resilient infrastructure presents new market opportunities.	Growth in operating income.
Medium-term		Growth in operating income.
Long-term		Growth in operating income, as green finance evolves into a core business pillar.

Key Response and Management Initiatives

Increase financial support for sectors such as renewable energy and energy-saving transformation.  
 Innovate and enrich financial products, explore new markets, and enhance business diversification.  
 Provide value-added services including ESG risk management and carbon management to improve customer service capabilities.



Low-Carbon Technology Application

Opportunity Description	Current Impact	
Introduce and apply green and low-carbon technologies such as digital platforms, green data centers, and smart buildings to reduce operating costs and carbon emissions, and enhance the Bank's sustainable development capacity.	<b>Impact on the Bank</b> Construction of high-star-rated green office buildings.	<b>Financial Impact on the Bank</b> Low-carbon technologies contribute to the reduction of financial costs. Enhance social impact and brand equity.

Expected Impact		
Time Horizon of Impact	Impact on the Bank	Financial Impact on the Bank
Short-term	The application of low-carbon technologies promotes improved energy efficiency.	Reduction in operating costs.
Medium-term	High-star-rated green office buildings are put into operation, the proportion of clean energy use continues to increase, and carbon emissions are reduced.	Reduction in financial costs. Elevated social impact and brand value.
Long-term	Achieving carbon neutrality in the Bank's own operations.	Reduction in financial costs. Elevated social impact and brand value.

Key Response and Management Initiatives

Strengthen the popularization and application of low-carbon technologies and increase the proportion of clean energy.

Climate-Related Scenario Analysis and Stress Testing

In 2025, the Bank carried out climate-related transition risk stress testing to forward-lookingly evaluate how such risks affect its asset quality and strengthen risk management capabilities.

Scenario Selection

Aligned the framework of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the Bank developed three climate scenarios: 2 ° C Scenario, 1.5 ° C Scenario, and 3060 Policy Scenario. These scenarios provide reasonable projections of changes in national carbon prices and free carbon allowances over 2025–2030, enabling assessment of transition risks facing high-carbon sectors under varying climate policy regimes. This helps the Bank precisely gauge how climate policies may influence its operations and client base.

<b>1.5°C Scenario</b>	Limiting global warming to 1.5°C through stringent climate policies and technological innovation, aiming for global net-zero emissions by 2050.
<b>2°C Scenario</b>	Climate policy stringency is progressively strengthened, limiting global warming to well below 2°C by the end of the century.
<b>3060 Policy Scenario</b>	The Energy Policy Simulator (EPS) model is applied to set policy targets for power, industry, construction, transportation and other sectors, simulating China's achievement of carbon peaking by 2030 and carbon neutrality by 2060.

**Stress Test Scope and Methodology**

The Bank selected industries with a high asset weight and significant sensitivity to carbon emission prices as subjects for the stress test. These include the chemical, iron and steel, and thermal power industries. The analysis focused on how higher corporate carbon costs and transition pressures affect the Bank's asset quality. Covering the period 2024-2030, the test measured shocks to core financial metrics—including revenue, costs, profitability, cash flow, and balance sheet items—driven by risk factors including rising carbon prices and higher technical retrofitting expenses. It identified financial strains enterprises may encounter amid climate policy shifts and market transition. For thermal power and steel, technology and carbon allowance prices served as risk factors; for chemicals, carbon price was selected as the risk factor.

**Test Results**

The results indicate that transition pressures have pushed up default rates of high-carbon enterprises to varying degrees in stress scenarios. Default rate pressure is lowest under the 3060 Policy Scenario, followed by the 2 ° C Scenario, and highest under the 1.5 ° C Scenario. Across the three industries, the chemical industry is more sensitive to carbon price fluctuations and experiences the greatest impact, followed by thermal power; the steel industry demonstrates the strongest resilience.

**Response Measures**

In 2025, the Bank launched the *Hua Xia Bank Transition Finance Framework*, which sets out transition finance goals, prioritized sectors, decarbonization pathways for key industries, and supporting mechanism requirements. Steel, petrochemicals, non-ferrous metals, paper-making, cement, glass, chemicals, and textiles are included in the key transition finance management portfolio. The Bank actively contributed to developing local transition finance standards, and deployed carbon footprint-linked loans, fixed-asset transition finance loans, and other instruments to support enterprises with robust carbon management and transition readiness in delivering decarbonization projects, enhancing their long-term sustainable operating capabilities under climate scenarios.

For high-carbon sectors including chemicals, steel, and thermal power, the Bank closely monitors how low-carbon transition reshapes industrial production and operations. It tracks cost impacts from "dual control" policies for carbon emissions and the evolution of the carbon market, with focused attention on industries such as power sector and enterprises covered by carbon trading pilot provinces. The Bank proactively optimizes its industry and client mix to mitigate risks associated with the phasing-out of underperforming enterprises during carbon peaking and carbon neutrality transition. For defaulted enterprises, it applies differentiated credit policies based on enterprise scale, technological capacity, and operating performance, while intensifying post-lending oversight for high-default-risk clients. Furthermore, the Bank actively supports high-carbon enterprises with strong carbon governance and transition capacity, identifies their decarbonization needs, and utilizes transition finance to support their transition projects.

**Impact on Strategy and Decision-Making**

The Bank fully integrates climate-related risks and opportunities into its strategic considerations, and embeds corresponding responses into its strategic planning and green finance strategic adjustments. In the *2021-2025 Hua Xia Bank Development Plan*, the Bank explicitly committed to "deepening its green finance strategy and aligning with the green and low-carbon transition toward carbon peaking and carbon neutrality", and to "scaling up support for green and low-carbon industries, steadily lifting the ratio of green credit and the overall scale of green finance, and elevating the brand influence of green finance". In the *2021-2025 Hua Xia Bank Development Plan (Revised Edition)*, the Bank further establishes a core objective "to build distinctive green finance strengths, achieve a green loan ratio among the top tier of joint-stock commercial banks, and develop differentiated competitive advantages in green finance" for the planning period.

In 2025, while developing the *Hua Xia Bank 2026-2030 Development Plan Outline*, the Bank designated "deepening green finance distinctive strengths" as one of the two core strategic focuses for the next five years. It rolled out the "Lighthouse Action" green finance implementation program and issued the *Guiding Opinions on High-Quality Development of Green Finance in the New Planning Period of Hua Xia Bank*, which defines the strategic goal "to build a high-quality, distinctive green finance development model marked by strong professional capabilities, advanced institutional mechanisms, and a leading green asset ratio".

# Impacts, Risks and Opportunities Management

## Innovative Green Financial Products and Services

**Green Loans**

The Bank has continuously improved its green finance systems and mechanisms, refined assessment and incentives, developed differentiated pricing and special credit approval, strengthened innovation in green loan products and services, and guided credit resources to concentrate in green and low-carbon fields. By the end of 2025, the balance of the Bank's green loans reached RMB373.357 billion, an increase of RMB88.322 billion from the beginning of the year and representing a growth of 30.99% compared to the end of the previous year, with the proportion of green loans continuing to rise.

<p><b>Serving the "Dual Carbon" Sector</b></p>	<p>Cultivated a professional product matrix including financing for energy performance contracting, photovoltaic project loans, carbon emission rights pledge financing, carbon reduction loans, transition finance loans, carbon forward transaction guarantees, and green project portfolio financing.</p>
<p><b>Ecological and Environmental Protection Sector</b></p>	<p>Pioneered special products such as loans under the Ecological Environment-oriented Development (EOD) model, Water Rights Loans, and New Plant Variety Rights Pledge Loans, exploring new paths for environmental rights financing.</p>



Case

Supporting the Green and Low-Carbon Development of Industrial Parks

In active response to the "national zero-carbon park strategy", the Bank has partnered with the Asian Development Bank to launch the "Promoting Industrial Park Green and Low-Carbon Development Project". Approved by the State Council, Hua Xia Bank has stepped up support for the green and low-carbon transformation of industrial parks in the form of sovereign loans. As the implementing agency, the Bank initially set a credit line of RMB5 billion to exclusively serve industrial parks in energy conservation, renewable energy, green buildings, green transportation, low-carbon manufacturing, circular economy and other fields. Meanwhile, the Bank launched a comprehensive service scheme for the green and low-carbon development of industrial parks, and rolled out special financial products for the low-carbon transformation of parks such as zero-carbon park loans and park carbon reduction loans. Centering on the financial and carbon management needs of the isolated, scattered and diversified green and low-carbon development of parks, the Bank provides one-stop and systematic "financing + intellectual support" services.

On June 10, 2025, the Bank and the Asian Development Bank jointly held the Launching Ceremony of the Promoting Industrial Park Green and Low-Carbon Development Project in Beijing, marking the official launch of this financial service initiative tailored for zero-carbon parks supported by national monetary and fiscal policies. At the launching ceremony, 12 national and provincial-level development zones including Chongqing Jiangjin Industrial Park, Xi'an High-tech Industrial Development Zone and China Computing Valley Industrial Park signed strategic cooperation agreements with relevant branches of the Bank respectively.



Launching Ceremony of the Promoting Industrial Park Green and Low-Carbon Development Project

In Jiangsu

Nanjing Branch granted the first loan under the Promoting Industrial Park Green and Low-Carbon Development Project, providing RMB220 million in financing support for the Smart Logistics Park of Suqian Port of the Grand Canal with a term of 15 years and an initial withdrawal of RMB150 million. By the end of 2025, the loan balance stood at RMB195 million. The loan is used to support the energy-saving renovation and upgrading of the park in construction and energy use. Upon completion, the building energy saving rate of the park will reach 72%, higher than that of traditional buildings.

In Zhejiang

Hangzhou Branch provided financial support for the district-wide Virtual Power Plant project of Huzhou High-tech Industrial Park of Modern Logistics Equipment, with a total project financing of RMB315 million. By the end of 2025, RMB234 million had been disbursed, mainly for the construction of a global virtual power plant centered on "distributed photovoltaic + energy storage+intelligent dispatch". It is estimated that after completion, the project will generate about 133 million kWh of electricity annually, replace 36,200 tons of standard coal, reduce carbon dioxide emissions by 80,100 tons, equivalent to the annual carbon sequestration volume of 630 hectares of forest.



Solar photovoltaic panels laid in Huzhou Hightech Industrial Park of Modern Logistics Equipment

Case

Nanchang Branch: Green Credit Empowers People's Livelihood Projects

Nanchang Branch provided green credit support of RMB112 million to an enterprise, exclusively for the construction of the second phase of the Domestic Waste-to-Energy Power Plant, a core people's livelihood project. The project focuses on the non-hazardous treatment and resource recovery based treatment of domestic waste in the region. Upon completion, it is expected to treat 146,000 tons of domestic waste annually, generate 32.8 million kWh of electricity, and reduce carbon dioxide emissions by 26,000 tons per year.



Construction site of the second phase of the Domestic Waste-to-Energy Power Plant

Case

Jinan Branch: Leading Syndicated Loan to Boost the Development of New Energy Industry in Shandong Province

As the Mandated Lead Arranger, Jinan Branch successfully granted a syndicated loan of RMB150 million for an enterprise's 4GWh large cylindrical energy storage battery project, injecting green financial impetus into Shandong's first full industry chain base for large cylindrical energy storage batteries, supporting the enterprise in building a closed-loop green circular economy encompassing "minerals, materials, batteries, systems, and recycling", and promotes the "chain supplementation and strengthening" of the local 100-billion-level new energy industrial cluster.



Employees test the sealing integrity of lithium-ion batteries at the production base, ensuring stringent quality control

Green Bonds

Green Bond Issuance

In 2023, the Bank issued "Hua Xia Bank Co., Ltd. 2023 Green Financial Bonds (Phase I)", a 3-year fixed-rate bond with an issuance size of RMB10 billion. By the end of 2025, RMB10 billion had been allocated to support 82 green projects in energy conservation and environmental protection, clean energy, green upgrading of infrastructure, and ecological environment industries.

In 2025, the Bank issued "Hua Xia Bank Co., Ltd. 2025 Green Financial Bonds (Phase I)", a 3-year fixed-rate bond with an issuance size of RMB20 billion and a coupon rate of 1.66%. By the end of 2025, RMB17.632 billion had been allocated, focusing on supporting 131 green industrial projects in energy conservation and environmental protection, clean energy, ecological environment, and green upgrading of infrastructure. The Bank engaged a third-party evaluation institution to regularly assess the environmental and social benefits of the funds raised from green bonds and issue corresponding reports.

Green Bond Underwriting

In 2025, the Bank underwrote green bonds worth RMB10.401 billion, a year-on-year increase of RMB1.468 billion. In terms of domestic bonds, it underwrote 9 green bonds with an underwriting share of RMB1.6 billion; in terms of overseas bonds, it underwrote 79 overseas green, blue, sustainable development, carbon neutral, social responsibility and transition bonds with an underwriting scale equivalent to RMB8.801 billion.

In 2025, the Bank participated in the issuance of offshore RMB local government bonds by the People's Governments of Guangdong Province, Hainan Province and Shenzhen Municipality, including blue bonds, green bonds, sustainability bonds and social bonds; successfully landed the first overseas green bond of an energy State-owned Enterprise during the reporting period; realized the US dollar bond project with the lowest coupon rate for Shandong state-owned enterprises in the past two years; and launched the first overseas Euro-denominated sustainable development bond in the Chinese food consumer goods industry.

Green Bond Investment

On the premise of ensuring the liquidity and safety of funds, the Bank has moderately increased its investment in green bonds. As of the end of 2025, the Group's outstanding balance of green credit bond investments reached RMB36.18 billion.

Case

Supporting the Issuance of China's First Dual Dimension Sustainability Linked Medium Term Note of "Green Infrastructure+Regional Coordinated Development"

In 2025, the Bank helped a group issue China's first dual-dimension sustainability-linked medium-term note of "Green Infrastructure+Regional Coordinated Development", with an issuance size of RMB2 billion, a tenor of 3 years and a coupon rate of 2.27%. The bond links the coupon rate to two Sustainability Performance Targets (SPTs) of environmental and social "cumulative newly added construction mileage of electrified railways" and "cumulative number of underdeveloped areas covered by newly built electrified railways". It leverages financial instruments to reduce corporate financing costs and provides strong financial support for the construction of green transportation infrastructure and regional coordinated development.

Green Leasing

Huaxia Financial Leasing takes building distinctive green leasing business as its overall strategy, focuses on green energy, green transportation and green manufacturing, continuously upgrades its "product+region+technology" strategy, and gradually establishes a relative competitive advantage based on the industrial chain. By the end of 2025, the balance of green leasing assets of Huaxia Financial Leasing reached RMB98.579 billion, accounting for 53.40% of the total leasing assets.

<p><b>Green Energy Sector</b></p>	<p>Actively expanded businesses such as Household PV, offshore wind power, Wind turbine installation and Energy Storage. By the end of 2025, the cumulative disbursement of household photovoltaic business reached RMB66.153 billion, with an installed capacity of 19.43GW, accounting for 8.45% of the national total installed capacity. The business covers 25 provinces across the country, with 645,200 power stations built in total, generating 51.554 billion kWh of clean electricity and reducing carbon dioxide emissions by 44.9547 million tons. In 2025, the household photovoltaic case of Huaxia Financial Leasing was selected into the Financial Case Library of Tsinghua University.</p>
<p><b>Green Transportation Sector</b></p>	<p>Actively supported the construction of low carbon and zero emission ships, urban rail transit, and the upgrading of new energy logistics vehicles and online car hailing. The ship business has built a new energy fleet covering bulk carriers, oil tankers, gas carriers, offshore support vessels and other types, expanding its business scope to many countries and regions in Europe, North America and Asia, achieving phased breakthroughs in international development. Centering on the core links of the new energy vehicle industry chain, the vehicle business has deeply engaged in multiple scenarios such as new energy online car hailing, logistics vehicles and passenger vehicles to serve the construction of green transportation.</p>
<p><b>Green Manufacturing Sector</b></p>	<p>Actively implemented the green and low carbon transformation action of the manufacturing industry, and supported the low carbon process innovation and upgrading of key industries and fields such as steel, nonferrous metals, petrochemicals, chemicals and building materials.</p>

Green Wealth Management

Huaxia Wealth Management integrates the ESG concept into the whole process of wealth management business, continuously increases the allocation ratio of green bonds, and actively expands the creation of non-standard assets of green industries to support the green and low-carbon transformation of the real economy. In 2025, Huaxia Wealth Management continued to launch ESG-themed wealth management products, injecting green impetus into investors' wealth appreciation. During the reporting period, Huaxia Wealth Management issued 9 new ESG wealth management products, raising RMB1.260 billion, covering public and private placement product types. By the end of 2025, the cumulative scale of ESG wealth management products managed by Huaxia Wealth Management reached RMB32.623 billion.

Case

Huaxia Wealth Management: Innovative Investment and Financing Services Supporting the Low Carbon Transformation of the Steel Industry

Huaxia Wealth Management has innovated the paradigm of green transformation and investment and financing services for the steel industry, and created a low-carbon transition finance service solution for a steel enterprise, linking the debt financing interest rate to the enterprise's low-carbon transformation target of "scrap steel utilization" to accurately measure and verify the enterprise's transformation effectiveness. Through the interest rate linkage mechanism, the enterprise is encouraged to improve the efficiency of resource recycling, reduce financing costs, and accelerate the pace of low-carbon transformation.

**Green Consumption**

The Bank focuses on green travel consumption scenarios, and guides individual customers to practice green consumption and low-carbon travel through product innovation and consumption incentive activities.

**Green Credit Cards**

Continued to promote its first green finance-themed credit card, "Hua Xia Energy Link Credit Card", focusing on the green finance theme and closely connecting with daily high-frequency car owner travel consumption scenarios such as charging. It guides customers to prioritize low-carbon travel modes through cardholder benefits.

In Ningxia, expanded the consumption scenario application of "Hua Xia Xinbai Environmental Protection Co-branded Credit Card", supporting preferential benefits such as "trade-in" department store coupons and Xinbai Electric Appliance "Low-Carbon Life" coupons. By the end of 2025, 9,989 Hua Xia Xinbai Environmental Protection Co-branded Credit Cards had been issued in total.

**Green Travel**

Presented electronic tags to customers signing up for Electronic Toll Collection (ETC) for the first time, and provided exclusive activities such as fuel discounts and payment reductions to reduce travel costs for car owners and reduce the use of paper bills. By the end of 2025, the number of ETC signed customers reached 2.7502 million.

Launched preferential activities for subway and bus rides in Beijing, Shenyang, Changchun, Lanzhou and other regions. In 2025, the "One-Cent Subway Ride" activity in Beijing had an average monthly participation of 16,800 person-times, and the "50% Off Bus Ride" activity in Lanzhou benefited 83,700 person-times in four months, guiding the public to choose public transport and practice a green and low-carbon lifestyle.

**Case**

**Wuhan Branch: "Long e-Loan" Energy Scenario Services – Digital Finance Empowering New Energy Vehicle Owners with Green Mobility**

Wuhan Branch innovatively launched "Long e-Loan" Energy Scenario Loan, creating an online credit service process covering battery leasing of multiple new energy vehicle brands. By embedding digital credit business into the official App of new energy vehicles, Wuhan Branch realized online processing of customer application, approval, disbursement, repayment and lease termination. The average time from application to disbursement was about 20 minutes, and the fastest approval link took only 1 minute, greatly improving business convenience and lowering the threshold for consumers to lease new energy vehicle batteries, moving towards a green travel future with customers. By the end of 2025, the product had served 7,121 new energy vehicle owners in total, with disbursements amount of RMB419 million, effectively supporting the upgrading of green travel consumption.

**Green Investment**

The Bank has always practiced the ESG investment concept, and actively invested in green bonds, green asset-backed securities, green-themed funds and other products to help funds gather in green industries. By the end of 2025, the balance of green investment of the Group reached RMB45.944 billion, a year-on-year increase of RMB19.617 billion, an increase of 74.51%.

**Case**

**Nanjing Branch: Supporting the Issuance of China's First Green ABS of "Steam Charging Revenue Right"**

In March 2025, Nanjing Branch facilitated the launch of China's first green asset-backed plan (China Insurance Asset Registration and Trading System ABS) with steam charging revenue right as the underlying asset by China Insurance Asset Registration and Trading System Co., Ltd. The issuance size of the project was RMB1.05 billion, of which the Bank invested RMB1 billion. Using industrial steam supply revenue rights as the underlying assets, the project replaces the "distributed coal combustion" model with "centralized heating", effectively reducing sulfur dioxide and particulate matter emissions, and obtaining the highest-level green certification from external professional institutions. The project revitalizes the stock public facility assets of the park, solves the long-term financing pain points of heavy-asset parks, and builds a replaceable new paradigm of industry-finance integration.

**Case**

**Yinchuan Branch: Launching China's First Carbon Neutral Green Perpetual HighGrowth Industrial Bond**

Yinchuan Branch, together with Huaxia Wealth Management, participated in the investment of China's first carbon neutral green perpetual high-growth industrial bond issued by a power investment group, with an issuance size of RMB1 billion and a subscription amount of RMB270 million by Yinchuan Branch. The funds raised from the bond are exclusively used for the construction and operation of the 3GW photovoltaic base project of the group's new energy subsidiary, effectively promoting the layout of the new energy industry and supporting local green and low-carbon development.

**Case**

**Changzhou Branch: Launching the Industry's First 25-Year Green Power Private Equity Trust**

In September 2025, Changzhou Branch jointly launched the collective fund trust plans of "Tianhe Green Power Industry Investment No.1" and "Ruixia Green Power No.5", creating the industry's first 25-year actively managed green power private equity trust for individual investors. As the distributing bank, custodian bank, and supervisory bank, Changzhou Branch implements full closed-loop supervision of trust funds to ensure accurate investment of funds in green assets. The total scale of the trust plan is RMB247 million, driving a total project investment of over RMB1.5 billion. The funds are invested in distributed PV power stations of 15,900 farmers in five provinces including Shandong and Henan, with an installed scale of over 450MW, reducing carbon dioxide emissions by 364,800 tons annually. The project has formed a "green+inclusive" effect, ensuring stable annual income growth for farmers, and opening a long-term channel for individual investors to participate in the green industry.

**Green Custody**

The Bank provides asset custody services focusing on the green finance theme to create diversified value for customers.

**Case**

**Beijing Municipal Sub-center Branch, Beijing Branch, Kunming Branch: Successfully Custodying China's First "Photovoltaic+Hydropower" Mixed Asset Clean Energy Public REIT Expansion Project**

In 2025, China's first "photovoltaic+hydropower" mixed asset clean energy themed expansion project custodyed by the Bank was launched, with an expansion fund scale of RMB2.922 billion and a total project scale of RMB6.070 billion. As the custodian, the Bank deeply participated in the initial issuance and expansion of the project. Through group-wide synergy, the Bank provided customers with comprehensive financial services such as domestic credit, overseas syndicated loans, financial leasing loan replacement, factoring financing, REITs product distribution, wealth management investment, asset custody, fund supervision and payment and settlement, deeply integrating into the national green energy development strategy with an end-to-end financial service.



Expanded hydropower station assets

## Deepening Environmental, Social and Governance (ESG) Risk Management

### ESG Risk Management System

The Bank integrates ESG risks into its overall risk management system. In the Risk Appetite Statement, the Bank clearly defines its risk-taking attitude towards ESG risks as "prudent". The Bank prevents ESG risks and avoids credit, reputation and other risks arising from ESG risks of customers and important related parties; formulates the *Hua Xia Bank 2025 Risk Management Strategy* and the *Hua Xia Bank Guiding Opinions on the Credit Business Environment and Social Risk Management for Corporate Clients*, clarifies ESG risk management strategies, and takes the effective identification, monitoring, prevention and control of environmental, social and governance risks in business activities as the goal in accordance with the basic principles of "full coverage, classified management and dynamic control". The Bank incorporates ESG requirements into the whole process of credit extension business management for corporate customers, strengthens the process management of ESG risks of credit customers, and continuously improves the efficiency of ESG risk management.

The Bank's overall risk management system, including ESG risk management, applies to all RMB and foreign currency, on-balance sheet and off-balance sheet, domestic and overseas businesses of the Group; covers all branches, subsidiaries, departments, positions and personnel; covers all types of risks and considers the interaction between different risks; and runs through all management links of decision-making, execution and supervision.

### ESG Risk Management Process

The Bank promotes ESG principles comprehensively and integrates ESG risk management into the entire credit lifecycle; continuously improves assessment elements and standards, and comprehensively identifies, monitors and manages ESG risks in credit extension business.

#### Customer or Project Access

Take customers' ESG performance as an important consideration for credit access, implement a strict "one-vote veto" system for ESG performance, and strictly restrict credit extension to customers with serious violations of laws and regulations and major risks in environmental, social and governance aspects.

Formulate credit approval guidelines for industries such as sewage treatment, hazardous waste treatment, steel, coal, thermal power, petrochemicals and waste-to-energy, and clarify customer and project access standards.

#### Customer Classification

Classify customers into Categories A, B and C according to the environmental risk sensitivity of the industries they belong to. Among them, Category A and B customers are more likely to be affected by industrial policies, laws and regulations, public opinion and other factors due to environmental, social and governance issues such as energy consumption, pollution, land, health and safety, and face greater potential ESG risks. The Bank focuses on strengthening the approval and supervision of such customers.

##### Category A

The construction, production and operation activities of customers may seriously change the original state of the environment or cause extremely adverse social impacts, and the resulting adverse environmental, social and governance consequences are not easy to remediate.

##### Category B

The construction, production and operation activities of customers will produce adverse environmental, social and governance consequences, but they are relatively easy to remediate through mitigation measures.

##### Category C

The construction, production and operation activities of customers will not produce obvious adverse environmental and social impacts, with consequences that are irreversible or difficult to remediate.

#### Credit Investigation

In the credit due diligence process, fully collect customers' ESG assessment documents and information, including project Environmental Impact Assessment approval information, social stability risk assessment information, as well as information on occupational health and safety incidents, violations of laws and regulations, corporate governance structure, tax integrity and business ethics. Focus on project areas where public incidents have occurred.

Assess customers' ESG risks in combination with their industries, and fully disclose customers' ESG risk status and assessment results in the credit due diligence report.

Strictly restrict credit extension to customers with serious violations of laws and regulations and major risks in ESG aspects.

#### Review and Approval

Prudently assess customers' ESG risk levels, propose targeted management measures according to their risk status, and clarify relevant credit conditions and loan disbursement conditions.

#### Contract Signing

Formulate guarantee clauses for customers to strengthen ESG risk management and risk disposal clauses in case of default according to the nature and severity of customers' ESG risks.

#### Fund Disbursement

Utilize the ESG risk management performance of specific categories of customers as a crucial basis for credit fund disbursement, and re-evaluate their ESG performance during the risk assessment of existing credit facilities to verify whether any material risk events have occurred or potential risk exposures exist.

#### Post-Lending and Post-Investment Management

Continuously collect customers' ESG risk information, dynamically monitor and assess risk changes, adjust risk classification levels, and adopt differentiated management measures.

For customers with exposed ESG risks, issue early warnings in a timely manner and formulate risk mitigation measures.



The Bank enriches ESG risk management tools, introduces professional data on corporate environmental and social risks, and realizes automatic identification, classification, early warning and monitoring of environmental and social risks; explores and develops ESG assessment models for credit extension business for different industries and enterprise scales, and further improves management capabilities through digital means.

**Case**

**ESG Risk Escalation Management**

In 2025, the Bank further refined ESG due diligence triggers and management requirements:

**Triggers**

Administrative penalties and other negative information within one year, expired/revoked license documents, and negative information in government environmental credit evaluation.

**Management Requirements**

Conduct investigations to confirm whether the above negative matters have been rectified, and record them in the credit investigation report. For customers who have not completed rectification and are rated "unqualified" in ESG risk assessment due to the above problems, the Bank strictly prohibits any form of new financing support until the rectification is fully completed.

**Management Example**

A water affairs company was subject to multiple environmental penalties and its environmental rating was "Black". The Bank closely tracked the customer's environmental and social risk status, formulated environmental and social risk prevention and control strategies and continuously supervised their implementation. Due to the company's ineffective rectification, the Bank proactively included it in the scope of compression and exit and recovered its loan.

In addition, the Bank conducts ESG risk review in investment and financing business. By the end of 2025, ESG risk classification has been completed for all corporate credit customers.

**Case**

**Investigation and Assessment of ESG Risk-Intensive Industries**

In 2025, during the credit review and approval process for two thermal power enterprises in Hebei, the Bank identified that their generator units had been in operation for many years and their standard coal consumption for power generation was excessively high. In accordance with the requirements of the *Benchmark Levels and Baseline Levels for Key Areas of Clean and Efficient Utilization of Coal* on guiding transformation, pollution reduction and carbon reduction, and eliminating backward production capacity, the Bank strengthened the due diligence on ESG risks of relevant projects, and finally approved the reduction of credit limit.



**Credit and Investment and Financing Policies**

The Bank established the *Hua Xia Bank 2025 Credit and Investment and Financing Policy*, which was reviewed and approved by the Head Office Credit Investment and Financing Policy Committee under the senior management, clarifies the annual goals of green finance business and key supported areas of green finance, and forms an effective policy orientation. This policy covers credit business<sup>1</sup> and non-credit investment and financing business<sup>2</sup>. The Bank conducts semi-annual reviews of the credit and investment and financing policy, and confirms its effective implementation by strengthening policy evaluation.

**Key Points of Credit Extension Policies for the Bank's Key Industries and Fields**

**Agriculture**

*The Hua Xia Bank Credit Approval Guidelines for the Pesticide Industry*

<b>Support Scope</b>	Priority support is given to safe, efficient, low-toxicity, low-residue and low-risk new chemical pesticide and biopesticide products; water-based, nano-sized, ultra-low-volume, sustained-release and other formulation products based on new processes and new technologies; products on the <i>List of Green High-Quality Pesticide Products</i> released by China Crop Protection Industry Association in the <i>Evaluation Specifications for Green High-Quality Pesticide Products</i> ; or products on other recommended use lists released by relevant national and local authorities.
<b>Restricted or Non-Engagement Cases</b>	Engagement is prohibited for old pesticide varieties and formulations with strong resistance, poor efficacy and high risk; highly toxic and high-risk pesticides with environmental persistence, bioaccumulation and other characteristics; highly toxic and banned varieties listed in announcements of the Ministry of Agriculture and Rural Affairs; restricted and eliminated products listed in the <i>Catalogue for the Guidance of Industrial Structure Adjustment</i> ; and other banned pesticide varieties released by relevant national authorities.

**Electric Power**

*The Hua Xia Bank Credit Approval Guidelines for the Thermal Power Industry*

<b>Support Scope</b>	Key support is provided to thermal power projects under the "wind-solar-thermal-hydrogen-storage integration" model in the nine major clean energy bases; priority engagement is given to new coal-fired power projects supporting UHV power transmission located in coal-rich areas; differentiated engagement is given to thermal power projects in key regions for energy supply security; key support is provided to thermal power projects in regions that meet the requirements of "ensuring power supply", "meeting heating demand", "meeting power growth demand" and "promoting regional economic development" put forward by the National Energy Administration.
<b>Restricted or Non-Engagement Cases</b>	No engagement in projects that fail to install desulfurization and denitrification facilities as required or whose unit air pollutant emissions do not comply with the <i>Emission Standard of Air Pollutants for Thermal Power Plants (GB 13223-2011)</i> .

<sup>1</sup> Referring to loans and advances granted, off-balance sheet guarantees and commitment businesses.

<sup>2</sup> Referring to businesses where the Bank assumes substantial credit risks other than traditional credit business.

**Mining**

*The Hua Xia Bank Credit Approval Guidelines for the Coal Industry*

<p><b>Support Scope</b></p>	<p>Priority engagement in regions with abundant coal resources, such as Shaanxi and Shanxi, which are positioned as bottom-line guarantee regions by national policies; priority engagement in national leading coal groups or high-quality coal groups with obvious competitive advantages in regional markets.</p>
<p><b>Restricted or Non-Engagement Cases</b></p>	<p>No engagement in coal mines whose mining technologies and equipment are listed in the restricted catalogue of the <i>Guidelines on Coal Production Technologies and Equipment</i> and cannot carry out technical transformation, or coal enterprises without complete matching coal washing and dressing facilities; no engagement in projects without complete "five certificates" (mining license, safety production license, mine manager qualification certificate, pollutant discharge permit, business license); no engagement in projects listed as eliminated in the <i>Catalogue for the Guidance of National Industrial Structure Adjustment</i>.</p>

**Petrochemicals**

*The Hua Xia Bank Credit Approval Guidelines for the Petrochemical Industry*

<p><b>Support Scope</b></p>	<p>Priority support is given to projects featuring industrial park clustering, refining and chemical integration, large-scale installations, clean production and high-end products; selective support is given to leading modified plastics, polyester and polyamide enterprises with integrated industrial chain layout, top-ranked production capacity or obvious product, cost and market advantages, as well as high-tech enterprises producing high-end synthetic materials, special fibers and high-performance fibers with leading technologies and processes that can replace imports.</p>
<p><b>Restricted or Non-Engagement Cases</b></p>	<p>Strict control over financing to customers in areas with high environmental and social risks; compression and exit of enterprises with incomplete supporting environmental protection facilities, penalized for pollutant discharge by environmental protection authorities, or facing shutdown risks due to failure to enter industrial parks.</p>

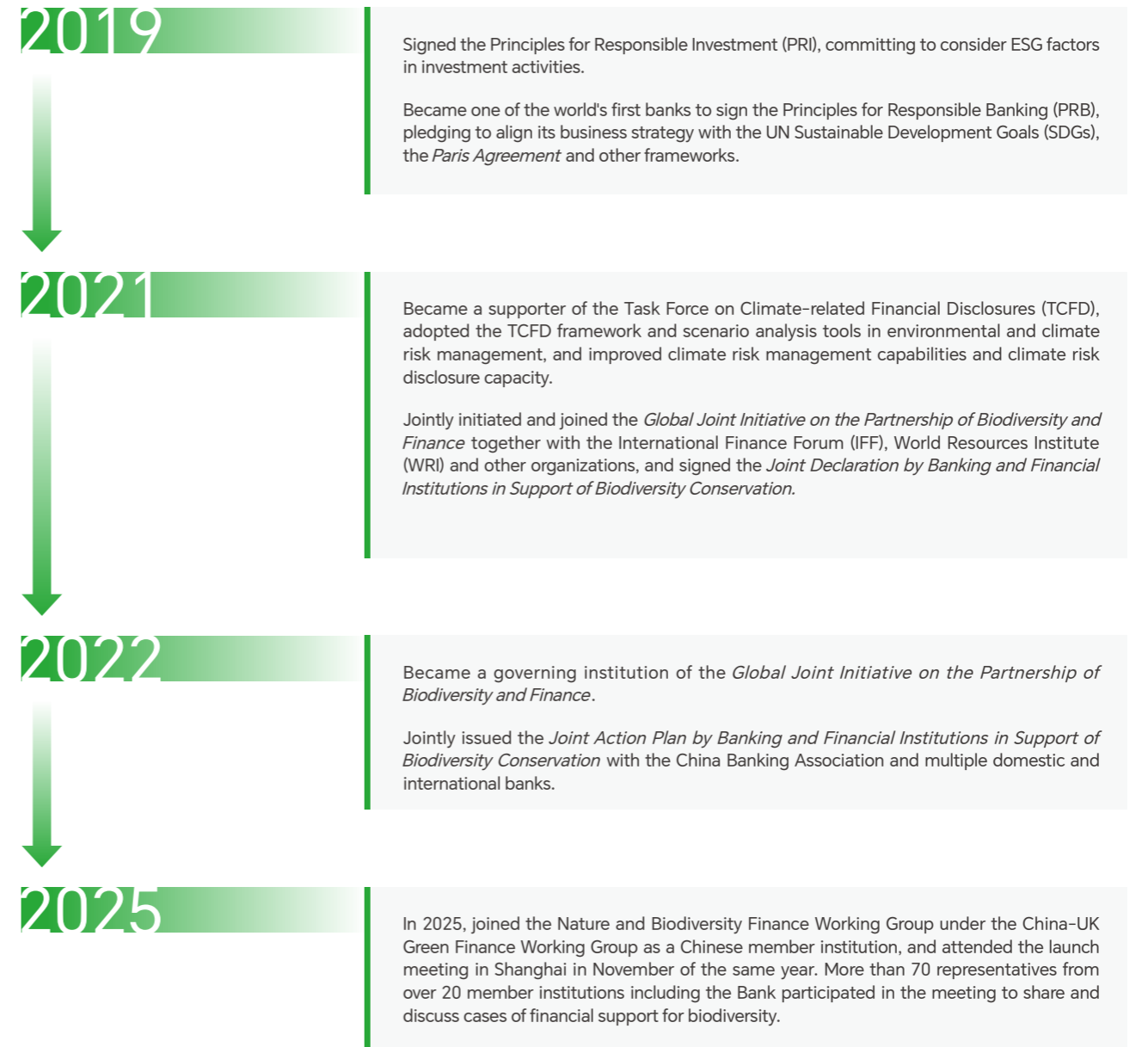
**Biodiversity Protection**

For project loans in highly sensitive businesses, the Bank shall judge whether the project scope and region fall within the "Three Lines and One List" (ecological protection red line, environmental quality bottom line, resource utilization upper limit and environmental access negative list) based on the project's geographical location and conditions. Financing projects shall avoid areas such as national parks, nature reserves, world natural heritage sites, important habitats and ecological red line protection areas. If overlapping with the above areas, the Bank shall judge whether the project belongs to permitted economic activities in biodiversity conservation spaces in accordance with the *Permissible Economic Activities in Biodiversity Conservation Spaces*; support may be granted if the activities are included in the permitted list. Financing projects shall avoid areas restricted or prohibited by regional policies.

The Bank conducts annual audits and oversight on credit policies and their implementation. Through comprehensive internal control audits, thematic audits, ongoing audits and other approaches, it carries out penetrating audits covering credit policy formulation, business operations, risk management and staff performance fulfillment. It inspects and evaluates the effectiveness of internal control and risk management for businesses, prevents and identifies relevant risks, puts forward audit recommendations, improves internal control and management of bank-wide credit business, and supports the high-quality development of the Bank's credit business.

**Strengthening International Exchanges and Cooperation**

Adhering to the philosophy of openness and cooperation, the Bank actively responds to domestic and international initiatives, deepens green finance cooperation with international institutions such as the World Bank, the Agence Française de Développement (AFD) and the Asian Development Bank (ADB), and leverages the pivotal role of green finance in advancing low-carbon transition.



The Bank actively introduces international funds to support low-carbon transition and has implemented a number of landmark sovereign loan projects, including the World Bank China Energy Efficiency Loan Project, the Innovative Financing for Air Pollution Control in Beijing-Tianjin-Hebei Region Project, the China Renewable Energy and Battery Storage Promotion Project, and the AFD Green Intermediate Credit Project, supporting industrial energy conservation, renewable energy development, end-of-pipe treatment of air pollution and other fields. By the end of 2025, the World Bank China Renewable Energy and Battery Storage Promotion Project had supported 23 sub-projects with cumulative disbursement of RMB2.899 billion equivalent in local and foreign currencies. The sub-projects supported new-type energy storage installed capacity of 9.41 GWh, realizing annual carbon dioxide emission reduction of 3.3686 million tons.

## Consolidating the Green Intelligence Foundation

The Bank is committed to taking green knowledge as the underlying support for green finance development. Through special training, special research and participation in industrial standard-setting, it promotes green intelligence to empower green business development supported by a solid knowledge system.

<p><b>Specialized Training</b></p>	<p>Carries out bank-wide live training and branch-specific targeted training through online and offline combination to empower front-line relationship managers and approval authorities and improve professional and comprehensive service capabilities for green industries. In 2025, the Bank held 3 green finance line training sessions, covering nearly 2,000 person-times of green finance business management personnel of branches.</p> <p>Main training contents include new green finance standards-Green Finance Supported Project Catalogue, green loan recognition cases, ESG risk management in credit business, etc.</p>
<p><b>Standard Setting</b></p>	<p>Participates in the formulation of industry standards such as the <i>Evaluation Measures for Energy Industry Transition Financing Entities</i> and the <i>Catalogue of Economic Activities Supported by Transition Finance for Industrial Parks</i>.</p>

## Indicators and Targets

The Bank takes goals as the driving force for action, sets clear objectives, and conducts annual progress reviews to ensure the effective implementation of green finance-related strategic plans and action programs. The Bank's key objectives in green finance and progress during the reporting period are shown in the table below.

### Specific Target Content

Baseline Year	Target Year
<b>2025</b>	<b>2025</b>

Green loan ratio to exceed 15%.

Baseline Year	Target Year
<b>2025</b>	<b>2027</b>

Enhance the green client marketing system, with a focus on expanding green customer coverage and building a green finance ecosystem to upgrade green finance quality and scale. Aim for industry-leading growth rate and incremental volume of green loans; support flagship projects, innovate service models, strengthen brand building, formulate green customer criteria, and foster a high-quality, distinctive green finance development model featuring strong professional capabilities, advanced governance mechanisms and a top-tier green asset ratio.

### Progress in 2025

**Green Finance:** As of end-2025, the Group's green finance balance reached RMB531.352 billion, rising 31.42% year-on-year. This comprised: the balance of green loans of RMB373.357 billion, the balance of green investment of RMB45.944 billion, the balance of green leasing of RMB98.579 billion, outstanding ESG wealth management products of RMB3.070 billion, and green bond underwriting volume of RMB10.401 billion.

**Green Loans:** As of the end of 2025, the balance of green loans of the Bank totaled RMB373.357 billion, up 30.99% year-on-year, while the proportion of green loans exceeded 15%.

## Green Operations

Hua Xia Bank actively implements the national green development strategy, deeply integrates the concepts of resource conservation and environmental protection into the entire process and all links of business operations, continuously deepens the development of the green operation system, strengthens environmental risk prevention and control in operations, advocates a green office culture, and demonstrates corporate social responsibility. In 2025, the Bank was not designated as a "mandatory environmental information disclosure enterprise", and there were no major environmental incidents, legal violations, or administrative penalties related to environmental protection.

## Energy Management

The Bank has established and improved a long-term mechanism for energy conservation and emission reduction, refined energy conservation management, formulated and strictly implemented corresponding energy conservation measures from multiple perspectives such as equipment and appliances, daily management, energy use, and official vehicles, to reduce greenhouse gas emissions caused by its own operations.

<p><b>Upgrading High-Energy-Consumption Equipment</b></p>	<p>The Bank inspected and eliminated high-energy-consumption equipment. In 2025, the head office building replaced 1,259 sets of energy-efficient light-emitting diode (LED) lamps, raising energy efficiency by more than 30%, reducing annual electricity consumption by approximately 191,800 kWh, cutting energy consumption by about 23.57 tons of standard coal, and lowering greenhouse gas emissions by roughly 115.85 tCO<sub>2</sub>e.</p> <p>The Bank continued to optimize electrical and power systems, promoted the use of high-efficiency lighting fixtures and intelligent lighting control systems to reduce lighting power consumption, and planned to achieve 100% usage rate of LED lamps by 2030.</p>
<p><b>Refined Operational Management</b></p>	<p>The Bank strictly controlled details of energy consumption in daily operations, implemented temperature management requirements that air conditioners be set no lower than 26°C in summer and no higher than 20°C in winter, and optimized return water temperature settings; it implemented management measures such as "lights off when leaving, water off when leaving", strengthened daily inspections and departmental supervision, and to eliminate the wastage of resources, such as unnecessary lighting and water flow in unoccupied areas.</p>
<p><b>Optimizing Energy Structure</b></p>	<p>The Bank increased the procurement and use of green power to reduce indirect emissions from energy consumption. In 2025, the Bank used 35.56 GWh of green power, equivalent to a reduction of approximately 18,900 tCO<sub>2</sub>e.</p>
<p><b>Standardizing Official Vehicle Management</b></p>	<p>The Bank strictly implemented the requirements for the use and management of official vehicles, enforced the approval and registration system for official vehicle use, coordinated vehicle scheduling, and reduced empty mileage.</p>
<p><b>Strengthening Carbon Emission Data Management</b></p>	<p>The Bank independently developed an own-operation carbon management module in the bank-wide green finance management system. Relying on intelligent data collection tools, it collected energy and resource use in its own operations in a timely, accurate and comprehensive manner, realized automatic calculation of carbon emissions and comprehensive energy consumption data, digital ledger management and report management, and assigned special personnel to conduct irregular re-inspections to ensure the accuracy of carbon emission data accounting. Meanwhile, the Bank organized special training on the own-operation carbon management system for bank-wide data submitters to continuously improve the quality management level of carbon emission data.</p>
<p><b>Carrying Out Energy Conservation Publicity and Education</b></p>	<p>The Bank launched energy conservation education activities for all employees to enhance awareness of conservation. Meanwhile, it vigorously promoted the application of pure electric vehicles, encouraged employees to commute by green means such as buses, subways, walking and cycling, and built a low-carbon travel culture.</p>

Case

New Head Office Building Builds a Green Benchmark in the City Sub-Center

In June 2025, the main structure of the head office new office building was completed in Beijing City Sub-Center. The project strictly aligned with domestic and international high-standard certification systems such as China's Three-Star Green Building Certification, and reached international leading levels in ultra-low energy consumption special design, energy utilization efficiency, water resource utilization, attention to indoor and outdoor environments and user health. At present, it has obtained the Ultra-Low Energy Consumption Certification from the China Association of Building Energy Efficiency, the Leadership in Energy and Environmental Design (LEED) Platinum Pre-Certification from the U.S. Green Building Council, and Platinum Pre-Certification under the WELL Building Standard (International WELL Building Institute).

In construction practice, the Bank adhered to technological innovation to drive emission reduction and efficiency improvement, and strengthened refined management of the "Four Conservations and One Environmental Protection"<sup>1</sup> in an all-round way. By the end of 2025, the project's water and energy conservation indicators had both exceeded quota targets, the construction waste recycling rate reached 53%, and the minimization of construction waste discharge was realized. Meanwhile, the project integrated multiple energy-saving processes such as ground source heat pumps, air source heat pumps, heat recovery and photovoltaic roofs to achieve energy self-sufficiency and efficient utilization. Upon completion, it will become the largest ultra-low energy consumption demonstration project of a single public building in Beijing, and is expected to reduce carbon emissions by 3,490.60 tons per year, setting a new benchmark for green development in Beijing City Sub-Center.

The main water source of the Bank is municipal water supply, which is stable, reliable and meets the national hygienic standards for drinking water. At present, some office premises face risks of aging and potential leakage hazards in water supply pipeline networks due to long operation periods. The Bank has always attached great importance to the efficient and sustainable use of water resources, taking improving water resource utilization efficiency as the work goal, and continuously optimized water resource management practices through measures such as upgrading water appliances, strengthening loss prevention and control, and fostering a water-saving culture.

## Water Resource Management

Comprehensively Upgrading Water Terminals

In newly built and renovated office premises, the Bank utilizes faucets, showers, toilets and other sanitary ware, equipment and greening irrigation systems that meet national water-saving standards; for existing facilities, it prioritized the replacement of high-water-consumption appliances to reduce ineffective water flow loss.

Strengthening Pipeline Network Leakage Prevention and Control

The Bank has established a regular inspection and rapid maintenance mechanism, used intelligent water meters and other tools to strengthen monitoring of water supply pipeline networks, timely detected and repaired leakages, and effectively addressed problems such as "running, dripping, and leaking."

Cultivating Water-Saving Habits Among All Employees

Through diversified forms such as internal communication platforms and posting water-saving signs, the Bank continuously promotes the water-saving concept to all employees, encouraged employees to develop good water-saving habits such as turning off faucets tightly after use, shortening water use time and reporting leakage points, and created a green cultural atmosphere of "cherishing every drop of water".



<sup>1</sup> Energy conservation, land conservation, water conservation, material conservation and environmental protection.

## Paper Management

Empowered by digital and intelligent technologies, the Bank promoted the development of a paperless office system, adhered to the principle of green paper procurement, and strengthened the recycling management of waste paper, building a systematic paper management mechanism of "source reduction, process consumption control and end recycling" to reduce paper consumption and improve utilization efficiency.

Paperless Office Operations

Leveraging and enhancing the Office Automation (OA) system and professional systems of various business lines, the Bank realized online circulation and electronic approval of main business processes.

The Bank advances paperless meeting management, using electronic devices such as tablets to view and record meeting materials. In 2025, the Bank held more than 9,600 video conferences.

The Bank conducts internal communication and information sharing through WeChat Work, internal emails and other platforms to reduce the use of paper documents.

Paperless Business

The Bank promoted digital confirmations, realizing the entire online processing of confirmation application, authorization, reply and archiving. In 2025, the proportion of digital confirmation business increased by 18.97% year-on-year, and the processing efficiency per confirmation improved by 80.43% year-on-year, achieving dual optimization of financial service efficiency and resource and environmental benefits.

Except for special scenarios required by regulators, over-the-counter retail business fully adopted the "oral application + electronic confirmation" model, replacing traditional paper vouchers with electronic vouchers. Meanwhile, electronic vouchers for retail, corporate customers and internal bank business were automatically archived by the system, and the paperless transformation of over-the-counter business was fully implemented.

Digitization of Seals

The Bank continues to expand the application coverage of electronic seals, replacing physical seals with electronic ones in over-the-counter business scenarios to reduce the frequency of using physical operational seals at counters.

The Bank continued to promote the digitization of administrative seals and Party affairs seals, gradually increasing the proportion of electronic seal use, effectively reducing approval risks and significantly improving seal management level; electronic seal printing codes were universally used across the Group, improving the efficiency of seal document circulation and significantly reducing the mailing cost of seal materials.

Paperless Credit Card Services

Relying on the comprehensive process management system (PMS) and the head office i-Assistant platform, the Bank has achieved online management and digital transformation of credit card business processes. By the end of 2025, a total of 392 electronic processes had been launched. In 2025, the PMS system and head office i-Assistant platform initiated a total of 50,000 processes.

The Bank prioritizes electronic statements to effectively reduce paper consumption and carbon emissions from logistics and transportation. In 2025, approximately 139 million electronic statements were sent, effectively reducing paper usage.

**Green Procurement**

The Bank prioritizes paper products that meet the principles of sustainable development, and comprehensively considers parameters such as paper brightness and grammage in procurement decisions to minimize resource consumption and environmental footprint while meeting office needs.

**Closed-Loop Management**

The Bank regularly collects waste paper in a centralized manner and entrusts qualified professional recycling agencies to transport and dispose of it, ensuring that waste paper was safely and efficiently converted into resources such as recycled pulp, realizing closed-loop resource management.

## Waste Management

The Bank has established and implemented a classified management and control system covering hazardous and non-hazardous waste, carried out standardized and compliant classified management and disposal in strict accordance with their attributes, continuously deepening the full life cycle management of waste.

**Hazardous Waste**

The Bank exercises strict control over hazardous waste such as computers, printers, servers and toner cartridges, collects them centrally and stores them in designated safe areas, and arranges for qualified professional companies to recycle, transport and dispose of them in compliance, ensuring safe dismantling, resource utilization or pollution-free treatment. In 2025, 9,621 units of electronic equipment such as scrapped desktop computers, laptops and printers were disposed of by institutions qualified for electronic waste treatment, in compliance with relevant standards.

**Non-Hazardous Waste**

For non-hazardous waste such as general sanitation waste and kitchen waste, the Bank sets up classified recycling facilities in office areas to guide employees to sort and dispose of waste, and arranges for qualified professional companies to regularly transport and dispose of it.

The Bank has established a full-process closed-loop management mechanism for waste classification, recycling and transportation, investigating and avoiding environmental risks caused by improper waste disposal. Additionally, the Bank formulated the *Hua Xia Bank Emergency Management Measures for Emergencies*, clarified environmental emergency plans and procedures, and built an environmental risk prevention and control system that attaches equal importance to prevention and emergency response.

In 2025, a total of 1,029 items of office furniture, including employee workstations, lockers, and desks, were recycled and reused across office premises such as the Head Office Dongdan Building, Xidan International Building, and Longfu Building.

**Case**

**Shenyang Branch: Building a Full-Chain Food Conservation Management and Control System**

To practice the concept of green and low-carbon development and reduce food loss and resource waste, Shenyang Branch has established a full-chain food conservation management and control system from four dimensions: procurement, operation, dining mode and employee management.

In procurement, the Branch developed a dinner registration mini-program via WeChat Work Assistant to accurately count the number of diners and realize scientific meal preparation on demand; a green inventory management mechanism was established to regularly check inventory and dynamically track food shelf life, eliminating food overstocking and expired waste from the source. In operation, the logistics end shortened transportation distances through consolidated transportation and prioritizing local supply chains, thereby reducing energy consumption and loss. The processing side optimized processing techniques to reduce raw material waste in the production process and improve resource circulation efficiency. In dining mode, the buffet mode was implemented to guide employees to take meals on demand, reducing leftovers from the consumption side; green consumption atmosphere of cherishing food and eliminating waste was created on a regular basis through posting slogans and "Clean Plate Campaign" reminders. In employee management, a long-term restraint mechanism was established, with staff arranged at plate recycling points to remind employees of conservation on site, and serious waste behaviors were notified internally. A combination of positive guidance and negative restraint was adopted to cultivate employees' dining conservation habits.

## Pollutant Management

The main pollutants generated by the Bank in daily operations are waste gas such as sulfur dioxide and nitrogen oxides from official vehicles, and oil fumes from staff canteens. The Bank formulated and improved operation management systems, strictly controlled pollutant emissions, reduced exhaust gases such as sulfur dioxide and nitrogen oxides from official vehicles and oil fumes from staff canteens, and strived to reduce the impact of daily operation activities on the environment.

For waste gas emissions, the Bank strengthened the unified deployment of official vehicles and supervision of driving trajectories, reduced fuel consumption through measures such as restricting emission standards of newly purchased vehicles, optimizing driving routes to reduce detours, and strictly prohibiting private use of official vehicles, ensuring that waste gas emissions meet standards.

For oil fume emissions, the Bank strictly complies with relevant provisions on fire safety and production safety of catering business units in Beijing, and entrusts professional cleaning institutions to clean and purify oil fume discharge facilities in the head office Dongdan Building every month, ensuring that oil fume emissions meet safety standards and environmental protection requirements.

## Green Environmental Protection Activities

The Bank actively practices the green development concept, integrates environmental protection publicity and education into daily operation and management, and continuously promotes the dissemination and implementation of the green concept within the organization and at the social level. During the reporting period, 201 green office-themed publicity activities were organized for employees to further consolidate the foundation of green operations; for customers and the public, the Bank widely disseminated the green and low-carbon concept through various means such as supporting environmental protection-themed TV programs and carrying out green environmental protection public welfare activities, promoting the formation of green production and lifestyles, and earnestly fulfilling corporate environmental responsibilities.



Case

Diverse Environmental Protection Activities Practice Green Development Concept

**Creative Scenarios Promote the Implementation of Green Concept**

Adhering to the combination of innovative communication methods and concrete practices, the Bank continuously promoted the extension of the green development concept to the public. During the China International Fair for Trade in Services (CIFTIS), the Bank planned and launched a series of "Green Momentum for the Future" themed activities, setting up an interactive check-in wall with the same theme, attracting nearly 30,000 on-site visitors. Through immersive interactive scenarios, the ecological civilization concept that "clear waters and green mountains are invaluable assets" was intensively displayed, enhancing the public's intuitive cognition and participatory experience of green development.

The Bank specially sponsored the second season of the ecological science popularization program the *Panda Adventures*, integrating the practical results of the Beijing-Tianjin-Hebei Air Pollution Prevention and Control Financing Project into the program content. Through the presentation of ecological exploration combined with scientific interpretation, the actual achievements of green finance supporting ecological environment governance were systematically displayed, further enhancing the public's awareness and participation in green and low-carbon development and financial support for environmental protection.

**Public Welfare Actions Empower Ecological Construction**

The Bank carried out voluntary tree planting and "Love Farm" activities in Liuheyu Village, Miyun, Beijing, planting 180 golden lilac trees and unveiling the "Hua Xia Ecological Forest". More than 160 employees and their families from Beijing-based institutions participated, enhancing employees' environmental awareness; branches in Xi'an, Urumqi, Hohhot and other places carried out voluntary tree planting activities to add greenery to the environment with practical actions.

**Grassroots Volunteers Practice Green Responsibility**

Haikou Branch cleaned up riverbank garbage, eliminated mosquito breeding grounds and carried out environmental protection and financial knowledge lectures along the Nandu River, realizing the integration of environmental protection and people's livelihood security.

**Financial Consumer Protection and Green Low-Carbon Go Hand in Hand**

Hefei Branch carried out "Financial Consumer Protection + Green Low-Carbon" themed public welfare activities, integrating the green and low-carbon concept into financial knowledge education and publicity. In 2025, a total of 12 offline sessions were held, covering more than 3,000 person-times, and over 2,000 environmental protection materials were distributed, realizing two-way empowerment of financial services and environmental protection public welfare.



"Green Momentum for the Future" Check-in Wall at the Financial Theme Exhibition of the China International Fair for Trade in Services.



Promotional Poster for the Specially Sponsored Second Season of the *Panda Adventures*.



Volunteers from Urumqi Branch Carrying out Voluntary Tree Planting Activities at the Edge of the Desert.



On-site Voluntary Tree Planting and "Love Farm" Activity in Liuheyu Village, Miyun, Beijing.



On-site Voluntary Tree Planting Activity "I am a Guardian of Qinling Mountains, Cultivating a Financial Youth Forest" by Xi'an Branch.



On-site Voluntary Tree Planting Activity "Planting Trees to Afforest the Green City" by Hohhot Branch.



Eco-Friendly Cloth Bags Distributed at the "Financial Consumer Protection+Green Low-Carbon" Themed Public Welfare Activity by Hefei Branch.

Feature

# Biodiversity Protection

Hua Xia Bank regards biodiversity protection as an important mission and responsibility. Focusing on strategic planning, business risk management, and innovation in financial practices, it has adopted multiple measures to support biodiversity protection and contribute to modernization characterized by harmonious coexistence between humans and nature.

## Strengthening Strategic Guidance

The Bank has incorporated support for biodiversity protection into the *2021-2025 Hua Xia Bank Development Plan*, and formulated policy documents such as the *Hua Xia Bank Guiding Opinions on Financial Support for Biodiversity Conservation* and the *Hua Xia Bank Green Finance Action Plan*, explicitly defining the role of finance in supporting biodiversity protection.

*Hua Xia Bank Guiding Opinions on Financial Support for Biodiversity Conservation*

The Bank will leverage finance's resource allocation function to strengthen the supply of financial products and services in key areas such as ecosystem protection and restoration, the sustainable use of biological resources, and pollution prevention and control; enhance the capacity and level of financial support for biodiversity protection; mitigate biodiversity risks associated with economic activities supported by the Bank; and strengthen information disclosure and capacity building in fields related to financial support for biodiversity protection.

*Hua Xia Bank Green Finance Action Plan*

The Bank will give priority support to biodiversity conservation as well as ecological protection and restoration in key areas such as the conservation-oriented operation of natural protected areas centered on national parks, restoration of the ecological environment in mining areas, and prevention and control of drought and flood disasters in aquatic ecosystems.

## Strengthening Risk Management for Business Activities

The Bank has formulated the *Hua Xia Bank Guiding Opinions on Financial Support for Biodiversity Conservation* and the *Hua Xia Bank Guiding Opinions on the Credit Business Environment and Social Risk Management for Corporate Clients*, incorporating biodiversity as an important component of environmental risk management into full-process risk management for credit business, and proactively preventing and managing financial risks arising from biodiversity loss.

Risk Assessment

The Bank is committed to preventing and controlling biodiversity risks arising from its investment and financing activities by proactively identifying, assessing and managing biodiversity-related risks, actively preventing and managing financial risks resulting from biodiversity loss, and improving the methods, tools and systems for assessing the biodiversity impacts of investment and financing activities.

The Bank has screened industries that have significant impacts on ecosystem services, are prone to biodiversity risks, or are highly dependent on ecosystem services, and compiled the *Biodiversity-Sensitive Sectors List (Trial)*.

The Bank assesses the regional biodiversity sensitivity of investment and financing projects based on whether the project is located in a highly sensitive area, such as an environmentally sensitive area, an ecologically sensitive area, a natural protected area, or an ecologically fragile area.

Based on the sector sensitivity and regional vulnerability of investment and financing projects, the Bank assesses the biodiversity-related dependencies and impacts of its credit business, examines whether corporate clients have developed corresponding risk mitigation plans based on ecological impact assessments, and evaluates the impacts of project implementation on biodiversity, so as to maximize the avoidance, reduction, restoration and compensation of negative biodiversity impacts arising from investment and financing activities.

Risk Mitigation

The Bank identifies high, medium and low-sensitivity business risks related to biodiversity and implements differentiated management requirements in the stages of credit investigation, review and approval, and post-loan inspection. For highly biodiversity-sensitive business, the Bank focuses on assessing the dependencies and impacts of credit business on biodiversity as well as the supporting risk mitigation measures; prudently evaluates, in light of factors such as the project's geographical location, whether the proposed economic activity is permitted within biodiversity conservation areas; and clarifies the key points for credit investigation at each stage of high-sensitivity business, taking professional assessment opinions as an important basis for credit decisions.

## Enriching Financial Practices

The Bank has clarified the key areas eligible for priority support in biodiversity protection, strengthened the supply of financial products and services, and contributed financial strength to biodiversity conservation and ecological and environmental protection.

Case

### Nanchang Branch: Landing China's First Biodiversity Protection KPI-Linked Syndicated Loan for Both the Manufacturing Sector and Foreign-Invested Enterprises

In 2025, as a participating bank in a syndicated loan, Nanchang Branch provided a RMB500 million Poyang Lake biodiversity protection KPI-linked syndicated loan to the world's largest cellulose fiber producer. As China's first biodiversity protection KPI-linked syndicated loan for both the manufacturing sector and foreign-invested enterprises, the facility links the loan interest rate to indicators such as the wetland conservation area in the Poyang Lake region, the total number of beneficiaries of biodiversity protection publicity and education programs, and the concentration of total nitrogen in the enterprise's wastewater discharge. By closely linking financial resources with ecological protection outcomes, the loan incentivizes the enterprise to deliver environmental benefits.

Case

### Kunming Branch: Supporting Dianchi Greenway Development to Enhance the Value of Regional Ecotourism

In 2025, Kunming Branch provided credit support of RMB115 million for the construction of the East Bank Trail Connectivity Project of the Caohai section of the Kunming Dianchi Greenway, a key ecotourism project in Kunming. While protecting the Dianchi Lake ecosystem, the project also provides the public with a green pathway to get close to nature and explore wetlands, further enhancing the value of ecotourism. As of the end of 2025, RMB28.40 million of loans had been disbursed.



Kunming Branch supports the development of the Dianchi Greenway through financial services (Photo courtesy of Kunming Daily).

## Building Eco-Friendly Operating Institutions

In the construction and operation of its outlets, the Bank upholds the principles of green and environmentally friendly development. Through measures such as the use of energy-saving and environmentally friendly materials, strengthened conservation of resources and energy, and strict management of waste disposal and emissions, the Bank continues to reduce the environmental impact of its own operations. Given that commercial banks mainly conduct business activities through office premises, the Bank's daily operations have limited impact on biodiversity and ecosystems. As of the end of 2025, the Bank had not established any outlets within the ecological conservation red lines.

## Engaging in Cooperation and Exchanges

The Bank actively responds to international initiatives and deeply participates in industry cooperation related to biodiversity conservation. During the 15th meeting of the Conference of the Parties to the *UN Convention on Biological Diversity (CBD)* in 2021, the Bank jointly launched and joined the *Global Joint Initiative on the Partnership of Biodiversity*, and signed the *Joint Declaration by Banking and Financial Institutions in Support of Biodiversity Conservation*. Together with peer institutions and international organizations, the Bank works to advance biodiversity conservation. In 2025, joined the Nature and Biodiversity Finance Working Group under the China-UK Green Finance Working Group as a Chinese member institution, and attended the launch meeting in Shanghai in November of the same year. More than 70 representatives from over 20 member institutions including the Bank participated in the meeting to share and discuss cases of financial support for biodiversity.

The Bank also actively contributes recommendations through biodiversity exchange platforms and participates in biodiversity-related conferences organized by national ministries and professional organizations, including the China Council for International Cooperation on Environment and Development (CCICED), the Ministry of Ecology and Environment, and the Institute of Finance and Sustainability (IFS). During the reporting period, the Bank shared its practices in supporting biodiversity conservation through finance at seminars and events such as the 2025 Lancang-Mekong Environmental Cooperation Series organized by the Ministry of Ecology and Environment, the seminar on "New Quality Productive Forces Empower High-Level Biodiversity Protection in Industry and Commerce," and the 14th Modern Finance Talent Training Program of the Sichuan Finance Society on biodiversity finance and capacity building for agricultural transition finance.





Support United Nations Sustainable Development Goals (SDGs)



# Social

# Technology Finance

Hua Xia Bank prioritizes "building distinctive capabilities in technology finance" as a key focus of its development, strengthening full-lifecycle financial services for tech firms, promoting the deep integration of technological innovation and industrial innovation, and supporting the accelerated realization of the goals of achieving self-reliance and strength in high-level science and technology and building a leading country in science and technology.

## Governance

### Board of Directors

The Board of Directors is responsible for setting the Bank's technology finance strategy, overseeing its execution, and establishing the foundational policies and systems for technology finance. The Board's Strategy and Sustainable Development Committee is tasked with researching and advising on the technology finance strategy, as well as monitoring and assessing its implementation.

During 2025, both the Board of Directors and its Strategy and Sustainable Development Committee reviewed and approved the *Hua Xia Bank 2024 Annual Plan Implementation Evaluation Report*, which assessed the execution of the Bank's technology finance strategy. The Board also approved the *Report on Hua Xia Bank 2024 Operating Performance and 2025 Business Plan*, through which it supervised the senior management's efforts in technology finance and set clear objectives and priorities for the year ahead.

In November 2025, the Board of Directors conducted a field visit to the Hangzhou Branch to evaluate the development of the Bank's technology finance business. The Board toured local branch offices and engaged with technology enterprises, offering insights and recommendations across several areas, including strengthening strategic focus, reinforcing organizational frameworks, enhancing operational mechanisms, refining product offerings, building a robust service ecosystem, and deepening digital transformation.



The Board of Directors' research team visited Hangzhou Future Science and Technology City and technology enterprises related to the "Six Little Dragons of Hangzhou".

### Senior Management

Senior management provides overall leadership and coordination for technology finance initiatives, working closely with relevant specialized committees to deliberate and decide on bank-wide, strategic, or significant matters concerning technology finance development, key initiatives, and risk management. It also regularly reports to the Board of Directors and its specialized committees on important policy decisions, significant risks, and key performance indicators related to technology finance.

At the Head Office level, the Bank established a Technology Finance Leading Group, chaired by the President with Vice Presidents serving as deputy chairs. Its members include the heads of key divisions, including the Inclusive Finance Department (Technology Finance Department), the Corporate Banking Department, and the Credit Approval Department. The Leading Group is tasked with coordinating the Bank's technology finance efforts across all business lines.

### Execution Level

In 2025, the Bank renamed its Inclusive Finance Department to Inclusive Finance Department (Technology Finance Department), which is responsible for leading technology finance work across the Bank. This change further promotes the integrated development of technology finance and inclusive finance, and implements the policy direction of "investing early, investing in small enterprises, investing for the long term, and investing in hard technologies" for tech firms. The Bank also established a Technology Finance Office to strengthen its professional capacity in serving technology finance. Additionally, technology finance working groups were established at the branch level to enhance the branches' capability to coordinate and advance technology finance business.

## Strategy

### Analysis of Risks and Opportunities

In terms of risks, tech firms are generally characterized by high R&D investment, asset-light operations, and rapid technology iteration. The competitiveness of their core technologies and business models is susceptible to external environmental influences, resulting in higher operational volatility. Additionally, some enterprises primarily hold intangible assets such as intellectual property. Changes in technological pathways may increase the Bank's challenges in specialized risk management areas such as industry identification, risk pricing, and post-loan management, posing potential challenges to asset quality.

In terms of opportunities, against the backdrop of developing new quality productive forces and achieving self-reliance in science and technology, the financial needs of tech firms continue to grow. Leveraging policy support and the trend of industrial structure upgrading, the Bank faces a core opportunity to enrich its technology finance product offerings and innovate its service ecosystem. By increasing financial support for the technology innovation sector, the Bank can cultivate and establish a competitive advantage in the market.

### Impact on Strategy and Decision-Making

In formulating its strategy and making major decisions, the Bank fully identifies and systematically considers the above-mentioned risks and opportunities related to technology finance, integrating them into its medium- and long-term development plans and overall strategy. The Bank incorporated doing a good job in technology finance, as one of the "five priorities" of financial work, into the *Hua Xia Bank 2021-2025 Development Plan (Revised Edition)*. In developing the *Hua Xia Bank 2026-2030 Development Plan Outline*, the Bank positioned technology finance as a critical component in serving the real economy and driving high-quality development, identifying it as one of two key operational focuses to be advanced in a coordinated manner.

To effectively implement its development plans, the Bank designated the pursuit of self-reliance in high-level science and technology as a key service area in its 2025 credit and investment financing policies. It actively leveraged the integrated "commercial and investment banking" business model to provide comprehensive financial services to high-quality tech firms. Additionally, the Bank formulated a dedicated technology finance strategy and supporting policies, including guidelines for technology finance work and marketing strategies, to provide institutional support for the development of technology finance. In 2025, the Bank further advanced the "Lighthouse Action" by formulating and implementing a specialized action plan. Through the establishment of a multi-tiered specialized technology finance service system, the upgrade of technology finance service models, and the enrichment of innovative financial products, the Bank strengthened its ability to serve tech firms and their diverse financial needs, continuously enhancing its specialized service capabilities in technology finance.

## Financial Impact Analysis

In 2025, the Bank elevated technology finance to a strategic priority across the organization. While maintaining overall risk control, it steadily advanced technology finance-related businesses and promoted the optimization of its credit structure. As at the end of 2025, the balance of loans to tech firms reached RMB244.622 billion, representing an increase of 53.74% over the end of the previous year. The number of tech firm loan customers stood at 8,762, an increase of 47.38% over the end of the previous year.

In the short to medium term, as tech firms grow and the pace of technology commercialization accelerates, technology finance-related businesses are expected to continue playing a positive role in serving the real economy and supporting industrial upgrading. By enhancing its comprehensive financial service capabilities and expanding its high-quality customer base, the Bank expects these efforts to positively support asset scale, revenue diversification, and operational stability. While there are certain resource investments in areas such as risk prevention and the initial development of specialized service systems, efficiencies are expected to gradually emerge as the business scales up.

In the long term, enhanced technological innovation capacity and the optimization and upgrading of industrial structures are expected to provide a more solid foundation for the development of technology finance. Through its development of technology finance, the Bank aims to optimize its business structure and strengthen its core capability to serve the real economy, which is expected to have a positive impact on asset quality stability and sustainable profitability.

## Impacts, Risks and Opportunities Management

### Strengthening Professional Support Capabilities

The Bank continued to strengthen its technology finance service system and evaluation mechanisms, and enhanced its digital tool applications to comprehensively improve its capabilities in serving tech firms and managing associated risks, thereby unlocking internal momentum for the development of its technology finance business.

<p><b>Specialized Service System</b></p>	<p>Established a "9+16+N" technology finance organizational framework comprising 9 leading technology finance branches, 16 key technology finance branches, and N technology-focused sub-branches, forming a multi-tiered service network with broad coverage. Strengthened the development of specialized technology finance institutions and professional teams to ensure the effective implementation of specialized technology finance services across the Bank. As of the end of 2025, technology finance centers were established in 5 branches, with 8 technology sub-branches and 32 technology-focused sub-branches set up in areas with high concentrations of tech firms.</p>
<p><b>Specialized Performance Assessment</b></p>	<p>Incorporated technology finance-related indicators into branch performance assessments and comprehensive evaluation systems and reinforced the application of assessment results.</p>
<p><b>Resource Allocation Support</b></p>	<p>Strengthened research on strategic emerging industries, high-tech manufacturing, and technology service sectors, and dynamically refined sub-sector credit policies to ensure that credit resource allocation aligns with national technology development strategies and industry directions, enhancing the ability to precisely support tech firms.</p> <p>Reduced financing costs for tech firms through pricing incentives, capital cost reductions, and the use of policy tools.</p>
<p><b>Implementation of Due Diligence Exemption</b></p>	<p>Established reasonable risk tolerance ranges for technology finance loans. For credit personnel who perform credit review responsibilities in accordance with compliance requirements, credit policies, and business processes, liability is exempted in the event of risks or losses, encouraging proactive engagement in supporting technological innovation.</p>

### Application of Technical Tools

Enhanced evaluation and risk management tools for tech firms, strengthening the comprehensive assessment of their innovation capabilities and growth potential. Leveraged group synergies and multi-party cooperation mechanisms to enhance risk sharing and mitigation.

In 2025, upgraded the technology-based enterprise evaluation model to Version 2.0, and developed and launched several digital tools to support credit assessment, including a technological capability evaluation model, a comprehensive profile tool for tech firms, and a scoring card for tech firms.

In 2025, the Bank organized young employee representatives to visit cutting-edge technology enterprises such as the "Six Little Dragons of Hangzhou", gaining in-depth insights into industry logic and technology iteration trends, and accelerating the cultivation of versatile professional talent proficient in technology, industry and finance.



### Providing Full-Lifecycle Financial Services

The Bank concentrates on priority areas of technological innovation, harnessing its integrated operational strengths and comprehensive licensing to enhance its service framework for technology-driven enterprises and direct greater financial resources toward technological innovation.

<p><b>Establishing a Full-Lifecycle Service Model and Improving Differentiated Service Systems</b></p>	<p>Focusing on the financing characteristics of tech firms at different stages of development, the Bank has established a financial service model covering R&amp;D, technology commercialization, and scale-up development. Through credit support, investment-loan linkages, and diversified financing approaches, it meets the capital needs of enterprises as they grow.</p>
<p><b>Strengthening Internal Synergies to Provide Comprehensive Financial Support</b></p>	<p>Integrating resources across banking, wealth management, trust, and fund businesses, the Bank coordinates the use of credit, investment, and capital market instruments to deliver integrated, successive comprehensive financial service solutions for tech firms.</p> <p>By promoting coordinated efforts in bond underwriting and investment, M&amp;A financing, and related custody services, the Bank expands medium- and long-term financing support channels for tech firms.</p>
<p><b>Optimizing Resource Allocation to Enhance Targeted Financial Supply</b></p>	<p>Provide differentiated support for technology-based enterprise loans in terms of internal resource allocation such as funds transfer pricing and capital consumption, strengthen the transmission of policies such as the People's Bank of China's special refinancing for technological innovation, and further reduce the comprehensive financing costs of tech firms.</p> <p>Establish a green channel for credit approval for tech firms, implement differentiated authorization and "specialized and sophisticated" whitelist management, and improve service efficiency for key customer segments such as specialized and sophisticated "little giants" and provincial and municipal-level specialized and sophisticated small and medium-sized enterprises. At the same time, set up a dedicated evaluation module for tech firms within the internal evaluation system, supported by options for exceptional rating adjustments, and adopt a credit strategy centered on "selecting high-quality customers, implementing classified management, conducting continuous monitoring, and making dynamic adjustments", continuously enhancing the precision and sustainability of technology finance services.</p>

**Case** Issuance of the Largest Five-Year Science and Technology Innovation Bond by a Commercial Bank in the Market

In June 2025, the Bank issued a science and technology innovation bond with a total size of RMB10 billion, a term of five years, and a coupon rate of 1.78%. This bond represents the largest five-year science and technology innovation bond issued by a commercial bank in the market to date. The bond attracted active subscriptions from a broad range of investors. The proceeds will be directed to science and technology innovation areas as defined in the *Overall Statistical System for the "Five Priorities" Of Finance (Trial)*, including the provision of technology loans and investment in bonds issued by technology innovation enterprises, specifically supporting business activities in the field of technological innovation.

**Case** Beijing Branch: Empowering the Accelerated Growth of a Semiconductor Industry Leader

In 2025, upon learning of the financing needs of a leading semiconductor enterprise, the Branch swiftly activated its "Head Office-Branch-Department-Sub-branch" four-tier rapid response mechanism. A dedicated service team was assembled to conduct an in-depth assessment of the enterprise's technological capabilities, market prospects, and short-term funding gaps, ultimately tailoring a RMB230 million comprehensive credit facility to support its capital needs across areas such as technology talent development and R&D. With the support of this loan, the enterprise secured a nine-figure order from a government-affiliated computing technology company. This transaction effectively contributes to the development of China's scientific and intelligent computing infrastructure.

**Case** Taiyuan Branch: Technology Finance as a Catalyst for Innovation-Driven Enterprises

Faced with the financing challenges of a robotics technology company in Shanxi—specifically the lack of collateral and existing credit lines from partner institutions all below RMB10 million—Taiyuan Branch adopted an innovative dual-dimension credit assessment model based on "IP valuation + growth potential evaluation". The assessment incorporated the enterprise's patent valuation, its national-level "specialized and sophisticated" little giant certification, and export data covering 50 countries. This approach broke through the limitations of traditional collateral-based lending, resulting in an approved credit line of RMB30 million on an unsecured basis. The funding alleviated the company's liquidity constraints, enabling it to invest more fully in upgrading its intelligent algorithms and building a cross-border logistics system. By the end of 2025, Taiyuan Branch had extended RMB30 million in working capital loans to the enterprise, effectively supporting its operations and growth.

Nanning Branch provided working capital loans and supply chain financial services to a technology enterprise specializing in photovoltaic glass manufacturing. By the end of 2025, cumulative financing support exceeded RMB300 million, helping fill a critical gap in the production of photovoltaic rolled glass in Guangxi.



**Case** Tianjin Branch: Underwriting Tianjin's First Science and Technology Innovation Bond Issued by a Private Equity Investment Institution

The Branch successfully underwrote the first tranche of the 2025 science and technology innovation bond for a technology investment corporation in Tianjin. The bond had a total size of RMB300 million, a term of three years, and an issuance rate of 2.21%. This marked the first science and technology innovation bond issued by a private equity investment institution in Tianjin. The proceeds will be specifically directed toward equity investments in emerging industries such as semiconductors, health and wellness, intelligent manufacturing, and information technology, with a focus on supporting small and medium-sized high-tech enterprises in their early stages.

**Case** Huaxia Wealth Management: Broadening Equity Financing Channels for Tech Firms

In 2025, Huaxia Wealth Management launched a private equity wealth management product, raising RMB110 million to support the financing needs of 14 tech firms in sectors such as semiconductors and high-end equipment manufacturing. This initiative provided a new equity financing channel for tech firms. By the end of 2025, two of the invested enterprises had successfully listed on the Science and Technology Innovation Board.

**Case** Huaxia Financial Leasing: Supporting the Development of the Computing Power Industry

Huaxia Financial Leasing focuses on tech firms in key areas such as strategic emerging industries and advanced manufacturing, providing leasing services to support R&D activities and the transfer and commercialization of technological achievements, thereby contributing to national major science and technology initiatives and the development of regional science and technology innovation hubs. In 2025, Huaxia Financial Leasing deployed RMB1.15 billion in computing power equipment leasing projects, providing specialized financial support to serve national strategies, empower the digital economy, and foster the development of new quality productive forces. It also continued to strengthen its research on the computing power industry, laying a solid foundation for more precisely serving enterprises across the computing power industry chain.

**Enriching the Full-Chain Product System**

The Bank continues to deepen innovation in technology finance products, precisely aligning with the "asset-light, high-growth, and long-cycle" characteristics of tech firms. From the start-up stage with products such as "Sci-Tech Easy Loan" and "Intellectual Property Loan", to the growth stage with products such as "Investment-Linked Loan" and "R&D Loan", and on to the mature stage with products such as "M&A Loan", the product system covers enterprises at every phase, from the laboratory to the capital market. Building on this foundation, the Bank launched the *Full-Lifecycle Product and Service Solutions for Tech Firms*, systematically integrating comprehensive financial resources and increasing the use of instruments such as sci-tech innovation bonds and sci-tech innovation notes. Through coordinated efforts combining credit and bond financing, the Bank is expanding medium- and long-term financing channels for tech firms, while also strengthening financial support for the commercialization of research outcomes at universities and research institutions. Pilot programs have been introduced to provide dedicated service solutions, helping accelerate the translation of technological innovation achievements into practical applications.

**Case** Chongqing Branch: Launching the Country's First "Rural Revitalization Intellectual Property-Linked Loan"

In 2025, Chongqing Branch successfully extended the country's first "Rural Revitalization Intellectual Property-Linked Loan", providing RMB3 million in financing to a specialized and sophisticated small and medium-sized enterprise and a national-level high-tech enterprise that integrates the R&D, production, and sales of Chinese herbal medicines. In this product innovation, the Branch established an intellectual property valuation mechanism and collaborated with third-party institutions to quantitatively assess non-financial indicators, including patent value, market potential, and industrial impact. These metrics served as key considerations in the credit approval process, addressing the financing challenge faced by enterprises with strong technological assets but limited physical collateral.

In addition, under the guidance of the People's Bank of China Chongqing Municipal Branch, the Branch led the development and issuance of two financial group standards—the *Chongqing Intellectual Property-Linked Loan Business Operating Guidelines* and the *Chongqing Operating Performance-Linked Loan Business Operating Guidelines*. Through institutional innovation, these guidelines help address the financing constraints faced by asset-light enterprises.



## Building a Multi-Party Collaborative Ecosystem

The Bank has established a collaborative and symbiotic ecosystem of partners, including government agencies, core enterprises, research institutions, and investment organizations. This ecosystem supports a technology finance service network that integrates financing support, capital connection, and resource linkage.

<b>Government Agencies</b>	Regularly engage with government departments responsible for science and technology, industry and information technology, and finance, leveraging official lists of tech firms and policy tools to enhance the precision and effectiveness of services for tech firms.
<b>Core Enterprises in the Industrial Chain</b>	Focus on leading technology enterprises and key links in the industrial chain, providing financial support to upstream and downstream enterprises and promoting coordinated development across the industrial chain.
<b>Research Institutions and Science and Technology Parks</b>	Embed financial services into park development and industry cultivation scenarios, extending services to the forefront of technology commercialization and industrialization, thereby supporting the development of regional innovation systems.
<b>Equity Investment Institutions and Industrial Capital</b>	Enhance the ability to provide coordinated services and comprehensive financial support for tech firms at different stages of development through fund custody, investment-loan linkages, and financing matchmaking.
<b>Innovation Platforms</b>	Participate in activities such as investment and financing matchmaking and innovation exchanges to help tech firms connect with capital, industrial partners, and market resources.

## Indicators and Targets

The Bank takes goals as the driving force for action, sets clear objectives, and conducts annual progress reviews to ensure the effective implementation of technology finance-related strategic plans and action programs. The Bank's key objectives in technology finance and progress during the reporting period are shown in the table below.

Baseline Year/Target Year <b>2025</b>
<b>Specific Target Content</b> The growth rate of loans to tech firms is no less than the growth rate of the Bank's total loans, with a continued increase in the proportion of such loans within the Bank's overall loan portfolio.
<b>Progress in 2025</b> As of the end of 2025, the balance of loans to tech firms reached RMB244.622 billion, representing an increase of 53.74% over the end of the previous year, significantly outpacing the Bank's average growth rate. The proportion of such loans in the total loan portfolio stood at 10.05%.
Baseline Year / Target Year <b>2025</b>
<b>Specific Target Content</b> Enhance the coverage of financial services for tech firms and expand the customer base of tech firms.
<b>Progress in 2025</b> As of the end of 2025, the number of tech firm loan customers reached 8,762, an increase of 47.38% over the end of the previous year, reflecting continued improvement in customer coverage and service depth.

## Inclusive Finance

Hua Xia Bank is committed to serving the diverse needs of inclusive finance customers by continuously enhancing its financial products and services. It strengthens support for key strategic areas and under-served segments, working to build a comprehensive inclusive finance framework that channels financial resources to improve people's livelihoods.

## Governance

### Board of Directors

The Board of Directors is responsible for setting the Bank's inclusive finance development strategy, overseeing its execution, and establishing the foundational policies and systems for inclusive finance. The Board's Strategy and Sustainable Development Committee is tasked with researching and advising on the inclusive finance strategy, supervising and evaluating its implementation, and developing the core management systems for inclusive finance.

In 2025, both the Board of Directors and its Strategy and Sustainable Development Committee reviewed and approved the *Hua Xia Bank 2024 Annual Plan Implementation Evaluation Report* assessing the implementation of the Bank's inclusive finance strategy. The Board also approved the *Report on Hua Xia Bank 2024 Operating Performance and 2025 Business Plan*, through which it supervised the senior management's efforts in inclusive finance and set clear objectives and priorities for the year ahead.

### Senior Management

Senior management is responsible for implementing Board-level decisions and defining the annual core objectives for inclusive finance in alignment with national policy guidance, regulatory expectations, and the Bank's strategic direction. The Bank maintains a structured reporting mechanism: senior management receives weekly updates from the key execution units responsible for inclusive finance and monthly reports from Head Office departments and branches on inclusive finance performance. When deviations from targets are identified, senior management promptly raises inquiries and proposes corrective actions, ensuring consistent progress through regular oversight.

The Bank has established an Inclusive Finance Work Leading Group, chaired by the President, with the senior executive overseeing inclusive finance as deputy chair. Its members include heads of key divisions such as Corporate Banking Department, Retail Finance Department, and Risk Management Department. The group is responsible for reviewing the overall strategy and major initiatives in inclusive finance, formulating and implementing related incentive policies, and coordinating the management and development of inclusive finance across the Bank. Additionally, the Bank has established an Agriculture-Related and Rural Revitalization Work Leading Group, chaired by the Chairman, with the President serving as deputy chair. Its members include all members of the Party Committee and Executive Vice Presidents. This group focuses on implementing key national policies related to agriculture and rural revitalization, coordinating relevant efforts across the Bank, reviewing strategic plans, reports, and initiatives in this area, and strengthening the Bank's capacity to serve rural revitalization.

In 2025, senior management convened multiple special meetings to review progress and deliberate on key priorities, providing strong guidance and support for the steady advancement of inclusive finance. During the reporting period, the Head Office Party Committee and the President's Office Meeting reviewed and approved the *Hua Xia Bank 2025 Work Plan to Support the Comprehensive Advancement of Rural Revitalization*, ensuring the effective implementation of the Central Committee and State Council's directives on rural revitalization, along with the relevant requirements of regulatory authorities and the Beijing Municipal Party Committee and Government.

**Execution Level**

As the core execution unit, the Head Office Inclusive Finance Department (Technology Finance Department) is responsible for driving and managing the Bank's inclusive finance business, encompassing the operations and management of micro and small businesses services, market development, marketing coordination, and product innovation. In 2025, the Bank refined its organizational structure at the branch level by introducing a dedicated Rural Revitalization role and renaming tier-1 branch Inclusive Finance Departments to Inclusive Finance Departments (Technology Finance Departments, Rural Revitalization Offices). This initiative enhanced resource coordination and professional specialization, providing a stronger foundation for business development.

**Strategy**

**Analysis of Risks and Opportunities**

In terms of risks, micro and small businesses generally have relatively weak risk resilience, making them vulnerable to macroeconomic fluctuations, industry cycle changes, and unexpected events. This may increase the risk of loan defaults, exerting periodic pressure on asset quality. In response, the Bank employs a combination of measures—including stringent access standards for micro and small businesses, dynamic optimization of risk control models, enhanced post-loan management, and proactive resolution of problem loans—to effectively prevent and mitigate business risks, contributing to sustained improvement in asset quality management.

In terms of opportunities, the Central Committee of the Communist Party of China and the State Council have made a series of policy decisions and plans for the development of inclusive finance, providing strong high-level guidance for its advancement. Government agencies and regulatory authorities have also refined incentive and constraint mechanisms through monetary and fiscal policy tools, offering institutional support for the high-quality development of inclusive finance. Guided by national policy directions, the Bank has a core opportunity to integrate quality and efficiency in inclusive finance while deepening customer-centric operations. By upgrading inclusive finance from single-purpose financing to comprehensive, customer-centered financial services, the Bank can achieve synergistic enhancement of both the commercial and social value of inclusive finance.

**Impact on Strategy and Decision-Making**

In formulating its strategy and making major decisions, the Bank integrates risks and opportunities related to inclusive finance into its medium- and long-term development plans and overall strategy. The *Hua Xia Bank 2021-2025 Development Plan* emphasizes enhancing risk resilience for micro and small businesses through iterative risk control improvements and targeted services. In 2025, while developing the *Hua Xia Bank 2026-2030 Development Plan Outline*, the Bank identified inclusive finance as a key component in serving the real economy and driving high-quality development, and explicitly outlined a transition toward digital inclusive finance, comprehensive service-oriented inclusive finance, and high-quality inclusive finance, in order to shift from scale expansion to value creation.

During the reporting period, the Bank issued the *2025 Action Plan for Inclusive Finance Business*, which adheres to the four core principles of "customers, business volume, risk, and economic performance" to steadily advance inclusive loan growth. Embracing a "long-termism" approach, the Bank continues to enhance its value creation capabilities. It also formulated the *Hua Xia Bank Implementation Rules for Due Diligence Exemption in Small and Micro Credit Business* and continued to implement documents such as the *Hua Xia Bank Implementation Rules for Small and Micro Customer Loan Renewal Without Repayment of Principal*, using institutional frameworks to stimulate business development enthusiasm and alleviate capital pressures on micro and small businesses, ensuring the effective execution of the inclusive finance strategy.

**Financial Impact Analysis**

The Bank has facilitated a steady reduction in financing costs for micro and small businesses, with the annualized interest rate for inclusive loans to micro and small businesses decreasing by 0.59 percentage points compared with the previous year. The non-performing loan ratio for inclusive micro and small business loans remained stable and within a reasonable range. As at the end of 2025, the balance of inclusive micro and small business loans reached RMB193.611 billion, representing an increase of RMB10.978 billion over the end of the previous year. The Bank also strengthened its agriculture-related lending. As of the end of 2025, the balance of agriculture-related loans reached RMB218.155 billion, an increase of RMB20.039 billion over the end of the previous year, accounting for 9.64% of the total loan balance.

The Bank regards inclusive finance as a core driver of high-quality business performance. Looking ahead, the Bank will continue to refine its inclusive finance products and services, expand coverage among inclusive customer groups including micro and small businesses, self-employed individuals, and agricultural-related entities, maintain a firm bottom line in risk prevention and control, continuously optimize the asset quality of inclusive loans, and steadily enhance asset returns, thereby laying the groundwork for the Bank's steady and robust operational performance.

**Impacts, Risks and Opportunities Management**

**Precise Support for Micro and Small Businesses**

The Bank continues to strengthen credit support for micro and small businesses, enriching its product system with both standardized and specialized offerings to effectively meet the financial needs of inclusive customer groups.

<p><b>Strengthening Demand Alignment</b></p>	<p>Deepened the implementation of the micro and small business financing coordination mechanism, expanded the coverage of the "Comprehensive Visits to Thousands of Enterprises and Households" outreach program, and maintained regular engagement with enterprise financing needs. By the end of 2025, the Bank had extended credit to micro and small businesses within the coordination mechanism list totaling RMB288.412 billion, with loan disbursements reaching RMB235.778 billion, serving 24,700 market entities.</p>
<p><b>Enriching the Product Matrix</b></p>	<p>In 2025, continued to iteratively optimize digital inclusive finance products. Among these, the "Dragon Merchant Loan", a standardized digital small-scale credit product, enabled end-to-end digital processing from application and contract signing to drawdown and repayment. It provides small and micro customers, including self-employed individuals, with a "pure credit, flexible use, fast approval" service experience, effectively meeting their "small-scale, short-term, frequent, and urgent" financing needs.</p> <p>Focused on supply chain finance by developing and promoting products such as the Inclusive (Central Enterprise Order) Loan and the Inclusive (State Grid Order) Loan. By the end of 2025, these products had extended credit totaling RMB113 million, with loan disbursements of RMB57.048 million, precisely serving small and micro customers along the industrial chain.</p>
<p><b>Providing Diverse Services</b></p>	<p>Offered self-employed individuals convenient merchant acquiring, account management, and payroll distribution services, along with tailored wealth management and insurance products aligned with their financial needs, addressing their comprehensive financial service requirements.</p> <p>Prioritized the development of an "ecosystem + scenario-based" service model, engaging deeply with industrial parks, specialized markets, industrial chains, and commercial districts, and partnering with local governments, industry associations, and core enterprises to build an industrial cooperation ecosystem.</p>

**Case** Shanghai Branch: Leveraging Core Enterprise Credit to Develop Supply Chain Finance

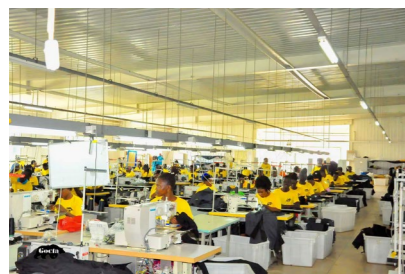
In response to the challenges faced by small, medium and micro suppliers of a construction and development group in Shanghai—namely long payment cycles and difficulty accessing traditional financing—Shanghai Branch focused on the needs of upstream and downstream enterprises linked to the core enterprise. By introducing digital financial technology and achieving system connectivity with a third-party platform, the Branch enabled suppliers to efficiently obtain factoring financing through simple online applications. This model unlocks the core enterprise's own high-quality credit resources and extends them to the end of the industrial chain, ensuring supply chain stability. At the same time, leveraging the advantages of online accessibility, the model enables "single-point access, nationwide service", meeting the financing needs of suppliers located outside the region. By the end of 2025, Shanghai Branch had successfully implemented 16 digital factoring projects across 15 accounts involving three core enterprises, with a total outstanding balance of RMB22.3752 million.

**Case** Xining Branch: "Highland e-Loan" Brings Financial Support to Snowland Merchants

The Qinghai-Tibet Plateau Distribution Market serves as a core hub for agricultural and sideline products connecting Qinghai, Tibet, and Xinjiang. However, self-employed businesses operating within the market face challenges such as tight cash flow and limited access to financing. In 2025, the Xining Branch launched a dedicated credit product, the "Highland e-Loan", which uses merchants' actual operating data as the basis for credit assessment. The product offers preferential-rate loans with a maximum limit of RMB1 million and a term of up to three years. The entire process—from application to disbursement—takes just three to five working days, promptly addressing the funding needs of merchants. By the end of 2025, the "Highland e-Loan" had cumulatively disbursed RMB12.33 million, benefiting 48 merchants.

Mr. Li, a merchant

*After I learned about this product and submitted my application, it took less than 10 days to receive the RMB500,000 loan. And the interest rate was significantly lower than what private lenders charge!*



Changchun Branch developed a tailored credit solution for small and micro export enterprises in the Uganda Industrial Park in Africa, supporting the end-to-end operation model of "domestic raw materials — overseas processing — European sales", and helping micro and small businesses in Jilin Province become deeply engaged in the international division of labor.



Jinan Branch established a "government-bank-enterprise-investment" platform, hosting 14 "Financial Services for the Real Economy" events throughout the year. These events reached 276 inclusive finance clients, including 155 new customers, facilitating cooperation with 92 new micro and small enterprise clients and resulting in RMB398 million in new inclusive loan disbursements.



Kunming Branch ventured into the Kunming International Flower Auction Center to introduce the "Huahui Loan" to merchants.

**Cultivating Rural Areas to Support Comprehensive Rural Revitalization**

The Bank implements the decisions and plans of the Central Committee of the Communist Party of China and the State Council to "anchor the goal of agricultural and rural modernization and solidly advance comprehensive rural revitalization", supporting the allocation of more financial resources to key areas and weak links in rural revitalization, and effectively promoting comprehensive rural revitalization. At the branch level, the Bank has optimized its organizational structure by establishing a dedicated Rural Revitalization role, thereby strengthening the foundation for business advancement.

**Strengthening the Foundation of Food Security**

Prioritize services for food security and the stable production and supply of important agricultural products, closely align with national policies such as special refinancing for technological transformation in agriculture-related sectors and central government interest subsidies, support the development of high-standard farmland, the promotion of agricultural machinery, and the full chain of grain production, procurement, processing, and sales, and meet the financial needs of grain production and operation entities.

Focus on key agricultural seasons by providing services for spring plowing and preparation, summer agricultural product procurement, and steadily advancing financial services in key areas such as the development of food resources, primary processing, and deep processing of agricultural products.

Deepen the implementation of the seed industry revitalization initiative. In Xinjiang, the Bank introduced the "Seed Patent Pledge Loan", transforming intangible intellectual property into tangible assets. In Anhui, it launched specialized products such as the "Seed Loan", providing financial resources to support seed industry research and production.

**Empowering the Development of Key Industries**

Establish a "head office-to-head office" cooperation platform, facilitate engagement with the Ministry of Agriculture and Rural Affairs' major project financing platform, and focus on supporting areas such as modern facility agriculture, smart agriculture, green agricultural development, and agricultural science and technology innovation.

Develop a digital product line tailored for inclusive finance, creating products such as the "Photovoltaic Loan", "Highland Vegetable e-Loan", and "Huahui Loan" to provide digital, intelligent, specialized, and tailored financial services for agricultural customer groups and new types of agricultural business entities.

Explore a "core enterprise + bank + service station + policy-backed guarantee" service model to address the challenge of obtaining credit without collateral, offering a sustainable pathway for financial innovation to support the development of county-level specialty industries, including livestock breeding and luohanguo (a traditional Chinese medicinal fruit) cultivation.

**Fully Implementing Support Responsibilities**

Focus on major decisions and plans related to rural revitalization and paired assistance, steadily advancing industrial support, consumption support, and in-village assistance initiatives. In the Beijing municipal enterprise rural revitalization assessment, the Bank has consistently received the highest rating of "Excellent" for several consecutive years.

**Deepening Industrial Support**

Precisely align with key counties and districts under Beijing's paired assistance program in Inner Mongolia, Xinjiang, Qinghai, Changzhi in Shanxi, Zhangjiakou and Chengde in Hebei, Henan, Hubei, and other provinces, and continuously carry out special initiatives to enhance specialty industries and foster industrial clusters. By the end of 2025, cumulative industrial support funds disbursed exceeded RMB20 billion.

**Expanding Consumption Support**

Incorporate agricultural and sideline products from assisted regions into holiday welfare packages, employee cafeteria procurement, and voluntary staff purchases, comprehensively promoting the normalization of consumption support efforts. Throughout the year, purchases of agricultural and sideline products from paired assistance regions exceeded RMB8 million.

**Fully Implementing Support Responsibilities**

**Strengthening In-Village Assistance**

Select over 50 outstanding employees to serve as "First Secretaries" stationed in paired assistance villages, ensuring that in-village support efforts reach the grassroots level.



Hua Xia Bank's stationed cadres visiting local communities and fields to assess the development of specialty industries in the region.

**Case**

**Chongqing Branch: Launching the Nation's First "Geographical Indication Export-Linked Loan", Setting a Benchmark for Agricultural Brand Internationalization**

In 2025, Chongqing Branch introduced the nation's first "Geographical Indication Export-Linked Loan", extending RMB5 million in financing to a leading agricultural enterprise in Fengjie County. The loan was specifically designated to support the expansion of Fengjie navel oranges into the Belt and Road markets. Departing from traditional credit models, this product innovation established a "dual-linked" mechanism, creating a virtuous cycle of "brand value enhancement, industrial upgrading, and increased farmer income".

**Linked to Growth Indicators**

The loan interest rate was dynamically tied to growth indicators such as the volume of geographical indication product exports. Through a flexible "higher initial rate, lower subsequent rate" interest calculation model, the interest rate was adjusted downward in response to the enterprise's export performance growth, reducing the enterprise's financing costs and incentivizing its efforts to expand into overseas markets.

**Linked to Policy Coordination**

A communication channel was established with government departments. For enterprises recommended by the Municipal Agriculture and Rural Affairs Commission and other relevant authorities that align with Belt and Road market expansion efforts, priority was given to credit support.



Chongqing Branch leveraged the "Geographical Indication Export-Linked Loan" to help promote the export of agricultural products to overseas markets.

**Case**

**Changzhou Branch: Empowering the Development of Homestay Clusters**

As a national demonstration zone for comprehensive tourism, Liyang in Jiangsu Province has seen rapid development in its rural tourism industry, driving employment for over 50,000 people per year. To address the common challenges faced by homestay owners—such as lack of collateral, slow approval processes, and urgent funding needs—Changzhou Branch launched the "Homestay Loan". Leveraging the local homestay association's star rating system, the Branch established a dual-layer risk control model based on "association list + star rating coefficient". It also set up a green channel and implemented a time-limited processing mechanism, offering a flexible financing mix of "mortgage + guarantee + credit" to provide high-quality homestays with expedited access to financing.

Additionally, the Branch directed loan proceeds toward the development of new business formats, including "homestay + tea culture", "homestay + intangible cultural heritage", and "homestay + educational tourism", supporting the creation of homestay cluster brands and channeling financial resources to support rural revitalization. By the end of 2025, a total of three Homestay Loans had been issued, totaling RMB6.18 million. These loans helped surrounding farmers increase their annual income by over RMB2 million and created more than 500 new jobs.



Changzhou Branch provided financial support to featured homestays in Liyang, helping create rural retreats that blend the charm of Jiangnan with modern comfort.

Fuzhou Branch leveraged the innovative "Aquatic Products Loan" to continuously expand its service boundaries, building a three-pronged marine industry financial support system integrating "specialized products, digital risk control, and ecological services".



Huaxia Financial Leasing developed a "leasing + insurance" financial service solution, supporting 16 fishing enterprises and 167 deep-sea fishing vessels throughout the year to ensure stable production and supply, helping to enrich the "blue pantry".



### Leveraging Technology to Strengthen Business Risk Management

The Bank has established a comprehensive, end-to-end intelligent risk management system to effectively mitigate risks in its inclusive finance business.

<p><b>Strengthening Source Management</b></p>	<p><b>Strict Access Mechanisms</b> Implement rigorous credit access standards, establishing a dual control mechanism combining "whitelist admission + negative list prohibition". Reinforce management responsibilities in key areas such as customer qualification verification, fund usage supervision, and repayment source verification.</p> <p><b>Implement Differentiated Credit Extension</b> Focus on key areas supported by national policies, deepen analysis of key industries in the real economy, and develop differentiated credit policies for specific industries and regions. Implement refined management under the "one branch, one policy" approach, apply differentiated credit authorization and green channels for approval, ensuring precise allocation of financial resources while maintaining risk control.</p>
<p><b>Strengthening Intelligent Early Warning</b></p>	<p>Optimize risk list management and the customer early warning system, iteratively upgrade the intelligent risk early warning model, integrate credit information across pre-lending, in-lending, and post-lending processes, and establish a normalized asset quality tracking mechanism. Enhance the forward-looking nature of risk identification and the timeliness of monitoring through special inspections, risk alerts, and analysis of typical cases.</p>
<p><b>Preventing Operational Risks</b></p>	<p>Advance automation in credit investigation, approval, and post-loan management. Implement digital contract signing and loan disbursement systems for the inclusive finance business line, enabling online management of contract execution and loan disbursement to improve operational efficiency and standardization. Enhance automated post-loan controls and develop on-site image collection capabilities to improve the effectiveness and precision of post-loan management.</p>

### Channel Expansion to Enhance Accessibility of Financial Services

Guided by the philosophy of "customer-centricity, experience-oriented approach, and efficiency-driven operations", the Bank has built a service system that integrates online and offline channels while balancing standardized and differentiated services. It pays close attention to the service needs of elderly customers, individuals with disabilities, pregnant women, and other groups, striving to create a warm and welcoming financial service environment.

<p><b>Optimizing Online Service Capabilities</b></p>	<p>The Bank continues to enhance its online service functions, creating accessible service channels tailored to the needs of vulnerable groups to ensure that financial services are within easy reach.</p>
<p><b>For Elderly Customers</b></p>	<p>The 95577 customer service hotline automatically identifies elderly customers and enables "one-click transfer" to human agents, reducing wait times for inquiries and transactions. The Care Edition of the mobile banking App now features a "one-click help" function and assisted login services, along with large-font displays to improve readability and ease of operation.</p>
<p><b>For Individuals with Disabilities</b></p>	<p>The Bank has established a professional team of sign language service agents. Video sign language services are available through the remote banking section of both the standard and Care Edition mobile banking App, providing consultation services for hearing-impaired customers.</p>

### For Foreign Nationals in China

The Bank has added English-speaking agents and continuously enhances service capabilities. The 95577 customer service hotline automatically identifies foreign nationals in China and enables "one-click transfer", delivering professional, convenient, and efficient online service experiences for this customer group.



The Bank built an accessible service channel for remote banking.

### Upgrading Offline Service Channels

The Bank is committed to strengthening its in-branch service foundation, enhancing customer service capabilities, and building an offline service network that integrates "branches, self-service terminals, and outreach services".

### Self-Service

The functionality of intelligent self-service terminals has been optimized to enable self-service processing for over 10 livelihood-related services, including social security and medical insurance inquiries, thereby lowering the threshold for accessing these services. The Bank has proactively engaged with the Beijing Municipal Bureau of Human Resources and Social Security and the Beijing Medical Insurance Affairs Management Center to deeply integrate livelihood projects with financial services, enabling "one-stop" service processing and reducing travel costs for customers.

### Branch Services

For customers who face mobility challenges due to age, health conditions, or other factors, the Bank provides in-home services and other outreach options to address difficulties in visiting physical branches. Emphasis is placed on creating a service-oriented atmosphere, fostering a culture of care, and strengthening staff awareness of responsibility to ensure that customers from special groups receive full respect and attentive support.

### Case

#### Bridging Communication Barriers and Enhancing Service Experience for Special Customer Groups

In 2025, the Bank invited teachers from a special education school to conduct specialized sign language training for in-branch service staff across the Bank. The training covered high-frequency service scenarios such as business inquiries and transaction guidance, and was supplemented by instructional videos. Through professional instruction and regular ongoing learning, the Bank enhanced the sign language service capabilities of its in-branch service staff, enabling them to provide more attentive and accessible professional services for individuals with disabilities.

## Indicators and Targets

The Bank takes goals as the driving force for action, sets clear objectives, and conducts annual progress reviews to ensure the effective implementation of technology inclusive-related strategic plans and action programs. The Bank's key objectives in inclusive finance and progress during the reporting period are shown in the table below.

Baseline Year <b>2021</b>	Target Year <b>2025</b>
<p><b>Specific Target Content</b></p> <p>Complete the annual regulatory credit plan for micro and small businesses.</p>	<p><b>Progress in 2025</b></p> <p>The regulatory credit plan for micro and small businesses was fulfilled. As at the end of 2025, the balance of inclusive micro and small business loans reached RMB193.611 billion, an increase of RMB10.978 billion over the beginning of the year.</p>



## Pension Finance

Hua Xia Bank actively responds to the national strategy for addressing population aging by building the "Huaxia Yi Yang" pension finance service system, accelerating the development of a three-pronged framework covering pension finance, elderly care service finance and elderly care industry finance, and helping senior citizens enjoy a fulfilling later life through a wide range of pension finance products and services.

### Pension Fund Finance

As one of the first banks qualified to launch individual pension services, the Bank has actively supported the development of the third pillar of the pension system. It has built an "on-bank + off-bank" individual pension service network. Through channels including mobile banking, WeChat mini programs, personal online banking and smart counters, the Bank provides customers with full-process individual pension financial services covering account opening, contribution and investment. Outside the Bank, the Bank has partnered with multiple internet platforms to expand service reach and improve the convenience of individual pension services. As of the end of 2025, the Bank had cumulatively opened 775.9 thousand individual pension fund accounts, representing an increase of 30.80% over the end of the previous year.

### Elderly Care Service Finance

#### Enriching Pension Finance Products and Services

The Bank is comprehensively building a dedicated pension finance product portfolio covering savings, funds, wealth management and insurance. Through digital tools such as the mobile banking App and professional services, it provides people of different age groups and income levels with full-life-cycle pension planning options, helping customers make prudent preparations for retirement and enjoy peace of mind in later life.

#### Pension Finance Products

##### Commercial Pension Products

Designed with a low minimum investment threshold, these products lower the entry barrier for retirement savings participation. In terms of account management, the Bank has innovatively adopted a dual-account management model of "locked account + ongoing account" to balance the long-term savings nature of pension funds with medium-term liquidity needs. In terms of investment strategy, a multi-asset allocation approach combining fixed-income and equity assets is applied to provide customers with pension wealth management solutions that balance security and returns.

##### Individual Pension Wealth Management Products

The Bank has continued to promote product distribution and expand the product shelf. As of the end of 2025, the balance of individual pension wealth management products reached RMB18.40 million.

Pension Planning Services

"Smart Retirement Preparation" Investment Planning Service

By leveraging big data models and intelligent algorithms, the Bank accurately estimates customers' pension gaps and, in light of their retirement needs, automatically matches suitable savings, wealth management and insurance products to generate personalized asset allocation recommendations.

"Smart Yi Yang" Pension Investment Service

Taking into account the risk preferences, wealth accumulation status and income cash flow characteristics of customers at different ages, the Bank provides one-stop "Yi Yang" pension investment portfolios. Through the scientific allocation of assets such as time deposits, funds, wealth management products and insurance, it achieves differentiated risk-return combinations and precisely meets the full-life-cycle pension wealth management needs of customer groups ranging from younger clients to middle-aged and elderly clients.

"Elderly VCare" Pension Asset Allocation Salon

Through formats such as case analysis and policy interpretation, the Bank provides customers with on-site guidance on pension planning and conveys sound concepts of pension asset allocation to customers.

Enhancing Age-Friendly Service Experience

The Bank has continued to promote age-friendly upgrades to its online service channels as well as the renovation and upgrading of its offline business outlets, building a financial service system with warmth and care.

Online Services

Mobile Banking App

In high-frequency scenarios used by elderly customers, such as deposits, wealth management and customer service on the Care Edition of the Hua Xia Bank Mobile Banking App, the Bank provides age-friendly features including larger fonts, higher volume and voice broadcasting. Core functions such as deposits, transfers, income and expenditure details, and wealth management are prominently displayed to reduce operational steps and improve readability and ease of use. The Bank has also launched the "My Home" family financial service, which supports children in helping elderly family members identify suitable products while allowing elderly customers to make their own purchase decisions, thereby helping them bridge the digital divide.

"Splendid Life" App

The Senior Edition of the "Splendid Life" App optimizes the user experience for elderly customers through enlarged text and a clear and concise interface design. It highlights entry points to high-frequency inquiry scenarios such as credit limits, reward points and bills, as well as major financial service functions including repayment, card management and customer service hotlines, with a view to providing senior customers with more convenient, considerate and caring online financial services.

Branch Outlet Services

Age-Friendly Facilities at Branch Outlets

All the Bank's outlets are equipped with age-friendly facilities such as barrier-free access, caring service counters and caring seats. Each outlet is also furnished with no fewer than six types of elderly care service items, including reading glasses, first-aid kits, wheelchairs, movable form-filling desks, blood pressure monitors, large-print form templates and canes, to meet the basic needs of elderly customers. The Bank has established a service model featuring "priority queue calling + staff guidance" to minimize the time elderly customers spend handling business and enhance their service experience.

Age-Friendly Upgrades to Self-Service Channels

Self-service devices such as smart counters and ATMs support enlarged display of operation pages. Smart counters are also equipped with a one-touch function for calling staff assistance, enabling quick connection with lobby staff for real-time guidance. The Bank has introduced a fast-track age-friendly service channel at smart counters to improve the efficiency of self-service transactions for elderly customers. In 2025, smart counters served 392.2 thousand customer visits by customers aged 60 and above.



An employee of Xiamen Branch explains how to use the smart counter to an elderly customer.



Age-friendly upgrades at branch outlets provide warm and caring services for elderly customers.



Kunming Branch provides warm and thoughtful age-friendly services for local elderly customers.

Case

Strengthening Risk Prevention and Control to Fully Safeguard Elderly Customers

The Bank has continued to improve its age-friendly risk protection system and comprehensively enhance its ability to safeguard the personal and financial security of elderly customers.

**In terms of offline services**

The Bank launched a special initiative for "First Responders for Elderly Customers in Emergencies," organizing more than 900 outlets across the Bank to carry out emergency drills for sudden incidents involving elderly customers. These drills covered scenarios such as emergency medical assistance, anti-fraud interception, and the prevention and handling of routine safety risks, thereby improving the age-friendliness of lobby financial services and the emergency response capabilities for unexpected incidents.

**In terms of financial security**

The Bank upgraded its "FireEye" intelligent risk control system. Leveraging big data technology to integrate multidimensional information such as customers' historical transactions, payment behavior and risk preferences, the Bank established an exclusive transaction risk model for elderly customers. For unusually large transactions, the Bank combines AI phone calls with manual assistance to provide alerts and reminders, enabling the timely interception of risky transactions. In 2025, the "FireEye" intelligent risk control system accurately intercepted risks and safeguarded more than RMB800 million for elderly customers.

At the same time, the Bank has introduced a collaborative family account protection model. With parental authorization and children's enrollment, it enables children to safeguard the security of their parents' account funds on a one-to-one basis through the mobile banking App, extending the anti-fraud protection chain through family support and jointly strengthening financial security protection for elderly customers.

The Bank has increased financial support for the silver economy. Through measures such as formulating annual marketing guidelines and special credit policies, offering preferential interest rates, and establishing green channels for credit approval, it provides targeted and effective support for the financing needs of business entities in the silver economy, and guides credit resources toward key areas including elderly care, rehabilitation, medical care and nursing services, elderly care infrastructure and age-friendly renovation, the R&D and manufacturing of smart elderly-assistance equipment, and smart elderly care services. In 2025, the Bank became one of the first banks to engage with the Ministry of Civil Affairs on the connection with the advance payment fund supervision system for elderly care institutions.

## Pension Industry Finance

Case

Financial Support for the Development of Elderly Care and Public Well-Being Projects

In 2025, the Bank granted a fixed asset loan of RMB179 million to an enterprise to specifically support the construction of a project aimed at improving the city's comprehensive elderly care capacity. The Bank also applied for the PBOC's re-lending facility for service consumption and elderly care in connection with this loan, providing the enterprise with financing support and comprehensive financial services. The project plans to build five senior apartment buildings and one comprehensive building, renovate three senior apartment buildings, and add 1,356 elderly care beds, benefiting more than 1,000 local elderly people and providing important support for building an inclusive, high-quality and sustainable regional elderly care service system.

Case

Huaxia Financial Leasing: Exploring the "Leasing + Services" Model for the Elderly Care Industry

In 2025, Huaxia Financial Leasing provided sale-and-leaseback services for an inclusive elderly care institution, marking its first fund disbursement for an elderly care project. Featuring efficient approval, low financing costs and flexible use of funds, this transaction addressed the pain points of difficult and expensive financing for inclusive elderly care institutions, and supported the upgrading and optimization of the institution's facilities and operations.

Case

Shaoxing Branch and Lanzhou Branch: Supporting the Development of the Elderly Care Service System

As of the end of 2025, Shaoxing Branch had cumulatively provided RMB40 million in special-purpose loans to the project developer of a local social welfare center upgrading and renovation project, supporting funding needs such as the procurement of smart equipment and the renovation of age-friendly facilities. As an important local public well-being project for advancing the development of the elderly care service system, the project is being developed in accordance with the standards for five-star elderly care institutions in Zhejiang Province. Upon completion, it will adopt an innovative model featuring "worry-free elderly care + professional medical and nursing services + commercial empowerment," providing solid support for improving the regional elderly care service system.

In light of the economic environment in Gansu Province, Lanzhou Branch has focused on 12 key segments of the elderly care industry, deepened services for high-quality local elderly care enterprises and senior customer groups, and accelerated its business layout through steady and incremental progress. As of the end of 2025, the balance of pension industry finance FPA financing business of Lanzhou Branch reached RMB60 million, representing a net increase of RMB55 million from the beginning of the year and a growth rate of 1100%.



# Digital Finance

Hua Xia Bank follows the strategic direction of "Developing the Bank through Technology" and upholds the strategic vision of "Smart Finance, Digital Hua Xia". Focused on the strategic goal of building a "First-class Smart Ecological Bank", the Bank takes solid and in-depth actions to advance digital finance, comprehensively enhances the supporting capacity of digital technology, shifts digital technology work toward value creation, and provides solid support for breaking new ground in high-quality development.

## Governance

### Board of Directors

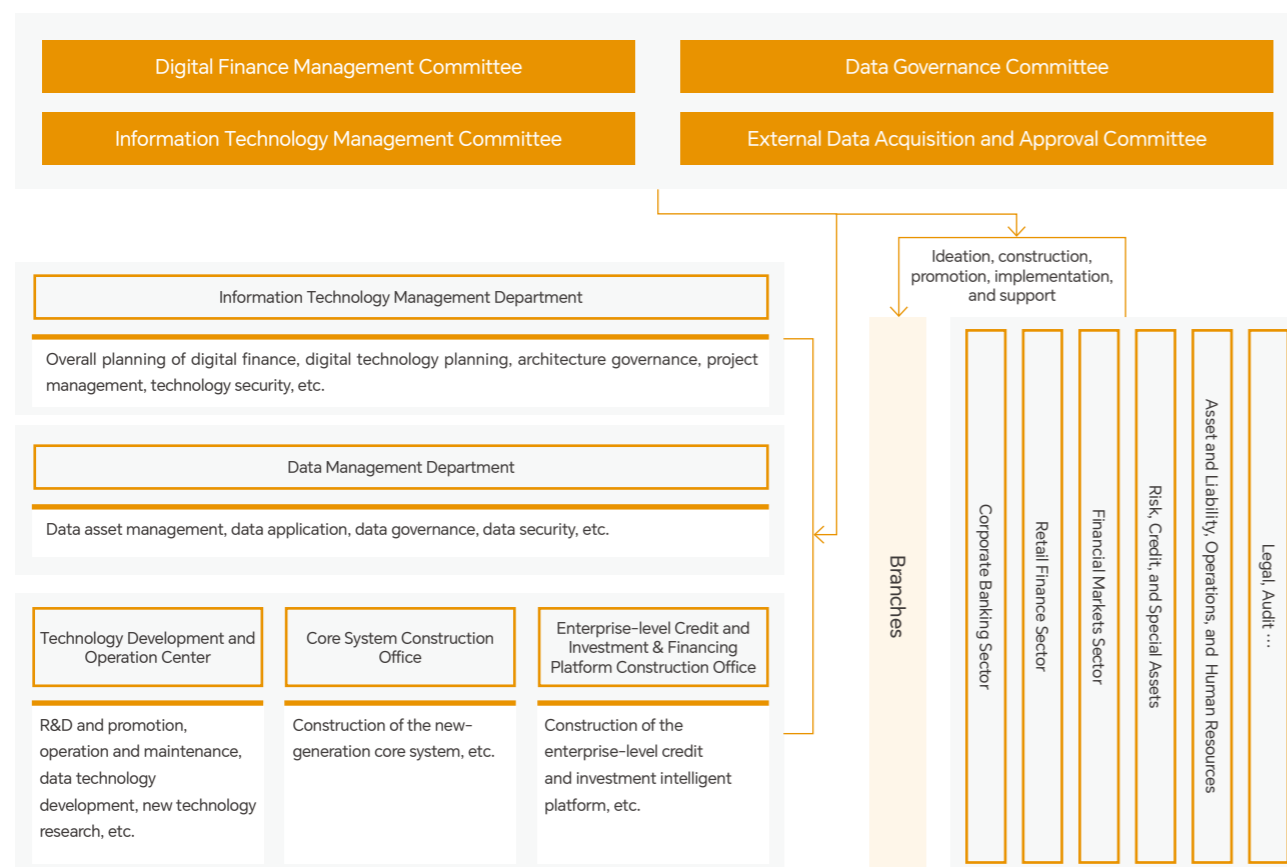
The Board of Directors is responsible for formulating the digital finance development strategy and supervising its implementation, as well as establishing basic management systems related to digital finance. The Strategy and Sustainable Development Committee of the Board is responsible for conducting research on and putting forward suggestions for the digital finance development strategy, and supervising and evaluating the implementation of the strategy.

In 2025, the Board of Directors and the Strategy and Sustainable Development Committee reviewed and approved the *Hua Xia Bank 2024 Annual Plan Implementation Evaluation Report*, and supervised and evaluated the implementation of the Bank's digital finance development strategy. The Board of Directors reviewed and approved the *Report on Hua Xia Bank 2024 Operating Results and 2025 Business Plan*, supervised the digital finance-related work of the senior management, and clarified the objectives and key tasks of digital finance.

### Senior Management and Execution Layer

The Bank has established the Digital Finance Management Committee, Data Governance Committee, Information Technology Management Committee, and External Data Acquisition and Approval Committee to achieve effective coordination in digital finance development, data governance, fintech support, and external data management, ensuring the effective implementation of digital finance-related decisions.

Digital Finance Governance Structure of the Bank



### Digital Finance Management Committee

Coordinates digital finance work across the Bank, organizes the implementation of major strategic arrangements and key tasks for digital finance, and promotes the integrated development of business empowered by digital technology. The Committee is chaired by the President, with the Vice President in charge of digital finance and the Chief Information Officer serving as Deputy Chairmen.

Regularly receives reports on the Bank's digital transformation, services to the digital economy, integrated development of business empowered by digital technology, and construction of the digital finance product system, and puts forward work requirements for the Bank's digital finance development.

### Information Technology Management Committee

Reviews the Bank's information technology strategic plans, progress reports on major projects, business continuity emergency drill plans for information systems, approves the overall information technology architecture and project initiation, and performs the functions of the Information Security Leading Group. The Committee is chaired by the senior executive in charge of information technology.

Reviews information technology-related matters on an ad-hoc basis and held 8 meetings in 2025 to review matters including the 2025 Head Office information technology project preliminary plan.

### External Data Acquisition and Approval Committee

Reviews matters related to external data acquisition and is chaired by the senior executive in charge of information technology.

Held 3 meetings in 2025 to review the annual plan and budget for external data acquisition within its authority, as well as the initiation, change, suspension, and closure of external data acquisition projects.

### Data Governance Committee

Reviews data governance strategies and policies, supervises the implementation of data quality, data standards, data security, data accountability, data application, and data sharing, and addresses major issues in data governance.

Held 1 meeting in 2025 to hear and review reports on data governance, regulatory data submission, and data security.

In 2025, the Bank renamed the Digital Finance Management Department as Information Technology Management Department and the Data and Information Department as the Data Management Department to further clarify the functional boundaries between information technology and data governance, forming a well-defined and highly coordinated management system. The Head Office Information Technology Management Department coordinates the Bank's digital finance development. The Data Management Department provides mid-level support from the data perspective, and the Technology Development and Operation Center provides the technological infrastructure support, driving digital transformation across the Head Office and branches.

## Strategy

### Analysis of Risks and Opportunities

In terms of risks, with the rapid iteration of core technologies, higher requirements are placed on system resilience. Excessive reliance on external technologies and tools may affect business continuity. Meanwhile, investment in digital technology research and development and system construction is relatively high, and the return on investment is uncertain. The application of generative artificial intelligence in the financial sector may involve algorithmic hallucinations, leading to potential risks such as false information and algorithmic discrimination, which may further trigger legal and reputational risks.

In terms of opportunities, digital finance serves as an important driver for reshaping service models and improving operational efficiency. Relying on digital channels and technology applications, the Bank optimizes operational processes and risk prevention and control capabilities, which helps improve internal management efficiency and resource conservation. Meanwhile, the Bank focuses on core digital economy industries such as digital product manufacturing and digital technology application, expands the scope of financial services and innovates service models, which helps explore new business growth points.

## Impact on Strategy and Decision-Making

In the process of strategy formulation and major decision-making, the Bank considers risks and opportunities related to digital finance and integrates them into the medium and long-term development plan and overall strategy. The Bank clarifies the strategic vision of "Smart Finance, Digital Hua Xia" and the strategic goal of basically building a "First-class Smart Ecological Bank" in the *Hua Xia Digital Technology Transformation Action Plan (2021-2025)*. In 2024, the Bank fully established the development path of digital finance and formulated the *Hua Xia Bank Digital Finance Action Plan*. Centering on the two main lines of digital transformation and serving the digital economy industry, the Plan is coordinated and implemented in an integrated manner with the Digital Technology Transformation Action Plan. The Bank increases the inclination of financial resources to the digital economy industry and solidly promotes the in-depth integration of digital and real economies.

In 2025, the Bank formulated the *Special Plan for the Collaborative Development of Digital Technology Empowering the "Five Priorities" of Finance* to promote the integration and collaboration of digital technology in business, data, technology, mechanisms and other aspects. Meanwhile, when formulating the five-year development plan, the Bank anchors the overall development goal of "Digital and Intelligent Hua Xia", continuously forges high-level digital technology capabilities, promotes the in-depth integration of digital intelligence into the whole process of business operation, management decision-making, operational support and risk prevention and control, drives the leapfrog improvement of digital intelligence level of key businesses such as corporate and retail businesses, and consolidates the digital and intelligent foundation for the high-quality development of the Bank.

## Financial Impact Analysis

In the process of financial digitalization empowering industrial digitalization, the Bank needs to further expand the construction of multi-field industrial digital ecosystems and deepen and broaden the scenarios of retail digital ecosystems, which may lead to the increase of operating costs such as technology and business investment. In 2025, the Group invested RMB3,943 million in information technology, accounting for 4.29% of operating income. The Bank promotes digital transformation in depth, deepens the integrated application of technologies such as artificial intelligence and robotic process automation in business processing, customer service and other scenarios, and achieves improved operational efficiency and optimized cost structure.

In the short term, the impact modes and paths of relevant risks and opportunities still exist. Digital and intelligent means will effectively empower the expansion of the customer base, improve customer and employee experience, and drive the growth of intermediary business income. However, subject to the external market environment, the scale and performance of assets and liabilities are uncertain.

In the medium term, as the technology route becomes mature, the early investment gradually forms stable output, risks tend to stabilize and opportunities continue to be released. The implementation of the digital service system promotes the expansion of the digital ecosystem, drives the growth of loan scale, and optimizes the cost-income ratio through quality and efficiency improvement. The asset structure is further inclined to industries related to the digital economy, providing strong support for the Bank's strategic layout in other business areas.

In the long term, technological uncertainty is greatly reduced, risks are basically digested and opportunities continue to deepen. Digital capabilities are internalized into core competitiveness, and relevant investments are transformed into technology accumulation and customer stickiness. On the revenue side, digital finance business becomes an important engine for revenue growth; on the cost side, smart operation and intelligent risk control achieve scale effects, the digital risk control system is continuously optimized, promoting the structural optimization of operating costs.



# Impacts, Risks and Opportunities Management

## Serving the Digital Economy Industry

The Bank focuses on the digital economy industry, expands and optimizes the allocation of financial resources, and boosts the in-depth integration of digital economy and real economy.

### Innovate service models to support the development of digital industrialization

Focusing on industries covered by digital product manufacturing, digital product services, digital technology application and digital factor-driven industries, the Bank increases financial support and innovates financial service models in light of the asset-light characteristics of the digital economy industry.

By the end of 2025, the number of customers served in core digital economy industries reached 96,845, an increase of 3.40% over the end of the previous year; the balance of loans to core digital economy industries reached RMB97,054 million, an increase of 29.89% over the end of the previous year.

### Accelerate ecological integration to promote the development of industrial digitalization

In view of the technology-intensive, data-intensive and full-process efficient collaboration characteristics of industrial digitalization, the Bank creates digital financial products to meet the "thousand-person thousand-face" customized financial needs and help improve the total factor productivity of traditional industries; it effectively uses data in industry, justice, social security and other fields to enhance the ability of financial services to support people's livelihood and social development.

The Bank builds an industrial digital finance business model and a new decentralized supply chain model using digital information such as business flow, logistics, information flow and capital flow and digital technologies, providing decentralized financial services independent of core enterprises for all enterprises on the chain. By the end of 2025, industrial digital finance had served a total of 4,488 customers.

The Bank supports the construction of Beijing as a global benchmark city for the digital economy and continuously improves the digital and intelligent service models in scenarios such as social security, medical care and campuses.

#### Social security scenario

Provide social security card issuance services for Beijing municipal enterprises and their affiliates. Promote the third-generation social security card, build social security-bank cooperation counters, realize "one-stop" handling of convenience services including social security inquiry, and optimize the application process for minor social security cards.

#### Medical scenario

Deepen mobile medical insurance payment services, and complete the connection and launch of WeChat Pay for medical insurance in designated medical institutions with mobile medical insurance payment functions enabled.

#### Campus scenario

Build an exclusive campus payment service plan, open one-click payment channels for all categories of fees such as tuition, accommodation and catering fees, realize seamless binding of debit cards and campus cards, simplify the fee collection management process and improve payment convenience.

Case

**Hefei Branch: Empowering Auto Finance Development with "Express Digital Loans for Distributors"**

In 2025, Hefei Branch launched the "Express Digital Loans for Distributors" project for a leading enterprise in the automobile industry. As an innovative practice of the Branch in the field of industrial digital finance, the project provides convenient financing services for downstream distributors through system connection and data sharing with core enterprises and the use of digital credit granting and digital intelligent risk control technologies of both parties, supports core enterprises in accelerating the R&D, production and manufacturing of new energy vehicles, and helps promote the integrated development of complete vehicles, parts and after-sales markets of Anhui's new energy industry. By the end of 2025, the project had granted a total credit of RMB1,300 million and served 120 enterprises.

Shijiazhuang Branch has achieved full coverage of financial services for upstream and downstream enterprises in the industrial ecosystem of a steel group by relying on industrial digital finance projects such as Express Digital Loans for Distributors and Industrial Product Order Digital Loans.



**Consolidating the Foundation for Digital Transformation**

The Bank focuses on key areas such as enterprise-level architecture, data foundation, technology R&D and new technology application, improves the enterprise-level technical architecture system, consolidates the enterprise-level data foundation, deepens the innovative application of AI technology, and provides a solid guarantee for strengthening the empowerment and service capacity of digital technology for business development. In 2025, the Bank has achieved positive results in digital transformation, with continuously improved digital capabilities, more popular digital products and service methods, and an increasingly complete digital customer operation system.

**Enterprise-level architecture construction**

Promote the construction of enterprise-level architecture and improve the planning and control capabilities of enterprise-level architecture. Iterate the enterprise-level architecture blueprint and enhance the reusability of enterprise-level capability centers. Issue enterprise-level architecture implementation techniques and form reusable architecture assets.

**Empowerment by digital and intelligent tools**

Strengthen the capability reuse of business application self-development toolkits, promote the i-Assistant low-code platform, and support visualized independent development for all staff. Provide services such as technical certification training, scenario sharing and operation data support, continuously optimize the tool use experience and operation stability, and support the digital transformation of business processes.

**Enhancing technology R&D capabilities**

Phased progress has been made in the construction of the new-generation core system, the main system development has been basically completed, and peripheral transformation is promoted simultaneously, laying a solid technical foundation for steady operation. The functions of mobile banking are continuously iterated, and intelligent search, pension wealth management and other functions are launched to continuously improve customer experience. The wealth management and private banking system is fully reconstructed to realize the reconstruction of business systems such as wealth management and funds and the unified management of public services.

**Deepening AI technology application**

Promote the innovative application of large models in intelligent risk control, compliance operation and auxiliary R&D, with prominent scenario intelligent efficiency. In the field of intelligent risk control, the Yunqi AI credit investigation report generation tool is developed, reducing the credit report generation time from days to minutes and effectively releasing the productivity of customer managers. The recognition accuracy of non-compliant speech in compliance operation scenarios, the adoption rate of auxiliary R&D test cases and other indicators have been greatly improved, further releasing the value of technology empowerment.

**Enhancing Customer Service Capabilities**

The Bank uses digital technologies to optimize business processes and strengthen the empowerment and service capacity of digital technology for business development.

For retail customers

**Mobile banking App**

Continuously improve key functions such as transfer and wealth management product purchase; launch the English version of mobile banking, covering core services such as account inquiry, transfer and cross-border remittance; upgrade the intelligent risk control system to strengthen real-time identification and interception of transaction risks and protect customer fund security. By the end of 2025, the monthly active users (MAU) of Hua Xia Bank mobile banking App reached 6.2614 million, an increase of 24.70% over the end of the previous year.

**"Splendid Life" App**

Realize personalized recommendation services, embed digital technologies such as intelligent robots and optical character recognition (OCR) to improve customer service response efficiency and operation convenience. In 2025, the monthly active users (MAU) of "Splendid Life" App reached 3.6418 million.

**Smart counters**

Systematically integrate the core business processes of smart counters, complete the technical architecture upgrade and transformation, realize the whole-process closed loop of high-frequency retail business scenarios such as account opening and service sign-ups, and shorten processing time for retail customers.

For corporate customers

Corporate mobile banking App launches functions such as corporate credit report inquiry and batch business authorization, and launches functions such as "Xiaoyi" voice assistant activation adapted to HarmonyOS. Corporate online banking is connected with the anti-fraud real-time risk control system to improve risk prevention and control capabilities. By the end of 2025, the monthly active users (MAU) of corporate mobile banking App reached 54,200, an increase of 12.94% over the end of the previous year; the monthly active users (MAU) of Corporate Online Banking reached 292,900, an increase of 4.68% year-on-year.

Build a comprehensive service platform for corporate customers, integrating scattered corporate channels into a unified, efficient and convenient one-stop online service portal.

Relying on robotic process automation technology to realize the automation of corporate account opening appointments information identification and collection processes, improving the efficiency of enterprise account opening services.

Case

**Wuhan Branch: Building Digital Smart Outlets**

Wuhan Branch thoroughly promotes the digital transformation and upgrading of outlets, improves the intelligent experience of customer service and enhances the operational management efficiency of outlets.

**Intelligent service scenarios**

Equip intelligent devices such as smart screens and set-top boxes in all outlets with a new version of digital multimedia App, integrate functions such as intelligent queuing and financial product query and display, providing customers with a more intelligent and convenient outlet service experience.

**Data-based operation management**

Relying on the multi-dimensional data analysis capability of the outlet intelligent comprehensive management service system to judge the operation situation of outlets and customer arrival rules, providing important references for optimizing hall operation management strategies and promoting the transformation of channel management from "experience-driven" to "data-driven".

Case

Expanding the Construction of Digital RMB Application Scenarios

The Bank fully embeds digital RMB-related business products and service functions in outlet counters, smart counters, mobile banking and other channels, and expands the use of digital RMB in government affairs, medical care, salary payment and other scenarios. In 2025, the number of new personal and corporate digital RMB wallets bound to the Bank's accounts was 55,816 and 133 respectively; the transaction volume reached RMB11,950 million, an increase of 130.74% over the end of previous year.

Empowering the Development of Key Areas

<b>Green Finance</b>	Strengthen the identification and assessment of customer ESG risks, explore and develop ESG assessment models for credit granting businesses of enterprises in different industries and of different scales; build and operate carbon accounting management platform to realize the unified reporting and management of carbon emission data of the whole group.
<b>Technology Finance</b>	Introduce external data to assist approval decisions in the pre-lending link, set exclusive evaluation indicators for technology-based enterprises, and strengthen online approval and risk control capabilities.
<b>Inclusive Finance</b>	Support digital signing and loan issuance to improve the efficiency and convenience of inclusive finance business handling; realize automatic approval of loan renewal without principal repayment to ease the capital turnover pressure of inclusive customer groups; expand financing business scenarios and launch multi-dimensional financing plans to meet customers' diversified financing needs.
<b>Pension Finance</b>	Connect the pension business system with the electronic social security card platform, launch the functions of automatic monthly deposit and automatic withdrawal of personal pensions, improve the coverage and convenience of personal pension business handling channels; upgrade the intelligent pension investment planning function of mobile banking App to provide more intelligent pension fund allocation suggestions for elderly customers.

Strengthening the Guarantee of Innovation Mechanisms

The Bank established a special fund for digital financial technology innovation (hereinafter referred to as the "Special Fund"), which mainly supports project incubation in fields such as product and service innovation, operation service optimization and technology support. In 2025, the Bank continued to support the implementation of innovative projects across the Bank through the Special Fund, covering the expansion of new business scenarios such as prepaid fee management of pension institutions, fund sales supervision and bank-lease linkage, as well as the innovative application of new technologies such as large model technology and voiceprint recognition.

The Bank strengthens the effective management and scientific use of the Special Fund from the aspects of organizational frameworks, institutional systems, resource allocation, and incentive schemes. The Head Office Information Technology Management Department is responsible for the overall management of the daily operation of the Fund. The Bank formulated the *Detailed Rules for the Administration of Hua Xia Bank Digital Financial Technology Innovation Fund* to clarify the management process of innovation incubation projects; established a fault tolerance mechanism, and included incubation innovation risks into the scope of use of technology innovation risk reserves. Meanwhile, a special incentive mechanism was set up, and excellent innovation projects were included in the selection of digital financial technology innovation individual awards for incentives, highlighting benchmarking leadership and stimulating innovation momentum.

Preventing Technological Ethics Risks

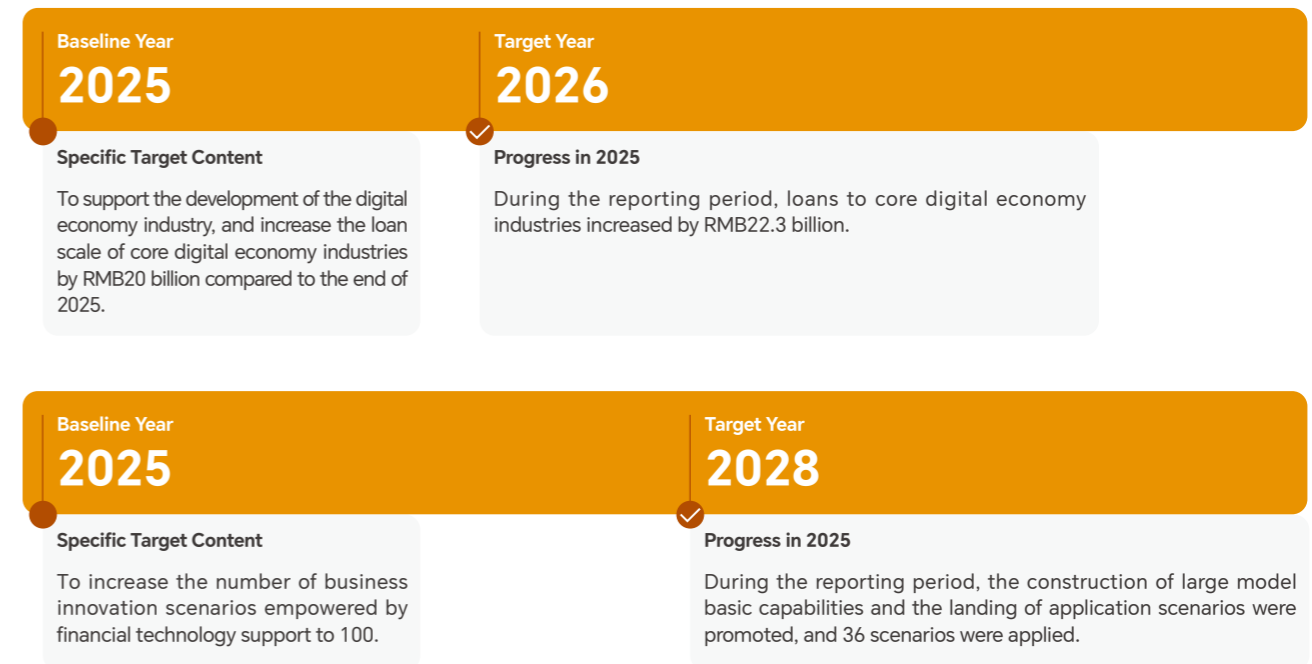
The Bank strictly abides by the *Guidelines for Science and Technology Ethics in Financial Sector* (JR/T 0258-2022) issued by the People's Bank of China, as well as policy documents and internal systems such as the *Hua Xia Bank Data Security Management Measures* and the *Hua Xia Bank Model Management Measures*. Adhering to the basic principles of integrity and innovation and technology for good, the Bank integrates technological ethics awareness and norms into the whole process of digital transformation and intelligent application. In 2025, the Bank had no violations of technological ethics.

In view of the emerging ethical risks that may be brought by cutting-edge technologies such as artificial intelligence and quantum computing, the Bank adheres to the bottom line of data security, clarifies the responsibility boundaries of key links such as algorithm development, data use and privacy protection, strengthens the inclusive-oriented guidance, advocates an open and transparent mechanism, maintains a fair competition order, and ensures the safety and controllability of financial technology innovation and application.

The Bank carries out regular learning and training on technological ethics, timely conveys and interprets the latest regulatory policies through the compliance rule base and compliance map system, carries out information technology system and risk management training relying on the "Hua Xia Academy" platform, and regularly releases tracking reports on new technology applications in the banking industry, continuously promotes technological ethics norms and effectively prevents potential risks brought by new technology applications.

The Bank takes goals as the driving force for action, sets clear objectives, and conducts annual progress reviews to ensure the effective implementation of digital inclusive-related strategic plans and action programs. The Bank's key objectives in digital finance and progress during the reporting period are shown in the table below.

Indicators and Targets



# Consumer Rights Protection

Hua Xia Bank integrates consumer rights protection into its corporate governance, corporate culture development, and business development strategy. It continuously strengthens the institutional framework and mechanisms for consumer rights protection, optimizing products, processes, and services from the source to safeguard consumers' legitimate rights and interests.

## Governance

### Board of Directors

The Board of Directors is the supreme decision-making body for consumer rights protection. It is responsible for determining the strategies, policies, and objectives for consumer protection work, conducting overall planning and guidance, and supervising the performance of consumer protection duties by senior management. The Risk Compliance and Consumer Rights Protection Committee of the Board is responsible for examining key issues and major decisions related to consumer rights protection, monitoring implementation, and evaluating the comprehensiveness, timeliness, and effectiveness of the work carried out by both the senior management and the dedicated consumer rights protection functions.

The Board of Directors and the Risk Compliance and Consumer Rights Protection Committee deliberate on or review reports on consumer rights protection progress, work plans, and regulatory evaluation findings, and undertake semi-annual reviews of industry consumer complaint statistics. In 2025, the Board and the Committee reviewed and approved the *Hua Xia Bank Report on Consumer Rights Protection Work in 2024 and Work Arrangements for 2025*, and also conducted written reviews of special reports including the *Report on the Results of the 2024 Regulatory Evaluation of Consumer Rights Protection*, the *Report on Consumer Complaint Statistics in the Banking Industry for the First Three Quarters and the Full Year of 2024*, and the *Report on Consumer Complaint Statistics in the Banking Industry for the First Quarter and the First Half of 2025*. Additionally, the Risk Compliance and Consumer Rights Protection Committee reviewed and approved the *Hua Xia Bank Report on the 2024 Consumer Rights Protection Audit Work*.

### Senior Management

The Bank has established the Consumer Rights Protection Working (Affairs) Committee under the leadership of senior management. The Committee is chaired by the senior executive overseeing consumer rights protection, with the Chief Compliance Officer supporting its work, and includes department heads from Corporate Banking Department, Retail Finance Department, Legal and Compliance Department, and other relevant divisions. This structure creates a unified framework for planning and executing consumer rights protection efforts at the senior management level. Its responsibilities include studying consumer rights protection matters, coordinating and guiding the effective implementation of related initiatives, and ensuring that professional departments and branches promptly address any issues identified.

In 2025, the Bank conducted in-depth reviews of its annual consumer rights protection plans and progress, regulatory evaluations, and complaint circulars through President's Office meetings and the approval of special documents. It set out the annual work plan and advanced key priorities, including consumer rights protection reviews and training initiatives. Senior management reviewed the *Hua Xia Bank Report on the Progress of Consumer Rights Protection Work in 2024 and Work Arrangements for 2025*, the *Report on the Results of the 2024 Regulatory Evaluation of Consumer Rights Protection*, the *Report on Consumer Complaint Statistics in the Banking Industry for the First Three Quarters and the Full Year of 2024*, and the *Report on Consumer Complaint Statistics in the Banking Industry for the First Quarter and the First Half of 2025*. These reviews informed guidance for the year's consumer rights protection work, ensuring that the Bank's strategic goals and policies were effectively implemented through rigorous analysis of regulatory evaluations and complaint trends.

## Execution Level

In 2025, the Bank refined its consumer rights protection management structure by upgrading the Consumer Rights Protection Department to a first-tier department at the Head Office, further strengthening the coordinated management of consumer rights protection work across the Bank.

<p><b>Head Office Level</b></p>	<p>The Consumer Rights Protection Department is tasked with organizing, coordinating, overseeing, and guiding consumer rights protection efforts across the Bank.</p> <p>Professional departments are responsible for consumer rights protection within their respective business lines, ensuring that relevant requirements are effectively implemented.</p>
<p><b>Branch Level</b></p>	<p>Consumer Rights Protection Work Committees have been established at the branch level, chaired by the branch leader responsible for consumer rights protection. The designated functional department at each branch is responsible for implementing consumer rights protection initiatives within its jurisdiction.</p>

## Strategy

### Analysis of Risks and Opportunities

In terms of risks, the financial sector is currently confronted with the grave challenge of proliferating "black and gray" financial industry chains, which infringe upon the legitimate rights and interests of both the public and financial institutions, posing a significant threat to the order of financial markets. Failure to adopt effective measures to combat these illicit financial chains could disrupt the Bank's normal business operations, resulting in customer attrition and adverse public sentiment, thereby undermining the Bank's reputation and market competitiveness.

In terms of opportunities, the Bank views consumer rights protection as an integral part of fulfilling the political and people-centered nature of financial services. By improving the institutional framework and mechanisms for consumer rights protection, responding promptly to customers' reasonable requests, and optimizing financial products and business processes based on insights gained from customer complaints, the Bank is able to enhance its overall service quality. Conducting regular financial education and awareness campaigns helps consumers strengthen their risk prevention awareness and response capabilities in complex financial environments, thereby laying a solid foundation of customer trust for the Bank's stable business development.

### Impact on Strategy and Decision-Making

The Bank carefully evaluates the potential impact of the risks and opportunities associated with consumer rights protection and adjusts its strategic planning and business development priorities accordingly. In 2025, as part of developing the *Hua Xia Bank 2026-2030 Development Plan Outline*, the Bank identified consumer rights protection as a strategic priority. The framework explicitly commits to advancing a "customer-centric" operating model, strengthening consumer rights protection governance, and enhancing the overall customer experience. It also establishes guiding principles across key areas, including product and service development, consumer rights protection review, suitability management, marketing conduct, dispute resolution, financial education, and customer experience management.

### Financial Impact Analysis

In 2025, the Bank deepened its consumer rights protection efforts by enhancing centralized management and resource support, allocating RMB4.69 million in dedicated funding to financial literacy and education initiatives.

Looking forward, the Bank remains committed to meeting regulatory requirements for consumer rights protection. It will continue to operate in full compliance with applicable laws and regulations, address customer concerns in a timely and appropriate manner, and comprehensively protect consumer rights. By transforming customer trust into a cornerstone of long-term stability, the Bank aims to support sustainable business growth.

## Impacts, Risks and Opportunities Management

### Product and Service Review

The Bank continues to enhance its consumer rights protection review mechanism, embedding consumer rights protection reviews into front-end stages such as the admission of agency-distributed products and the entry management of cooperative institutions, thereby preventing potential infringements on consumers' legitimate rights and interests at the source. In 2025, the Bank provided consumer rights protection review opinions on over 10,000 documents covering areas such as cooperative institution admission, third-party distribution product access, product design and development, pricing management, policies, contracts, agreements, marketing promotions, and sales. The number of reviews increased by 45.46% over the previous year, with a review coverage rate of 100% for new products and services.

The Board of Directors and the Risk Compliance and Consumer Rights Protection Committee provide guidance and oversight in establishing the consumer rights protection review system and supervision mechanisms, ensuring rigorous control across key stages including product and service design and development, pricing management, agreement formulation, marketing and promotion, as well as the admission of cooperative institutions for third-party distribution products and the access of such products themselves. Senior management provides strategic direction, coordinates the establishment of the consumer rights protection review framework, and ensures adequate resource support and guarantees. The Head Office Consumer Rights Protection Department organizes and conducts consumer rights protection reviews across the Bank, while professional departments carry out reviews on consumer rights protection matters within their respective business lines. In 2025, the Board of Directors, the Risk Compliance and Consumer Rights Protection Committee, and senior management held regular meetings to receive reports on the implementation of consumer rights protection work, including consumer rights protection reviews.

In 2025, the Bank focused on enhancing the quality and effectiveness of its consumer rights protection reviews. It revised the *Hua Xia Bank Guidelines for Consumer Rights Protection Review*, clarifying that professional departments serve as the primary bodies for conducting consumer rights protection reviews, while consumer rights protection departments identify and highlight relevant risks and provide corresponding review opinions. Drawing on insights from customer complaints and satisfaction surveys related to products and services, the Bank updated review criteria for areas such as consumer rights protection-related information disclosure, business policies, rules and regulations, contract texts, product and service marketing, cooperative institution management, the admission of cooperative institutions for third-party distribution products, and the access of such products themselves. It also published the *Typical Cases of Consumer Rights Protection Review*, analyzing risk points that may infringe on consumer rights and providing reference solutions, thereby translating consumer rights protection requirements into actionable guidance for addressing practical issues.

### Customer Information and Privacy Protection

The Bank strictly complies with the requirements of laws and regulations such as the *Personal Information Protection Law of the People's Republic of China*, and *Personal Information Security Specification* (GB/T 35273-2020). It continuously improves its management mechanisms for customer personal information and privacy protection. The Board of Directors and the Risk Compliance and Consumer Rights Protection Committee fulfill their responsibilities in supervising and managing consumer rights protection, overseeing the senior management in strengthening customer information and privacy protection. The Bank has formulated the *Hua Xia Bank Implementation Rules for Personal Information Protection Management*<sup>1</sup>, applicable across the organization, which specifies requirements for personal information security and implements key controls over critical stages of the entire personal information protection process. In 2025, the Bank experienced no significant incidents of customer information or privacy breaches.

### Collection, Use and Storage of Customer Information

The Bank adheres to the principles of minimization and necessity in the collection of personal information. Prior to collecting customer information, it informs customers of key matters such as the purpose, method, type, and retention period of personal information processing in a prominent, clear, and easily understandable manner, ensuring that customers voluntarily and explicitly give their consent based on full awareness. All personal information collected is used solely for the purpose of delivering the relevant product or service. In the collection process, the Bank refrains from any fraudulent, deceptive, or misleading practices, clearly informs customers of the business functions associated with the information collected, strictly prohibits obtaining customer information through illegal channels, avoids coercive collection, and does not require customers to grant blanket authorization. The Bank places great importance on information quality, preventing any adverse impact on customer rights and interests arising from inaccurate or incomplete information. Should a customer request corrections or additions to their information, the Bank will process such requests promptly after verification. When collecting information through automated means, the collection frequency is strictly limited to the minimum necessary for achieving the required business functions.

The Bank retains personal information only within the periods required by laws, regulations, or regulatory requirements, such as for fulfilling anti-money laundering and sanctions obligations, or for the minimum period necessary to achieve the authorized purposes. Once the data retention period expires, personal information is deleted or anonymized.

The Bank does not rent, sell, or share personal information with third parties for purposes other than completing transactions or services. For secondary purposes such as recommendations and marketing, the mobile banking App and Splendid Life App obtain permissions—such as location and storage access—only after obtaining users' separate and explicit authorization. When providing functions for secondary purposes, explicit consent mechanisms, such as pop-ups or checkboxes, are used to obtain users' separate and explicit authorization. Refusal of such authorization does not affect the use of the basic functions of the Apps.

### Customer Information Control Rights

The Bank safeguards customers' rights to access, correct, update, copy, and delete their personal information. Customers may access, correct, update, and replicate their personal information through channels such as the mobile banking App, Splendid Life App, personal online banking, and WeChat banking. The Bank proactively deletes personal information under the following circumstances: when the Bank ceases to provide the relevant product or service, or when the information retention period has expired; when a customer cancels their personal online financial service account or cancels all user accounts and accounts with the Bank. When responding to a customer's request for information deletion, the Bank will also notify any entities that have obtained the customer's personal information from the Bank and require them to delete it promptly. When a customer deletes information from the Bank's services, the Bank may not immediately delete the corresponding information from its backup systems, but will delete it when the backups are next updated.

### Technology-Enabled Customer Information Security

The Bank employs technologies such as access control, encryption, and de-identification to protect the personal information provided by customers, preventing unauthorized access, disclosure, use, modification, damage, or loss of data, thereby building a robust barrier for customer information security and privacy protection.

<p><b>Access Control</b></p>	<p>Adhere to the "principle of least privilege". After informing users, only the minimum access permissions necessary for users to complete their tasks are granted. Apply trusted protection mechanisms to prevent data from malicious attacks. Deploy access control mechanisms to ensure that only authorized personnel can access personal information.</p>
<p><b>Encryption Technology</b></p>	<p>Utilize domestically developed cryptographic algorithms approved by the State Cryptography Administration to encrypt the transmission and storage of login passwords, facial recognition data, and other sensitive information. For critical content such as customer information and business data, employ encryption technologies including commercial cryptographic hardware, encrypted keyboards, and digital certificates.</p>

<sup>1</sup>The scope of personal information protection includes personal information collected directly or indirectly in the course of providing financial products or services, personal information transferred or stored in computer systems, and personal information signed or collected through information systems.

**De-identification Technology**

Apply data masking and other data desensitization techniques to anonymize customer information in a de-identified manner. Use visual privacy protection technology, such as automatically blurring the screen content when the mobile banking App is switched to the background. Implement screenshot and screen recording restrictions to strengthen the security protection of sensitive pages.

**Customer Information Protection Impact Assessment**

The Bank integrates personal information data protection requirements into its product and service development processes. When undertaking personal information processing activities that may have a significant impact on personal information protection, it conducts a personal information protection impact assessment in accordance with the requirements of the *Hua Xia Bank Implementation Rules for Personal Information Protection Management*.

**Assessment Content**

Assess whether personal information processing activities comply with the fundamental principles of personal information security, as well as the impact of such activities on the legitimate rights and interests of the data subjects. This includes evaluating whether the collection of personal information adheres to principles such as purpose specification, consent, and minimization; the effectiveness, legality, and alignment with the level of risk of personal information security measures; and the risk of re-identifying data subjects from anonymized or de-identified datasets, either alone or in combination with other datasets.

**Applicable Circumstances**

Conduct assessments in the following scenarios: prior to the launch of a product or service, or when significant changes occur to business functions; when new legal or regulatory requirements arise, or when major changes occur in business models, information systems, or operating environments, or following a significant personal information security incident; when personal information is used for automated decision-making; when processing sensitive personal information, among others.

**Review Mechanism**

Establish a cross-departmental assessment and review mechanism by forming a Personal Information Protection Team to review the Personal Information Protection Impact Assessments submitted by business departments. The review results guide business departments in conducting their operations in accordance with personal information protection requirements.

**Management of Cooperative Institutions**

When entrusting a third party to process personal information, the Bank stipulates the purpose, duration, processing methods, types of personal information, protection measures, and the rights and obligations of both parties within contract or agreement clauses. It also supervises the third party's personal information processing activities, ensuring that personal information is processed strictly in accordance with the agreed purpose and methods. Any transmission of sensitive personal data to third parties must be conducted securely to prevent data misuse and leakage risks. Without the Bank's consent, third parties are prohibited from sub-processing personal information.

When processing consumer personal information in collaboration with partners based on customer authorization, the Bank includes provisions in cooperation agreements regarding data protection responsibilities, confidentiality obligations, breach of contract liabilities, and handling measures in cases of contract termination or emergencies. During the course of cooperation, the Bank strictly controls the actions and permissions of partners, employing measures such as encrypted transmission, secure isolation, permission management, monitoring and alerts, anonymization, and de-identification to mitigate the risks of data misuse or leakage.

The Bank manages cooperative internet lending platform operators and credit enhancement service providers through a list-based management system, and discloses the list of such lending partners on its official website.

**Financial Marketing and Promotion Management**

The Bank strictly complies with laws and regulations such as the *Advertising Law of the People's Republic of China*, as well as industry regulatory requirements including the *Notice on Further Regulating Financial Marketing and Promotion Activities* jointly issued by the People's Bank of China and other relevant authorities. It has established a robust internal control system and management framework for financial marketing and promotion, ensuring that such activities are conducted in a standardized manner.

**Policy Requirements**

Formulated the *Hua Xia Bank Measures for the Management of Financial Marketing and Promotion Involving Consumer Rights Protection*, which clarify the division of responsibilities, basic conduct standards, and the fundamental procedures and standards to be followed in the marketing and promotion of financial products and services. These measures also strengthen the monitoring and control of financial marketing and promotion activities.

**Responsible Parties**

The Head Office Consumer Rights Protection Department serves as the management body for financial marketing and promotion involving consumer rights protection across the Bank. The relevant Head Office professional departments and branches are the lead management units for such activities, with the respective responsible persons acting as the primary accountable individuals for financial marketing and promotion involving consumer rights protection.

**Key Requirements**

Ensure that marketing and promotion content is objective, truthful, fair, and just. Disclose product and service information in plain language and in a manner that is accessible and understandable to consumers. Highlight information that has a material impact on consumer interests in a prominent and clearly understandable manner, avoiding exaggeration or misleading statements.

Strengthen the pre-launch review of marketing and promotion materials. In the marketing and promotion phase, conduct consumer rights protection reviews of financial marketing campaign plans, promotional materials, scripts, text messages, and other content directed at consumers. Focus on ensuring the representation of consumers' legitimate rights and interests, and fully respect and safeguard their fundamental rights.

**Employee Training**

Incorporate content related to financial marketing and promotion into the Bank's specialized consumer rights protection training and assessments. A total of 42,100 individuals participated in these training and assessment activities over the year, including all employees under labor contracts, dispatched staff, and outsourced personnel. Specialized training programs, such as *Design and Enhancement of Consumer Financial Education Content*, were conducted, focusing on helping consumers identify and resist illegal financial advertisements.

**Loan Modification Management**

**Retail Credit Business**

The Bank has formulated the *Hua Xia Bank Implementation Rules for Retail Credit Customer Relief Measures*. Under the principle of ensuring that risks are not exacerbated, these rules provide various relief options for customers facing temporary financial difficulties due to exceptional circumstances, helping to alleviate their repayment pressure.

**Eligible Customers**

Salaried individuals with decreased income due to job transitions, self-employed individuals facing temporary operational difficulties, and customers whose repayment capacity has declined due to major medical or educational expenses or other force majeure events.

<b>Loan Modification Options</b>	Provide modification options such as extension, renewal loans, and negotiated repayment to help customers ease short-term financial pressure.
<b>Loan Extension</b>	Borrowers may apply to extend the loan term before maturity; such extensions may be granted following a formal approval process.
<b>Loan Renewal</b>	Upon maturity, the Bank may issue a new loan to the borrower specifically for repaying the outstanding principal of the original loan, without requiring the borrower to repay the principal of the original loan.
<b>Negotiated Repayment</b>	At the borrower's request before maturity, the Bank may revise the repayment plan, including adjusting the repayment amount, loan maturity date, and repayment method.

During post-loan management, if the Bank identifies customers with good repayment intentions but facing repayment difficulties or potential overdue risks, it proactively offers relief consultation services. For customers who meet the relevant requirements, tailored loan repayment plans are developed following mutual agreement.

**Credit Card Business** For customers in collection negotiations who are unable to repay in full due to deteriorating financial conditions, major family events, or over-indebtedness, the Bank comprehensively assesses their repayment willingness and capacity, and offers flexible negotiated repayment plans or interest and fee reduction measures. For customers with poor credit standing or declining debt service capacity, the Bank implements measures such as suspending credit line increases, reducing credit limits, and account controls. For customers with good credit standing, the Bank evaluates their creditworthiness based on factors such as credit card aging, card or account status, credit card usage and repayment history, and credit report records, and dynamically adjusts their credit limits.

**Debt Collection Management** The Bank has established comprehensive collection business management processes and oversight mechanisms in accordance with regulatory requirements and business needs, through the formulation of policies such as the *Hua Xia Bank Implementation Rules for Post-Loan Management of Retail Credit Business*, the *Hua Xia Bank Implementation Rules for Outsourced Collection Management of Retail Credit Business*, and the *Hua Xia Bank Management Measures for Credit Card Collection Business*. These policies address various aspects including collection strategy management, collection operation standards, and collection agency management.

The Bank employs collection methods such as text messages, intelligent calls, manual calls, in-person visits, correspondence, and litigation. It strictly regulates collection conduct, clearly defining prohibited language and behavioral standards. The use of disrespectful or uncivil language is strictly prohibited. Following the principle of "minimum necessity", only the essential basic customer information required for business operations is provided to outsourced collection agencies, thereby safeguarding consumer rights. Additionally, the Bank strengthens the management of outsourced collection agencies by establishing clear access and exit criteria, evaluating their performance based on factors such as customer complaints and compliance, and conducting regular inspections of collection operations. Any violations or potential risks identified are addressed with penalties in accordance with the terms of the agreements.

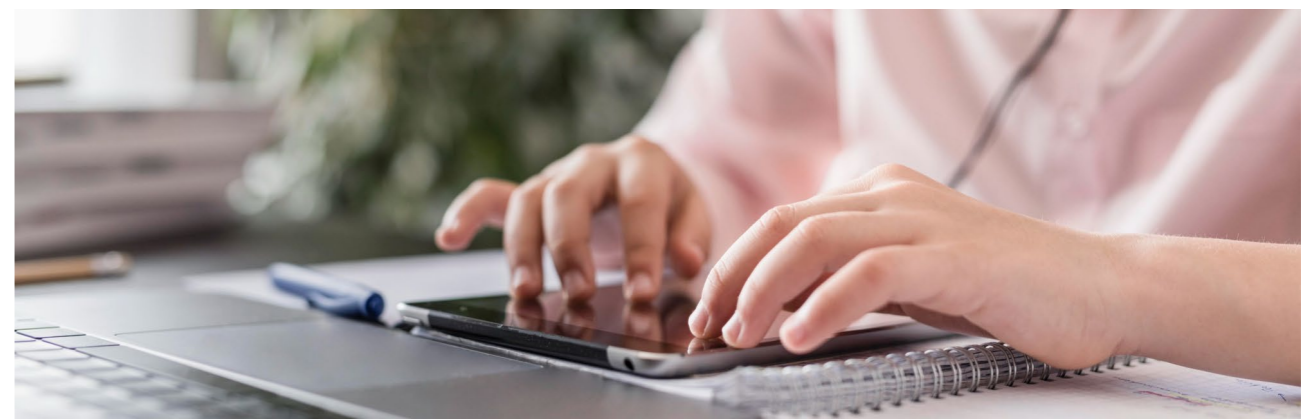
The Bank provides regular professional training for collection personnel through a combination of online and offline sessions, aiming to enhance their compliance awareness and service quality.

<b>Retail Credit Business Line</b>	Annual training on personal loan risk management is provided to relationship managers and post-loan management personnel, covering topics such as laws, regulations, regulatory policies, and behavioral standards related to post-loan management and overdue collection. In 2025, over 20 retail loan risk management training sessions were organized for relationship managers and post-loan management staff, covering all branches, with over 3,200 participants from the retail credit business line. The training sessions utilized case studies and script simulations to ensure the orderly and compliant execution of post-loan management and overdue collection activities.
<b>Credit Card Business Line</b>	Training programs are conducted for collection management staff, local collection personnel, and outsourced agency collection staff, covering topics such as new regulatory requirements, prohibited language and behaviors in collection, negotiated repayment policies, and the reporting of abnormal complaints. Training methods include case analysis, business Q&A, and online learning. In 2025, a total of 270 training sessions were held for various collection personnel, enhancing their compliance knowledge and professional skills. During the reporting period, collection-related complaints decreased by 41% year-on-year.

**Customer Complaint Management** The Bank has established a robust governance framework for customer complaint management. The Risk Compliance and Consumer Rights Protection Committee of the Board regularly listens to and deliberates on customer complaint management, provides guidance on complaint management, and supervises the senior management and consumer rights protection departments in fulfilling their complaint management responsibilities. The Consumer Rights Protection Working (Affairs) Committee plays a role in organizing, coordinating, supervising, and guiding efforts to ensure the effective implementation of consumer rights protection work. The Head Office Consumer Rights Protection Department is responsible for the management, guidance, and evaluation of complaint handling, coordinating and supervising the relevant departments and branches in the proper handling of various consumer complaints.

The Bank has established a comprehensive system of policies and procedures for complaint management. In 2025, the Bank revised the *Hua Xia Bank Customer Complaint Management Measures*, clarifying the responsibilities of the Head Office Consumer Rights Protection Department, relevant professional departments, and branches, refining the complaint handling process, and further standardizing requirements for complaint information disclosure, accountability, and traceability and rectification. It also revised specialized policies such as the *Hua Xia Bank Customer Complaint Management Assessment and Evaluation Measures* and the *Hua Xia Bank Measures for the Diversified Resolution of Financial Disputes*, strengthening the institutional foundation for complaint management and dispute resolution across the Bank.

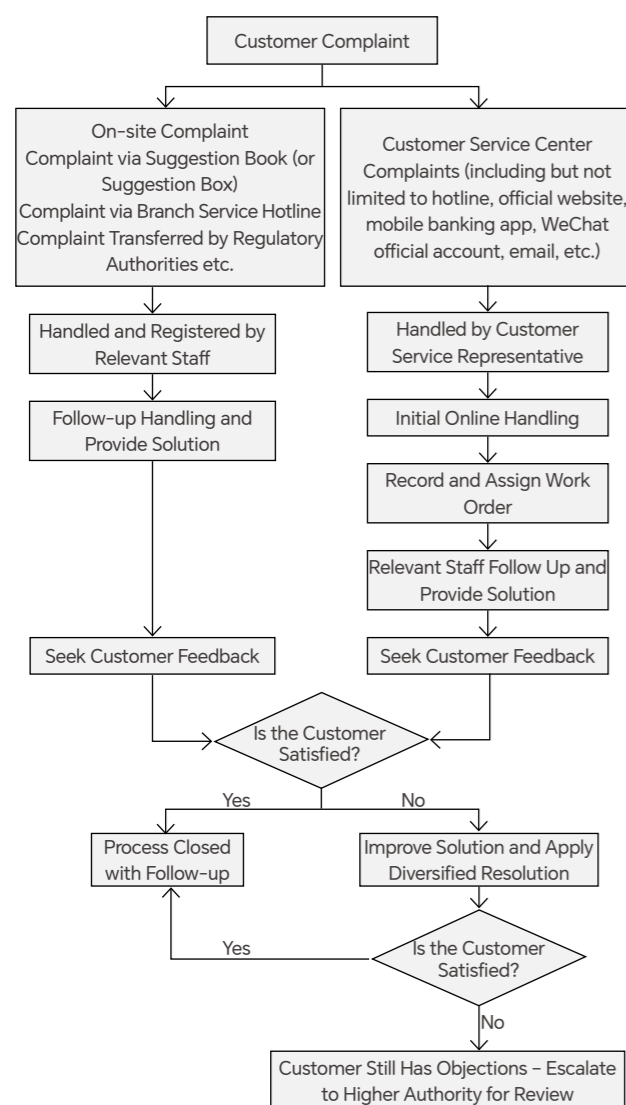
<b>Complaint Channels</b>	Customers can submit complaints through a variety of online and offline channels, including the mobile banking App, the customer service hotline (95577), the credit card customer service hotline (4006695577), email, and bank branches, ensuring that consumers can conveniently and quickly express their opinions and concerns.
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Complaint Handling Process

A dedicated customer complaint management team has been established to oversee the entire complaint handling process, ensuring that customers' reasonable requests are promptly addressed, properly handled, and effectively resolved. During the year, a total of 77,867 consumer complaints<sup>1</sup> were received, with a 15-day complaint closure rate of 100%. The top three business categories by complaint volume were credit card business, debt collection, and personal loan business, accounting for 65.55%, 13.81%, and 9.96% respectively. The regional distribution of complaints is presented in the table below:

The Bank's Customer Complaint Handling Process



No.	Region	Number of Complaints	No.	Region	Number of Complaints
1	Beijing	23,908 <sup>2</sup>	21	Xi'an	1,073
2	Nanjing	4,270	22	Lanzhou	1,001
3	Shijiazhuang	3,953	23	Nanchang	914
4	Zhengzhou	3,583	24	Suzhou	859
5	Jinan	2,984	25	Kunming	852
6	Hangzhou	2,873	26	Fuzhou	720
7	Qingdao	2,868	27	Xiamen	693
8	Hefei	2,438	28	Ningbo	673
9	Shenzhen	2,363	29	Nanning	644
10	Guangzhou	2,154	30	Dalian	636
11	Wuhan	1,908	31	Shanghai	603
12	Chengdu	1,896	32	Guiyang	531
13	Hohhot	1,859	33	Yinchuan	454
14	Shenyang	1,751	34	Wuxi	425
15	Changsha	1,479	35	Urumqi	401
16	Harbin	1,340	36	Wenzhou	392
17	Chongqing	1,290	37	Shaoxing	263
18	Changchun	1,166	38	Haikou	206
19	Tianjin	1,079	39	Changzhou	172
20	Taiyuan	1,074	40	Xining	119

Complaint Management

In 2025, the Bank formulated specialized work plan for complaint management, setting clear objectives for complaint management and outlining specific measures to enhance the efficiency of the Bank's complaint handling processes, effectively promote the diversified resolution of disputes, actively advance traceability and rectification, and strengthen the management of third-party cooperative institutions. The Bank formulated the *Hua Xia Bank Work Standards for Customer Complaint Traceability and Rectification* to define requirements for traceability and rectification. Traceability and rectification efforts were carried out in areas such as policy and system improvements, process enhancements, and the management of collection agencies, with regular reviews and evaluations of the outcomes.

<sup>1</sup> Excluding complaints related to account controls, negotiated repayment, credit reporting, and fee standards, as well as duplicate complaints.  
<sup>2</sup> Including complaints received by the Head Office.

Customer Rights Protection Training

The Bank adheres to the training philosophy of "full coverage and targeted approaches" in consumer rights protection, continuously enhancing employees' sense of responsibility and professional competence in this area. In 2025, the Bank conducted specialized training and assessments on consumer rights protection for all employees, covering all middle and senior management, consumer rights protection personnel, frontline business staff, and new hires. A total of 42,100 individuals participated in these training and assessment activities, including all employees under labor contracts, dispatched staff, and outsourced personnel. Additionally, the Bank provided differentiated consumer rights protection training tailored to employees at various levels and in different roles, comprehensively strengthening their capacity to fulfill consumer rights protection responsibilities.

Training for Directors, Supervisors and Management

Specialized training sessions were conducted for members of the Board of Directors, the former Board of Supervisors, and middle and senior management, focusing on regulatory requirements such as the *Measures for the Regulatory Evaluation of Consumer Rights Protection by Financial Institutions*, the *Measures for the Management of Product Suitability by Financial Institutions*, and the *Measures for the Management of Agency Sales Business by Commercial Banks*. These sessions were intended to continuously strengthen their macro-level understanding of new regulatory requirements and enhance their decision-making capabilities.

Training for Consumer Rights Protection Personnel

A total of eight specialized training sessions were held throughout the year on topics including *Design and Enhancement of Consumer Financial Education Content*, *Interpretation and Practical Requirements of Financial Consumer Information Protection Policies*, *Addressing "Black and Gray" Financial Industry Chains in the Banking Sector*, and *Interpretation of New Regulations on Financial Consumer Rights Protection and Customer Complaint Handling*. The participation rate for these sessions reached 100%.

Training for Business Line Employees

Targeted training programs on topics such as financial product and service management and customer complaint handling were conducted based on job categories and specific work requirements.

Retail and Credit Card Business Lines

Specialized consumer rights protection training sessions were organized. Training for the retail business line focused on risk compliance and practical consumer rights protection work, while training for the credit card business line addressed key areas including customer information protection, marketing compliance, and complaint management.

Operations Business Line

Consumer rights protection knowledge training and assessments were conducted during the reporting period. Additional training on consumer rights protection and customer service capability building was provided for employees who interact directly with customers, including those in the remote banking center and branch outlets.

Training for New Employees

A "Spark Training Camp" was organized for new employees, combining online learning with offline training. The program focused on explaining laws and regulations related to consumer rights protection, industry regulatory requirements, and the Bank's internal management policies, while also providing in-depth analysis of typical cases to enhance new employees' understanding and awareness of consumer rights protection work.

Financial Literacy Promotion

In 2025, the Bank conducted financial education activities through diverse approaches, formats, and channels, helping to enhance consumer financial literacy and fostering a safe, stable, and healthy financial ecosystem. It organized centralized financial education campaigns such as the "Financial Education Promotion Week", while also carrying out ongoing financial literacy initiatives. Through online channels including its official website, official WeChat account, and mobile banking App, the Bank established a "Consumer Rights Protection Zone" to provide a wealth of financial education resources. Using its branches as key platforms for financial knowledge dissemination, the Bank actively reached out to schools, businesses, commercial districts, and communities to promote financial literacy and strengthen consumers' awareness of financial risks. Throughout the year, the Bank conducted over 12,900 online and offline financial education activities, reaching approximately 140 million visits.

Case

Joining Forces to Broaden Financial Education Coverage

The Bank actively explores new models of financial education, collaborating with universities, public security authorities, media outlets, and other key stakeholders in financial literacy promotion to create a coordinated effort in financial education outreach.

**Bank-University Collaboration**

Dalian Branch, in partnership with the Dalian Municipal Branch of the People's Bank of China, established a credit information education and awareness demonstration base at Dalian University of Finance and Economics. During the reporting period, the two parties jointly organized the "Integrity as a Foundation, Credit as a Shield" inaugural lesson and credit knowledge lecture series, which systematically introduced fundamental credit knowledge, methods for maintaining a sound credit record, and key points for financial risk prevention through policy interpretation and case analysis.

**Bank-Public Security Collaboration**

Shaoxing Branch worked with local public security authorities to explore a joint "bank-public security" working mechanism. During the "Financial Education Promotion Week", the two sides jointly conducted financial knowledge outreach activities in subway stations and delivered risk alerts directly to residents. Through this ongoing collaboration model, they have achieved seamless coordination in financial education, financial risk identification, and rapid response and handling, helping to build a strong financial security barrier for the public.

**Bank-Media Collaboration**

The Bank partnered with financial media outlets to deliver financial education to the public, covering topics such as fraud prevention, basic financial knowledge, policy interpretation, and risk alerts. Throughout the year, 40 related articles were published via the "Hua Xia Bank News" official WeChat account, contributing to the enhancement of public financial literacy and risk prevention capabilities.

In 2025, the Bank focused on diverse groups such as the elderly, young people, and individuals with disabilities, carrying out tailored and differentiated financial literacy promotion activities.

For Elderly Individuals

Nanning Branch organized a public welfare initiative for seniors combined with financial literacy promotion activities. It integrated financial knowledge sessions with activities popular among the elderly, such as charitable photography, health consultations, and cultural events, explaining common pension scams such as investment traps and free travel schemes.

Hangzhou Branch, in collaboration with local media, held a themed event titled "Enhancing Financial Knowledge, Ensuring Worry-Free Golden Years" at a senior activity center. The event combined financial knowledge sessions, interactive Q&A, and cultural performances, blending entertainment with practical learning.



For Young People

Shaoxing Branch partnered with Zhejiang Industry Polytechnic College to carry out a special financial education campaign. Through financial knowledge classes, simulated scenarios such as campus loan traps and brushing scams, as well as group debates and case studies, the program helped students develop rational consumption habits. Effectiveness evaluation showed that students' accuracy in identifying financial knowledge increased from 41% to 79% following the activities.

Shijiazhuang Branch collaborated with Hebei International Studies University to organize a consumer rights protection works collection activity. Students created a variety of awareness-raising works—including micro-films, cartoons, essays, and calligraphy—centered on topics such as preventing financial fraud and resisting illegal campus loans. The activity helped students strengthen their awareness and ability to protect their own legitimate rights and interests.

Wuxi Branch, drawing on local cultural characteristics, innovatively launched a "Wu Dialect Financial Classroom"; It invited elementary school students to serve as "Wu Dialect Financial Little Lecturers"; who taught financial topics such as "cultivating the seed of money" in the local dialect. This approach broke down barriers in financial literacy outreach, promoting localized, accessible, and family-oriented financial education. The initiative encouraged young lecturers to become "little guardians" of household financial security, achieving the goal of "educating one child and reaching the whole family".

Zhengzhou Branch organized its sub-branches to set up service stations near college entrance examination sites. Staff distributed bottled water to students heading into exams, invited waiting parents to rest areas with free tissues and small fans, and distributed financial knowledge materials, educating parents on how to guard against illegal financial activities and illegal fundraising, thereby enhancing their awareness of financial risks.

Shijiazhuang Branch, in collaboration with Hebei International Studies University, organized a consumer rights protection works collection activity.



Wuxi Branch innovatively launched the "Wu Dialect Financial Classroom".



Chengdu Branch held a financial education awareness campaign at the University of Electronic Science and Technology of China. An interactive area was set up to disseminate knowledge on rational investing and fraud prevention in an engaging manner, helping university students enhance their financial literacy and stay away from illegal financial activities.



For Vulnerable Groups

Ningbo Branch, in collaboration with local public security authorities, community organizations, financial institutions, and public welfare organizations, jointly organized a financial literacy campaign themed "Protecting Rights with Warmth, Enjoying a Secure Life". The event featured a professional sign language interpreter who explained common scams involving improper loan transfers and unlicensed intermediaries to hearing-impaired individuals, helping strengthen the financial risk prevention capabilities of vulnerable groups.

Kunming Branch visited Taoli Village in the Eshan Yi Autonomous County, where it promoted financial knowledge to residents in remote rural areas by distributing customized financial knowledge brochures, creating Yi-language financial consumer protection rhymes, and explaining fund security and how to respond in the event of fraud.

Scene from Ningbo Branch's financial literacy campaign themed "Protecting Rights with Warmth, Enjoying a Secure Life".



Kunming Branch promoting financial knowledge in an area with a high concentration of ethnic minority residents.



Wenzhou Branch, in collaboration with multiple banking and insurance institutions in Wenzhou, hosted the themed event "Financial Rights Protection Week: Accompanying You Towards a Better Life", widely promoting financial knowledge and helping consumers make informed choices about financial products while protecting them from misleading promotions, illegal intermediaries, illegal financial activities, and telecom fraud.



## Indicators and Targets

The Bank takes goals as the driving force for action, sets clear objectives, and conducts annual progress reviews to ensure the effective implementation of consumer rights protection-related strategic plans and action programs. The Bank's key objectives in consumer rights protection and progress during the reporting period are shown in the table below.

Baseline Year	Target Year
<b>2021</b> Specific Target Content To maintain annual 15-day closing rate of customer complaints no less than 98%.	<b>2025</b> Progress in 2025 The 15-day closing rate of customer complaints reached 100%.
Baseline Year	Target Year
<b>2021</b> Specific Target Content To realize over 100 million outreaches of financial education visits each year.	<b>2025</b> Progress in 2025 Financial education outreach reached 140 million visits.



# Cybersecurity and Data Security

Hua Xia Bank regards cybersecurity and data security as core competencies and a solid foundation for its stable development. It continuously strengthens its cybersecurity defenses, integrates data security risks into its enterprise risk management system, and enhances security protection capabilities across the entire data lifecycle. In 2025, the Bank experienced no major network or data security incidents.

## Cybersecurity Management

### Management Mechanisms

The Bank strictly complies with laws, regulations, and regulatory requirements such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Guidelines on the Information Technology Risk Management of Commercial Banks*. It continuously improves its cybersecurity management policy framework, establishing a system that covers cybersecurity management, technology, and operations, providing institutional support for the standardized and orderly advancement of cybersecurity work.

The Bank has incorporated cybersecurity into the performance evaluation system of all Head Office departments, branches, and subsidiaries. Indicators cover dimensions such as cybersecurity performance and security incidents, reinforcing the responsibility of all employees for security management.

### Security Structure

Based on the principles of "comprehensive coverage and defense in depth", the Bank has deployed a multi-dimensional, multi-layered network and information security management system. It has established mechanisms for identifying and remediating vulnerabilities, as well as for emergency response, effectively mitigating network and information security risks and ensuring the stable operation of business systems.

### Protection System Development

#### Infrastructure

Implemented tiered and zoned network access permission security controls, strengthening protection against external attacks and abnormal access through the deployment of heterogeneous firewalls, intrusion detection systems, and anti-DDoS (Distributed Denial of Service) devices.

#### Application Development

Conducted security testing prior to the launch of key application systems such as mobile banking and online banking, improving the network and information security quality of critical business systems from the source.

#### Threat Monitoring

Established a professional operations team with "frontline monitoring and second-tier analysis" capabilities, conducting 7×24-hour cybersecurity risk monitoring and promptly addressing abnormal alert incidents.

### Business Continuity Management

### Emergency Response Mechanisms

Developed emergency response plans for cybersecurity risks, conducted regular emergency drills, and continuously refined emergency plan scenarios and response procedures based on drill results, accumulating practical experience. In 2025, a total of 158 emergency drills were completed, covering disaster recovery system switching, technical special exercises, and cybersecurity scenarios, effectively validating the system switching processes under disaster scenarios and the business continuity assurance capabilities of information systems.

### Disaster Recovery System Development

Formulated the *Hua Xia Bank Standards for Information System Disaster Recovery Development*, defining the disaster recovery levels and development standards for various application systems. A "two-location, three-center" disaster recovery architecture has been established. Core financial service-related systems have achieved active-active deployment across two different data centers within the same city, and have the capability to achieve disaster recovery through the remote disaster recovery center, effectively ensuring stable business operations.

### Training and Awareness Campaigns

In 2025, the Bank conducted 14 targeted cybersecurity training sessions for all employees and outsourced service personnel. The training covered cybersecurity regulations, account security, email security, anti-fraud measures, and personal information leakage prevention, effectively enhancing the cybersecurity awareness of all staff.

### Classified Protection and Inspections

The Bank strictly complies with the *Cybersecurity Law of the People's Republic of China* and regularly carries out classified cybersecurity protection work. Each year, it engages qualified third-party assessment institutions to conduct classification, filing, assessment, and rectification for application systems with a security protection level of Level 3 or above, in accordance with the relevant standards of Classified Cybersecurity Protection 2.0, ensuring the effective implementation of classified cybersecurity protection requirements. In addition, the Bank has incorporated cybersecurity into its specialized information technology inspections. During the reporting period, through a combination of on-site and remote methods, it conducted cybersecurity inspections of critical systems and devices such as hosts, applications, and terminals at its branches. Issues identified were promptly rectified and re-tested, achieving closed-loop management.

## Data Security Management

### Management Structure

The Bank has established a data security management structure covering the decision-making level, the coordination and management level, and the execution level, with clearly defined responsibilities to ensure accountability.

**At the decision-making level**, the Party Committee and the Board of Directors bear primary responsibility for the Bank's data security and supervise the senior management's data security management efforts. In 2025, the Board of Directors reviewed and approved the *Proposal on the Construction Project of Hua Xia Bank's Proprietary Data Center* at the Head Office and conducted a written review of the *Hua Xia Bank Data Governance Work Report*. The senior management is responsible for executing the data security strategy, establishing the Bank-wide data security system, and reporting regularly to the Party Committee and the Board of Directors. The Data Governance Committee, established under the senior management, performs the data security duties assigned to the senior management. **At the coordination and management level**, the Head Office Data Management Department and the Information Technology Management Department serve respectively as the centralized management department and the primary technical protection department for data security, working together to promote the orderly progress of data security management. **At the execution level**, all Head Office departments and branches implement data security protection measures for their respective business areas in accordance with their designated responsibilities.

**Policies and Standards**

The Bank complies with and implements laws, regulations, and industry standards such as the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulation on Network Data Security Management*, the *Measures for the Data Security Management of Banking and Insurance Institutions*, the *Measures for the Administration of Data Security in the Business Fields of the People's Bank of China*, and the *Guidelines for Facilitating and Regulating Cross-border Data Flows in the Financial Industry*. It has established data security policies and standards based on the *Hua Xia Bank Data Security Management Measures*, which include the *Hua Xia Bank Implementation Rules for Data Security Management* and the *Hua Xia Bank Implementation Rules for Network and Data Security Risk Assessment in Third-Party Cooperation*. These documents define the data security organizational structure, specify responsibilities, and refine compliance requirements and workflows in areas such as data classification and grading, data security management, technical protection, and risk monitoring and response. The Bank's data security policies cover all business units, subsidiaries, and domestic and overseas institutions. Overseas institutions are also required to comply with the laws, regulations, and regulatory requirements of the countries and regions in which they operate.

**Management Measures**

<b>Data Classification and Grading</b>	Established a data security classification and grading management mechanism. Based on the importance and sensitivity of data, data is categorized into core data, important data, sensitive data, and other general data, with differentiated security protection measures implemented to enhance refined data security management capabilities.
<b>Data Protection Technologies</b>	
<b>Permission Management</b>	Strictly implement the principles of "business necessity" and "least privilege". Unauthorized queries, downloads, or copying of personal information are strictly prohibited. Multi-factor authentication or secondary authorization confirmation is required for accounts accessing sensitive information. Pre-approval and post-audit processes are implemented for privileged accounts, and a timeout logout mechanism is in place to prevent internal unauthorized operations.
<b>Active Defense</b>	A multi-layered data security risk defense and identification system covering networks, hosts, and terminals has been established.
<b>Encryption and De-identification</b>	Plaintext storage of personal identification data is strictly prohibited. Dedicated lines or virtual private networks are used when transmitting data to external third parties. Data classified as sensitive or above must be encrypted when transmitted over the internet.
<b>Emergency Response Mechanisms</b>	
<b>Risk Monitoring</b>	Established a data security risk monitoring indicator system covering areas such as public opinion, complaints, third-party management, and abnormal data usage behavior.
<b>Risk Assessment</b>	Conduct data security risk assessments and develop risk mitigation plans to prevent risk incidents.

**Emergency Drills**

Developed the *Hua Xia Bank Information System Emergency Plan - Data Security Volume*, which defines the emergency response organizational structure and division of responsibilities. Emergency response training and drills are conducted annually to enhance capabilities in responding to and handling data security incidents. In 2025, emergency drills were conducted covering six scenarios: data leakage, tampering, destruction, illegal acquisition, illegal use, and illegal sharing. Drill results were used to improve emergency plans and strengthen the ability to respond to and coordinate in data security incidents, accumulating practical experience in handling unexpected events.

**Third-Party Risk Management**

**Access and Contractual Constraints**

Pre-access assessments are conducted prior to cooperation, including due diligence for entrusted processing involving data classified as sensitive or above. Contracts or agreements specify the purpose, duration, method, type of data, protection measures, and the rights and obligations of both parties, as well as the means by which third parties must return or delete data upon contract termination. Third parties are required to fulfill their data protection obligations by establishing their own data security management strategies, personnel management requirements, and technical protection measures. Third parties are strictly prohibited from subcontracting, sharing, processing, training, or misusing data without consent.

**Ongoing Technical Controls**

The actions and permissions of third parties are strictly controlled. They are required to adopt technical measures such as encrypted transmission, secure isolation, permission controls, monitoring and alerts, and anonymization or de-identification to prevent data misuse and leakage risks.

**Emergency and Exit Mechanisms**

Third parties are required to report data security incidents immediately and cooperate with investigation and assessment. For third parties that lose the ability to protect data security, emergency response procedures are initiated immediately, and cooperation is terminated. Upon conclusion of cooperation, measures such as on-site inspections are conducted to ensure that data is promptly deleted, destroyed, and rendered unrecoverable.



## Training and Empowerment

The Bank has established a multi-level, multi-dimensional data security training system through its "Hua Xia Academy" online training platform, covering all employees, personnel in key positions, and outsourced staff. This system continuously enhances employees' data security awareness and professional competencies.

### Data Security Training

In 2025, the Bank conducted data security training covering all employees, focusing on data security regulatory policies and internal data security requirements. A total of 33,300 person-times were reached. Specialized training programs were also carried out for employees in different roles.

#### Data Specialists

Data security management training was provided for Data Officers, Data Specialists, and personnel in key data security roles, covering the latest regulatory requirements, case studies of violations and penalties, and key priorities for data security work.

#### IT Personnel

Specialized training on data security technical protection was conducted, reinforcing the technical requirements for data security controls across the entire data lifecycle and enhancing practical capabilities in technical protection.

#### Information Technology Outsourced Personnel

Data security was integrated into security compliance training for outsourced personnel, covering data security laws, regulations, and internal policies, operational standards, and awareness-building through case studies.

## Audit and Certification

The Bank has incorporated network, information, and data security into the scope of special information technology audits conducted at the Head Office and its branches. Special IT audits are carried out annually, covering the Head Office and all tier one branches on a three year cycle. In 2025, the Bank conducted 37 special IT audits covering information technology risk, data security, and data quality management, with the audit scope covering the Head Office and 18 tier one branches. At the Head Office level, audits focused on core areas such as cybersecurity and data security, reviewing aspects including data security classification, data security management, production data management, personal information protection, data security risk monitoring, and mobile application risk management, with the aim of driving continuous improvement in policies, system support, and management mechanisms. At the branch level, audits covered areas including IT governance, IT risk management, information security management, operations and maintenance management, system development and testing, IT outsourcing management, and business continuity management, assisting branches in identifying security gaps, strengthening management measures, and improving overall risk management effectiveness. In addition, the Bank's mobile banking App and corporate mobile banking App have obtained certification as fintech products.

## Employees

Hua Xia Bank regards talent as the foremost resource for the Bank's high-quality development. In 2025, the Bank deepened the implementation of the strategy of "making the bank stronger with competent employees", focusing on its strategic plan and key business priorities to advance institutional and mechanism reforms. The Bank is committed to fostering a diverse and inclusive workplace, ensuring clear career development pathways, safeguarding employees' legitimate rights and interests, and providing comprehensive care for their physical and mental well-being, enabling employees to grow alongside Hua Xia Bank during this period of transformation and share in the fruits of development.

## Recruitment and Talent Acquisition

The Bank strictly complies with domestic laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, as well as international human rights conventions including the *Universal Declaration of Human Rights* and the *United Nations Global Compact*. It adheres to the principles of openness, fairness, and impartiality in recruitment, actively responds to the national call for employment stability, and attracts talent through multiple channels including external recruitment and campus recruitment, striving to build a diverse and high-quality workforce.

## Compliant Employment and Diversity and Inclusion

The Bank complies with the State Council's *Provisions on the Prohibition of Using Child Labor* and firmly opposes and prohibits any employment practices that violate laws and regulations, including the use of child labor and forced labor. In 2025, the Bank had no incidents involving child labor or forced labor.

At the same time, the Bank prohibits any form of discrimination—including on the grounds of gender, ethnicity, or region—during recruitment, and is committed to building a diverse and inclusive workplace. As of the end of 2025, female employees accounted for over 50% of the Bank's total workforce, and ethnic minority employees accounted for 5.07%.

## Multi-Channel Talent Acquisition

The Bank's talent acquisition model has shifted to prioritize campus recruitment, complemented by external recruitment. The Bank publicly posts job information on its official website and conducts extensive outreach through recruitment websites, social media platforms, and information sessions to ensure transparency in recruitment. In addition to traditional disciplines such as economics, finance, and accounting, the Bank has expanded its talent recruitment scope to include fields such as science and engineering, law, new energy and environmental studies, electronic science, and biomedicine.

### Campus Recruitment

Through multiple campus recruitment campaigns, the Bank has steadily increased its intake of fresh graduates year by year, infusing new energy into the organization.

In 2025, the Bank conducted a unified campus recruitment drive across the Group, holding information sessions at dozens of key universities. The initiative attracted over 100,000 graduates, with the final number of new hires increasing by 8.67% year-on-year. Among the new recruits during the reporting period, campus hires accounted for over 50%.

### External Recruitment

External recruitment focuses on bringing in key talent for priority business areas, precisely targeting marketing professionals, core business specialists, and experts in new technologies to quickly meet job requirements.

The Bank has standardized its external recruitment management by establishing a fully digitalized control system covering the entire process from job posting to onboarding, ensuring that external recruitment is conducted in a compliant, efficient, and transparent manner.

## Career Development

The Bank implements a dual-track career development model consisting of management and professional tracks, helping employees define their career development goals based on their personal career plans and further unlocking talent potential.

<p><b>Professional Track Development</b></p>	<p>The Bank has introduced professional track management in areas such as information technology, audit, legal advisory, and product management, gradually refining the professional track system by establishing professional track tiers and promoting professional track development across the workforce.</p>
<p><b>Management Track Development</b></p>	<p>The Bank strengthens the placement of leaders and managers, optimizing age structure, work experience, and professional composition, leveraging the strengths of different age groups to enhance overall management effectiveness. It employs a variety of approaches to broaden the channels for selecting outstanding leaders, and reinforces staffing for management roles in specialized business lines and branches. The Bank also emphasizes multi-position training for leaders and has established a regular mechanism for cross-department and cross-business line rotation and exchange between the Head Office and branches.</p>

## Remuneration and Benefits

### Remuneration Policy

The Bank's remuneration policy strictly complies with laws, regulations, and regulatory requirements, and aligns with corporate governance requirements, strategic development direction, and business objectives, applying to all employees. Employee remuneration consists of base salary and performance pay. Base salary is primarily linked to the employee's position and grade, while performance pay is mainly tied to work performance and annual assessment results. The Bank's remuneration distribution follows the principle of equal pay for equal work, ensuring equal treatment in remuneration for male and female employees, as well as employees with disabilities.

### Incentive and Constraint Mechanisms

The Bank has established a sound incentive and constraint mechanism aligned with asset quality and risk. A deferred payment and clawback mechanism for performance pay has been implemented for positions with a material impact on risk, with a deferral period of three years. This mechanism encourages employees to conduct business prudently and diligently, discouraging short-term behavior.

### Benefits System

The Bank strictly implements national social insurance and housing provident fund policies, making timely and full contributions to social insurance and housing provident funds for all employees, including all employees under labor contracts and dispatched staff.

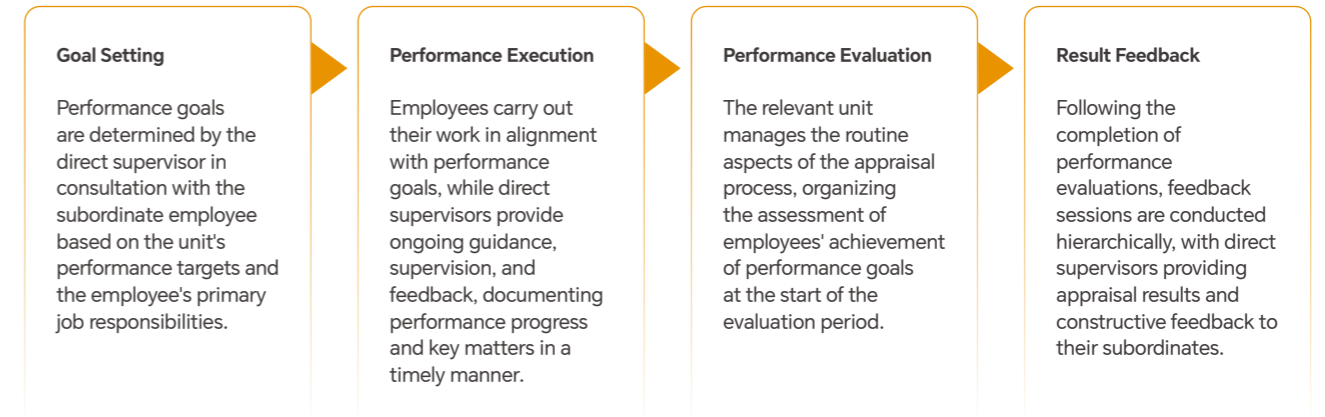
In addition to basic pension insurance, employees under labor contracts who have completed their probationary period may voluntarily join the Bank's enterprise annuity plan, in accordance with the principle of equal consultation. During the reporting period, the Bank optimized its annuity plan by increasing the employer contribution ratio, achieving near-full coverage across the Group. Additionally, the Bank provides supplementary medical insurance for all employees under labor contracts, with a focus on covering out-of-pocket expenses beyond basic medical care, effectively protecting employees from financial hardship due to serious illness.

The Bank safeguards employees' rights to rest and leave in accordance with the law, strictly adhering to local policies on maternity leave, paternity leave, parental leave, and leave to care for children. The Bank provides maternity leave for all female employees and paternity leave for all male employees. The duration of maternity and paternity leave is determined according to local policies, fully protecting employees' legitimate rights and interests. Maternity leave typically ranges from 98 to 218 days, while paternity leave typically ranges from 15 to 30 days.

## Performance Appraisal

The Bank has deepened its value-driven performance appraisal and incentive mechanism, encouraging greater rewards for greater contributions and stimulating employees' motivation and creativity. A regular performance appraisal system is in place, with employee performance appraisal cycles primarily consisting of quarterly and annual assessments. Performance appraisals are mainly composed of quantitative and qualitative indicators, covering elements such as performance evaluation, competency assessment, and democratic review. The results of these appraisals serve as an important basis for bonus distribution, recognition and awards, and job and rank promotions. The Bank's performance evaluation and feedback mechanism covers all employees under labor contracts.

### The Bank's Performance Appraisal Process and Steps



#### Goal Setting

Performance goals are determined by the direct supervisor in consultation with the subordinate employee based on the unit's performance targets and the employee's primary job responsibilities.

#### Performance Execution

Employees carry out their work in alignment with performance goals, while direct supervisors provide ongoing guidance, supervision, and feedback, documenting performance progress and key matters in a timely manner.

#### Performance Evaluation

The relevant unit manages the routine aspects of the appraisal process, organizing the assessment of employees' achievement of performance goals at the start of the evaluation period.

#### Result Feedback

Following the completion of performance evaluations, feedback sessions are conducted hierarchically, with direct supervisors providing appraisal results and constructive feedback to their subordinates.

The Bank has established an employee performance appraisal appeal mechanism. If an employee disagrees with their performance appraisal results, they may submit an appeal in writing to the organizational and human resources department. Upon assigning designated personnel to investigate, verify, and collect evidence, the organizational and human resources department will rectify any serious violations of the relevant provisions of the appraisal rules and hold the responsible individuals accountable in accordance with regulations.

## Talent Development

The Bank continuously improves its tiered and categorized training system, developing the "Voyage" series of training programs aimed at enhancing the political and ideological awareness and leadership capabilities of management at all levels, the "Dragon" series of programs focused on strengthening the professional expertise and innovation capacity of specialized personnel across different tiers, and the "Spark Training Camp" designed to help new employees quickly adapt to their roles and integrate into the organization. These initiatives collectively enhance the systematic and effective nature of the Bank's training efforts.

### New Employee Training

The Bank places great emphasis on new employee onboarding and professional development, establishing a comprehensive training system that covers the Bank's history, corporate culture, development strategy, business fundamentals, compliance practices, policies and regulations, and professional competencies. This system is designed to help new employees quickly integrate into the corporate culture and their respective roles.



Campus Recruits

The Bank formulated the *Hua Xia Bank Guidelines for Graduate Training*, establishing a tiered, progressive, full-cycle graduate development system based on the principles of "targeted training, practical empowerment, and diversified development". This system implements a three-stage progressive job rotation mechanism, supported by an "online + offline" learning and training model and a robust assessment and evaluation mechanism, helping graduates grow quickly.

In 2025, eight sessions of the "Spark Training Camp" were held, with a total of 653 graduates completing the two-phase online and offline training, enabling a smooth transition from campus to workplace and rapid professional growth.

Branches actively explored diversified new employee training models. **Qingdao Branch** implemented a new employee development program, designing a three-phase curriculum consisting of "onboarding training, rotational practice, and mentorship". In 2025, new employee training coverage reached 100%. **Tianjin Branch** built a comprehensive training system, tracking learning progress and organizing activities such as exchange meetings between new and experienced employees and new employee debate competitions to enhance a sense of belonging. **Jinan Branch** established a structured placement and rotation mechanism, providing rotational opportunities for management trainees based on their professional capabilities, with skills passed down through a "mentorship" system. **Fuzhou Branch** facilitated knowledge consolidation among new employees through activities such as apprenticeship ceremonies and compliance culture presentations.

External Recruits

In 2025, online training was conducted for externally recruited employees, covering topics such as corporate culture, digital transformation, risk management, employee conduct management, anti-money laundering fundamentals, and financial consumer rights protection. A total of 824 new external recruits participated in the training, with a 100% pass rate.

Case

Guiyang Branch: New Employee Comprehensive Capability Enhancement Program

In July 2025, the Branch conducted a five-day intensive training program for new employees, adopting a phased teaching logic of "orientation, deepening, practice, development, and review". The curriculum covered key areas including financial laws and regulations, risk management, and digital finance. Through case analysis and outdoor team-building activities, the program helped new employees systematically acquire job-related skills and lay a solid foundation for their career development.



Outdoor team-building activities of the 2025 new employee training program at Guiyang Branch.

Professional Training

The Bank intensified its professional training efforts, conducting 197 specialized training sessions throughout the year on topics such as the five priorities of financial work, policy and economic trends, industry and regional development studies, risk and compliance capability enhancement, and professional skills development. These sessions reached over 230,000 person-times, helping to strengthen the professional expertise and capabilities of the workforce.

Leadership Development and Succession Planning

In 2025, the Bank thoroughly implemented the decisions and plans of the Central Committee of the Communist Party of China and the Beijing Municipal Committee and Government, closely aligning leadership training and succession planning with the strategic priorities of the organization. Through tiered and categorized training initiatives and a well-structured succession mechanism, the Bank effectively strengthened the development and guidance capabilities of its management, building a strong pipeline of high-quality leadership talent to support its high-quality development.

In 2025, the Bank held 15 management training programs targeting senior and deputy senior managers, newly appointed deputy senior managers, mid-level and young cadres, branch heads, newly appointed sub-branch heads, and high-potential talent, reaching managers at various levels totalling 932 person-times. In addition, nine online (video) special training sessions were conducted, reaching managers across the Bank with 11,000 person-times, achieving comprehensive coverage of managers at all levels.

Training System

Tailored to the capability needs of leaders at different levels, the Bank has developed a three-tier progressive training pathway: "foundational capabilities – comprehensive capabilities – strategic capabilities". For frontline managers, the focus is on strengthening professional skills; for mid-level managers, emphasis is placed on enhancing comprehensive capabilities such as industry and regional trend analysis, cross-departmental collaboration, and performance management; for senior managers, the focus is on strengthening strategic thinking, systems thinking, and strategic decision-making capabilities.

Through methods including classroom teaching, lectures by leaders, case studies, immersive on-site learning, and online learning, the Bank has built a dual-drive curriculum system combining "Party-building guidance + professional empowerment", effectively enhancing the quality and effectiveness of training.

Talent Pipeline and Succession Management

Conducted talent assessment and research to build a pool of outstanding young mid-level branch managers.

Positioned the "Young and Mid-level Cadre Training Program" as a strategic initiative to support long-term development and strengthen the management talent pipeline. The program focuses on three key dimensions: political literacy, leadership capability, and professional competence. Through a combination of expert lectures, benchmarking visits, research-based study tours, and action learning, participants' management capabilities and overall competence are comprehensively enhanced. By the end of 2025, 13 sessions of the Young and Mid-level Cadre Training Program had been held, covering 443 young and mid-level management personnel across the Bank.

Actively participated in East-West exchange and intellectual support initiatives, nominating personnel for programs such as the 2025 "Capital Experts Lhasa Tour" and the Beijing "Talent Suburban Tour". Through cross-regional and cross-functional exchanges and assignments, the Bank accelerated the development of outstanding versatile talent.

External Partnerships

Deepened collaboration with leading universities such as Zhejiang University, national-level leadership academies such as the China Executive Leadership Academy, Jinggangshan, local Party schools such as the Beijing Municipal Party School, and renowned institutions such as the Huawei Global Training Center. Leveraging high-quality external educational resources, the Bank conducted diverse training programs for managers at various levels, continuously enhancing their political literacy and professional capabilities.

In 2025, in partnership with the Beijing Municipal Party School, the Bank organized a special training program for department heads at the Head Office. The program covered topics including Party innovation theory, Party spirit education, and professional competence through lectures, Beijing-focused practical teaching, case studies, and on-site learning. A total of 158 participants completed the program, effectively enhancing the political literacy and comprehensive management capabilities of these leaders.

**Case**

**Hefei Branch: Building a Staged Talent Development and Selection Mechanism**

The Branch has established a tiered cultivation mechanism covering the entire career cycle. At the entry level, a junior, intermediate, and advanced progression program is implemented for fresh graduates. At the core talent level, a dual-track talent pool covering both management and professional tracks has been established. In 2025, 53 individuals were selected for the pool and participated in the "Voyage Program" training. At the selection level, the Branch adheres to the principles of democratic openness and merit-based selection. In 2025, the average age of promoted cadres was 38, with those born after 1980 and after 1990 accounting for 94%, effectively optimizing the age structure and professional vitality of the cadre team.

The Bank is committed to optimizing its training infrastructure and incentive mechanisms, providing comprehensive environmental support for employee development.

**Training Resources and Support System**

**Digital Learning Platform**

The Bank has independently developed the "Hua Xia Academy" learning platform, which integrates training management and delivery. The platform combines five core functions: online training, online examination, online live streaming, training process management, and training resource management. It has established a digital training ecosystem covering the entire employee career cycle, providing platform support for the Bank's talent development. In 2025, the Bank conducted 217 live training sessions through the "Hua Xia Academy", with 150 thousand person-times of participation; 2,789 online examinations were held, with 490 thousand person-times of participation; total online learning hours for employees reached 1.89 million hours, and the platform's average monthly active users exceeded 270 thousand.

**Support for Obtaining External Professional Certifications**

The Bank has formulated the *Hua Xia Bank Management Measures for External Professional Certifications* to encourage employees to obtain relevant external professional certifications and pursue professional titles in their respective fields, deepening their expertise in their chosen areas. For eligible regular employees who obtain specified professional titles or external professional certifications, the Bank provides support in terms of time and expenses. In 2025, the Bank provided expense support for 1,309 regular employees in obtaining professional titles and external professional certifications.

**Employee Care**

Adhering to its people-oriented philosophy, the Bank actively promotes the development of "Employee Homes", focusing on multiple dimensions such as physical and mental health, hardship assistance, and cultural and recreational activities. It strives to build a warm "home" culture and foster an organizational atmosphere that is "trustworthy, reliable, and indispensable".

**Employee Homes**

The Bank combines ideological, activity-based, and physical approaches to continuously enrich the concept of building Employee Homes. As of the end of 2025, the Bank had established Employee Homes at 848 outlets, with qualified Employee Homes and model Employee Homes covering 97.52% of these locations, effectively enhancing organizational cohesion and solidarity.

**Health and Well-being**

The Bank places great emphasis on the physical and mental well-being of its employees and their work-life balance, establishing a comprehensive health protection and care system.

**Physical and Mental Health Management**

The Bank organizes annual "Wellness Days," health management lectures, and mental health counseling activities. It also partners with professional institutions to provide seasonal health care initiatives for autumn and winter, and has implemented employee fitness platform programs, guiding employees to manage stress through scientifically based methods.

**Work-Life Balance Support**

The Bank actively responds to employee needs, focusing on addressing their most pressing and difficult concerns. Some branches have established holiday care programs for employees' children, helping to alleviate the challenge of childcare and supporting employees in balancing work and family responsibilities.

**Special Support for Female Employees**

The Bank fully safeguards the special rights and interests of its female employees by providing dedicated health check-ups. Lactation rooms are available in office premises, offering a private and hygienic space for nursing mothers. The Bank also holds an annual International Women's Day symposium to listen to the voices and concerns of its female employees.

**Case**

**Engaging Professional Resources to Innovate Physical and Mental Health Management Models**

To enhance employee physical and mental well-being, the Bank actively engages external professional resources and explores diversified health intervention methods. **Beijing Branch** introduced Carl Jung's analytical psychology sandplay and singing bowl therapy courses, using visual sandplay scenarios and low-frequency sound waves to help employees release subconscious stress in an immersive experience. Additionally, the Branch organized a traditional Chinese medicine wellness experience themed "Moisturizing and Nourishing for a Joyful Autumn", inviting TCM practitioners to provide on-site therapies such as Chinese-style massage, traditional fumigation, and acupoint scraping. **Guangzhou Branch** invited national-level medical experts to deliver a special lecture on "Late Summer Wellness — A Timely Approach to Health", offering employees authoritative guidance on health management. **Harbin Branch** invited physicians from the China Academy of Chinese Medical Sciences to conduct TCM consultations, providing education on the prevention and care of common occupational diseases as well as seasonal wellness methods, effectively alleviating occupational sub-health issues among employees.



Themed Health Lecture at Guangzhou Branch.



Singing Bowl-Themed Activity at Beijing Branch.

**Case**

**Shenzhen Branch: Launching a "Caring After-School Program" to Support Employees with Childcare Needs**

To address the challenge faced by dual-income families in caring for their children during school holidays, Shenzhen Branch established a "Summer Program for Employees' Children". Through well-organized operations and attentive care, it has created a warm and supportive environment. In 2025, the program was recognized as a "Shenzhen Federation of Trade Unions Caring After-School Program", becoming the only financial institution in Shenzhen to receive this honor that year. This initiative has significantly enhanced employees' sense of belonging and well-being.



Mental Health Counseling Course at Chengdu Branch.



Hua Xia Baby After-School Program at Xi'an Branch.



Nanning Branch extends health care support to female employees on International Women's Day.

**Support and Care Initiatives**

The Bank has established a regular support and care mechanism. In 2025, it continued to organize "Winter Warmth and Summer Refreshment" initiatives to care for frontline employees. It provided assistance to 269 employees in difficulty, with living support totaling RMB852,500. The Bank also organized recuperation activities for model workers and delivered Spring Festival greetings to show care and appreciation.

**Cultural and Sports Activities**

The Bank has set up various interest groups and associations, including football, badminton, basketball, yoga, and photography, and widely organizes skills exchanges and cultural and sports competitions.

During the reporting period, the Bank held a series of cultural and sports events such as the Head Office Table Tennis Tournament, the Head Office Running and Race Walking Competition, and the Head Office Northeast Region Badminton Tournament. These activities enriched employees' after-work lives while strengthening cross-regional and cross-departmental collaboration and trust. In addition, the Bank actively selected outstanding employees to participate in various competitions organized by the Beijing Federation of Trade Unions, the Beijing Sports Federation, and other provinces and cities. Employees achieved excellent results in events including the 12th Beijing Staff Badminton Competition, the 17th Beijing Sports Convention 3x3 Basketball Tournament, the Capital Staff Aerobics and Dance Competition, the Capital Staff Basketball Competition, the Guangdong Financial Industry Badminton Invitational Tournament, the Chongqing Financial System Literary and Artistic Works Competition, and the Qinghai Banking Association E-sports Competition.

**Case**

**Chongqing Branch: Creating a "Four Seasons" Themed Activity Series to Promote a Sunshine Home Culture**

The Branch has innovated its cultural and sports activities by establishing a year-round "Four Seasons" cultural framework. In winter, the "Welcoming Spring and Blessings" initiative brings warmth to frontline staff through caring visits, Spring Festival couplet giveaways, and a female employees' calligraphy and painting exhibition. In spring, "Healthy Sports" encourages all employees to participate in competitive events such as table tennis, badminton, tennis, and fun runs. In summer, the branch promotes the "Glory of Labor" theme by organizing four labor skills competitions and three activities that encourage learning from model workers. In autumn, the focus is on building a "Sunshine Home" through the creation of model staff homes and all-staff autumn outings, which help strengthen team cohesion. This framework effectively alleviates employee stress and fosters a balanced, positive, and uplifting workplace atmosphere.



Female Employees' Calligraphy and Painting Exhibition during the "Welcoming Spring and Blessings" Winter Season.



Mid-Autumn Festival Garden Party at Wenzhou Branch.



Children's Day Parent-Child Activity at Shaoxing Branch.



Hong Kong Branch Hosts the "Hua Xia Cup" Badminton Tournament for Chinese Enterprises in Hong Kong.



12th Staff Sports Games at Jinan Branch.



2025 Tea Art Association Activity at Fuzhou Branch.



Xi'an Branch Invited Calligraphy Enthusiasts and Artists to Write Spring Festival Couplets and the Character "Fu" (Blessing) for Employees.



8th Staff Balloon Volleyball Tournament at Nanning Branch.



2025 Fun Sports Meet at Huaxia Wealth Management.

## Rights Protection

### Deepening Democratic Management

The Bank regards the Employee Representative Congress as the core vehicle for democratic management. It has formulated and refined the *Hua Xia Bank Guiding Opinions on Employee Representative Congresses* and the *Hua Xia Bank Management Measures for Employee Representative Congresses*, establishing a three-tier organizational system covering the Head Office, branches (subsidiaries), and tier two branch, ensuring full coverage across all employees and institutions. The Employee Representative Congress focuses on issues directly affecting employees' interests and key matters related to corporate development, fully exercising its functions of democratic decision-making and supervision.

In 2025, a total of 191 Employee Representative Congresses were convened across the Bank's institutions at various levels. These congresses reviewed and approved proposals on major operational matters, labor contract management, and special collective wage agreements, ensuring that employees have a say in significant matters affecting their interests. In addition, progress reports on the rectification of inspections were presented, achieving a closed-loop oversight process through information disclosure and procedural transparency.

### Facilitating Communication Channels

The Bank has established a comprehensive, multi-level system for expressing concerns and needs, fostering a democratic management framework characterized by "unified leadership of the Party Committee, joint responsibility of the Party and management, proactive engagement of the labor union, coordinated efforts across relevant departments, and broad participation of employees". Through channels such as the internal intranet, dedicated public notice boards for Party affairs and corporate affairs, the President's mailbox, and the "President's Reception Day", the Bank facilitates open avenues for employees to share ideas and suggestions.

#### Case

#### Ningbo Branch and Qingdao Branch: Building Diverse Communication Platforms to Support Employee Expression

The Bank places great importance on listening to and acting on employee feedback, with particular attention to the perspectives of its younger employees. Ningbo Branch regularly hosts "Breaking Through Together · Youth in Action" forums, where Party Committee leaders engage in face-to-face discussions with young employee representatives on topics such as strategy implementation, team building, and personal development. Qingdao Branch has established channels for expressing needs and concerns—including regular satisfaction surveys and the President's mailbox—to facilitate open communication and foster harmonious and stable labor relations.

### Ensuring Occupational Safety

The Bank strictly complies with laws, regulations, and policy requirements, including the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Regulations on Work-Related Injury Insurance*. In 2025, the Bank implemented internal management systems such as the *Hua Xia Bank Security Management Measures* and the *Hua Xia Bank Emergency Response Management Measures*, establishing a standardized occupational health and safety management system to effectively ensure that employees who suffer work-related injuries or occupational diseases receive medical treatment and financial compensation.

The Safety Production Committee of the Head Office is responsible for studying, planning, coordinating, and supervising work safety across the Bank. The Party Committee Standing Committee, the Business Analysis Meeting, and the President's Office Meeting review the phased progress of fundamental work safety rectification initiatives and guide the implementation of key tasks. During key periods such as "Work Safety Month", "Disaster Prevention and Mitigation Day", and "Fire Safety Month", the Bank organizes activities such as full-staff evacuation drills, emergency response exercises, and disaster prevention and mitigation drills to enhance employees' safety awareness, emergency response capabilities, and hazard avoidance skills. Daily safety inspections, monthly safety checks, and special inspections during key periods are conducted. Fire and security equipment is regularly maintained to ensure the proper functioning of all safety systems in office areas. In 2025, the Bank had no major work safety incidents.

## Public Welfare and Charity

Hua Xia Bank stays committed to responsible finance, incorporates social responsibility into the overall plan for high quality development, continues to increase investment in areas such as emergency support, public welfare in science and education, paired assistance and volunteer services, improves working mechanisms and coordination models, and promotes the building of a public welfare responsibility system featuring diversified participation and coordinated advancement. By enhancing the coverage and effectiveness of financial services, the Bank supports sustainable economic and social development with financial support that is caring and effective.

### Emergency Relief

In 2025, in response to extreme heavy rainfall and flood disasters in Beijing, Hebei and Guizhou, the Bank promptly activated its emergency response mechanism, established a leading group for flood control and disaster relief, and made every effort to support emergency rescue, disaster relief and post-disaster reconstruction through measures such as ensuring uninterrupted financial services, opening green channels, and making donations in cash and in kind. For affected micro and small businesses and farmers, the Bank adopted a package of relief policies, including loan renewal without repayment of principal and preferential interest rates, to support the resumption of production after the disaster.

#### Case

##### Head Office, Beijing Branch and Shijiazhuang Branch Standing Together and Offering Mutual Support Through the Storm

In response to the extreme heavy rainfall in Beijing, the Party-related Affairs Department of the Head Office organized a donation campaign involving 34 Party organizations of the Head Office. Within 24 hours after the disaster, Beijing Branch formed an "Aixin Commando Team" and promptly delivered flood control supplies and daily necessities to the hardest hit areas. After the City of Baoding in Hebei Province was struck by heavy rainfall, Baoding Branch under Shijiazhuang Branch urgently sent flood control supplies to Zhuozhou Subbranch, which had been severely affected, and opened its outlet to provide rescue personnel and affected residents with rest areas, charging services and meals.

#### Case

##### Guiyang Branch: Braving the Flood

In June 2025, Rongjiang County in Guizhou Province was hit by a once in a century catastrophic flood. The first Party secretary stationed in the village from Guiyang Branch braved the rain to return to the village, led Party members and officials to clear roads blocked by landslides, and opened a lifeline passage. Under conditions of water and power outages, the task force stationed in the village went door to door to check on residents, carried trapped elderly residents to safety through the rain, and contacted the Branch at the earliest opportunity to help affected residents obtain disaster relief supplies and preferential loans. In addition, the Branch granted an emergency rescue loan of RMB500 million to an expressway group company, mainly for the repair of a bridge that had collapsed due to flooding and emergency maintenance on other road sections.

#### Case

##### Hong Kong Branch: Extending a Helping Hand Across Mountains and Seas

In 2025, with a strong commitment to public wellbeing, Hong Kong Branch responded swiftly to the fire at Wang Fuk Court in Tai Po and donated HKD5 million to affected residents, fully supporting the HKSAR Government in handling the aftermath and demonstrating the responsibility and commitment of a Chinese funded enterprise through concrete actions.

## Educational Public Welfare

The Bank deeply integrates into the national strategy of invigorating China through science and education. By supporting high level scientific conferences and improving the learning environment for young people, it contributes financial strength to the growth and development of young people. In 2025, the Bank donated RMB12.50 million to the Tsinghua University Education Foundation to specifically support the hosting of the International Congress of Basic Science. Focusing on mathematics, physics and information science, the Congress aims to build an international exchange platform for top scientists, promote the gathering of leading scientists in China, and support the continued enhancement of the country's innovation capability.

#### Case

##### "Hope Desks" Lighting the Way to Learning

During the summer of 2025, the Bank, together with the Beijing Youth Development Foundation, organized the "Bringing Together the Strength of Huaxia and Passing on Love" family public welfare activity. During the activity, 19 employee families from the Bank and shareholder entities assembled desks by hand and created cultural and creative gifts. At the same time, the Bank donated 60 sets of "Hope Desks" in a targeted effort to support young people in need in Miyun District of Beijing and Hotan in Xinjiang, helping create independent and tidy study spaces for them and lighting their dreams of learning through concrete actions.



The Bank's summer "Hope Desks" parent child public welfare activity.

#### Case

##### Huaxia Wealth Management: Innovating the "Finance + Welfare" Model

In 2025, Huaxia Wealth Management continued to build its distinctive "finance + welfare" brand. Through in depth cooperation with the China Children and Teenagers' Fund, it launched the "Building Dreams for Children" themed public welfare wealth management product, under which 100% of any annualized returns exceeding the performance benchmark, if any, were donated to the China Children and Teenagers' Fund. In this way, it opened up a new model for diversified public welfare cooperation and explored a new path for pooling goodwill and giving back to society through financial instruments. In 2025, this series of public welfare wealth management products raised RMB200 million. As of the end of 2025, the outstanding amount of Huaxia Wealth Management's public welfare wealth management products exceeded RMB400 million.

Case

Hangzhou Branch: "Zheli Shiliuhong, Huaxia Shanhaiqing" Public Welfare Initiative

In June 2025, Hangzhou Branch launched the "Zheli Shiliuhong, Huaxia Shanhaiqing" public welfare initiative. Giving full play to its advantages in integrating resources through finance and technology, it joined hands with seven well known technology enterprises to form a caring team and traveled to Yalong Township Primary School in Seda County, Garze Tibetan Autonomous Prefecture, Sichuan Province. While providing urgently needed donated supplies and supporting improvements in local educational infrastructure, the team also delivered the latest scientific and technological knowledge to the children through face-to-face classes and offered them encouragement and support.

The Branch adhered to a combination of "going in" and "inviting out" and invited representatives of teachers and students from Yalong Township Primary School to Hangzhou for a study tour on technology and finance. At the Bank's outlets, the children were introduced to financial literacy through the "Little Financier" experiential course. At technology enterprises, the teachers and students gained first hand exposure to advanced technological equipment, broadening their horizons. With finance as the link and technology as the support, the project not only opened a window to the future for students in plateau areas, but also brought the warmth of Huaxia to promoting ethnic unity and deepening cultural exchanges between the eastern and western regions.



Hangzhou Branch organizes a "Technology + Finance" study tour: robot dogs are introduced into the technology classroom of Yalong Township Primary School.

Paired Assistance

The Bank gives equal emphasis to providing support and enhancing self-development capacity. Through measures such as assigning outstanding officials to villages, increasing investment in industrial assistance, and carrying out consumption assistance, it consolidated and expanded the achievements of poverty alleviation. In 2025, the Bank continued to expand the procurement of agricultural and sideline products from counterpart assistance regions and carried out targeted procurement at the Head Office and 12 branches and subsidiaries, including Beijing and Shenyang, using consumption to drive increases in farmers' income. In terms of assistance for key regions, the Bank donated RMB1.8 million to Hotan Prefecture in Xinjiang for projects in education empowerment, grassroots development, and ecological sand control, of which RMB300 thousand was specifically allocated to ecological restoration along the edge of the Taklimakan Desert.



Case

Hefei Branch: Turning Barren Slopes into Prosperous Land and Village Roads into Roads to Well Being

In Shaolou Village, Mengcheng County, Anhui Province, Hefei Branch, through a dual driver approach of "finance + non finance", helped a young entrepreneur returning home transform barren slopes into a vibrant family farm.

On the financial side, the Branch developed products such as "PV Loan" and "Micro Merchant Loan". As of the end of 2025, it had granted RMB120 million in working capital loans in Mengcheng County to support the development of two agriculture related enterprises. On the non financial side, it provided student aid to two university students in Shaolou Village, mobilized all employees to donate RMB64 thousand, and signed a letter of intent for continued educational donations, committing to cover all university tuition fees totaling RMB164 thousand. It also donated Hope Packages to left behind children, including books on traditional Chinese culture, learning materials, and sports supplies. At the same time, the Branch invested assistance funds in the renovation of a dilapidated bridge, the paving of alleys, the installation of guardrails on village roads, the upgrading of office equipment for the village Party branch and villagers committee, and the repair of facilities at Sanguan Primary School, significantly improving the village environment and the conditions for office work and schooling, and truly achieving gains in both industrial development and people's well-being.



Hefei Branch assigned dedicated staff to Shaolou Village to donate "Hope Packages" to left behind children.

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Shao Lili, Ruohan Family Farm, Shaolou Village, Mengcheng County, Anhui Province

Starting a business is difficult, but as long as we persevere, there is hope. The financial support from Hua Xia Bank has given wings to our dreams and allowed us to fly higher and farther.

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Case

Taiyuan Branch: Small Peppers Brightening the Road to Prosperity

In Xi'anshan Village, Pingshun County, Shanxi Province, after finding through field research that the local area was suitable for growing peppers, Taiyuan Branch introduced a leading enterprise and established an industrial model of "Party branch + cooperative + base + farmers". The Branch invested and brought in various types of funding to support the construction of a 6,000 cubic meter cold storage and preservation facility and drying equipment, and to build the "Lawu Chulu" brand, which has obtained a Food Production License (SC), with annual output value exceeding RMB5 million. By empowering the entire industrial chain through finance, the village moved away from the low yield model of simply planting corn. More than 100 village households saw increases in employment opportunities and annual income, achieving a transformation from "barren slopes" into "a land of prosperity".

Case

**Chengdu Branch: Technology Empowerment Connecting Mountains and Seas and Supporting Revitalization in Muli**

In Wachang Town, Muli Tibetan Autonomous County, which is designated for assistance by the Branch, Chengdu Branch has built an assistance framework focused on livelihood support and educational empowerment.

**Livelihood support**

The Branch launched the "Communist Party Members Offering Love" initiative, raised charitable funds, and established the "Huaxia Muli Rural Charity Assistance Fund" to focus on meeting the basic living needs of people in difficulty. Relying on this mechanism, the Branch has carried out the "Sending Warmth in Winter" activity for consecutive years. As of the end of 2025, it had cumulatively donated daily necessities to monitored households and other people in difficulty, benefiting more than 200 households. It also donated wheelchairs and medical testing equipment to elderly people with disabilities and elderly people with hypertension, and provided financial aid to students on 26 occasions over two consecutive years, effectively improving the quality of life of local residents.

**Educational empowerment**

In response to the shortage of teaching facilities at a key boarding primary school in the Wachang area, the Branch implemented a "technology + education" assistance program and equipped key teachers at the school with tablet computers, effectively addressing equipment constraints in multimedia teaching and courseware preparation in rural schools. Through remote teaching research activities, it also broke geographical barriers and enabled teachers and students in plateau areas to share quality educational resources.

Case

**Beijing Branch: Consumption Assistance Addressing Local Needs and Unblocking Sales Channels for Agricultural Products**

Beijing Branch has continued to deepen its efforts in paired assistance areas such as Xinwangzhuang Village in Miyun District. For the local specialty agricultural product, the "Yuanwei No. 1" tomato, the Branch helped organize the "Huaxia Yunmeng Xinwangzhuang Tomato Music Festival" to enhance brand awareness. When the product encountered sales difficulties in the market, the Branch promptly activated an emergency assistance mechanism. Under the overall coordination of the Branch Party Committee, it gave full play to the bridging role of the first Party secretary stationed in the village and, together with the collective economic cooperatives of Xinwangzhuang Village, Shudi Village and Qingdian Village, launched an "Aixin Purchase" campaign. Through targeted procurement by staff cafeterias and voluntary employee purchases, it helped address the problem of difficult sales of agricultural products, making the assistance both timely and caring.

Case

**Xining Branch: Safeguarding China's Water Tower and Strengthening the Bond Between Beijing and Qinghai**

Xining Branch established a three-party coordination mechanism with the Beijing Aid to Qinghai Yushu Command Headquarters and the Sanjiangyuan Ecological Protection Foundation, signed an annual donation agreement, and built a multidimensional assistance framework covering industry, education, people's wellbeing and ecology.

In 2025, through the Sanjiangyuan Ecological Protection Foundation, the Branch donated RMB1.1 million in special funds to the Yushu area for the upgrading of medical facilities at Yushu People's Hospital, financial aid for students in need at Chengduo County No. 1 Ethnic Middle School, and support for the ecological and environmental protection project in Shangbatang Village, Batang Township. This public welfare donation effectively promoted improvements in local wellbeing and progress in ethnic unity. During the reporting period, the Bank received the "Sanjiangyuan Public Welfare Commemorative Medal".

**Volunteer Services**

Under the "Jinghua Volunteer" brand, the Bank continued to carry out public welfare activities such as blood donation and age-friendly services. In 2025, the Head Office and a number of branches, including Qingdao, Shaoxing, Suzhou and Nanning, actively organized blood donation activities, helping sustain life through their donations.



Employees of Suzhou Branch donate blood.



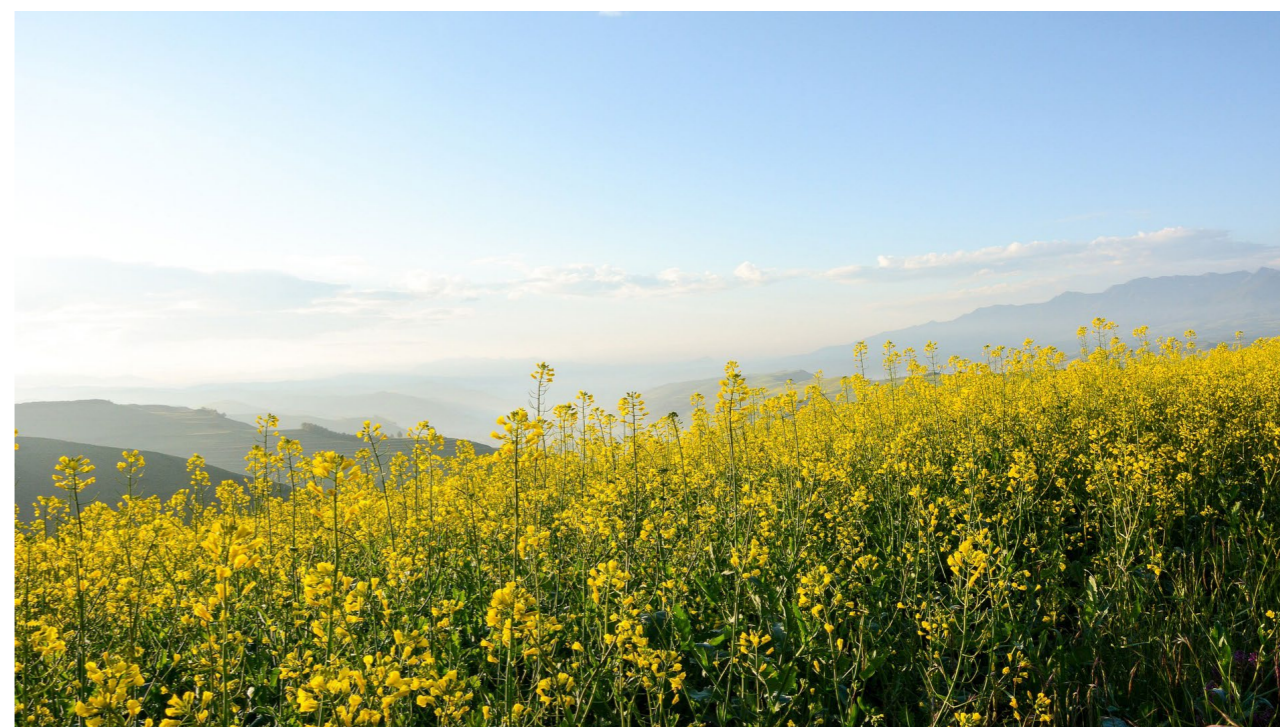
Employees of Nanning Branch donate blood.



Young volunteers from the Head Office at the World Humanoid Robot Games.



The Youth League Committee of the Head Office donated "Hope Desks" to Aixin Hope Primary School in Daxing District.



# Supply Chain Management

Hua Xia Bank conducts centralized procurement activities in accordance with the principles of openness and transparency, fairness and impartiality, strictly implements the *Rules for Fair Competition Review in the Fields of Bidding and Tendering*, and has established an institutional system composed of more than 10 policies, including the *Administrative Measures for Group based Management of Hua Xia Bank's Centralized Procurement* and the *Administrative Measures for Centralized Procurement*. This system comprehensively standardizes procurement activities and supplier management and supports the development of a safe, stable, and mutually beneficial supply chain system.

## Preventing Supply Chain Risks

The Bank incorporates risk prevention awareness throughout the entire process of procurement activities and supplier management, continues to strengthen internal supervision and review mechanisms, and effectively prevents and defuses various risks in the procurement process through multiple measures.

<p><b>Supplier Admission Review</b></p>	<p>The Bank has established strict supplier admission standards, requiring suppliers to comply with national laws and regulations, maintain a good business reputation and sound financial and accounting systems, and have had no major violations of laws, regulations, or contracts in the past three years.</p>
<p><b>Supplier Concentration Monitoring</b></p>	<p>The Bank regularly monitors and analyzes supplier concentration data to avoid excessive reliance on suppliers in specific areas, help identify and seek more diversified supplier categories, and enhance the stability and competitiveness of the Bank's supply chain.</p>
<p><b>Graded Handling of Violations</b></p>	<p>The Bank strengthens the management of procurement related violations and imposes serious penalties, in accordance with the requirements of its procurement management policies, for serious violations such as commercial bribery, improper gains, and disruption of procurement order, as well as general violations such as unauthorized internal approvals and splitting purchases to circumvent centralized procurement.</p> <p>The Bank uses technological means to identify suppliers' bid rigging and collusive bidding, and strengthens coordination with compliance and discipline inspection and supervision departments to enforce mandatory exit measures against suppliers that use improper means such as bid rigging, collusive bidding, and bribery to secure contracts in the procurement process.</p>
<p><b>Digital Risk Control for the Procurement Platform</b></p>	<p>Relying on the centralized procurement platform, the Bank conducts daily work such as procurement plan management, supplier solicitation, and expert database management online, reducing manual intervention. The platform is connected to external data sources to review potential supplier risks from aspects such as administrative penalties and tax arrears announcements, thereby enhancing the Bank's ability to prevent supply chain risks.</p>
<p><b>Protection of Trade Secrets and Information</b></p>	<p>The Bank requires suppliers to sign letters of commitment undertaking not to disclose in any manner the trade secrets learned in the course of centralized procurement. It introduces lawful third party digital certificates to encrypt suppliers' commercial response documents, which are decrypted by suppliers at the time of bid opening, so as to ensure data confidentiality.</p>

## Practicing Responsible Procurement

In centralized procurement activities, the Bank proactively implements requirements that support national economic and social development policy objectives, including promoting technological innovation, conserving energy and resources, protecting the ecological environment, and facilitating the development of micro, small and medium sized enterprises, and guides suppliers to jointly fulfill the philosophy of sustainable development.

### Environmental Dimension

The Bank ensures that centralized procurement activities implement relevant requirements on conserving energy and resources and protecting the ecological environment, and gives priority to the procurement of green and energy saving and environmentally friendly products.

The Bank continues to improve the centralized procurement platform, which combines strong compliance with high coordination efficiency and enables the entire process of tendering, bidding, evaluation and supervision to be conducted online, thereby reducing paper consumption in the procurement process.

### Social Dimension

At the supplier admission stage, the Bank explicitly requires suppliers to have a good record of paying taxes and social security contributions in accordance with the law.

### Governance Dimension

The Bank requires all suppliers participating in centralized procurement to sign the *Commitment Letter on Rejecting Commercial Bribery*, comply with integrity requirements, ensure fair competition, and safeguard procurement order and the rights and interests of all parties.

At the admission stage, the Bank includes major violations of laws and discipline and corrupt conduct involving suppliers as disqualifying conditions. At the supervision and review stage, it imposes mandatory exit measures on suppliers involved in improper conduct such as commercial bribery. In 2025, the Bank's supplier review covered all suppliers involved in centralized procurement projects.

## Treating Small, Medium and Micro Enterprises Equally

The Bank safeguards the right of small, medium and micro enterprises to participate in procurement activities on an equal basis. In tendering and bidding activities, procurement announcements are uniformly disclosed on external websites, and it is required that supplier admission criteria and evaluation indicators must not include restrictive or competition limiting factors such as ownership nature, organizational form, size, or registered capital, so as to ensure the fair participation of small, medium and micro enterprises in competition.

As of the end of 2025, there were no circumstances in which the Bank's balance of accounts payable to suppliers, including notes payable, exceeded RMB30 billion or accounted for more than 50% of total assets. During the reporting period, neither the Bank nor its controlled subsidiaries had any overdue payments to small and medium sized enterprises.





# Governance

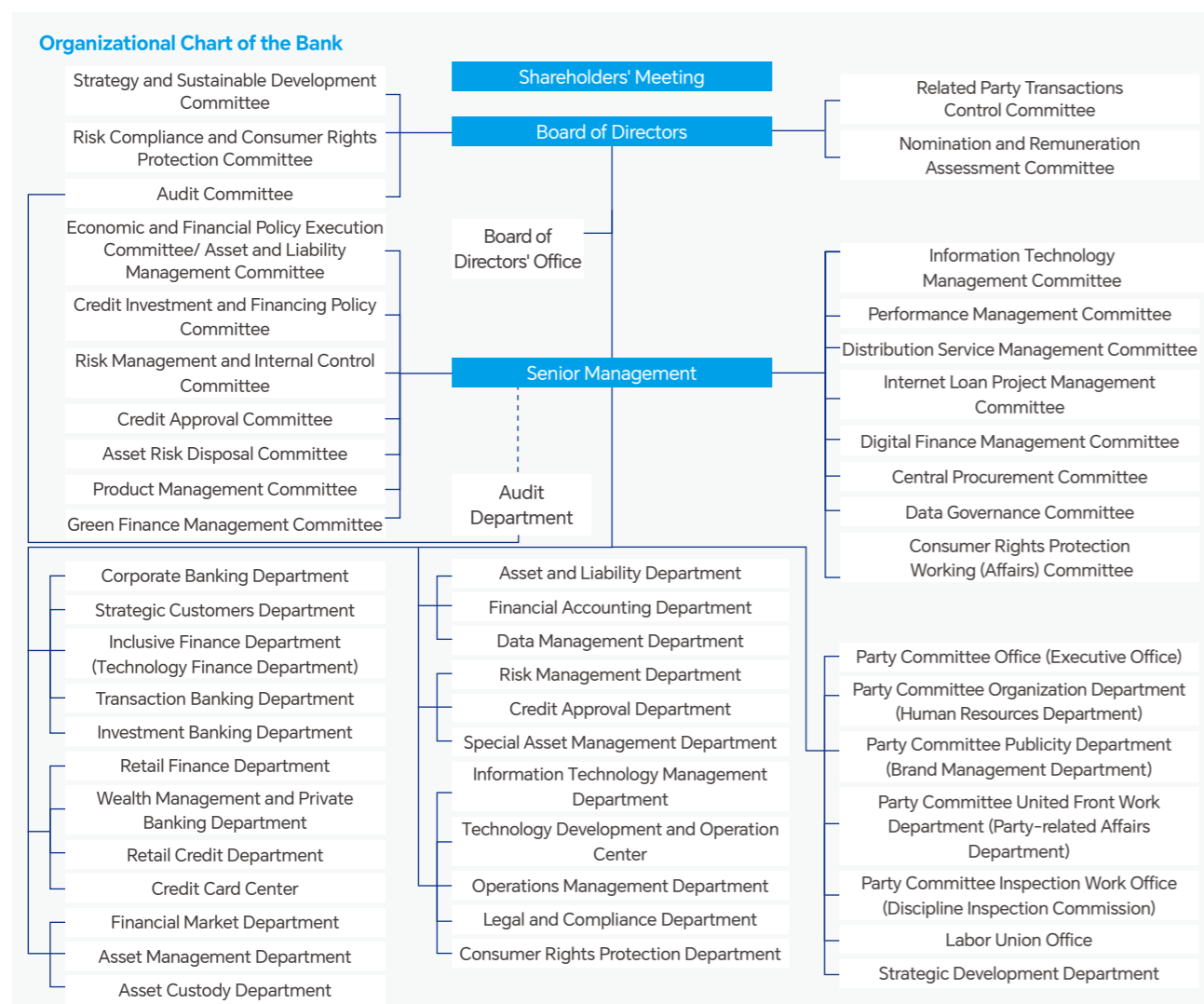
Support United Nations Sustainable Development Goals (SDGs)



# Corporate Governance

Hua Xia Bank earnestly implements the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China on Commercial Banks*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission, the *Corporate Governance Standards for Banking and Insurance Institutions* issued by the National Financial Regulatory Administration (formerly the China Banking and Insurance Regulatory Commission) and other laws, regulations and regulatory requirements. The Bank always adheres to the organic integration of Party leadership and corporate governance, deepens the implementation of the legal status of Party organizations in the corporate governance framework, and continuously improves the corporate governance organizational structure. All governance bodies perform their respective duties, fulfill their responsibilities, operate in coordination and maintain effective checks and balances, promoting the continuous improvement of the Bank's development strength, resilience and quality.

In 2025, the Bank further improved its corporate governance system, thoroughly implemented the decisions and arrangements of the Party Central Committee and the State Council, coordinated the overall strategic development with regulatory requirements of the Bank, systematically revised the Articles of Association and the rules for procedure of the Board of Directors and the Shareholders' Meeting, and completed the work related to the abolition of the Board of Supervisors<sup>1</sup> in accordance with laws and regulations in a steady and orderly manner. The Bank continuously explores best practices in corporate governance, and its corporate governance level and capacity have been continuously enhanced.



<sup>1</sup>Pursuant to the *Official Reply of the National Financial Regulatory Administration on Amending the Articles of Association of Hua Xia Bank* (Jin Fu [2025] No. 719), the revised Articles of Association of the Bank, together with the Rules of Procedure of the Shareholders' Meeting and the Rules of Procedure of the Board of Directors, took effect on December 12, 2025. The Board of Supervisors was abolished simultaneously, and the Audit Committee of the Board of Directors exercises the relevant functions and powers of the Board of Supervisors.

# Party Building Leadership

The Bank unwaveringly follows the path of financial development with Chinese characteristics, consistently integrates Party leadership into all aspects and the whole process of operation and development, transforms the Party's political advantages into development advantages, ensures that reform and development always advance in the correct direction guided by the Party Central Committee, the Beijing Municipal Party Committee and Municipal Government, and regulatory authorities, and leads the high-quality development of the Bank with high-quality Party building.

## Upholding political leadership

Give full play to the leading role of the Party Committee in setting the direction, managing the overall situation and ensuring implementation, incorporate the overall requirements of Party building into the Articles of Association, adhere to the leadership system of "two-way entry and cross appointment", strictly implement democratic centralism and the system for requesting instructions and reporting on major matters, and revise and improve the *List and Procedures for Pre-research and Discussion of Major Matters by the Party Committee of Hua Xia Bank*.

## Strengthening theoretical foundation

Continuously strengthen the Party's theoretical foundations, and carry out thematic education on studying and implementing General Secretary Xi Jinping's important expositions on the reform and development of state-owned enterprises and Party building.

Thoroughly study and implement the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee. During the reporting period, 1,463 lectures on the spirit of the Fourth Plenary Session were held, covering 29 thousand person-times.

In 2025, focusing on themes such as comprehensively deepening reform and promoting high-quality financial development, 24 sessions of "Hua Xia Lecture Hall" were held.



Expanded Study Meeting of the Theoretical Study Center Group of the Party Committee of Hua Xia Bank and the First Session of Hua Xia Lecture Hall in 2025.

Consolidating work style

Carry out study and education on thoroughly implementing the spirit of the Central Eight-point Regulation. Leading members at all levels and grassroots Party branches of the Bank held more than 6,000 collective study sessions, and Party committee leaders at all levels and Party branch secretaries delivered more than 1,500 special Party lectures.

Focusing on the construction of institutional work style, implement the "Phoenix Action", requiring institutional departments to carry out special self-inspections, and continuously improving the completion rates for self-inspection problem rectification and grassroots opinions and suggestions.

Carry out the ideological discussion of "Stepping out of the Comfort Zone and Embarking on a New Journey", establish the "President Reception Day" working mechanism, set up a "Grassroots Direct Line", evaluate the service quality and efficiency of Head Office departments month by month and announce the results, and improve work efficiency.

Strengthening talent development

Implement the "Rattlesnake Action", improve the performance evaluation mechanism at all levels of the Head Office, motivate cadres to take on responsibilities, and effectively implement the principle of "promoting the capable, relieving the average, removing the incompetent and eliminating the inferior".

Strengthen talent echelon construction. In 2025, 8 youth development forums and 31 youth talent symposiums were held, and 2 surveys of outstanding young talents were conducted.

Strengthen the training of young cadres. In 2025, 13 "post-1980s" cadres were selected from the Head Office to take up posts at grassroots frontlines; implement dual control over staffing and employee recruitment plans, and optimize the personnel structure.

Increase daily management and supervision over the cadre team, urge and guide leading cadres to strictly abide by discipline and rules and correctly perform their duties and exercise power.

Solidly advance the education and training of the cadre and talent team. In 2025, 15 training courses for cadres and talents at all levels were held, with 932 person-times of participation. In accordance with the unified requirements of the Beijing Municipal Party Committee, centralized training on the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China was carried out.

Upholding strict discipline

Convene a work conference on comprehensively and strictly governing the Party (Party building), and formulate tasks for Party organizations at all levels to comprehensively and strictly govern the Party.

Continuously rectify key issues feedback from the inspections of the Beijing Municipal Party Committee, with an overall satisfaction rate of over 99% on the progress of inspection rectification.

Upgrade inspections of Party organizations of four secondary branches and conduct a new round of regular inspections of Party committees of five primary branches.

Continuously carry out centralized rectification of unhealthy tendencies and corruption problems among the masses.

Conduct in-depth special supervision on inspection rectification and illegal eating and drinking, and inspect and assess the work of 46 grassroots Party committees on comprehensively and strictly governing the Party (Party building) in 2024.



2025 Work Conference of Hua Xia Bank on Comprehensively and Strictly Governing the Party (Party Building).

Promoting integration and mutual progress

Carry out the special action of "Strengthening Party Building to Promote Reform". Party organizations at all levels create Party building brands, actively build "one branch with one characteristic, one Party branch with one brand", and promote the resonance and integration of Party building work and business development.

Actively fulfill social responsibilities, further support 6 first secretaries stationed in villages in Miyun District and Yanqing District to perform their duties, and practice the original aspiration and mission of finance for the people with concrete actions.

## Shareholders' Meeting

The Shareholders' Meeting is the authority of the Bank. The Bank has a clear and basically stable ownership structure, with smooth and effective communication channels with shareholders. Major shareholders perform their shareholder responsibilities and obligations in accordance with laws and regulations, and actively support the Bank's operation and development. Minority shareholders participate in operational decision-making through channels such as attending the Shareholders' Meeting and exercise their decision-making power effectively in accordance with the law, jointly maintaining the stability of the Bank's development foundation.

The main responsibilities of the Shareholders' Meeting include electing and replacing non-employee directors, deciding on matters related to directors' remuneration; examining and approving the report of the Board of Directors, examining and approving the Bank's profit distribution plan, examining and approving matters related to changing the purpose of raised funds, examining and approving the Articles of Association and the rules of procedure of the Shareholders' Meeting and the Board of Directors, and making resolutions on matters such as issuing corporate bonds and increasing or reducing registered capital. In 2025, the Bank held 3 Shareholders' Meetings, reviewed and approved 16 proposals including the *2024 Annual Work Report of the Board of Directors of Hua Xia Bank*, the *2024 Annual Profit Distribution Plan of Hua Xia Bank*, and the *Proposal on Amending the Articles of Association of Hua Xia Bank Co., Ltd.*, and reviewed 5 reports including the *Report on the Evaluation of the Performance of the Board of Directors and Its Members in 2024 by the Board of Supervisors of Hua Xia Bank*.

## Board of Directors

The Board of Directors focuses on formulating strategies, making decisions and preventing risks, continuously plays a strategic leading and scientific decision-making role, establishes effective risk control and reasonable incentive and restraint mechanisms, upholds the concept of sustainable development, actively fulfills social responsibilities, and safeguards the legitimate rights and interests of stakeholders.

### Effectiveness of the Board of Directors

As of the end of 2025, the Board of Directors of the Bank has 16 incumbent directors, including 4 executive directors, 6 non-executive directors and 6 independent directors.

In accordance with the provisions of the *Articles of Association of Hua Xia Bank Co., Ltd.*, directors shall personally attend at least two-thirds of the on-site meetings of the Board of Directors each year. In 2025, the attendance rate of incumbent directors at on-site meetings met regulatory requirements.

The Board of Directors has five special committees: the Strategy and Sustainable Development Committee, the Risk Compliance and Consumer Rights Protection Committee, the Audit Committee, the Nomination and Remuneration Assessment Committee, and the Related Party Transactions Control Committee.

The Board of Directors is deeply involved in sustainable development governance, and relevant work has been incorporated into the *Articles of Association of Hua Xia Bank Co., Ltd.* as the responsibilities of the Board of Directors and its special committees. In 2025, through efficient performance of duties in ESG dimensions such as green finance and consumer rights protection, the Board of Directors and its special committees broadened the dimension of value creation, fulfilled the commitment to high-quality development, and effectively responded to the demands of stakeholders.

### Sustainable Development-related Responsibilities and Performance of the Board of Directors and Its Special Committees

#### Board of Directors

Mainly responsible for determining the Bank's green finance development strategy and the strategy, policies and objectives of consumer rights protection work, approving green finance targets formulated and green finance reports submitted by senior management, supervising and evaluating the implementation of the Bank's green finance development strategy, and regularly listening to special reports from senior management on the development of consumer rights protection work.

In 2025, the Board of Directors held 13 meetings, reviewed and approved proposals including the evaluation report on plan implementation, the report on operation and business arrangements, the social responsibility report, the green finance implementation report, the report on consumer rights protection work and work arrangements, the risk management report, the risk management strategy and risk appetite statement, the donation to the International Basic Science Conference, the construction of a self-owned data center, and the assessment of senior management personnel, and reviewed special reports in writing such as the anti-money laundering work report, the major operational risk event report and the self-assessment report on employee behavior management.

#### Strategy and Sustainable Development Committee

Mainly responsible for formulating the Bank's green finance development strategy, reviewing green finance targets formulated and green finance reports submitted by senior management, and submitting them to the Board of Directors for approval; formulating the development strategic plan and basic management system for inclusive finance business.

In 2025, the Strategy and Sustainable Development Committee of the Board of Directors held 5 meetings, reviewed and approved proposals including the evaluation report on plan implementation and the green finance implementation report.

#### Risk Compliance and Consumer Rights Protection Committee

Mainly responsible for formulating the Bank's risk tolerance and risk management policies and submitting them to the Board of Directors for approval; supervising the control of various major risks by senior management; regularly listening to special reports from senior management on the Bank's risk status; formulating the Bank's consumer rights protection work strategy, policies and objectives, and studying major issues and important policies on consumer rights protection; supervising and inspecting the situation of consumer rights protection, and supervising the comprehensiveness, timeliness and effectiveness of the work of senior management and the consumer rights protection department.

In 2025, the Risk Compliance and Consumer Rights Protection Committee held 4 meetings in total, reviewed and approved proposals including the risk management report, the risk management strategy, the risk appetite statement, and the report on consumer rights protection work and work arrangements.

### Independence of the Board of Directors

In accordance with the provisions of the *Articles of Association of Hua Xia Bank Co., Ltd.*, the number of independent directors of the Bank shall not be less than one-third of the total number of Board members. In principle, an independent director shall serve as an independent director in no more than three domestic listed companies, no more than five domestic and foreign enterprises at the same time, and shall not hold concurrent positions in more than two commercial banks.

The Bank always maintains that the number of independent directors accounts for more than one-third of the total number of Board members, and the service of independent directors in domestic listed companies and domestic and foreign enterprises complies with regulatory requirements. Independent directors of the Bank effectively perform their duties through various means such as attending meetings on time, understanding the Bank's operations, issuing independent opinions, and listening to reports, ensuring the independence and objectivity of the Board's decisions. In 2025, the Bank held three special meetings of independent directors, reviewed and approved seven proposals including the *Report on the Implementation of the Related Party Transaction Management System and Related Party Transactions of Hua Xia Bank in 2024*.

### Diversity of the Board of Directors

The Bank attaches great importance to the diversity of the Board of Directors, and comprehensively considers the future operation and development needs and diverse selection criteria in the allocation of directors, including professional capabilities, work experience, educational background, cultural background, age structure, and the proportion of female members, and is committed to forming a complementary and diverse Board structure. As of the end of 2025, the Board of Directors of the Bank has 3 female directors, all of whom are independent directors.

## Professionalism of the Board of Directors

Members of the Bank's Board of Directors have relevant professional backgrounds in bank management, risk management, corporate governance, ESG management, etc., and possess good strategic management and decision-making capabilities for the Board.

Among them, 4 executive directors have deep experience in commercial banking and finance, and their profound professional background and practical experience provide strong support for the Bank's compliant and stable operation. 6 non-executive directors all have relevant management experience in large state-owned enterprises, and play an important role in promoting the high-quality and sustainable development of the Bank. 6 independent directors have professional backgrounds covering accounting, finance, investment, finance and other fields, and fully play the roles of participating in decision-making, checks and balances, and professional consultation. The resumes of each director are detailed in "4.4.3 Main Work Experience and Concurrent Positions of Directors and Senior Management Personnel" in the *2025 Annual Report of Hua Xia Bank Co., Ltd.*

## Performance Evaluation of the Board of Directors

### External evaluation

The State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality regularly evaluates the performance of the Bank's Board of Directors from aspects such as organizational construction, system construction, standardized operation, function exertion, strategic leadership, innovation drive, corporate management, risk prevention and control, and supervision implementation. In 2025, the Bank's 2024 Board of Directors work evaluation result was "Good".

### Internal evaluation

The Bank has formulated the *Measures for the Performance Evaluation of the Board of Directors and Its Members of Hua Xia Bank Co., Ltd.*, following the principles of "compliance with laws and regulations, objectivity and impartiality, unified standards, scientific effectiveness, and strict accountability". The Board of Supervisors regularly conducts differentiated performance evaluations of the Board of Directors and its members from five dimensions: faithful performance, diligent performance, professional performance, independent performance and moral standards, and compliance performance.

In 2025, the Board of Supervisors comprehensively evaluated the performance of the Board of Directors and its members in 2024 through various means such as attending meetings, reviewing materials, communicating, and conducting questionnaires. The evaluation results of the Board of Directors and its members were all "Competent".

## Remuneration Management of the Board of Directors

In accordance with the *Articles of Association of Hua Xia Bank Co., Ltd.*, the Shareholders' Meeting exercises the statutory power to decide on matters related to directors' remuneration, fully guaranteeing shareholders' decision-making power on directors' remuneration distribution. In addition, in accordance with the *Articles of Association of Hua Xia Bank Co., Ltd.*, the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission and other laws, regulations and regulatory requirements, the Bank has formulated and implemented the *Directors' Allowance System of Hua Xia Bank Co., Ltd.*, which was reviewed and approved at the 2023 Annual Shareholders' Meeting, to strengthen and standardize the management of directors' allowances of the Bank.

## Board of Supervisors

The Board of Supervisors actively performs its supervisory function, focusing on strategic management, financial activities, risk management, internal control, and the performance of duties by the Board of Directors, the Board of Supervisors, senior management and their members in combination with regulatory orientation and the Bank's overall operation, and performs its statutory supervisory duties in accordance with laws and regulations, objectively and impartially, scientifically and effectively, effectively safeguarding the best interests of the Bank and all shareholders and the legitimate rights and interests of stakeholders.

In 2025, in accordance with the relevant provisions of the *Articles of Association* and the *Rules of Procedure of the Board of Supervisors*, the Board of Supervisors held 5 meetings in total, reviewed and approved 19 proposals, listened to 2 special reports, reviewed 45 special reports, and conducted 3 special seminars and inspections, supervising the plan implementation and performance of the Board of Directors and senior management in sustainable development issues such as green finance, technology finance, inclusive finance, digital finance, and consumer rights protection.

## Senior Management

Senior management carries out operational management activities in accordance with the *Articles of Association of Hua Xia Bank Co., Ltd.* and the authorization of the Board of Directors, strictly implements the resolutions of the Shareholders' Meeting and the Board of Directors, reports the Bank's operating performance, important contracts, financial status, risk status and business prospects in a timely, accurate and complete manner, and provides relevant materials.

## Remuneration Incentives

The Bank incorporates sustainable development-related indicators such as technology finance, green finance and inclusive finance into the performance evaluation system of senior management personnel, and closely links the evaluation results with remuneration distribution, giving full play to the incentive and restraint role of remuneration in promoting the sustainable development of the Bank.

For senior management personnel of the Bank who fall within the scope of remuneration management for principals of Beijing municipal state-owned enterprises, their remuneration is implemented in accordance with the remuneration management system for principals of Beijing municipal state-owned enterprises; for those who do not fall within the scope, their remuneration is implemented in accordance with the *Administrative Measures for Remunerations of Head Office level Senior Management of Hua Xia Bank*, including basic remuneration and performance remuneration, among which performance remuneration is linked to annual assessment results, reflecting performance orientation.

## Remuneration Restraints

The Bank has established a remuneration deferral and clawback mechanism for senior management personnel, with a deferral payment ratio of more than 40% and a deferral payment period of no less than 3 years. For those who have violations of laws, regulations or disciplines or excessive exposure of risks within their responsibilities within the specified period, the performance remuneration of relevant responsible persons will be deducted, suspended and recovered in accordance with regulatory policies and relevant provisions of the Bank according to the severity of the circumstances.

## Investor Rights Protection

### Information Disclosure

The Bank strictly abides by laws, regulations and regulatory requirements, formulates and implements systems including the *Measures for Information Disclosure Management of Hua Xia Bank* and the *Detailed Rules for the Implementation of Information Disclosure of Hua Xia Bank*, regulates daily information disclosure work, ensures the truthfulness, accuracy, completeness, timeliness and fairness of disclosed information, and effectively protects investors' right to information.

The Bank continuously improves the voluntary information disclosure indicator system, optimizes the content and structure of periodic reports, takes the initiative to increase the disclosure of business highlights and achievements in the field of sustainable development, and promotes the deepening of information disclosure from compliance fulfillment to value transmission. In October 2025, the Bank obtained the highest grade A (Excellent) in the 2024-2025 Information Disclosure Work Evaluation of Shanghai Stock Exchange Listed Companies.

The main channels for the Bank's information disclosure include the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), *China Securities Journal* ([www.cs.com.cn](http://www.cs.com.cn)), *Shanghai Securities News* ([www.cnstock.com](http://www.cnstock.com)), *Securities Times* ([www.stcn.com](http://www.stcn.com)), *Securities Daily* ([www.zqrb.cn](http://www.zqrb.cn)) and the Bank's official website ([www.hxb.com.cn](http://www.hxb.com.cn)).

### Investor Communication

The Bank attaches great importance to communication with investors, formulates systems including the *Measures for Investor Relations Work of Hua Xia Bank* and the *Market Value Management System of Hua Xia Bank*, promotes the construction of a diversified capital market communication mechanism, and continuously strengthens close communication with investors. In 2025, the Bank held 3 results presentations to conduct in-depth exchanges with all parties on ESG issues concerned by the capital market such as digital finance, financial risk management, and honest and compliant operation. Meanwhile, through channels such as the SSE e-Interaction, investor hotline and email, daily reception, and institutional strategy conferences, the Bank realized regular communication and interaction with investors and consolidated sound investor relations.

### Shareholder Return

The Bank values shareholder return and earnestly fulfills its responsibilities and commitments. On the basis of balancing its own development and regulatory requirements, the Bank maintains a stable dividend policy and achieves year-on-year growth in total dividend distribution. In 2025, the Bank continued to implement an interim cash dividend to continuously enhance investors' sense of gain and satisfaction.

### Protection of Minority Shareholders' Rights and Interests

The Bank revised the *Articles of Association* to strengthen the protection of shareholders' rights and interests, reducing the shareholding ratio for shareholders' provisional proposal right from 3% to 1%, effectively lowering the cost of exercising the proposal right, encouraging minority shareholders to actively participate in corporate governance, and promoting the continuous optimization of the Bank's governance structure.

The Bank strictly implements the relevant provisions of the Articles of Association on the Shareholders' Meeting. By announcing meeting information in advance, setting up on-site Q&A sessions, implementing separate voting and disclosure for minority shareholders on major matters affecting their interests, and requiring independent directors to issue independent opinions on important matters such as appointment and removal of directors and profit distribution, the Bank fully guarantees minority shareholders to exercise their shareholder rights. In addition, the Bank actively expands governance participation channels. Relying on "One-Click Access" online voting reminders and intelligent SMS notifications, the Bank greatly improves the convenience of minority shareholders to attend meetings and vote, and effectively safeguards the interests of minority shareholders.

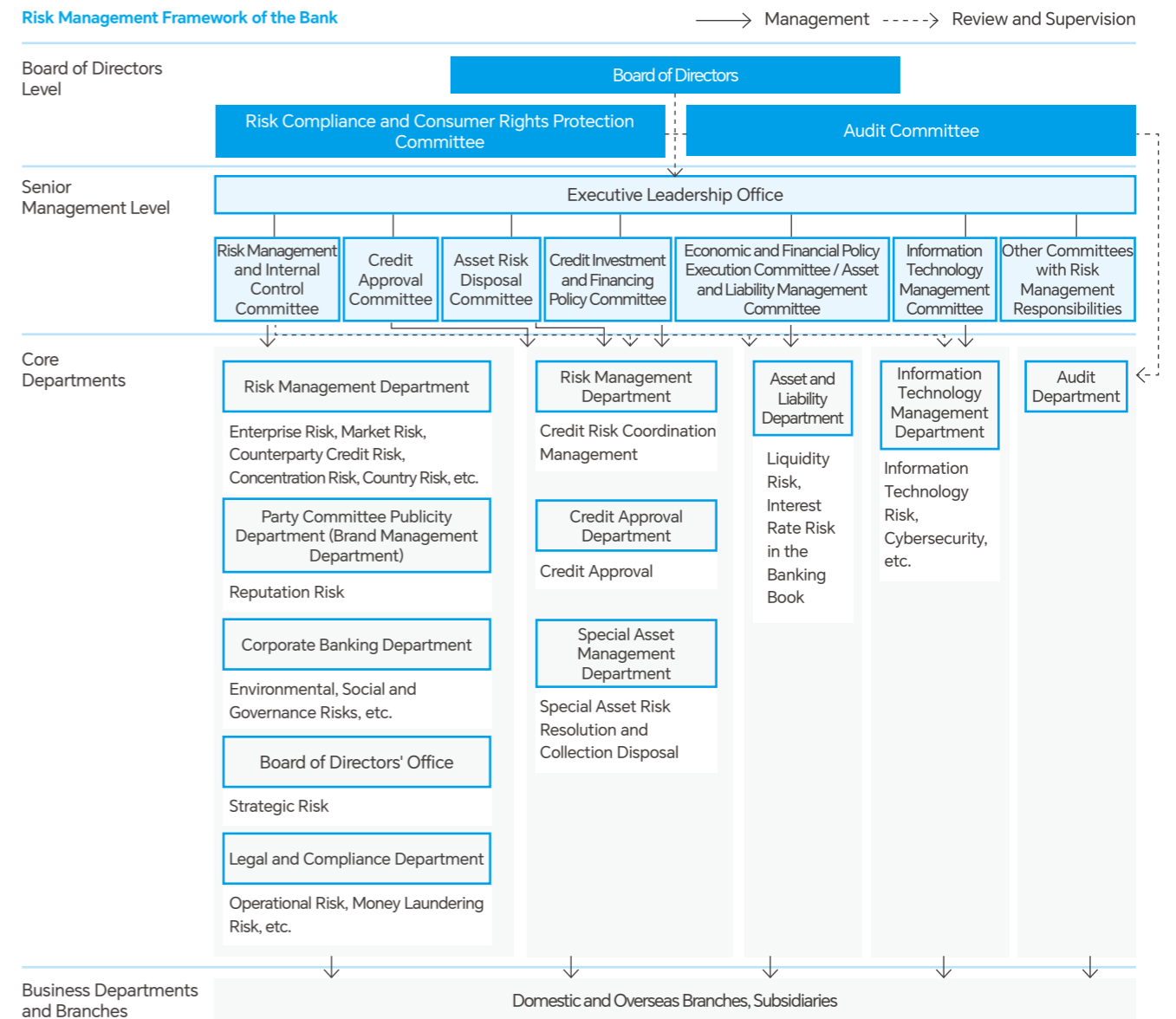


## Financial Risk Management

Hua Xia Bank actively responds to changes in the internal and external risk environment, strengthens its group-wide risk management system, enhances enterprise risk management coordination, and accelerates the digital and intelligent transformation of risk control to ensure effective prevention and management of all types of risks, laying a solid foundation for high-quality development.

### Risk Management Framework

The Bank has established a risk management framework with a well-defined organizational structure and clear lines of responsibility, forming an operating mechanism that ensures effective coordination and checks and balances.



The Board of Directors bears ultimate responsibility for enterprise risk management. The Risk Compliance and Consumer Rights Protection Committee of the Board of Directors provides professional advice on risk management to the Board or makes decisions on specialized matters under the Board's authorization. Senior management bears the implementation responsibility for comprehensive risk management. It has established specialized committees including the Risk Management and Internal Control Committee, the Credit Investment and Financing Policy Committee, the Credit Approval Committee, and the Asset Risk Disposal Committee, which review and make decisions on significant risk matters based on their respective responsibilities.

The Bank has established a "three lines of defense" risk management framework, under which responsibilities are divided and coordinated to implement enterprise risk management. Business departments serve as the first line of defense, bearing direct responsibility for risk management. Risk management departments, including the Risk Management Department, the Credit Approval Department, the Special Asset Management Department, the Asset and Liability Department, and the Legal and Compliance Department, serve as the second line of defense, responsible for developing policies and processes, and for monitoring and managing risks. The Audit Department serves as the third line of defense, responsible for auditing the performance of business departments and risk management departments.

## Enterprise Risk Management Coordination

The Bank has strengthened its enterprise risk management coordination mechanisms, improved its group-wide risk management system, enhanced the overall risk management capabilities of the Group, and leveraged the benefits of group-level risk management. In 2025, the Bank's key risk indicators remained within regulatory thresholds, risk prevention and control in key areas were effective, and asset quality continued to improve, providing strong support for the stable operation of the Bank's business across all areas.

<p><b>Strengthening the Policy and System Framework</b></p>	<p>Continuously improve the policy system covering risk management planning, risk appetite, risk management strategies, and various risk management systems and processes, ensuring that risk appetite and risk management requirements are embedded into business operation strategies and processes.</p>
<p><b>Establishing Regular Working Mechanisms</b></p>	<p>At the Group level, establish a working mechanism encompassing "comprehensive monitoring, regular reporting, tiered early warning, and liaison meetings" to strengthen the analysis of various types of risks at the Group level, and enhance reporting requirements for major risks and institutional risk operations.</p> <p>Convene regular risk management liaison meetings to promptly analyze and address issues identified in risk management.</p>
<p><b>Strengthening Risk Appetite and Strategy Management</b></p>	<p><b>Risk Appetite</b></p> <p>The Group maintains an overall "prudent" risk appetite stance. Guided by its strategic plan, it continuously improves its risk appetite management framework, clarifying the risk appetite stance for major individual risk types, and strengthens risk appetite transmission and process management to ensure business development aligns with risk appetite requirements.</p> <p><b>Risk Strategy</b></p> <p>Based on the environment, regulatory requirements, and the year's risk management priorities, the Group formulated its 2025 risk management strategy, establishing six categories covering seven annual risk control targets and specific risk management measures for individual risk types, ensuring stable operations.</p>

## Digital Risk Control

The Bank continues to emphasize data-driven and technology-enabled approaches, deepening the integration of internal and external data and the extraction of value from it, accelerating the application of digital technologies, and continuously iterating risk control tools. In 2025, the Bank advanced a number of initiatives focused on two key areas: the development of risk control systems and the optimization of risk models, effectively enhancing the effectiveness and efficiency of risk management and strengthening its capacity to support business operations.

<p><b>Risk Control System Development</b></p>	<p>Accelerated the development of a new generation credit system. Consulting work was initiated in October 2025 to drive the transformation of credit and investment financing business from traditional models to digital and intelligent models, comprehensively enhancing core competitiveness in risk management.</p> <p>Upgraded the big data risk identification and early warning system, leveraging technologies such as large models, knowledge graphs, and OCR to enhance system functionality and improve risk identification efficiency.</p> <p>Continued to develop the special assets management system, supporting the transition of operations and management towards greater intensification, specialization, intelligence, and ecosystem development, enabling full-cycle management of special assets.</p> <p>Built an enterprise-level anti-fraud real-time risk control platform to enable sharing of fraud lists and real-time risk control indicators.</p> <p>Developed and upgraded other risk control systems, such as the fund flow access system and the market risk management system, embedding digital risk control tools into business processes and continuously enhancing the digital level of risk management.</p>
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### Risk Control Model Optimization

Optimized the big data risk identification rules for corporate credit, refining the big data risk control rules covering internal and external risk information to enable automated, tiered, and classified application of corporate risk information.

Optimized the standard risk control models and rules for industrial digital products, developing a 16-grid matrix model framework to enable online model-based approval and risk monitoring.

Optimized the credit risk assessment model for technology-based enterprises, expanding the range of customers to which the model can be applied to support the development of technology finance business.

## Risk Culture Development

The Bank continues to strengthen its prudent risk culture, adhering to the principles of full staff coverage and targeted capability enhancement. It has established a comprehensive risk culture training system, inviting industry experts and university scholars to give lectures, and engaging in discussions on key and frontier issues in banking risk management to enhance its risk management knowledge base.

In 2025, the Bank conducted 17 special training sessions on risk management, covering topics such as post-loan management and country risk management, reaching over 3,000 participants across the Head Office and branches. Additionally, comprehensive risk management presentations were incorporated into the annual professional training programs for the retail finance and audit business lines, as well as training for managers of branches and subsidiaries, helping to foster and deepen a shared understanding of risk management across the organization.



# Integrity and Compliance Operation

Hua Xia Bank adheres to the concept of operating in accordance with laws and regulations, improves its compliance management system, deepens the construction of compliance culture, continuously enhances the quality and efficiency of compliance risk management, and consolidates the compliance cornerstone for the high-quality development of business operations.

## Employee Conduct Management

### Management Structure

The Bank has established a comprehensive, clearly authorized and mutually restrictive employee conduct management system, clarifying the division of responsibilities among the Board of Directors, senior management and relevant functional departments.

#### Board of Directors

Bears ultimate responsibility for employee conduct management, is responsible for fostering an employee conduct management culture of compliance and integrity, approving the Code of Employee Conduct and its detailed rules, supervising senior management in implementing employee conduct management, and authorizing the Risk Compliance and Consumer Rights Protection Committee to perform part of its responsibilities.

In 2025, the Board of Directors reviewed the *2024 Annual Self-Assessment Report on Employee Conduct Management of Hua Xia Bank* in writing; the Risk Compliance and Consumer Rights Protection Committee reviewed and approved the *Assessment Report on Criminal Case Risk Prevention and Control of Hua Xia Bank*, and reviewed the *Special Work Report on Preventing Financial Crimes by Employees of Hua Xia Bank* in writing.

#### Senior Management

Bears the responsibility for implementing employee conduct management, implements resolutions of the Board of Directors; is responsible for establishing a comprehensive employee conduct management system, clarifying the scope of responsibilities of relevant conduct management departments; organizes relevant departments to formulate the Code of Employee Conduct and its detailed rules and ensures their implementation; reports the results of employee conduct assessment to the Board of Directors annually.

#### Head Office and Branch Key Departments

##### Legal and Compliance Department

As the leading department for employee conduct management, it is responsible for establishing and improving the employee conduct management system; organizing the formulation of the Code of Employee Conduct and conduct rules; carrying out normalized internal control compliance education and training, employee abnormal behavior screening, and annual assessment of employee conduct.

##### Party Committee Organization Department (Human Resources Department)

Responsible for conducting background checks on proposed recruits and organizational inspections on proposed promoted cadres; incorporating employee conduct norms and compliance education into relevant training; implementing handling and punishment in accordance with accountability conclusions.

##### Audit Department

Responsible for auditing and supervising the employee conduct management work of all units.

### Institutional Norms

The Bank strictly abides by laws, regulations and regulatory policies such as the *Law of the People's Republic of China on Commercial Banks*, the *Guidelines for the Management of Conduct of Practitioners of Banking Financial Institutions*, and the *Guidance on the Professional Conduct of Practitioners of Banking Financial Institutions*, and formulates management systems including the *Code of Conduct for Employees of Hua Xia Bank*, the *Detailed Rules for Employee Conduct of Hua Xia Bank*, and the *Measures for the Management of Accountability for Violations of Hua Xia Bank*, continuously deepening the management of employee conduct norms and effectively preventing compliance risks caused by improper employee conduct.

### Abnormal Behavior Screening

In accordance with internal systems such as the *Measures for the Management of Screening of Abnormal Employee Behavior of Hua Xia Bank* and the *Measures for the Management of Prevention and Control of Criminal Case Risks of Hua Xia Bank*, the Bank has established a full-chain criminal case risk prevention and control system covering links such as screening of abnormal employee behavior, screening and disposal of criminal case risks, effectively preventing illegal and criminal acts.

The Bank has established a working mechanism for screening abnormal employee behavior, realizing supervision coverage over all employees, with a focus on violations such as employees engaging in business and holding shares, and conducting abnormal fund transactions with credit customers. Head Office departments conduct abnormal behavior screening every six months, and branches conduct abnormal behavior screening for employees under their jurisdiction on a quarterly basis. Problems found in the screening are rectified one by one, and serious accountability is imposed.

### Accountability Management

For personnel who violate laws, regulations, industry norms and the Bank's rules and regulations, or fail to perform or correctly perform their duties, the Bank resolutely implements "violators must be held accountable and dereliction must be investigated". According to the circumstances of violations, losses caused and adverse consequences, the Bank imposes critical education treatments such as conversation reminders and ordering rectification within a time limit, or disciplinary sanctions such as warnings and demerits. Those suspected of violating discipline or laws are transferred to Party discipline accountability departments for Party discipline accountability or to judicial organs for criminal liability, continuously strengthening the sense of responsibility and rules of all employees.

### Training and Promotion

The Bank firmly establishes the concept of "compliance starts from senior management, all employees take the initiative to comply, and compliance creates value", improves a hierarchical and categorized compliance training system, and continuously deepens the compliance awareness of all employees.

The Bank carries out compliance training for all employees. It invites industry experts to interpret new compliance laws and regulations for directors, supervisors and senior management, holds training courses for compliance officers and compliance management personnel, and training courses for heads of branch legal and compliance departments to improve the performance ability of compliance management personnel at all levels. It incorporates basic knowledge of employee conduct management and warning education into new employee training, covering the management system and typical cases of employee conduct management, to enhance new employees' professional ethics and ability to uphold professional integrity and resist corruption. It promotes normalized warning education, and through watching warning education films and compiling Typical Cases of Violations and Irregularities, uses cases to explain laws, take cases as a warning, and promote governance with cases, improving employees' awareness of case risk prevention and control and conscious compliance in operation. All professional lines and branches integrate the professional ethics and code of conduct of employees into daily training work, promoting the internalization of compliance concepts through long-term cultivation, and continuously improving the compliance ability of all employees.

In 2025, the Bank carried out more than 3,000 compliance education activities, covering more than 130 thousand person-times; carried out 398 anti-financial crime training sessions, covering 35.6 thousand person-times; carried out 256 legal training sessions, covering 38.3 thousand person-times.



Changsha Branch held the 2025 "Compliance Safeguards, Consumer Protection for the People" Compliance Knowledge Competition.

### Audit Supervision

The Bank conducts annual audits related to business ethics such as employee conduct management, and regularly audits matters related to employee conduct, case prevention and operational risks, and key infrastructure projects through comprehensive internal control audits, special audits, continuous audits, and economic responsibility audits. The audit scope covers all domestic and foreign branches every three years.

In 2025, the Bank conducted continuous audits on employee abnormal behavior for 40 tier one branches, focusing on business ethics-related matters such as employee conduct management and major violations. It conducted special audits on major infrastructure projects for the Head Office and 1 tier one branch, focusing on the authenticity, legality and efficiency of project construction and management activities. It conducted special audits on case prevention and operational risks for 3 tier one branches, focusing on the operation of the case prevention and operational risk prevention and control system and the implementation of prevention and control measures. In comprehensive internal control audits or special audits on problem rectification for 24 tier one branches, it paid attention to business ethics-related fields such as employee conduct, operational risks and centralized procurement.

## Anti-Money Laundering

### Management Structure

The Bank has established a clear, efficient and coordinated anti-money laundering risk management structure, forming a supervision and management system with decision-making by the Board of Directors and implementation by senior management, standardizing the division of responsibilities of all management levels, departments and institutions in anti-money laundering risk management, and forming a clear, coordinated and effective operation mechanism.

### Institutional Norms

The Bank has built a four-level system with the Group's anti-money laundering policy as the core, including internal anti-money laundering control systems, anti-money laundering detailed rules for business lines, and anti-money laundering requirements in business systems, and timely improves the system content in accordance with regulatory requirements and management reality, consolidating the foundation of anti-money laundering management of the whole bank. In 2025, the Bank revised the *Hua Xia Bank Money Laundering and Terrorist Financing Risk Management Policy*, improving risk definitions, basic principles, content and methods of anti-money laundering risk management, and further strengthening the effectiveness of anti-money laundering management of the whole bank.

### Management Measures

The Bank strictly abides by laws, regulations and regulatory policies such as the *Anti-Money Laundering Law of the People's Republic of China* and the *Measures for the Supervision and Administration of the Combat of Financial Institutions Against Money Laundering and Financing of Terrorism*, and regularly evaluates and adjusts the effectiveness of anti-money laundering risk management strategies in accordance with the "risk-based" approach.

#### Customer Due Diligence

In 2025, formulated guiding documents for ongoing customer due diligence of the whole bank, putting forward detailed requirements on dimensions such as the timing of due diligence, investigation measures, due diligence intensity and risk control.

The Bank follows the "know your customer" principle, identifies and takes reasonable measures to verify the identity of customers and their beneficial owners, understands the purpose and nature of customers' establishment of business relationships and transactions, and adopts corresponding due diligence measures according to customer characteristics and the nature and risk status of transaction activities. During the duration of the business relationship, it continuously pays attention to and evaluates the customer's risk status, and takes anti-money laundering risk management measures matching the risk when necessary.

#### Suspicious Transaction Reporting

In accordance with regulatory requirements and changes in the risk situation, strengthens the management of large-value and suspicious transaction reporting, optimizes suspicious transaction monitoring standards, increases technical support for transaction monitoring, and enhances the effectiveness of suspicious transaction system monitoring.

The Bank follows the principles of "risk-based" and "prudent and balanced", reasonably evaluates the suspicious degree and risk status of abnormal transactions, and takes appropriate anti-money laundering risk control measures for customers involved in suspicious transaction reports.

### Training and Promotion

Focusing on key areas and practical difficulties in anti-money laundering, the Bank systematically carries out hierarchical and categorized anti-money laundering training and education activities for all employees (including all labor contract employees and labor dispatch employees) according to different job responsibilities and capacity requirements. In 2025, the Bank carried out more than 3,200 anti-money laundering related training sessions, covering more than 130 thousand person-times including directors, management personnel, business personnel, front-line employees and new employees, improving the anti-money laundering compliance awareness and professional ability of all employees.

### Audit Supervision

The Bank conducts annual anti-money laundering audit supervision, and effectively supervises the implementation of internal control measures such as anti-money laundering system construction, customer due diligence, money laundering risk assessment, and large-value and suspicious transaction monitoring through comprehensive internal control audits, special audits and continuous audits. The audit scope covers all domestic and foreign branches every three years.

In 2025, the Bank conducted comprehensive internal control audits for 18 tier one branches, special anti-money laundering audits for 5 tier one branches, and continuous anti-money laundering audits for 40 tier one branches and relevant Head Office departments, investigating problems in customer due diligence, transaction reporting, money laundering risk assessment, and high-risk customer management. For problems found in the audit, timely notifications are made and audit rectification suggestions are put forward. Relevant institutions promote rectification and accountability by improving rules and regulations, optimizing system processes, strengthening training and publicity, and enhancing anti-money laundering work assessment.

## Anti-Commercial Bribery and Anti-Corruption

### Supervision Mechanism

The Beijing Municipal Commission for Discipline Inspection and Beijing Municipal Supervision Commission has set up a dispatched discipline inspection and supervision group in the Bank. Discipline inspection committees have been established in all tier one branches, the Credit Card Center, the Head Office organs and subsidiaries of the Bank, responsible for discipline inspection-related work of the whole bank. Discipline inspection and supervision departments play the role of "re-supervision of supervision", prevent and correct various violations of discipline and law, and seriously investigate and deal with corruption cases.

The Bank focuses on key areas to carry out special supervision, solidly carries out problem rectification, and carries out special supervision such as centralized rectification of unhealthy tendencies and corruption problems around the masses, systematic governance of corruption problems in the financial field, and systematic governance of prominent problems in the bidding field. Focusing on the "key minority", it continuously pays close attention to the performance of duties and powers in accordance with laws and regulations, responsibility and integrity of management personnel at all levels. The Bank focuses on power and responsibility, and prominent problems strongly reflected by the masses, comprehensively uses conventional inspections, special inspections and "look-back" inspections to solidly carry out political inspections, giving full play to the sword role of inspections. The Bank adheres to simultaneous investigation and rectification, actively cooperates with relevant institutions in investigation and handling, strengthens warning education and case analysis, promotes reform and governance with cases, and systematically advances the rectification of corruption problems.

### Comprehensive and Strict Governance of the Party

The Bank fully implements the general requirements for Party building in the new era, strengthens Party discipline construction, and improves a responsible and unified coordinated responsibility pattern. Taking the implementation of the "two responsibilities" as the starting point, it stresses the main responsibility of the Party Committee, the supervision responsibility of the Discipline Inspection Commission, the "first responsible person" responsibility of the Secretary and the "one post with two responsibilities" of the team members. It improves the working mechanism of the Leading Group for Comprehensive and Strict Governance of the Party (Party Building) of the Party Committee and the supervision and coordination mechanism of discipline inspection, human resources, legal and compliance, condensing the normal and long-term supervision synergy.

In 2025, the Bank carried out the investigation of performance avoidance and "naked officials" in the whole bank, further improving the effectiveness of the internal control mechanism and urging employees to perform their duties fairly and impartially.

### Institutional Norms

The Bank has formulated the *Code of Conduct for Employees of Hua Xia Bank* applicable to all employees of the Bank<sup>1</sup>, and formulated the *Prohibited Behaviors for Employees of Hua Xia Bank*, clarifying the red line of untouchable behaviors, strictly prohibiting employees from embezzling bank or customer assets, and strictly prohibiting illegal and disciplinary acts such as accepting bribes in business operations, management activities and internal and external exchanges. At the same time, the Bank clearly stipulates in the *Articles of Association of Hua Xia Bank Co., Ltd.* that directors and senior management have a fiduciary duty to the Bank, including abiding by the provisions on clean employment of leaders of state-owned enterprises, and not using their powers to bribe or receive other illegal income.

### Petition Management and Whistleblower Protection

The Bank has formulated the *Measures for the Management of Petition Work of Hua Xia Bank*, strictly accepts petition reports in a hierarchical and categorized manner in accordance with system provisions and management authority, standardizes the handling of petition matters, unblocks petition channels, and protects the rights and interests of petition whistleblowers. Discipline inspection and supervision departments at all levels accept and handle petitions and accusations against Party members, Party organizations and supervised objects, appeals by disciplined personnel who do not agree with relevant sanctions and treatments, and criticisms and suggestions on the construction of a clean and honest government and anti-corruption work in accordance with the *Rules for the Handling of Petitions and Accusations by Discipline Inspection and Supervision Organs* and in accordance with the functions and prescribed procedures of discipline inspection and supervision institutions.

<p><b>Whistleblowing Channels</b></p>	<p>Set up petition and whistleblowing reception places, support petition and whistleblowing through offline letters, visits, telephone calls, e-mail and other channels, providing convenient conditions for petition whistleblowers. Whistleblowing methods include real-name and anonymous whistleblowing.</p>
<p><b>Protection Mechanism</b></p>	<p>Strictly implement confidentiality requirements, strictly keep confidential the name, work unit, address and other relevant information of the whistleblower and the content of the whistleblowing, strictly prohibit revealing or transferring the accusation, exposure and complaint materials and relevant information to the units and persons being reported, and require that the acceptance of whistleblowing or the conduct of verification work be carried out without exposing the identity of the whistleblower.</p> <p>Strictly implement the recusal system: staff who are the reported person or their close relatives, who have an interest in the reported problem themselves or their close relatives, and other circumstances that may affect the fair handling of the accusation problem must recuse themselves.</p>

### Training and Promotion

The Bank deepens clean employment education and creates a good atmosphere of integrity and uprightness. In 2025, the Bank carried out 97 anti-corruption training sessions, covering 27.6 thousand person-times.

<p><b>For Members of the Board of Directors</b></p>	<p>Members of the Board of Directors actively participate in anti-corruption related training, including warning education and financial culture construction; participate in compliance performance training held by the Shanghai Stock Exchange, learning typical cases of disciplinary sanctions and administrative violations, enhancing performance ability and awareness of clean employment.</p>
<p><b>For Management Personnel and Employees</b></p>	<p>In-depth carry out warning education of "taking cases as a mirror and promoting reform with cases". During the reporting period, Party committees at all levels held more than 50 warning education conferences; compiled and sent <i>Typical Case Warning Records for Party Discipline Learning and Education</i> and <i>Briefing on Discipline Inspection and Supervision Work</i> to the whole bank, notifying typical cases, alerting management personnel and employees at all levels to consciously abide by discipline.</p>

<sup>1</sup> Including on-the-job personnel who have signed labor contracts with the Bank, members of the Board of Directors and senior management of the Bank, and other personnel employed by the Bank or under agreements with labor dispatch institutions to engage in auxiliary financial services.

### Audit Supervision

The Bank strengthens the audit of the implementation, execution and compliance of anti-corruption policies through comprehensive internal control audits, special audits, economic responsibility audits and continuous audits every year, focusing on key institutions, key links and key positions, paying close attention to various behaviors that may involve violations of discipline and regulations, embezzlement and corruption, and interest transmission, realizing early identification, early warning and early disposal, and urging all responsible subjects to perform their duties effectively. The audit supervision scope covers domestic and foreign branches and main business lines. The Bank strengthens the coordinated supervision with discipline inspection, inspection, legal and compliance and other departments, and form a supervision synergy through linkage of inspection and audit, transfer of clues, information sharing, etc., promoting systematic supervision and rectification, and seriously enforcing discipline and accountability.

In 2025, various comprehensive internal control audits, special audits and continuous audits of the Bank achieved full coverage of domestic and foreign branches, completed 334 economic responsibility audits of management cadres at the Head Office and branches, and conducted inspections on 5 branches through the linkage of inspection and audit, with the focus covering the clean employment of management personnel.

### Anti-Unfair Competition

The Bank strictly abides by the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, earnestly implements the *Banking Industry Anti-Unfair Competition Convention of the China Banking Association*, and upholds the principles of voluntariness, equality, fairness, honesty and credibility to maintain the financial market order in accordance with the Law.

The Bank regulates advertising and publicity activities in strict accordance with the *Measures for the Administration of News and Publicity of Hua Xia Bank*, the *Measures for the Administration of Brand Marketing of Hua Xia Bank* and other systems, and strictly prohibits brand publicity activities in ways that impair fair competition such as false or exaggerated statements. Meanwhile, the *Code of Conduct for Employees of Hua Xia Bank* and the *Detailed Rules for Employees of Hua Xia Bank* explicitly prohibit unfair competition by means of illegal deposit solicitation, low-price dumping, belittling peers, false publicity and other means, and prohibit non-public sales of various products superior to other similar customers for specific customers. The *Prohibited Behaviors for Employees of Hua Xia Bank* clearly prohibit employees from spying on or stealing internal information or trade secrets of peers for unfair competition, so as to jointly maintain a fair and honest working environment. In 2025, the Bank did not suffer any major administrative penalty due to unfair competition acts.

### Intellectual Property Protection

The Bank strictly abides by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other laws and regulations, and formulates management systems including the *Measures for the Administration of Intellectual Property Rights of Hua Xia Bank*, the *Detailed Rules for the Administration of Trademarks of Hua Xia Bank*, the *Measures for the Administration of the Use of Intellectual Property Rights Achievements of Others by Hua Xia Bank*, and the *Measures for the Assessment and Evaluation of Licensed Software Work of Hua Xia Bank*, establishing and improving a working mechanism covering intellectual property registration applications, right maintenance, dispute resolution and other links. The Bank strictly implements internal management requirements, standardizes the use of others' intellectual property rights achievements, and prevents legal risks of infringing others' intellectual property rights. In 2025, no major intellectual property rights violation occurred in the Bank.

### Tax Payment in Accordance with the Law

The Bank strictly abides by the *Enterprise Income Tax Law of the People's Republic of China*, the *Value-Added Tax Law of the People's Republic of China*, the *Individual Income Tax Law of the People's Republic of China*, the *Tax Collection Administration Law of the People's Republic of China* and other laws and regulations, and formulates management systems including the *Measures for Tax Administration of Hua Xia Bank*, the *Detailed Rules for the Implementation of Enterprise Income Tax Returns of Hua Xia Bank*, and the *Detailed Rules for the Implementation of Value-Added Tax of Hua Xia Bank* to effectively carry out tax administration.

In 2025, the Bank strictly regulated tax administration in accordance with the principle of "paying taxes in accordance with the law and operating in compliance", fully implemented changes in tax laws and policies, optimized tax administration processes, strengthened tax administration capacity building, and continuously improved the professional level of tax administration.

# Key Performance Table

## Environmental Key Performance Indicators

### Green Finance

#### Green Loans<sup>1</sup>

Indicator	Unit	2024	2025
Balance of green loans	RMB100 million	2,850.35	3,733.57
Balance of loans for energy conservation and carbon reduction industries	RMB100 million	232.03	327.93
Balance of loans for environmental protection industries	RMB100 million	191.48	204.89
Balance of loans for resource recycling industries	RMB100 million	242.90	346.26
Balance of loans for green and low-carbon energy transition	RMB100 million	297.38	373.83
Balance of loans for ecological protection, restoration and utilization	RMB100 million	312.87	310.53
Balance of loans for green upgrade of infrastructure	RMB100 million	1,472.38	1,902.73
Balance of green service loans	RMB100 million	73.19	74.92
Balance of green trade loans	RMB100 million	24.02	151.03
Balance of green consumer loans	RMB100 million	4.10	41.45
Increase in green loans from the beginning of the year	RMB100 million	/	883.22
Growth rate of the balance of green loans from the beginning of the year	%	/	30.99
CO <sub>2</sub> equivalent reduction of green loans	10,000 tons	/	307.73

#### Other Green Financial Products

Indicator	Unit	2023	2024	2025
Balance of green credit bond investments <sup>2</sup>	RMB100 million	/	68.98	361.80
Balance of green leasing	RMB100 million	622.52	811.30	985.79
Balance of green investments <sup>2</sup>	RMB100 million	223.02	263.27	459.44
ESG wealth management products under management	RMB100 million	295.04	311.38	326.23
Number of newly issued ESG wealth management products	/	/	5	9
Newly issued size of ESG wealth management products <sup>3</sup>	RMB100 million	/	9.08	12.60

<sup>1</sup> The 2025 statistical scope follows the *Green Finance Supported Project Catalogue (2025 Edition)* (Yin Fa [2025] No. 132) issued by the People's Bank of China, National Financial Regulatory Administration and China Securities Regulatory Commission. The 2024 data have been adjusted accordingly.

<sup>2</sup> The statistical scope is the Group scope.

<sup>3</sup> Only wealth management products newly launched during the reporting period are included.

## Climate Change Tackling

Indicator	Unit	2023	2024	2025
Total greenhouse gas emissions <sup>1</sup>	10,000 tons of CO <sub>2</sub> e	15.22	14.53	12.46
Direct greenhouse gas emissions (Scope 1) <sup>2</sup>	10,000 tons of CO <sub>2</sub> e	0.29	0.27	0.24
Indirect greenhouse gas emissions (Scope 2) <sup>3</sup>	10,000 tons of CO <sub>2</sub> e	14.93	14.17	12.13
Value chain greenhouse gas emissions (Scope 3) <sup>4</sup>	10,000 tons of CO <sub>2</sub> e	/	0.09	0.09

### Green Operations

#### Energy Consumption<sup>5</sup>

Indicator	Unit	2023	2024	2025
Total energy consumption	tons of coal equivalent	36,647.19	36,424.97	35,694.53
Direct energy consumption	tons of coal equivalent	1,597.59	1,508.72	1,298.63
Indirect energy consumption	tons of coal equivalent	35,049.60	34,916.25	34,395.90
Total energy intensity	tons of coal equivalent per employee	0.90	0.94	0.97
Direct energy consumption				
Gasoline consumption for official vehicles	tons of coal equivalent	678.61	630.42	515.60
Natural gas consumption	tons of coal equivalent	862.97	846.83	754.91
Diesel consumption	tons of coal equivalent	2.31	3.49	2.75
LPG consumption	tons of coal equivalent	35.83	6.55	3.94
Coal consumption	tons of coal equivalent	17.86	21.43	21.43
Direct energy intensity per employee	tons of coal equivalent per employee	0.04	0.04	0.04
Indirect energy consumption				
Purchased electricity consumption	tons of coal equivalent	26,741.98	26,930.55	26,790.68
Purchased heating consumption	tons of coal equivalent	8,307.62	7,985.70	7,605.21
Indirect energy intensity per employee	tons of coal equivalent per employee	0.86	0.90	0.94

<sup>1</sup> The statistical scope is the Group scope.

<sup>2</sup> Scope 1 emission sources of the Bank include natural gas, gasoline, diesel, LPG and coal. Emission factors are calculated in accordance with the default values in the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Public Building Operators (Trial)* issued by the National Development and Reform Commission (NDRC). All emission factors used are default values.

<sup>3</sup> Scope 2 emission sources of the Bank include purchased electricity and municipal heating. Power emission factors for mainland institutions are adopted from the *Announcement on Issuing 2023 Power CO<sub>2</sub> Emission Factors (2025)* issued by the Ministry of Ecology and Environment and National Bureau of Statistics; power emission factors for Hong Kong institutions are sourced from the *HK Electric Investments Limited 2024 Sustainability Report*. Municipal heating emission factors are calculated in accordance with the default values in the aforesaid NDRC guidelines. All emission factors used are default values.

<sup>4</sup> Scope 3 emissions of the Bank mainly cover CO<sub>2</sub> emissions from office paper used in operations. Relevant emission factors are sourced from *China Life Cycle GHG Emission Database (2023)*.

<sup>5</sup> The statistical scope for energy consumption is the Group scope.

Indicator	Unit	2023	2024	2025
Clean energy usage				
Total clean energy consumption <sup>1</sup>	tons of coal equivalent	1,217.03	1,233.89	5,124.96
Green electricity consumption	GWh	2.88	3.15	35.56
Natural gas consumption	10,000 m <sup>3</sup>	64.89	63.67	56.76
Proportion of clean energy in total energy use	%	3.32	3.39	14.36
Proportion of green electricity in clean energy use	%	29.09	31.37	85.27
Proportion of natural gas in clean energy use	%	70.91	68.63	14.73

#### Water Resources Management<sup>2</sup>

Indicator	Unit	2023	2024	2025
Water consumption	tons	1,166,781.30	1,098,223.82	694,464.92
Water consumption per employee	tons per employee	28.54	28.21	18.90

#### Paper Management<sup>3</sup>

Indicator	Unit	2023	2024	2025
Total office paper consumption	tons	569.29	502.39	501.05

#### Waste Management<sup>4</sup>

Indicator	Unit	2023	2024	2025
Total waste generated	tons	215.73	211.20	226.66
Total non-hazardous waste generated	tons	214.85	209.72	225.48
Kitchen waste	tons	205.56	198.48	216.24
Other non-hazardous waste	tons	9.29	11.24	9.24
Total hazardous waste generated	tons	0.88	1.48	1.18
Waste toner cartridges and ink cartridges	tons	0.88	1.48	1.18
Non-hazardous waste per employee	kg per employee	52.57	51.20	56.57
Hazardous waste per employee	kg per employee	0.22	0.36	0.30

#### Green and Environmental Protection Activities

Indicator	Unit	2023	2024	2025
Number of green office promotion activities	/	/	/	201
Number of environmental protection training sessions	/	134	129	248

<sup>1</sup> Clean energy of the Bank includes green electricity, natural gas, etc. Due to increased green electricity procurement and utilization in 2025, the total clean energy consumption increased significantly compared with 2024.

<sup>2</sup> The statistical scope for water resources management is the Group scope.

<sup>3</sup> The statistical scope for paper management is the Group scope.

<sup>4</sup> The statistical scope for waste management is the Head Office scope.

## Social Key Performance Indicators

### Service Scale

Indicator	Unit	2023	2024	2025
Number of business outlets	/	982	963	943
Number of rural and county outlets	/	108	104	105
Number of community banks	/	117	99	80
Number of overseas institutions	/	1	1	1
Proportion of rural and county outlets	%	11.00	10.80	11.13
Number of self-service banks	/	833	803	798
Number of smart counters installed	/	3,736	3,989	3,998
Number of outlets with barrier-free access	/	982	963	943
Number of new corporate clients	/	25,743	30,991	45,944

### Technology Finance

Indicator	Unit	2023	2024	2025
Investment and financing for tech enterprises in Beijing	RMB100 million	315.08	391.36	397.52
Balance of loans supporting strategic emerging industries	RMB100 million	1,036.23	1,402.00	1,807.58
Balance of manufacturing loans	RMB100 million	2,342.65	2,560.67	3,039.89

### Inclusive Finance

#### Agriculture-Related Loans<sup>1</sup>

Indicator	Unit	2024	2025
Balance of agriculture-related loans	RMB100 million	1,981.16	2,181.55
Proportion of agriculture-related loans in total loans	%	9.39	9.64
Number of clients served by agriculture-related loans	10,000 households	32,698	37,588
Balance of inclusive agriculture-related loans	RMB100 million	170.45	213.38

<sup>1</sup>The statistical scope for agriculture-related loans complies with the agriculture-related loan statistical system of the People's Bank of China.

### Micro and Small Enterprise Loans

Indicator	Unit	2023	2024	2025
Balance of micro and small business loans	RMB100 million	5,849.73	6,015.26	6,854.05
Proportion of micro and small business loans in total bank loans	%	28.51	28.51	30.28
Growth rate of micro and small business loans	%	3.45	2.83	13.94
Number of micro and small business loan clients	10,000 households	56.09	49.89	42.38
Balance of inclusive micro and small business loans	RMB100 million	1,750.11	1,826.33	1,936.11
Growth rate of balance of inclusive micro and small business loans	%	8.77	4.36	6.01
Number of micro and small businesses with inclusive loans	10,000 households	35.18	40.47	32.02

### Personal Loans

Indicator	Unit	2023	2024	2025
Balance of personal consumption loans	RMB100 million	1,045.26	1,112.20	1,116.64
Balance of personal loans (excluding credit cards)	RMB100 million	5,359.89	5,436.83	5,330.20
Credit amount of "New Citizen Elite Loan"	RMB10,000	/	9,834.70	10,607.20

### Pension Finance

Indicator	Unit	2023	2024	2025
Cumulative individual pension fund accounts opened	10,000 households	38.28	59.32	77.59

### Digital Finance

Indicator	Unit	2023	2024	2025
Number of electronic transactions	10 billion transactions	0.63	1.05	1.72
Number of corporate online banking transactions <sup>1</sup>	10,000 transactions	2,947.60	3,051.95	3,111.73
Number of personal online banking transactions <sup>2</sup>	10,000 transactions	1,661.75	1,778.09	1,737.06
Number of clients in core digital economy industries	households	92,320	93,658	96,845
Balance of loans to core digital economy industries <sup>3</sup>	RMB100 million	/	747.22	970.54
Cumulative launched Industrial Digital 3.0 projects	/	44	77	113
IT investment amount <sup>4</sup>	RMB100 million	40.48	34.25	39.43
Proportion of IT investment in operating income <sup>4</sup>	%	4.34	3.53	4.29

<sup>1</sup> Covers corporate online banking, bank-enterprise direct connection, group settlement center and customs duty payment.

<sup>2</sup> Covers successful fund transfer transactions of the whole year, excluding pending and failed transactions.

<sup>3</sup> The 2025 statistical scope follows the *Statistical System of Digital Economy Industry Loans (Trial)* (Yin Tiao Fa [2025] No. 3) issued by the People's Bank of China. The 2024 data have been adjusted accordingly.

<sup>4</sup> The statistical scope is the Group scope.

### Consumer Rights Protection

Indicator	Unit	2023	2024	2025
Number of customer complaints received <sup>1</sup>	10,000 cases	17.89	22.62	7.79
Number of closed customer complaints	10,000 cases	17.89	22.62	7.79
15-day closing rate of customer complaints	%	99.99	100	100
Number of 95577 customer follow-up calls	person-times	1,104,592	1,311,773	1,312,021
95577 customer satisfaction	%	99.65	99.68	99.60
Investment in public education services <sup>2</sup>	RMB10,000	/	697	469
Number of public education activities <sup>3</sup>	times	15,570	21,325	12,974
Audience of public education	10,000 person-times	4,230	10,251	13,968

### Cybersecurity and Data Security<sup>4</sup>

Indicator	Unit	2023	2024	2025
Number of cybersecurity training sessions	times	14	7	14
Number of information system emergency drills	times	125	133	158

<sup>1</sup> The 2025 statistical scope of customer complaints accepted excludes complaints regarding account control, negotiated repayment, credit reports, charging standards and duplicate complaints. The 2023/2024 statistical scope covers all customer complaints of the Bank.

<sup>2</sup> The Bank has expanded online promotion channels by leveraging its own digital operation resources. Meanwhile, it has optimized promotion models, strengthened external collaboration and resource sharing, and reduced repetitive investment by establishing long-term mechanisms. As a result, the investment in public education in 2025 decreased compared with 2024.

<sup>3</sup> The Bank has continuously optimized activity forms, shifting from multiple decentralized activities to centralized and integrated activities to improve the quality and efficiency of a single activity. Meanwhile, it has strengthened online promotion and regular on-site publicity to enhance the sustainability of publicity. As a result, the number of public education activities in 2025 decreased compared with 2024.

<sup>4</sup> The statistical scope for cybersecurity and data security is the Head Office scope.

## Employees

### Recruitment and Employment

Indicator	Unit	2023	2024	2025
Number of employees <sup>1</sup>				
Number of employees	persons	40,293	38,306	36,213
Female employees	persons	20,784	20,395	19,715
Male employees	persons	19,509	17,911	16,498
Employees aged 30 and below	persons	8,000	6,521	5,405
Employees aged 31-50	persons	29,674	28,941	27,775
Employees aged 51 and above	persons	2,619	2,844	3,033
Number of new employees <sup>2</sup>				
Number of new employees	persons	1,609	1,390	1,229
New female employees	persons	898	762	680
New male employees	persons	711	628	549
Employee turnover rate <sup>3</sup>				
Employee turnover rate	%	5.30	4.45	3.95
Voluntary employee turnover rate	%	5.09	4.25	3.74
Involuntary employee turnover rate	%	0.21	0.20	0.21

### Diversity and Equal Opportunity

Indicator	Unit	2023	2024	2025
Number of ethnic minority employees <sup>4</sup>	persons	1,985	1,899	1,835
Number of employees with disabilities <sup>1</sup>	persons	22	31	33
Proportion of female employees	%	51.58	53.24	54.44
Proportion of females in senior management <sup>5</sup>	%	14.47	14.61	12.94
Average tenure of female employees <sup>2</sup>	years	9.8	10.3	10.9
Average tenure of male employees <sup>2</sup>	years	10.0	10.6	11.3

<sup>1</sup> The statistical scope is the Bank scope, covering contract staff and dispatched staff of the Head Office and domestic and overseas branches.

<sup>2</sup> The statistical scope is the Bank scope, covering contract staff of the Head Office and domestic and overseas branches.

<sup>3</sup> The statistical scope is the Bank scope, covering contract staff of the Head Office and domestic and overseas branches. The employee turnover rate is calculated as the number of employees who left during the year divided by the annual average number of employees.

<sup>4</sup> The statistical scope is the Bank scope, covering contract staff and dispatched staff of the Head Office and domestic branches.

<sup>5</sup> The statistical scope refers to the proportion of females among personnel at the level of heads of Head Office departments and tier-1 branch heads and above.

### Employee Rights Protection

Indicator	Unit	2023	2024	2025
Labor contract signing rate <sup>1</sup>	%	100	100	100
Labor union establishment rate <sup>2</sup>	%	100	100	100
Proportion of employees covered by labor unions <sup>2</sup>	%	100	100	100
Social insurance coverage rate <sup>2</sup>	%	100	100	100
Total social insurance contributions for employees <sup>2</sup>	RMB100 million	26.56	27.41	28.25
Total remuneration paid to employees <sup>2</sup>	RMB100 million	114.47	116.49	116.51
Employee work-related injury insurance coverage <sup>2</sup>	%	100	100	100
Employee work-related injury insurance contributions <sup>2</sup>	RMB100 million	0.15	0.16	0.18

### Employee Care<sup>3</sup>

Indicator	Unit	2023	2024	2025
Number of employees in need assisted	persons	245	289	269
Medical subsidy amount	RMB10,000	28.84	28.20	24.88
Living assistance amount	RMB10,000	76.12	70.57	85.25

### Talent Development<sup>4</sup>

Indicator	Unit	2023	2024	2025
Employee training expenditure	RMB10,000	10,851.05	10,607.11	9,686.19
Number of employee training sessions <sup>5</sup>	times	7,829	8,280	5,828
Employee training participation <sup>5</sup>	10,000 person-times	62.26	65.19	87.33
Employee training coverage rate <sup>5</sup>	%	100	100	100
Average training hours per employee <sup>5</sup>	hours	84.55	101.61	102.95

### Public Welfare and Charity

Indicator	Unit	2023	2024	2025
Total public welfare donations <sup>2</sup>	RMB10,000	7,057.93	2,890.93	2,754.80
Proportion of total donations in total profit <sup>2</sup>	%	0.20	0.08	0.08
Number of volunteer activities <sup>6</sup>	times	1,658	1,896	1,628
Employee participation in volunteer activities <sup>6</sup>	person-times	18,545	21,062	10,181
Volunteer service hours <sup>6</sup>	hours	18,221.50	18,785.50	12,868.24

<sup>1</sup> The statistical scope is the Bank scope, covering contract staff of the Head Office and domestic and overseas branches.

<sup>2</sup> The statistical scope is the Group scope.

<sup>3</sup> The statistical scope for employee care is the Group scope.

<sup>4</sup> The statistical scope for talent development is the Bank scope, covering contract staff and dispatched staff of the Head Office and domestic and overseas branches.

<sup>5</sup> Based on "Hua Xia Academy" learning platform.

<sup>6</sup> In 2025, the Bank focused on systematic and influential volunteer service projects and reduced the frequency of scattered small-scale activities, resulting in a decrease in the total number of activities, total participants and volunteer service hours.

## Supply Chain Management

Indicator	Unit	2023	2024	2025
Supplier review coverage rate	%	100	100	100

## Governance Key Performance Indicators

### Financial Performance <sup>1</sup>

Indicator	Unit	2023	2024	2025
Total assets	RMB100 million	42,547.66	43,764.91	47,376.19
Operating income	RMB100 million	932.07	971.46	919.14
Total profit	RMB100 million	354.39	358.79	341.74
Net profit	RMB100 million	268.45	281.96	277.51
Total deposits	RMB100 million	21,299.45	21,513.70	23,816.99
Total loans	RMB100 million	23,095.83	23,663.17	25,666.66
Return on assets (ROA)	%	0.66	0.65	0.61
Weighted average return on equity (ROE)	%	8.71	8.84	8.32
Social contribution per share <sup>2</sup>	RMB	8.96	8.83	7.97

### Corporate Governance

Indicator	Unit	2023	2024	2025
Number of directors	persons	16	10	16
Proportion of female directors	%	18.75	20.00	18.75
Number of shareholders' meetings held	times	1	2	3
Number of resolutions adopted by shareholders' meetings	items	9	16	16
Number of board meetings held	times	8	12	13
Number of resolutions adopted by the board	items	60	82	84

### Financial Risk Management <sup>3</sup>

Indicator	Unit	2023	2024	2025
Capital adequacy ratio	%	12.23	13.44	13.16
Provision coverage ratio	%	160.06	161.89	143.30
Balance of non-performing loans	RMB100 million	385.05	379.14	398.86
Non-performing loan ratio	%	1.67	1.60	1.55

<sup>1</sup> The statistical scope for financial performance is the Group scope.

<sup>2</sup> Social contribution per share = Basic Earnings Per Share + (Taxes Paid + Employee Salaries and Benefits + Interest Expenses + Total Public Welfare Donations) / Total Share Capital at Period End.

<sup>3</sup> The statistical scope for financial risk management is the Group scope.

## Integrity and Compliance Operation

### Employee Conduct Management

Indicator	Unit	2023	2024	2025
Number of compliance education sessions	times	3,329	3,277	3,059
Participation in compliance education	10,000 person-times	12.26	12.51	13.60
Number of legal training sessions	times	228	241	256
Participation in legal training	person-times	42,472	36,121	38,349
Number of issues of Party conduct and clean governance education columns	issues	20	20	28

### Anti-Corruption

Indicator	Unit	2023	2024	2025
Number of anti-corruption training sessions	times	/	/	97
Participation in anti-corruption training	10,000 person-times	/	/	2.76
Number of directors attending anti-corruption training	persons	16	10	16
Proportion of directors in anti-corruption training	%	100	100	100
Number of management staff attending anti-corruption training	persons	12	7	9
Proportion of management in anti-corruption training	%	100	100	100
Number of employees attending anti-corruption training <sup>1</sup>	persons	6,922	6,729	14,409
Proportion of employees in anti-corruption training <sup>1</sup>	%	16.93	17.28	39.21

### Anti-Money Laundering and Anti-Financial Crime

Indicator	Unit	2023	2024	2025
Number of anti-money laundering training sessions	times	3,996	3,280	3,252
Participation in anti-money laundering training	10,000 person-times	12.73	13.16	13.75
Number of anti-financial crime lectures and training sessions	times	429	421	398
Participation in anti-financial crime training	person-times	33,872	33,090	35,612

### Anti-Unfair Competition

Indicator	Unit	2023	2024	2025
Amount involved in lawsuits or major administrative penalties due to unfair competition	RMB10,000	0	0	0

<sup>1</sup> The statistical scope is the Group scope, covering contract staff and dispatched staff of the Head Office, domestic and overseas branches and subsidiaries.

# Indexes

## (一) Index to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Dimension	No.	Issue	Corresponding Article(s)	Location of Disclosure
Environment	1	Climate change tackling	Articles 21	Environmental-Green Finance and Climate Change Tackling
			Articles 22	Environmental-Green Finance and Climate Change Tackling
			Articles 23	Environmental-Green Finance and Climate Change Tackling
			Articles 24	Environmental Key Performance Indicators-Climate Change Tackling
			Articles 25	Environmental Key Performance Indicators-Climate Change Tackling
			Articles 26	Environmental Key Performance Indicators-Climate Change Tackling
			Articles 27	Environmental-Green Finance and Climate Change Tackling, Green Operations
			Articles 28	Environmental-Green Finance and Climate Change Tackling
Society	2	Pollutant discharge	Article 30	Environmental-Green Operations
	3	Waste disposal	Article 31	Environmental-Green Operations Environmental Key Performance Indicators-Green Operations
	4	Ecosystem and biodiversity protection	Article 32	Environmental-Feature: Biodiversity Protection
	5	Environmental compliance management	Article 33	Environmental-Green Operations
	6	Energy usage	Article 35	Environmental-Green Operations Environmental Key Performance Indicators-Green Operations
	7	Use of water resources	Article 36	Environmental-Green Operations Environmental Key Performance Indicators-Green Operations
	8	Circular economy	Article 37	Environmental-Green Operations Environmental Key Performance Indicators-Green Operations
	9	Rural revitalization	Article 39	Social-Inclusive Finance, Public Welfare and Charity Social Key Performance Indicators-Inclusive Finance
	10	Contributions to the society	Article 40	Social-Public Welfare and Charity Social Key Performance Indicators-Public Welfare and Charity
	11	Innovation-driven	Article 42	Social- Technology Finance, Digital Finance Social Key Performance Indicators-Technology Finance, Digital Finance
	12	Ethics of science and technology	Article 43	Social-Digital Finance
	13	Supply chain security	Article 45	Social-Supply Chain Management
	14	Equal treatment to small and medium-sized enterprises	Article 46	Social-Supply Chain Management
	15	Safety and quality of products and services	Article 47	Social-Inclusive Finance, Consumer Rights Protection, Cybersecurity and Data Security
	16	Data security and customer privacy protection	Article 48	Social-Consumer Rights Protection, Cybersecurity and Data Security
	17	Employees	Article 50	Social-Employees Social Key Performance Indicators-Employees

Dimension	No.	Issue	Corresponding Article(s)	Location of Disclosure
Sustainability-related governance	18	Due diligence	Article 52	Sustainable Development Management-Double Materiality Assessment of Sustainability Issues
	19	Communication with stakeholders	Article 53	Sustainable Development Management-Stakeholder Engagement
	20	Anti-commercial bribery and anti-corruption	Article 55	Governance-Integrity and Compliance Operation Governance Key Performance Indicators-Integrity and Compliance Operation
	21	Anti-unfair competition	Article 56	Governance-Integrity and Compliance Operation

## (二) Index to the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards)

**State of use** Hua Xia Bank Co., Ltd. has reported the information cited in this GRI content index for the period from 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021


GRI Standard	Disclosure	Location of Disclosure
GRI 2: General Disclosures 2021	Disclosure 2-1 Organisational details	About Hua Xia Bank
	Disclosure 2-2 Entities included in the organisation's sustainability reporting	About the Report
	Disclosure 2-3 Reporting period, frequency, and contact point	About the Report
	Disclosure 2-4 Restatements of information	About the Report
	Disclosure 2-5 External assurance	Independent Assurance Statement
	Disclosure 2-6 Activities, value chain and other business relationships	About Hua Xia Bank
	Disclosure 2-7 Employees	Social-Employees Social Key Performance Indicators-Employees
	Disclosure 2-9 Governance structure and composition	Sustainable Development Management-Sustainable Development Governance Structure; Governance-Corporate Governance
	Disclosure 2-10 Nomination and selection of the highest governance body	Sustainable Development Management-Sustainable Development Governance Structure; Governance-Corporate Governance
	Disclosure 2-11 Chair of the highest governance body	Sustainable Development Management-Sustainable Development Governance Structure; Governance-Corporate Governance
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management-Sustainable Development Governance Structure; Governance-Corporate Governance
	Disclosure 2-13 Delegation of responsibility for managing impacts	Sustainable Development Management-Sustainable Development Governance Structure; Governance-Corporate Governance
	Disclosure 2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Management-Sustainable Development Governance Structure; Governance-Corporate Governance
	Disclosure 2-15 Conflicts of interest	Governance-Corporate Governance

GRI Standard	Disclosure	Location of Disclosure	
GRI 2: General Disclosures 2021	Disclosure 2-16 Communication of critical concerns	Sustainable Development Management-Sustainable Development Governance Structure; Governance-Corporate Governance	
	Disclosure 2-17 Collective knowledge of the highest governance body	Governance-Corporate Governance	
	Disclosure 2-18 Evaluation of the performance of the highest governance body	Governance-Corporate Governance	
	Disclosure 2-19 Remuneration policies	Social-Employees Social Key Performance Indicators-Employees	
	Disclosure 2-20 Process to determine remuneration	Social-Employees	
	Disclosure 2-22 Statement on sustainable development strategy	Sustainable Development Management-Sustainable Development Philosophy	
	Disclosure 2-23 Policy commitments	Preface	
	Disclosure 2-24 Embedding policy commitments	Preface	
	Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Sustainable Development Management-Stakeholder Engagement	
	Disclosure 2-27 Compliance with laws and regulations	Environmental-Green Operations Governance-Integrity and Compliance Operation	
GRI 3: Material Topics 2021	Disclosure 2-29 Approach to stakeholder engagement	Sustainable Development Management-Stakeholder Engagement	
	Disclosure 3-1 Process to determine material topics	Sustainable Development Management-Double Materiality Assessment of Sustainability Issues	
Economic Performance	Disclosure 3-2 List of material topics	Sustainable Development Management-Double Materiality Assessment of Sustainability Issues	
	GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	Governance Key Performance Indicators-Financial Performance
		Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Environmental-Green Finance and Climate Change Tackling
Disclosure 201-3 Defined benefit plan obligations and other retirement plans		Social-Employees	
Indirect Economic Impacts	GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported	Social-Technology Finance, Inclusive Finance, Pension Finance, Digital Finance
		Disclosure 203-2 Significant indirect economic impacts	Social Key Performance Indicators-Technology Finance, Inclusive Finance, Pension Finance, Digital Finance
Procurement Practices	GRI 204: Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers	Social Key Performance Indicators-Supply Chain Management
		GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	Governance-Integrity and Compliance Operation; Governance Key Performance Indicators-Integrity and Compliance Operation		
Disclosure 205-3 Confirmed incidents of corruption and actions taken	Governance-Integrity and Compliance Operation		
Tax	GRI 207: Tax 2019	Disclosure 207-1 Approach to tax	Governance-Integrity and Compliance Operation
		Disclosure 207-2 Tax governance, control, and risk management	Governance-Integrity and Compliance Operation
		Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	Governance-Integrity and Compliance Operation

GRI Standard	Disclosure	Location of Disclosure	
GRI 302: Energy 2016	Energy		
	Disclosure 302-1 Energy consumption within the organisation	Environmental Key Performance Indicators-Green Operations	
	Disclosure 302-2 Energy consumption outside of the organisation	Environmental Key Performance Indicators-Green Operations	
	Disclosure 302-3 Energy intensity	Environmental Key Performance Indicators-Green Operations	
	Disclosure 302-4 Reduction of energy consumption	Environmental-Green Operations	
Water and Effluents	Disclosure 302-5 Reductions in energy requirements of products and services	Environmental-Green Operations	
	GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	Environmental-Green Operations
Disclosure 303-2 Management of water discharge-related impacts		Environmental-Green Operations	
Disclosure 303-5 Water consumption		Environmental Key Performance Indicators-Green Operations	
Biodiversity	GRI 304: Biodiversity 2016	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	Environmental-Feature: Biodiversity Protection
		Emissions	GRI 305: Emissions 2016
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Environmental Key Performance Indicators-Climate Change Tackling		
Disclosure 305-4 GHG emissions intensity	Environmental Key Performance Indicators-Climate Change Tackling		
Disclosure 305-5 Reduction of GHG emissions	Environmental Key Performance Indicators-Climate Change Tackling		
Waste	GRI 306: Waste 2020		
Disclosure 306-2 Management of significant waste-related impact		Environmental-Green Operations	
Disclosure 306-3 Waste generated		Environmental Key Performance Indicators-Green Operations	
Supplier Environmental Assessment	GRI 308: Supplier Environmental Assessment 2016	Disclosure 308-1 New suppliers that were screened using environmental criteria	Social-Supply Chain Management
		Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	Social-Supply Chain Management
Employment	GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	Social Key Performance Indicators-Employees
		Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social-Employees

GRI Standard	Disclosure	Location of Disclosure
<b>Occupational Health and Safety</b>		
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system	Social-Employees
	Disclosure 403-3 Occupational health services	Social-Employees
	Disclosure 403-5 Worker training on occupational health and safety	Social-Employees
	Disclosure 403-6 Promotion of worker health	Social-Employees
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social-Employees
	Disclosure 403-9 Work-related injuries	Social Key Performance Indicators-Employees
	Disclosure 403-10 Work-related ill health	Social-Employees
<b>Training and Education</b>		
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	Social Key Performance Indicators-Employees
	Disclosure 404-2 Programmes for upgrading employee skills and transition assistance programs	Social-Employees
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Social-Employees
<b>Diversity and Equal Opportunity</b>		
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	Social-Employees; Governance-Corporate Governance
<b>Non-discrimination</b>		
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	Social-Employees
<b>Local Communities</b>		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Social-Public Welfare and Charity
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Social-Public Welfare and Charity
<b>Supplier Social Assessment</b>		
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	Social-Supply Chain Management Social Key Performance Indicators-Supply Chain Management
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	Social-Supply Chain Management
<b>Marketing and Labelling</b>		
GRI 417: Marketing and Labelling 2016	Disclosure 417-1 Requirements for product and service information and labelling	Social-Consumer Rights Protection
<b>Customer Privacy</b>		
GRI 418: Customer Privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social-Consumer Rights Protection

# Independent Assurance Statement


Assurance Statement: 2025 Sustainability Report of Hua Xia Bank

## Independent Assurance Statement for the 2025 Sustainability Report of Hua Xia Bank Co., Ltd.

**To the management team and stakeholders of Hua Xia Bank Co., Ltd.,**  
 SynTao Green Finance Co., Ltd. (hereinafter referred to as "SynTao GF" ) was commissioned by Hua Xia Bank Co., Ltd. (hereinafter referred to as "Hua Xia Bank" ) to conduct an independent third-party assurance of the relevant information disclosed in its *2025 Sustainability Report of Hua Xia Bank Co., Ltd.* (hereinafter referred to as "*Sustainability Report*" ). The assurance conducted by SynTao GF is outlined as follows:

### Scope of Assurance

- 1. Timeframe**  
 The assurance was limited to the information disclosed in the *Sustainability Report* for the period from January 1, 2025, to December 31, 2025. Any relevant information outside this reporting period were not within the scope of this assurance.
- 2. Information and Data Scope**  
 The scope of this assurance was limited to the information concerning Hua Xia Bank covered in the *Sustainability Report* and did not include information from third parties such as Hua Xia Bank's suppliers. Information disclosed in the *Sustainability Report* that had already been audited or verified by independent third-party organisations were not re-verified in this process.
- 3. Assurance Scope**  
 The assurance scope aimed to assess: 1) whether the *Sustainability Report* complied with the Inclusivity, Materiality, Responsiveness, and Impact principles outlined in *AA1000AP (2018)*, and 2) the reliability and quality of certain sustainability indicators, including:
 

<ul style="list-style-type: none"> <li>• Total greenhouse gas emissions</li> <li>• Direct greenhouse gas emissions (Scope 1)</li> <li>• Indirect greenhouse gas emissions (Scope 2)</li> <li>• Value chain greenhouse gas emissions (Scope 3)</li> <li>• Balance of green loans</li> <li>• Balance of green credit bond investments</li> <li>• Balance of manufacturing loans</li> <li>• Balance of loans supporting strategic emerging industries</li> <li>• ESG wealth management products under management</li> <li>• Water consumption</li> <li>• Number of business outlets</li> <li>• Number of rural and country outlets</li> <li>• Number of 95577 customer follow-up calls</li> <li>• Number of outlets with barrier-free access</li> <li>• Number of electronic transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Number of corporate online banking transactions</li> <li>• Number of personal online banking transactions</li> <li>• 15-day closing rate of customer complaints</li> <li>• Number of employees</li> <li>• Proportion of female employees</li> <li>• Number of ethnic minority employees</li> <li>• Employee training participation</li> <li>• Number of employee training sessions</li> <li>• Balance of agriculture-related loans</li> <li>• Balance of micro and small business loans</li> <li>• Total public welfare donations</li> <li>• Number of anti-money laundering training sessions</li> <li>• Participation in anti-money laundering training</li> <li>• Number of legal training sessions</li> <li>• Participation in legal training</li> </ul>
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### Responsibilities

The responsibility of Hua Xia Bank was to ensure the integrity and accuracy of the content of the *Sustainability Report* and the information provided to SynTao GF, with no significant misrepresentations.



Assurance Statement: 2025 Sustainability Report of Hua Xia Bank

The responsibility of SynTao GF was to issue an independent assurance statement based on the information provided by Hua Xia Bank under AA1000 Assurance Standard v3 (AA1000AS v3).

### Standards

SynTao GF utilized AA1000AS v3 as the reference standard for assurance services. AA1000AS v3 refers to the assurance standard created by AccountAbility. The type and depth of assurance conducted in this instance were categorized as “Type 2, Moderate Assurance” .

The assurance statement was prepared by SynTao GF following the *SynTao GF Non-Financial Report Assurance Method*. In addition to AA1000AS v3, the standards, principles, and initiatives referenced by SynTao GF included: Global Reporting Initiative *GRI Standards* / Sustainability Reporting Guidance from Shanghai, Shenzhen and Beijing Stock Exchanges / Hong Kong Exchanges and Clearing Limited *ESG Reporting Code* / Task Force on Climate-related Financial Disclosures *TCFD Framework* / International Sustainability Standards Board (ISSB) *IFRS S1 - General Requirements for Disclosures of Sustainability-related Financial Information* and *IFRS S2. Climate-related Disclosures* / European Union *Corporate Sustainability Reporting Directive (CSRD)* / *Greenhouse Gas Protocol (GHG Protocol)*, among others.

### Assurance Methodology

#### 1. Assurance Plan

SynTao GF recorded key resource requirements, evidence to be collected, tasks, activities, deliverables, and timelines in the schedule, forming a plan.

#### 2. Information Collection

Following principles of clarity, balance, completeness, and timeliness, SynTao GF assessed the quality of the collected information.

#### 3. Conducting Assurance

- Conducting interviews with sustainability management, including responsible employee from various departments including: Office of board of directors, Corporate Finance, Risk Management, Inclusive Finance (Technology Finance), Operation, etc.
- Verifying relevant documents, data, and other materials provided by Hua Xia Bank.
- Assessing whether the information and data in the *Sustainability Report* comply with the inclusivity, materiality, responsiveness, and impact principles outlined in *AA1000AP (2018)*.
- Assessing if the report follows *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*.

#### 4. Any other necessary work deemed by SynTao GF

### Independence and Capability

#### 1. Independence

SynTao GF declares that, SynTao GF and Hua Xia Bank are entirely independent entities. SynTao GF is free from bias or conflict of interest with Hua Xia Bank.

#### 2. Capability

SynTao GF specializes in providing professional consulting, research, and training services in sustainable finance, including environmental, social, and corporate governance (ESG) ratings, green finance strategy, Environmental and Social Risk Management (ESRM), green finance product innovation, research on green finance and responsible investment, green bond assurance, as well as green credit and responsible investment capacity building.

SynTao GF is a licensed assurance provider of AA1000AS v3. This license authorizes SynTao GF to use and comply with



Assurance Statement: 2025 Sustainability Report of Hua Xia Bank

AccountAbility's AA1000AS v3, as well as the use of the AA1000AS v3 markings related to sustainability assurance services.

Members of SynTao GF's assurance team hold qualifications in AA 1000 Certified Sustainability Assurance Practitioner (CSAP), ISO14001 internal auditing, CFA ESG, EFFAS Certified ESG Analyst, GRI training certification, carbon asset management, and other qualifications in the field of sustainable development. The team consists of professionals with extensive experience in the field of sustainable development and a comprehensive understanding of the AA1000AS v3 standard.

### Limitations

SynTao GF relied entirely on the information provided by Hua Xia Bank required in the assurance of this *Sustainability Report* and did not collect information from other external sources. Interviews also did not involve external stakeholders.

### Content for Assurance

#### 1. AA1000 Accountability Principles (2018)

**Inclusivity:** Hua Xia Bank identified the company's key stakeholders, it communicated with them continuously through various ways, and publicly disclosed the communication outcomes. Hua Xia Bank provides necessary capacity building for stakeholder engagement.

**Materiality:** Hua Xia Bank collected opinions from key stakeholders, identified sustainability issues that are highly relevant to the company, and have clear procedures to prioritise material issues.

**Responsiveness:** Hua Xia Bank has responded to the material issues of concern to its key stakeholders and reviewed its performance of relevant targets, and has invested in relevant capacity building.

**Impact:** Hua Xia Bank has established a process for measuring, evaluating, and managing the company's impacts, and has integrated some of these impacts into the company's management on material issues and strategic objectives.

#### 2. Assessment of Selected Sustainability Indicators

SynTao GF has verified the selected 30 sustainability indicators in the *Sustainability Report*.

### Conclusion

- SynTao GF did not identify any non-compliance with the Inclusivity, Materiality, Responsiveness, and Impact principles outlined in *AA1000AP (2018)* in the *2025 Sustainability Report of Hua Xia Bank Co., Ltd.*
- SynTao GF did not identify any situation that undermines the reliability and quality of the selected 30 sustainability indicators in the *2025 Sustainability Report of Hua Xia Bank Co., Ltd.* Stakeholders can take the 30 sustainability indicators as reference.
- The *2025 Sustainability Report of Hua Xia Bank Co., Ltd.* was not found to have been prepared without reference to the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*.



Assurance Provider: SynTao Green Finance Co., Ltd.

Assurance Team Lead: WU, Yanjing

Beijing, China

March 25, 2026

## Feedback Form

Thank you for reading the *Hua Xia Bank Co., Ltd. Sustainability Report 2025*. To provide you and other stakeholders with more valuable information and help the Bank further improve its sustainability management and performance, we sincerely welcome your comments and suggestions on this Report. Please contact us through the following channels:

Tel: 010-85238570

Fax: 010-85239605

Email: zhdb@hxb.com.cn

Postcode: 100005

Address: 22 Jianguomennei Street, Dongcheng District, Beijing

### What kind of stakeholders do you belong to?

- |                                      |   |                                    |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> Government  | <input type="checkbox"/> Regulatory authority     | <input type="checkbox"/> Partner   |
| <input type="checkbox"/> Environment | <input type="checkbox"/> Shareholder and investor | <input type="checkbox"/> Community |
| <input type="checkbox"/> Customer    | <input type="checkbox"/> Media                    | <input type="checkbox"/> Employee  |
| <input type="checkbox"/> Other ( )   |   |                                    |

### Do you think the Report completely covers your expectation of Hua Xia Bank?

- Yes  No, what else would you like to know ( )

### How would you rate the readability and layout design of the Report?

- Good  Average  Bad

### What other comments and suggestions do you have on our sustainability efforts and sustainability information disclosure?

可 持 续 更 美 好  
S U S T A I N A B L E , W O N D E R F U L

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